

**Whistler Community Services Society  
Financial Statements  
For the year ended March 31, 2019**

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Financial Statements  
For the year ended March 31, 2019**

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## Independent Auditor's Report

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### To the Board of the Whistler Community Services Society

#### Qualified Opinion

We have audited the accompanying financial statements of Whistler Community Services Society (the Society), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from donations and fundraising activities, 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 the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, thrift store revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2019 and 2018, current assets as at March 31, 2019 and 2018 and net assets as at April 1 and March 31 for both the 2019 and 2018 fiscal years. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **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.

Chartered Professional Accountants

Whistler, British Columbia  
June 24, 2019

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

March 31 2019 2018

**Assets**

**Current**

Cash and cash equivalents (Note 3)	\$	786,800	\$	811,394
Accounts receivable (Note 4)		32,879		871,553
Prepaid expenses		15,614		25,086
		835,293		1,708,033
<b>Tangible Capital Assets (Note 5)</b>		<b>3,761,442</b>		<b>3,212,655</b>
		<b>\$ 4,596,735</b>		<b>\$ 4,920,688</b>

**Liabilities and Net Assets**

**Liabilities**

**Current**

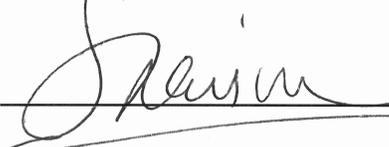
Accounts payable and accrued liabilities (Note 6)	\$	97,813	\$	675,967
Wages and benefits payable (Note 6)		78,409		72,313
Current portion of loan payable (Note 7)		22,088		26,164
		198,310		774,444
<b>Loan Payable (Note 7)</b>		<b>951,747</b>		<b>973,836</b>
		<b>1,150,057</b>		<b>1,748,280</b>

**Net Assets**

Investment in tangible capital assets fund	2,787,607	2,212,655
Internally restricted operating fund	475,000	300,000
Capital maintenance fund	161,817	590,531
Other restricted funds	22,254	69,222
	3,446,678	3,172,408
	<b>\$ 4,596,735</b>	<b>\$ 4,920,688</b>

Approved on behalf of the Board:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements

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

For the year ended March 31	2019	2018
<b>Revenue</b>		
Thrift store revenue (Note 8)	\$ 1,676,416	\$ 1,567,486
Donations and grants (Note 9)	452,276	1,477,929
Program and membership fees	9,303	8,824
Other income	10,082	25,309
	<b>2,148,077</b>	<b>3,079,548</b>
<b>Program and Thrift Store Costs (Note 12)</b>		
Thrift store costs (Schedule 1)	1,005,656	787,394
Program costs (Schedule 2)	798,747	611,497
	<b>1,804,403</b>	<b>1,398,891</b>
<b>General and Administrative Expenses (Note 12)</b>		
Accounting and legal	4,861	3,591
Amortization	117	168
Insurance	3,385	2,565
Office and general	4,208	3,002
Repairs and maintenance	882	2,669
Security	41	115
Telephone and utilities	1,479	2,655
Travel	267	546
Wages	54,164	52,130
	<b>69,404</b>	<b>67,441</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 274,270</b>	<b>\$ 1,613,216</b>

**Whistler Community Services Society**  
**Statement of Changes in Fund Balances**

For the year ended March 31

	Investment in Tangible Capital Assets Fund	Capital Maintenance Fund (Note 10)	Internally Restricted Operating Fund	Other Restricted	Unrestricted	2019	2018
Balance, beginning of year	\$ 2,212,655	\$ 590,531	\$ 300,000	\$ 69,222	\$ -	\$ 3,172,408	\$ 1,559,192
Revenue	-	282,273	-	72,987	1,792,817	2,148,077	3,079,548
Expenses	144,815	26	-	111,610	1,617,356	1,873,807	1,466,332
Excess (deficiency) of revenue over expenses for the year	(144,815)	282,247	-	(38,623)	175,461	274,270	1,613,216
Interfund Transfers (Note 10)							
Acquisition of tangible capital assets	693,603	(677,756)	-	(8,345)	(7,502)	-	-
Loan principal repayments	26,164	-	-	-	(26,164)	-	-
Other interfund transfers	-	(33,205)	175,000	-	(141,795)	-	-
Balance, end of year	\$ 2,787,607	\$ 161,817	\$ 475,000	\$ 22,254	\$ -	\$ 3,446,678	\$ 3,172,408

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** **2019** **2018**

**Cash provided by (used in)**

**Operating activities**

Excess of revenue over expenses for the year \$ 274,270 \$ 1,613,216

Items not requiring cash

Amortization 139,223 16,298

Loss on disposition of tangible capital assets 5,592 -

144,815 16,298

Changes in non-cash working capital balances

Accounts receivable 838,674 (862,939)

