



**DEPRECIATION REPORT**  
**2024**  
**Strata VR 1591**  
**The Leicester**

**1545 West 13th Avenue**  
**Vancouver BC V6J 2G5**

**Created by Strata Council Members**

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*The authors have compiled this report in the interest of making information available to Strata Members and interested parties. No liability is accepted for any errors or omissions to the information.*

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1 Introduction

A Depreciation Report is basically an inventory of a Strata Corporation’s Common Property components. It identifies all of the systems that make up a building, and all the services that support it and the occupants. Many of these components are obvious to most strata owners – roofs, exterior cladding, paving, parking, landscaping, and a wide variety of other common amenities available for the use of the owners.

Less obvious are the systems that provide ongoing habitability to the building, such as water and sewer systems, site drainage, electrical and plumbing systems, common heating and hot water systems, and a host of others, which can vary widely across the broad range of building types that operate under the Strata Property Act (SPA) of BC.

The Strata Property Act requires those who develop a Depreciation Report to separate those systems which require scheduled or regular maintenance within the Strata’s fiscal or budget year, from those that require periodic maintenance, whether scheduled or as required, at intervals that are longer than twelve months.

A simple example would be the exterior painting of a building – which should be a necessary part of the building’s scheduled maintenance plan, but does not take place annually. Regular painting is required in order to maintain the condition of the exterior cladding system to help avoid, or constructively delay, its eventual replacement. These items that require periodic maintenance are called Capital Maintenance, and must be included in a Depreciation Report, and must be considered in subsequent financial planning considerations for the Strata’s Contingency Reserve Fund (CRF).

There is a requirement that a review and renewal of the Depreciation Report every three years be done. A Depreciation Report requires regular review to reflect changes in physical, financial and other conditions.

Strata Corporations and Councils should actively consider, monitor and review the information they hold annually, consult with professionals when necessary, adjust projections for their current conditions, and make changes to their CRF contributions within their annual budget.


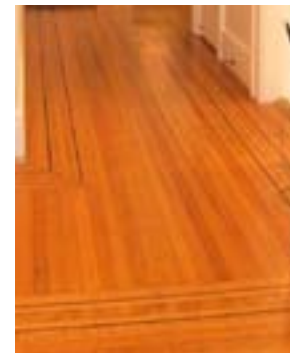


2 Evaluation of Assets

An evaluation of assets, such as the [Asset Inventory \(Appendix 1\)](#) provides a detailed and comprehensive list of the Strata Corporation’s Common Property assets for which it has full, or partial, responsibility for maintenance and replacement.

2.1 Physical Component

The physical component of the Asset Inventory details the condition and history of the various component systems, and details of their structure.

The Leicester has had some significant major maintenance and capital renewal projects over the years, starting with an upgrading in 1985 when the building was converted to condominiums. Following that, owners have followed a program of Capital Project renewal annually, whereby items such as the roof, boiler, exterior paint, windows, trim, interior paint, have been replaced or redone.

Physical Summary of Building (Fig.1)			
Construction Completed		September 1, 1928	
Condominium Upgrading Completed		October 15, 1985	
Gross Floor Area		965 square meters	
Stories		3	
Suites		15	
Features of the Building			
Fireplaces	Flooring	Light Fixtures	Metalwork
			

2.2 Financial Component

The Asset Inventory is complemented by [Appendix 2, Capital Maintenance Plan](#). Working from costs incurred when replacing or renewing assets, the Strata has created a table with an estimate of replacement and/or renewal costs for key components, based on current market values, extrapolated over a 15 to 30 year period.

Funding options by the Strata for Capital Asset Renewal are three-fold.

- 1    The Strata can opt to estimate the costs of renewal of an asset, and fully fund that cost in the Strata budget from its Contingency Reserve Fund.
- 2    The Strata can opt to estimate the costs of renewal of an asset, and partially fund that cost from its Contingency Reserve Fund, making up the shortfall with an assessment of the Owners when the asset is renewed and actual costs are known.
- 3    The Strata can opt to estimate the costs of renewal of an asset, and fund those costs primarily as an assessment of the Owners when the asset is renewed and actual costs are known, with a small portion coming from the Contingency Reserve Fund.

