

Whistler Community Services Society
Financial Statements
For the year ended March 31, 2017

**Whistler Community Services Society
Financial Statements
For the year ended March 31, 2017**

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Fund Balances	6
Statement of Cash Flows	7
Notes to Financial Statements	8-15
Supplementary Schedules	16

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, 2017, 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.



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

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

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 this 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, 2017 and 2016, current assets and net assets as at March 31, 2017 and 2016, and net assets as at April 1, 2016 and 2015. Our audit opinion on the financial statements for the year ended March 31, 2016 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, 2017 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organization have been applied on a basis consistent with that of the preceding year.

BDO Canada LLP.

Chartered Professional Accountants

Whistler, British Columbia
June 22, 2017

Whistler Community Services Society
Statement of Financial Position

March 31

2017

2016

Assets

Current

Cash and cash equivalents (Note 3)	\$ 1,504,678	\$ 1,056,476
Accounts receivable (Note 4)	8,614	10,558
Prepaid expenses	10,091	9,391

	1,523,383	1,076,425
--	-----------	-----------

Tangible Capital Assets (Note 5)

	168,220	80,391
--	---------	--------

	\$ 1,691,603	\$ 1,156,816
--	--------------	--------------

Liabilities and Net Assets

Liabilities

Current

Accounts payable and accrued liabilities (Note 6)	\$ 88,723	\$ 74,868
Wages and benefits payable	43,688	46,880

	132,411	121,748
--	---------	---------

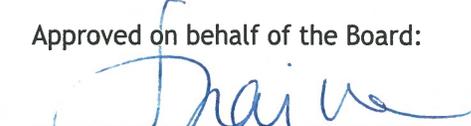
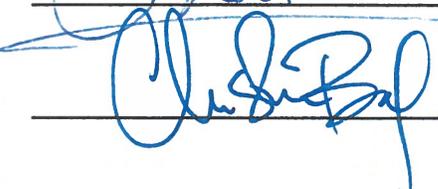
Net Assets

Investment in tangible capital assets fund	168,220	80,391
Internally restricted operating fund	300,000	200,000
Restricted new building fund	1,023,842	736,688
Other restricted funds	67,130	17,989

	1,559,192	1,035,068
--	-----------	-----------

	\$ 1,691,603	\$ 1,156,816
--	--------------	--------------

Approved on behalf of the Board:

	Director
	Director

Whistler Community Services Society
Statement of Operations

For the year ended March 31, 2017

2017

2016

Revenue

Thrift store revenue (Note 7)	\$ 1,498,767	\$ 1,357,699
Donations and grants (Note 8)	307,857	182,107
Program and membership fees	9,110	27,941
Interest income	10,641	5,639
Other income	20,279	16,369

	1,846,654	1,589,755
--	------------------	------------------

Program and Thrift Store Costs (Note 10)

Thrift store costs (Schedule 1)	716,134	686,062
Program costs (Schedule 2)	549,728	554,570

	1,265,862	1,240,632
--	------------------	------------------

General and Administrative Expenses (Note 10)

Accounting and legal	3,653	4,311
Amortization	208	280
Insurance	2,565	2,506
Office and general	2,901	3,710
Repairs and maintenance	2,834	2,396
Security	118	110
Telephone and utilities	2,672	2,634
Travel	666	605
Wages	41,051	33,552

	56,668	50,104
--	---------------	---------------

Excess of revenue over expenses for the year	\$ 524,124	\$ 299,019
---	-------------------	-------------------

Whistler Community Services Society
Statement of Changes in Fund Balances

For the year ended March 31, 2017

	Investment in Tangible Capital Assets Fund	Restricted New Building Fund	Internally Restricted Operating Fund	Other Restricted	Unrestricted	2017	2016
Balance, beginning of year	\$ 80,391	\$ 736,688	\$ 200,000	\$ 17,989	\$ -	\$ 1,035,068	\$ 736,049
Revenue	-	121,556	-	108,732	1,616,366	1,846,654	1,589,755
Expenses	21,645	41	-	59,591	1,241,253	1,322,530	1,290,736
Excess (deficit) of revenue over expenses for the year	(21,645)	121,515	-	49,141	375,113	524,124	299,019
Interfund Transfers (Note 12)							
Capital acquisition	109,474	(104,340)	-	-	(5,134)	-	-
New building fund	-	269,979	-	-	(269,979)	-	-
Interfund Transfer (Note 12)	-	-	100,000	-	(100,000)	-	-
Balance, end of year	\$ 168,220	\$ 1,023,842	\$ 300,000	\$ 67,130	\$ -	\$ 1,559,192	\$ 1,035,068

