

SAANICH PENINSULA MEMORIAL PARK SOCIETY
Financial Statements
Year Ended December 31, 2021

SAANICH PENINSULA MEMORIAL PARK SOCIETY
Index to Financial Statements
Year Ended December 31, 2021

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Fund Balances	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 17



PATERSON HENN CPA
CHARTERED PROFESSIONAL ACCOUNTANTS

Caroline M. Paterson, CPA, CGA*

Sheila C. Henn, CPA, CA*

* denotes Incorporated Professionals

2440 Bevan Avenue

Sidney, BC V8L 5C5

P: **250-656-7284 (PATH)**

F: **250-656-7288**

admin@patersonhenn.com

www.patersonhenn.com

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, 2021, 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, 2021, current assets and net assets as at December 31, 2021.

(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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

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.

Sidney, British Columbia
February 13, 2023

Paterson Henn CPA

Chartered Professional Accountants

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Statement of Financial Position

December 31, 2021

	Memorial Park Society Operating Fund	Mary Winspear Centre Operating Fund	Building Fund	Blue Heron Park Improvement Fund	Capital Improvement Fund	2021 Total	2020 Total
ASSETS							
Current							
Cash	\$ 45,664	\$ 387,777	\$ -	\$ 15,802	\$ -	\$ 449,243	\$ 160,786
Restricted cash	-	93,081	-	-	3,823	96,904	118,021
Accounts receivable	-	244,587	-	-	-	244,587	84,759
Inventory (Note 4)	-	26,802	-	-	-	26,802	27,559
Prepaid expenses	2,645	8,969	-	-	-	11,614	7,807
Interfund receivables/(payables)	272,906	(34,020)	-	(67,442)	(171,444)	-	-
	321,215	727,196	-	(51,640)	(167,621)	829,150	398,932
RESTRICTED INVESTMENTS (Note 5)	-	-	-	-	400,901	400,901	348,008
CAPITAL ASSETS (Notes 6, 7)	178	31,657	3,605,112	564,524	-	4,201,471	4,265,859
COLLECTIONS OF ART (Note 8)	-	1	-	-	-	1	1
	\$ 321,393	\$ 758,854	\$ 3,605,112	\$ 512,884	\$ 233,280	\$ 5,431,523	\$ 5,012,800
LIABILITIES AND NET ASSETS							
Current							
Accounts payable	\$ 8,000	\$ 308,379	\$ -	\$ 500	\$ -	\$ 316,879	\$ 125,021
Due to government agencies	-	32,180	-	-	-	32,180	22,069
Deferred revenue (Note 9)	-	595,452	-	-	-	595,452	342,069
	8,000	936,011	-	500	-	944,511	489,159
LONG TERM DEBT (Note 10)	-	30,000	-	-	-	30,000	30,000
	8,000	966,011	-	500	-	974,511	519,159
NET ASSETS (DEBT) (Notes 11, 12)	313,393	(207,157)	3,605,112	512,384	233,280	4,457,012	4,493,641
	\$ 321,393	\$ 758,854	\$ 3,605,112	\$ 512,884	\$ 233,280	\$ 5,431,523	\$ 5,012,800

