

SAANICH PENINSULA MEMORIAL PARK SOCIETY
Financial Statements
Year Ended December 31, 2023

SAANICH PENINSULA MEMORIAL PARK SOCIETY
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Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Saanich Peninsula Memorial Park Society

Report on the Financial Statements

Qualified Opinion

I have audited the financial statements of Saanich Peninsula Memorial Park Society (the "Society"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

The Saanich Peninsula Memorial Park Society receives a portion of its receipts via cash payments. These payments are not susceptible to satisfactory audit verification. Accordingly, our verification of cash receipts was limited to amounts recorded in the records of the Saanich Peninsula Memorial Park Society. The auditor's opinion on the financial statements for the year ended December 31, 2022 was modified because of the effects of this departure from Canadian accounting standards for not-for-profit organizations.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Society in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Other Matter

The financial statements for the year ended December 31, 2022 were audited by the same practitioner, operating under another accounting firm name, with an qualified opinion on those financial statements on April 17, 2023 for the reasons described in the *Basis for Qualified Opinion* section. The presentation and funds have been modified with no overall change to net assets or prior year income or loss.

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 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, I report that, in my opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

SC Henn CPA

Sidney, British Columbia
April 4, 2024

Chartered Professional Accountant

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Statement of Financial Position

December 31, 2023

	Operating Fund	Invested in Capital Assets	Capital Improvement Fund	2023 Total	2022 Total
ASSETS					
Current					
Cash	\$ 474,764	\$ -	\$ -	\$ 474,764	\$ 132,981
Restricted cash	-	-	7,955	7,955	102,558
Accounts receivable	6,033	-	-	6,033	123,362
Inventory (Note 4)	24,931	-	-	24,931	26,029
Prepaid expenses	43,222	-	-	43,222	26,480
Interfund receivables/(payables)	(48,040)	-	48,040	-	-
	500,910	-	55,995	556,905	411,410
RESTRICTED INVESTMENTS (Note 5)	-	-	322,499	322,499	362,259
CAPITAL ASSETS (Notes 6, 7)	-	4,032,215	-	4,032,215	4,114,717
COLLECTIONS OF ART (Note 8)	1	-	-	1	1
	\$ 500,911	\$ 4,032,215	\$ 378,494	\$ 4,911,620	\$ 4,888,387
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable and accrued liabilities	\$ 95,616	\$ -	\$ -	\$ 95,616	\$ 156,323
Due to government agencies	30,172	-	-	30,172	43,105
Deferred revenue (Note 9)	342,470	-	-	342,470	423,196
	468,258	-	-	468,258	622,624
LONG TERM DEBT (Note 10)	-	-	-	-	30,000
	468,258	-	-	468,258	652,624
NET ASSETS (Notes 11, 12)	32,653	4,032,215	378,494	4,443,362	4,235,763
	\$ 500,911	\$ 4,032,215	\$ 378,494	\$ 4,911,620	\$ 4,888,387

ON BEHALF OF THE BOARD

Director

Director

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Statement of Operations

Year Ended December 31, 2023

	Operating Fund 2023	Invested in Capital Assets 2023	Capital Improvement Fund 2023	Total 2023	Total 2022
REVENUES					
Theatre and events <i>(Note 14)</i>	\$ 1,095,089	\$ -	\$ -	\$ 1,095,089	\$ 1,452,192
Rentals <i>(Note 14)</i>	432,388	-	-	432,388	406,298
Labour and internal services	38,433	-	-	38,433	26,288
Municipal grants <i>(Note 14)</i>	570,364	-	-	570,364	583,933
Donations and grants	-	-	-	-	1,543
Investment revenue	8,797	-	-	8,797	7,545
Other revenue	17,056	-	-	17,056	12,216
	<u>2,162,127</u>	-	-	2,162,127	2,490,015
EXPENSES					
Amortization	-	124,540	-	124,540	138,122
Contract service	37,684	-	-	37,684	48,616
Insurance	44,875	-	-	44,875	42,319
Interest and bank charges	18,541	-	-	18,541	9,486
Office and sundry	46,992	-	-	46,992	61,425
Professional fees	19,113	-	-	19,113	15,284
Promotion and advertising	1,277	-	-	1,277	2,188
Repairs and maintenance	53,636	-	-	53,636	90,579
Salaries and wages	1,023,274	-	-	1,023,274	1,169,571
Theatre and event costs	532,067	-	-	532,067	1,012,585
Utilities	69,046	-	-	69,046	78,816
	<u>1,846,505</u>	124,540	-	1,971,045	2,668,991
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	315,622	(124,540)	-	191,082	(178,976)
OTHER INCOME					
Gain (loss) on sale of investments	16,517	-	-	16,517	(42,270)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 332,139</u>	<u>\$ (124,540)</u>	<u>\$ -</u>	<u>\$ 207,599</u>	<u>\$ (221,246)</u>

