

SAANICH PENINSULA MEMORIAL PARK SOCIETY
Financial Statements
Year Ended December 31, 2020

SAANICH PENINSULA MEMORIAL PARK SOCIETY
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Year Ended December 31, 2020

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Saanich Peninsula Memorial Park Society

We have reviewed the accompanying financial statements of Saanich Peninsula Memorial Park Society (the Society) that comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in fund balances 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 (ASNPO), 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

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

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

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

Basis for Qualified Conclusion

The Society derives revenue from cash sales, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary due to cash revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2020, current assets and net assets as at December 31, 2020. Our review conclusion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation of scope.

(continues)

Independent Practitioner's Review Engagement Report To the Members of Saanich Peninsula Memorial Park Society (*continued*)

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Saanich Peninsula Memorial Park Society as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Other Matter

The financial statements for the year ended December 31, 2019 were audited. The prior year figures are included for comparison purposes only.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies have been applied on a basis consistent with that of the preceding year.

Paterson Henn CPA

Sidney, British Columbia
January 17, 2023

Chartered Professional Accountants

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Statement of Financial Position

December 31, 2020

	Memorial Park Society Operating Fund	Mary Winspear Centre Operating Fund	Building Fund	Blue Heron Park Improvement Fund	Capital Improvement Fund	2020 Total	2019 Total
ASSETS							
CURRENT							
Cash	\$ 45,627	\$ 99,357	\$ -	\$ 15,802	\$ -	\$ 160,786	\$ 127,687
Restricted cash	-	111,315	-	-	6,706	118,021	139,615
Accounts receivable	-	84,759	-	-	-	84,759	59,939
Inventory (<i>Note 5</i>)	-	27,559	-	-	-	27,559	27,579
Prepaid expenses	-	7,807	-	-	-	7,807	33,311
Interfund receivables/(payables)	220,133	(40,800)	-	(67,442)	(111,891)	-	-
REstricted INVESTMENTS (<i>Note 6</i>)	265,760	289,997	-	(51,640)	(105,185)	398,932	388,131
CAPITAL ASSETS (<i>Notes 7, 8</i>)	-	-	-	-	348,008	348,008	329,478
COLLECTIONS OF ART (<i>Note 11</i>)	222	39,713	3,633,659	592,265	-	4,265,859	4,361,676
	-	1	-	-	-	1	1
	\$ 265,982	\$ 329,711	\$ 3,633,659	\$ 540,625	\$ 242,823	\$ 5,012,800	\$ 5,079,286
LIABILITIES AND NET ASSETS							
CURRENT							
Accounts payable	\$ 6,000	\$ 118,523	\$ -	\$ 500	\$ -	\$ 125,023	\$ 231,525
Due to government agencies	-	22,069	-	-	-	22,069	21,017
Deferred income	-	342,069	-	-	-	342,069	140,244
LONG TERM DEBT (<i>Note 10</i>)	6,000	482,661	-	500	-	489,161	392,786
	-	30,000	-	-	-	30,000	-
NET ASSETS (DEBT) (<i>Notes 12, 13</i>)	6,000	512,661	-	500	-	519,161	392,786
	259,982	(182,950)	3,633,659	540,125	242,823	4,493,639	4,686,500
	\$ 265,982	\$ 329,711	\$ 3,633,659	\$ 540,625	\$ 242,823	\$ 5,012,800	\$ 5,079,286

