

Appendix C

Financial Statements of

WHISTLER 2020 DEVELOPMENT CORPORATION

Year ended December 31, 2021


MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Whistler 2020 Development Corporation ("WDC") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board. A summary of the significant accounting policies are described in the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

WDC's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board of Directors meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by BDO Canada LLP, independent external auditors appointed by WDC. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on WDC's financial statements.

DocuSigned by:

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President

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Chair of the Finance Committee

March 28, 2022



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BDO Canada LLP
202 - 1200 Alpha Lake Road
Whistler BC V8E 0H6 Canada

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Whistler 2020 Development Corporation

Opinion

We have audited the financial statements of Whistler 2020 Development Corporation (the Entity) which comprise the Statement of Financial Position as at December 31, 2021 and the Statements Operations, Changes in Net Debt, 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 the Entity as at December 31, 2021 and its results of operations, changes in net debt, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Entity 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.

Emphasis of Matter - Re-Adoption of PSAS

We draw attention to note 3 of the financial statements, which describes that the Entity adopted Canadian public sector accounting standards on January 1, 2021 with a transition date of January 1, 2020. These standards were applied retrospectively by management to the comparative information in these financial statements, including the Statement of Financial Position as at December 31, 2020 and January 1, 2020 and the Statements of Operation, Changes in Net Debt and Cash Flows for the year ended December 31, 2020. We were not engaged to report on the restated comparative information and, as such, it is neither audited nor reviewed.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, 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 Entity'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 Entity, or to cease operations, or has no realistic alternative but to do so.

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



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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 Entity'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 Entity'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 Entity 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.

Chartered Professional Accountants

Whistler, British Columbia
March 29, 2022

WHISTLER 2020 DEVELOPMENT CORPORATION


Statement of Financial Position

As at December 31, 2021, with comparative information for 2020

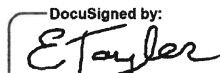
	2021	2020	Jan 1, 2020
		(Unaudited)	(Unaudited)
Financial assets:			
Cash	\$ 5,019,478	\$ 476,202	\$ 63,942
GST receivable	428,677	19,646	-
Accounts receivable	378,213	289,130	12,182
	<u>5,826,368</u>	<u>784,978</u>	<u>76,124</u>
Liabilities:			
Accounts payable and accrued liabilities (note 4)	2,552,388	240,267	38,967
Construction holdbacks	784,666	-	-
Due to RMOW (note 7)	19,446,630	9,436,959	9,369,733
Loan payable (note 5)	13,429,736	-	-
Deposits	5,000	5,000	-
Deferred revenue (note 6)	-	501,140	-
	<u>36,218,420</u>	<u>10,183,366</u>	<u>9,408,700</u>
Net debt	(30,392,052)	(9,398,388)	(9,332,576)
Non-financial assets:			
Tangible capital assets (note 8):			
Properties under development	25,164,916	3,375,934	2,458,669
Tangible capital assets	298,168	296,300	302,843
	<u>25,463,084</u>	<u>3,672,234</u>	<u>2,761,512</u>
Prepaid expenses and deposits	278,994	-	-
	<u>25,742,078</u>	<u>3,672,234</u>	<u>2,761,512</u>
Accumulated deficit	\$ (4,649,974)	\$ (5,726,154)	\$ (6,571,064)

See accompanying notes to financial statements.

Approved on behalf of the Board:

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Director

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Director

WHISTLER 2020 DEVELOPMENT CORPORATION

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	Budget 2021 (Note 11)	2021	2020 (Unaudited)
Government transfers (note 6)	\$ 250,000	\$ 1,213,651	\$ 917,264
Lease revenue	15,000	46,592	15,619
Interest revenue	-	6,716	2,458
Other revenue	-	1,500	-
	265,000	1,268,459	935,341
Expenses:			
Accounting and administration	48,000	40,945	-
Bank charges	2,500	1,793	67
Amortization	-	7,187	6,543
Insurance	10,000	3,896	8,500
Office and other	8,500	13,343	6,200
Professional fees	15,000	26,321	8,912
Interest (note 7)	-	98,794	60,209
	84,000	192,279	90,431
Annual surplus	181,000	1,076,180	844,910
Accumulated deficit, beginning of year	(5,726,154)	(5,726,154)	(6,571,064)
Accumulated deficit, end of year	\$ (5,545,154)	\$ (4,649,974)	\$ (5,726,154)

See accompanying notes to financial statements.

