

STRATA PLAN N.W. 2040
Financial Statements
Year Ended August 31, 2019
(Unaudited - See Notice To Reader)

Marsh & Marsh Inc.

CHARTERED PROFESSIONAL ACCOUNTANTS

#405 - 1901 ROSSER AVE.
BURNABY, B.C. V5C 6S3
TEL: (604) 299-6344
FAX: (604) 299-6355

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, 2019 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 14, 2019



Chartered Professional Accountants

STRATA PLAN N.W. 2040
Statement of Financial Position
August 31, 2019
(Unaudited - See Notice to Reader)

	Operating Fund	Contingency Reserve Fund	Total 2019	Total 2018
ASSETS				
CURRENT				
Cash	\$ 76,908	\$ 164,772	\$ 241,680	\$ 334,577
Accounts receivable	180	-	180	-
Prepaid expenses	2,269	-	2,269	2,039
	\$ 79,357	\$ 164,772	\$ 244,129	\$ 336,616
LIABILITIES AND FUND BALANCES				
CURRENT				
Accounts payable and accrued liabilities	\$ -	\$ 78,545	\$ 78,545	\$ 410
	-	78,545	78,545	410
FUND BALANCES				
Unrestricted	79,357	-	79,357	84,200
Internally restricted (Note 3)	-	86,227	86,227	252,006
	79,357	86,227	165,584	336,206
	\$ 79,357	\$ 164,772	\$ 244,129	\$ 336,616

ON BEHALF OF THE BOARD

Director

Director

STRATA PLAN N.W. 2040
Statement of Operations and Changes in Fund Balances
Year Ended August 31, 2019
(Unaudited - See Notice to Reader)

	Operating Fund 2019	Operating Fund 2018	Contingency Reserve Fund	Total 2019	Total 2018
REVENUE					
Assessments	\$ 167,698	\$ 167,698	\$ -	\$ 167,698	\$ 167,698
Miscellaneous	50	100	-	50	100
	167,748	167,798	-	167,748	167,798
EXPENDITURES					
Accounting and legal	1,313	2,625	-	1,313	2,625
Administration	691	499	-	691	499
Bank charges	508	427	-	508	427
Electricity	638	919	-	638	919
Grounds improvement	928	1,731	-	928	1,731
Insurance	27,000	25,233	-	27,000	25,233
Landscape maintenance	25,788	18,704	-	25,788	18,704
Maintenance	5,826	48,396	275,678	281,504	48,396
	62,692	98,534	275,678	338,370	98,534
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FROM OPERATIONS	105,056	69,264	(275,678)	(170,622)	69,264
INTERFUND TRANSFERS AND OTHER					
Contingency reserve provision	(26,151)	(16,151)	26,151	-	-
Transfer from operating fund	(83,748)	(37,250)	83,748	-	-
	(109,899)	(53,401)	109,899	-	-
	(4,843)	15,863	(165,779)	(170,622)	69,264
FUND BALANCES, BEGINNING OF YEAR	84,200	68,337	252,006	336,206	266,942
FUND BALANCES, END OF YEAR	\$ 79,357	\$ 84,200	\$ 86,227	\$ 165,584	\$ 336,206

STRATA PLAN N.W. 2040
Statement of Changes in Contingency Reserve Fund
Year Ended August 31, 2019
(Unaudited - See Notice to Reader)

	General 2019	Painting 2019	Roofing 2019	Total 2019
Balance, beginning of year	\$ 145,562	\$ 83,748	\$ 22,696	\$ 252,006
Add: Contingency reserve provision	10,000	11,964	4,187	26,151
Transfer from operating fund	83,748	-	-	83,748
	239,310	95,712	26,883	361,905
Deduct: Special repairs expense	179,966	95,712	-	275,678
Balance, end of year	\$ 59,344	\$ -	\$ 26,883	\$ 86,227

	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

STRATA PLAN N.W. 2040
Notes to Financial Statements
Year Ended August 31, 2019
(Unaudited - See Notice To Reader)

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>2019</u>	<u>2018</u>
Restricted for extraordinary repairs	<u>\$ 86,227</u>	<u>\$ 252,006</u>