ON BEHALF OF THE BOARD

Director

Director

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Statement of Operations

Year Ended December 31, 2020

	Memorial Park Society Operating Fund	Mary Winspear Centre Operating Fund	Building Fund	Blue Heron Park Improvement Fund	Capital Improvement Fund	2020 Total	2019 Total
REVENUES							
Theatre and events (<i>Note 15</i>)	\$ -	\$ 308,536	\$ -	\$ -	\$ -	\$ 308,536	\$ 1,182,600
Rentals (<i>Note 15</i>)	-	106,451	-	-	-	106,451	330,836
Labour and internal services	-	10,096	-	-	-	10,096	34,139
Clubhouse and field rental	-	-	-	-	-	-	1,680
Municipal grants (<i>Note 15</i>)	80,000	544,860	-	-	-	624,860	605,608
Donations and grants	-	39,026	-	-	-	39,026	52,591
Investment revenue	3,927	-	-	-	-	3,927	9,347
Other revenue	-	2,528	-	1	-	2,529	33,713
	83,927	1,011,497	-	1	-	1,095,425	2,250,514
EXPENSES							
Amortization	55	11,471	99,661	30,270	-	141,457	150,883
Amortization of intangible assets	-	-	-	-	-	-	1,405
Bad debts	-	-	-	-	-	-	356
Contract service	-	21,637	-	-	-	21,637	17,062
Insurance	3,073	40,002	-	-	-	43,075	32,996
Interest and bank charges	-	11,442	-	-	-	11,442	6,745
Office and sundry	7,500	37,268	-	-	-	44,768	38,197
Professional fees	2,000	11,560	-	-	-	13,560	21,760
Promotion and advertising	-	10,033	-	-	-	10,033	14,125
Repairs and maintenance	9,092	45,505	-	-	-	54,597	96,260
Salaries and wages	1,200	957,009	-	-	-	958,209	995,446
Theatre and event costs	-	336,961	-	-	-	336,961	854,027
Utilities	-	85,709	-	-	-	85,709	90,550
	22,920	1,568,597	99,661	30,270	-	1,721,448	2,319,812
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS							
	61,007	(557,100)	(99,661)	(30,269)	-	(626,023)	(69,298)

(continues)

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Statement of Operations (*continued*)

Year Ended December 31, 2020

	Memorial Park Society Operating Fund	Mary Winspear Centre Operating Fund	Building Fund	Blue Heron Park Improvement Fund	Capital Improvement Fund	2020 Total	2019 Total
OTHER INCOME							
Gain (loss) on sale of investments	13,728	-	-	-	-	13,728	18,164
Government loan forgiveness	-	10,000	-	-	-	10,000	-
Government wage subsidy	-	409,434	-	-	-	409,434	-
	13,728	419,434	-	-	-	433,162	18,164
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 74,735	\$ (137,666)	\$ (99,661)	\$ (30,269)	\$ -	\$ (192,861)	\$ (51,134)

SAANICH PENINSULA MEMORIAL PARK SOCIETY
Statement of Changes in Fund Balances
Year Ended December 31, 2020

	Memorial Park Society Operating Fund	Mary Winspear Centre Operating Fund	Building Fund	Blue Heron Park Improvement Fund	Capital Improvement Fund	2020 Total	2019 Total
NET ASSETS - BEGINNING OF YEAR	\$ 185,247	\$ (11,798)	\$ 3,687,679	\$ 570,394	\$ 254,978	\$ 4,686,500	\$ 4,737,634
Excess (Deficiency) of revenues over expenses	74,735	(137,666)	(99,661)	(30,269)	-	(192,861)	(51,134)
Capital improvement fund contributions	-	(33,486)	-	-	33,486	-	-
Capital Improvement fund transfers	-	-	45,641	-	(45,641)	-	-
NET ASSETS - END OF YEAR (Notes 12, 13)	\$ 259,982	\$ (182,950)	\$ 3,633,659	\$ 540,125	\$ 242,823	\$ 4,493,639	\$ 4,686,500