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, 2017

2017

2016

Cash provided by (used in)

Operating activities

Excess of revenue over expenses for the year	\$ 524,124	\$ 299,019
Items not requiring cash		
Amortization	21,645	18,198
Loss on disposition of tangible capital assets	-	2,318
Deferred contributions recognized	-	(4,185)
Changes in non-cash working capital balances		
Accounts receivable	1,944	3,049
Prepaid expenses	(700)	(1,459)
Accounts payable and accruals	13,855	(7,928)
Wages and benefits payable	(3,192)	5,311
	<u>557,676</u>	<u>314,323</u>

Investing activities

Acquisition of tangible capital assets	(109,474)	(65,674)
Proceeds on disposal of tangible capital assets	-	4,500
	<u>(109,474)</u>	<u>(61,174)</u>

Increase in cash during the year

448,202 **253,149**

Cash and cash equivalents, beginning of year

1,056,476 **803,327**

Cash and cash equivalents, end of year

\$ 1,504,678 **\$ 1,056,476**

Whistler Community Services Society

Notes to the Financial Statements

March 31, 2017

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 registered under the British Columbia Society Act and is in the process of transitioning to the new Societies Act (BC) (Note 2). As a registered charity, it is not subject to income taxes under section 149(1)(f) of 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, Birth, Baby & Beyond, Camp Fund, Connect Whistler (formerly Whistler Welcome Week), Counselling Assistance, Emergency Financial Assistance, Finding the Balance Yoga, Food Bank, Healthy Choices, Helping Hand Volunteer Assistance, Income Tax Program, Kidsart, KidSport, Outreach Services, Parent Infant Drop-in, Peer Educators, PLAY Credit, Santa's Helpers, School Lunches, Speaker Series, Support Network of Whistler (SNOW), and Whistler Survival Guide.

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 if revenue is restricted for a specific purpose, or the Unrestricted Fund when revenue is available for general operations. The Restricted New Building Fund reports both internally restricted assets set aside for future spending on the new Re-Use-It and social services building project and revenue from external sources that is to be used for the same purpose. 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, 2017

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 and cash equivalents, 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, 2017

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.

2. New Societies Act of British Columbia

On November 28, 2016 the Society Act (BC) was repealed and replaced with the Societies Act (BC) ("New Act"). The New Act requires that all Societies transition to the New Act before November 28, 2018. The Society expects to complete the transition process during the fiscal year ended March 31, 2018.

Even though this transition has not been completed, the New Act requires that the Society disclose the total remuneration paid to the Directors, for either being a director or for acting in another capacity, as well as the total number of employees or contractors with annual remuneration equal to or greater than \$75,000 and the aggregate remuneration of those employees/contractors.

During the years ended March 31, 2017 and March 31, 2016, there was one employee paid in excess of \$75,000 and there was no remuneration paid to directors.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2017

3. Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand, bank balances and one term deposit.

The Society's bank accounts are held at two credit unions and one chartered bank. The bank accounts earn interest at the current prevailing rates. The term deposit earns interest at 1.25% annually, matures June 21, 2017 and is redeemable at the Society's discretion at any time.

4. Accounts Receivable

	2017	2016
Donations, and other receivables	\$ 780	\$ 2,181
Grants receivable	-	1,250
GST rebates receivable	7,834	7,127
	\$ 8,614	\$ 10,558

5. Tangible Capital Assets

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building development	\$ 108,382	\$ -	\$ 108,382	\$ 4,042
Computer equipment	-	-	-	1,126
Vehicle	64,548	25,398	39,150	52,387
Furniture and equipment	50,328	29,640	20,688	22,836
	\$ 223,258	\$ 55,038	\$ 168,220	\$ 80,391

6. Government Remittances Payable

Included in accounts payable and accrued liabilities are \$20,895 (2016 - \$20,155) of government remittances.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2017

7. Thrift Store Revenue

Revenue is from the following sources:

	2017	2016
Re-Use-It Centre donations	\$ 1,046,507	\$ 937,913
Re-Build-It Centre donations	301,725	311,391
Recycling donations	150,535	108,395
	\$ 1,498,767	\$ 1,357,699

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.

