

grow
sport



Whistler Sport Legacies

Annual Report 2019

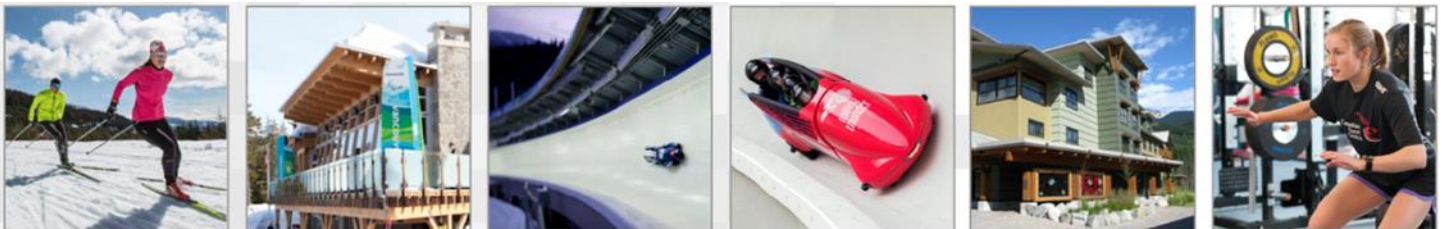


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Executive Summary

This report covers the ninth year of operation for the Whistler 2010 Sport Legacies Society from January 1, 2019 to March 31, 2020.

After reaching the milestone of ten years in June of 2020, Whistler Sport Legacies (WSL) continues to keep our venues relevant within our community and to facilitate high performance sport.

WSL's 2019-2020 winter season was cut short with the early closures due to the COVID-19 pandemic. This impacted the last month of winter operations which, in the past has been a lucrative period with spring break and international tourism flocking to the region. Although the impact of the pandemic was distressing, WSL did manage to mitigate the reduced revenues by saving in expenses, but was not able to reach the targeted business plan that we had in place to our fiscal year-end March 31, 2020.

The highlight of the 2019 and 2020 winter seasons was the hosting of two major competitions at the Whistler Sliding Centre (WSC). First, was the International Bobsleigh & Skeleton Federation (IBSF) World Championships which were held over a 12-day period in February and March 2019. Next to the Olympic Games, this is the most important and prestigious competition on the sliding sports' calendar. In addition, the WSC also hosted the International Luge Federation (FIL) World Cup in December 2019. Both of these events featured Canadian athletes that have grown up using the WSC as their home base training facility. These events gave our home-grown talent an opportunity to perform on the world stage and in their own backyard, which is the true value of the 2010 legacy venues and what was envisioned when they were established.

At Whistler Olympic Park (WOP), the 2019-2020 season started with early sport training on the stored snow 'Callaghan Gold' from the previous season. The early access to on-snow training helped a number of the Whistler-based biathlon and cross-country athletes to reach their potential and make the Canadian Junior National Team. The season at WOP was once again filled with various competitions that attracted Canada's top athletes in cross-country skiing and biathlon to compete at the venue.

Operationally, 2019 had very few surprises and WSL had some positive results in growing sport and operating within our funding and self-generated revenue. Looking forward to the remainder of 2020 and the winter season ahead, WSL will be preparing for the worst but hoping COVID-19 restrictions are lifted so that sport and tourism will see some form of recovery.

Whistler Sport Legacies is grateful for the support of the Games Operating Trust's Board as well as our key partners the Resort Municipality of Whistler, the Squamish-Lillooet Regional District, and viaSport as we navigate through these challenging times whilst continuing to provide the community and athletes facilities to stay active and to reach their full potential.

Year in Review

STRATEGIC HIGHLIGHTS

This report covers the ninth year of operation for Whistler 2010 Sport Legacies Society from January 1, 2019 to March 31, 2020.

At WSC, the winter season 2019 finished with the IBSF World Championships which were held over 12 days in February and March 2019 and featured the world's best sliding athletes from bobsleigh and skeleton. The event received rave reviews and even though the track is now over ten years old, it is still considered to be the fastest and one of the most technical tracks in the world. Although Team Canada had a number of their top athletes absent during the season due to injury, the results at the World Championships were very respectable with two silver and two bronze medals within the six race categories.

