

Whistler Community Services Society
Financial Statements
For the year ended March 31, 2020

Whistler Community Services Society
Financial Statements
For the year ended March 31, 2020

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Independent Auditor's Report

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, 2020, 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, 2020, 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, 2020 and 2019, current assets as at March 31, 2020 and 2019 and net assets as at April 1 and March 31 for both the 2020 and 2019 fiscal years. Our audit opinion on the financial statements for the year ended March 31, 2019 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.

BDO Canada LLP

Chartered Professional Accountants

Whistler, British Columbia
September 14, 2020

Whistler Community Services Society
Statement of Financial Position

March 31 **2020** **2019**

Assets

Current

Cash and cash equivalents (Note 3)	\$ 1,099,086	\$ 786,800
Accounts receivable (Note 4)	26,837	32,879
Prepaid expenses	28,523	15,614

	1,154,446	835,293
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Tangible Capital Assets (Note 5)

	3,602,205	3,761,442
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	\$ 4,756,651	\$ 4,596,735
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Liabilities and Net Assets

Liabilities

Current

Accounts payable and accrued liabilities (Note 6)	\$ 67,572	\$ 97,813
Wages and benefits payable (Note 6)	93,129	78,409
Current portion of loan payable (Note 7)	22,655	22,088

	183,356	198,310
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Loan Payable (Note 7)

	929,104	951,747
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	1,112,460	1,150,057
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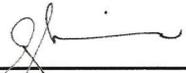
Net Assets

Investment in tangible capital assets fund	2,650,446	2,787,607
Internally restricted operating fund	750,506	475,000
Capital maintenance fund	199,517	161,817
Other restricted funds	43,722	22,254

	3,644,191	3,446,678
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	\$ 4,756,651	\$ 4,596,735
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Approved on behalf of the Board:

 <hr style="border: 0.5px solid black;"/> Carlee Price	Director
 <hr style="border: 0.5px solid black;"/> Alistair Cray	Director

Whistler Community Services Society
Statement of Operations

For the year ended March 31	2020	2019
Revenue		
Thrift store revenue (Note 8)	\$ 1,672,400	\$ 1,676,416
Donations and grants (Note 9)	628,002	452,276
Program and membership fees	14,495	9,303
Other income	13,647	10,082
	2,328,544	2,148,077
Program and Thrift Store Costs (Note 12)		
Thrift store costs (Schedule 1)	1,125,204	1,005,656
Program costs (Schedule 2)	924,856	798,747
	2,050,060	1,804,403
General and Administrative Expenses (Note 12)		
Accounting and legal	5,151	4,861
Amortization	19	117
Insurance	3,651	3,385
Office and general	4,878	4,208
Repairs and maintenance	-	882
Security	-	41
Telephone and utilities	199	1,479
Travel	144	267
Wages	66,929	54,164
	80,971	69,404
Excess of revenue over expenses for the year	\$ 197,513	\$ 274,270

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	2020	2019
Balance, beginning of year	\$ 2,787,607	\$ 161,817	\$ 475,000	\$ 22,254	\$ -	\$ 3,446,678	\$ 3,172,408
Revenue	-	37,700	-	316,250	1,974,594	2,328,544	2,148,077
Expenses	167,226	-	-	294,782	1,669,023	2,131,031	1,873,807
Excess (deficiency) of revenue over expenses for the year	(167,226)	37,700	-	21,468	305,571	197,513	274,270
Interfund Transfers (Note 10)							
Acquisition of tangible capital assets	7,989	-	-	-	(7,989)	-	-
Loan principal repayments	22,076	-	-	-	(22,076)	-	-
Other interfund transfers	-	-	275,506	-	(275,506)	-	-
Balance, end of year	\$ 2,650,446	\$ 199,517	\$ 750,506	\$ 43,722	\$ -	\$ 3,644,191	\$ 3,446,678

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	2020	2019
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 197,513	\$ 274,270
Items not requiring cash		
Amortization	167,226	139,223
Loss on disposition of tangible capital assets	-	5,592
	167,226	144,815
Changes in non-cash working capital balances		
Accounts receivable	6,042	838,674
Prepaid expenses	(12,909)	9,472
Accounts payable and accruals	(30,241)	(578,154)
Wages and benefits payable	14,720	6,096
	342,351	695,173
Investing activities		
Acquisition of tangible capital assets	(7,989)	(693,603)
Financing activities		
Loan principal repayments	(22,076)	(26,164)
Increase (decrease) in cash during the year	312,286	(24,594)
Cash and cash equivalents, beginning of year	786,800	811,394
Cash and cash equivalents, end of year	\$ 1,099,086	\$ 786,800

Whistler Community Services Society

Notes to the Financial Statements

March 31, 2020

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 and externally restricted assets set aside for spending on tangible capital assets. 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.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2020

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.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2020

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.

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 no employees (2019 - two employees) paid in excess of \$75,000, with total remuneration of \$nil (2019 - \$168,587). There was no remuneration paid to directors.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2020

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 one credit union and one chartered bank. The bank accounts earn interest at the current prevailing rates.

