

Whistler Community Services Society
Financial Statements
For the year ended March 31, 2016

**Whistler Community Services Society
Financial Statements
For the year ended March 31, 2016**

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Tel: 604 932 3799
Fax: 604 932 3764
www.bdo.ca

BDO Canada LLP
202 - 1200 Alpha Lake Road
Whistler BC V0N 1B1 Canada

Independent Auditor's Report

To the Board of the Whistler Community Services Society

We have audited the accompanying financial statements of Whistler Community Services Society, which comprise the Statements of Financial Position as at March 31, 2016, and the Statements of Operations, Changes in Fund Balances and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, Whistler Community Services Society derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenue was limited to the amounts recorded in the records of Whistler Community Services Society. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, thrift store revenue, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2016 and 2015, current assets and net assets as at March 31, 2016 and 2015, and net assets as at April 1, 2015 and 2014. Our audit opinion on the financial statements for the year ended March 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Whistler Community Services Society as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP.

Chartered Professional Accountants

Whistler, British Columbia
June 20, 2016

Whistler Community Services Society
Statement of Financial Position

March 31 2016 2015

Assets

Current

Cash (Note 2)	\$ 1,056,476	\$ 803,327
Accounts receivable (Note 3)	10,558	13,607
Prepaid expenses	9,391	7,932
	1,076,425	824,866

Tangible Capital Assets (Note 4)

80,391	39,733
\$ 1,156,816	\$ 864,599

Liabilities and Net Assets

Liabilities


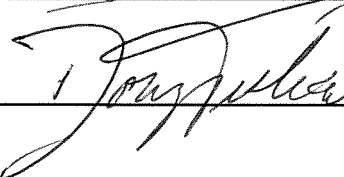
Current

Accounts payable and accrued liabilities (Note 5)	\$ 74,868	\$ 82,796
Wages and benefits payable	46,880	41,569
Deferred contributions	-	4,185
	121,748	128,550

Net Assets

Investment in tangible capital assets fund	80,391	39,733
Internally restricted operating fund	200,000	200,000
Internally restricted new building fund	736,688	475,507
Other restricted funds	17,989	20,809
	1,035,068	736,049
	\$ 1,156,816	\$ 864,599

Approved on behalf of the Board:

 <hr style="border: 0.5px solid black;"/>	Director	SHANKAR RAINA
 <hr style="border: 0.5px solid black;"/>	Director	DOUG TREISEVEW

Whistler Community Services Society
Statement of Operations

For the year ended March 31, 2016

2016

2015

Revenue

Thrift store revenue (Note 6)	\$ 1,357,699	\$ 1,199,764
Donations and grants (Note 7)	182,107	163,748
Program and membership fees	27,941	34,527
Interest income	5,639	5,687
Other income	16,369	21,796

	1,589,755	1,425,522
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Program and Thrift Store Costs (Note 9)

Thrift store costs (Schedule 1)	686,062	642,979
Program costs (Schedule 2)	554,570	581,832

	1,240,632	1,224,811
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General and Administrative Expenses (Note 9)

Accounting and legal	4,311	2,911
Amortization	280	316
Insurance	2,506	2,437
Office and general	3,710	2,637
Repairs and maintenance	2,396	2,185
Security	110	110
Telephone and utilities	2,634	2,757
Travel	605	705
Wages	33,552	31,798

	50,104	45,856
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Excess of revenue over expenses for the year	\$ 299,019	\$ 154,855
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Whistler Community Services Society
Statement of Changes in Fund Balances