The closure of the Calgary track impacted the 2019-2020 season in Whistler with sliders from across the country having only one Canadian location to train at. This caused some scheduling challenges but for the most part we were able to accommodate the increased demand. Looking toward the coming season, to assist athletes traveling from Alberta, we will move to a four-day intensive training period on a biweekly schedule that will reduce travel time and increase ice time for these athletes.

The Canadian luge team took additional time in the early season in preparation for the FIL World Cup in Whistler in December 2019, which attracted the world's top lugers. The Canadian luge team is in a transition period with many of the senior athletes retiring and the younger team members stepping up to the world's stage. This World Cup event gave these athletes a great opportunity to perform on home soil in front of friends and family and to gain experience for the remainder of the World Cup circuit.

If it was not for the early shutdown in March 2020, the 2019-2020 winter season would have been WSC's busiest high performance sport use since 2010. As there is no sign of the Calgary track reopening at any point in the near future, we expect this trend to continue.



YEAR IN REVIEW

At WOP, the season opened in mid-November with our stored snow trail 'Callaghan Gold' for early season cross-country ski and biathlon training. This was followed by a slight delay for our opening day for recreational skiers due to the lack of natural snow, which did not fall until the second week of December. Once the season got underway, there was very little interruption and WOP successfully completed 11 sport events/competitions before the season got cut short due to COVID-19 in mid-March 2020. These events were made up of club, regional and provincial races which included three Coast Cups, the BC Winter Games Trial, the Haywood Western Canada Cup and the Coast Outdoors Payak which is one of the biggest cross-country ski events in Western Canada.

As mentioned, 2019-2020 was impacted financially by the early shutdown due to COVID-19, however even before the shutdown, Whistler was experiencing a drop in visitation especially from the United Kingdom and from Australia. Furthermore, the lack of nontraditional revenues from the film and TV industry was the most substantial impact, as it did not materialize as we had experienced in previous years. That being said, by managing the expenses, net operating results were pretty much in line with our business plan. The recreational programs at WOP continued to show growth with season passes and day ticket sales increasing over previous years. The public bobsleigh and skeleton programs at the WSC saw, for the first time, a decline in attendance during the winter. It is hard to understand a specific reason for this but it is certainly something we will be monitoring more closely for the upcoming winter season to see if it is a continuing trend.



FIELD OF PLAY STANDARDS

WSL is very proud to say that its facilities are still homologated and sanctioned as competition compliant by the international governing bodies of all seven sports that the venues were built for prior to the 2010 Olympic Winter Games. In the 2019-2020 winter season, five of seven sports that WSL facilitates held events on the venues, where Canada's top athletes competed. Nordic Combined and ski jumping were the only two sports that did not host major competitions on our venues, as both of these sports include ski jumping. With the closure of the Calgary Ski Jumps, Ski Jumping Canada is currently struggling to keep its status in Canada. Furthermore, with the move of Ski Jumping Canada to Whistler not being considered by the national federation at this point in time, WSL is seriously contemplating the long-term future of its jump facilities at WOP, especially as they age and require capital funds.

HIGH PERFORMANCE ACCESS

WSL continues to host Canada's top athletes on our venues for training and competitions, and the WSL development programs are starting to populate the senior teams with Whistler-grown athletes whom were

YEAR IN REVIEW

just young children in 2010. The WSC is the venue that sees the most use by our high performance athletes and with the continued closure of the Calgary track, we are the only option for early and late season training and for hosting the national selection races and international events, which in the past, have been shared with Calgary. On the World Cup circuit, Whistler hosted a World Championship in February-March 2019, a World Cup in luge in December 2019 and a North American Cup in November 2019 for bobsleigh and skeleton. The season also saw almost all of the Canadian development athletes spend significant time in Whistler along with the club programs from Alberta. As there is no timeline for the track to reopen in Calgary this coming season, we will be helping to amalgamate the BC and Alberta sliding clubs to maximize track time and share coaching costs.