WHISTLER 2020 DEVELOPMENT CORPORATION

Statement of Changes in Net Debt

Year ended December 31, 2021, with comparative information for 2020

	Budget 2021 (Note 11)	2021	2020 (Unaudited)
Annual surplus:			
Annual surplus	\$ 181,000	\$ 1,076,180	\$ 844,910
Acquisition of tangible capital assets:			
Properties under development	(21,974,540)	(21,788,982)	(917,265)
Tangible capital assets in use	-	(9,055)	-
Amortization of tangible capital assets	-	7,187	6,543
	(21,793,540)	(20,714,670)	(65,812)
Change in prepaid expenses and deposits	-	(278,994)	-
Increase in net debt	(21,793,540)	(20,993,664)	(65,812)
Net debt, beginning of year	(9,398,388)	(9,398,388)	(9,332,576)
Net debt, end of year	\$ (31,191,928)	\$ (30,392,052)	\$ (9,398,388)

See accompanying notes to financial statements.

WHISTLER 2020 DEVELOPMENT CORPORATION

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
		(Unaudited)
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 1,076,180	\$ 844,910
Items not involving cash:		
Amortization	7,187	6,543
Changes in non-cash working capital:		
Accounts receivable	(89,083)	(276,948)
GST receivable	(409,031)	(19,646)
Accounts payable and accrued liabilities	2,312,121	201,300
Construction holdbacks	784,666	-
Deposits	-	5,000
Unearned revenue	(501,140)	501,140
Interest due to RMOW	159,671	-
Prepaid expenses and deposits	(278,994)	-
	3,061,577	1,262,299
Capital:		
Purchase of tangible capital assets	(9,055)	-
	(9,055)	-
Investments:		
Expenditure on property under development	(21,788,982)	(917,265)
	(21,788,982)	(917,265)
Financing:		
Advances from RMOW	9,850,000	67,226
Proceeds from loan	13,429,736	-
	23,279,736	67,226
Net increase in cash	4,543,276	412,260
Cash, beginning of year	476,202	63,942
Cash, end of year	\$ 5,019,478	\$ 476,202
Supplementary cash flow information:		
Interest paid	\$ 39,650	\$ -

See accompanying notes to financial statements.

WHISTLER 2020 DEVELOPMENT CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Nature of operations:

Whistler 2020 Development Corporation ("WDC") is wholly owned by the Resort Municipality of Whistler ("RMOW"), a Canadian municipality, and as such is not subject to income tax per section 149(1)(d.5) of the Income Tax Act. WDC is developing affordable employee housing and market value lots (the development) on a portion of the 'Lands' as defined in the Municipal Services Agreement between the parties dated August 18, 2006.

WDC was incorporated on January 30, 2004 with one share, which was transferred to the Resort Municipality of Whistler ("RMOW") effective March 2004.

2. Significant accounting policies:

(a) Basis of accounting:

These financial statements are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") established by the Canadian Public Sector Accounting Board.

(b) Non-financial assets:

(i) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

(a) Properties under development:

Properties under development include costs related to projects currently under planning, development or construction that will result in a finished real estate asset at a future date. Interest costs incurred on the development project are capitalized. Completed projects will either be reclassified as income properties, or properties held-for-sale. Costs related to planning, development or construction are capitalized until such time as the property is ready for use or sale.

(b) Tangible capital assets:

Tangible capital assets in use relate to income property and administrative assets required by the WDC to operate and manage overhead and administrative activities. These include land, building, office equipment and construction equipment.

