



**DEPRECIATION REPORT
2016**

**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 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, Long Term 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 twenty 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 annual amount going from the Strata budget to its Contingency Reserve Fund.
- 2 The Strata can opt to estimate the costs of renewal of an asset, and partially fund that cost in the annual amount going from the Strata budget to 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 a plan to more fully fund asset renewal, by incorporating anticipated costs into the annual budget for the Strata. This way of funding asset renewal would probably fall into a combination of category 2 & 3, above, whereby costs are anticipated but perhaps cannot always be predicted.

Summary of Key Financial Facts of The Leicester (Fig.2)	
Fiscal Year End	Dec 31
Building Reproduction Cost (Insurance Value)	see www.leicester.ca
Current Operating Budget	Appendix 3 & Strata Website
Current Annual Reserve Allocation	Appendix 3 & Strata Website
Current Accumulated Reserve Balance	Appendix 3 & 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 sidewalks, 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 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 3. As a general estimate, Strata VR 1591's Budget is about \$45,000 annually, of which approximately 33% goes to annual maintenance programs, and approximately 5% goes to the Contingency Reserve Funds. For up-to-date figures, see Appendix 3.

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 carried forward to Future Dollar Costs 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 (6-10 years)
- 3 Strategic (11-20 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 renewed on a 6-10 year basis are more likely. Painting, interior and exterior, are examples of this. The Strata has addressed these in recent years.

4.3 Strategic Planning Horizon

Capital Assets that need to be renewed on a 20 year plan are few. Likely examples might be a roof replacement (done by the Strata in 2002), boiler renewal (done by the Strata in 2007), and Oil Tank removal (done by the Strata in 2005)

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 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 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 interior wall paint and trim, which was carried out in all areas of the building over a few week period in 2013.

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 in the annual amount going from the Strata budget to its Contingency Reserve Fund.
- 2 The Strata can opt to estimate the costs of renewal of an asset, and partially fund that cost in the annual amount going from the Strata budget to 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.

5.2 Funding Scenario “A”

The Strata could consider fully funding Asset Renewal, as laid out in Appendix 2, Long Term Maintenance Plan.

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 could consider Appendix 2, Long Term Maintenance Plan, and review fees and expenses annually to make the best possible preparation for upcoming costs, which could be a combination of either increasing Strata fees marginally or 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






	<p>Encl 01 Location: Description: History: Comments:</p>	<p>Roof Top of building Torchon, Arbutus Roofing Roof done 2002: Estimate 25 yr.</p>
	<p>Encl 02 Location: Description: History: Comments:</p>	<p>Roof Flashing All upper edges of building exterior Metal Back and sides renewed 2002. Front capping part of exterior paint renewal 2009.</p>
	<p>Encl 03 Location: Description: History: Comments:</p>	<p>Stucco Siding All exterior walls of building Stucco over lath Repainted in 2009</p>
	<p>Encl 04 Location: Description: History: Comments:</p>	<p>Wood Siding West side doorway exterior lobby Tongue & groove panelling Well-protected area, low maintenance.</p>
	<p>Encl 05 Location: Description: History: Comments:</p>	<p>Window Trim All sides of building Painted fir trim Some window sills renewed 2014. Scraped & painted 2009, again in 2011 and summer 2016.</p>



	<p>Encl 06</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Aluminum Windows</p> <p>All sides of building</p> <p>All suites and common areas (except front and back doors).</p> <p>All wooden windows replaced in 3 stages: 2008, 2013, 2014.</p> <p>Window replacement program completed 2014.</p>
	<p>Encl 07</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Lobby Door Assembly</p> <p>Front of building</p> <p>Varnished wood door with transom and tile surround</p> <p>Maintained as part of annual budget, as needed.</p>
	<p>Encl 08</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Rear Door</p> <p>Rear of building</p> <p>Painted 15 light door</p> <p>Maintained with exterior painting of building.</p>
	<p>Encl 09</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Side Doors (5 east, 1 west)</p> <p>W: Entry Doors 3, Boiler & Electrical Rooms</p> <p>Solid doors</p> <p>Maintained with exterior painting of building.</p>
	<p>Encl 10</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Waterproofing at grade</p> <p>East and west sides of building.</p> <p>Maintenance as required.</p> <p>East side of building drainage and gravel /turf renewed 2000, West side sidewalk with drain tile.</p> <p>Sidewalk area low maintenance.</p> <p>Power-washed annually.</p>