At WOP, the majority of our high performance exposure is with the Canadian youth development squads, especially within biathlon where the Whistler Nordic Development Centre (WNDC) is based and funded by WSL. The WNDC saw nine of its athletes represent Canada in the 2019-2020 season. WOP is also very proud to be the home training ground of Ethan Hess, who is one of Canada's top para athletes in the Nordic discipline of sit-ski. The 2019-2020 season was a little quieter on the competition front for the high performance category, but the Park still facilitated 11 club and regional/provincial events throughout the season. The most significant event of the season was the Haywood Western Canada Cup in January 2020. This three-day event saw approximately 400 athletes from North America competing in full selection cross-country race distances.

Access to our venues is complemented by the facilities at the Whistler Athletes' Centre. Being able to offer affordable accommodation and a nutritious meal plan along with access to a high performance gym, operated by Canadian Sport Institute Pacific, makes choosing Whistler as the place to train relatively easy. These facilities are not only being used by the core sports on WSL's venues but are becoming more utilized by other high performance teams that you would not normally think of in Whistler.

2019-2020 was the first season that Canadian sliders were without the track facilities in Calgary. This was not the best situation for the majority of athletes and their support teams that had been based in Calgary for the past thirty years. As we head into the second year of the track closure in Calgary, WSL is developing camp-style training blocks for each of the sliding sports. This style of scheduling will assist the athletes that are on the cusp of making the national squad and live outside of the Sea to Sky Corridor to still have designated time and coaching in Whistler to continue the sport.



YEAR IN REVIEW

WSL's own Nordic high performance team WNDC went into the 2019-2020 season with twelve full-time athletes that signed on to immerse themselves into an intensive ten-month training program with the goal to reach national level status. This unique program has athletes train, work and live at WSL as they navigate through the competition season in Canada and Europe. During the past winter season, nine of the twelve athletes made the Canadian Junior National Team.

PROGRAMMING & COMMUNITY IMPACT

Sport programming continues to make a positive impact and progress within the community. WSL continues to expand its reach into programming and coaching and is now well-established as the go-to organization for sport expertise and sport delivery in the Sea to Sky Corridor. These programs are an introduction to the Nordic and sliding sports, by offering an affordable entrance into cross-country skiing, luge and skeleton.

School programs at WOP were fully committed again this year by the beginning of the season. Every elementary school in the Sea to Sky Corridor participates in these programs that offer at least one full day of snow/Nordic programming for their students.

The children's/youth sliding programs have made good progress in luge and our hope is that some of these participants will, at some point, transfer into skeleton and bobsleigh which are traditionally for older-aged athletes.

Along with WSL's core sport programming, WSL continues summer and winter multi-sport programs for children aged eight to 12 years old. We have also established popular after school programs for the same age group focusing on movement and physical literacy.

The Wednesday Night skiing at WOP has become a community favorite offering significantly discounted passes, rentals and food and beverage.

This is another way WSL is introducing people to Nordic sports at a very affordable price point, while attracting regulars and sport groups for weekly activities and a social evening. Other community-focused events at WOP have also repeatedly found success and increased awareness of the facility and its sports, including "Women's Ski Day", and "Dog Day" that supports Whistler's Animal Shelter.

Throughout the year, WSL partners with viaSport to host coaching education programs for all sports, aimed at equipping amateur coaches, teachers and volunteers in our community with the tools to teach young athletes technique, strength and conditioning and mental/psychological skills that complement the specific technical aspects of their given sport.



YEAR IN REVIEW

SAFETY COMMITMENT

This is the sixth consecutive year that WSL has achieved the Certificate of Recognition (COR) certification with WorkSafe BC. This program is a structured approach to keep our venues, colleagues and guests safe. It requires ongoing compliance, accountability and improvements to our safety processes. COR is the provincially recognized program that provides financial incentives to employers who go beyond the legal requirements of workplace safety regulations by taking a 'best practice' approach. The program is administered through go2hr, and WSL is measured through an audit performed in February of each year.

LOOKING AHEAD

After reaching our tenth anniversary, WSL's Board is now focusing on the next ten years and how we can continue to improve on delivering our facilities for the next Olympic prospects. Obviously, the next year will pose some unique challenges due to COVID-19. Beyond this year, as our venues age and fixed costs continue to increase, protecting and increasing revenues from non-core activities will be essential if we are to continue to provide up-to-date field of play facilities for high performance training and events.