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Statement of Cash Flows

Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (192,861)	\$ (51,134)
Items not affecting cash:		
Amortization of capital assets	141,457	150,883
Amortization of intangible assets	-	1,405
Unrealized gain (loss) on investments	<u>(13,728)</u>	<u>(18,164)</u>
	<u>(65,132)</u>	<u>82,990</u>
Changes in non-cash working capital:		
Accounts receivable	(24,820)	11,925
Inventory	20	(2,295)
Prepaid expenses	25,504	32,643
Accounts payable	<u>(106,501)</u>	<u>98,147</u>
Due to government agencies	1,052	(13,410)
Deferred income	<u>201,825</u>	<u>(50,974)</u>
	<u>97,080</u>	<u>76,036</u>
Cash flow from operating activities	<u>31,948</u>	<u>159,026</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(45,641)	(133,255)
Purchase of investments	<u>(12,365)</u>	<u>(471,082)</u>
Disposal of investments	7,563	461,521
Cash flow used by investing activities	<u>(50,443)</u>	<u>(142,816)</u>
FINANCING ACTIVITIES		
Proceeds from long term financing	40,000	-
Repayment/forgiveness of long term debt	<u>(10,000)</u>	<u>-</u>
Cash flow from financing activities	<u>30,000</u>	<u>-</u>
INCREASE IN CASH FLOW	<u>11,505</u>	<u>16,210</u>
Cash - beginning of year	<u>267,302</u>	<u>251,092</u>
CASH - END OF YEAR	<u>\$ 278,807</u>	<u>\$ 267,302</u>
CASH CONSISTS OF:		
Cash	\$ 160,786	\$ 127,687
Restricted cash	<u>118,021</u>	<u>139,615</u>
	<u>\$ 278,807</u>	<u>\$ 267,302</u>

SAANICH PENINSULA MEMORIAL PARK SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

1. PURPOSE OF THE SOCIETY

The Saanich Peninsula Memorial Park Society (formerly Sidney & North Saanich Memorial Park Society) (the "Society") is a not-for-profit organization incorporated under the Societies Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act.

The purpose of the Society is:

"To commemorate those who gave their lives in service to Canada in time of war and peacekeeping by managing lands and facilities and delivering services, programs, and productions for the community, cultural, athletic and recreational benefit of the residents of the Saanich Peninsula."

2. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to COVID-19. Following this event, the Society was forced to reduce operations and adjust the capacity and number of events to comply to the BC Health restrictions, WCB and other organizations. The theatre operated as early as possible with specific limited capacities to allow for in-person concerts and events. Rentals were also affected due to health restrictions with amounts increasing in the subsequent year due to vaccine and blood donor clinics being held.

The Society continues to operate subsequent to the year end and has also entered into various commitments and obligations, within the normal type of operations. The Society received government funding to offset some of the affect of the restrictions.

The Society received a loan as part of the government initiatives for Covid relief with an amount to be forgiven of \$10,000 (see Note 10). The Society also received Canada Emergency Wage Subsidy (CEWS) in the amount of \$409,434 in the current year.

3. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). The prior year financial statements were audited and are included for information purposes.

The Society's charity status was revoked as of November 6, 2021 and these financial's are based on the Society being a going concern with the status being reinstated. See Note 23.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Fund accounting

Saanich Peninsula Memorial Park Society follows the restricted fund method of accounting for contributions.

The Memorial Park Society (MPS) Operating Fund reports the assets, liabilities, revenues and expenses of the general operations including Blue Heron Park.

The Mary Winspear Community Cultural Centre (MWCCC) Fund reports the assets, liabilities, revenues and expenses related to the operation of the Mary Winspear Community Cultural Centre at Mary Winspear Centre building. The Board of Directors have internally restricted a portion of this fund. See Note 13.

(continues)

SAANICH PENINSULA MEMORIAL PARK SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

The Building Fund reports the assets, liabilities, revenues and expenses related to the cost and equipping of the Mary Winspear Community Cultural Centre at Mary Winspear Centre building.

The Blue Heron Park Improvement Fund reports the assets, liabilities, revenues and expenses related to improvements to Blue Heron Park soccer facilities. The Society operates within a joint undertaking agreement, signed in 2005. See Note 17.

The Capital Improvement Fund is an externally restricted fund that reports the assets, liabilities, contributions and expenditures related to the renewal and replacement of the Mary Winspear Centre assets. This fund includes the 10% of each public parking and annual grant payments made by the Town of Sidney as per the agreement starting June 1, 2017. See Note 16. All other contributions restricted for capital improvements will be added to this fund. Funds are transferred on an as needed basis to the appropriate fund when capital improvements are incurred.