8. Donations and Grants

Donation and grant revenue are from the following sources:

	2017	2016
Province of British Columbia	\$ 5,000	\$ 5,000
Municipalities	2,464	-
Other - Charities, corporations, and individuals	300,393	177,107
	\$ 307,857	\$ 182,107

Donation revenue is derived primarily from corporations and individuals, including \$121,556 received in the year specifically for the new building, as described in Note 9. This amount has been recorded as revenue in the Restricted New Building Fund where internally restricted net assets have also been set aside for this project.

Whistler Community Services Society Notes to the Financial Statements

March 31, 2017

9. Commitments

Re-Build-It Centre lease

The Society currently leases the Re-Build-It building for \$4,714 plus GST per month and has committed to a new lease effective June 1, 2017 for an eight month term at \$5,767 plus GST per month with an option to extend for an additional two months. Following this term the Society intends to move the Re-Build-It Centre to the vacated Re-Use-It Centre building.

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 (the "RMOW") for a nominal value. The lease for the Re-Use-It Centre building expires December 31, 2017 and is expected to be renewed at that time for the planned relocation of the Re-Build-It Centre. The lease for the office and programs building expired December 31, 2016, however the office and programs building will continue to be occupied by the Society until on or before January 31, 2018 at which time they will lease the space on a month-to-month basis until relocation.

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. All four subleases will expire on or before November 30, 2017 given the planned relocation of the Society's office and programs.

New Building Development

The Society has entered into a Ground Lease dated April 10, 2017 subsequent to year-end with the RMOW. The purpose of the Ground Lease is to set out the details for a building that the Society will construct on Nesters Road commencing on or before May 1, 2018 and complete within two years of construction commencement date at its own cost. The building will be used for social services programs and a retail thrift store. The Society will own the building upon substantial completion of construction. As part of the agreement, the Society will vacate the current office and programs building it leases from the RMOW at the same time.

The Society will lease the land from the RMOW 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 \$17,000 per year up to a cumulative maximum of \$850,000. The first lease payment is due in 2018.

The Society has entered into agreements with various service providers related to the design and construction of the new building, cumulatively adding up to approximately \$970,000, including GST. These agreements are for: provision of prefabricated building materials, architectural services, landscape architectural services, structural engineering services, fundraising services and mechanical and electrical services.

Additional contracts have been signed for varying amounts and purposes, however the amounts are not significant.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2017

10. Allocation of Expenses

General costs of \$296,942 (2016 - \$253,256) have been allocated as follows:

	<u>2017</u>	<u>2016</u>
Thrift store costs	\$ 95,873	\$ 81,943
Program costs	144,401	121,209
General and administrative	<u>56,668</u>	<u>50,104</u>
Total expenses	<u>\$ 296,942</u>	<u>\$ 253,256</u>

11. 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, 2017.

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. The Society is potentially exposed to credit risk on its cash and cash equivalents (described in Note 3). To mitigate this risk, the Society has deposited its cash and cash equivalents with reputable financial institutions.

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.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2017

12. Interfund Transfers

On March 29, 2017, the Board resolved to transfer \$100,000 from the unrestricted fund to the internally restricted operating fund and to transfer the remaining unrestricted operating surpluses up to and including March 31, 2017 to the new building fund.

Whistler Community Services Society
Supplementary Schedules

For the year ended March 31

1. Schedule of Thrift Store Costs

	2017	2016
Accounting and legal	\$ 7,307	\$ 8,619
Advertising	7,275	6,825
Amortization	19,452	15,274
Bank charges	11,003	10,543
Garbage and recycling disposal	3,312	2,347
Insurance	9,180	8,792
Office and general	14,567	16,010
Rent	60,347	58,790
Repairs and maintenance	4,191	15,801
Security	1,087	1,046
Telephone and utilities	7,220	6,913
Training	457	597
Travel	10,511	11,220
Wages	560,225	523,285
Total thrift store costs	\$ 716,134	\$ 686,062

2. Schedule of Program Costs

	2017	2016
Accounting and legal	\$ 7,307	\$ 8,619
Advertising	12,265	9,938
Amortization	1,979	2,644
Bank charges	2,580	1,384
Insurance	5,131	5,010
Office and general	14,511	17,998
Program supplies	123,983	127,192
Repairs and maintenance	11,834	11,806
Security	476	443
Telephone and utilities	15,251	14,830
Training	16,401	1,988
Travel	4,915	4,274
Wages	333,095	348,444
Total program costs	\$ 549,728	\$ 554,570