

Whistler Arts Council (Arts Whistler)

Financial Statements

For the year ended December 31, 2021

(Unaudited)

Whistler Arts Council (Arts Whistler)

Contents

For the year ended December 31, 2021

(Unaudited)

	Page
Independent Practitioners' Review Engagement Report	3
Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 13



WEIR AND COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Directors of Whistler Arts Council (Arts Whistler):

We have reviewed the accompanying financial statements of Whistler Arts Council (Arts Whistler) that comprise the statement of financial position as at December 31, 2021, and the statements of net operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' 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.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of Whistler Arts Council (Arts Whistler) as at December 31, 2021, 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.

Weir and Company
Chartered Professional Accountants LLP
April 20, 2022

A Partnership of Incorporated Chartered Professional Accountants

2nd Floor, Scotiabank Building, 201-1343 Lonsdale Avenue
North Vancouver, BC V7M 2H7 Telephone 604.986.9440 Fax 604.986.9442
cas@weirllp.com

2nd Floor Meridian Station Building, 202-3377 Coast Meridian Road
Port Coquitlam, BC V3B 3N6 Telephone 604.944.9840 Fax 604.944.9820
poco@weirllp.com

Whistler Arts Council (Arts Whistler)

Statement of Financial Position

As at December 31, 2021

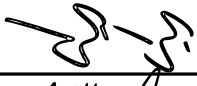
(Unaudited)

	2021	2020
ASSETS		
Current		
Cash	\$ 176,694	\$ 346,266
Investments (Note 3)	256,841	114,888
Accounts receivable	26,405	87,746
Due from government agencies (Note 7)	60,019	21,894
Inventory	2,435	1,882
Prepaid expenses	12,347	6,561
	534,741	579,237
Tangible capital assets (Note 4)	93,814	113,251
	\$ 628,555	\$ 692,488
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 28,146	\$ 68,505
Deferred revenue (Note 5)	125,316	193,103
Deferred capital contributions (Note 6)	11,828	12,058
Wages payable	46,697	33,609
	211,987	307,275
Long-term portion of deferred capital contributions (Note 6)	18,886	30,714
CEBA loan (Note 8)	60,000	40,000
	290,873	377,989
Net Assets		
Invested in tangible capital assets	93,814	113,252
Facility reserve fund, internally restricted (Note 1)	24,129	24,043
MYMPS reserve fund (Notes 1 and 14)	48,003	48,507
Unrestricted	171,736	128,697
	337,682	314,499
	\$ 628,555	\$ 692,488


Commitment (Note 9)

Subsequent event (Note 18)

Approved on behalf of the Board:



Brianna Beacom, Director



Jeff Murl, Director

The accompanying notes are an integral part of these financial statements

Whistler Arts Council (Arts Whistler)

Statement of Operations
For the year ended December 31, 2021
(Unaudited)

	2021	2020
REVENUE		
Fee for Service Operating Funds	\$ 500,000	\$ 398,472
Festival and Events Animation Programming	-	7,250
Productions and other earned revenues	97,176	77,236
Grants and Endowment Fund (Note 10)	235,227	184,017
Donations and sponsors	43,233	18,563
Rentals (Net) (Note 11)	26,443	19,525
Interest	3,941	3,120
	906,020	708,183
DIRECT EXPENSES		
Advertising and promotion	31,291	61,955
Art awards, grants and bursaries	2,025	2,000
Art sales - artist portion	25,228	-
Artist fees and expenses	54,083	51,086
Building janitorial supplies	44,109	30,237
Facility rentals	1,553	-
Production expenses	53,607	43,438
Volunteer and meeting expenses	636	281
	212,532	188,997
EXCESS OF REVENUE OVER DIRECT EXPENSES	693,488	519,186
ADMINISTRATION EXPENSES		
Accounting and legal	5,650	5,600
Amortization	27,536	25,455
Bank charges	557	1,394
Conferences	606	(733)
Consulting fees	8,300	-
Contract fees	68,545	7,918
Exchange loss	146	68
GST non recoverable	3,977	4,338
Insurance	10,202	8,428
Licenses, fees and dues	3,273	14,987
Office and miscellaneous	40,931	29,804
Telephone and utilities	11,639	5,361
Travel	452	-
Wages and benefits	733,265	691,063
	915,079	793,683
Deficiency of revenues over expenses before other items	(221,591)	(274,497)
OTHER ITEMS		
Forgivable portion of CEBA loan (Notes 8 and 12)	10,000	10,000
Government subsidy - CEWS (Note 12)	235,709	317,477
EXCESS OF REVENUES OVER EXPENSES	\$ 24,118	\$ 52,980

