

SAANICH PENINSULA MEMORIAL PARK SOCIETY
FINANCIAL STATEMENTS
DECEMBER 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Members of
Saanich Peninsula Memorial Park Society

Qualified Opinion

We have audited the accompanying financial statements of Saanich Peninsula Memorial Park Society, which comprise the statement of financial position as at December 31, 2018 and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section to our report, the accompanying financial statements present fairly, in all material respects, the financial position of Saanich Peninsula Memorial Park Society as at December 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for Not-for-Profit Organizations.

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 these receipts was limited to amounts recorded in the records of the Saanich Peninsula Memorial Park Society.

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

Responsibilities of Management 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, 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 organization'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 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 organization's financial reporting process.

INDEPENDENT AUDITORS' REPORT, continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the Society'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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

Hughesman Morris

Hughesman Morris
Chartered Professional Accountants

Sidney, B.C.
May 14, 2019

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	2018 Total	2017 Total
ASSETS							
CURRENT							
Cash	\$ 47,568	\$ 68,519	\$ -	\$ 16,834	\$ -	\$ 132,921	\$ 210,607
Accounts receivable	575	69,789	-	1,500	-	71,864	62,558
Accrued interest	-	-	-	-	-	-	98
Interfund receivables/(payables)	62,087	(38,032)	-	499	(24,554)	-	-
Inventory (note 3)	-	25,284	-	-	-	25,284	28,197
Prepaid expenses	2,973	62,980	-	-	-	65,953	48,760
	113,203	188,540	-	18,334	(24,554)	296,022	350,220
RESTRICTED CASH	-	110,168	-	-	7,998	118,166	145,802
RESTRICTED INVESTMENTS	-	-	-	-	301,754	301,754	325,248
PROPERTY, PLANT & EQUIPMENT (note 4)	346	63,855	3,727,709	587,394	-	4,379,304	4,389,518
INTANGIBLE ASSETS (note 5)	-	1,405	-	-	-	1,405	4,215
COLLECTIONS OF ART (note 6)	-	1	-	-	-	1	1
	\$ 113,549	\$ 363,969	\$ 3,727,709	\$ 606,227	\$ 285,198	\$ 5,096,652	\$ 5,215,004
LIABILITIES AND FUND BALANCES							
CURRENT							
Accounts payable	\$ 4,145	\$ 126,293	\$ -	\$ 500	\$ -	\$ 130,938	\$ 121,110
Due to employees	-	2,435	-	-	-	2,435	662
Due to government agencies	-	34,427	-	-	-	34,427	50,078
Deferred revenue	-	191,218	-	-	-	191,218	228,144
	4,145	354,373	-	500	-	359,018	399,994
FUND BALANCES							
Unrestricted	109,404	(100,572)	3,727,709	-	-	3,736,541	3,713,032
Restricted - externally	-	-	-	605,727	285,198	890,925	1,009,845
Restricted - internally (note 7)	-	110,168	-	-	-	110,168	92,133
	109,404	9,596	3,727,709	605,727	285,198	4,737,634	4,815,010
	\$ 113,549	\$ 363,969	\$ 3,727,709	\$ 606,227	\$ 285,198	\$ 5,096,652	\$ 5,215,004

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	2018 Total	2017 Total
FUND BALANCES, beginning of year	\$ 69,978	\$ 40,578	\$ 3,694,609	\$ 630,928	\$ 378,917	\$ 4,815,010	\$ 4,853,121
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	39,426	(30,982)	-	(25,201)	-	(16,757)	9,316
Capital improvement fund contributions	-	-	-	-	32,930	32,930	43,917
Building fund amortization	-	-	(93,549)	-	-	(93,549)	(91,344)
Fund transfers (note 8)	39,426	(30,982)	(93,549)	(25,201)	32,930	(77,376)	(38,111)
	-	-	126,649	-	(126,649)	-	-
FUND BALANCES, end of year	\$ 109,404	\$ 9,596	\$ 3,727,709	\$ 605,727	\$ 285,198	\$ 4,737,634	\$ 4,815,010

