

**Strata NES 2930 – Koocanusa Ranch  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
MARCH 31, 2009**

---

**NOTICE TO READER**

We have compiled the Balance Sheet of Strata NES 2930 – Koocanusa Ranch as at March 31, 2009 and the Statement of Income and Expenses for the year then ended from information provided by directors. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

Guenther, Ball Associates  
May 20, 2009  
Cranbrook, B.C.

Strata NES 2930 - Kooacanusa Ranch

BALANCE SHEET

MARCH 31, 2009

(Unaudited - See Notice To Reader)

ASSETS

CURRENT ASSETS

Strata Operating Funds	\$ 30,643
Contingency Reserve Trust	33,612
Accounts Receivable	<u>9,247</u>
	\$ <u>73,501</u>

EQUITY

RETAINED EARNINGS	\$ 56,040
NET INCOME	<u>17,461</u>

Total Liabilities & Equity \$ 73,501

APPROVED BY THE DIRECTORS

DIRECTOR:

DIRECTOR:

**Strata NES 2930 - Koocanusa Ranch**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED MARCH 31, 2009**

(Unaudited - See Notice to Reader)

---

**REVENUE**

Strata Fees Income	\$ 63,840
Miscellaneous Income	<u>1,539</u>

**GROSS PROFIT** 65,379

**EXPENSES**

Equipment	1,712
Fencing and gates	2,240
Insurance	5,606
Administration	55
Snow removal	9,110
Strata management fees	12,448
Tree Installations	2,172
Water system	15,766
Bank Charges	70
Contingency transfer	6,048
Office	164
Repairs and Maintenance	9,657
Utilities	<u>3,132</u>
	<u>49,458</u>

**INCOME (LOSS) BEFORE OTHER INCOME** 15,921

**OTHER INCOME** 1,539

**NET INCOME (LOSS) FOR THE YEAR** \$ 17,460

Strata NES 2930 - Kooacanusa Ranch

BALANCE SHEET

AUGUST 31, 2007

(unaudited)

	<u>2007</u>
ASSETS	
CURRENT ASSETS	
Strata Operating Funds	\$ 35,299
Contingency Reserve Trust	27,552
Accounts Receivable	5,372
Prepaid Expenses	<u>-</u>
	68,223
	<u>\$ 68,223</u>
LIABILITIES	
CURRENT LIABILITIES	
Contingency Reverse	-
Contingency Fund	-
Accounts Payable and Accrued Liabilities Expenses	<u>-</u>
	\$ -
	<u>\$ -</u>
EQUITY	
RETAINED EARNINGS	62,196
NET INCOME	<u>6,027</u>
	<u>68,223</u>
Total Liabilities & Equity	<u>\$ 68,223</u>

APPROVED BY THE DIRECTORS

DIRECTOR:

DIRECTOR:

Strata NES 2930 - Kooacanusa Ranch

STATEMENT OF INCOME

FOR THE YEAR ENDED AUGUST 31, 2007

(unaudited)

	<u>2007</u>
REVENUE	
Strata Fees Income	\$ 11,223
Miscellaneous Income	<u>56</u>
COST OF SALES	
GROSS PROFIT	<u>11,279</u>
EXPENSES	
Bank Charges	1
Contingency transfer	1,008
Office	237
Repairs and Maintenance	3,129
Utilities	577
Water	<u>1,212</u>
	6,164
INCOME BEFORE OTHER EXPENSES (INCOME)	<u>5,115</u>
OTHER EXPENSE (INCOME)	
Suspense	(913)
Interest Income	<u>-</u>
	(913)
INCOME BEFORE TAXES	6,028
INCOME TAXES	<u>-</u>
NET INCOME FOR THE YEAR	<u>\$ 6,027</u>

Strata C-  
 Financial Documentation  
 From Highland Property Management Ltd.

	April 1/07 to Jan.31/08 HPM
<b>REVENUE</b>	
Strata Fee's Collected	60,504.03
<b>OTHER INCOME</b>	
Fines	1,115.28
<b>TOTAL: Revenue</b>	<b>61,619.31</b>
<b>EXPENSES</b>	
Bank Charges	(19.22)
Bylaws	(55.50)
GST	(1,970.55)
Remote Controls	(1,001.45)
Dock	(12,825.37)
Fencing	(4,035.20)
Gate	(4,758.13)
Hydro	
Secondary Treatment	(324.25)
Well Head	(122.64)
Pre-Treatment	(831.94)
6253-234	(63.02)
Insurance	(5,872.00)
Phone Card	(20.00)
Photocopies	(65.91)
Postage	(356.06)
Shed	(4,714.00)
Shed Delivery	(100.00)
Signs	(154.21)
Snow Removal	(6,400.00)
Strata Management	(6,294.30)
Tree Installation	(1,560.07)
Water System	
Servicing	(25,661.40)
Water Treatment	(658.59)
Executive Realty (transfer funds)	(30,565.97)
<b>Total: Direct Expenses</b>	<b>(108,229.78)</b>
Contingency - 10% of Op. Budget	(4,127.50)
<b>Operating Surplus (Deficit)</b>	<b>(50,737.97)</b>
Balance in Account as @ March.31/07	\$56,737.97
Balance in Bank Account @ January. 31, 2008	\$6,000.00

