

**Whistler Community Services Society**  
**Financial Statements**  
**For the year ended March 31, 2014**

**Whistler Community Services Society  
Financial Statements  
For the year ended March 31, 2014**

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## Independent Auditor's Report

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### 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, 2014, 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, 2014, current assets, and fund balances as at March 31, 2014.

### **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, 2014 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 11, 2014

**Whistler Community Services Society**  
**Statement of Financial Position**

March 31	2014	2013
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	\$ 616,636	\$ 440,710
Accounts receivable (Note 3)	9,733	31,245
Prepaid expenses	11,020	8,315
	<u>637,389</u>	480,270
<b>Non current</b>		
Tangible Capital Assets (Note 4)	44,999	54,271
	<u>\$ 682,388</u>	<u>\$ 534,541</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 59,159	\$ 36,898
Wages and benefits payable	39,506	52,215
Deferred contributions	2,529	803
	<u>101,194</u>	89,916
<b>Net assets</b>		
Unrestricted funds	-	301,103
Internally restricted operating fund	175,000	-
Internally restricted capital fund	347,242	63,441
Other restricted funds	58,952	80,081
	<u>581,194</u>	444,625
	<u>\$ 682,388</u>	<u>\$ 534,541</u>

The accompanying notes are an integral part of these financial statements

**Whistler Community Services Society**  
**Statement of Operations**

For the year ended March 31, 2014

2014

2013

**Revenues**

Thrift store revenue (Note 7)	\$ 1,117,812	\$ 1,004,590
Donations & grants (Note 6)	239,252	256,225
Program and membership fees	30,979	25,539
Interest income	3,400	849
Other income	20,287	12,754

	<b>1,411,730</b>	<b>1,299,957</b>
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**Program and Thrift Store Costs**

Thrift store costs (Schedule 1)	618,465	588,940
Program costs (Schedule 2)	611,319	535,506

	<b>1,229,784</b>	<b>1,124,446</b>
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**General and Administrative Expenses**

Accounting and legal	3,243	4,273
Amortization	348	230
Insurance	2,465	2,436
Office and general	4,398	2,528
Repairs and maintenance	1,535	1,929
Security	113	150
Telephone and utilities	3,586	2,128
Travel	379	643
Wages	29,310	30,597

	<b>45,377</b>	<b>44,914</b>
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<b>Excess (deficiency) of revenues over expenses for the year</b>	<b>\$ 136,569</b>	<b>\$ 130,597</b>
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**Whistler Community Services Society**  
**Statement of Changes in Fund Balances**

For the year ended March 31, 2014

	Internally Restricted Capital Fund	Internally Restricted Operating Fund	Other Restricted	Unrestricted	2014	2013
Balance, beginning of year	\$ 63,441	\$ -	\$ 80,081	\$ 301,103	\$ 444,625	\$ 314,028
Revenues	-	-	156,660	1,255,070	1,411,730	1,299,957
Expenses	-	-	177,789	1,097,372	1,275,161	1,169,360
Excess (deficiency) of revenues over expenses for the year	-	-	(21,129)	157,698	136,569	130,597
Interfund Transfer (Note 11)	86,559	175,000	-	(261,559)	-	-
Interfund Transfer (Note 11)	197,242	-	-	(197,242)	-	-
Balance, end of year	\$ 347,242	\$ 175,000	\$ 58,952	\$ -	\$ 581,194	\$ 444,625

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, 2014**

2014

2013

**Cash provided by (used in)**

**Operating activities**

Excess (deficiency) of revenues over expenses for the year	\$ 136,569	\$ 130,597
Items not requiring cash		
Amortization	12,611	10,635
Loss on disposition of tangible capital assets	2,190	-
Changes in non-cash working capital balances		
Accounts receivable	21,512	(18,680)
Prepaid expenses	(2,705)	3,272
Accounts payable and accruals	22,261	(19,604)
Wages and benefits payable	(12,709)	19,150
Contributions received and deferred	1,726	803

	<b>181,455</b>	<b>126,173</b>
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**Investing activities**

Tangible capital assets acquired	(5,529)	(34,800)
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**Increase (decrease) in cash during the year**

	175,926	91,373
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**Cash, beginning of year**

	440,710	349,337
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**Cash, end of year**

	\$ 616,636	\$ 440,710
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# Whistler Community Services Society

## Notes to the Financial Statements

March 31, 2014

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### 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 (Healthy Choices), 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), Income Tax 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 future spending on major capital projects. 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.

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**Whistler Community Services Society**  
**Notes to the Financial Statements**

**March 31, 2014**

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**1. Significant Accounting Policies (cont.)**

**Revenue Recognition** Grants are recognized as revenue when received or receivable if the amount can reasonably be 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.

**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

**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, useful lives of capital assets and allocation of expenses. 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 CPA Handbook Section 3856, the Society has measured all of its financial instruments at amortized cost using the effective interest rate method which at year-end approximates their fair value.

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**Whistler Community Services Society**  
**Notes to the Financial Statements**

**March 31, 2014**

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**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 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 sold, the amount received is recorded as Thrift Store revenue at that time.