See accompanying notes

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

	2018	2017
REVENUE		
Easement revenue	\$ 80,000	\$ 46,667
Investment income	12,349	12,620
Other revenue	665	-
	93,014	59,287
EXPENSES		
Amortization	86	119
Blue Heron Park expenses	16,581	11,766
Insurance	2,075	2,075
Office	1,283	1,522
Professional fees	2,434	7,631
	22,459	23,113
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	70,555	36,174
Realized gain on disposal of investments	6,463	-
(Loss) on disposal of assets	(46)	-
Unrealized (loss) gain on investments	(37,546)	10,783
EXCESS OF REVENUE OVER EXPENSES	\$ 39,426	\$ 46,957

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

	2018	2017
REVENUE		
Theatre and event revenue (note 10)	\$ 913,194	\$ 839,736
Rental (note 11)	343,307	372,190
Other revenue	32,980	36,399
Labour and internal services	31,624	32,019
Donations and grants	10,150	18,661
	1,331,255	1,299,005
EXPENSES		
Amortization	19,733	26,140
Amortization of intangible assets	2,810	2,810
Bad debts (note 12)	17,153	938
Bank charges and interest	6,611	5,634
Contract service	12,844	11,528
Insurance	23,087	20,545
Office	34,776	37,206
Professional fees	12,000	9,100
Promotion and advertising	5,745	17,224
Repairs and maintenance	64,609	58,968
Salaries, wages and benefits	948,532	936,082
Theatre and events costs	604,740	555,836
Utilities	86,967	98,473
	1,839,607	1,780,484
DEFICIENCY OF REVENUE OVER EXPENSES		
BEFORE OTHER ITEMS	(508,352)	(481,479)
Municipal grants (note 13)	477,370	462,586
Other in kind donations	-	11,700
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (30,982)	\$ (7,193)

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

	2018	2017
REVENUE		
Field rentals	\$ 2,584	\$ 1,920
Donation revenue	1,500	-
Clubhouse rentals	1,125	1,190
Interest	2	1
	5,211	3,111
EXPENSES		
Amortization	30,412	33,559
	30,412	33,559
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (25,201)	\$ (30,448)

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

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ (77,376)	\$ (38,111)
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	143,780	151,162
Amortization of intangible assets	2,810	2,810
Realized/unrealized gain (loss) on investments	31,083	(10,783)
Donated capital assets	-	(27,100)
CHANGES IN NON-CASH OPERATING ACCOUNTS		
Accounts receivable	(9,306)	4,756
Accrued interest	98	480
Inventory	2,913	14,835
Prepaid expenses	(17,193)	(15,325)
Accounts payable	(4,050)	32,561
Deferred revenue	(36,926)	74,680
	(64,464)	111,987
NET CASH PROVIDED BY OPERATING ACTIVITIES	35,833	189,965
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(81,582)	(68,505)
Purchase of property, plant and equipment	(133,614)	(57,000)
Disposal of investments	74,041	64,286
	(141,155)	(61,219)
(DECREASE) INCREASE IN CASH	(105,322)	128,746
CASH, beginning of year	356,409	227,663
CASH, end of year	\$ 251,087	\$ 356,409
CASH CONSISTS OF:		
Cash	\$ 132,921	\$ 210,607
Restricted cash	118,166	145,802
	\$ 251,087	\$ 356,409

See accompanying notes

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

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 7.

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. Funds are transferred on an as needed basis to the appropriate fund when capital improvement expenditures are incurred.

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

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.

Website	5 years
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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, 2018

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, 2018

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:

	2018		2017
Artwork for resale	\$ 22,730	\$	22,730
Food and beverage	2,554		5,467
	\$ 25,284	\$	28,197

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	2018 Net	2017 Net
MPS Operating Fund				
Blue Heron Park fixtures	\$ 9,019	\$ 8,674	\$ 345	\$ 432
Land	1	-	1	1
Portables	-	-	-	46
	9,020	8,674	346	479
MWCCC Fund				
Computer equipment and software	114,094	109,077	5,017	9,312
Furniture, fixtures and equipment	186,600	127,762	58,838	67,311
	300,694	236,839	63,855	76,623
Building Fund				
Building	4,775,178	1,378,418	3,396,760	3,366,759
Computer equipment	4,085	3,271	814	1,062
Furniture and fixtures	636,773	565,432	71,341	60,050
Maintenance equipment	23,073	13,897	9,176	9,949
Parking lot	46,085	32,553	13,532	14,708
Reader board electronics	88,007	82,882	5,125	6,406
Reader board structure	300,331	69,370	230,961	235,675
	5,873,532	2,145,823	3,727,709	3,694,609
Blue Heron Park Improvements Fund				
Clubhouse	459,744	52,483	407,261	415,572
Equipment	19,954	16,680	3,274	4,093
Grounds	584,628	419,512	165,116	183,463
Lights	170,881	159,138	11,743	14,679
	1,235,207	647,813	587,394	617,807
	\$ 7,418,453	\$ 3,039,149	\$ 4,379,304	\$ 4,389,518