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2023

	Operating Fund	Invested in Capital Assets	Capital Improvement Fund	2023	2022
NET ASSETS - BEGINNING OF YEAR					
As previously reported (<i>Notes 11, 12</i>)	\$ 452,953	\$ 3,535,206	\$ 247,604	\$ 4,235,763	\$ 4,457,009
Transfers to Invested in Capital Assets	(579,510)	579,510	-	-	-
Internally restricted funds transferred	(95,011)	-	95,011	-	-
Adjustments for prior year transfers	(14,382)	-	14,382	-	-
Net Assets - As restated	(235,950)	4,114,716	356,997	4,235,763	4,457,009
Excess of revenues over expenses	332,139	(124,540)	-	207,599	(221,246)
Transfers to capital assets	(42,039)	42,039	-	-	-
Capital improvement fund - 10% of Town of Sidney	(38,536)	-	38,536	-	-
Capital improvement fund - per agreement District of North Saanich	(25,000)	-	25,000	-	-
Capital improvement fund expenditures	42,039	-	(42,039)	-	-
NET ASSETS - END OF YEAR (<i>Notes 11, 12</i>)	\$ 32,653	\$ 4,032,215	\$ 378,494	\$ 4,443,362	\$ 4,235,763

SAANICH PENINSULA MEMORIAL PARK SOCIETY**Statement of Cash Flows****Year Ended December 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 207,599	\$ (221,246)
Items not affecting cash:		
Amortization of capital assets	124,540	138,122
Gain (loss) on investments	(16,517)	42,270
	<u>315,622</u>	<u>(40,854)</u>
Changes in non-cash working capital:		
Accounts receivable	117,329	121,225
Inventory	1,098	773
Prepaid expenses	(16,742)	(14,866)
Accounts payable and accrued liabilities	(60,706)	(160,560)
Due to government agencies	(12,933)	10,925
Deferred revenue	(80,726)	(172,256)
	<u>(52,680)</u>	<u>(214,759)</u>
Cash flow from (used by) operating activities	<u>262,942</u>	<u>(255,613)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(42,039)	(51,366)
Purchase of investments	(35,690)	(82,734)
Proceeds of investments	91,968	79,105
Cash flow from (used by) investing activities	<u>14,239</u>	<u>(54,995)</u>
FINANCING ACTIVITY		
Repayment of CEBA loan	(30,000)	-
Cash flow from (used by) financing activity	<u>(30,000)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	247,181	(310,608)
Cash - beginning of year	<u>235,538</u>	<u>546,146</u>
CASH - END OF YEAR	\$ 482,719	\$ 235,538
CASH CONSISTS OF:		
Cash	\$ 474,764	\$ 132,981
Restricted cash	7,955	102,557
	<u>\$ 482,719</u>	<u>\$ 235,538</u>

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

1. PURPOSE OF THE SOCIETY

The Saanich Peninsula 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 (ASNFPO). The prior year's financial statements were audited by the same practitioner, operating under a different firm name. The current year presentation has been updated with combined funds and an adjustment for opening net assets within funds. No prior period adjustments have been made. Some prior year figures have been reclassified to conform to the current year presentation.

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 filed past returns and is submitting the application 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 21.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

Saanich Peninsula Memorial Park Society follows the restricted fund method of accounting for contributions. During the year, the Society combined several funds in order to present overall financial statements that are consistent with other organizations. There was a transfer of opening net assets for capital assets and an adjustment to the Capital Improvement Fund. There was no effect on the overall Net Assets or the Statement of Operations in the prior year. See Notes 11 and 12.

Operating Fund

The Operating Fund reports the reports the assets, liabilities, revenues and expenses of the general operations of the Saanich Peninsula Memorial Park Society (MPS). Previously, the Mary Winspear Community Cultural Centre (MWCCC) Fund, the Memorial Park Society (MPS) fund and the Blue Heron Park Improvement Fund were presented separately.

Internally restricted funds may be separately reported as restricted funds. The funds reported in prior years as Internally Restricted Funds have been combined with the Capital Improvement Fund.

Invested in Capital Assets

The Invested in Capital Assets fund reports the assets, liabilities, revenues and expenses related to the capital assets of the Saanich Peninsula Memorial Park Society, including the Mary Winspear Community Cultural Centre at Mary Winspear Centre building, the Blue Heron Park and other Memorial Park Society capital assets. Previously this fund was known as the Building Fund. All capital assets previously reported within other funds have been transferred to this fund, in order to present the capital assets for the Society as combined totals.

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SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

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

Capital Improvement Fund

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 Saanich Peninsula Memorial Park Society's assets.

This fund includes the restricted amounts made as per the agreements with the Town of Sidney, the District of North Saanich, and any other contributions that meet the same restrictions or other criteria. Funds are transferred on an as needed basis to the appropriate fund when capital improvements are incurred.

