

SAANICH PENINSULA MEMORIAL PARK SOCIETY
FINANCIAL STATEMENTS
DECEMBER 31, 2017

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

Financial Statements

Statement of Financial Position	1
Statement of Changes in Fund Balances	2
Statements of Operations:	
Memorial Park Society Operating Fund	3
Mary Winspear Community Cultural Centre Fund	4
Blue Heron Park Improvement Fund	5
Cash Flow Statement	6
Notes to the Financial Statements	7-16

INDEPENDENT AUDITORS' REPORT

To the Members of Saanich Peninsula Memorial Park Society

We have audited the accompanying financial statements of Saanich Peninsula Memorial Park Society, which comprise the statement of financial position as at December 31, 2017 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 standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT, continued

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saanich Peninsula Memorial Park Society as at December 31, 2017 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.

Report on Other Legal and Regulatory Requirements

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

Sidney, B.C.
March 28, 2018

Hughesman Morris

Hughesman Morris
Chartered Professional Accountants

SAANICH PENINSULA MEMORIAL PARK SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31

	MPS Operating Fund	MWCCC Fund	Building Fund	Blue Heron Park Improvement Fund	Capital Improvement Fund	2017 Total	2016 Total
ASSETS							
CURRENT							
Cash	\$ 41,000	\$ 156,010	\$ -	\$ 13,597	\$ -	\$ 210,607	\$ 94,451
Accounts receivable	-	62,558	-	-	-	62,558	65,777
Accrued interest	98	-	-	-	-	98	578
Due from government agencies	-	-	-	-	-	-	1,537
Interfund receivables/(payables)	28,999	(28,999)	-	-	-	-	-
Inventory (note 3)	-	28,197	-	-	-	28,197	43,032
Prepaid expenses	2,973	45,787	-	-	-	48,760	33,435
	73,070	263,553	-	13,597	-	350,220	238,810
RESTRICTED CASH (note 4)	-	92,133	-	-	53,669	145,802	133,212
INVESTMENTS - Restricted	-	-	-	-	325,248	325,248	310,248
PROPERTY, PLANT & EQUIPMENT (note 5)	479	76,623	3,694,609	617,807	-	4,389,518	4,456,578
INTANGIBLE ASSETS (note 6)	-	4,215	-	-	-	4,215	7,025
COLLECTIONS OF ART (note 7)	-	1	-	-	-	1	1
	\$ 73,549	\$ 436,525	\$ 3,694,609	\$ 631,404	\$ 378,917	\$ 5,215,004	\$ 5,145,874
LIABILITIES AND FUND BALANCES							
CURRENT							
Accounts payable	\$ 3,571	\$ 117,063	\$ -	\$ 476	\$ -	\$ 121,110	\$ 104,632
Due to employees	-	662	-	-	-	662	-
Due to government agencies	-	50,078	-	-	-	50,078	34,657
Deferred revenue	-	228,144	-	-	-	228,144	153,464
	3,571	395,947	-	476	-	399,994	292,753
FUND BALANCES							
Unrestricted	69,978	(51,555)	3,694,609	-	-	3,713,032	3,748,285
Restricted - externally	-	-	-	630,928	378,917	1,009,845	996,376
Restricted - internally (note 4)	-	92,133	-	-	-	92,133	108,460
	69,978	40,578	3,694,609	630,928	378,917	4,815,010	4,853,121
	\$ 73,549	\$ 436,525	\$ 3,694,609	\$ 631,404	\$ 378,917	\$ 5,215,004	\$ 5,145,874

APPROVED BY THE BOARD

See accompanying notes

SAANICH PENINSULA MEMORIAL PARK SOCIETY
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31

