

STRATA PLAN N.W. 2040
Financial Statements
Year Ended August 31, 2020
(Unaudited - See Notice To Reader)

Marsh & Marsh Inc.

CHARTERED PROFESSIONAL ACCOUNTANTS

#405 - 1901 ROSSER AVE.
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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, 2020 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 6, 2020

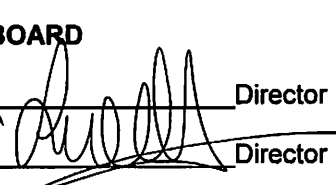


Chartered Professional Accountants

STRATA PLAN N.W. 2040
Statement of Financial Position
August 31, 2020
(Unaudited - See Notice to Reader)

	Operating Fund	Contingency Reserve Fund	Total 2020	Total 2019
ASSETS				
CURRENT				
Cash	\$ 30,791	\$ 181,735	\$ 212,526	\$ 241,680
Accounts receivable	-	-	-	180
Prepaid expenses	2,269	-	2,269	2,269
	<u>\$ 33,060</u>	<u>\$ 181,735</u>	<u>\$ 214,795</u>	<u>\$ 244,129</u>
LIABILITIES AND FUND BALANCES				
CURRENT				
Accounts payable and accrued liabilities	\$ 17,441	\$ -	\$ 17,441	\$ 78,545
	<u>17,441</u>	<u>-</u>	<u>17,441</u>	<u>78,545</u>
FUND BALANCES				
Unrestricted	15,619	-	15,619	79,357
Internally restricted (Note 3)	-	181,735	181,735	86,227
	<u>15,619</u>	<u>181,735</u>	<u>197,354</u>	<u>165,584</u>
	<u>\$ 33,060</u>	<u>\$ 181,735</u>	<u>\$ 214,795</u>	<u>\$ 244,129</u>

ON BEHALF OF THE BOARD

 Director
 Director

STRATA PLAN N.W. 2040
Statement of Operations and Changes in Fund Balances
Year Ended August 31, 2020
(Unaudited - See Notice to Reader)

	Operating Fund 2020	Operating Fund 2019	Contingency Reserve Fund	Total 2020	Total 2019
REVENUE					
Assessments	\$ 167,698	\$ 167,698	\$ -	\$ 167,698	\$ 167,698
Miscellaneous	500	50	-	500	50
	168,198	167,748	-	168,198	167,748
EXPENDITURES					
Accounting and legal	4,331	1,313	-	4,331	1,313
Administration	1,390	691	-	1,390	691
Bad debts	302	-	-	302	-
Bank charges	517	508	-	517	508
Electricity	760	638	-	760	638
Grounds improvement	3,464	928	-	3,464	928
Insurance	31,919	27,000	-	31,919	27,000
Landscape maintenance	22,222	25,788	-	22,222	25,788
Maintenance	71,523	5,826	-	71,523	281,504
	136,428	62,692	-	136,428	338,370
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FROM OPERATIONS	31,770	105,056	-	31,770	(170,622)
INTERFUND TRANSFERS AND OTHER					
Contingency reserve provision	(16,151)	(26,151)	16,151	-	-
Transfer from operating fund	(79,357)	(83,748)	79,357	-	-
	(95,508)	(109,899)	95,508	-	-
	(63,738)	(4,843)	95,508	31,770	(170,622)
FUND BALANCES, BEGINNING OF YEAR	79,357	84,200	86,227	165,584	336,206
FUND BALANCES, END OF YEAR	\$ 15,619	\$ 79,357	\$ 181,735	\$ 197,354	\$ 165,584

STRATA PLAN N.W. 2040
Statement of Changes in Contingency Reserve Fund
Year Ended August 31, 2020
(Unaudited - See Notice to Reader)

	General 2020	Painting 2020	Roofing 2020	Total 2020
Balance, beginning of year	\$ 59,344	\$ -	\$ 26,883	\$ 86,227
Add: Contingency reserve provision	-	11,964	4,187	16,151
Transfer from operating fund	79,357	-	-	79,357
	138,701	11,964	31,070	181,735
Deduct: Special repairs expense	-	-	-	-
Balance, end of year	\$ 138,701	\$ 11,964	\$ 31,070	\$ 181,735

	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

STRATA PLAN N.W. 2040
Notes to Financial Statements
Year Ended August 31, 2020
(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>2020</u>	<u>2019</u>
Restricted for extraordinary repairs	\$ 181,735	\$ 86,227