The accompanying notes are an integral part of these financial statements

Whistler Arts Council (Arts Whistler)

Statement of Changes in Net Assets
For the year ended December 31, 2021
(Unaudited)

	2021	2020
Invested in Tangible Capital Assets, beginning of year	\$ 113,252	\$ 90,249
Amortization	(27,536)	(25,455)
Acquisitions	8,098	48,458
Invested in Tangible Capital Assets, end of year	\$ 93,814	\$ 113,252
Facility Reserve Fund, beginning of year	\$ 24,043	\$ 16,930
Donations received	2,328	9,350
Funds used	(2,242)	(2,237)
Facility Reserve Fund, end of year	\$ 24,129	\$ 24,043
MYMPS Reserve fund, beginning of year	\$ 48,507	\$ 47,247
Funds used	(1,021)	-
Net interest income	517	1,260
MYMPS Reserve Fund, end of year	\$ 48,003	\$ 48,507
Unrestricted Net Assets, beginning of year	\$ 128,697	\$ 99,980
Excess of Revenues over Expenses	24,118	52,980
Transfer Amortization to Tangible Capital Assets	27,536	25,455
Transfer to Tangible Capital Assets for Acquisitions	(8,098)	(48,458)
Transfer to MYMPS Reserve fund	(517)	(1,260)
Unrestricted Net Assets, end of year	\$ 171,736	\$ 128,697

The accompanying notes are an integral part of these financial statements

Whistler Arts Council (Arts Whistler)

Statement of Cash Flows
For the year ended December 31, 2021
(Unaudited)

	2021	2020
CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ 24,118	\$ 52,980
Item not involving cash:		
Amortization	27,536	25,455
	51,654	78,435
Changes in non-cash working capital items:		
Accounts receivable	61,341	(58,242)
GST receivable	(38,125)	(21,807)
Inventory	(553)	1,162
Prepaid expenses	(5,786)	323
Accounts payable and accrued liabilities	(40,360)	(7,185)
Deferred revenue	(67,787)	47,197
Deferred capital contributions	(12,058)	705
Wages payable	13,087	(5,221)
	(38,587)	35,367
INVESTING ACTIVITIES		
Purchase of investments	(141,952)	(2,052)
Purchase of tangible capital assets	(8,098)	(48,458)
Net funds received in Facility Reserve Fund - Red Roof	(935)	7,113
	(150,985)	(43,397)
FINANCING ACTIVITY		
CEBA loan	20,000	40,000
(DECREASE) INCREASE IN CASH DURING THE YEAR	(169,572)	31,970
Cash, beginning of year	346,266	314,296
CASH, end of year	\$ 176,694	\$ 346,266

The accompanying notes are an integral part of these financial statements

Whistler Arts Council (Arts Whistler)

Notes to the Financial Statements
For the year ended December 31, 2021
(Unaudited)

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

The Whistler Arts Council (Arts Whistler) ("AW") is a registered charity under the Society Act of British Columbia. Its purpose is to build and integrate the arts into the fabric of the Whistler community. AW is incorporated under the Society Act of British Columbia and is exempt from taxation under Section 149.1(l) of the Income Tax Act of Canada.

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

a) Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Building	25 years straight-line
Computer hardware	3 - 5 years straight-line
Furniture and equipment	5 years straight-line

b) Revenue recognition

AW follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Rental revenue is recognized when the related service is provided, the amount to be received can be reasonably estimated and collection is reasonably assured. Donations are recorded on a cash basis since pledges are not legally enforceable claims.

c) Restricted and unrestricted funds

AW has set aside a facility reserve fund for costs associated with the AW owned red-roof building.

AW collects a theatre improvement fund allocated for ongoing improvements. Contributions received are recorded as a liability with revenue recognized as corresponding expenses are incurred.

AW has set aside an internally restricted facility reserve fund for costs associated with the Maury Young Arts Centre building. These funds were donated by the MYMP Society upon its dissolution.

d) Use of estimates

The preparation of financial statements with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include collectibility of accounts receivable and amortization of capital assets. Actual results could differ from these estimates.

e) Contributed goods and services

AW periodically receives donations of supplies, gift certificates and services. These donations are recorded only if a gift-in-kind charitable receipt is issued and in such cases, are recognized at fair value in the financial statements.