Currently, the Strata funds Capital Assets by following 2, above. Appendix 2 gives an overview of Capital Assets, their anticipated renewal costs, and some funding methods. This Appendix helps anticipate costs, but cannot always predict them.

Summary of Key Financial Facts of The Leicester (Fig.2)	
Fiscal Year End	Dec 31
Building Reproduction Cost (Insurance Value)	see <a href="http://www.leicester.ca">www.leicester.ca</a>
Current Operating Budget	Appendix 4 & Strata Website
Current Contingency Reserve Allocation	Appendix 4 & Strata Website
Current Contingency Reserve Balance	Appendix 4 & Strata Website

### 3. Maintenance & Renewals Program

Maintenance includes the work that is necessary to preserve the assets and to allow their continued use and function above a minimum acceptable level of performance. For Strata VR 1591, examples of this can be the built-in cost of annual boiler inspections and powerwashing of side-walks, etcetera. Such maintenance ensures that the assets achieve their full service lives. Renewal includes the financial planning and logistics for the replacement of the assets as they reach the end of their useful service lives, and is a result of the Strata Council considering the age of assets, taking advice, and their knowledge and understanding acquired in longterm association with the building and its systems.

#### 3.1 Maintenance Program

The Strata Corporation’s maintenance budget can be seen in the Annual Budget, Appendix 4. As a general estimate, Strata VR 1591’s Budget total revenue is about \$70,000 annually, of which approximately 10% goes to the Contingency Reserve Funds. About 50% of the Operating Budget goes to Building Repair & Maintenance. For up-to-date figures, see Appendix 4.

#### 3.2 Renewals Program

Major Capital Assets that have the potential to need renewal, or which need renovation or repair to keep them in serviceable condition, are listed in the chart, Appendix 2.

Dollar Costs for when the asset was last renewed have been estimated to reflect the costs which are anticipated when the asset will be renewed.

As with any building, the majority of the renewal costs are likely to occur in renewing the Enclosure system, such as the roof and exterior painting.

Strata VR 1591 takes on a Capital Project each year in order to keep pace with asset renewal. While there are always new projects on the horizon, with this program of renewal, many Capital Assets have been renewed in a relatively smooth way.

## 4. Project Planning

When it comes to Capital Asset Renewal, there are three different planning horizons:

- 1 Operational (1-5 years)
- 2 Tactical (6-15 years)
- 3 Strategic (16-30 years)

### 4.1 Operational Planning Horizon

Capital Assets that need to be renewed on a 1-5 year basis are more likely to be built into an annual maintenance budget, unless unexpected maintenance issues occur. Examples of an asset renewed on a 1-5 year basis would be Fire Safety equipment, which is checked annually, yet has components with a service life of just a few years.

### 4.2 Tactical Planning Horizon

Capital Assets that need to be reviewed for renewal on a 6-10 year basis are more likely. Painting, interior and exterior, are examples of this. The Strata addressed the exterior paint renewal, including window trim, in 2023.

### 4.3 Strategic Planning Horizon

Capital Assets that need to be reviewed for renewal on a 20 to 25 year plan are fewer. Examples might be roof replacement (done by the Strata in 2002), or boiler renewal (done by the Strata in 2007).

## 4.4 Project Implementation Strategies

There are three different ways to implement renewing Capital Assets. The Strata can use one method exclusively, or use a combination of methods to budget renewal and manage service disruptions most easily.

**Targeted Projects**, localized to one area of building, mean that work gets done on a particular place in the building, such as a common area that needs upgrading. An example of this for Strata VR 1591 was painting the Bike Room, and also painting and upgrading the walls and floor in the Laundry Room.

**Phased Projects**, where Asset Renewal is carried out in multiple stages rather than as a single project, means that part of an asset is renewed at a time, as the budget permits. An example of this for Strata VR 1591 was window renewal. All the wood windows in the building were replaced with vinyl windows by 2014, with work being done where renewal was needed most, over a period of a few years.