At this stage in the evolution of WSL, reviewing the state of our sports is also an essential component for the future. For ten years we have been very proud to accommodate the requests of all seven sports that our venues were built for and in some cases have provided resources to support and assist in their attempts to establish these niche sports in the Sea to Sky Corridor. For some of the sports that WSL facilitates, gaining momentum and developing an athlete pathway has been exceedingly difficult. Because of this, WSL will start to consider how we can best continue to help the national sport organizations (NSO's) with training and event facilities. With that said, because of the demographics of our community and the large number of sport opportunities within the community, some of the sports will always find it difficult to build grassroots participation.



YEAR IN REVIEW

Due to the COVID-19 pandemic, we were disappointed that events planned for the 2020-2021 season were moved from Whistler to Europe such as the FIL World Championships, but going forward WSL will continue supporting the NSO's and their organizing committees as they pitch and position Whistler as the preferred location to host the world at their given sporting events once international travel is deemed safe again.

WSL continues to pursue alternative sources of income to increase revenue generation within the organization. Two projects that are ongoing are the apartment building at the Athletes' Centre. This project is now down to the final planning stages and we hope to break ground in the spring of 2021. The other project is the summer RV/tent campground facility at Whistler Olympic Park. This project is now at the Squamish Lillooet Regional District for final rezoning approval.

Financial Review

WSL's commitment to its mission to 'Grow Sport' is the main driver behind balancing the needs of our core sports, revenue generation and community engagement. 2019-2020 was impacted at WSL's fiscal year-end in March 2020 by the start of the global pandemic, which essentially closed our venues three weeks earlier than scheduled. This final month of the fiscal year is normally a very lucrative revenue period for both WOP and the WSC as the winter sport teams are bringing their season to a close and the tourism sector is strong with spring break visitors traveling to the resort. The loss of this revenue period was significant to our venues, but fortunately we were able to mitigate most of the reduced revenue with expense savings, and we finished the year with a negative 27% flow through on the revenue reduction.

WSL continues to maintain a robust capital maintenance program. At this point, we are not overly concerned about any major components of WSL's infrastructure, although roads, roofs, sport timing equipment and another large piece of grooming equipment are on our radar for replacement.

Nontraditional revenues like the commercial film business, especially at Whistler Olympic Park, did not produce the same volume as in the past. There is no tested formula to forecast these types of revenue streams, as they are mostly driven by short lead planning and weather conditions.

WSL is continuing to pursue other revenue opportunities at all of our venues but we are taking a cautious approach to protect the capital reserves that have been built over the past five years. The one project that looks to be coming to fruition is the construction of an apartment building at the Athletes' Centre. If plans continue to progress, we will be breaking ground in spring of 2021 on this 58-unit building, that will house WSL colleagues and athletes with an expected occupancy date of spring 2023. This project will have a positive cash flow in year one, so not only will it help recruit and retain athletes and colleagues, it will also add a positive revenue stream to the organization. WSL has applied for preferred financing for the CMHC to help fund this project and although we have received positive reviews at the time of writing this document, this has not yet been approved.

The second project that WSL continues to pursue is the RV/tent campground at Whistler Olympic Park. This project has encountered a couple of hurdles over the past year but we are still hopeful it will be approved and add more opportunity to create additional revenue streams at WOP during the summer months.

Looking to the future, WSL's Board and Senior Leadership Team are focusing on the next decade to year 2030, what WSL will look like when celebrating our 20th anniversary, how we can help our sport partners achieve their goals, and making Whistler the first choice for athletes to train and compete. This will be balanced with the aim of financial health of the organization, while taking into account that sport funding has been stagnant for the past decade along with the cost of facilitation continually increasing. In addition, as we head into our second decade and as our venues age, capital replacement will need to be strategic and targeted to ensure there is a healthy ROI for the high performance sport user.

Financial details are available in the attached Grant Thornton Financial Statements.

