

Manager's Report – Annual General Meeting

Hello to Everyone,

How quickly another year has gone by, and it has been another good year for the Log House. Even though we were closed for the last couple of weeks of March, the store still exceeded its financial expectations by 17.43% for the year!! Our customer base continues to grow and our 2020 looks just as bright.

Here are the 3 basic keys to the Log House's success

1. Store and Product Presentation
2. Product Quality and Price
3. The Dedicated Log House Team, which includes: Staff – Board Members – Regular and Occasional Volunteers – And those Partners like Rhoda's, Co-op and Cobbs.

Without these people and companies, success would be impossible.

Looking forward to another great year.

Stay Safe and Happy Thrifting!

“Why Aren't You Shopping Here”

Board of Directors Report

Log House Thrift Store Inc. Annual Meeting September 24, 2020

The Board of Directors are pleased to hold the 8th annual general meeting of the Log House Thrift Store.

We are grateful for the many folks that have committed their time and talents to the store and its community missions. Their dedication is what keeps the Log House running.

Our Advisory Committee continues to work with us and will step in when needed. They can and will provide us with help and advice.

We are pleased to have an ongoing relationship with Cobbs Bakery, Rochdale Co-op/Bakery, and Stones Throw Coffee Collective. Their willingness to share their products allows us to re-donate to our customers and community groups.

This year we received from a liquidations business, donations of men, ladies and children's clothing, seasonal items, and a variety of other saleable household merchandise. We were able to share the excess to North Central Family Centre.

The generous donations from Rhoda's Elegance Again and Transitions Estates Services have given us the ability to offer our customers even more fabulous clothing and household goods!

Our commitment to reduce, reuse and recycle helps us cut down on the number of items that normally would have been thrown away.

In-Kind Donations:

Our store has provided goods/clothing to several organizations throughout the City, and we continue to provide the needed assistance to them.

Flyers/Advertising:

We continue to do daily postings of sales and saleable items on social media. We distribute store flyers to several local churches, local community organizations, Free Libraries and Rhoda's Elegance Again.

Store Handout Projects:

- Daily Bread (RBC Ministries)
- Bible Handout Project: Free English and different language New Testaments.

Store Projects:

The Covid-19 Lockdown had drastic effects on the social and economics of our local community. Our store was closed due to the Provincial Legislation mid March, and we chose to pay our staff for the first two weeks of the furlough. As the city went into lockdown, many organizations were closed, and folks were unable to access food and clothing items. It turned out to be a blessing in disguise for us and gave us an opportunity to continue the expansion of our community outreach and to step up and keep some of these desperately needed items in people's hands. Delivery of dairy and perishable items, sandwiches and lunches were done on behalf of the Log House for Stones Throw Coffee Collective. Board members helped put together food hampers for North Central Family Centre, and in the beginning of the lockdown, 200 plus hampers a week were made. We made new connections with the Lakeview United and Discovery Baptist Churches, and we deliver bread/baked goods to them to use for their seniors and elder meals.

- Bread and Baking items are picked up 4-5 times a week and continue to be donated to programs or projects that are involved in feeding people. North Central Family Centre, Indigenous Christian Fellowship, and Carmichael benefit from the donations we share with them.
- Community Living Donations: Slow moving items are re-donated to Community Living for their programs fund raising.
- Humane Society: We re-donate blankets, towels, and large cushions for their use.
- Personal Care products: These items are collected from our donations and are distributed to North Central Family Centre, ICF, My Aunts Place and the YWCA. There has been a total of 45 bags of personal care items given to the North Central Family Centre alone.
- Donations of dog food have been given to Bright Eyes Dog Rescue. If there is an excess, it is bagged and in the store for folks to take if they are needing.
- Donations of cat food have been given to Regina Cat Recue. Small blankets and carpet samples have been donated for their cats and kittens.
- In Store Donations: the store provides people who need a hand with clothing, dishes, bedding.
- Pass the Word Books: Christian books, videos, and other materials are taken to this bookstore for churches and Sunday School/youth groups etc.
- Excess bread/baking items products have been given to the Guru Nanak Free Kitchen for their weekly giveaway.

VALUE OF RE-DONATIONS:

- Approximately \$ 500.00 worth of merchandise (clothing, bedding, hard goods) given to people that come in off the street and need a hand.
- Donations from Cobbs Bakery, Co-op Bakery, and Stone's Throw Coffee Collective. Pick up from Cobbs is 5 times a week for 52 weeks a year, which equates to 260 pickups a year. The average pickup amount is approx. \$200.00 worth of bread/sweets. Weekly this is \$1000.00, and yearly is amount to \$52,000. Stone's Throw donations are picked up weekly and the average to about a \$100.00 a week. Co-op donations are picked up weekly and average \$225.00-\$500.00.

Log House Special Activities

- Bible Handout Project – We continue to provide the small pocket English New Testaments, and Bibles in other languages. Bibles that come into the store for donations get put out for people to take.
- Community Health Classes/Credits: The Log House is pleased to be part of this High School credit program. Students that require Service Hours for their Christian Ethics or Health classes can volunteer in the store to complete the required credit, and we hope that it will be allowed again as the Covid restrictions are lifted.
- Cosmopolitan Learning Centre: We have continued to work with this centre one afternoon a week to help provide adults with disabilities a chance to work in a public setting. They come with a job coach and do small tasks around the store, and we look forward to their return once the Covid restrictions are lifted.
- Fine option program: Folks that need to pay off fines can do so with us by working in the store for their required number of hours.

In our 2019/2020 fiscal year we exceeded our net profit expectations, leaving us in a sound financial position.