(ii) Amortization of tangible capital assets:

The cost, less residual value, of tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

WHISTLER 2020 DEVELOPMENT CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Significant accounting policies (continued):

Asset	Rate
Administration assets:	
Office equipment	5 years
Construction equipment	10 years
Income properties:	
Land	not amortized
Building	50 years

The useful lives of tangible capital assets are determined on an asset-by-asset basis based on estimated remaining useful lives at the time of acquisition or completion of construction.

No amortization is recorded on properties under development. Amortization commences once the development is complete and the property is held or used as an income property.

(iii) Impairment of tangible capital assets:

Tangible capital assets are written down when conditions indicate that they no longer contribute to the WDC's ability to provide goods and services, or when the value of future economic benefits are less than their net book value. Any impairment is accounted for as an expense in the consolidated statement of operations.

(c) Prepaid expenses and deposits:

Prepaid expenses and deposits include insurance and other items paid in advance and are recognized as an expense over the period of expected benefits, as well as portions of building and development permits that will be refunded upon completion of development.

(d) Revenues:

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. Such contingent gains or assets will be separately disclosed.

(i) Sales of properties:

Revenue recognition on sale of properties occurs when WDC has transferred the significant risks and rewards of ownership to the purchaser.

The cost of sales are determined using various allocation methods, depending on the stage of development and most equitable methodology. Site development costs are allocated to lots based on land area, direct costs to specific lots and relative densities of the units that may be developed per lot. The cost of sales per unit is determined using the prorated selling price of each unit over the anticipated sales proceeds from all units of the lot.

WHISTLER 2020 DEVELOPMENT CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Significant accounting policies (continued):

(ii) Property lease revenue:

Property lease revenue includes all amounts earned from tenants including property tax and operating cost recoveries. Lease revenues are recognized on a straight-line basis over the term of the lease.

(e) Government Transfers:

Government transfers are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, any stipulations that would give rise to a liability have been met, and reasonable estimates of the amount can be made.

(f) Expenses:

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Interest is recorded using the effective interest method which includes all debt servicing costs, then capitalized if appropriate.

(g) Measurement uncertainty:

The preparation of financial statements 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 the revenues and expenses during the period. Items requiring the use of significant estimates include useful life, impairment and net recoverable values of tangible capital assets, provisions for accrued liabilities, and commitments.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

(h) Financial instruments:

WDC's financial instruments consist of cash, GST receivable, accounts receivable, accounts payable and accrued liabilities, construction holdbacks, amounts due to RMOW, and loan payable. WDC initially measures all of its financial instruments at fair value and subsequently at amortized cost using the effective interest rate method.

(i) Segmented operations:

WDC considers that its only function is the development of property. As such, it has only one operating segment and does not report details of revenues and expenses by segment.

WHISTLER 2020 DEVELOPMENT CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

3. Re-Adoption of PSAS:

Effective January 1, 2021, WDC adopted the requirements of the accounting framework, Canadian public sector accounting standards (PSAS). These are WDC's first financial statements prepared in accordance with this framework since the year ended December 31, 2012 and the transitional provisions of Section PS 2125, First-time Adoption by Government Organizations, have been applied. Section PS 2125 requires retrospective application of the accounting standards with certain elective exemptions and retrospective exceptions.

The accounting policies set out in Note 2 - Significant Accounting Policies or the Summary of Significant Accounting Policies have been applied in preparing the financial statements for the year ended December 31, 2021, the comparative information presented in these financial statements for the year ended December 31, 2020 and in the preparation of an opening PSAS statement of financial position at the date of transition of January 1, 2020.

Adoption of this basis of accounting had the following impact on WDC's deficit for the year ended December 31, 2020 and on accumulated deficit as at January 1, 2020, the date of transition.