For the year ended March 31, 2016

	Investment in Tangible Capital Assets Fund	Internally Restricted New Building Fund	Internally Restricted Operating Fund	Other Restricted	Unrestricted	2016	2015
Balance, beginning of year (Note 11)	\$ 39,733	\$ 475,507	\$ 200,000	\$ 20,809	\$ -	\$ 736,049	\$ 581,194
Revenue	-	-	-	108,059	1,481,696	1,589,755	1,425,522
Expenses	20,516	-	-	90,879	1,179,341	1,290,736	1,270,667
Excess of revenue over expenses for the year	(20,516)	-	-	17,180	302,355	299,019	154,855
Interfund Transfers (Note 11)							
Capital acquisition	65,674	-	-	(20,000)	(45,674)	-	-
Proceeds from capital disposition	(4,500)	-	-	-	4,500	-	-
New building fund	-	261,181	-	-	(261,181)	-	-
Balance, end of year	\$ 80,391	\$ 736,688	\$ 200,000	\$ 17,989	\$ -	\$ 1,035,068	\$ 736,049

The accompanying notes are an integral part of these financial statements

Whistler Community Services Society
Statement of Cash Flows

For the year ended March 31, 2016

2016

2015

Cash provided by (used in)

Operating activities

Excess of revenue over expenses for the year	\$ 299,019	\$ 154,855
Items not requiring cash		
Amortization	18,198	11,155
Loss on disposition of tangible capital assets	2,318	305
Deferred contributions recognized	(4,185)	-
Changes in non-cash working capital balances		
Accounts receivable	3,049	(3,874)
Prepaid expenses	(1,459)	3,088
Accounts payable and accruals	(7,928)	23,637
Wages and benefits payable	5,311	2,063
Contributions received and deferred	-	1,656
	314,323	192,885

Investing activities

Acquisition of tangible capital assets	(65,674)	(7,844)
Proceeds on disposal of tangible capital assets	4,500	1,650
	(61,174)	(6,194)

Increase in cash during the year

253,149 **186,691**

Cash, beginning of year

803,327 **616,636**

Cash, end of year

\$ 1,056,476 **\$ 803,327**

Whistler Community Services Society

Notes to the Financial Statements

March 31, 2016

1. Significant Accounting Policies

Purposes of the Society

Whistler Community Services Society (the "Society") provides a structure to co-ordinate programs and agencies in the social fields for Whistler, British Columbia. Its mission is to provide programs and services that support social sustainability in Whistler.

The Society is incorporated under the Society Act of British Columbia and is a registered charity under the Income Tax Act.

The Society provides numerous programs which offer support and assistance to families in times of need and stressful life situations. These programs include: Access to Justice, Camp Fund, Cheakamus Community Gardens, Counselling Assistance, Emergency Financial Assistance, Finding the Balance Yoga, Food Bank, Healthy Choices, Helping Hand Volunteer Assistance, Income Tax Program, Interim Housing Project, Jim Cook Community Greenhouses, KidSport, Outreach Services, Parent Infant Drop-in, Peer Educators, PLAY Credit, Santa's Helpers, School Lunches, Speaker Series, Support Network of Whistler (SNOW), Whistler Survival Guide, Whistler Welcome Week.

The Society supports its programs through its thrift stores, including the Re-Use-It ("RUI"), Re-Build-It ("RBI"), and recycling centres. Items are donated to these centres and are then exchanged for cash donations.

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund Accounting

The Society follows the restricted fund method of accounting for contributions. Revenue and expenses related to program delivery and administrative activities are reported in the Other Restricted Fund and the Unrestricted Fund. These funds report unrestricted and restricted resources with restricted grants being allocated to the Other Restricted Fund, and internally generated revenue and general donations being allocated to the Unrestricted Fund. The Internally Restricted New Building Fund (formerly the Internally Restricted Capital Fund) reports internally restricted assets set aside for future spending on the new Re-Use-It and social services building project. The Internally Restricted Operating Fund reports internally restricted assets set aside to ensure financial stability and protect against the risk of various events such as an unexpected increase in expenses, unanticipated loss of funding, uninsured losses or the need for one-time unbudgeted expenses. Invested in Tangible Capital Assets Fund accounts for revenue and expenses related to equipment. The balance of this fund represents the Society's investment in equipment, net of any related financing.

Whistler Community Services Society Notes to the Financial Statements

March 31, 2016

1. Significant Accounting Policies (cont.)

Revenue Recognition Grants are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Operating grants, if contributed for a future period, are deferred and reported as deferred contributions until that future period.