(b) Inventory

Inventory is measured at the lower of cost and net realizable value. Donated inventory is recorded at fair market value at the time the donation is made.

(c) Capital assets

Capital assets are recorded at cost. The Society provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. A full year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates and methods are as follows:

Blue Heron Park fixtures	20%	declining balance method
Computer equipment and software	20% - 50%	declining balance method
Furniture, fixtures and equipment	20%	declining balance method
Buildings	2%	declining balance method
Maintenance equipment	6 to 20%	declining balance method
Parking Lot	8%	declining balance method
Reader board electronics	20%	declining balance method
Reader board structure	2%	declining balance method
Clubhouse	2%	declining balance method
Equipment	20%	declining balance method
Grounds	10%	declining balance method
Lights	20%	declining balance method
Paving	8%	declining balance method

(d) Intangible assets

Intangible assets are recorded at cost and are amortized on the basis of their useful life using the straight-line method at the following rates. Assets purchased in the current year are amortized for part of the year based on the number of months they were in use. These assets are tested for impairment if events or changes in circumstances indicate that the carrying amount exceeds the fair value.

Website	5 years
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(continues)

SAANICH PENINSULA MEMORIAL PARK SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(e) Collections of art

The Society holds a collection of works of art for the perpetual benefit of the community at large. The collection is shown as an asset at a nominal value of \$1 due to the practical difficulty of determining a meaningful value for these assets. Any expenditures related to the collection are expensed in the year incurred.

(f) Revenue recognition

Saanich Peninsula Memorial Park Society follows the restricted fund method of accounting for contributions.

Restricted contributions are recognized as revenue in the appropriate restricted fund. If there is no restricted fund, restricted contributions are recognized in the appropriate operating fund with unspent amounts shown as deferred contributions on the statement of financial position.

Unrestricted contributions are recognized as revenue of the appropriate operating fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Municipal grants and easement revenue are unrestricted contributions are recognized in the appropriate operating fund on an annual basis with any amount received in advance included as deferred revenue.

Building and portable rental and meeting room rental revenue are recognized over the period of the rental term. The liability for the portion of rental revenue invoiced but not yet earned, as well as deposits received in advance for future rentals, is recorded as deferred revenue.

Theatre revenue is recognized at the date of the performance, show or event. The liability for tickets sold in advance for future performances or shows is recorded as deferred revenue.

Investment income is recognized when earned. The investments have internally been included as restricted funds within the Capital Improvement Fund. As these funds are not externally restricted, the income is recognized in the MPS Operating Fund.

Other revenue sources are recognized when the service is provided and collection is reasonably assured.

(g) Contributed goods and services

Contributed goods are recorded at fair market value at the time of the contribution is made. Professional appraisals are obtained for all contributions valued over \$1,000.

A number of volunteers contribute a significant amount of their time each year to the Society. Due to the difficulty of determining the fair market value of these services, no amount has been recognized in the financial statements.

(h) Use of estimates

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

(continues)

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Management estimates are used in accounting for the valuation of donated tangible and intangible assets and inventory, accounts receivable exposure, and useful lives of capital assets for depreciation and amortization. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(i) Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash and restricted cash, accounts receivable and accrued interest. Financial assets measured at fair value include marketable securities. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and loan payable.

5. INVENTORY

Inventory is as follows:

	2020	2019
Artwork for resale	\$ 22,730	\$ 22,730
Food and beverage	<u>4,829</u>	<u>4,849</u>
	\$ 27,559	\$ 27,579

6. RESTRICTED INVESTMENTS

The Society has investments held with ScotiaMcLeod which have been internally restricted and included in their Capital Improvement Fund with the investment activity being reported in the MPS operating fund. The funds held at the year end include the following:

	2020	2019
Cash	\$ 6,706	\$ 7,659
Equities and fixed income	<u>350,760</u>	<u>345,959</u>
Unrealized gains (losses)	<u>(2,752)</u>	<u>(16,480)</u>
	\$ 354,714	\$ 337,138

The investments are reported at fair market value, with the change to unrealized gains (losses) being reported in the current period. The Board of Directors approved an investment policy with an objective to have a balanced portfolio while minimizing currency risk, maximizing the return and protecting the capital.

