

**STRATA PLAN N.W. 2040**  
**FINANCIAL STATEMENTS**  
**AUGUST 31, 2013**  
**(Unaudited - See Notice to Reader)**

## NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Strata Plan N.W. 2040 as at August 31, 2013, and the statements of operations and changes in fund balances for the year then ended.

We have not performed an audit or review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these financial statements may not be appropriate for their purposes.

Burnaby, B.C.  
September 26, 2013



Chartered Accountants

**STRATA PLAN N.W. 2040**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2013**  
**(Unaudited - See Notice to Reader)**

	Operating Fund	Contingency Reserve Fund	Total 2013	Total 2012
Current Assets				
Cash	\$ -	\$ 69,337	\$ 69,337	\$ 96,060
Term deposit	-	11	11	11
Due from interfund	(6,037)	6,037	-	-
Accounts receivable	-	-	-	27
Prepaid expenses	1,769	-	1,769	1,519
	<u>\$ (4,268)</u>	<u>\$ 75,385</u>	<u>\$ 71,117</u>	<u>\$ 97,617</u>
Current Liabilities				
Accounts payable and accrued liabilities	\$ 210	\$ -	\$ 210	\$ 112
Deferred special assessments - (Note 3)	-	-	-	-
	<u>210</u>	<u>-</u>	<u>210</u>	<u>112</u>
Fund Balances				
Unrestricted	(4,478)	-	(4,478)	23,243
Internally restricted - (Note 4)	-	75,385	75,385	74,262
	<u>(4,478)</u>	<u>75,385</u>	<u>70,907</u>	<u>97,505</u>
	<u>\$ (4,268)</u>	<u>\$ 75,385</u>	<u>\$ 71,117</u>	<u>\$ 97,617</u>

Approved by the Directors

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**STRATA PLAN N.W. 2040**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED AUGUST 31, 2013**  
**(Unaudited - See Notice to Reader)**

	Operating Fund 2013	Operating Fund 2012	Contingency Reserve Fund	Total 2013	Total 2012
Income					
Assessments	\$ 124,498	\$ 102,814	\$ -	\$ 124,498	\$ 102,814
Special assessments - (Note 3)	-	95,360	-	-	95,360
Interest	-	-	-	-	-
Miscellaneous	300	274	-	300	274
	<u>124,798</u>	<u>198,448</u>	<u>-</u>	<u>124,798</u>	<u>198,448</u>
Expenditures					
Accounting and legal	2,535	2,234	-	2,535	2,234
Administration	487	1,000	-	487	1,000
Bank charges	146	125	-	146	125
Electricity	627	582	-	627	582
Grounds improvement	1,033	4,269	-	1,033	4,269
Insurance	20,973	19,192	-	20,973	19,192
Landscape maintenance	19,069	20,836	-	19,069	20,836
Maintenance	68,255	15,456	38,271	106,526	112,997
Maintenance - special assessments - (Note 3)	-	95,360	-	-	95,360
	<u>113,125</u>	<u>159,054</u>	<u>38,271</u>	<u>151,396</u>	<u>256,595</u>
Excess (deficiency) of income over expenditures from operations	<u>11,673</u>	<u>39,394</u>	<u>(38,271)</u>	<u>(26,598)</u>	<u>(58,147)</u>
Interfund transfers and other					
Contingency reserve provision	(16,151)	(16,151)	16,151	-	-
Transfer from operating fund	<u>(23,243)</u>	<u>(8,558)</u>	<u>23,243</u>	<u>-</u>	<u>-</u>
	<u>(39,394)</u>	<u>(24,709)</u>	<u>39,394</u>	<u>-</u>	<u>-</u>
	<u>(27,721)</u>	<u>14,685</u>	<u>1,123</u>	<u>(26,598)</u>	<u>(58,147)</u>
Fund balances, beginning of year	<u>23,243</u>	<u>8,558</u>	<u>74,262</u>	<u>97,505</u>	<u>155,652</u>
Fund balances, end of year	<u>\$ (4,478)</u>	<u>\$ 23,243</u>	<u>\$ 75,385</u>	<u>\$ 70,907</u>	<u>\$ 97,505</u>