ON BEHALF OF THE BOARD

Director

Director

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Statement of Operations

Year Ended December 31, 2021

	Memorial Park Society Operating Fund	Mary Winspear Centre Operating Fund	Building Fund	Blue Heron Park Improvement Fund	Capital Improvement Fund	2021 Total	2020 Total
REVENUES							
Theatre and events <i>(Note 14)</i>	\$ -	\$ 463,980	\$ -	\$ -	\$ -	\$ 463,980	\$ 308,536
Rentals <i>(Note 14)</i>	-	296,094	-	-	-	296,094	106,451
Labour and internal services	-	8,440	-	-	-	8,440	10,096
Municipal grants <i>(Note 14)</i>	80,000	536,904	-	-	-	616,904	624,860
Donations and grants	-	1,208	-	-	-	1,208	39,026
Investment revenue	6,518	-	-	-	-	6,518	3,927
Other revenue	-	12,439	-	-	-	12,439	2,529
	86,518	1,319,065	-	-	-	1,405,583	1,095,425
EXPENSES							
Amortization	44	9,064	97,813	27,741	-	134,662	141,457
Contract service	-	31,989	-	-	-	31,989	21,637
Insurance	2,225	37,290	-	-	-	39,515	43,075
Interest and bank charges	-	7,174	-	-	-	7,174	11,443
Office and sundry	80	24,455	-	-	-	24,535	44,768
Professional fees	2,000	6,000	-	-	-	8,000	13,560
Promotion and advertising	-	7,949	-	-	-	7,949	10,033
Repairs and maintenance	1,820	45,671	-	-	-	47,491	54,596
Salaries and wages	1,200	1,034,959	-	-	-	1,036,159	958,209
Theatre and event costs	-	382,614	-	-	-	382,614	336,961
Utilities	-	94,977	-	-	-	94,977	85,709
	7,369	1,682,142	97,813	27,741	-	1,815,065	1,721,448
Excess (deficiency) Of Revenues Over Expenses from operations	79,149	(363,077)	(97,813)	(27,741)	-	(409,482)	(626,023)
Other income							
Gain (loss) on sale of investments	43,528	-	-	-	-	43,528	13,728
Government wage subsidy/loan forgiveness	-	329,325	-	-	-	329,325	419,434
	43,528	329,325	-	-	-	372,853	433,162
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 122,677	\$ (33,752)	\$ (97,813)	\$ (27,741)	\$ -	\$ (36,629)	\$ (192,861)

SAANICH PENINSULA MEMORIAL PARK SOCIETY
Statement of Changes in Fund Balances
Year Ended December 31, 2021

	Memorial Park Society Operating Fund	Mary Winspear Centre Operating Fund	Building Fund	Blue Heron Park Improvement Fund	Capital Improvement Fund	2021 Total	2020 Total
NET ASSETS - BEGINNING OF YEAR	\$ 259,982	\$ (182,948)	\$ 3,633,659	\$ 540,125	\$ 242,823	\$ 4,493,641	\$ 4,686,501
Excess (Deficiency) of revenues over expenses	122,677	(33,752)	(97,813)	(27,741)	-	(36,629)	(192,860)
Building fund contributions	(69,266)	-	69,266	-	-	-	-
Capital improvement fund contributions	-	(32,690)	-	-	32,690	-	-
Capital asset interfund transfers	-	42,233	-	-	(42,233)	-	-
NET ASSETS - END OF YEAR (Notes 11, 12)	\$ 313,393	\$ (207,157)	\$ 3,605,112	\$ 512,384	\$ 233,280	\$ 4,457,012	\$ 4,493,641

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (36,629)	\$ (192,861)
Items not affecting cash:		
Amortization of capital assets	134,662	141,457
Unrealized gain (loss) on investments	<u>(43,528)</u>	<u>(13,728)</u>
	54,505	(65,132)
Changes in non-cash working capital:		
Accounts receivable	(159,828)	(24,820)
Inventory	757	20
Prepaid expenses	(3,807)	25,504
Accounts payable	191,856	(106,501)
Due to government agencies	10,111	1,052
Deferred revenue	<u>253,383</u>	<u>201,825</u>
	292,472	97,080
Cash flow from operating activities	<u>346,977</u>	<u>31,948</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(70,273)	(45,641)
Purchase of investments	(39,739)	(12,365)
Disposal of investments	<u>30,374</u>	<u>7,563</u>
Cash flow used by investing activities	<u>(79,638)</u>	<u>(50,443)</u>
FINANCING ACTIVITIES		
Proceeds from long term financing	-	40,000
Repayment/forgiveness of long term debt	<u>-</u>	<u>(10,000)</u>
Cash flow from financing activities	<u>-</u>	<u>30,000</u>
INCREASE IN CASH FLOW	267,339	11,505
Cash - beginning of year	<u>278,807</u>	<u>267,302</u>
CASH - END OF YEAR	<u>\$ 546,146</u>	<u>\$ 278,807</u>
CASH CONSISTS OF:		
Cash	\$ 449,242	\$ 160,786
Restricted cash	<u>96,904</u>	<u>118,021</u>
	<u>\$ 546,146</u>	<u>\$ 278,807</u>

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

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. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

The Society's charity status was revoked as of November 6, 2021 for failure to file Charity returns. The Society continues to operate and has begun the process of filing past returns and will be re-apply for Charity status. These financials are based on the Society being a going concern with the status being reinstated. This assumes that the Society will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. No adjustments or revaluations of assets or liabilities have been included in these financial statements. See Note 22.