**Comprehensive Projects**, where asset renewal is carried out in all locations on building, as the best means of getting economic value for work. An example of this for Strata VR 1591 was the renewal of the exterior wall paint and trim, which was carried out over a few week period in 2023.

## 5. Funding Scenarios

The Strata must consider how to finance the Capital Assets that need renewal, as laid out 2.2 Financial Component.

### 5.1 Alternative Funding Levels

- 1 The Strata can opt to estimate the costs of renewal of an asset, and fully fund that cost from the Contingency Reserve Fund.
- 2 The Strata can opt to estimate the costs of renewal of an asset, and partially fund that cost from the Contingency Reserve Fund, making up the shortfall with an assessment of the Owners when the asset is renewed and actual costs are known.
- 3 The Strata can opt to estimate the costs of renewal of an asset, and fund those costs primarily as an assessment of the Owners when the asset is renewed and actual costs are known, with a small portion coming from the Contingency Reserve Fund.

### 5.2 Funding Scenario “A”

The Strata could consider fully funding Asset Renewal, as laid out in Appendix 2, Capital Maintenance Plan, from and accumulated balance in the Contingency Reserve Fund.

### 5.3 Funding Scenario “B” Status Quo

Currently the Strata funds using item 2, above. An annual amount goes to the Contingency Reserve Fund to anticipate projected costs of asset renewal, with any shortfall being made up with an assessment of the Owners when the asset is renewed and actual costs are known.

### 5.4 Funding Scenario “C”

The Strata also considers Appendix 2, Capital Maintenance Plan, and reviews expenses annually to make the best possible preparation for upcoming Capital costs. This can result in an increase in Strata fees or an owner assessment where needed.

## 6. Recommendations

Strata VR 1591 will review its budget and its Contingency Reserve Fund budget annually. It will also review the Asset Inventory for items that are moving into the renewal horizon.




The Strata Council will hold the venue for Asset renewal discussions. Any member of the Strata may bring forward any concerns or ideas they have for building asset renewals. The Council will make final decisions on how the budget will be spent, and how the Contingency Reserve Fund will be brought into play.







Appendix 1 Asset Inventory





Enclosure





	<b>Encl 01</b> Location: Description: History:  Comments:	Roof Top of building Torchon, Arbutus Roofing Roof done 2002: Estimate 25 yr. In- specction 2022: good til 2027. New 6” gutters, 3” by 4” downspouts in 2023.
	<b>Encl 02</b> Location: Description: History:  Comments:	Roof Flashing/ Skylight All upper edges of building exterior Metal/ Metal & glass Back and sides renewed 2002. Front capping renewal 2023. all repainted 2023.  Skylight replaced 2022 by M+M
	<b>Encl 03</b> Location: Description: History:  Comments:	Stucco Siding All exterior walls of building Stucco over lath Stucco repairs, window flashings, 2021 & East/North Wall repairs 2022. Repainted in 2023
	<b>Encl 04</b> Location: Description: History: Comments:	Wood Siding West side doorway exterior lobby Tongue & groove panelling Restained/finished 2023 Well-protected area, low mainte- nance.
	<b>Encl 05</b> Location: Description: History:  Comments:	Window Trim All sides of building Painted fir trim Window sills renewed 2014, & sills, frames, mouldings, sashes inspected/replaced 2023. Trim scraped & painted 2009, 2011, 2017, 2020 & 2023.
14	Depreciation Report 2024	www.leicester.ca