SAANICH PENINSULA MEMORIAL PARK SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

7. CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
MPS Operating Fund				
Land (Note 8)	\$ 1	\$ -	\$ 1	\$ 1
Blue Heron Park fixtures	9,019	8,798	221	276
	9,020	8,798	222	277
MWCCC Fund				
Computer equipment and software	117,305	115,248	2,057	4,114
Furniture, fixtures and equipment	186,600	148,943	37,657	47,071
	303,905	264,191	39,714	51,185
Building Fund				
Buildings	4,806,138	1,513,549	3,292,589	3,328,825
Computer equipment	16,662	12,245	4,417	2,454
Furniture and fixtures	700,658	608,307	92,351	105,063
Maintenance equipment	23,073	15,320	7,753	8,447
Parking lot	46,085	34,632	11,453	12,449
Reader board electronics	88,007	84,727	3,280	4,100
Reader board structure	300,331	78,516	221,815	226,342
	5,980,954	2,347,296	3,633,658	3,687,680
Blue Heron Park Improvements Fund				
Clubhouse	459,744	68,611	391,133	399,116
Equipment	19,954	17,858	2,096	2,619
Grounds	584,628	450,884	133,744	148,605
Lights	170,881	163,365	7,516	9,394
Paving	68,263	10,485	57,778	62,802
	1,303,470	711,203	592,267	622,536
	\$ 7,597,349	\$ 3,331,488	\$ 4,265,861	\$ 4,361,678

CURRENT ADDITIONS:

2020

Building Fund

Building improvements - washrooms	\$ 30,961
Computer equipment - theatre	7,431
Theatre furniture and equipment	7,249
	\$ 45,641

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

8. LAND AND IMPROVEMENTS

A nominal value of \$1 is reflected in these financial statements to record the following properties:

a) Mary Winspear Centre at Sanscha

Property at or near 2243 Beacon Avenue, Sidney, British Columbia referred to as Mary Winspear Centre (formerly "Sanscha" hall) property and described as Lot 1, Range 3 East, North Saanich District, Section 10 and 11, Lot 2, Range 3 East, North Saanich District, Section 10 and 11. The 2019 assessed value of these properties is \$15,621,300 (2019 - \$14,510,600).

b) Blue Heron Park

41 Acres adjacent to Parkland Secondary School described as Lot A. Section 17, Range 2 east, North Saanich District, Plan 43067 and Lot 1, Section 16, Range 2 East, North Saanich District, Plan 20832. The 2019 assessed value of these properties is \$10,779,000 (2019 - \$9,083,000).

9. INTANGIBLE ASSETS

	2020	2019
Website	\$ 14,050	\$ 14,050
Accumulated amortization	<u>(14,050)</u>	<u>(14,050)</u>
	<hr/> \$ -	<hr/> \$ -

10. LONG TERM DEBT

	2020	2019
Canada Emergency Business Account (CEBA) loan held with Coast Capital Savings Credit Union bearing interest at 0% per annum. The amount received during the year was \$40,000. The loan matures on December 31, 2025 and is 0% interest until December 31, 2024.	<hr/> \$ 30,000	<hr/> \$ -

The loan is carried at the net amount with income in the amount of \$10,000 recorded in the current year for the forgiven portion.

11. COLLECTIONS OF ART

THE MWCCC Fund holds a collection of works of art that is comprised of original art pieces. The collection includes 34 paintings and 1 stone sculpture. No works of art were donated this year or the prior year. The estimated value at 2019 and 2018 was \$212,925. Based on a valuation completed in 2022, management does not believe there is an impairment to the collection as at December 31, 2020.