An adjustment/transfer has been made to correct the appropriate amount held in this fund. This fund includes cash and investments that are considered restricted. An amount may be shown as an "Interfund receivable/payable". This represents a timing difference of moving funds into a separate restricted bank account.

Inventory

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

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:

Buildings	2%	declining balance method
Computer equipment and software	20% - 50%	declining balance method
Furniture, fixtures and equipment	20%	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
Blue Heron Park fixtures	20%	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

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.

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SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

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

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 are unrestricted contributions are recognized in the appropriate operating fund on an annual basis with any amount received in advance included as deferred revenue. Any portion of funding considered restricted for purposes of capital improvements are transferred to the Capital Improvement Fund at year end.

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.

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.

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.

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SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

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

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.

4. INVENTORY

Inventory is as follows:

	<u>2023</u>	<u>2022</u>
Artwork for resale	\$ 22,730	\$ 22,730
Food and beverage	2,201	3,299
	<u>\$ 24,931</u>	<u>\$ 26,029</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 Operating Fund. The funds held at the year end include the following:

	<u>2023</u>	<u>2022</u>
Cash	\$ 7,955	\$ 7,546
Equities and fixed income	318,151	370,369
Unrealized gains (losses)	4,348	(8,110)
	<u>\$ 330,454</u>	<u>\$ 369,805</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, 2023

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land (Note 7)	\$ 1	\$ -	\$ 1	\$ 1
Mary Winspear Centre				
Buildings	4,893,532	1,710,562	3,182,970	3,214,704
Computer equipment	159,375	153,324	6,051	13,153
Furniture and fixtures	938,133	835,785	102,348	116,417
Maintenance equipment	23,073	17,254	5,819	6,444
Parking lot	46,085	37,166	8,919	9,694
Reader board electronics	88,007	86,328	1,679	2,099
Reader board structure	300,331	91,560	208,771	213,031
	<u>6,448,537</u>	<u>2,931,979</u>	<u>3,516,558</u>	<u>3,575,543</u>
Blue Heron Park				
Blue Heron Park fixtures	9,019	8,906	113	141
Clubhouse	459,744	91,612	368,132	375,644
Equipment	19,954	18,881	1,073	1,341
Grounds	584,628	487,128	97,500	108,333
Lights	170,881	167,033	3,848	4,810
Paving	68,263	23,272	44,991	48,903
	<u>1,312,489</u>	<u>796,832</u>	<u>515,657</u>	<u>539,172</u>
	<u>\$ 7,761,026</u>	<u>\$ 3,728,811</u>	<u>\$ 4,032,215</u>	<u>\$ 4,114,715</u>

Formerly some of the capital assets were held in the Building Fund while other capital assets were held in the operating funds. These are all now held in the fund "Invested in Capital Assets".

CURRENT YEAR ADDITIONS:

The current year additions included the following:

	<u>2023</u>
Building improvements - flooring	\$ 32,976
Theatre furniture and equipment	<u>9,063</u>
	<u>\$ 42,039</u>

These capital additions were funded by capital improvement funds.

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

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 2023 assessed value of these properties is \$25,098,500 (2022 - \$20,856,200).

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 2023 assessed value of these properties is \$12,859,000 (2022 - \$12,836,000).

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. Based on a valuation completed in the prior year, management does not believe there is an impairment to the collection as at December 31, 2023.

9. DEFERRED REVENUE

Deferred revenue is comprised of the following:

	<u>2023</u>	<u>2022</u>
Event and other deposits	\$ 238,728	\$ 266,155
Grant - FACTOR	-	60,700
Municipal grant - Town of Sidney	<u>103,742</u>	<u>96,341</u>
	<u>\$ 342,470</u>	<u>\$ 423,196</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 (net) was paid during the year.

	<u>2023</u>	<u>2022</u>
	\$ -	\$ 30,000

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

11. OPERATING FUND OPENING BALANCES

Opening balances December 31, 2022

Memorial Park Society Operating Fund	\$ 293,345
Mary Winspear Centre Operating Fund (Deficiency)	(327,282)
Blue Heron Park Improvement Fund	<u>486,890</u>
Combined Operating Net Assets Opening Balance	452,953
Less: Internally restricted funds transferred to Capital Improvement Fund	(95,011)
Transfer to invested in capital assets (net)	(579,510)
Transfer/Adjustment Capital Improvement Fund	<u>(14,382)</u>
Net Assets Operating Fund - Restated December 31, 2022	<u>\$ (235,950)</u>

Contribution agreements were entered into with the Town of Sidney and the District of North Saanich. Each agreement require funds to be transferred and restricted for Capital Improvements. The amounts of \$25,000 annually were kept in an "Internally Restricted Fund" and as it has been determined these meet the same criteria, these have been combined with the other Capital Improvement Funds. The operating funds of Memorial Park Society and Mary Winspear Centre Operating Fund have been combined while internally separate accounts are maintained.