Attachments

- FY Ended March 31, 2020 Audited Financial Statements



Financial Statements

Whistler 2010 Sport Legacies Society

March 31, 2020

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Independent Auditor's Report

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To the Members of
Whistler 2010 Sport Legacies Society

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Whistler 2010 Sport Legacies Society (the "Society"), which comprise the statement of financial position as at March 31, 2020, statements of revenues and expenses, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Whistler 2010 Sport Legacies 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 opinion

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 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 of British Columbia, we report that, in our opinion, these accounting principles have been applied on a basis consistent with that of the preceding year.

Vancouver, Canada
July 14, 2020



Chartered Professional Accountants

Whistler 2010 Sport Legacies Society

Statement of Financial Position

March 31

2020

2019

Assets

Current

Cash and cash equivalents	\$ 1,791,610	\$ 972,388
Short-term investments (Note 3)	9,863,563	10,455,198
Receivables (Note 4)	4,779,079	4,849,060
Inventory	138,086	84,694
Prepaid expenses	146,438	123,339

16,718,776 16,484,679

Property and equipment (Note 5) **4,534,837** 4,692,044

Deposits (Note 8) **100,000** 100,000

\$ 21,353,613 **\$ 21,276,723**

Liabilities

Current

Payables and accruals (Note 6) **\$ 698,244** \$ 1,135,021

Deferred capital contributions (Note 7) **589,760** 939,349

1,288,004 2,074,370

Net assets (Note 10)

Internally restricted

Capital infrastructure - replacement and maintenance **7,000,000** 5,000,000

Revenue generation **3,500,000** 2,500,000

Sport development **2,000,000** 1,500,000

Contingency **1,300,000** 800,000

Invested in capital assets **3,945,077** 3,752,695

Unrestricted **2,320,532** 5,649,658

20,065,609 19,202,353

\$ 21,353,613 **\$ 21,276,723**


Commitments and contingencies (Note 8)

Subsequent events (Note 12)

On behalf of the Board

 Director

Tim Gayda

 Director

Shane Hollands

Whistler 2010 Sport Legacies Society Statement of Revenues and Expenses

Year ended March 31	2020	2019
Revenue from operations		
2010 Games Operating Trust Fund	\$ 4,711,006	\$ 4,592,878
Whistler Olympic Park	2,063,144	1,984,213
Whistler Sliding Centre	1,493,999	1,733,826
Whistler Athletes' Centre	1,691,627	1,889,282
Other income	257,013	187,352
Deferred contribution revenue recognition	-	107,818
	10,216,789	10,495,369
Expenses		
Whistler Olympic Park	2,797,059	2,760,930
Whistler Sliding Centre	2,666,341	2,798,745
Whistler Athletes' Centre	1,325,556	1,347,534
Administration	1,852,609	1,760,227
Special project expenses	14,871	65,038
	8,656,436	8,732,474
Excess of revenues over expenses before other items	1,560,353	1,762,895
Other items		
Amortization of deferred capital contributions (Note 7)	349,589	350,366
Amortization of property and equipment	(1,069,219)	(998,127)
Gain on disposal of property and equipment	140,853	38,194
GST audit results	(71,570)	-
Investment income	239,940	163,091
Unrealized (loss) gain on investments	(286,690)	251,499
Excess of revenues over expenses	\$ 863,256	\$ 1,567,918

Whistler 2010 Sport Legacies Society

Statement of Changes in Net Assets

Year ended March 31, 2020

	Capital infrastructure - replacement and maintenance	Revenue generation	Sport development	Contingency	Invested in capital assets	Unrestricted	Total
Balance, March 31, 2018	\$ 5,000,000	\$ 2,500,000	\$ 1,500,000	\$ 800,000	\$ 3,306,155	\$ 4,528,280	\$ 17,634,435
(Deficiency) excess of revenues over expenses	-	-	-	-	(609,567)	2,177,485	1,567,918
Purchase of property and equipment	-	-	-	-	1,056,107	(1,056,107)	-
Balance, March 31, 2019	5,000,000	2,500,000	1,500,000	800,000	3,752,695	5,649,658	19,202,353
(Deficiency) excess of revenues over expenses	-	-	-	-	(578,777)	1,442,033	863,256
Purchase of property and equipment	-	-	-	-	771,159	(771,159)	-
Transfers	2,000,000	1,000,000	500,000	500,000	-	(4,000,000)	-
Balance, March 31, 2020	\$ 7,000,000	\$ 3,500,000	\$ 2,000,000	\$ 1,300,000	\$ 3,945,077	\$ 2,320,532	\$ 20,065,609

See accompanying notes to the financial statements.

