

COWICHAN LAKE RECREATIONAL COMMUNITY INC.

Financial Statements

For the Year Ended September 30, 2017

(Unaudited - see Notice to Reader)



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NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Cowichan Lake Recreational Community Inc. as at September 30, 2017 and the statements of retained earnings and income 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.

COLLINS BARROW VICTORIA LTD.

Chartered Professional Accountants

Victoria, B.C.

November 21, 2017

COWICHAN LAKE RECREATIONAL COMMUNITY INC.

BALANCE SHEET

SEPTEMBER 30, 2017

(Unaudited - See Notice To Reader)

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 110,310	\$ -
Accounts receivable	3,678	2,349
	113,988	2,349
PROPERTY AND EQUIPMENT <i>(Note 2)</i>	1,225,016	1,168,814
	\$ 1,339,004	\$ 1,171,163
LIABILITIES		
CURRENT		
Bank indebtedness	\$ -	\$ 83,084
Accounts payable	9,015	1,405
Deposits received	5,347	8,232
Goods and services tax payable	186	869
Due to Shareholders <i>(Schedule 1)</i>	110,198	89,226
	124,746	182,816
SHAREHOLDERS' EQUITY		
Share capital <i>(Note 3)</i>	56	54
Contributed surplus	3,808,084	3,573,087
Deficit	(2,593,882)	(2,584,794)
	1,214,258	988,347
	\$ 1,339,004	\$ 1,171,163

Approved By The Director

Director

COWICHAN LAKE RECREATIONAL COMMUNITY INC.

STATEMENT OF LOSS AND DEFICIT

FOR THE YEAR ENDED SEPTEMBER 30, 2017

(Unaudited - See Notice To Reader)

	2017	2016
REVENUE		
Pad rentals	\$ 11,810	\$ 11,304
Other rentals	3,724	12,743
	15,534	24,047
EXPENSES		
Property taxes	2,427	3,172
Caretaker	625	1,149
Repairs and maintenance	1,691	2,583
Utilities	824	1,174
Accounting and bookkeeping	213	358
Insurance	297	311
Office	16	176
Legal fees	88	106
Interest and bank charges	17	240
	6,198	9,269
INCOME FROM OPERATIONS	9,336	14,778
OTHER INCOME		
Loss on disposal of Goodwill	-	(39,791)
Amortization	(20,052)	-
Gain on disposal of docks	1,628	6,118
	(18,424)	(33,673)
NET LOSS	(9,088)	(18,895)
Deficit - beginning of year	(2,584,794)	(2,565,899)
DEFICIT - END OF YEAR	\$ (2,593,882)	\$ (2,584,794)

COWICHAN LAKE RECREATIONAL COMMUNITY INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

(Unaudited - See Notice To Reader)

1. DESCRIPTION OF BUSINESS

Cowichan Lake Recreational Community Inc. (the "company") is incorporated under the Business Corporations Act of British Columbia. The company's principal business activity is a holding company.

2. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Land	\$ 761,685	\$ -	\$ 761,685	\$ 761,685
Buildings	159,109	32,508	126,601	121,226
Equipment	33,563	23,358	10,205	12,756
Retaining walls	121,322	4,041	117,281	80,704
Breakwater pilings and docks	210,943	8,068	202,875	192,443
Fencing	6,704	335	6,369	-
	\$ 1,293,326	\$ 68,310	\$ 1,225,016	\$ 1,168,814

3. SHARE CAPITAL

Authorized:

Unlimited Class A Common voting shares

Unlimited Class B Common voting shares

		2017	2016
Issued:			
55	Class A common shares	\$ 55	\$ 53
100	Class B common shares	1	1
		\$ 56	\$ 54

COWICHAN LAKE RECREATIONAL COMMUNITY INC.

DUE TO SHAREHOLDERS

(Schedule 1)

YEAR ENDED SEPTEMBER 30, 2017

(Unaudited - See Notice To Reader)

	2017	2016
Balance, beginning of year	\$ 89,226	\$ 72,404
Monthly assessments	89,144	85,569
	178,370	157,973
EXPENDITURES ALLOCATED TO OWNERS		
Property taxes	\$ (26,693)	\$ (23,561)
Repairs and maintenance	(18,598)	(19,078)
Caretaker	(6,875)	(8,539)
Utilities	(9,068)	(8,724)
Bookkeeping	(2,338)	(2,663)
Insurance	(3,266)	(2,311)
Interest and bank charges (expense) recovery	(192)	(1,779)
Office and telephone	(179)	(1,306)
Legal fees	(963)	(786)
	(68,172)	(68,747)
BALANCE, END OF YEAR	\$ 110,198	\$ 89,226

STATEMENT OF OPERATIONS - SCHEDULE 2
ALLOCATION OF REVENUE AND EXPENSES
FOR YEAR ENDED SEPTEMBER 30, 2017

	<u>Shareholders</u>	<u>Taxable Operations</u>	<u>2017 Total</u>	<u>2016 Total</u>
REVENUE				
Pad rental		11,810	11,810	11,304
Other rentals		3,724	3,724	12,743
Shareholder fees	89,144		89,144	85,569
	<u>89,144</u>	<u>15,534</u>	<u>104,678</u>	<u>109,616</u>
EXPENSES				
Property taxes	26,693	2,427	29,120	26,733
Repairs & Maintenance	18,598	1,691	20,289	21,661
Caretaker	6,875	625	7,500	9,688
Utilities	9,068	824	9,892	9,898
Bookkeeping	2,338	213	2,551	3,021
Insurance	3,266	297	3,563	2,622
Interest and bank charges	192	17	209	2,019
Office	179	16	195	1,482
Legal fees	963	88	1,051	892
	<u>68,172</u>	<u>6,198</u>	<u>74,370</u>	<u>78,016</u>
NET INCOME (LOSS) BEFORE AMORTIZATION	<u>20,972</u>	<u>9,336</u>	<u>30,308</u>	<u>31,600</u>