3. 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 12.

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 16.

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 15. 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.

(continues)

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

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

(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.

(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.

(continues)

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

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

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.

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.

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

4. INVENTORY

Inventory is as follows:

	<u>2021</u>		<u>2020</u>
Artwork for resale	\$ 22,730	\$	22,730
Food and beverage	4,072		4,829
	<u>\$ 26,802</u>	\$	<u>27,559</u>

5. 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:

	<u>2021</u>		<u>2020</u>
Cash	\$ 3,823	\$	6,706
Equities and fixed income	363,517		350,760
Unrealized gains (losses)	37,384		(2,752)
	<u>\$ 404,724</u>	\$	<u>354,714</u>

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, 2021

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
MPS Operating Fund				
Land (Note 7)	\$ 1	\$ -	\$ 1	\$ 1
Blue Heron Park fixtures	9,019	8,842	177	221
	<u>9,020</u>	<u>8,842</u>	<u>178</u>	<u>222</u>
MWCCC Fund				
Computer equipment and software	118,313	116,780	1,533	2,057
Furniture, fixtures and equipment	186,599	156,475	30,124	37,656
	<u>304,912</u>	<u>273,255</u>	<u>31,657</u>	<u>39,713</u>
Building Fund				
Buildings	4,848,370	1,580,245	3,268,125	3,292,589
Computer equipment	17,177	15,236	1,941	4,417
Furniture and fixtures	727,176	629,757	97,419	92,352
Maintenance equipment	23,073	15,986	7,087	7,753
Parking lot	46,085	35,548	10,537	11,453
Reader board electronics	88,007	85,383	2,624	3,280
Reader board structure	300,331	82,952	217,379	221,815
	<u>6,050,219</u>	<u>2,445,107</u>	<u>3,605,112</u>	<u>3,633,659</u>
Blue Heron Park Improvements Fund				
Clubhouse	459,744	76,433	383,311	391,133
Equipment	19,954	18,278	1,676	2,094
Grounds	584,628	464,258	120,370	133,744
Lights	170,881	164,870	6,011	7,516
Paving	68,263	15,107	53,156	57,778
	<u>1,303,470</u>	<u>738,946</u>	<u>564,524</u>	<u>592,265</u>
	<u>\$ 7,667,621</u>	<u>\$ 3,466,150</u>	<u>\$ 4,201,471</u>	<u>\$ 4,265,859</u>

CURRENT YEAR ADDITIONS:

	<u>2021</u>
MWCCC Fund	
Computer equipment	<u>\$ 1,007</u>
	<u>1,007</u>
Building Fund	
Building improvements - washrooms	15,133
Building improvements - kitchen	27,101
Computer equipment - theatre	514
Theatre and lighting equipment	26,518
	<u>69,266</u>
	<u>\$ 70,273</u>

Building improvements in the amount of \$42,234 were funded by capital improvement funds. Theatre additions in the amount of \$27,032 were funded from grants received.

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

7. 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 2021 assessed value of these properties is \$15,633,400 (2020 - \$15,621,300).

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 2021 assessed value of these properties is \$11,275,000 (2020 - \$10,779,000).

8. 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 or art were donated this year or the prior year. The estimated value at 2019 was \$212,925 with minimal changes since that time. Based on a valuation completed in 2022, management does not believe there is an impairment to the collection as at December 31, 2021.

9. DEFERRED REVENUE

Deferred revenue is comprised of the following:

	<u>2021</u>	<u>2020</u>
Event deposits	\$ 355,338	\$ 226,471
Future use deposits	23,714	27,622
Grant - FACTOR	125,000	-
Municipal grant - Town of Sidney	<u>91,400</u>	87,976
	<u>\$ 595,452</u>	<u>\$ 342,069</u>

10. LONG TERM DEBT

Canada Emergency Business Account (CEBA) loan held with Coast Capital Savings Credit Union bearing interest at 0% per annum. The CEBA loan was \$40,000 with \$10,000 forgiven if the net amount is paid by December 31, 2023. The loan matures on December 31, 2025 and is 0% interest until December 31, 2024.