Electrical		
	<p>Elec 01</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Electrical Distribution</p> <p>East side of building, separate room.</p> <p>Had partial updating when building converted to condominiums, 1985.</p>
	<p>Elec 02</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Exterior Light Fixtures</p> <p>Front, west side, & back of building.</p> <p>Heritage fixtures at front, plus night fixtures on west side and back of building.</p> <p>Maintained as part of annual budget, as needed.</p>
	<p>Elec 03</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Enterphone</p> <p>South (Entrance)</p> <p>Mirtone intercom system</p> <p>Maintained annually by Vandelta Communication Systems Ltd.</p>
	<p>Elec 04</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Interior Light Fixtures</p> <p>Throughout the building.</p> <p>All ceiling fixtures in common areas replaced in 2000, except heritage glass fixture in front hallway.</p> <p>Maintained as part of annual budget, as needed.</p>






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





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

	<p>Fire 02</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Fire Detection</p> <p>Throughout the building, in suites and common areas</p> <p>Ceiling fixtures</p> <p>Inspected and maintained annually as part of annual budget.</p>
	<p>Fire 03</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Fire Alarms</p> <p>As regulation requires</p> <p>Inspected and maintained annually as part of annual budget.</p>
	<p>Fire 04</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Portable Fire Extinguishers</p> <p>As regulation requires</p> <p>Inspected and maintained annually as part of annual budget.</p>
	<p>Fire 05</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Exit Signs</p> <p>As regulation requires</p> <p>Inspected and maintained annually as part of annual budget.</p> <p>Lights also replaced as needed throughout year.</p>
Interior Finishes		
	<p>Interior 01</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Carpet Flooring</p> <p>Ground floor, Floor 2, Floor 3</p> <p>Sturdy carpet in place Floor 2 & 3.</p> <p>Needs renewal. Ground floor replaced 2002, needs renewal.</p>

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

Amenities		
	Amenities 01 Location: Description: History: Comments:	Wood Storage Lockers Ground Floor, South end. Locker for each suite, owner lock. No maintenance required.
	Amenities 02 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.
	Amenities 03 Location: Description: History: Comments:	Bicycle Storage Ground Floor, South end. Bicycle racks. Owner locks. Walls, floors maintained as part of interior painting, renewed 2013.
	Amenities 04 Location: Description: History: Comments:	Public Signage South Entrance door “The Leicester”, “1545”, goldleaf lettering. Maintained as needed, as part of annual budget.

Sitework		
	<p>Site 01 Location: Description: History: Comments:</p>	<p>Front Walkway & Stairs South Entrance</p> <p>Power-washed annually, and maintained as needed, from annual budget</p>
	<p>Site 02 Location: Description: History: Comments:</p>	<p>Retaining Walls/Planters South side of building, also west side concrete wall. Brick planters & west retaining wall Maintained as needed, from annual budget</p>
	<p>Site 03 Location: Description: History: Comments:</p>	<p>Railings Front entrance, and stairs on west side Metal railings, black Maintained as needed, from annual budget</p>
	<p>Site 04 Location: Description: History: Comments:</p>	<p>Asphalt Paving Rear (north) of building 6 strata lot parking stalls Low maintenance. Lines repainted in 2013.</p>
	<p>Site 05 Location: Description: History: Comments:</p>	<p>Concrete Paving & Stairs West walkway & rear door stoop Low maintenance. Sidewalk power-washed annually.</p>

	<p>Site 06 Location: Description: History:</p> <p>Comments:</p>	<p>Oil Tank (Removed 2005) Was under rear parking area.</p> <p>Engineer's Report & Certification of Removal obtained, site meets Environmental Standards (2005)</p> <p>Engineer's Report on Strata Website</p>
	<p>Site 07 Location: Description: History:</p> <p>Comments:</p>	<p>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</p>
	<p>Site 08 Location Description History:</p> <p>Comments:</p>	<p>Wooden Fence West side of building Fixed to top of concrete retaining wall. Maintained as needed, as part of annual budget.</p>
	<p>Site 09 Location Description History:</p> <p>Comments:</p>	<p>Soft Landscaping At front in planters and in ground Miscellaneous small shrubs, 1 Japanese maple Gardening service with annual contract to maintain shrubs and lawn, as part of annual budget.</p>