12. CAPITAL IMPROVEMENT FUND

Opening balances December 31, 2022

Opening balance, as originally stated	\$ 247,604
Internally restricted funds transferred in	95,011
Adjustments to balance capital assets funded	<u>14,382</u>
Capital Improvement Fund - Restated December 31, 2022	<u>\$ 356,997</u>

Capital Improvement Funds are held as externally restricted funds including the 10% of annual grant payments from the Town of Sidney to be used for the renewal and replacement of the Mary Winspear Centre Assets as well as the annual \$25,000 based on the agreement with the District of North Saanich. Prior amounts were adjusted within the year for capital assets funded through the Capital Improvement District or Internally Restricted funds in prior years. Investments held are considered held for this purpose and management intends to clear any payables/receivables to this fund subsequent to the year end.

13. DUE TO RELATED PARTIES

Accounts receivable includes an amount due from Mary Winspear Centre Foundation as at December 31, 2023 of \$1,065. Accounts payable includes an amount due to Mary Winspear Centre Foundation as at December 31, 2022 of \$1,960.

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

14. REVENUE DETAILS

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

	<u>2023</u>	<u>2022</u>
<u>Theatre and Event Revenue</u>		
Theatre events	\$ 604,904	\$ 783,722
Technical services recovery	107,792	105,723
Food service	96,043	71,654
Box office charges	91,060	116,523
Theatre rental	70,593	79,578
Grants - FACTOR/private sector funding	61,200	185,300
Cost recoveries and other	52,106	109,192
Sponsorships	11,391	500
	<u>\$ 1,095,089</u>	<u>\$ 1,452,192</u>
 <u>Rental Revenue</u>		
Activity rooms	\$ 242,669	\$ 207,882
Bodine family hall	144,304	142,289
Courtyard and grounds	28,762	45,874
Food service	8,545	4,043
Gallery	4,081	2,828
Theatre seminar rentals	3,112	2,111
Storage	915	1,271
	<u>\$ 432,388</u>	<u>\$ 406,298</u>
 <u>Municipal grants</u>		
Town of Sidney - Grants	\$ 385,364	\$ 365,600
Town of Sidney - Public parking	-	33,333
	<u>385,364</u>	<u>398,933</u>
District of North Saanich	160,000	160,000
District of North Saanich - Capital	25,000	25,000
	<u>185,000</u>	<u>185,000</u>
	<u>\$ 570,364</u>	<u>\$ 583,933</u>

Both the Town of Sidney and the District of North Saanich have exempted the Society from paying annual property taxes. Contribution agreements have been entered into during the year, as per Note 15.

SAANICH PENINSULA MEMORIAL PARK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

15. MUNICIPAL LEASES AND AGREEMENTS

Town of Sidney

The Society receives grant funds from the Town of Sidney. A new agreement was entered into dated March 14, 2023 providing the terms for the funding that is to be used for the purpose of operating the Mary Winspear Centre. The agreement provides base funding of 2.5% of the prior year's property taxes and as per the Parking Agreement this amount remains in place until June 1, 2032. In addition, the Town of Sidney provides a further .5% of the prior year's property taxes as per the Parking Agreement entered into since 2017 which will remain in place as long as the Town continues to lease a portion of the Society's land for public parking. The agreement sets out other reporting requirements for the Society.

Since 2017, 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 \$38,536 (2022 - \$37,393) has been transferred to the Capital Improvement Fund. See Note 12.

In 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.

District of North Saanich

The Society receives grant funds from the District of North Saanich. An agreement was entered into on March 28, 2023 which sets out the terms of the annual funding received, the reporting and other requirements for the use of this funding until December 31, 2027. The agreement also sets out that \$25,000 of the annual funding will be set aside for the renewal and replacement of the Society's assets. It has been determined these meet the same criteria as the Capital Improvements Funds. The amounts were previously held as Restricted Funds and have been combined/transferred as an adjustment within Net Assets to reflect the balance of the fund. See Notes 11 and 12.

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 that were held in the Blue Heron Improvement Fund have been transferred to the Invested in Capital Assets 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, 2023

18. COLLECTIVE AGREEMENT

The Society entered into a Collective Agreement for the period of January 1, 2023 through December 31, 2025 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.

19. 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, 2023.

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.

20. REMUNERATION

As required by the Societies Act of British Columbia, the Society paid total remuneration of \$176,931 to two employees, each of whom exceeded \$75,000 of annual remuneration or greater. No remuneration was paid to any Director.

21. UNCERTAINTY DUE TO CHARITY STATUS

These financial statements were prepared using accounting standards that apply to an operating Society. 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.

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.