WDC prepared financial statements for the year ended December 31, 2020 for consolidation by the RMOV and tax compliance, which were not fully consistent with generally accepted accounting principles. The adoption of PSAS resulted in adjustments to the previously reported financial assets, liabilities, non-financial assets, accumulated surplus, annual surplus and cash flows of WDC. All adjustments were charged to opening accumulated surplus. The charges to opening accumulated surplus at the date of transition of January 1, 2020 were as follows:

	January 1, 2020
Opening accumulated deficit, pre-changover Accounting Standards	\$(6,508,907)
Charge to accumulated deficit to record amortization on building	(62,157)
<u>Opening accumulated deficit, PSAS</u>	<u>\$ (6,571,064)</u>

A reconciliation of the annual surplus from operations reported in WDC's most recent previously issued financial statements to its annual surplus under PSAS for the following period is as follows:

	2020
Annual deficit, pre-changeover accounting standards	\$ (65,811)
Record government transfer revenue, previously deferred	917,264
Record amortization on building portion of property	(6,543)
<u>Annual surplus, PSAS</u>	<u>\$ 844,910</u>

These changes did not result in material adjustments to the statement of cash flows.

WHISTLER 2020 DEVELOPMENT CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are \$5,617 (2020 - \$nil) due to government.

5. Loan payable:

	2021	2020
		(Unaudited)
Royal Bank of Canada loan payable, 1-year term due on September 30, 2022, payable in monthly payments of interest only at RBC Prime + 1% per annum, secured by a mortgage on the lands, assignment of development rights, and all personal property.	\$ 13,429,736	\$ -
	\$ 13,429,736	\$ -

Construction loans have been obtained to finance the development activity taking place on Parcel A, District Lot 8073, which has been subdivided into six lots for development. The loan advanced in the year is a non-revolving term credit facility for a maximum of \$14,407,000, monthly payments of interest only at RBC Prime +1% per annum and all borrowings are due by September 30, 2022. As at December 31, 2021, 23 of the 25 market value lots were pre-sold for total expected sales proceeds of \$25,381,103.

Subsequent to year end, the loan payable was fully repaid and WDC secured an additional \$14,262,000 in financing from RBC to complete the remainder of the project. The new loan is due February 28, 2023 and interest is payable at RBC Prime + 1% per annum.

6. Government transfers:

The RMOW and WDC have an agreement where Online Accommodation Platform ("OAP") revenues received by RMOW through the Municipal and Regional District Tax program are shared with WDC. The agreement stipulates that this funding must be used in the construction of affordable employee housing. WDC has recognized revenue received to the extent that eligible expenditures have been incurred each year.

	2021	2020
		(Unaudited)
Opening balance, deferred revenue	\$ 501,140	\$ -
OAP received in the year	712,511	1,418,404
Revenue recognized in the year	(1,213,651)	(917,264)
Ending balance, deferred revenue	\$ -	\$ 501,140

WHISTLER 2020 DEVELOPMENT CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

7. Due to RMOW:

RMOW has advanced funds to WDC for the purposes of developing past and current affordable resident housing projects as per a Partnering and Credit Line Agreement dated April 13, 2021. Loan #1 was advanced to fund operations of the entity and planning activities in past years. Loan #2 was advanced specifically to finance the construction costs for the lands currently under development. The Agreement specifies that interest is payable at the variable interest rate charged at the relevant time or for the relevant period by the Municipal Finance Authority to the RMOW from time to time, if the RMOW were to borrow the principal amount of the Credit Line from the Municipal Finance Authority, provided that for the purposes of the Agreement, the rate exceed 0%. Principal and interest payments are due on or before the second anniversary of the first advance of Loan #2. The due date may be extended by up to thirty-six months. Extensions of the due date beyond six months are subject to a 0.5% administrative fee on the unpaid Credit Line balance at the time of payment to the RMOW. The first advance of Loan #2 was made of April 22, 2021. At December 31, interest was payable at 1.25% (2020 – 0.91%).

As per the Agreement, security is provided by way of a Promissory Note for \$10,000,000 and, assignments of any property insurance second in priority only to a registered first mortgage of the lands providing construction financing.