	<u>2021</u>	<u>2020</u>
	<u>\$ 30,000</u>	<u>\$ 30,000</u>

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

11. MWCCC OPERATING FUND

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

	<u>2021</u>	<u>2020</u>
<u>Net Assets (Deficit)</u>		
Operating Net Assets (Deficit)	\$ (300,238)	\$ (286,062)
Internally Restricted Funds (Note 12)	<u>93,081</u>	<u>111,315</u>
	\$ (207,157)	\$ (174,747)

12. 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:

	<u>2021</u>	<u>2020</u>
Restricted capital reserve funds, beginning of year	\$ 111,315	\$ 131,956
Contributions during the year	25,000	25,000
Capital improvements during the year	(43,234)	(45,641)
	-	-
Internally restricted capital reserve funds, end of year	\$ 93,081	\$ 111,315

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.

13. 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:

	<u>2021</u>	<u>2020</u>
MWCCC arts (Professional theatre operations)	\$ 25,688	\$ 24,221

Accounts receivable includes an amount due from Mary Winspear Centre Foundation as at December 31, 2021 of \$27,610 (December 31, 2020 - \$27,610).

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

14. REVENUE DETAILS

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

	<u>2021</u>	<u>2020</u>
<u>Theatre and Event Revenue</u>		
Theatre events	\$ 198,659	\$ 175,787
Technical services recovery	53,930	33,530
Theatre rental	30,262	32,589
Box office	16,216	13,493
Internet box office charges	10,346	10,694
Food service	16,329	15,283
Grant - Mary Winspear Centre Foundation	25,688	24,221
Grants - FACTOR/Victoria Foundation	99,600	-
Other	2,950	2,939
Sponsorships	10,000	-
	<u>\$ 463,980</u>	<u>\$ 308,536</u>
 <u>Rental Revenue</u>		
Bodine family hall	\$ 184,297	\$ 35,038
Activity rooms	63,945	45,616
Food service	530	6,191
Courtyard and grounds	42,583	17,510
Theatre seminar rentals	776	927
Gallery	3,352	155
Storage	611	1,014
	<u>\$ 296,094</u>	<u>\$ 106,451</u>
 <u>Municipal grants</u>		
Town of Sidney - Grants	\$ 268,252	\$ 275,050
Town of Sidney - Public parking	58,652	59,810
Town of Sidney - Capital	25,000	25,000
	<u>351,904</u>	<u>359,860</u>
 District of North Saanich	 240,000	 240,000
District of North Saanich - Capital	25,000	25,000
	<u>265,000</u>	<u>265,000</u>
	<u>\$ 616,904</u>	<u>\$ 624,860</u>

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, 2021

15. 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 \$32,690 (2020 - \$33,486) has been transferred to the Capital Improvement Fund and \$25,000 (2020 - \$25,000) has been internally restricted.

The Easement Agreement provides a total of \$400,000 or \$80,000 annually over a five-year term beginning May 23, 2017 with the last payment in 2022. 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 \$58,612 (2020 - \$59,812). 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.

During 2021, the Town of Sidney and the Society entered into an agreement for five years from June 29, 2021 through June 29, 2026, where the Society agrees to make the facilities located at 2243 Beacon Ave, Sidney, BC, available to the Town of Sidney in the event of an emergency situation.

16. 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.

17. 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, 2021

18. LEASE COMMITMENTS

Equipment lease

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

2022	\$ <u>572</u>
------	---------------

19. 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.

20. 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, 2021.

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.

21. REMUNERATION

As required by the Societies Act of British Columbia, the Society paid total remuneration of \$271,686 to two employees and one contractor, each of whom exceeded \$75,000 of annual remuneration or greater. No remuneration was paid to any Director.

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

22. UNCERTAINTY DUE TO COVID-19/CHARITY STATUS

COVID-19

In March 2020, the World Health Organization declared a global pandemic due to COVID-19. 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 Society adjusted its operations such as the theatre operating within health restrictions with specific limited capacities to allow for in-person concerts and events. Additional grants have also been applied for and received for theatre operations. Rentals were also affected due to health restrictions. Some rental has subsequently been offset with the rental to Island Health for vaccination clinics. The Society continues to operate and various operations are recovering as restrictions have been removed. Management believes the Society is a going concern and these financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

During the year, the Society received Canada Emergency Wage Subsidy (CEWS) in the amount of \$329,325 (2020 - \$409,434).

In the prior year, 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).

Charity Status

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.