Ex A-29

Canada Revenue Agency | Agence du revenu du Canada

TAX COURT OF CANADA
COUR CANADIENNE DE L'IMPÔT

N AN MO EM	club Intrawest	EXHIBIT PIECE A-29
DATE	November 25, 2014	
	Shea	
COURT REGISTRAR - GREFFIER DE LA COUR		
No	2012-3401(GST)G	

Facsimile Cover Sheet

To:	**Sandra Ruff**
Company:	Club Intrawest
Phone:	604-643-1596
Fax:	604-682-7852
From:	**Dennis Lum,** GST Auditor
Section:	441-18, Large Business Audit
Phone:	604-775-7944
Fax:	604-666-3090
Date:	**July 20, 2010**
Pages including this cover page	6 pages

Secure ☐ Public ☒

Comments:

Sandra,

Re: BN 137175022 RT0001, Error found in Proposal "Club-P0001b-GST" issued on Nov.17,2009, $217,203.47 for the GST periods 2002 to 2007

As I mentioned briefly yesterday, there is an error found in our calculations that needs to be corrected. We have applied the calculated "%Cdn" ratios to the wrong years. At each Oct.31 the assessment should be using the last %Cdn ratio before or at that date. We made the error of using the %Cdn ratio from the year that corresponded to the year Club Intrawest recognizes its revenue. eg. We have assessed Oct.31, 2007 incorrectly by using the %Cdn ratio from Oct.31,2008.

The error will result an amount of $ 217,203.47 in addition to be assessed (see wp P0001c). We will be waiving the penalty & interest portion of the assessment using the same periods as before, but you will need to submit Notices of Objection on the new Notices of Assessments to be issued. I apologize for the inconvenience resulting from our error.

Please review the following working papers and let me know if you have any questions. We plan to process the correction in about a week, but let me know if there are any concerns you may have before July 27, 2010.

Thank you,

Dennis Lum
Excise Tax Auditor | Large Business Audit | Section 441-18 | Phone 604-775-7944 | facsimile 604-666-3090 |Dennis.Lum@cra-arc.gc.ca | Canada Revenue Agency | PO-03 c/o 9755 King George Hwy, Surrey, BC V3T 5E1 | Internet: www.cra-arc.gc.ca

1/6

IMPORTANT - CONFIDENTIAL INFORMATION

This message is intended to be received by the individual or firm to whom it is addressed. It may contain information that is confidential or privileged. If you are not the intended recipient, please notify the sender immediately (by calling collect, if necessary) and arrangements will be made to have it returned at our expense. Thank you for your cooperation and assistance.

Canada

Client: Club Intrawest
Account #: 137175022 RT0001
Year End: 2002-2008
Subject:Proposal P0001 - Point schedule

CLUB INTRAWEST - CALCULATION OF GST COLLECTIBLE FOR ANNUAL RESORT FEES FOR THE PERIOD FEB.1,2002 TO DEC.31,2008

CRA Auditor: Dennis Lum

Date: 2010-07-19

2.

CLUB INTRAWEST											
Data		2002-03-20	2002-03-22	2002-04-16	2002-06-28	2002-07-29	2002-09-01	2002-10-26			
	Feb 1 2002	Mar 20 2002	Mar 22 2002	Apr 16 2002	Jun 28 2002	Jul 29 2002	Sep 16 2002	Oct 26 2002	Dec 31 2002	Feb 14 2003	Mar 21 2003
Canadian Points											
Whistler	891,663					49,369	59,875				
Tremblant	316,143		39,627		70,172						
Panorama	127,359		16,296								
Vancouver	168,858										
Blue Mountain	-										
Points (Cdn) Contributed	1,504,023	-	55,923	-	70,172	49,369	59,875	-		-	-
Points (Cdn) - rolling balance	1,504,023	1,504,023	1,559,946	1,559,946	1,630,118	1,679,487	1,739,362	1,739,362		1,739,362	1,739,362
nonCanadian Points											
Sandestin	-	55,175						55,175			55,175
Kauai	100,394										
Mexico	-										
Palm Desert	265,035			53,007						53,007	
Points (nonCdn) Contributed	365,429	55,175	-	53,007	-	-	-	55,175		53,007	55,175
Points (nonCdn) - rolling balance	365,429	420,604	420,604	473,611	473,611	473,611	473,611	528,786		581,793	636,968
Calculations											
Points %Canadian rolling balance											
Points (Cdn) - rolling balance	1,504,023	1,504,023	1,559,946	1,559,946	1,630,118	1,679,487	1,739,362	1,739,362		1,739,362	1,739,362
Points (nonCdn) - rolling balance	365,429	420,604	420,604	473,611	473,611	473,611	473,611	528,786		581,793	636,968
Total - rolling balance	1,869,452	1,924,627	1,980,550	2,033,557	2,103,729	2,153,098	2,212,973	2,268,148		2,321,155	2,376,330
%Cdn - rolling balance	80.45%	78.15%	78.76%	76.71%	77.49%	78.00%	78.60%	76.69%		74.94%	73.20%
%Cdn - rolling balance at year-end									76.6864420%		
	Note : This table is compiled from data received from Club Intrawest by email on Jan.16, 2009 (See wp 205-31). The information has been reorganized to correct the sequence by date as discussed with Sandra Ruff.										