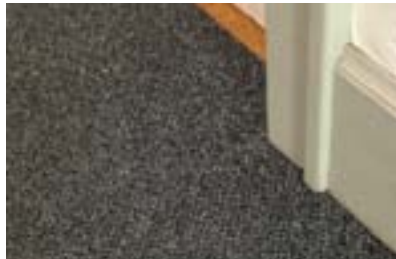
	<b>Encl 06</b> Location: Description:  History:  Comments:	Double-Paned Vinyl Windows All sides of building All suites and common areas (except front and back doors). All wooden windows replaced in 4 stages: 2008, 2010, 2013, 2014. Window replacement program completed 2014.
	<b>Encl 07</b> Location: Description:  History: Comments:	Lobby Door Assembly Front of building Varnished wood door with transom and tile surround; revarnished 2023.  Maintained as part of annual budget, as needed.
	<b>Encl 08</b> Location: Description: History:  Comments:	Rear Door Rear of building Painted 15 light door, repainted 2023.  Maintained with exterior painting of building.
	<b>Encl 09</b> Location:  Description: History: Comments:	Side Doors (4 west, 1 east) W: Entry Doors 3, Boiler Room E: Electrical Room Solid doors, painted 2023.  Maintained with exterior painting of building.
	<b>Encl 10</b> Location: Description: History:  Comments:	Waterproofing at grade East and west sides of building. Maintenance as required. East side of building drainage and gravel /turf renewed 2000, West side sidewalk with drain tile. Sidewalk area low maintenance. Power-washed annually.








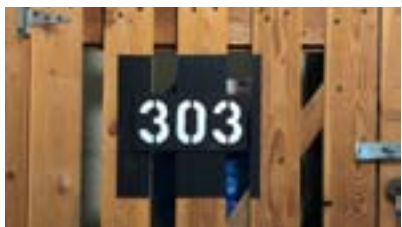



Electrical		
	<a href="#">Elec 01</a> Location: Description: History:  Comments:	Electrical Distribution East side of building, separate room. Main Shutoff and Suite panels Replaced in 2022 with up- dated circuit breakers, also weatherhead replaced.
	<a href="#">Elec 02</a> Location: Description:  History: Comments:	Exterior Light Fixtures Front, west side, & back of building. Heritage fixtures at front, plus night fixtures on west side and back of building.  Maintained as part of annual budget, as needed.
	<a href="#">Elec 03</a> Location: Description: History: Comments:	Enterphone South (Entrance) Mirtone intercom system  Maintained annually by VDC- Vandelta Communication Systems Ltd.
	<a href="#">Elec 04</a> Location: Description: History:  Comments:	Interior Light Fixtures Throughout the building.  All ceiling fixtures in common areas replaced in 2000, except heritage glass fixture in front hallway. Maintained as part of annual budget, as needed.

Mechanical		
	<a href="#">Mech 01</a> Location: Description: History:  Comments:	Valves & Water Intake to building. Bike Room, south wall  Water supply and shutoffs labelled.
	<a href="#">Mech 02</a> Location: Description:  History:  Comments:	Boilers, Pumps & Controls West side of building: Boiler Room 2-IBC boilers installed 2007 by Reid Bros., 12 yr warranty on heat ex- changers, Grundfos pumps; Brad- ford White tank; Extrol Expansion Tank. Inspected and serviced annually, as part of annual budget.
	<a href="#">Mech 03</a> Location: Description: History:  Comments:	Water Storage Tanks West side of building: Boiler Room Part of Boiler assembly, above. Installed 2007.  Maintained annually, as part of annual budget.
	<a href="#">Mech 04</a> Location: Description: History:  Comments:	Peripheral and Storm Drainage Dis- tribution Sump in Bike Room, south floor area  System flushed every 4-5 years, or as needed.






	<b>Mech 05</b> Location: Description: History:  Comments:	Domestic Water Distribution Ceilings, closet chases, attic Primarily copper piping All main hot/cold supply lines to suites replaced with 30 yr. copper piping in 2011.
	<b>Mech 06</b> Location: Description: History:  Comments:	Radiators All suites and common areas.  All valves replaced in 2000.  Maintained as part of annual budget, as needed.
	<b>Mech 07</b> Location: Description: History:  Comments:	Plumbing Fixtures Laundry Room, ground floor Laundry sink replaced 2011.  Maintained as part of annual budget, as needed.
<b>Fire Safety</b>		
	<b>Fire 01</b> Location: Description: History:  Comments:	Fire Control Panel Front hall  Inspected and maintained annually as part of annual budget.




