

Whistler Community Services Society
Financial Statements
For the year ended March 31, 2013

**Whistler Community Services Society
Financial Statements
For the year ended March 31, 2013**

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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, 2013, 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 cash receipts the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues 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, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2013, current assets, and fund balances as at March 31, 2013.

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, 2013 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 Accountants

Whistler, British Columbia
June 13, 2013

Whistler Community Services Society
Statement of Financial Position

March 31	2013	2012
Assets		
Current		
Cash (Note 2)	\$ 440,710	\$ 349,337
Accounts receivable (Note 3)	31,245	12,565
Prepaid expenses	8,315	11,587
	<u>480,270</u>	<u>373,489</u>
Non current		
Capital Assets (Note 4)	54,271	30,106
	<u>\$ 534,541</u>	<u>\$ 403,595</u>
Liabilities and Net Assets		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 36,898	\$ 56,502
Wages and benefits payable	52,215	33,065
Deferred contributions	803	-
	<u>89,916</u>	<u>89,567</u>
Net assets		
Unrestricted funds	301,103	211,706
Internally restricted capital fund	63,441	98,241
Other restricted funds	80,081	4,081
	<u>444,625</u>	<u>314,028</u>
	<u>\$ 534,541</u>	<u>\$ 403,595</u>

Whistler Community Services Society
Statement of Operations

For the year ended March 31, 2013	2013	2012
		(Restated - Note 8)
Revenues		
Thrift store revenue (Note 6)	\$ 1,004,590	\$ 866,404
Donations & grants (Note 5)	256,225	189,726
Program and membership fees	25,539	18,845
Interest income	849	1,738
Other income	12,754	2,918
	1,299,957	1,079,631
Program and Thrift Store Costs		
Thrift store costs (Schedule 1)	588,940	568,435
Program costs (Schedule 2)	535,506	577,571
	1,124,446	1,146,006
General and Administrative Expenses		
Accounting and legal	4,273	5,824
Amortization	230	-
Insurance	2,436	1,437
Office and general	2,528	3,188
Rent	-	1,604
Repairs and maintenance	1,929	242
Security	150	644
Telephone and utilities	2,128	1,411
Travel	643	564
Wages	30,597	21,234
	44,914	36,148
Excess (deficiency) of revenues over expenses for the year	\$ 130,597	\$ (102,523)

Whistler Community Services Society
Statement of Changes in Fund Balances

For the year ended March 31, 2013

	Internally Restricted Capital Fund	Other Restricted	Unrestricted	2013	2012
Balance, beginning of year	\$ 98,241	\$ 4,081	\$ 211,706	\$ 314,028	\$ 416,551
Revenues	-	168,122	1,131,835	1,299,957	1,079,631
Expenses	-	92,122	1,077,238	1,169,360	1,182,154
Excess (deficiency) of revenues over expenses for the year	-	76,000	54,597	130,597	(102,523)
Interfund Transfers	(34,800)	-	34,800	-	-
Balance, end of year	\$ 63,441	\$ 80,081	\$ 301,103	\$ 444,625	\$ 314,028

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, 2013

2013

2012

Cash provided by (used in)

Operating activities

Excess (deficiency) of revenues over expenses for the year	\$ 130,597	\$ (102,523)
Items not requiring cash		
Amortization	10,635	7,803
Changes in non-cash working capital balances		
GST receivable	(18,680)	(4,099)
Prepaid expenses	3,272	(11,587)
Accounts payable and accruals	(19,604)	25,157
Wages and benefits payable	19,150	2,523
Contributions received and deferred	803	-

	126,173	(82,726)
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Investing activities

Capital assets acquired	(34,800)	(10,830)
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Increase (decrease) in cash during the year

	91,373	(93,556)
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Cash, beginning of year

	349,337	442,893
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Cash, end of year

	\$ 440,710	\$ 349,337
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Whistler Community Services Society

Notes to the Financial Statements

March 31, 2013

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 improve 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: Outreach, Senior Needs Action Planner (SNAP), Access To Justice, Alcohol & Drug Education/Prevention, Community Acupuncture Program, Community Kitchens, Counselling Assistance Fund, Emergency Financial Assistance, Finding the Balance Yoga, Food Bank, Goal Fit, Helping Hand, Jim Cook Community Greenhouse, KidSport, Parent-Infant Drop-In, Peer Educators, Recreation Credit Program, Santa's Helpers, School Lunch Fund, Support Network of Whistler (SNOW), Tax Assist Program, Whistler Survival Guide, Whistler Welcome Week, and 55+ Drop In.