4. Accounts Receivable

	2020	2019
Donations, and other receivables	\$ -	\$ 10,087
Grants receivable	20,000	-
GST rebates receivable	6,837	22,792
	\$ 26,837	\$ 32,879

5. Tangible Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building	\$ 3,801,984	\$ 265,049	\$ 3,536,935	\$ 3,675,383
Vehicle	64,548	51,120	13,428	19,183
Furniture and equipment	94,770	42,928	51,842	66,876
	\$ 3,961,302	\$ 359,097	\$ 3,602,205	\$ 3,761,442

6. Government Remittances Payable

Included in accounts payable and accrued liabilities and wages and benefits payable are \$26,819 (2019 - \$28,397) of government remittances.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2020

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:

2021	\$	22,655
2022		23,393
2023		24,074
2024		24,775
2025		25,496
Thereafter		<u>831,366</u>
	\$	<u>951,759</u>

8. Thrift Store Revenue

Revenue is from the following sources:

	2020	2019
Re-Use-It Centre donations	\$ 1,223,886	\$ 1,244,369
Re-Build-It Centre donations	270,020	253,237
Recycling donations	<u>178,494</u>	<u>178,810</u>
	<u>\$ 1,672,400</u>	<u>\$ 1,676,416</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.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2020

9. Donations and Grants

Donation and grant revenue are from the following sources:

	2020	2019
Government of Canada	\$ 5,000	\$ -
Municipalities	5,006	212,500
Other - Charities, corporations, and individuals	617,996	239,776
	<u>\$ 628,002</u>	<u>\$ 452,276</u>

Donation revenue is derived primarily from corporations and individuals, including \$22,700 (2019 - \$54,773) 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.

10. Interfund Transfers and Loans

On August 26, 2020, the Board resolved to transfer \$275,506 to the internally restricted operating 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, 2020, \$199,517, \$750,506 & \$43,722 (2019 - \$161,817, \$475,000 & \$22,254) were due to the capital maintenance fund, internally restricted and other restricted funds, respectively, from the unrestricted fund.

11. Commitments

Re-Build-It Centre lease

The Society's Re-Build-It Centre is leased from the RMOW for a nominal value. The lease was automatically renewed on December 31, 2017 for a five year term.

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 located. The lease term is 50 years effective May 11, 2018, 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.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2020

12. Allocation of Expenses

General costs of \$413,893 (2019 - \$358,723) have been allocated as follows:

	<u>2020</u>	<u>2019</u>
Thrift store costs	\$ 151,755	\$ 125,355
Program costs	181,167	163,964
General and administrative	<u>80,971</u>	<u>69,404</u>
Total expenses	<u>\$ 413,893</u>	<u>\$ 358,723</u>

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, 2020.

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. This risk remains unchanged from prior year.

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, loan payable, and lease commitments.

Liquidity risk has increased in the year due to the impact of COVID-19, which as described in Note 14, has disrupted the Society's operations and could impact its ability to service debt and meet other obligations as they come due. The Society has accumulated cash reserves from annual operating surpluses which mitigate this risk.

Whistler Community Services Society
Notes to the Financial Statements

March 31, 2020

13. Financial Instrument Risk (continued)

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). This risk remains unchanged from prior year.

It is management's opinion that the Society is not exposed to significant currency risk arising from financial instruments.

14. Uncertainty Due to COVID-19

The global pandemic, COVID-19, has significantly disrupted economic activities in Canada, including the operations of the Society.

On March 17, 2020, the Society suspended its thrift store operations, which provided 72% (2019 - 78%) of the Society's revenues for the fiscal year ending March 31, 2020. Thrift store operations remained closed until early June 2020. Sales have not yet returned to historical levels and subsequent waves of infection could also affect revenues of the stores. There has also been an increase in demand for foodbank services and therefore certain expenses were affected in 2020 and into the 2021 fiscal year.

In Whistler, BC, the curtailing of many tourist services has resulted in the significant departure of seasonal employees, which could lead to staffing shortfalls and further reductions in thrift store revenues.

In response to this disruption, the Society has taken action to control certain payroll expenditures and applied for COVID-19 relief funding. Subsequent to year end, the Society has received approximately \$168,749 of Federal and other COVID-19 relief funding, as well as other donation and grant revenues in excess of historical levels.

Given the dynamic nature of these circumstances, the duration of disruption to the Society's operations and related financial impacts cannot be reasonably estimated at this time. The Society's ability to continue to service debt and meet other obligations as they come due is dependent on the continued ability to generate revenues and cash flows. In addition, if the impacts of COVID-19 continue beyond current expectations, there could be further effects on the Society and its funding organizations that could affect the timing and amounts realized on the Society's assets and future financial sustainability. At this time, the full potential impact of COVID-19 on the Society is not known.

Whistler Community Services Society
Supplementary Schedules

For the year ended March 31

1. Schedule of Thrift Store Costs

	2020	2019
Accounting and legal	\$ 12,243	\$ 9,723
Advertising	1,837	1,620
Amortization	86,977	72,824
Bank charges	13,410	12,914
Garbage and recycling disposal	5,124	7,408
Insurance	12,680	14,636
Interest expense	13,909	11,865
Office and general	20,037	27,082
Rent	9,713	27,836
Repairs and maintenance	24,086	27,373
Security	815	987
Telephone and utilities	15,309	17,806
Training	2,085	894
Travel	12,649	13,965
Wages	894,330	758,723
	\$ 1,125,204	\$ 1,005,656

2. Schedule of Program Costs

	2020	2019
Accounting and legal	\$ 10,305	\$ 9,723
Advertising	14,208	16,398
Amortization	80,230	66,282
Bank charges	5,033	4,370
Insurance	7,530	6,873
Interest expense	13,909	11,865
Office and general	31,106	23,000
Program supplies	136,913	106,988
Rent	8,500	8,500
Repairs and maintenance	17,671	15,284
Security	-	454
Telephone and utilities	20,346	26,742
Training	6,660	6,662
Travel	5,700	6,566
Wages	566,745	489,040
	\$ 924,856	\$ 798,747