Whistler 2010 Sport Legacies Society

Statement of Cash Flows

Year ended March 31

2020

2019

Cash flows derived from (applied to)

Operating

Excess of revenues over expenses	\$ 863,256	\$ 1,567,918
Items not affecting cash		
Amortization of deferred capital contributions	(349,589)	(350,366)
Amortization of deferred contributions	-	(107,818)
Amortization of property and equipment	1,069,219	998,127
Gain on disposal of property and equipment	(140,853)	(38,194)
Unrealized loss (gain) on investments	<u>286,690</u>	<u>(251,499)</u>
	1,728,723	1,818,168
Changes in non-cash operating working capital		
Receivables	69,981	(222,106)
Inventory	(53,392)	(15,714)
Prepaid expenses	(23,099)	(8,890)
Payables and accruals	<u>(436,777)</u>	<u>(116,126)</u>
	<u>1,285,436</u>	<u>1,455,332</u>

Investing

Purchase of property and equipment	(944,579)	(1,094,302)
Proceeds on disposal of property and equipment	173,420	38,195
Disposal (purchase) of investments, net	<u>304,945</u>	<u>(1,839,026)</u>
	<u>(466,214)</u>	<u>(2,895,133)</u>
Net increase (decrease) in cash and cash equivalents	819,222	(1,439,801)
Cash and cash equivalents, beginning of year	<u>972,388</u>	<u>2,412,189</u>
Cash and cash equivalents, end of year	<u>\$ 1,791,610</u>	<u>\$ 972,388</u>

Whistler 2010 Sport Legacies Society

Notes to the Financial Statements

March 31, 2020

1. Nature of operations

The Whistler 2010 Sport Legacies Society (the "Society") is incorporated pursuant to the Societies Act of British Columbia. The purpose of the Society is to own, manage and operate the Whistler Athletes' Centre ("WAC"), the Whistler Olympic Park ("WOP"), and the Whistler Sliding Centre ("WSC") (collectively, the "legacy assets"), which were created for the 2010 Olympic and Paralympic Winter Games. The Society was incorporated on March 14, 2007.

The Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games ("VANOC") was responsible for all expenses related to the legacy assets until May 31, 2010.

On May 31, 2010, the leases for the WOP and WSC facilities and sites were officially transferred by VANOC to the Society for consideration of \$1 to be paid to each party by the other based on the mutual covenants in the Asset Transfer Agreement signed on March 26, 2008. The legacy assets were recorded at nominal value in these financial statements as their fair values cannot be reasonably estimated at the date of contribution.

The Society entered into an agreement with the Resort Municipality of Whistler ("RMOW") effective April 1, 2011, to lease the WAC lands, buildings, structures, furniture and improvements to the Society for nominal consideration and for a term of 99 years.

On December 14, 2009, the Society entered into a "FF&E Transfer Agreement" with VANOC to agree on the transfer of the fixture, furniture, vehicles and equipment acquired by VANOC for use at the WOP, WSC and WAC prior to and/or during the 2010 Olympic and Paralympic Winter Games. This agreement was amended on June 23, 2010, to include additional assets such as the Olympic Rings and Venue Towers. This group of assets were transferred on May 31, 2010 and were recorded at nominal value in these financial statements as their fair values cannot be reasonably estimated at the date of contribution.

The Society is responsible for the operating costs of the legacy assets beginning June 1, 2010. Legacy Endowment Funds were established by the Federal and Provincial governments to assist with the ongoing post-games operation and capital requirements of WOP and WSC. The Society will have access to this funding if the venues are operated in a manner that supports and provides access to the WOP and WSC for developing and training high performance athletes, and for coach and sport training and development.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Revenue recognition

The Society 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.