Prepaid expenses 9,472 (14,995)

Accounts payable and accruals (578,154) 587,244

Wages and benefits payable 6,096 28,625

695,173 1,367,449

**Investing activities**

Acquisition of tangible capital assets (693,603) (3,060,733)

**Financing activity**

Loan proceeds - 1,000,000

Loan principal repayments (26,164) -

(26,164) 1,000,000

**Decrease in cash during the year**

**(24,594)** **(693,284)**

**Cash and cash equivalents, beginning of year**

**811,394** **1,504,678**

**Cash and cash equivalents, end of year**

**\$ 786,800** **\$ 811,394**

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# Whistler Community Services Society

## Notes to the Financial Statements

March 31, 2019

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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 support and advocate for a healthy community.

The Society is registered under the Societies Act (British Columbia). 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, Concussion Support Group, Connect Whistler, Counselling Assistance, Emergency Financial Assistance, Food Bank, Healthy Choices, Helping Hands, Income Tax Program, KidsArt, Kids on the Move, Outreach Services, Parent Infant Drop-in, PLAY Credit, Pregnancy and Infant Loss Group, Santa's Helpers, School Lunches, Speaker Series, Tool Lending Library, Whistler Orthopedic Rehab 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 Capital Maintenance Fund (formerly the Restricted New Building Fund) reports internally restricted assets set aside for spending on tangible capital assets (Note 10). 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 represents the Society's investment in tangible capital assets net of any related financing.

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## Whistler Community Services Society Notes to the Financial Statements

March 31, 2019

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### 1. Significant Accounting Policies (continued)

**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**

Tangible 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
Buildings	4%	Declining Balance

The Society capitalized all direct costs related to the development of the building located at 8000 Nesters Road to the extent that they add value to the property (Note 5). Any costs that did not add value to the building were expensed in the periods they were incurred.

**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 tangible 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, wages and benefits payable and loan payable. The Society initially measures all of its financial instruments at fair value and subsequently at amortized cost using the effective interest rate method.

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## Whistler Community Services Society Notes to the Financial Statements

March 31, 2019

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### 1. Significant Accounting Policies (continued)

#### 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.

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### 2. Remuneration of Directors, Employees and Contractors

The Societies Act (British Columbia) requires the Society to 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.

During the year, there were two employees (2018 - two employees) paid in excess of \$75,000, with total remuneration of \$168,587 (2018 - \$175,210). There was no remuneration paid to directors.

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

**March 31, 2019**

**3. Cash and Cash Equivalents**

Cash and cash equivalents consists of cash on hand and bank balances.

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.

**4. Accounts Receivable**

	2019	2018
Donations, and other receivables	\$ 10,087	\$ 457,663
Loan disbursement receivable	-	333,333
GST rebates receivable	22,792	80,557
	\$ 32,879	\$ 871,553

**5. Tangible Capital Assets**

	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building in progress	\$ -	\$ -	\$ -	\$ 3,153,259
Building	3,793,995	118,612	3,675,383	-
Vehicle	64,548	45,365	19,183	27,405
Furniture and equipment	101,723	34,847	66,876	31,991
	\$ 3,960,266	\$ 198,824	\$ 3,761,442	\$ 3,212,655

During the year the Society completed construction and occupied the building located at 8000 Nesters Road. Construction costs previously included in building in progress were transferred to building at that time.

**6. Government Remittances Payable**

Included in accounts payable and accrued liabilities and wages and benefits payable are \$28,397 (2018 - \$29,760) of government remittances.

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

**March 31, 2019**

**7. Loan Payable**

During the year ended March 31, 2018, the Society entered into a loan agreement with the Resort Municipality of Whistler (the "RMOW") for \$1,000,000 to assist in financing the construction of the building located at 8000 Nesters Road. The loan bears interest at 2.88%, the ten year indicative market rate as posted by the Municipal Finance Authority of British Columbia (the "MFABC"), to be adjusted every 5 years, and is repayable in quarterly installments of \$12,474 over 30 years, secured by a mortgage over the land on which the building is being constructed.

Minimum principal repayments on the loan over the next five years are as follows:

2020	\$	22,088
2021		22,731
2022		23,393
2023		24,074
2024		24,775
Thereafter		856,774
	<u>\$</u>	<u>973,835</u>

**8. Thrift Store Revenue**

Revenue is from the following sources:

	2019	2018
Re-Use-It Centre donations	\$ 1,244,369	\$ 1,118,983
Re-Build-It Centre donations	253,237	303,801
Recycling donations	<u>178,810</u>	<u>144,702</u>
	<u>\$ 1,676,416</u>	<u>\$ 1,567,486</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. Recycling donations consist of the receipt of cash in exchange for donated household recycling.