9/2

Client: Club Intrawest
Account #: 137175022 RT0001
Year End: 2002-2008
Subject:Proposal P0001 - Point schedule

CLUB INTRAWEST - CALCULATION OF GST COLLECTIBLE FOR ANNUAL RESORT FEES FOR THE PERIOD FEB.1,2002 TO DEC.31,2008

CRA Auditor: Dennis Lum

Date: 2010-07-19

CLUB INTRAWEST											
Data	May 7 2003	Sept 9 2003	Dec 30 2003	Mar 12 2004	Apr 26 2004	July 30 2004	Oct 1 2004	Dec 31 2004	Feb 15 2005	Mar 15 2005	April 28 2005
Canadian Points											
Whistler										10,254	
Tremblant										15,078	
Panorama											
Vancouver											
Blue Mountain						111,831			57,253		57,253
Points (Cdn) Contributed	-	-	-	-	-	111,831	-		57,253	25,332	57,253
Points (Cdn) - rolling balance	1,739,362	1,739,362	1,739,362	1,739,362	1,739,362	1,851,193	1,851,193		1,908,446	1,933,778	1,991,031
nonCanadian Points											
Sandestin		55,175	55,175	55,175	55,486		51,529				
Kauai											
Mexico											
Palm Desert	53,007	53,007		53,007							
Points (nonCdn) Contributed	53,007	108,182	55,175	108,182	55,486	-	51,529		-	-	-
Points (nonCdn) - rolling balance	689,975	798,157	853,332	961,514	1,017,000	1,017,000	1,068,529		1,068,529	1,068,529	1,068,529
Calculations											
Points %Canadian rolling balance											
Points (Cdn) - rolling balance	1,739,362	1,739,362	1,739,362	1,739,362	1,739,362	1,851,193	1,851,193		1,908,446	1,933,778	1,991,031
Points (nonCdn) - rolling balance	689,975	798,157	853,332	961,514	1,017,000	1,017,000	1,068,529		1,068,529	1,068,529	1,068,529
Total - rolling balance	2,429,337	2,537,519	2,592,694	2,700,876	2,756,362	2,868,193	2,919,722		2,976,975	3,002,307	3,059,560
%Cdn - rolling balance	71.60%	68.55%	67.09%	64.40%	63.10%	64.54%	63.40%		64.11%	64.41%	65.08%
%Cdn - rolling balance at year-end			66.5457725%					63.4030569%			

9/6

Client: Club Intrawest
Account #: 137175022 RT0001
Year End: 2002-2008
Subject:Proposal P0001 - Point schedule

CLUB INTRAWEST - CALCULATION OF GST COLLECTIBLE FOR ANNUAL RESORT FEES FOR THE PERIOD FEB.1,2002 TO DEC.31,2008

CRA Auditor: Dennis Lum

Date: 2010-07-19

CLUB INTRAWEST											
Data			Budget for 2006							kauai	
	July 29 2005	*Aug 29 2005*	Oct 31 2005	Dec 22 2005	Dec 31 2005	April 24 2006	Oct 24 2006	Dec 31 2006	Mar 2 2007	Jun 1 2007	Jun 6 2007
Canadian Points											
Whistler				8,119							
Tremblant				3,418							
Panorama				2,154							
Vancouver				2,834							
Blue Mountain	50,934			2,297							
Points (Cdn) Contributed	50,934	-		18,822		-	-		-	-	-
Points (Cdn) - rolling balance	2,041,965	2,041,965		2,060,787		2,060,787	2,060,787		2,060,787	2,060,787	2,060,787
nonCanadian Points											
Sandestin				4,714						69,086	
Kauai				1,610						(102,004)	
Mexico		99,648		1,652		102,018	59,374		71,872	32,918	49,140
Palm Desert				6,570							
Points (nonCdn) Contributed	-	99,648		14,546		102,018	59,374		71,872	-	49,140
Points (nonCdn) - rolling balance	1,068,529	1,168,177		1,182,723		1,284,741	1,344,115		1,415,987	1,415,987	1,465,127
Calculations											
Points %Canadian rolling balance											
Points (Cdn) - rolling balance	2,041,965	2,041,965		2,060,787		2,060,787	2,060,787		2,060,787	2,060,787	2,060,787
Points (nonCdn) - rolling balance	1,068,529	1,168,177		1,182,723		1,284,741	1,344,115		1,415,987	1,415,987	1,465,127
Total - rolling balance	3,110,494	3,210,142		3,243,510		3,345,528	3,404,902		3,476,774	3,476,774	3,525,914
%Cdn - rolling balance	65.65%	63.61%		63.54%		61.60%	60.52%		59.27%	59.27%	58.45%
%Cdn - rolling balance at year-end			63.6098029%		63.6098029%			60.5241208%			