	MPS Operating Fund	MWCCC Fund	Building Fund	Blue Heron Park Improvement Fund	Capital Improvement Fund	2017 Total	2016 Total
FUND BALANCES, beginning of year	\$ 358,021	\$ 96,724	\$ 3,737,000	\$ 661,376	\$ -	\$ 4,853,121	\$ 4,922,113
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	46,957	(7,193)	-	(30,448)	-	9,316	19,485
Capital improvement fund contributions	-	-	-	-	43,917	43,917	-
Building fund amortization	-	-	(91,344)	-	-	(91,344)	(88,477)
Fund transfers (note 8)	46,957 (335,000)	(7,193) (48,953)	(91,344) 48,953	(30,448) -	43,917 335,000	(38,111) -	(68,992) -
FUND BALANCES, end of year	\$ 69,978	\$ 40,578	\$ 3,694,609	\$ 630,928	\$ 378,917	\$ 4,815,010	\$ 4,853,121

See accompanying notes

SAANICH PENINSULA MEMORIAL PARK SOCIETY
STATEMENT OF OPERATIONS
MEMORIAL PARK SOCIETY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31

	2017	2016
REVENUE		
Easement revenue	\$ 46,667	\$ -
Investment income	12,620	10,407
	59,287	10,407
EXPENSES		
Amortization	119	149
Blue Heron Park expenses	11,766	13,706
Insurance	2,075	2,075
Office	1,522	1,477
Professional fees	7,631	5,906
	23,113	23,313
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	36,174	(12,906)
Unrealized gain on investments	10,783	381
Expense recovery for legal fees	-	22,500
Realized gain on investments	-	5,386
EXCESS OF REVENUE OVER EXPENSES	\$ 46,957	\$ 15,361

SAANICH PENINSULA MEMORIAL PARK SOCIETY
STATEMENT OF OPERATIONS
MARY WINSPEAR COMMUNITY CULTURAL CENTRE FUND
FOR THE YEAR ENDED DECEMBER 31

	2017	2016
REVENUE		
Building and portable rental	\$ -	\$ 14,400
Donations and grants	18,661	13,633
Labour and internal services	32,019	30,950
Rental (note 10)	372,190	327,643
Other revenue	36,399	31,548
Theatre (note 11)	839,736	736,979
	1,299,005	1,155,153
EXPENSES		
Amortization	26,140	21,696
Amortization of intangible assets	2,810	2,810
Art show costs	-	4,307
Bad debts	938	1,473
Bank charges and interest	5,634	7,070
Contract service	11,528	15,802
Food service	8,883	16,370
Insurance	20,545	22,602
Office	37,206	21,739
Professional fees	9,100	8,400
Promotion and advertising	17,224	22,955
Repairs and maintenance	58,968	51,692
Salaries, wages and benefits	936,082	839,636
Theatre costs	546,953	445,551
Utilities	98,473	76,729
	1,780,484	1,558,832
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	(481,479)	(403,679)
Municipal grants (note 12)	462,586	443,086
Other in kind donations	11,700	-
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	\$ (7,193)	\$ 39,407

SAANICH PENINSULA MEMORIAL PARK SOCIETY
STATEMENT OF OPERATIONS
BLUE HERON PARK IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31

	2017	2016
REVENUE		
Clubhouse rentals	\$ 1,190	\$ -
Field rentals	1,920	2,921
Interest	1	1
	3,111	2,922
EXPENSES		
Amortization	33,559	37,170
Maintenance	-	1,035
	33,559	38,205
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (30,448)	\$ (35,283)

