

CARRIAGE HILLS VACATION OWNERS' ASSOCIATION
Financial Information
December 31, 2022

COMPILATION ENGAGEMENT REPORT

To the Members of Carriage Hills Vacation Owners' Association

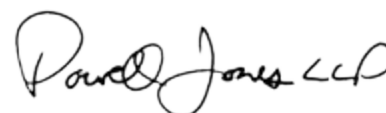
On the basis of information provided by the Receiver we have compiled the statement of financial position of Carriage Hills Vacation Owners' Association as at December 31, 2022, and the statements of operations and changes in fund balances for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

The Receiver 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 the receiver 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 information provided by the receiver. 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.



June 23, 2023

Chartered Professional Accountants
Licensed Public Accountants

CARRIAGE HILLS VACATION OWNERS' ASSOCIATION
Statement of Financial Position
December 31, 2022

	2022	2021
	\$	\$
ASSETS		
CURRENT		
Cash	996,970	161,101
Accounts receivable	-	932,357
Government remittances receivable	56,831	155,341
	1,053,801	1,248,799
LIABILITIES AND FUND BALANCE (DEFICIT)		
CURRENT		
Accounts payable and accrued liabilities	412,159	814,583
Due to interval owners (<i>Note 2</i>)	-	350,000
Due to Carriage Hills Hospitality, Inc.	-	273,703
	412,159	1,438,286
FUND BALANCE (DEFICIT)		
Operating fund (deficit)	641,642	(189,487)
	1,053,801	1,248,799

APPROVED ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

CARRIAGE HILLS VACATION OWNERS' ASSOCIATION**Statement of Operations****Year Ended December 31, 2022**

	Operating Fund 2022	Replacement Fund 2022	Total 2022	Total 2021
	\$	\$	\$	\$
REVENUES				
Insurance refund	-	-	-	50,000
Sale of assets	-	-	-	16,000
Interest and other	42,143	-	42,143	2,804
	<u>42,143</u>	<u>-</u>	<u>42,143</u>	<u>68,804</u>
EXPENSES				
Accounting fees	4,309	-	4,309	12,079
Consultancy fees	-	-	-	156,554
Doubtful accounts (recovery)	(21,630)	-	(21,630)	136,643
Grounds maintenance	-	-	-	172,427
Property tax	-	-	-	185,719
Resort management	-	-	-	464,052
Restructuring fees	3,381,609	-	3,381,609	2,199,029
Security	-	-	-	32,918
Selling expenses	-	-	-	225,438
Telephone (recovery)	5,638	-	5,638	(5,389)
Unrecoverable HST	-	-	-	45,111
Utilities (recovery)	(11,207)	-	(11,207)	393,620
	<u>3,358,719</u>	<u>-</u>	<u>3,358,719</u>	<u>4,018,201</u>
DEFICIENCY OF REVENUES OVER EXPENSES				
	<u>(3,316,576)</u>	<u>-</u>	<u>(3,316,576)</u>	<u>(3,949,397)</u>

See notes to financial information

CARRIAGE HILLS VACATION OWNERS' ASSOCIATION
Statement of Changes in Fund Balances
Year Ended December 31, 2022

	Operating Fund \$	Replacement Fund \$	2022 \$	2021 \$
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	(189,487)	-	(189,487)	3,759,910
Deficiency of revenues over expenses	(3,316,576)	-	(3,316,576)	(3,949,397)
Contributions during the year <i>(Note 3)</i>	4,147,705	-	4,147,705	-
FUND BALANCES (DEFICIT) - END OF YEAR	641,642	-	641,642	(189,487)

See notes to financial information

CARRIAGE HILLS VACATION OWNERS' ASSOCIATION

Notes to Financial Information

Year Ended December 31, 2022

1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the statement of financial position of Carriage Hills Vacation Owner's Association (the "Association") as at December 31, 2022, and the statements of operations and fund balances for the year then ended is on the historical cost basis and reflects cash transactions with the addition of:

- Government remittances receivable
- accounts payable and accrued liabilities

On January 6, 2021, BDO Canada Limited was appointed as receiver of the Association and its property (the "Receiver"). The Statement of Operations includes post-receivership activity of the Association and the Receiver's activities to realize on related resort assets. Certain receivership costs relating to both the Association's assets and the Interval Owner Property have been included in the statement of operations for the year-ended December 31, 2022.

2. DUE TO INTERVAL OWNERS

Ownership of the real property and certain personal property assets are vested directly or indirectly in the interval owners, not in the Association (the "Interval Owner Property"). Accordingly, Interval Owner Property is not reflected as assets nor the sale proceeds therefrom in these financial statements. These financial statements do not include the Carriage Hills Resort Corporation (the "Developer") interest in the Association, nor any of the related mortgages, liabilities or contingent liabilities. The balance in due to interval owners reflects the amounts owing to interval owners for restructuring costs funded, in part, by the sale proceeds of Interval Owner Property.

3. CONTRIBUTIONS DURING THE YEAR

The Receiver is managing the realization and distribution of net proceeds from the Interval Owner Property through the Association. The interval owners have contributed funding to the Association for the restructuring expenses related to the Interval Owner Property. Contributions from interval owners have amounted to \$4,147,705 in the year-ended December 31, 2022 (2021 - \$0).