Board's Current ongoing activities and tasks:

- The Board is working diligently to continue to make our future fiscal years successful.
- Volunteers for the store
- Continued recruitment of persons for the Board of Directors.
- Continue and complete the Policy and Procedure Manual

Respectfully submitted by the Log House Thrift Board of Directors

The Log House Thrift Store Inc.

Financial Statements

*March 31, 2020
(Unaudited)*

REVIEW ENGAGEMENT REPORT

To the Members of The Log House Thrift Store Inc.:

I have reviewed the accompanying financial statements of The Log House Thrift Store Inc. that comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which requires me 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, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of The Log House Thrift Store Inc. as at March 31, 2020, and the results of its operations

Regina, Saskatchewan

July 29, 2020



Chartered Professional Accountant

The Log House Thrift Store Inc.
Statement of Financial Position

As at March 31, 2020
(Unaudited)

	2020	2019
Assets		
Current		
Cash	35,447	22,145
Investments (Note 4)	49,146	49,146
Prepaid expenses	1,833	2,915
	86,426	74,206
Liabilities		
Current		
Accounts payable and accrued liabilities	959	1,024
Government remittances payable	3,866	3,838
	4,825	4,862
Net Assets		
Cumulative surplus	81,601	69,344
	86,426	74,206

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

The Log House Thrift Store Inc.
Statement of Operations and Changes in Net Assets

For the year ended March 31, 2020
(Unaudited)

	2020	2019
Sales	207,810	211,877
Expenses		
Building	54,766	55,029
General and administrative	10,140	13,029
Salaries and wages	126,660	115,567
Selling	6,028	6,464
	197,594	190,089
Surplus before other income	10,216	21,788
Other income		
Donations and fundraising	1,394	1,503
Memberships	70	75
Recycle project	10	28
Interest	567	475
	2,041	2,081
Surplus for the year	12,257	23,869
Cumulative surplus, beginning of the year	69,344	45,475
Cumulative surplus, end of year	81,601	69,344

The accompanying notes are an integral part of these financial statements

The Log House Thrift Store Inc.
Statement of Cash Flows
For the year ended March 31, 2019
(Unaudited)

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit) for the year	12,257	23,869
Net change in non-cash working capital balances:		
Prepaid expenses	1,082	483
Accounts payable and accruals	(65)	(1,223)
Government remittances payable	28	(200)
Cash provided by operating activities	13,302	22,929
Investing activities		
Proceeds on disposal of investments	-	6,771
Cash provided by investing activities	-	6,771
Increase in cash resources	13,302	29,700
Cash resources, beginning of year	22,145	(7,555)
Cash resources, end of year	35,447	22,145

The accompanying notes are an integral part of these financial statements

The Log House Thrift Store Inc. Notes to the Financial Statements

For the year ended March 31, 2020
(Unaudited)

1. Incorporation

The Log House Thrift Store Inc. is incorporated under the Non-Profit Corporations Act of Saskatchewan. Under present legislation, no income taxes are payable on the reported income of such operations.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations using the following significant accounting policies:

Revenue recognition

The Log House Thrift Store Inc. 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.

Capital assets

Capital assets are charged against operating revenues when purchased. During the year, \$nil (2019 - \$nil) of capital assets were expensed.

Measurement uncertainty

The preparation of financial statements in conformity 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 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.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Inventory

Inventory is recorded at the lower of cost and net realizable value.

Donated goods and services

The Log House Thrift Store Inc. receives donated used goods to use for the sale within their store. Contributed goods are not recognized in the financial statements because of the difficulty in determining their fair value.

The work of the Log House Thrift Store Inc. is dependent on the service of many volunteers. Because of the difficulty of compiling these hours, the volunteer services are not recognized in the financial statements.

Financial instruments

The Log House Thrift Store Inc. initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and investments

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial asset impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in surplus (deficit) for the year. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in surplus (deficit) for the year.

The Log House Thrift Store Inc.
Notes to the Financial Statements

For the year ended March 31, 2020
(Unaudited)

3. Bank indebtedness

The Log House Thrift Store Inc. has a line of credit with Affinity Credit Union with a limit of \$10,500 and bearing interest at 2.95%. As of March 31, 2020, the line of credit had a \$nil balance (2019 - \$nil).

4. Investments

Investments consist of:

	2020	2019
Affinity Credit Union term deposit 001, bearing interest of 1.10%, matures February 2021	8,646	8,646
Affinity Credit Union term deposit 002, bearing interest of 1.10%, matures September 2020	30,000	30,000
Affinity Credit Union term deposit 003, bearing interest of 2.00%, matures June 2020	10,500	10,500
	49,146	49,146

5. Lease commitment

The Log House Thrift Store Inc. is committed to a property lease for the period January 2019 to December 2023. The lease requires payments of \$3,180 per month, with the payment to be re-negotiated in the fourth and fifth years of the contract.

Payments of the lease commitment for the next year are estimated as follows:

2021	38,160
2022	38,160
2023	38,160
2024	28,620

6. Financial instruments

The Log House Thrift Store Inc. as part of its operations carries a number of financial instruments. It is management's opinion that The Log House Thrift Store Inc. is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that The Log House Thrift Store Inc. will not be able to meet all cash outflow obligations as they become due. The Log House Thrift Store Inc. mitigates the risk by monitoring cash activities and expected outflows. There has been no change to the risk exposures from the previous year.

The Log House Thrift Store Inc.
Notes to the Financial Statements

For the year ended March 31, 2020
(Unaudited)

7. Subsequent event

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

8. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.