	<b>Fire 02</b> Location:  Description: History:  Comments:	Fire Detection Throughout the building, in suites and common areas Ceiling fixtures Inspected and maintained annually as part of annual budget.
	<b>Fire 03</b> Location: Description: History:  Comments:	Fire Alarms As regulation requires  Inspected and maintained annually as part of annual budget.
	<b>Fire 04</b> Location: Description: History:  Comments:	Portable Fire Extinguishers As regulation requires  Inspected and maintained annually as part of annual budget.
	<b>Fire 05</b> Location: Description: History:  Comments:	Exit Signs As regulation requires  Inspected and maintained annually as part of annual budget. Lights also replaced as needed throughout year.
<b>Interior Finishes</b>		
	<b>Interior 01</b> Location: Description: History:  Comments:	Carpeting Ground floor, Floor 2, Floor 3 All Carpeting replaced in 2017. Sturdy mats installed at front & rear entries. Carpets cleaned as part of regular maintenance budget.

	<b>Interior 02</b> Location: Description: History: Comments:	Cement Flooring Ground floor Maintained along with interior painting Paint renewed 2013
	<b>Interior 03</b> Location: Description: History: Comments:	Interior Walls All floors, common areas Maintained along with interior painting Renewed 2013
	<b>Interior 04</b> Location: Description: History: Comments:	Interior Trim & Woodwork All floors, common areas Maintained along with interior painting Renewed 2013
	<b>Interior 05</b> Location: Description: History: Comments:	Suite Doors & Hall Doors All floors, common areas Maintained along with interior painting Renewed 2013
	<b>Interior 06</b> Location: Description: History: Comments:	General Housekeeping All common areas Carpets, floors, recycling bins, general cleaning Janitorial contract for housekeeping part of annual budget

Amenities		
	<b>Amenities 01</b> Location: Description: History: Comments:	Wood Storage Lockers Ground Floor, South end. Locker for each suite, owner lock. No maintenance required.
	<b>Amenities 02</b> Location: Description: History: Comments:	Laundry Facilities Ground floor 1 Washer/dryer pair, under revenue-sharing contract with Coinamatic Card-operated. Laundry hanging space. Machines maintained or replaced by Coinamatic.
	<b>Amenities 03</b> Location: Description: History: Comments:	Bicycle Storage Ground Floor, South end. Bicycle racks. Owner locks. Walls, floors maintained as part of interior painting, renewed 2013.
	<b>Amenities 04</b> Location: Description: History: Comments:	Public Signage South Entrance door “The Leicester”, “1545”, goldleaf lettering. Maintained as needed, as part of annual budget.



Sitework		
	<b>Site 01</b> Location: Description: History:  Comments:	Front Walkway & Stairs South Entrance  Power-washed annually, and main- tained as needed, from annual budget
	<b>Site 02</b> Location:  Description: History:  Comments:	Retaining Walls/Planters South side of building, also west side concrete wall. Brick planters & west retaining wall Maintained as needed, from annual budget
	<b>Site 03</b> Location:  Description: History:  Comments:	Railings Front entrance, and stairs on west side Metal railings, black Maintained as needed, from annual budget. Painted 2023.
	<b>Site 04</b> Location: Description: History:  Comments:	Asphalt Paving Rear (north) of building 6 strata lot parking stalls East side repaved 2024.Lines re- painted 2023, 2024. Concrete park- ing barriers installed 2023, 2024.
	<b>Site 05</b> Location: Description: History:  Comments:	Concrete Paving & Stairs West walkway & rear door stoop Low maintenance. Sidewalk power-washed annually.

	<b>Site 06</b> Location: Description: History:  Comments:	Oil Tank (Removed 2005) Was under rear parking area.  Engineer's Report & Certification of Removal obtained, site meets Envi- ronmental Standards (2005)  Engineer's Report on Strata Website
	<b>Site 07</b> Location: Description:  History:  Comments:	Metal Gates & Planters Gates front & rear on west side, fence front & rear on east side, and planter boxes on front face of building Maintained as part of exterior painting, 2023
	<b>Site 08</b> Location Description  History:  Comments:	Soft Landscaping At front in planters and in ground Miscellaneous small shrubs, 1 Japanese maple tree Gardening service with annual contract to maintain shrubs and lawn, as part of annual budget.

