

**STRATA PLAN N.W. 2040**  
**Financial Statements**  
**Year Ended August 31, 2014**  
*(Unaudited - See Notice To Reader)*

# Marsh & Marsh Inc.

CHARTERED ACCOUNTANTS

#405 - 1901 ROSSER AVE.  
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## NOTICE TO READER

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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, 2014 and the statements of operations and changes in fund balances for the year then ended.

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

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

Burnaby, British Columbia  
September 30, 2014

  
Chartered Accountants

**STRATA PLAN N.W. 2040**  
**Statement of Financial Position**  
**As At August 31, 2014**  
(Unaudited - See Notice to Reader)

	<u>Operating Fund</u>	<u>Contingency Reserve Fund</u>	<u>Total 2014</u>	<u>Total 2013</u>
Current Assets				
Cash	\$ 48,946	\$ 68,282	\$ 117,228	\$ 69,337
Term deposit	-	11	11	11
Prepaid expenses	<u>1,939</u>	<u>-</u>	<u>1,939</u>	<u>1,769</u>
	<u>\$ 50,885</u>	<u>\$ 68,293</u>	<u>\$ 119,178</u>	<u>\$ 71,117</u>
Current Liabilities				
Accounts payable and accrued liabilities	\$ 131	\$ -	\$ 131	\$ 210
	<u>131</u>	<u>-</u>	<u>131</u>	<u>210</u>
Fund Balances				
Unrestricted	50,754	-	50,754	18,765
Internally restricted - (Note 3)	<u>-</u>	<u>68,293</u>	<u>68,293</u>	<u>52,142</u>
	<u>50,754</u>	<u>68,293</u>	<u>119,047</u>	<u>70,907</u>
	<u>\$ 50,885</u>	<u>\$ 68,293</u>	<u>\$ 119,178</u>	<u>\$ 71,117</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, 2014

(Unaudited - See Notice to Reader)

	Operating Fund 2014	Operating Fund 2013	Contingency Reserve Fund	Total 2014	Total 2013
Income					
Assessments	\$ 124,498	\$ 124,498	\$ -	\$ 124,498	\$ 124,498
Miscellaneous	240	300	-	240	300
	<u>124,738</u>	<u>124,798</u>	<u>-</u>	<u>124,738</u>	<u>124,798</u>
Expenditures					
Accounting and legal	2,488	2,535	-	2,488	2,535
Administration	843	487	-	843	487
Bank charges	146	146	-	146	146
Consulting	7,659	-	-	7,659	-
Electricity	653	627	-	653	627
Grounds improvement	1,019	1,033	-	1,019	1,033
Insurance	22,659	20,973	-	22,659	20,973
Landscape maintenance	18,929	19,069	-	18,929	19,069
Maintenance	22,202	68,255	-	22,202	106,526
	<u>76,598</u>	<u>113,125</u>	<u>-</u>	<u>76,598</u>	<u>151,396</u>
Excess (deficiency) of income over expenditures from operations	<u>48,140</u>	<u>11,673</u>	<u>-</u>	<u>48,140</u>	<u>(26,598)</u>
Interfund transfers and other					
Contingency reserve provision	<u>(16,151)</u>	<u>(16,151)</u>	<u>16,151</u>	<u>-</u>	<u>-</u>
	<u>(16,151)</u>	<u>(16,151)</u>	<u>16,151</u>	<u>-</u>	<u>-</u>
	31,989	(4,478)	16,151	48,140	(26,598)
Fund balances, beginning of year	<u>18,765</u>	<u>23,243</u>	<u>52,142</u>	<u>70,907</u>	<u>97,505</u>
Fund balances, end of year	<u>\$ 50,754</u>	<u>\$ 18,765</u>	<u>\$ 68,293</u>	<u>\$ 119,047</u>	<u>\$ 70,907</u>

**STRATA PLAN N.W. 2040**

**Statement of Changes in Contingency Reserve Fund**

**For The Year Ended August 31, 2014**

(Unaudited - See Notice to Reader)

	<u>General 2014</u>	<u>Painting 2014</u>	<u>Roofing 2014</u>	<u>Total 2014</u>
Balance, beginning of year	\$ 26,453	\$ 23,928	\$ 1,761	\$ 52,142
Add: Transfer from expense	<u>-</u>	<u>11,964</u>	<u>4,187</u>	<u>16,151</u>
	26,453	35,892	5,948	68,293
Deduct: Special repairs expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 26,453</u>	<u>\$ 35,892</u>	<u>\$ 5,948</u>	<u>\$ 68,293</u>

	<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 expense	<u>-</u>	<u>11,964</u>	<u>4,187</u>	<u>16,151</u>
	52,341	23,928	14,144	90,413
Deduct: Special repairs expense	<u>25,888</u>	<u>-</u>	<u>12,383</u>	<u>38,271</u>
Balance, end of year	<u>\$ 26,453</u>	<u>\$ 23,928</u>	<u>\$ 1,761</u>	<u>\$ 52,142</u>

**STRATA PLAN N.W. 2040**  
**Notes to Financial Statements**  
**Year Ended August 31, 2014**  
*(Unaudited - See Notice To Reader)*

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**1. NATURE AND PURPOSE OF ORGANIZATION**

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

**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.

**3. INTERNALLY RESTRICTED NET ASSETS**

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

	<u>2014</u>	<u>2013</u>
Restricted for extraordinary repairs	<u>\$ 68,293</u>	<u>\$ 52,142</u>