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, 2019**

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**9. Donations and Grants**

Donation and grant revenue are from the following sources:

	<u>2019</u>	<u>2018</u>
Municipalities	212,500	643,500
Other - Charities, corporations, and individuals	<u>239,776</u>	<u>834,429</u>
	<u>\$ 452,276</u>	<u>\$ 1,477,929</u>

Donation revenue is derived primarily from corporations and individuals, including \$54,773 (2018 - \$214,577) received in the year specifically towards construction of the building located at 8000 Nesters Road. This amount has been recorded as revenue in the capital maintenance fund.

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**10. Interfund Transfers and Loans**

During the year the former restricted new building fund was re-designated the capital maintenance fund. The purpose of this fund is to maintain a reserve for costs related to the tangible capital assets.

On June 7, 2019, the Board resolved to transfer \$175,000 to the internally restricted operating fund, and to transfer all remaining unrestricted funds to the capital maintenance fund.

Tangible capital assets net of the loan payable are from the investment in the tangible capital assets fund. All other assets and liabilities of the Society are held within the operating fund. As at March 31, 2019, \$161,817, \$475,000 & \$22,254 (2018 - \$590,531, \$300,000 & \$69,222) were due to the capital maintenance fund, internally restricted and other restricted funds, respectively, from the unrestricted fund.

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**11. Commitments**

**Re-Build-It Centre lease**

During the year the Society moved its Re-Build-It Centre operations to the former location of the Re-Use-It Centre. This location is leased from the RMOW for a nominal value. The lease was automatically renewed on Dec 31, 2017 for a five year term.

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

**March 31, 2019**

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**11. Commitments (continued)**

**RMOW Ground Lease**

The Society leases land from the RMOW at 8000 Nesters Road, where the Society's programs and Re-Use-It thrift store operations are now located. The lease term is 50 years, with two consecutive renewal terms of 10 years each. The Society makes annual lease payments to the RMOW of \$17,000 per year up to a cumulative maximum of \$850,000. The first lease payment was due May 11, 2018.

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**12. Allocation of Expenses**

General costs of \$358,723 (2018 - \$345,363) have been allocated as follows:

	<u>2019</u>	<u>2018</u>
Thrift store costs	\$ 125,355	\$ 117,661
Program costs	163,964	160,261
General and administrative	<u>69,404</u>	<u>67,441</u>
Total expenses	<u>\$ 358,723</u>	<u>\$ 345,363</u>

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**13. 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, 2019.

**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. The Society is also potentially exposed to credit risk on its accounts receivable. The Society actively monitors its accounts receivable to mitigate this risk.

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

**March 31, 2019**

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**13. Financial Instrument Risk (continued)**

**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. Liquidity risk arises from accounts payable and accrued liabilities, wages and benefits payable, and loan payable. To mitigate this risk, the Society has accumulated cash reserves that have been generated from annual operating surpluses.

**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. The Society is potentially exposed to interest rate risk on its loan payable (described in Note 7).

It is management's opinion that the Society is not exposed to significant currency risk arising from financial instruments. There have been no changes to the Society's exposure to financial instruments risks from previous years.

**Whistler Community Services Society  
Supplementary Schedules**

**For the year ended March 31**

**1. Schedule of Thrift Store Costs**

	2019	2018
Accounting and legal	\$ 9,723	\$ 7,179
Advertising	1,620	3,689
Amortization	72,824	14,491
Bank charges	12,914	11,973
Garbage and recycling disposal	7,408	3,711
Insurance	14,636	9,858
Interest expense	11,865	-
Office and general	27,082	19,964
Rent	27,836	71,141
Repairs and maintenance	27,373	5,420
Security	987	1,046
Telephone and utilities	17,806	7,060
Training	894	1,140
Travel	13,965	16,097
Wages	758,723	614,625
<b>Total thrift store costs</b>	<b>\$ 1,005,656</b>	<b>\$ 787,394</b>

**2. Schedule of Program Costs**

	2019	2018
Accounting and legal	\$ 9,723	\$ 7,179
Advertising	16,398	11,665
Amortization	66,282	1,639
Bank charges	4,370	4,758
Insurance	6,873	5,129
Interest expense	11,865	-
Office and general	23,000	14,286
Program supplies	106,988	116,340
Rent	8,500	-
Repairs and maintenance	15,284	10,842
Security	454	459
Telephone and utilities	26,742	15,783
Training	6,662	5,889
Travel	6,566	7,459
Wages	489,040	410,069
<b>Total program costs</b>	<b>\$ 798,747</b>	<b>\$ 611,497</b>