SAANICH PENINSULA MEMORIAL PARK SOCIETY**CASH FLOW STATEMENT****FOR THE YEAR ENDED DECEMBER 31**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ (38,111)	\$ (68,992)
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	151,162	147,492
Amortization of intangible assets	2,810	2,810
Realized/unrealized gain (loss) on investments	(10,783)	(5,767)
Donated capital assets	(27,100)	-
Donated inventory	-	(5,950)
CHANGES IN NON-CASH OPERATING ACCOUNTS		
Accounts receivable	4,756	(13,794)
Accrued interest	480	439
Inventory	14,835	3,127
Prepaid expenses	(15,325)	4,050
Accounts payable	32,561	3,890
Deferred revenue	74,680	27,085
	<hr/> 111,987	<hr/> 24,797
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<hr/> 189,965	<hr/> 94,390
CASH FLOWS FROM INVESTING ACTIVITIES		
Net redemption of investments	(4,165)	74,100
Purchase of property, plant and equipment	(57,054)	(31,990)
	<hr/> (61,219)	<hr/> 42,110
INCREASE IN CASH	128,746	136,500
CASH, beginning of year	227,663	91,163
CASH, end of year	<hr/> \$ 356,409	<hr/> \$ 227,663
CASH CONSISTS OF:		
Cash	\$ 210,607	\$ 94,451
Restricted cash	145,802	133,212
	<hr/> \$ 356,409	<hr/> \$ 227,663

See accompanying notes

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017

1. PURPOSE OF THE SOCIETY

The Saanich Peninsula Memorial Park Society (formerly Sidney & North Saanich Memorial Park Society) is incorporated under the Societies Act 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. ACCOUNTING POLICIES

The Society applies the Canadian accounting standards for not-for-profit organizations.

a) Fund accounting

The MPS Operating Fund reports the assets, liabilities, revenue and expenses of the general operations including Blue Heron Park.

The 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 in accordance with note 4.

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. 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. It was agreed that, at the Association's cost, the Trustee is to provide administrative support regarding invoice payments, deposit of cheques/cash, acceptance of charitable donations, issuance of charitable receipts, the audit and verification of all financial statements and to report to the committee. Additionally, the agreement states that the Trustee will own all improvements and that the Trustee will pay for the maintenance of the Park area outside of the Blue Heron Improvements from its own accounts.

The Capital Improvement Fund is an externally restricted fund that reports the assets, liabilities, contributions and expenditures related to the renewal and replacement of Mary Winspear Centre assets. The Society signed an agreement with the Town of Sidney to place at least 10% of each public parking and annual grant payment made by the Town of Sidney into this fund starting June 1, 2017. All other contributions restricted for capital improvements will be added to this fund as well.

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017

2. 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) Property, plant and equipment

Property, plant and equipment are recorded at cost. The Society provides for amortization using the following methods at rates designed to amortize the cost of the property, plant and equipment 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 clubhouse	2 % Declining balance
Blue Heron Park equipment	20 % Declining balance
Blue Heron Park fixtures	20 % Declining balance
Blue Heron Park grounds	10 % Declining balance
Blue Heron Park lights	20 % Declining balance
Building	2 % Declining balance
Computer equipment and software	50 % Declining balance
Equipment, furniture and fixtures	6 to 20 % Declining balance
Maintenance equipment	6 to 20 % Declining balance
Parking lot	8 % Declining balance
Portables	20 % Declining balance
Reader board electronics	20 % Declining balance
Reader board structure	2 % Declining balance

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.

Web site	5 years
----------	---------

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 difficulties of determining a meaningful value for these assets. Any expenditures related to the collection are expensed in the year incurred.

f) Revenue recognition

The 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 a general fund with unspent amounts shown as deferred contributions on the statement of financial position.

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017

2. ACCOUNTING POLICIES, continued

f) Revenue recognition, continued

Municipal grants are unrestricted contributions and are recognized as revenue of the MWCCC Fund.

Contributions from the Peninsula Soccer Association are restricted contributions recognized in the Blue Heron Park Improvement Fund.

Easement revenue is recognized on an annual basis in the MPS Operating Fund.

Other unrestricted contributions are recognized as revenue when received or receivable if the amount can be estimated and collection is reasonably assured.

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 or show. The liability for tickets sold in advance for future performances or shows is recorded as deferred revenue.

Investment income is recognized as revenue when earned.

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 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 non-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting 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 property, plant and equipment for depreciation and amortization. Actual results could differ from those estimates, although management does not generally believe such differences would materially affect the financial statements in any individual year.