**STRATA PLAN N.W. 2040**  
**STATEMENT OF CHANGES IN CONTINGENCY RESERVE FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2013**  
**(Unaudited - See Notice to Reader)**

	<u>General 2013</u>	<u>Painting 2013</u>	<u>Roofing 2013</u>	<u>Total 2013</u>
Balance, beginning of year	\$ 52,341	\$ 11,964	\$ 9,957	\$ 74,262
Add: Transfer from operating fund	23,243	-	-	23,243
Transfer from (to) contingency reserve fund	-	-	-	-
Transfer from expense	<u>-</u>	<u>11,964</u>	<u>4,187</u>	<u>16,151</u>
	75,584	23,928	14,144	113,656
Deduct: Special repairs expense	<u>25,888</u>	<u>-</u>	<u>12,383</u>	<u>38,271</u>
Balance, end of year	<u><u>\$ 49,696</u></u>	<u><u>\$ 23,928</u></u>	<u><u>\$ 1,761</u></u>	<u><u>\$ 75,385</u></u>

	<u>General 2012</u>	<u>Painting 2012</u>	<u>Roofing 2012</u>	<u>Total 2012</u>
Balance, beginning of year	\$ 43,783	\$ 51,602	\$ 51,709	\$ 147,094
Add: Transfer from operating fund	8,558	-	-	8,558
Transfer from (to) contingency reserve fund	-	(51,602)	51,602	-
Transfer from expense	<u>-</u>	<u>11,964</u>	<u>4,187</u>	<u>16,151</u>
	52,341	11,964	107,498	171,803
Deduct: Special repairs expense	<u>-</u>	<u>-</u>	<u>97,541</u>	<u>97,541</u>
Balance, end of year	<u><u>\$ 52,341</u></u>	<u><u>\$ 11,964</u></u>	<u><u>\$ 9,957</u></u>	<u><u>\$ 74,262</u></u>

**STRATA PLAN N.W. 2040**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2013**  
**(Unaudited - See Notice to Reader)**

**Note 1 Nature and Purpose of Organization**

The purpose of the Strata is the maintenance of a thirty-six unit strata townhome complex.

**Note 2 Accounting Policies**

The financial statements are not necessarily in accordance with Canadian generally accepted accounting principles. Outlined below are those policies the Strata considered particularly significant.

Fund Accounting

The Strata follows the restricted fund method of accounting.

The Operating Fund reports the assets, liabilities, income and expenditures related to the Strata's operating activities.

The Contingency Reserve Fund reports the assets, liabilities, income and expenditures related to the Strata's extraordinary repairs activities.

Revenue Recognition

Assessments

Assessments are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

Investment Income

Interest income earned on funds is recognized as revenue in the period the investment income is earned.

Income Taxes

The Strata is exempt from income taxes under the provisions of the Income Tax Act as a not-for-profit organization.

**Note 3 Special Assessments / Deferred Special Assessments**

The Strata may assess a special levy for a specific purpose where the expenditure has not been included in the annual budget, where there are insufficient monies in the Contingency Reserve Fund to fund the expenditure or where the decision has been made not to use monies from the Contingency Reserve Fund and where a special resolution has been passed by the members of the Strata. The funds collected through the special levy may only be used for the specific purpose the funds were collected for and the Strata must return any excess funds from a special levy to each owner of the Strata if there is at least one owner entitled to more than \$100. The excess funds may otherwise be deposited into the Contingency Reserve Fund.

Amounts collected under a special levy for a specific purpose that is not completed within a fiscal period are deferred and are not recognized into income until the related expenditure occurs

	<u>Roof and Exterior Repairs Project</u>	
	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ -	\$ 95,360
Special levy collected	-	-
Expenditures	-	(95,360)
	<u>\$ -</u>	<u>\$ -</u>

STRATA PLAN N.W. 2040  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2013  
(Unaudited - See Notice to Reader)

**Note 4   Internally Restricted Net Assets**

Major categories of internally imposed restrictions on net assets are as follows:

	<u>2013</u>	<u>2012</u>
Restricted for extraordinary repairs	\$ <u>75,385</u>	\$ <u>74,262</u>