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 sold.

Fund Accounting

The Society follows the restricted fund method of accounting for contributions. Revenues 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 revenues and general donations being allocated to the Unrestricted Fund. The Internally Restricted Capital Fund reports internally restricted assets set aside for the future purchase of capital assets.

Revenue Recognition

Grants are recognized as revenue when received or receivable if the amount can 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 sales from the Re-Use-It and Re-Build-It stores, and program fees are reported as revenue when services are provided, and amounts receivable can be reasonably estimated and collection is reasonably assured.

Whistler Community Services Society Notes to the Financial Statements

March 31, 2013

1. Significant Accounting Policies (cont.)

Capital Assets Capital assets are recorded at cost on the statement of financial position as 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

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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas of significance requiring management to exercise judgment on the determination of estimates include collectibility of accounts receivable and useful lives of capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial Instruments The Society's financial instruments consist of cash, accounts receivable, accounts payable and accruals, and wages and benefits payable. In accordance with CICA Handbook Section 3856, the Society has classified its financial instruments as follows:

- Cash is classified as held for trading.
- Accounts receivable are classified as loans and receivables.
- Accounts payable and accruals, and wages and benefits payable and are classified as other financial liabilities.

Cash is recorded at fair value. Accounts receivable, accounts payable and accruals, and employee wages payable are recorded at amortized cost using the effective interest method which at year-end approximates fair value.

It is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2013

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 - see Schedule 1. The same policy is applied to program costs, with all costs directly associated with running the Society's programs being allocated to program costs - see Schedule 2. 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 judgement 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 sold, the amount received is recorded as Thrift Store revenue at that time.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2013

2. Cash

Cash consists of cash on hand and bank balances.

The Society's bank accounts are held at one credit union. The bank accounts earns interest at the current prevailing rates.

3. Accounts receivable

	2013	2012
Donations, and other receivables	\$ 3,363	\$ 1,055
Grants receivable	13,250	-
GST/HST rebates receivable	14,632	11,510
	\$ 31,245	\$ 12,565

It is management's opinion that the Society is not exposed to significant credit risk arising from the balance of these receivables.

4. Property and Equipment

	2013		2012	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 1,371	\$ (924)	\$ 447	\$ 994
Vehicle	32,051	(21,503)	10,548	9,367
Furniture and equipment	54,783	(11,507)	43,276	19,745
	\$ 88,205	\$ (33,934)	\$ 54,271	\$ 30,106

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2013

5. Grant and Donation Revenue

Grant and donation revenue are from the following sources:

	<u>2013</u>	<u>2012</u>
Province of British Columbia	\$ 50,313	\$ 77,017
Municipalities	18,700	4,450
Other - Charities, corporations, and individuals	<u>187,212</u>	<u>108,259</u>
	<u>\$ 256,225</u>	<u>\$ 189,726</u>

Donation revenue is derived primarily from corporations and individuals.

6. Thrift Store Revenue

Revenue is from the following sources:

	<u>2013</u>	<u>2012</u>
Re-Use-It Centre donations	\$ 786,674	\$ 705,615
Re-Build-It Centre donations	178,274	137,490
Recycling donations	<u>39,642</u>	<u>23,299</u>
	<u>\$ 1,004,590</u>	<u>\$ 866,404</u>

Re-Use-It Centre donations consist of the receipt of cash from donations in exchange for donated clothing, sports equipment, electronic equipment, and housewares. The Re-Build-It Centre commenced operations in April 2011 and its donations consist of furniture, cabinets, appliances, and other household items. All items held for exchange in the RUI and RBI 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.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2013

7. Commitments:

Re-Build-It Centre lease

On May 10, 2011 the Society signed one year lease agreement to lease the Re-Build-It building for \$5,088 plus HST per month. This lease was renewed at this same rate for an additional one year term effective June 1, 2013.