Other unrestricted revenue, including cash donations from the exchange of donated goods at the Re-Use-It and Re-Build-It stores, and program fees are reported as revenue when services are provided or the goods have been transferred, amounts receivable can be reasonably estimated and collection is reasonably assured.

**Tangible
Capital Assets**

Capital assets are recorded at cost on the statement of financial position as tangible capital assets. Amortization is charged on a declining balance basis over the expected useful life of the assets. Amortization is provided as follows:

Computer equipment	55% Declining Balance
Furniture and equipment	20% Declining Balance
Vehicles	30% Declining Balance

The Society capitalizes all direct costs related to the development of the new building to the extent that they add value to the property. Any costs that do not add value to the future building are expensed in the period they are incurred. The capitalized costs are not amortized because the property is still under development.

Income Taxes The Society is exempt from income tax under Section 149(1)(l) of the Income Tax Act.

Use of Estimates The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Areas requiring management to exercise judgment on the determination of estimates include collectibility of accounts receivable, useful lives of capital assets, allocation of expenses, and completeness of accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available and may impact future periods.

Financial Instruments The Society's financial instruments consist of cash, accounts receivable, accounts payable and accruals, and wages and benefits payable. The Society initially measures all of its financial instruments at fair value and subsequently at amortized cost using the effective interest rate method.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2016

1. Significant Accounting Policies (cont.)

Allocation of Expenses

Management allocates all costs directly associated with its Re-Use-It and Re-Build-It stores to thrift store costs. The same policy is applied to program costs, with all costs directly associated with running the Society's programs being allocated to program costs. General costs that are not directly attributable to any specific function are allocated across thrift store, program, and general and administrative costs based on management's judgment of the relative consumption of these goods and services by each function.

Contributed Services and Materials

Management has chosen to not recognize contributed materials or services for donations at the Re-Use-It and Re-Build-It stores or directly associated with its programs. As such, these contributions to the Society have not been recognized in the Society's financial statements. Subsequently, when the contributed items are exchanged for a cash donation, the amount received is recorded as Thrift Store revenue at that time.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2016

2. Cash

Cash consists of cash on hand and bank balances.

The Society's bank accounts are held at two credit unions. The bank accounts earn interest at the current prevailing rates.

3. Accounts receivable

	2016	2015
Donations, and other receivables	\$ 2,181	\$ 5,260
Grants receivable	1,250	2,500
GST rebates receivable	7,127	5,847
	\$ 10,558	\$ 13,607

4. Tangible Capital Assets

	2016		2015	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building development	\$ 4,042	\$ -	\$ 4,042	\$ -
Computer equipment	4,520	3,394	1,126	2,679
Vehicle	61,632	9,245	52,387	3,213
Furniture and equipment	44,041	21,205	22,836	33,841
	\$ 114,235	\$ 33,844	\$ 80,391	\$ 39,733

5. Government Remittances Payable

Included in accounts payable and accrued liabilities are \$20,155 (2015 - \$19,614) of government remittances.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2016

6. Thrift Store Revenue

Revenue is from the following sources:

	<u>2016</u>	<u>2015</u>
Re-Use-It Centre donations	\$ 937,913	\$ 834,644
Re-Build-It Centre donations	311,391	269,018
Recycling donations	<u>108,395</u>	<u>96,102</u>
	<u>\$ 1,357,699</u>	<u>\$ 1,199,764</u>

Re-Use-It Centre donations consist of the receipt of cash in exchange for donated clothing, sports equipment, electronic equipment, and housewares. Re-Build-It Centre donations consist of the receipt of cash in exchange for donated furniture, cabinets, appliances, and other household items. All items held for exchange at both locations are donated to the Society at no cost. The costs of running these facilities are considered to be Thrift Store costs which have been disclosed in Schedule 1 of these financial statements.