Appendix 2 Capital Maintenance Plan

Item		By	Date Done	Renewal		Estimated Replacement Cost	A		B	C		D	
				Schedule	Due		Annual Expense	Years Gone		FULLY FUNDED \$ Accumulated	50% FUNDED \$ Accumulated		
Boiler		Reid Brothers	2007	20 years	2027	\$30,000	\$1,500	17		\$25,500	\$12,750		
Roof		Arbutus Roofing	2002	25 years	2027	\$65,000	\$2,600	22		\$57,200	\$28,600		
Paint, Interior		Cut Above	2013	15 years	2028	\$17,000	\$1,133	11		\$12,467	\$6,233		
Re-Piping		Tom Heise etc	2011	20 years	2031	\$20,000	\$1,000	13		\$13,000	\$6,500		
Carpets		Fast Track Flooring	2017	20 years	2037	\$15,000	\$750	7		\$5,250	\$2,625		
Paint, Exterior		A Cut Above	2023	15 years	2038	\$26,000	\$1,733	1		\$1,733	\$867		
Windows		West Coast/Vinyltek	2010	30 years	2040	\$45,000	\$1,500	14		\$21,000	\$10,500		
						\$209,000	Replacement Cost per Year						
						Replacement Cost \$10,900/year for 20 years (averaged)	\$10,216			* \$136,150	** \$68,075		

\* These costs reflect **A** (Cost/Year to replace Item) X **B** (Number of years since Item last renewed) = **C** : **C** is the \$ we should have on hand to FULLY FUND ITEMS.

\*\* These cost reflect **A** (Cost /Year to replace Item) x **B** (Number of years since Item last renewed) = **D** : **D** is the \$ we should have on hand to 50% FUND ITEMS.

Appendix 3 Project Planning Horizons

Operational Planning Horizon						
2024	2025	2026	2027	2028		
			Boilers 20 years Roof 25 years	Interior Paint 15 years		
Tactical Planning Horizon						
2029	2030	2031	2032	2033		
		Repiping 20 years	Interior Paint 15 years			
Strategic Planning Horizon						
2034	2035	2036	2037	2038	2039	2040
			Carpets 20 years	Exterior Paint 15 years		Windows 30 years

Strata Plan VR1591

December 31, 2023

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Compilation Engagement Report

- Statement 1 - Statement of Operations and Changes in Fund Balances
- Statement 2 - Statement of Financial Position
- 2024 Budget
- Notes to Financial Statements

COMPILATION ENGAGEMENT REPORT

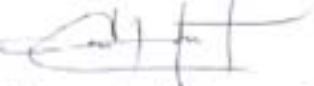
On the basis of information provided by the management we have compiled the statement of financial position of Strata Plan VR1591 as at December 31, 2023 and the statement of operations and changes in fund balances for the year then ended, and Note 2 which describes the basis of accounting applied in the preparation of the financial information.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it.

We have performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation and presentation of the financial information of the entity.

We did not perform an audit or a review engagement nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provided any form of assurance on the financial information.

Readers are cautioned that these statements may not be appropriate for their purposes.



Mananquil and Company, CPA Corp.