Appendix 2 Long Term Maintenance Plan (Fully Funded)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Hard Cost									
Boiler	1,015	1,030	1,046	1,061	1,077	1,093	1,110	1,126	1,143
Windows	1,269	1,288	1,307	1,327	1,347	1,367	1,387	1,408	1,429
Exterior Paint	761	773	784	796	808	820	832	845	858
Roof	1,015	1,030	1,046	1,061	1,077	1,093	1,110	1,126	1,143
Interior Paint	508	515	523	531	539	547	555	563	572
Carpet	1,015	1,030	1,046	1,061	1,077	1,093	1,110	1,126	1,143
Re-Piping	<u>761</u>	<u>773</u>	<u>784</u>	<u>796</u>	<u>808</u>	<u>820</u>	<u>832</u>	<u>845</u>	<u>858</u>
	6,344	6,439	6,535	6,633	6,733	6,834	6,937	7,041	7,146

Soft Cost									
<i>Expenditure</i>									
Accounting	2100	2121	2142	2164	2185	2207	2229	2251	2274
Administration	257	260	262	265	267	270	273	276	278
Appraisal	193	195	197	199	201	203	205	207	209
Bank Charge	132	133	135	136	137	139	140	142	143
Insurance	6790	6858	6926	6996	7066	7136	7208	7280	7353
Office Supplies	17	17	17	18	18	18	18	18	18
Permit and Licenses	242	244	247	249	252	254	257	259	262
Electricity	1818	1836	1855	1873	1892	1911	1930	1949	1969
Gas	5597	5653	5709	5767	5824	5883	5941	6001	6061
Garbage and recycling	3344	3377	3411	3445	3480	3515	3550	3585	3621
Janitorial	5661	5718	5775	5833	5891	5950	6009	6069	6130
Pest Control	745	752	760	768	775	783	791	799	807
Repair Maintenance	4323	4366	4410	4454	4499	4544	4589	4635	4681
Water	<u>1339</u>	<u>1352</u>	<u>1366</u>	<u>1380</u>	<u>1393</u>	<u>1407</u>	<u>1421</u>	<u>1436</u>	<u>1450</u>
	32,558	32,884	33,212	33,545	33,880	34,219	34,561	34,907	35,256

Total per Year	\$38,902	\$39,322	\$39,748	\$40,178	\$40,613	\$41,053	\$41,498	\$41,947	\$42,402
5% Contingency	<u>\$1,945</u>	<u>\$1,966</u>	<u>\$1,987</u>	<u>\$2,009</u>	<u>\$2,031</u>	<u>\$2,053</u>	<u>\$2,075</u>	<u>\$2,097</u>	<u>\$2,120</u>
Including 5% cont.	\$40,847	\$41,289	\$41,735	\$42,187	\$42,644	\$43,105	\$43,572	\$44,044	\$44,522
Per Month	\$3,404	\$3,441	\$3,478	\$3,516	\$3,554	\$3,592	\$3,631	\$3,670	\$3,710

Units	2016								
101	353.92	202		190.40	206		272.16		
102	258.72	203		280.00	301		302.40		
103	253.12	204		280.00	302		299.04		
201	269.92	205		190.40	303		192.64		

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1,161	1,178	1,196	1,214	1,232	1,250	1,269	1,288	1,307	1,327	1,347
1,451	1,472	1,495	1,517	1,540	1,563	1,586	1,610	1,634	1,659	1,684
870	883	897	910	924	938	952	966	981	995	1,010
1,161	1,178	1,196	1,214	1,232	1,250	1,269	1,288	1,307	1,327	1,347
580	589	598	607	616	625	634	644	654	663	673
1,161	1,178	1,196	1,214	1,232	1,250	1,269	1,288	1,307	1,327	1,347
<u>870</u>	<u>883</u>	<u>897</u>	<u>910</u>	<u>924</u>	<u>938</u>	<u>952</u>	<u>952</u>	<u>952</u>	<u>952</u>	<u>952</u>
7,253	7,362	7,473	7,585	7,698	7,814	7,931	8,036	8,142	8,250	8,359

2297	2320	2343	2366	2390	2414	2438	2462	2487	2512	2537
281	284	287	290	292	295	298	301	304	307	310
211	213	215	217	220	222	224	226	229	231	233
144	146	147	149	150	152	153	155	156	158	159
7426	7500	7575	7651	7728	7805	7883	7962	8041	8122	8203
19	19	19	19	19	20	20	20	20	20	21
265	267	270	273	275	278	281	284	287	289	292
1988	2008	2028	2049	2069	2090	2111	2132	2153	2175	2196
6121	6183	6244	6307	6370	6434	6498	6563	6629	6695	6762
3657	3694	3731	3768	3806	3844	3882	3921	3960	4000	4040
6191	6253	6316	6379	6443	6507	6572	6638	6704	6771	6839
815	823	831	839	848	856	865	874	882	891	900
4728	4775	4823	4871	4920	4969	5019	5069	5120	5171	5223
<u>1464</u>	<u>1479</u>	<u>1494</u>	<u>1509</u>	<u>1524</u>	<u>1539</u>	<u>1555</u>	<u>1570</u>	<u>1586</u>	<u>1602</u>	<u>1618</u>
35,608	35,964	36,324	36,687	37,054	37,425	37,799	38,177	38,559	38,944	39,344