	2021	2020
		(Unaudited)
RMOW loan payable #1, principal and interest are due on or before April 22, 2023.		
Principal	\$ 9,436,959	\$ 9,376,750
Interest accrued in the year	98,795	60,209
RMOW loan payable #2, principal and interest are due on or before April 22, 2023.		
Principal	9,850,000	-
Interest accrued in the year	60,876	-
	\$ 19,446,630	\$ 9,436,959

WHISTLER 2020 DEVELOPMENT CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

8. Tangible capital assets:

	Properties under development	Tangible capital assets				Total
		Land	Building	Equipment	Total	2021 Net book value
Cost:						
Opening balance	\$ 3,375,934	\$ 37,859	\$ 327,141	\$ -	\$ 365,000	\$ 3,740,934
Additions	21,788,982	-	-	9,055	9,055	21,798,037
Transfer to assets held for sale	-	-	-	-	-	-
Closing balance	25,164,916	37,859	327,141	9,055	374,055	25,538,971
Accumulated amortization						
Opening balance	-	-	68,700	-	68,700	68,700
Current year amortization	-	-	6,543	644	7,187	7,187
Closing balance	-	-	75,243	644	75,887	75,887
Net book value	\$ 25,164,916	\$ 37,859	\$ 251,898	\$ 8,411	\$ 298,168	\$ 25,463,084

During the year, \$209,431 of interest and financing costs were capitalized to properties under development (2020 – \$nil).

	Properties under development	Tangible capital assets				Total
		Land	Building	Equipment	Total	2020 Net book value
Cost						
Opening balance	\$ 2,458,670	\$ 37,859	\$ 327,141	\$ -	\$ 365,000	\$ 2,823,670
Additions	917,264	-	-	-	-	917,264
Transfer to assets held for sale	-	-	-	-	-	-
Closing balance	3,375,934	37,859	327,141	-	365,000	3,740,934
Accumulated amortization						
Opening balance	-	-	62,157	-	62,157	62,157
Current year amortization	-	-	6,543	-	6,543	6,543
Closing balance	-	-	68,700	-	68,700	68,700
Net book value	\$ 3,375,934	\$ 37,859	\$ 258,441	\$ -	\$ 296,300	\$ 3,672,234

9. Related party transactions:

Related parties include the RMOW, its related entities and members of the Board of Directors. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

- (i) WDC incurred interest costs of \$159,671 (2020 - \$60,209) on WDC's loans payable to the RMOW. See note 7.
- (ii) Property taxes and utilities of \$4,351 (2020 - \$4,383) were incurred by WDC and were paid to the RMOW.
- (iii) Permits, deposits and related fees of \$1,656,862 (2020 - \$17,300) were incurred by WDC and paid to the RMOW. \$268,446 in refundable deposits paid to the RMOW are included in prepaid expenses and deposits at December 31, 2021 (2020 - \$nil).

WHISTLER 2020 DEVELOPMENT CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

9. Related party transactions (continued):

WDC is engaged in developing land known as a portion of Block A, District Lot 8073 located in the Resort Municipality of Whistler, held by RMOW in trust with beneficial ownership flowing to WDC under an agreement dated October 15, 2008.

In 2021 and previous years, RMOW extended financing to WDC, as described in note 7.

There were no transactions with members of the Board of Directors in the year.

WDC has received a significant portion of its historical and current financing from the RMOW and has been economically dependent on the RMOW. WDC is in the process of transitioning to an economically independent organization.

10. Contractual Obligations

WDC has entered into various agreements and contracts for services and construction to complete the development plan. Commitments outstanding as at December 31, 2021 are approximately \$12,900,000 (2020 - \$nil).

11. Budgeted figures:

Budgeted figures are provided for comparative purposes and were derived from the budget presented to the Finance Committee on June 17, 2021.

12. Uncertainty due to COVID-19:

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic, which has significantly disrupted economic activities in Canada. Given the dynamic nature of these circumstances, the duration of the disruption to WDC's operations and related financial impacts cannot be reasonably estimated at this time. WDC continues to monitor cash flows and ensure that it has adequate financing in place to cover expected development costs and has entered into fixed price contracts where possible to minimize the effects of rising costs due to supply and labour shortages. As the impacts of COVID-19 continue, there could be a material impact on WDC, its suppliers and other third party associates that could affect the timing and amounts realized on WDC's assets and future ability to continue development activities.