New Westminster, B.C.  
January 17, 2024



**THE OWNERS STRATA PLAN VR1591**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**  
(Unaudited - See Notice to Reader)  
For The Year Ending December 31, 2023

Statement 1

	2023	2022
<b>REVENUES:</b>		
Strata Fees	\$ 60,499	\$ 59,796
Coinmatic	1,416	733
Special assessment	14,781	215
Interest income	429	104
	<u>\$ 77,125</u>	<u>\$ 60,848</u>
<b>EXPENDITURES</b>		
General		
Accounting fee	\$ 2,400	\$ 2,400
Appraisal	604	-
Bank charges	154	50
Insurance	15,724	14,698
Office supplies	417	504
Permit and licenses	145	93
Web-hosting	248	-
	<u>19,682</u>	<u>17,745</u>
Buildings and Grounds		
Boiler inspection	1,020	1,740
Electricity	923	2,162
Fire inspection	545	1,525
Garbage and Recycling	6,802	5,404
Gas	9,700	6,773
Ground maintenance	1,559	835
Janitorial	5,700	5,675
Repair and maintenance	37,626	37,383
Supplies	489	771
Water-meter	4,619	3,594
	<u>68,983</u>	<u>65,963</u>
	<u>88,675</u>	<u>83,708</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>(11,550)</b>	<b>(22,860)</b>
<b>FUND BALANCES BEGINNING OF THE YEAR</b>	<b>36,419</b>	<b>59,279</b>
<b>FUND BALANCES END OF THE YEAR</b>	<b>\$ 24,869</b>	<b>\$ 36,419</b>

**THE OWNERS STRATA PLAN VR1591**  
**STATEMENT OF FINANCIAL POSITION**  
(Unaudited - See Compilation Engagement Report)  
December 31, 2023

Statement 2

	2023	2022
<b>ASSETS</b>		
Current Assets		
Cash in bank	\$ 10,872	\$ 20,592
Contingency reserve (Note 4)	13,997	24,559
Accounts receivable	-	1,033
	<u>\$ 24,869</u>	<u>\$ 46,184</u>
<b>LIABILITIES</b>		
Current liabilities		
Account payable and accruals	\$ -	\$ 9,765
	<u>-</u>	<u>9,765</u>
<b>FUND BALANCES</b>		
UNRESTRICTED	24,869	36,419
RESTRICTED	-	-
	<u>24,869</u>	<u>36,419</u>
	<u>\$ 24,869</u>	<u>\$ 46,184</u>

Approved on behalf of  
The Owners, Strata Plan VR1591

STRATA VR1591  
DRAFT STATEMENT OF OPERATIONS WITH BUDGET COMPARISON  
FOR THE YEAR ENDED DECEMBER 31, 2023

	2024	2023		2023	2022	VARIANCE
	BUDGET	BUDGET	INCREASE (DECREASE)	ACTUAL	ACTUAL	INCREASE (DECREASE)
REVENUES:						
Coinmatic	1,200	1,000	200	1,416	733	683
Strata fee	69,200	62,296	6,904	60,590	59,796	794
Interest Income	150	150	-	429	104	325
Special assessment	-	-	-	14,781	-	14,781
Miscellaneous fees	150	150	-	-	215	(215)
TOTAL	70,700	63,596	7,104	77,216	60,848	16,367
OPERATING EXPENSES:						
Accounting	2,400	2,400	-	2,400	2,400	-
Appraisal fee	200	200	-	604		604
Bank charges	125	100	25	154	50	104
Office supplies	350	300	50	416	504	(88)
Permit and licenses	150	100	50	145	93	52
Web-hosting/Administration	250	175	75	248		248
Building repair and maintenance						
Janitorial	5,700	5,700	-	5,700	5,675	25
Building repair & maintenance	6,000	6,000	-	37,626	37,384	242
Building supplies	500	600	(100)	489	771	(282)
Ground maintenance	1,000	1,000	-	1,559	835	724
Annual Fire Inspection	600	600	-	545	1,625	(1,080)
Annual Boiler Inspection	1,500	1,500	-	1,020	1,740	(720)
Insurance	17,205	15,000	2,205	15,724	14,698	1,026
Utilities						
Electricity	1,500	3,100	(1,600)	923	2,162	(1,239)
Garbage and Recycling	7,000	5,500	1,500	6,802	5,404	1,398
Gas	10,000	7,000	3,000	9,700	6,773	2,927
Water Sewer	6,000	4,000	2,000	5,743	3,594	2,149
TOTAL OPERATING EXPENSES	60,480	53,275	7,205	89,798	83,708	6,089
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	\$ 10,220	\$ 10,321	\$ (101)	\$ (12,582)	\$ (22,860)	\$ 10,278

Contributions to the CRF are approved in the annual budget by a majority vote of the owners and collected through the strata fees.

