

STRATA PLAN N.W. 2040
Financial Statements
Year Ended August 31, 2018
(Unaudited - See Notice To Reader)

Marsh & Marsh Inc.

CHARTERED PROFESSIONAL ACCOUNTANTS

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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, 2018 and the statement 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
October 16, 2018

Chartered Professional Accountants

STRATA PLAN N.W. 2040
Statement of Financial Position
August 31, 2018
(Unaudited - See Notice to Reader)

	Operating Fund	Contingency Reserve Fund	Total 2018	Total 2017
ASSETS				
CURRENT				
Cash	\$ 82,571	\$ 252,006	\$ 334,577	\$ 299,767
Prepaid expenses	2,039	-	2,039	1,931
	\$ 84,610	\$ 252,006	\$ 336,616	\$ 301,698
LIABILITIES AND FUND BALANCES				
CURRENT				
Accounts payable and accrued liabilities	\$ 410	\$ -	\$ 410	\$ 34,756
	410	-	410	34,756
FUND BALANCES				
Unrestricted	84,200	-	84,200	68,337
Internally restricted (Note 3)	-	252,006	252,006	198,605
	84,200	252,006	336,206	266,942
	\$ 84,610	\$ 252,006	\$ 336,616	\$ 301,698

ON BEHALF OF THE BOARD

Director

Director

STRATA PLAN N.W. 2040
Statement of Operations and Changes in Fund Balances
Year Ended August 31, 2018
(Unaudited - See Notice to Reader)

	Operating Fund 2018	Operating Fund 2017	Contingency Reserve Fund	Total 2018	Total 2017
REVENUE					
Assessments	\$ 167,698	\$ 167,698	\$ -	\$ 167,698	\$ 167,698
Miscellaneous	100	105	-	100	105
	167,798	167,803	-	167,798	167,803
EXPENDITURES					
Accounting and legal	2,625	2,704	-	2,625	2,704
Administration	499	419	-	499	419
Bank charges	427	135	-	427	135
Electricity	919	763	-	919	763
Grounds improvement	1,731	1,315	-	1,731	1,315
Insurance	25,233	23,181	-	25,233	23,181
Landscape maintenance	18,704	16,380	-	18,704	16,380
Maintenance	48,396	78,674	-	48,396	78,674
	98,534	123,571	-	98,534	123,571
EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS	69,264	44,232	-	69,264	44,232
INTERFUND TRANSFERS AND OTHER					
Contingency reserve provision	(16,151)	(16,151)	16,151	-	-
Transfer from operating fund	(37,250)	-	37,250	-	-
	(53,401)	(16,151)	53,401	-	-
	15,863	28,081	53,401	69,264	44,232
FUND BALANCES, BEGINNING OF YEAR	68,337	40,256	198,605	266,942	222,710
FUND BALANCES, END OF YEAR	\$ 84,200	\$ 68,337	\$ 252,006	\$ 336,206	\$ 266,942

STRATA PLAN N.W. 2040
Statement of Changes in Contingency Reserve Fund
Year Ended August 31, 2018
(Unaudited - See Notice to Reader)

	General 2018	Painting 2018	Roofing 2018	Total 2018
Balance, beginning of year	\$ 108,312	\$ 71,784	\$ 18,509	\$ 198,605
Add: Contingency reserve provision	-	11,964	4,187	16,151
Transfer from operating fund	37,250	-	-	37,250
	145,562	83,748	22,696	252,006
Deduct: Special repairs expense	-	-	-	-
Balance, end of year	\$ 145,562	\$ 83,748	\$ 22,696	\$ 252,006

	General 2017	Painting 2017	Roofing 2017	Total 2017
Balance, beginning of year	\$ 108,312	\$ 59,820	\$ 14,322	\$ 182,454
Add: Contingency reserve provision	-	11,964	4,187	16,151
Transfer from operating fund	-	-	-	-
	108,312	71,784	18,509	198,605
Deduct: Special repairs expense	-	-	-	-
Balance, end of year	\$ 108,312	\$ 71,784	\$ 18,509	\$ 198,605

STRATA PLAN N.W. 2040
Notes to Financial Statements
Year Ended August 31, 2018
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1. NATURE AND PURPOSE OF ORGANIZATION

The Strata Corporation is governed under the provisions of the Strata Property Act of British Columbia for the purpose of the control, management and administration of the common property, facilities and assets of the Strata Corporation.

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

2. ACCOUNTING POLICIES

Fund Accounting

The Strata follows the restricted fund method of accounting on the accrual basis. The purpose of each fund is as follows:

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

The Contingency Reserve Fund reports the assets, liabilities, revenues 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.

3. INTERNALLY RESTRICTED NET ASSETS

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

	<u>2018</u>	<u>2017</u>
Restricted for extraordinary repairs	\$ 252,006	\$ 198,605