Whistler 2010 Sport Legacies Society

Notes to the Financial Statements

March 31, 2020

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Government assistance and donations related to the acquisition of property and equipment are capitalized and amortized to income on the same basis as the related depreciable asset.

Public programs and rentals are recognized as revenue in the period when earned.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, bank indebtedness, and short-term deposits with original maturities of three months or less.

Property and equipment

Purchased property and equipment are recorded at cost. Contributed property and equipment are recorded at fair value as of the date of contribution, when its fair value can be reasonably estimated. When the fair value cannot be reasonably estimated, the contributed capital assets are recorded at nominal value.

Amortization is provided based on the declining balance method using the following rates:

Leasehold improvements	5 to 20 years Straight-line
Vehicles	30% Declining balance
Equipment	20% Declining balance
Computer software	55% Declining balance

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all of its financial assets and financial liabilities at cost, except for investments in equities, which are measured at fair value.

Financial assets measured at cost include cash and cash equivalents, receivables, and deposits.

Financial assets measured at fair value include the RBC Dominion Securities portfolio of equities and fixed income securities.

Financial liabilities measured at cost include payables and accruals.

Income taxes

The Society is a Registered Canadian Amateur Athletic Association and exempt from income taxes under Section 149(1)(l) of the Income Tax Act.

Whistler 2010 Sport Legacies Society

Notes to the Financial Statements

March 31, 2020

2. Summary of significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of useful lives of property and equipment for calculating amortization. Actual results could differ from those estimates.

Adoption of new accounting standards

On April 1, 2019, the Society adopted new accounting standards Section 4433 *Tangible capital assets held by not-for-profit organizations* and Section 4434 *Intangible assets held by not-for-profit organizations* (the “standards”). The most significant requirements include:

- tangible capital assets must be separated into their component parts, when practicable, and when estimates can be made of the lives of the separate components;
- tangible capital assets and intangible assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to an organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the tangible capital assets are less than their net carrying amounts; and
- additional disclosures when an impairment has occurred.

The adoption of the new accounting standards was applied prospectively, except the Society was permitted to recognize an adjustment to opening net assets at April 1, 2019 to reflect partial impairments of tangible and intangible assets existing at that date. The adoption of these standards did not have any impact on the statement of financial position as at April 1, 2019 and the changes in financial position for the current period.

3. Short-term investments	2020	2019
RBC Dominion Securities portfolio of fixed income securities	\$ 7,438,973	\$ 7,486,277
RBC Dominion Securities portfolio of equities	<u>2,424,590</u>	<u>2,968,921</u>
	<u>\$ 9,863,563</u>	<u>\$ 10,455,198</u>

4. Receivables	2020	2019
2010 Games Operating Trust Fund	\$ 4,711,006	\$ 4,592,878
Other receivables	<u>68,073</u>	<u>256,182</u>
	<u>\$ 4,779,079</u>	<u>\$ 4,849,060</u>

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Notes to the Financial Statements

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5. Property and equipment

			<u>2020</u>	<u>2019</u>
	Cost	Accumulated amortization	Net book value	Net book value
Leasehold improvements	\$ 6,147,684	\$ 3,309,811	\$ 2,837,873	\$ 3,045,114
Vehicles	2,395,307	1,545,756	849,551	750,819
Equipment	1,555,039	1,003,856	551,183	686,848
Computer software	677,265	603,972	73,293	53,994
Construction-in-progress	222,936	-	222,936	155,268
Legacy assets	1	-	1	1
	<u>\$ 10,998,232</u>	<u>\$ 6,463,395</u>	<u>\$ 4,534,837</u>	<u>\$ 4,692,044</u>

Legacy assets transferred to the Society on May 31, 2010, were recorded at nominal value as their fair values cannot be reasonably estimated at the date of contribution (see Note 1).

6. Payables and accruals

Included in payables and accruals is amounts owing in respect of government remittances for sales and hotel taxes of \$38,558 (2019 - \$73,230).