SAANICH PENINSULA MEMORIAL PARK SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

12. MWCCC OPERATING FUND

The Mary Winspear Centre (MWCCC) operating fund consists of the following:

	2020	2019
Net Assets (Deficit)		
Operating Net Assets (Deficit)	\$ (286,062)	\$ (143,754)
Internally Restricted Funds (Note 13)	<u>111,315</u>	<u>131,956</u>
	\$ (174,747)	\$ (11,798)

13. INTERNALLY RESTRICTED FUNDS

Certain funds in the MWCCC Fund have been internally restricted for capital improvements of the Centre and the purchase of capital assets. The following transactions occurred during the year within this internally restricted fund:

	2020	2019
Restricted capital reserve funds, beginning of year	\$ 131,956	\$ 110,168
Contributions during the year	25,000	25,000
Capital improvements during the year	(45,641)	(3,212)
	-	-
Internally restricted capital reserve funds, end of year	\$ 111,315	\$ 131,956

Funds are received from the Town of Sidney in the amount of \$25,000 and the District of North Saanich in the amount of \$25,000 with the Society internally restricting an equal amount during the year for capital improvements.

14. RELATED PARTY TRANSACTIONS

During the year the MWCCC Fund received grants from the Mary Winspear Centre Foundation (MWCF), a related charity by way of common purpose, for the following:

	2020	2019
MWCCC arts (Professional theatre productions)	\$ 24,221	\$ 23,687
MWCCC arts and special events	-	3,500
	\$ 24,221	\$ 27,187

These funds were used for professional performers.

Accounts receivable includes an amount due from Mary Winspear Centre Foundation as at December 31, 2020 of \$27,610 (December 31, 2019 - \$27,610).

SAANICH PENINSULA MEMORIAL PARK SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

15. REVENUE DETAILS

The Society's breakdown of various revenue sources are as follows:

	2020	2019
<u>Theatre and Event Revenue</u>		
Theatre events	\$ 175,787	\$ 821,703
Technical services recovery	33,530	103,592
Theatre rental	32,589	66,804
Box office	13,493	75,994
Internet box office charges	10,694	38,503
Food service	15,283	38,944
Grant - Mary Winspear Centre Foundation	24,221	23,687
Other	2,939	12,408
Sponsorships	-	965
	\$ 308,536	\$ 1,182,600
<u>Rental Revenue</u>		
Bodine family hall	\$ 35,038	\$ 154,957
Activity rooms	45,616	146,838
Food service	6,191	17,203
Courtyard and grounds	17,510	10,170
Theatre seminar rentals	927	5,654
Gallery	155	5,182
Storage	1,014	1,319
	\$ 106,451	\$ 341,323
<u>Municipal grants</u>		
Town of Sidney - Grants	\$ 275,050	\$ 258,840
Town of Sidney - Public parking	59,810	56,768
Town of Sidney - Capital	25,000	25,000
	359,860	340,608
District of North Saanich	240,000	240,000
District of North Saanich - Capital	25,000	25,000
	265,000	265,000
	\$ 624,860	\$ 605,608

Both the Town of Sidney and the District of North Saanich have exempted the Society from paying annual property taxes.

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

16. TOWN OF SIDNEY LEASE AND AGREEMENTS

The Society receives grant funds from the Town of Sidney. The Society entered into an agreement with the Town of Sidney starting July 1, 2017. The agreements known as an Easement Agreement and Parking Agreement provide payments from the Town of Sidney. The Society has agreed to place 10% of the funds received from the Town of Sidney into the Capital Improvement Fund.

During the year an amount of \$33,486 (2019 - \$31,561) has been transferred to the Capital Improvement Fund and \$25,000 (2019 - \$2,500) has been internally restricted.