7. Donations and Grants

Donation and grant revenue are from the following sources:

	<u>2016</u>	<u>2015</u>
Province of British Columbia	\$ 5,000	\$ 32,886
Municipalities	-	5,846
Other - Charities, corporations, and individuals	<u>177,107</u>	<u>125,016</u>
	<u>\$ 182,107</u>	<u>\$ 163,748</u>

Donation revenue is derived primarily from corporations and individuals.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2016

8. Commitments:

Re-Build-It Centre lease

The Society leases the Re-Build-It building for \$4,714 plus GST per month effective June 1, 2014 for a three year term.

Re-Use-It Centre and WCSS office and programs building leases

The Society leases the Re-Use-It Centre building and the Society's office and programs building from the Resort Municipality of Whistler for a nominal value. The lease for the Re-Use-It Centre building expires December 31, 2017, and the lease for the office and programs building expires December 31, 2016.

The Society has entered into four space sharing agreements for space in the Society's office and programs building. The rates negotiated in the subleases are designed to cover the lessee's portion of the building's common utilities and ongoing maintenance.

New Building Development

The Society has entered into a Memorandum of Understanding ("MOU") dated March 15, 2016 with the Resort Municipality of Whistler (the "RMOW"). The purpose of the MOU is to set out the details for a proposed building that the Society will construct on Nesters Road by November 30, 2017 at its own cost. The building will be used for social services programs and a retail thrift store. As part of the agreement, the Society is expected to vacate the current office and programs building it leases from the RMOW at the same time.

The RMOW proposes to grant a lease for the land over a term of 50 years, with two consecutive renewal terms of 10 years each. The Society will make annual lease payments to the RMOW of at least \$17,000 per year up to a cumulative maximum of \$850,000.

9. Allocation of expenses

General costs of \$253,256 (2015 - \$234,048) have been allocated as follows:

	<u>2016</u>	<u>2015</u>
Thrift store costs	\$ 81,943	\$ 75,700
Program costs	121,209	112,492
General and administrative	<u>50,104</u>	<u>45,856</u>
Total expenses	<u>\$ 253,256</u>	<u>\$ 234,048</u>

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2016

10. Financial Instrument Risk

The Society, through its financial assets and liabilities, is exposed to various risks. The following analysis provides an assessment of those risks as at March 31, 2016.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Liquidity Risk

Liquidity risk is the risk that the Society encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Society will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

It is management's opinion that the Society is not exposed to significant interest, liquidity or credit risks arising from their financial instruments. This assessment of exposure to risks is unchanged from the prior year.

11. Interfund Transfers

On March 30, 2016, the Board resolved to transfer the remaining unrestricted operating surpluses up to and including March 31, 2016 to the new building fund (formally internally restricted capital fund).

The Society also decided to present its investment in tangible capital assets as a separate fund for both 2015 and 2016 so that the new building fund better reflects the resources available for that purpose.

12. Comparative Figures

Certain comparative amounts have been restated to conform with the current year's presentation.

**Whistler Community Services Society
Supplementary Schedules**

For the year ended March 31

1. Schedule of Thrift Store Costs

	2016	2015
Accounting and legal	\$ 8,619	\$ 5,821
Advertising	6,825	8,097
Amortization	15,274	8,196
Bank charges	10,543	14,424
Garbage and recycling disposal	2,347	3,218
Insurance	8,792	8,617
Office and general	16,010	13,445
Rent	58,790	58,749
Repairs and maintenance	15,801	2,670
Security	1,046	1,046
Telephone and utilities	6,913	6,936
Training	597	1,492
Travel	11,220	20,331
Wages	523,285	489,937
Total thrift store costs	\$ 686,062	\$ 642,979

2. Schedule of Program Costs

	2016	2015
Accounting and legal	\$ 8,619	\$ 5,821
Advertising	9,938	8,660
Amortization	2,644	2,643
Bank charges	1,384	2,666
Insurance	5,010	4,873
Office and general	17,998	13,539
Program Supplies	127,192	170,515
Repairs and maintenance	11,806	11,160
Security	443	443
Telephone and utilities	14,830	15,236
Training	1,988	4,324
Travel	4,274	6,621
Wages	348,444	335,331
Total program costs	\$ 554,570	\$ 581,832