COWICHAN LAKE RECREATIONAL COMMUNITY INC.

Financial Information

Year Ended September 30, 2023

DRAFT

ROSET LANYON
CHARTERED PROFESSIONAL ACCOUNTANTS & BUSINESS ADVISORS

COMPILATION ENGAGEMENT REPORT

To the Shareholders of Cowichan Lake Recreational Community Inc.

On the basis of information provided by management, we have compiled the balance sheet of Cowichan Lake Recreational Community Inc. as at September 30, 2023, and the statement of loss and deficit for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information .

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

We 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 of the financial information.

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

Readers are cautioned that the financial information may not be appropriate for their purposes.

DRAFT

Campbell River, British Columbia
January 12, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

Don Roset, CPA, CA | Ben Lanyon, CPA, CA
A Partnership of Incorporated Professionals
Suite 200, 475 - 13th Avenue, Campbell River, BC V9W 8C3 | Phone: 250.286.3234 Fax: 250.286.1293

COWICHAN LAKE RECREATIONAL COMMUNITY INC.
Balance Sheet
September 30, 2023

		2023		2022
ASSETS				
CURRENT				
Cash	**$**	**-**	$	377,372
Accounts receivable (prepayments)		**8,332**		(4,305)
		8,332		373,067
PROPERTY AND EQUIPMENT *(Note 3)*		**3,074,614**		1,546,870
DEFERRED CHARGES		**39,085**		-
	$	**3,122,031**	$	1,919,937
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT				
Bank indebtedness	**$**	**12,883**	$	-
Accounts payable		**2,339**		2,133
Due to shareholders *(Note 4)*		**962,204**		346,946
		977,426		349,079
SHAREHOLDERS' EQUITY				
Share capital *(Note 5)*		**1,190,554**		615,554
Contributed surplus		**3,891,025**		3,891,025
Deficit		**(2,936,974)**		(2,935,721)
		2,144,605		1,570,858
	$	**3,122,031**	$	1,919,937

DRAFT

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

The accompanying notes are an integral part of the financial statements.

COWICHAN LAKE RECREATIONAL COMMUNITY INC.
Statement of Loss and Deficit
Year Ended September 30, 2023

	2023	2022
REVENUES	**$ 151,438**	$ 145,873
EXPENSES		
Amortization	**33,114**	31,420
Utilities	**30,969**	37,042
Property taxes	**28,630**	29,401
Subcontract	**24,000**	24,000
Repairs and maintenance	**16,350**	27,180
Legal fees	**7,817**	10,480
Insurance	**5,740**	4,286
Accounting fees	**5,477**	4,012
Office	**529**	241
Bank charges and interest	**65**	102
	152,691	168,164
NET LOSS	**(1,253)**	(22,291)
DEFICIT - BEGINNING OF YEAR	**(2,935,721)**	(2,913,430)
DEFICIT - END OF YEAR	**$ (2,936,974)**	$ (2,935,721)

DRAFT

The accompanying notes are an integral part of the financial statements.

1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the balance sheet of Cowichan Lake Recreational Community Inc. as at September 30, 2023, and the statement of loss and deficit for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable less an allowance for doubtful accounts
- property, plant and equipment amortized on the same basis as for income tax
- accounts payable and accrued liabilities
- current income taxes payable as at the reporting date

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and equipment

Amortization charges have been calculated applying the following annual rates and methods:

Land	N/A	
Buildings	4%	declining balance method
Docks & pilings	5%	declining balance method
Retaining walls	8%	declining balance method
Fencing	10%	declining balance method
Equipment	20%	declining balance method

Property and equipment acquired during the year are not amortized until they are placed into use.

DRAFT

3. PROPERTY AND EQUIPMENT

	2023		2022	
	Cost	**Accumulated amortization**	Cost	Accumulated amortization
Land	**$ 852,114**	**$ -**	$ 852,114	$ -
Buildings	**1,977,261**	**70,599**	416,404	60,709
Docks & pilings	**210,943**	**57,052**	210,943	48,952
Retaining walls	**194,119**	**58,371**	194,119	46,567
Fencing	**35,675**	**12,418**	35,675	9,834
Equipment	**33,933**	**30,991**	33,933	30,256
	$ 3,304,045	**$ 229,431**	$ 1,743,188	$ 196,318
Net book value	**$ 3,074,614**		$ 1,546,870	

4. DUE TO SHAREHOLDERS

Amounts owed to shareholders originate from monetary contributions made by the shareholders. These liabilities do not accrue interest, and the company does not contemplate repayment within the ordinary course of business. Repayment of these obligations would only be considered in the event of the liquidation of the corporation's underlying assets.

5. SHARE CAPITAL

Authorized:

20000 Class A Common voting shares with a par value of $0.01
20000 Class B Common voting shares no par value

		2023	2022
Issued:			
61	Class A Common Shares	**$ 1,190,554**	$ 615,554

DRAFT