\$42,862	\$43,326	\$43,797	\$44,272	\$44,752	\$45,239	\$45,730	\$46,213	\$46,701	\$47,194	\$47,693
<u>\$2,143</u>	<u>\$2,166</u>	<u>\$2,190</u>	<u>\$2,214</u>	<u>\$2,238</u>	<u>\$2,262</u>	<u>\$2,286</u>	<u>\$2,311</u>	<u>\$2,335</u>	<u>\$2,360</u>	<u>\$2,385</u>
\$45,005	\$45,493	\$45,986	\$46,485	\$46,990	\$47,500	\$48,016	\$48,523	\$49,036	\$49,554	\$50,078
\$3,750	\$3,791	\$3,832	\$3,874	\$3,916	\$3,958	\$4,001	\$4,044	\$4,086	\$4,129	\$4,173

304	287.84	Strata Fee per Month	3,920	
305	300.16	Strata Fee per Year	47040	Excess going into contingency for 2016
306	<u>189.28</u>	Coinmatic	<u>1,117</u>	7,310
		Total Revenue	48157	

MANANQUIL & CO.

CHARTERED PROFESSIONAL ACCOUNTANTS

Tel No. (778) 370 1958

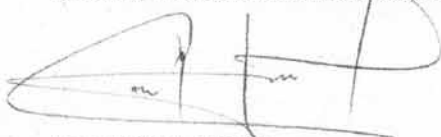
Fax No. 1 888 607 7109

NOTICE TO READER

On the basis of information provided by the owners of Strata Plan VR1591, we have compiled the statement of financial position as at December 31, 2015 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.



MANANQUIL AND CO.

January 27, 2016

Burnaby, BC

THE OWNERS STRATA PLAN VR1591

STATEMENT OF FINANCIAL POSITION

Statement 1

(Unaudited - See Notice to Reader)

December 31, 2015

	2015	2014
ASSETS		
Current Assets		
Cash in bank	\$ 10,942	\$ 131
Cash - contingency reserve (Note 3)	6,868	5,030
Accounts receivable	86	1,182
Prepaid expense	-	1,275
	\$ 17,896	\$ 7,618
LIABILITIES		
Current liabilities		
Account payable and accruals	\$ 1,382	1,207
	1,382	1,207
FUND BALANCES		
UNRESTRICTED	16,514	6,411
RESTRICTED	-	-
	16,514	6,411
	\$ 17,896	\$ 7,618

Approved on behalf of
The Owners, Strata Plan VR1591

The attached notes are an integral part of these financial statements

THE OWNERS STRATA PLAN VR1591

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Statement 2

(Unaudited - See Notice to Reader)

For the Year Ended December 31, 2015

	2015	2014
REVENUES:		
Strata Fees	\$ 41,594	\$ 39,750
Coinamatic	1,117	1,370
Miscellaneous	326	-
Interest income	9	182
	43,046	41,302
EXPENDITURES		
General		
Accounting fee	2,100	2,100
Administration	257	80
Appraisal	578	
Bank charges	132	
Insurance	6,790	6,524
Office supplies	17	
Permit and licenses	242	
	10,116	8,704
Buildings and Grounds		
Electricity	1,818	1,205
Gas	5,597	6,302
Garbage and Recycling	3,344	3,957
Janitorial	5,661	5,910
Pest control	745	545
Repair and maintenance	4,323	9,987
Water	1,339	2,232
	22,827	30,138
	32,943	38,842
EXCESS OF REVENUE OVER EXPENDITURES	10,103	2,460
FUND BALANCES BEGINNING OF THE YEAR	6,411	5,233
FUND ADJUSTMENT	-	1,282
FUND BALANCES END OF THE YEAR	\$ 16,514	\$ 6,411

