

## Condo Smarts

Headline: Records must be readily available

Topic: Access to records

Publication date: May 8, 2005

Publication: The Province

Written by: Tony Gioventu

A self-managed Vancouver strata corporation elected a new council in February. The treasurer was re-elected and agreed to continue for the next term. He was a long-standing member of council. This was his 10th term, and no-one had questioned his behaviour in all that time. However, the council began unraveling in April, when a new owner requested copies of the monthly bank statements and the treasurer refused to provide them.

When council started questioning the treasurer, it discovered that no one had seen bank statements for the previous 10 years. The owners removed the treasurer from council and seized the bank accounts, only to discover the worst. Not only had the treasurer not paid strata fees for the previous 10 years, but was also using the strata funds for personal business.

**Strata Law:** Nothing in our current legislation requires a strata corporation to have their annual financial statements and reports audited. However, the act does allow owners and/or council members to obtain copies of the financial records. In this way, they can verify the year-end financial statements and compare the account balance. The opening and closing balances of the operating and reserve accounts must be reported, and there must be a separate report of any special levy accounts. The Act also requires that copies

of the bank statements and financial records must be provided with the written request of an owner.

**Tips:** Financial reports and statements are critical to establish, because they provide a benchmark for stratas when fraud or errors occur. As a result of fraudulent activities in the industry, a number of stratas and property managers now require all accounts to be audited annually to protect the strata owners' interests. In strata money matters, the failure to make open and regular reports should alert owners that their money may be at risk.

For more information on CHOA resources and benefits visit [www.choa.bc.ca](http://www.choa.bc.ca)  
or contact the office at 1-877-353-2462 or email [office@choa.bc.ca](mailto:office@choa.bc.ca).

No part of this publication may be reproduced without the prior written permission of CHOA

This publication contains general information only and is not intended as legal advice. Use of this publication is at your own risk. CHOA will not be liable to you or any other person for any loss or damage arising from, connected with or relating to the use of this publication or any information contained herein by you or any other person.