Strata NES 2930 - Kooacanusa Ranch  
Profit & Loss  
March 2008

	Highlands	RE	YE Totals
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
40000 · Strata Fee Income	60,504.03	11,223.00	71,727.03
41000 · Interest/Misc Income	1,115.28	56.00	1,171.28
<b>Total Income</b>	<b>61,619.31</b>	<b>11,279.00</b>	<b>72,898.31</b>
<b>Expense</b>			
60500 · Bank Charges and Interest	(19.22)	(1.00)	(20.22)
Bylaws	(55.50)		(55.50)
61000 · Contingency Transfer	(4,127.50)	(1,008.00)	(5,135.50)
GST	(1,970.55)		(1,970.55)
Remote Controls	(1,001.45)		(1,001.45)
Dock	(12,825.37)		(12,825.37)
Fencing	(4,035.20)		(4,035.20)
Gate	(4,758.13)		(4,758.13)
Insurance	(5,872.00)		(5,872.00)
63000 · Office Supplies		(237.00)	(237.00)
Photocopies	(65.91)		(65.91)
Postage	(356.06)		(356.06)
65000 · Repairs and Maintenance		(3,129.00)	(3,129.00)
66000 · Road Maintenance			
Shed	(4,714.00)		(4,714.00)
Shed Delivery	(100.00)		(100.00)
Signs	(154.21)		(154.21)
Snow Removal	(6,400.00)		(6,400.00)
Strata Management	(6,294.30)		(6,294.30)
Tree4 Installation	(1,560.07)		(1,560.07)
70000 · Utilities		(577.00)	(577.00)
70010 · Hydro	(1,141.85)		(1,141.85)
70020 · Phone	(20.00)		(20.00)
70030 · Water	(26,319.99)	(1,212.00)	(27,531.99)
<b>Total Expense</b>	<b>(81,791.31)</b>	<b>(6,164.00)</b>	<b>(87,955.31)</b>
<b>Net Ordinary Income</b>	<b>(20,172.00)</b>	<b>5,115.00</b>	<b>(15,057.00)</b>
Other Expense (Income)		913.00	913.00
<b>Net Income</b>	<b>(20,172.00)</b>	<b>6,028.00</b>	<b>(14,144.00)</b>
Transfer to RE	(30,565.97)		
Total Highlands Exp	(108,229.78)		

Koocanusa Ranch  
 Strata Plan NES2930  
 2007-2008 Proposed Operating Budget

Income	4/1/06 - 3/31/07 Actuals	2007-2008 Budget	
Strata Fee Collected	99,909.00	64,800.00	
<b>Total Income</b>	<b>99,909.00</b>	<b>64,800.00</b>	
<b>Expenses</b>			
Property Management Fee (2)	8,200.00	8,014.00	
Road Maintenance & Snow Removal (3)	6,000.00	26,500.00	
Insurance (4)	2,785.00	2,900.00	
Water System (5)	529.79	19,099.00	
Water System - prior year unbilled amount (5)		14,692.00	
Repairs and Maintenance (6)		4,240.00	
Utilities	1,577.92	3,000.00	
Professional Fee's	1,153.68	2,500.00	
Security (7)		-	
Construction Plan Approval		-	
Property Taxes		4,000.00	no assessment received yet.
Taxes and Licenses		-	
GST	1,031.76	-	
Meeting Costs, Office	945.83	1,000.00	
Gate costs	912.49		
Gate landscaping (8)		1,675.00	
Fencing (by gate)		5,000.00	
Boat dock (9)		7,900.00	
Swimming dock		2,750.00	
Misc	384.30	3,000.00	
2006-2007 operating surplus		(56,738.00)	
<b>Total Operating Costs</b>	<b>23,520.77</b>	<b>49,532.00</b>	
Operating Cost Contingency 10%	9,650.00	4,953.00	
<b>Total Operating Costs including Contingency</b>	<b>33,170.77</b>	<b>54,485.00</b>	
<b>Total Operating Budget</b>	<b>66,738.23</b>	<b>10,315.00</b>	
Water System Reserve Fund	10,000.00	10,000.00	
<b>Surplus (Deficit)</b>	<b>56,738.23</b>	<b>315.00</b>	

- (1) All charges include GST
- (2) 15.00/lot per month
- (3) Ditching and grading \$3,000/year, dust control \$12,000 (due in 2007) every two years, snow removal \$2,000/month for 5 months
- (4) Includes Liability, Property, Water System and Directors and Officers Liability Insurance
- (5) Based on draft contract. \$1,155 flat rate per month plus 30% contingency for after hours work and emergencies. Prior year billed in April.
- (6) Includes weed control and wildlife corridor maintenance
- (7) Deferred at this time
- (8) Eight trees
- (9) 50% paid by Strata, 50% paid by developer



## Past Contributions to Contingency Reserve Fund

	Type	Date	Split	Amount	Balance
10010 - Contingency Reserve Trust					
Balance from Highlands	Deposit	12/31/2007	30000 - Opening Bal Equity	25,631.82	25,631.82
Highlands contribution for January	Deposit	01/07/2008	80000 - Suspense	412.75	26,044.57
RE Contribution for Feb	Deposit	02/11/2008	10000 - Strata Operating Tr	504.00	26,548.57
1 Deposit from JRU Fencing (ERROR)	Deposit	02/26/2008	80000 - Suspense	500.00	27,048.57
RE Contribution for Mar	Deposit	03/05/2008	10000 - Strata Operating Tr	504.00	27,552.57
2 transaction charges from bank (ERROR)	Cheque	03/31/2008	60500 - Bank Charges and	-0.72	27,551.85
TOTAL				27,551.85	27,551.85
				27,551.85	27,551.85
1 Bank Error - cheq should have been deposited to General					
2 Account should be a TRUST account with no fees.					