CONTINGENCY TO BE APPLIED FOR 2023	\$ 2,664.00
CONTINGENCY TO BE APPLIED FOR 2024	\$ 6,048.00

THE OWNERS, STRATA PLAN VR1591  
NOTES TO FINANCIAL STATEMENTS  
(Unaudited)  
December 31, 2023

1. PURPOSE OF THE STRATA CORPORATION

The Strata Corporation has been established and is responsible for managing and maintaining the common property and common assets of the Strata Corporation for the benefit for the owners in accordance with the Strata Property Act of British Columbia.

2. DISCLOSED BASIS OF ACCOUNTING

The basis of accounting to be applied in the preparation of the financial information is on the historical cost basis, reflecting cash transactions with the addition of:

- fund balances

3. SIGNIFICANT ACCOUNTING POLICIES

Restricted Fund Method of Accounting

These financial statements have been prepared following the restricted fund method of accounting, where revenues are recorded in the period in which they were assessed or earned and expenditures are recorded in the period in which they become obligation.

- Operating Fund**  
The Operating Fund accounts for administrative activities and routine maintenance. This fund reports unrestricted resources.
- Contingency Reserve Fund**  
The Contingency Reserve Fund reports restricted resources used for non-annual repair, maintenance and replacement of common property, common facilities and other assets.

4. CONTINGENCY RESERVE FUND (invested in GICs)	2023	2022
	\$13,997	\$24,559

CRF Contribution 2023: \$2,664 and CRF Contribution \$6,048

The Annual contribution to the Contingency Reserve Fund for the fiscal year following the first annual general meeting must be determined as follows:

- If the amount of money in the Contingency Reserve Fund at the time of the first annual general meeting is less than 25% of the total amount budgeted for the contribution to the operating fund for the fiscal year that just ended, the annual contribution to the Contingency Reserve Fund for the current fiscal year must be at least the lesser of:
- (1) 10% of the total amount budgeted for the Contribution to the operating fund for the current fiscal year, and
  - (2) The amount required to bring the Contingency Reserve Fund to at least 25% of the total amount budgeted for the contribution to the operating fund for the current fiscal year.

Additional contributions may be made as part of the annual budget giving consideration to upcoming major expenditures or as the result of findings contained in a depreciation report.

CURRENT CHANGES TO STRATA LEGISLATION IN BC

As of November 24, 2022 no strata corporation or section is allowed to have a residential rental-restriction bylaw. All strata rental-restriction bylaws are invalid. (Note: no strata bylaw changes are required as provincial legislation changed). Short-term rental strata bylaws are allowed and a strata corporation or section may have, or create, a bylaw banning or limiting short-term rentals.

Other new legislations enacted in 2023 are as follows;

Minimum 10% annual contribution to the contingency reserve fund

Effective November 1, 2023, when approving budgets at the annual general meeting, strata corporations and sections will be legally required to contribute a minimum of 10% of the annual operating fund to the contingency reserve fund (CRF)

Electric vehicle charging in strata corporations (May 11, 2023)

B.C. made changes to the Strata Property Act to make it easier for strata corporations and owners to install electric vehicle (EV) charging infrastructure in strata properties, including allowing a strata corporation to approve some EV charging decisions by majority vote instead of by a ¾ vote. Other changes will be brought into force at a later date by regulation. These regulations will specify criteria and requirements relating to electrical planning reports and requests for and/or approval of installation of EV charging.

Form B insurance summary

Effective April 1, 2023, strata corporations and sections will have to provide a summary of their insurance coverage on the Form B: Information Certificate. The Form B is a provincially prescribed form and the current version must be used



**DEPRECIATION REPORT**

**2024**

**Strata VR 1591**

**The Leicester**

**1545 West 13th Avenue**

**Vancouver BC V6J 2G5**

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