CURRENT ADDITIONS:

MWCCC Fund

Computer equipment	\$ 729
Furniture and fixtures	6,236
	<u>6,965</u>

Building Fund

Building improvements	99,321
Computer equipment	2,670
Theatre and lighting	24,658
	<u>126,649</u>
	<u>\$ 133,614</u>

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

5. INTANGIBLE ASSETS

	Cost	Accumulated Amortization	2018 Net	2017 Net
MWCCC Fund				
Website	\$ 14,050	\$ 12,645	\$ 1,405	\$ 4,215

6. COLLECTIONS OF ART

The MWCCC Fund holds a collection of works of art that is comprised of original art pieces. The collection includes 34 paintings and 1 stone sculpture. No works of art were donated this year (2017 - \$76,075). Expenditures during the year consisted of \$522 (2017 - \$288) spent on framing.

	2018	2017
Collections, at estimated value	\$ 212,925	\$ 212,925

7. 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:

	2018	2017
Restricted capital reserve funds, beginning of year	\$ 92,133	\$ 103,460
Contributions	25,000	56,083
Expenditures		
Capital improvements	(6,965)	(67,410)
Restricted capital reserve funds, end of year	\$ 110,168	\$ 92,133

8. FUND TRANSFERS

During the year, \$126,649 was transferred from the Capital Improvement Fund to the Building Fund for the purchase of property, plant and equipment.

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

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:

	2018	2017
Grants		
MWCCC arts (Professional theatre productions)	\$ 23,082	\$ 22,356
MWCCC arts and special events	3,500	3,200
	\$ 26,582	\$ 25,556

These funds were used for professional performers.

Accounts receivable includes \$27,963 (2017 - \$18,928) from the MWCF.

10. THEATRE AND EVENT REVENUE

	2018	2017
Events	\$ 568,200	\$ 525,281
Technical services recovery	106,655	72,975
Theatre rental	105,415	109,874
Box office	63,548	45,375
Food service	34,231	49,140
Grant - MWCF	23,082	22,356
Other	9,650	7,155
Donations	2,038	2,628
Sponsorships	375	4,952
	\$ 913,194	\$ 839,736

11. RENTAL REVENUE

	2018	2017
Bodine family hall	\$ 161,422	\$ 168,716
Activity rooms	149,312	126,875
Food service	16,514	20,698
Courtyard and grounds	10,170	51,563
Gallery	5,889	4,338
	\$ 343,307	\$ 372,190

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

12. BAD DEBTS

Artwork was being held as collateral for an amount receivable from a customer in the amount of \$14,073. The artwork was inadvertently destroyed in 2018 and therefore the debt is now considered uncollectible. The Society is currently seeking compensation for their loss but the amount is indeterminable at this time.

13. MUNICIPAL GRANTS

The municipal grants are as follows:

	2018	2017
Town of Sidney	\$ 246,975	\$ 253,330
District of North Saanich	181,000	181,000
Town of Sidney - Public Parking	49,395	28,256
	\$ 477,370	\$ 462,586

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

14. 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 2018 assessed value of these properties is \$12,823,800.

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 2018 assessed value of these properties is \$8,658,000.

15. EQUIPMENT LEASE

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

2019	2,287
2020	2,287
2021	572
	\$ 5,146

SAANICH PENINSULA MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

16. 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.

17. 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.

18. 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 Society is exposed to other price risk through its investments in marketable securities invested in equity securities traded in an active market.

19. 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, 2018, the Society paid total remuneration of \$189,017 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.

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20. SUBSEQUENT EVENTS

The Society has developed a capital improvement budget. In 2019, 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.

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.