Re-Use-It Centre lease

On June 10, 1999 the Society signed a three year lease agreement with the Resort Municipality of Whistler to lease the Re-Use-It building for \$10 per year. This lease has since been automatically renewed for one year periods, and will automatically be extended on annual basis unless 30 days notice of intention to finally terminate the lease is provided by either party.

WCSS office and programs building lease

On January 1, 2012 the Society signed a five year lease agreement with the Resort Municipality of Whistler to lease the Society's office and programs building for \$10 per year. The lease will terminate on December 31, 2016.

Sub-lease Agreements

The Society has entered into three sub-lease 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.

On January 15, 2012 the Society entered into a two year sub-lease agreement with the Howe Sound Women's Centre to lease space at a rate of \$85 / month plus an additional fee based on 20% of the building's operating costs to be amended based on actual usage of utilities and the facility. After the original lease term, the lease agreement shall be renegotiated on an annual basis.

On February 1, 2012 the Society entered into a one year sub-lease agreement with the Sea to Sky Community Services Society to lease space at a rate of \$85 / month. This lease was renewed at this same rate for an additional one year term effective February 1, 2013 and shall be renegotiated on an annual basis.

On February 1, 2012 the Society entered into a one year sub-lease agreement with the Zero Ceiling Society to lease space at a rate of \$85 / month. This lease was renewed at this same rate for an additional one year term effective February 1, 2013 and shall be renegotiated on an annual basis.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2013

8. Allocation of expenses

General costs of \$232,050 (2012 - \$185,015) have been allocated as follows:

	2013	2012
Thift store costs	\$ 75,898	\$ 58,116
Program costs	111,237	90,751
General and administrative	44,915	36,148
Total expenses	\$ 232,050	\$ 185,015

The prior year comparative amounts have been restated to reflect a change to the Society's allocation of expenses accounting policy. For the year ended March 31, 2013, the Society adopted a policy of allocating both directly attributable and general costs by function so as to provide users with a more accurate representation of the costs of these functions to the Society.

The impact of these changes on previously reported balances are:

	2012 As previously stated	Adjustments	2012 Restated
Thift store costs	\$ 510,319	\$ 58,116	\$ 568,435
Program costs	486,820	90,751	577,571
General and administrative	185,015	(148,867)	36,148
Total expenses	\$ 1,182,154	-	\$ 1,182,154

Whistler Community Services Society
Supplementary Schedules

For the year ended March 31

1. Schedule of Thrift Store Costs

	<u>2013</u>	<u>2012</u>
		(Restated - Note 8)
Accounting and legal	\$ 8,545	\$ 11,646
Advertising	8,089	13,032
Amortization	9,295	7,803
Bank charges	10,742	10,419
Garbage and recycling disposal	3,887	5,541
Insurance	8,042	5,216
Office and general	15,875	7,345
Rent	64,420	62,406
Repairs and maintenance	4,248	3,639
Security	1,005	1,737
Telephone and utilities	8,220	10,555
Training	99	89
Travel	7,971	7,959
Wages	438,503	421,047
Total Thrift Store costs	\$ 588,940	\$ 568,435

2. Schedule of Program Costs

	<u>2013</u>	<u>2012</u>
		(Restated - Note 8)
Accounting and legal	\$ 8,545	\$ 11,646
Advertising	5,895	8,016
Amortization	1,110	-
Bank charges	945	1,602
Insurance	4,873	2,874
Office and general	12,724	15,124
Rent	-	8,110
Repairs and maintenance	8,850	10,963
Security	902	3,196
Telephone and utilities	13,951	13,596
Training	1,132	3,486
Travel	5,985	3,916
Wages	317,350	275,249
Program Supplies	153,244	219,793
Total program costs	\$ 535,506	\$ 577,571