Whistler Arts Council (Arts Whistler)

Notes to the Financial Statements
For the year ended December 31, 2021
(Unaudited)

2. REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTORS

The Societies Act (BC) requires that the AW disclose the total remuneration paid to the Directors, for either being a director or for acting in another capacity, as well as the total number of employees or contractors with annual remuneration equal to or greater than \$75,000 and the aggregate remuneration of those employees/contractors.

During the year ended December 31, 2021, there was \$ Nil (2020 - \$Nil) paid to directors of AW for acting in another capacity other than director. In 2021, the Executive Director was paid \$114,657 as an employee (2020 - \$93,851). There were no contractors whose fees exceeded \$75,000 in 2021 or 2020.

3. INVESTMENTS

Investments consists of four term deposits. Out of four, two matures June 2, 2022 and bears interest annually at 1.00% and 0.60%, one matures in June 12, 2022 and bears interest annually at 0.30% and the other one matures on May 30, 2022 and bears interest annually at 1.80%. All have automatic rollover.

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2021 Net	2020 Net
Building	\$ 68,000	\$ 44,880	\$ 23,120	\$ 25,840
Computer hardware	73,259	54,978	18,281	16,412
Furniture and equipment	210,788	158,375	52,413	70,999
	<u>\$ 352,047</u>	<u>\$ 258,233</u>	<u>\$ 93,814</u>	<u>\$ 113,251</u>

5. DEFERRED REVENUE

This balance represents funds received from granting agencies for programs planned for the 2022 fiscal year and the balance consists of the following:

	2021
British Columbia Touring Grant	\$ 6,762
British Columbia Gaming Grant	37,500
Deferred donations	5,654
British Columbia Resilience Award	62,000
100WWC	13,400
	<u>\$ 125,316</u>

Whistler Arts Council (Arts Whistler)

Notes to the Financial Statements
For the year ended December 31, 2021
(Unaudited)

5. DEFERRED REVENUE (CONTINUED)

Deferred revenue, beginning of year	\$	193,103
Amounts received during the year		648,367
Amounts recognized as income during the year		(716,154)
Deferred revenue, end of year	\$	<u>125,316</u>

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions include unspent and unamortized portions of capital contributions.

The changes for the year are as follows:

	2021	2020
Deferred capital contributions, beginning of year	\$ 42,772	\$ 42,067
Contributions received	-	21,474
Amounts recognized as revenue	(12,058)	(20,769)
Deferred capital contributions, end of year	30,714	42,772
Less: current portion	11,828	12,058
Long-term portion	\$ 18,886	\$ 30,714

7. DUE TO/FROM GOVERNMENT AGENCIES

	2021	2020
Payroll liabilities	\$ 11,631	\$ (763)
PST payable	(657)	(192)
GST receivable	976	1,323
CEWS receivable	48,069	21,526
	\$ 60,019	\$ 21,894

8. CANADA EMERGENCY BUSINESS LOAN

The Society received the Canada Emergency Business Account ("CEBA") loan of \$60,000 from the federal government. This loan is interest-free and is intended to help cover operating costs during the time when revenues have been temporarily reduced due to the COVID-19 pandemic. Of this amount, \$20,000 is potentially forgivable if the Society pays \$40,000 prior to December 31, 2023 and meets specific criteria outlined in the loan document.

Whistler Arts Council (Arts Whistler)

Notes to the Financial Statements
For the year ended December 31, 2021
(Unaudited)

9. COMMITMENT

AW entered into a use agreement with the Resort Municipality of Whistler to ensure the Society has ongoing rights of access and use of the Maury Young Arts Centre. The terms of the agreement expires May 31, 2023.

10. GRANTS AND ENDOWMENT FUND

Grants received from funding agencies are recognized as revenue in the fiscal year for which the funds were intended and used, rather than the dates received. The granting agencies and funds recognized are as follows:

	2021	2020
British Columbia Arts Council	\$ 83,000	\$ 63,500
British Columbia Gaming Commission	39,000	39,000
British Columbia Touring Council	3,200	2,462
Canadian Heritage	12,800	20,000
Community Foundation of Whistler	13,669	11,024
Creative Catalyst	65,000	-
Music BC Industry Association	4,000	-
Resort Municipality of Whistler	2,500	27,262
Whistler Blackcomb Foundation	12,058	20,769
	<u>\$ 235,227</u>	<u>\$ 184,017</u>

11. RENTALS

Rental revenue is presented net of related discounts.

