

**STRATA PLAN N.W. 2040  
FINANCIAL STATEMENTS  
AUGUST 31, 2007  
(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, 2007, 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.  
October 3, 2007



Chartered Accountants

**STRATA PLAN N.W. 2040**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2007**  
**(Unaudited - See Notice to Reader)**

	Operating Fund	Contingency Reserve Fund	Total 2007	Total 2006
Current Assets				
Cash	\$ 10,197	\$ 52,302	\$ 62,499	\$ 57,452
Term deposit	-	36,054	36,054	34,815
Accounts receivable	347	-	347	543
Prepaid expenses	1,075	-	1,075	974
	<u>\$ 11,619</u>	<u>\$ 88,356</u>	<u>\$ 99,975</u>	<u>\$ 93,784</u>
Current Liabilities				
Accounts payable and accrued liabilities	\$ 106	\$ -	\$ 106	\$ 106
	<u>106</u>	<u>-</u>	<u>106</u>	<u>106</u>
Fund Balances				
Unrestricted	11,513	-	11,513	20,001
Internally restricted - (Note 3)	-	88,356	88,356	73,677
	<u>11,513</u>	<u>88,356</u>	<u>99,869</u>	<u>93,678</u>
	<u>\$ 11,619</u>	<u>\$ 88,356</u>	<u>\$ 99,975</u>	<u>\$ 93,784</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, 2007**  
**(Unaudited - See Notice to Reader)**

	Operating Fund 2007	Operating Fund 2006	Contingency Reserve Fund	Total 2007	Total 2006
Income					
Assessments	\$ 73,250	\$ 73,250	\$ -	\$ 73,250	\$ 73,250
Interest	1,238	1,146	-	1,238	1,146
Miscellaneous	100	255	-	100	255
	<u>74,588</u>	<u>74,651</u>	<u>-</u>	<u>74,588</u>	<u>74,651</u>
Expenditures					
Accounting and legal	2,009	1,813	-	2,009	1,813
Administration	831	733	-	831	733
Bank charges	160	98	-	160	98
Electricity	510	466	-	510	466
Grounds improvement	2,741	91	-	2,741	91
Insurance	11,854	11,795	-	11,854	11,795
Landscape maintenance	14,447	12,257	-	14,447	12,257
Maintenance	15,992	11,571	19,853	35,845	50,357
	<u>48,544</u>	<u>38,824</u>	<u>19,853</u>	<u>68,397</u>	<u>77,610</u>
Excess of income over expenditures from operations	<u>26,044</u>	<u>35,827</u>	<u>(19,853)</u>	<u>6,191</u>	<u>(2,959)</u>
Interfund transfers and other					
Contingency reserve provision	(14,531)	(15,826)	14,531	-	-
Transfer from operating fund	(20,001)	(3,972)	20,001	-	-
	<u>(34,532)</u>	<u>(19,798)</u>	<u>34,532</u>	<u>-</u>	<u>-</u>
	<u>(8,488)</u>	<u>16,029</u>	<u>14,679</u>	<u>6,191</u>	<u>(2,959)</u>
Fund balances, beginning of year	<u>20,001</u>	<u>3,972</u>	<u>73,677</u>	<u>93,678</u>	<u>96,637</u>
Fund balances, end of year	<u>\$ 11,513</u>	<u>\$ 20,001</u>	<u>\$ 88,356</u>	<u>\$ 99,869</u>	<u>\$ 93,678</u>

**STRATA PLAN N.W. 2040**  
**STATEMENT OF CHANGES IN CONTINGENCY RESERVE FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
**(Unaudited - See Notice to Reader)**

	<u>General 2007</u>	<u>Painting 2007</u>	<u>Roofing 2007</u>	<u>Total 2007</u>
Balance, beginning of year	\$ 28,158	\$ 14,519	\$ 31,000	\$ 73,677
Add: Transfer from operating fund	-	-	20,001	20,001
Transfer from expense	<u>-</u>	<u>10,531</u>	<u>4,000</u>	<u>14,531</u>
	28,158	25,050	55,001	108,209
Deduct: Special repairs expense	<u>-</u>	<u>-</u>	<u>19,853</u>	<u>19,853</u>
Balance, end of year	<u><u>\$ 28,158</u></u>	<u><u>\$ 25,050</u></u>	<u><u>\$ 35,148</u></u>	<u><u>\$ 88,356</u></u>

	<u>General 2006</u>	<u>Painting 2006</u>	<u>Roofing 2006</u>	<u>Total 2006</u>
Balance, beginning of year	\$ 24,186	\$ 41,479	\$ 27,000	\$ 92,665
Add: Transfer from operating fund	3,972	-	-	3,972
Transfer from expense	<u>-</u>	<u>11,826</u>	<u>4,000</u>	<u>15,826</u>
	28,158	53,305	31,000	112,463
Deduct: Special repairs expense	<u>-</u>	<u>38,786</u>	<u>-</u>	<u>38,786</u>
Balance, end of year	<u><u>\$ 28,158</u></u>	<u><u>\$ 14,519</u></u>	<u><u>\$ 31,000</u></u>	<u><u>\$ 73,677</u></u>

**STRATA PLAN N.W. 2040**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2007**  
**(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            Significant 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            Internally Restricted Net Assets**

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

	<u>2007</u>	<u>2006</u>
Restricted for extraordinary repairs	<u>\$       88,356</u>	<u>\$       73,677</u>