9/11

Client: Club Intrawest
Account #: .137175022 RT0001
Year End: 2002-2008
Subject:Proposal P0001 - Point schedule

CLUB INTRAWEST - CALCULATION OF GST COLLECTIBLE FOR ANNUAL RESORT FEES FOR THE PERIOD FEB.1,2002 TO DEC.31,2008

CRA Auditor: Dennis Lum

Date: 2010-07-19

CLUB INTRAWEST							
Data	Oct 4 2007	Dec 21 2007	Dec 31 2007	Jan 1 2008	Oct 2 2008	Dec.31, 2008	Total
Canadian Points							1,009,026
Whistler							439,614
Tremblant							160,887
Panorama					35,770		207,462
Vancouver							279,568
Blue Mountain					35,770		
Points (Cdn) Contributed	-	-		-			2,096,557
Points (Cdn) - rolling balance	2,060,787	2,060,787		2,060,787	2,096,557		
nonCanadian Points				10,417			522,282
Sandestin							-
Kaual							602,127
Mexico	36,345	149,180					547,883
Palm Desert		11,243					
Points (nonCdn) Contributed	36,345	160,403		10,417	-		1,672,292
Points (nonCdn) - rolling balance	1,501,472	1,661,875		1,672,292	1,672,292		
Calculations							
Points %Canadian rolling balance							
Points (Cdn) - rolling balance	2,060,787	2,060,787		2,060,787	2,096,557		
Points (nonCdn) - rolling balance	1,501,472	1,661,875		1,672,292	1,672,292		
Total - rolling balance	3,562,259	3,722,662		3,733,079	3,768,849		
%Cdn - rolling balance	57.85%	55.36%		55.20%	55.63%		
%Cdn - rolling balance at year-end			57.8505662%			55.6285752%	

9/5

CRA Aud ...s Lum

Date: 2010-07-19

Client: Club Intrawest
Account #: 137175022 RT0001
Year End: 2002-2008
Subject: P0001c Summary (%Cdn Errors Corrected)