MANANQUIL & CO, CHARTERED PROFESSIONAL ACCOUNTANTS

STRATA VR1591**DRAFT STATEMENT OF OPERATIONS WITH BUDGET COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015 BUDGET	ACTUAL 31-Dec-15	VARIANCE	2016 BUDGET
REVENUES:				
Coignamatic	\$ 1,500.00	\$ 1,117.29	\$ (382.71)	1,200
Strata Fee	41,825.00	41,594.00	\$ (231.00)	47,040
Interest Income	150.00	9.28	\$ (140.72)	100
Miscellaneous fees	-	326.00	\$ 326.00	100
TOTAL	\$ 43,475.00	\$ 43,046.57	\$ (428.43)	\$ 48,440.00
OPERATING EXPENSES:				
Accounting	2,100.00	2,100.00	\$ -	2,100
Appraisal fee	-	577.50	\$ 577.50	200
Administration	150.00	257.00	\$ 107.00	100
Office supplies	-	17.47	\$ 17.47	100
Permit and licenses	-	242.00	\$ 242.00	250
Bank charges	-	132.56	\$ 132.56	135
Building repair and maintenance				
Janitorial and supplies	6,500.00	5,661.13	\$ (838.87)	6,888
Other repair and maintenance	8,925.00	5,067.56	\$ (3,857.44)	11,500
Utilities				
Electricity	1,400.00	1,818.15	\$ 418.15	2,000
Garbage collection	4,500.00	3,344.23	\$ (1,155.77)	3,500
Gas	8,000.00	5,596.90	\$ (2,403.10)	6,500
Water Sewer	2,500.00	1,338.69	\$ (1,161.31)	1,500
Insurance	6,900.00	6,790.00	\$ (110.00)	7,000
TOTAL OPERATING EXPENSES	\$ 40,975.00	\$ 32,943.19	\$ (8,031.81)	\$ 41,773.00
EXCESS OF REVENUE OVER EXPENDITURES	\$ 2,500.00	\$ 10,103.38		\$ 6,667.00
MINIMUM AMOUNT THAT CAN BE TRANSFERRED TO CONTINGENCY FUND	\$ 2,500.00	\$ 3,294.00		

MANANQUIL & CO. CHARTERED PROFESSIONAL ACCOUNTANTS

THE OWNERS, STRATA PLAN VR1591

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

December 31, 2015

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. SIGNIFICANT ACCOUNTING POLICIES

(a) 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.

(i) Operating Fund

The Operating Fund accounts for administrative activities and routine maintenance. This fund reports unrestricted resources.

(ii) 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.

Effective December 14, 2011, the Strata Property Act requires that if the amount of money in the Contingency Reserve Fund at the end of any fiscal year after the first annual general meeting is less than 25% of the total contribution to the Operating Fund for the fiscal year that has just ended, the annual contribution to the Contingency Reserve Fund for the current fiscal year must be at least the lesser of: 10% of the total contribution to the Operating Fund for the current fiscal year and 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. If the balance in the Contingency Reserve Fund at the end of any fiscal year after the first annual general meeting is equal to or greater than the 25% of the annual budgeted contribution to the Operating Fund for the fiscal year that has just ended, additional contribution to the Contingency Reserve Fund may be made as part of the annual budget approval process after consideration of the depreciation report, if any, obtained under section 94 of the Strata Property Act.

The actual balance of the Contingency Reserve Fund as of December 8, 2014 was Five Thousand Thirty and thirty four cents (\$5,030.34) based on the TD Special Offer GIC report provided by the strata owners. However, the 2014 balance sheet shows a balance of \$6,868; this amount was corrected and adjusted to reflect the actual balance. On March 2, 2015 the amount remaining on the contingency fund amounting to \$5,032.08 was withdrawn and transferred to the operating account. On June 10, 2015 Six Thousand Eight Hundred Sixty Eight dollars was transferred from operating account to the Contingency Reserve Fund account.

THE OWNERS, STRATA PLAN VR1591

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

December 31, 2015

3. COTINGENCY RESERVE FUND

	2015	2014
Balance, beginning of year	\$ 5,030	\$ 20,118
Special assessment	-	12,000
Transferred to CRF	<u>6,868</u>	<u>2,500</u>
	11,898	34,618
Withdrawals	(5,030)	(27,750)
Adjustment to CRF to reflect actual balance Dec 31, 2014		<u>(1,838)</u>
Balance, end of year	<u>\$ 6,868</u>	<u>\$ 5,030</u>

Appendix 4 Project Planning Horizons

Operational Planning Horizon				
2016	2017	2018	2019	2020
Window trim	Carpet	Carpet		
Tactical Planning Horizon				
2021	2022	2023	2024	2025
			Exterior Paint 15 years	
Strategic Planning Horizon				
2026	2027	2028	2029	2030
	Roof 25 years	Interior Paint 15 years		

	2031	2032	2033	2034	2035*
		Boiler 25 years			

*2037 Carpet 20 years
2039 Windows 25 years