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017

2. ACCOUNTING POLICIES, continued

i) **Financial instruments**

The Society initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Society subsequently measures its financial assets and liabilities at amortized cost, except for securities quoted on an active market, which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash and restricted cash, accounts receivable and accrued interest. Financial assets measured at fair value include investments. Financial liabilities measured at amortized cost include accounts payable and due to employees.

3. INVENTORY

Inventory is as follows:

	2017	2016
Artwork for resale	\$ 22,730	\$ 22,440
Food and beverage	5,467	5,192
Office equipment for resale	-	15,400
	\$ 28,197	\$ 43,032

4. 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:

	2017	2016
Restricted capital reserve funds, beginning of year	\$ 103,460	\$ 58,710
Contributions	56,083	75,000
Expenditures		
Capital improvements	(67,410)	(30,250)
Restricted capital reserve funds, end of year	\$ 92,133	\$ 103,460

Other restricted funds

Cash in the MWCCC Fund in the amount of \$5,000 was internally restricted for use for the purposes of the Green City Initiative Fund. All monies were used to replace the lighting in the Bodine Hall in the current fiscal year.

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	2017 Net	2016 Net
MPS Operating Fund				
Blue Heron Park fixtures	\$ 9,019	\$ 8,587	\$ 432	\$ 539
Land	1	-	1	1
Portables	6,954	6,908	46	57
	15,974	15,495	479	597
MWCCC Fund				
Computer equipment and software	113,365	104,053	9,312	6,389
Furniture, fixtures and equipment	180,363	113,052	67,311	61,228
	293,728	217,105	76,623	67,617
Building Fund				
Building	4,675,856	1,309,097	3,366,759	3,431,971
Computer equipment	1,416	354	1,062	-
Furniture and fixtures	612,115	552,065	60,050	39,176
Maintenance equipment	23,073	13,124	9,949	1,374
Parking lot	46,085	31,377	14,708	15,987
Reader board electronics	88,007	81,601	6,406	8,007
Reader board structure	300,331	64,656	235,675	240,485
	5,746,883	2,052,274	3,694,609	3,737,000
Blue Heron Park Improvements Fund				
Clubhouse	459,744	44,172	415,572	424,053
Equipment	19,954	15,861	4,093	5,116
Grounds	584,628	401,165	183,463	203,847
Lights	170,881	156,202	14,679	18,348
	1,235,207	617,400	617,807	651,364
	\$ 7,291,792	\$ 2,902,274	\$ 4,389,518	\$ 4,456,578

CURRENT ADDITIONS:

MWCCC Fund

Computer equipment	\$ 12,236
Furniture and fixtures	22,911
	<u>35,147</u>

Building Fund

Building improvements	3,498
Computer equipment	1,416
Maintenance equipment	9,403
Theatre and lighting	34,636
	<u>48,953</u>
	\$ 84,100

Additions to computer equipment and furniture and fixtures include \$27,100 of donated capital assets.

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017

6. INTANGIBLE ASSETS

	Cost	Accumulated Amortization	2017 Net	2016 Net
MWCCC Fund				
Web site	\$ 14,050	\$ 9,835	\$ 4,215	\$ 7,025

7. COLLECTIONS OF ART

The MWCCC Fund holds a collection of works of art that is comprised of original art pieces. The collection includes 33 paintings and 1 stone sculpture. During the year, works of art were donated with an estimated value of \$76,075 (2016 - \$135,900). Expenditures during the year consisted of \$288 (2016 - \$3,594) spent on framing.

	2017	2016
Collections, at estimated value	\$ 211,975	\$ 135,900

8. FUND TRANSFERS

At December 31, 2016 the MPS Operating Fund included \$335,000 of externally restricted funds. These funds have been transferred to the Capital Improvement Fund, as they are externally restricted for any maintenance and improvements of the Memorial Park Society lands and premises.

During the year, \$48,953 was transferred from the MWCCC Fund to the Building Fund for the purchase of property, plant and equipment.