SUMMARY OF GST AND ITC FOR ANNUAL RESORT FEES FOR THE PERIOD FEB.1,2002 TO DEC.31,2008

Schedule of Net Tax Calculated on the Supply of Resort Fees						"This Schedule from P0001b has calculation errors (amounts in bold); see Note 6 below for additional adjustments -								Operating Fiscal Year used to obtain revenues			
	wp Ref	2001	wp Ref	2002	wp Ref	2003	wp Ref	2004	wp Ref	2005	wp Ref	2006	wp Ref	2007	wp Ref -	2008	2009
Club's Operating (fiscal) Year (Note 1)																	
Resort Fees Paid by Members	0205-4.1	6,180,421	0205-5.1	6,142,716	0205-6.1	10,205,323	0205-7.1	12,344,146	0205-8.1	14,022,381	0205-9.1	15,974,622	0205-10.1	17,525,461	0205-10.2b	18,528,599	20,442,852
Resort Fees Paid by members to Capital Reserve	0205-4.2	1,000,662	0205-5.2	1,449,289	0205-6.2	1,674,488	0205-7.1	2,016,741	0205-8.1	2,282,714	0205-9.1	2,601,569	0205-10.1	2,843,664	0205-10.2b	3,378,065	3,882,294
Resort Fees Paid by Developer	0205-4.1	530,445	0205-5.1	726,953	0205-6.1	714,683	0205-7.1	751,875	0205-8.1	777,894	0205-9.1	695,827	0205-10.1	858,563	0205-10.2b	1,043,720	1,093,903
Resort Fees Paid by Developer to Capital Reserve	0205-4.2	93,608	0205-5.2	129,388	0205-6.2	117,265	0205-7.1	122,398	0205-8.1	126,634	0205-9.1	113,274	0205-10.1	139,766	0205-10.2b	191,452	207,743
Total Resort Fees Paid		7,895,136		10,448,346		12,711,759		15,235,160		17,209,623		19,385,592		21,367,474		23,141,836	25,626,792
%Cdn - rolling balance (Note 2) (Wrong ratios, see Note 6)				76.69%		68.55%		63.40%		63.61%		60.52%		57.85%		55.63%	55.63%
GST rate (Note 3)				7/107		7/107		7/107		7/107		7/107		6/106		5/105	5/105
Calculated GST Collected on Resort Fee Revenues																	Note 6
$4,114,081.56 (to PE 071031)						$570,033.77		$631,933.65		$716,159.35		$767,576.77		$699,690.83		$728,687.19	$678,848.54
GST Audit Assessment date (Note 4)				Statute-barred		2002-10-31		2003-10-31		2004-10-31		2005-10-31		2006-10-31		2007-10-31	2008-10-31
GST Calculation Error to be reassessed (Note 6)																	
Unclaimed ITCs (to PE 071031)					0205-14	$325,338.49	0205-14	$413,673.40	0205-14	$457,080.01	0205-14	$530,813.06	0205-14	$543,916.79	0205-14	$575,523.45	$726,894.92
$2,646,347.20																	
(see wp 205-14 "Unclaimed ITCs to be Allowed" and Note 5)																	
Calculated Net Assessment (to PE 071031)						$244,695.29		$218,260.25		$259,079.34		$236,763.71		$155,772.04		$153,163.74	-$48,046.38
$1,267,734.36						2002-10-31		2003-10-31		2004-10-31		2005-10-31		2006-10-31		2007-10-31	2008-10-31
Period Assessed:																	

Note 1 See Club's Notes to Financial Statements: "Revenue recognition Operating Fund -The Club follows the deferral method of accounting for fees in the Operating Fund. Fees received in advance for services are accounted for using the deferral method, whereby such amounts are deferred and recorded as income in the period in which the service is provided.

Note 2 The "%Cdn - rolling balance" ratios were rounded to 2 decimals places for display purposes only; the actual ratios used to calculate "Calculated GST Collected on Resort Fee Revenues" are determined under workpaper "P0001 - Point schedule." See wp 0205-3

Note 3 GST Rate was 7% on 1991/01/01, 6% on 2006/07/01, and 5% on 2008/01/01

Note 4 For GST audit purposes, the GST assessment for each year will be made to the period ended Oct.31 as the membership is invoiced for next year's Resort fees on or about Oct.16.

Note 5 For GST audit purposes, the unclaimed ITCs are aggregated for the fiscal year and posted as an adjustment to the following calendar period ended Oct.31, as complete data information was not provided to determine the actual period paid or payable.

Note 6 Found Calc'n Errors: the "% Cdn - rolling balance" to use for assessing Period Ended 2008-10-31 is 57.85% from the period Oct. to Dec.2008. This happens to be the same 57.85% used to assess PE 2007-10-31. It now appears the previously assessed years are in error from using "% Cdn - rolling balance" from the wrong year. The principle is to calculate Net Tax for each PE Oct.31, the month when the resort fees are billed to members. Thus the "% Cdn - rolling balance" should be taken at that time is Oct.31 of the same year being assessed. Whereas the revenue amount is deferred and recognized the following tax year (per Note 2 to 2009 Club's F/S), for GST purposes, the GST is deemed collected when invoiced in the current year. Thus, we have correctly taken the revenue amounts from the income statement of the following year to be the value of supply made for GST assessing purposes. The ITCs are correctly taken from the same year being assessed. Conclusion Only the "% Cdn - rolling balance" have been in error and should be corrected.

Correction to be made to GST Collected									
PE to Assess	2002-10-31	2003-10-31	2004-10-31	2005-10-31	2006-10-31	2007-10-31			
calc'd error	$570,033.77	$631,933.65	$716,159.35	$767,576.77	$699,690.83	$728,687.19			
	12,711,759	15,235,160	17,209,623	19,385,592	21,367,474	23,141,836			
corrected ratio	76.69%	68.55%	63.40%	63.61%	60.52%	57.85%			
	7/107	7/107	7/107	7/107	6/106	3/53			
	637,732	683,191	713,932	806,710	732,027	757,793			
	(570,034)	(631,934)	(716,159)	(767,577)	(699,691)	(728,687)			
Error to adjust	67,699	51,257	(2,328)	39,133	32,336	29,105			
Summary:	217,203								

WP 0205-2b

P0001c Summary P0001c -Adjustments To P0001b.xls