**Whistler Community Services Society**  
**Notes to the Financial Statements**

**March 31, 2014**

**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 earn interest at the current prevailing rates.

**3. Accounts receivable**

	2014	2013
Donations, and other receivables	\$ 3,399	\$ 3,363
Grants receivable	500	13,250
GST/HST rebates receivable	5,834	14,632
	\$ 9,733	\$ 31,245

**4. Tangible Capital Assets**

	2014		2013	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 3,375	\$ (2,041)	\$ 1,334	\$ 447
Vehicle	32,051	(24,668)	7,383	10,548
Furniture and equipment	54,284	(18,002)	36,282	43,276
	\$ 89,710	\$ (44,711)	\$ 44,999	\$ 54,271

**5. Government Remittances Payable**

Included in accounts payable and accrued liabilities are \$18,228 (2013 - \$12,408) of government remittances.

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**Whistler Community Services Society**  
**Notes to the Financial Statements**

**March 31, 2014**

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**6. Grant and Donation Revenue**

Grant and donation revenue are from the following sources:

	<u>2014</u>	<u>2013</u>
Province of British Columbia	\$ 45,806	\$ 50,313
Municipalities	3,770	18,700
Other - Charities, corporations, and individuals	<u>189,676</u>	<u>187,212</u>
	<u>\$ 239,252</u>	<u>\$ 256,225</u>

Donation revenue is derived primarily from corporations and individuals.

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**7. Thrift Store Revenue**

Revenue is from the following sources:

	<u>2014</u>	<u>2013</u>
Re-Use-It Centre donations	\$ 803,646	\$ 786,674
Re-Build-It Centre donations	238,773	178,274
Recycling donations	<u>75,393</u>	<u>39,642</u>
	<u>\$ 1,117,812</u>	<u>\$ 1,004,590</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.

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**Whistler Community Services Society**  
**Notes to the Financial Statements**

**March 31, 2014**

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**8. 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, and then renewed for an additional three year term at a new rate of \$4,714 plus GST per month effective June 1, 2014.

**Re-Use-It Centre lease**

On January 1, 2013, the Society negotiated a five year lease agreement with the Resort Municipality of Whistler to lease the Re-Use-It building for \$1.00 for the entire five year term. The lease will be automatically renewed January 1, 2018 for a further 5 year term unless terminated 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 January 31, 2014, the lease was re-negotiated and renewed for an additional one year term at a rate of \$232 / month including operating costs to be amended in March of each year based on actual operating costs of the facility so that the Howe Sound Women's Centre pays 20% of annual building operating costs.

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 December 10, 2013, the lease was re-negotiated and renewed for an additional one year term at a rate of \$207 / month.

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. This lease was renewed at this same rate for an additional one year term effective February 1, 2014 and shall be renegotiated on an annual basis.

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**Whistler Community Services Society**  
**Notes to the Financial Statements**

**March 31, 2014**

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**9. Allocation of expenses**

General costs of \$229,658 (2013 - \$232,050) have been allocated as follows:

	<u>2014</u>	<u>2013</u>
Thrift store costs	\$ 76,042	\$ 75,898
Program costs	108,239	111,237
General and administrative	<u>45,377</u>	<u>44,915</u>
Total expenses	<u>\$ 229,658</u>	<u>\$ 232,050</u>

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**10. Financial Instrument Risk**

**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.

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**11. Interfund Transfers**

On October 30, 2013, the Board resolved to create an operating reserve of \$175,000 and increased the capital reserve to \$150,000. On March 26, 2014, the Board resolved to transfer all unrestricted operating surpluses up to and including March 31, 2014 to the internally restricted capital fund to support future capital projects.

**Whistler Community Services Society  
Supplementary Schedules**

**For the year ended March 31**

**1. Schedule of Thrift Store Costs**

	2014	2013
Accounting and legal	\$ 6,487	\$ 8,545
Advertising	7,397	8,089
Amortization	10,227	9,295
Bank charges	12,064	10,742
Garbage and recycling disposal	3,913	3,887
Insurance	9,622	8,042
Office and general	22,371	15,875
Rent	62,582	64,420
Repairs and maintenance	8,954	4,248
Security	1,071	1,005
Telephone and utilities	8,381	8,220
Training	525	99
Travel	10,922	7,971
Wages	453,949	438,503
<b>Total Thrift Store costs</b>	<b>\$ 618,465</b>	<b>\$ 588,940</b>

**2. Schedule of Program Costs**

	2014	2013
Accounting and legal	\$ 6,487	\$ 8,545
Advertising	7,155	5,895
Amortization	2,036	1,110
Bank charges	1,642	945
Insurance	4,932	4,873
Office and general	11,960	12,724
Repairs and maintenance	8,528	8,850
Security	453	902
Telephone and utilities	19,984	13,951
Training	667	1,132
Travel	5,353	5,985
Wages	303,751	317,350
Program Supplies	238,371	153,244
<b>Total program costs</b>	<b>\$ 611,319</b>	<b>\$ 535,506</b>