9. 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:

	2017	2016
Grants		
MWCCC arts (Professional theatre productions)	\$ 22,356	\$ 21,200
MWCCC arts and special events	3,200	4,682
	\$ 25,556	\$ 25,882

These funds were used for professional performers.

Accounts receivable includes \$18,928 (2016 - \$6,834) from the MWCF.

SAANICH PENINSULA MEMORIAL PARK SOCIETY**NOTES TO THE FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2017**

10. RENTAL REVENUE

	2017	2016
Activity rooms	\$ 126,875	\$ 120,072
Bodine family hall	168,716	140,614
Courtyard and grounds	51,563	51,099
Food service	20,698	12,976
Gallery	4,338	2,882
	\$ 372,190	\$ 327,643

11. THEATRE REVENUE

	2017	2016
Box office	\$ 45,375	\$ 39,174
Donations	2,628	-
Events	525,281	448,371
Food service	49,140	42,732
Grant - MWCF	22,356	25,882
Other	7,155	6,450
Registration	-	8,795
Sponsorships	4,952	8,000
Technical services recovery	72,975	79,001
Theatre rental	109,874	78,574
	\$ 839,736	\$ 736,979

12. MUNICIPAL GRANTS

The municipal grants are as follows:

	2017	2016
Town of Sidney	\$ 253,330	\$ 263,836
District of North Saanich	181,000	175,000
Town of Sidney - Public Parking	28,256	-
District of Central Saanich	-	4,250
	\$ 462,586	\$ 443,086

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 THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017

13. LAND AND IMPROVEMENTS

A nominal value of \$1 is reflected in these financial statements to record the Society's 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 2017 assessed value of these properties is \$12,154,700.

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 2017 assessed value of these properties is \$8,300,000.

14. EQUIPMENT LEASE

The Society's total commitments, under an equipment operating lease are as follows:

2018	\$ 2,287
2019	2,287
2020	2,287
2021	<u>1,143</u>
	<u>\$ 8,004</u>

15. 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 exercised automatically, unless the lessee cancels prior to expiry of the then current lease period.

16. PENINSULA SOCCER ASSOCIATION LEASE

A lease for 1.45 hectares (3.58 acres) of land adjacent to Blue Heron Park to Peninsula Soccer Association was granted for a term of five years for the nominal sum of \$2 per year commencing July 1, 2005. Four successive five year options have been granted, subject each time to the Society approving the lease. The Society is currently renewing their lease agreement with Peninsula Soccer Association.

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017

17. FINANCIAL INSTRUMENTS

The Society is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Society's exposure to these risks. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant currency, interest rate, liquidity or other price risks.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company's main credit risk relates to its accounts receivable. The company reduces this risk by regularly assessing the collectibility of accounts on a continuous basis.

b) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Foundation is exposed to other price risk through its investments in marketable securities invested in equity securities traded in an active market.

18. REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTORS

The new BC Societies Act came into effect on November 28, 2016. The Act has a requirement for the disclosure in the financial statements of the remuneration of directors, employees and contractors for financial statements prepared after November 28, 2016. For employee and contractor remuneration, the requirement is to disclose amounts paid to individuals whose remuneration was greater than \$75,000.

For the fiscal year ending December 31, 2017, the Society paid total remuneration of \$183,772 to 2 employees, each of whom received total annual remuneration of \$75,000 or greater. No remuneration was paid to any Director and no remuneration of \$75,000 or greater was paid to any contractor.

19. SUBSEQUENT EVENTS

The Society has developed a capital improvement budget. In 2018, they will be updating the theatre, building interior, equipment for the Centre and Blue Heron Park trail with an estimate total cost of \$151,000.

20. PRIOR PERIOD ADJUSTMENT

The comparative figures have been retroactively restated to reflect a donation reversal that was not previously recorded. As a result, donation revenue decreased by \$11,500, deferred revenue increased by \$11,500 and fund balances as at December 31, 2016 decreased by \$11,500.

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017

21. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.