	2021	2020
Room Rentals	<u>\$ 26,443</u>	<u>\$ 19,525</u>

Whistler Arts Council (Arts Whistler)

Notes to the Financial Statements
For the year ended December 31, 2021
(Unaudited)

12. GOVERNMENT SUBSIDIES

Two subsidies were available to the Society during the fiscal year ended December 31, 2021 in response to the COVID-19 pandemic Emergency Response Plans. The Canada Emergency Wage Subsidy "CEWS" covers part of the employees' wages to help prevent further job losses and mitigate wage expenses. The CEBA loan from the federal government to help cover the operating costs during the time when revenues have been temporarily reduced. The following subsidy amounts will be reported in income by the Society for the fiscal year ended December 31, 2021:

CEBA loan	\$ 10,000
CEWS	<u>235,709</u>
	<u>\$ 245,709</u>

13. ENDOWMENT FUND

AW is the designated beneficiary of an Arts & Culture Legacy Fund held by the Community Foundation of Whistler. The fund, initiated in 2006, was created with contributions from the Whistler Centre for Business & the Arts, the Canadian Arts & Heritage Sustainability Program, the BC Renaissance Fund, the Whistler Blackcomb Foundation and the Festival of Lights. At December 31, 2021, the fund had a balance of \$321,859.

14. MAURICE YOUNG MILLENNIUM PLACE SOCIETY DONATION

In August 2013, AW received \$43,601 as a one time donation from the dissolution of the Maurice Young Millennium Place Society ("MYMPS"). The donation has been internally restricted by AW with the intention that the funds will be used for capital projects and equipment purchases to enhance the Maury Young Arts Centre building to serve the Whistler community.

15. ECONOMIC DEPENDENCE

AW is economically dependent on the Resort Municipality of Whistler (RMOW) support of its programs and service. Funds in 2021 were received from the RMOW as follows:

Operating - core operating funds were received from the RMOW as a "Fee for Service" of \$500,000, which represents 55.19% of total revenue (less government subsidies received) (2020 - 56.27%).

The Fee for Service funding is essential to the fiscal success of Arts Whistler.

16. FINANCIAL INSTRUMENTS

Financial assets and liabilities are initially measured at fair value. Subsequent measurement of all financial assets and liabilities are at amortized cost. Financial assets measured at amortized cost include cash, restricted cash, GST receivable, accounts receivable and grants receivable. Financial liabilities measured at cost include accounts payable and accrued liabilities, and wages payable.

Whistler Arts Council (Arts Whistler)

Notes to the Financial Statements
For the year ended December 31, 2021
(Unaudited)

16. FINANCIAL INSTRUMENTS (CONTINUED)

AW has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The principal risks assumed by AW are as follows.

Credit risk

Credit risk is the risk that AW will incur a loss through uncollectible accounts receivable. AW maintains a policy of credit review for all of its members and establishes an allowance for doubtful accounts when the amounts are not collectible. AW is not exposed to any significant credit risk.

Market risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. AW is not exposed to any significant market risk.

Liquidity risk

Liquidity risk is the risk that AW will not be able to meet its obligations as they fall due. AW maintains adequate levels of working capital to ensure all its obligations can be met when they fall due. AW is not exposed to any significant liquidity risk.

17. COMPARATIVES

Certain of the prior year's figures, presented for comparative purposes, have been restated to confirm to the current year's presentation.

18. SUBSEQUENT EVENT

Coronavirus Disease 2019 ("COVID-19 ")

The ongoing COVID-19 pandemic has created severe limitations to travel and tourism due to health orders that have limited travel globally and locally. This has had a significantly adverse effect on Whistler's economy and on our operations. In April 2020, AW was notified by the RMOW that the second quarter Fee for Service payment was cancelled. As a result, AW temporarily suspended the majority of its regular operations and reduced expenses. By July 2020, the RMOW was able to commit \$400,000 to Arts Whistler that allowed AW to operate through 2020, with the additional support of the Canadian Emergency Wage Subsidy (CEWS). In 2021, AW received \$500,000 in Fee for Service funding from the RMOW and AW was able to operate with more financial certainty, albeit with a reduced budget.

AW was returning to more "normal" operations by the end of 2021, but changing provincial health orders are still a concern and could have negative impacts on AW. Currently, AW is able to operate with 100% capacity in the theatre and operate their bar. If more stringent health orders return, AW may only be able to operate at 50% capacity and with no bar service allowed. The extent to which provincial health orders and COVID-19 continue to impact Arts Whistler's operations is uncertain at this time, but the organization has been responsive throughout the pandemic, managing revenues and expenses to minimize financial risks and leverage opportunities within the constraints of health orders.