7. Deferred capital contributions

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 939,349	\$ 1,289,715
Less amortization of deferred capital contributions	<u>(349,589)</u>	<u>(350,366)</u>
Balance, end of year	<u>\$ 589,760</u>	<u>\$ 939,349</u>

8. Commitments and contingencies

Lease commitments

On May 31, 2010, the Society assumed the leases of the WOP lands and WSC lands from VANOC with the Province.

The lease on the WOP lands commenced on September 1, 2008, for a term of 29 years. On the 15th year, the lease can be renewed for a term of 29 years commencing on the 15th year. Beginning September 2, 2010, the rent shall be the greater of (a) \$500, or (b) an amount equal to 2% of the aggregate gross revenues generated from the WOP for the preceding fiscal year. A security deposit of \$50,000 was paid to the Province in 2010.

The lease on the WSC lands commenced on November 1, 2007, for a term of 29 years. On the 15th year, the lease can be renewed for a term of 29 years commencing on the 15th year. Beginning November 2, 2010, the rent shall be the greater of (a) \$500, or (b) an amount equal to 2% of the aggregate gross revenues generated from the WSC for the fiscal year. A security deposit of \$50,000 was paid to the Province in 2010.

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Notes to the Financial Statements

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9. Financial instruments risk exposure and management

Fair values

The carrying amount of financial assets measured at cost is \$6,670,689 as at March 31, 2020 (2019 - \$5,921,448).

The carrying amount of financial assets measured at fair value is \$9,863,563 as at March 31, 2020 (2019 - \$10,455,198).

The carrying amount of financial liabilities measured at cost is \$698,244 as at March 31, 2020 (2019 - \$1,135,021).

Credit risk

The Society is exposed to credit risk on accounts receivable. The Society performs credit risk evaluations on its accounts receivable and considers its risk to be acceptable and appropriately managed. At March 31, 2020, the maximum exposure to credit risk is equal to the carrying amount of receivables of \$4,779,079 (2019 - \$4,849,060). Subsequent to year end, \$4,711,006 has been received from the 2010 Games Operating Trust Fund.

Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet its obligations as they fall due. Maximum exposure to liquidity risk is \$698,244 representing the Society's payables and accruals as at March 31, 2020 (2019 - \$1,135,021), which are due to be paid in full before March 31, 2021. Management monitors cash flows to ensure there is sufficient cash on hand to meet forecasted operating expenses and other financial obligations.

10. Capital management

The primary objective of the Society's capital management is to provide adequate funding to ensure efficient delivery of its activities.

The Board has internally restricted the reserves of the Society for Capital Maintenance, Revenue Generation, Sport Development, and Contingency. The Board reviews the allocation to each reserve annually.

Net assets invested in property and equipment represents the net book value of property and equipment less the deferred capital contribution.

Unrestricted net assets are funds available for future cash flows and future operations and are preserved so the Society can have financial flexibility should opportunities arise in the future.

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Notes to the Financial Statements

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11. Disclosure required under the Societies Act

On November 28, 2016 the new British Columbia Societies Act came into force. Included in the new Act is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually.

During the year, the Society paid \$1,312,006 in remuneration to the 10 most highly remunerated persons who are employees, whose remuneration, during the applicable period, was at least \$75,000.

12. Subsequent events

On March 11, 2020, the World Health Organization officially declared the COVID-19 outbreak a pandemic. The pandemic has forced governments to implement extraordinary measures to slow the progress of infections and to stabilize disrupted economies and financial markets. The Society has deployed initiatives in order to protect the health and safety of its employees while ensuring continuity of its activities. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Society's operations are not known at this time. These impacts could include potential future decreases in investments and revenue. Management is closely monitoring the evolving situation and taking measures to mitigate potential negative impacts to the Society. It is not possible to reliably estimate the duration and severity of the consequences of COVID-19, as well as the impact on the financial position and results of the Society for future periods.

On May 1, 2020, the Society applied for the Canadian Emergency Wage Subsidy ("CEWS"). The CEWS is for Canadian employers who have been impacted by COVID-19 and are eligible to receive a subsidy for 75% of wages for 24 weeks. On May 19, 2020, the Society received \$201,764, of which \$133,418 related to salaries and benefits for the year ended March 31, 2020. This amount has not been adjusted for in the financial statements.