The Easement Agreement provides a total of \$400,000 over a five-year term beginning May 23, 2017 with the last payment in 2022 with an amount of \$80,000 per year. The first year's payment was \$46,667 and the final payment in 2022 will be \$33,333.

The Parking Agreement provides the Town of Sidney pay the equivalent of 0.5% of the previous year's municipal property tax revenues, for as long as the parking agreement is in place. The current year's payment was \$59,812 (2019 - \$56,768). Future payments are expected to increase 2.5% annually.

In addition, an amount of \$25,000 per year is received, with annual inflation factor being applied in the sixth year. This amount is to be used for grounds maintenance at the Mary Winspear Centre.

17. PENINSULA SOCCER ASSOCIATION LEASE AND AGREEMENT

A lease for 1.45 hectares (3.58 acres) of land adjacent to Blue Heron Park to Peninsula Soccer Association was granted for a five years for the nominal sum of \$2 per year commencing July 1, 2005. The current lease was dated September 29, 2020 with a 50 year sublease to September 28, 2069. Four successive five year options have been granted, subject each time to the Society approving the lease.

In 2005 a joint undertaking between the Society (The Trustee) and the Peninsula Soccer Association (The Association) was signed to build two lit sand-based full-size soccer fields, a clubhouse and improve the parking at Blue Heron Park. The agreement sets out the Association's obligations and the Society's involvement during the building of these facilities. The agreement also states that the Trustee will own all improvements and the Trustee will pay for the maintenance of the Park area outside of the Blue Heron Improvements from their own accounts.

Improvements are held in the Blue Heron Park Improvement Fund. In the prior year, beyond the usual maintenance, the Society paved the parking area and other areas.

18. SCHOOL BOARD LEASE

A lease for 5.469 hectares (13.51 acres) of land adjacent to Blue Heron Park to The Board of School Trustees of School District 63 was granted for a term of five years for the nominal sum of \$1 per year commencing February 1, 1992. Fourteen successive five year options have been granted and each will be executed automatically, unless the lessee cancels prior to expiry of then current lease period.

SAANICH PENINSULA MEMORIAL PARK SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

19. LEASE COMMITMENTS

Equipment lease

The Society has a commitment under an operating lease as follows:

2021	\$ 2,287
2022	572
	<hr/> <u>\$ 2,859</u>

20. COLLECTIVE AGREEMENT

The Society entered into a Collective Agreement for the period of January 1, 2020 through December 31, 2022 with the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States, Its Territories and Canada - Local 168 (the "Union"). This agreement sets out the labour standards for Stage technical employees except managers, office employees, maintenance staff and box office employees.

21. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest rate or price risks. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2020.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society's main credit risk relates to its accounts receivable. The Society reduces this risk by regularly assessing the collectibility of accounts. They also receive advance deposits for certain events.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Society is exposed to these risks with their investments held. The Board of Directors and management mitigates this risk through its investment policy. Their investment policy is in place to protect capital and it limits currency risk by not investing in more than 25% in US investments. They mitigate other risks by maintaining a balanced portfolio and limiting investments with lower credit ratings. They also limit the investment in margin and derivative investments and accounts. Finally, the Board of Directors and management regularly meet with the investment advisor to review the portfolio.

22. REMUNERATION

As required by the Societies Act of British Columbia, the Society paid total remuneration of \$289,388 to three employees, each of whom exceeded \$75,000 of annual remuneration or greater. No remuneration was paid to any Director and there were no payments to any contractor totalling \$75,000 or greater.

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

23. SUBSEQUENT EVENTS

The Society's charitable status was revoked effective November 6, 2021 for failure to file charity returns. This results in the Society not having the ability to issue official donation receipts, be no longer tax exempt and it must pay a revocation tax if it does not reapply for re-registration. The revocation tax is equivalent to the fair market value of the assets less any liabilities. Should the Society not be able to pay or re-apply they can transfer to a qualified organization. The Board of Directors and management have implemented the plan to re-register and these financial statements are prepared on a going concern basis and that the Society's charitable status will be reinstated.