

**SAANICH PENINSULA MEMORIAL PARK SOCIETY**  
**Financial Statements**  
**Year Ended December 31, 2022**

**SAANICH PENINSULA MEMORIAL PARK SOCIETY**  
**Index to Financial Statements**  
**Year Ended December 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Saanich Peninsula Memorial Park Society

*Report on the Financial Statements*

*Qualified Opinion*

We have audited the financial statements of Saanich Peninsula Memorial Park Society (the Society), which comprise the statement of financial position as at December 31, 2022, 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.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2022, 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.

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 Society in accordance with 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 audit opinion.

*Other Matter*

The financial statements for the year ended December 31, 2021 are unaudited and were reviewed by Paterson Henn CPA and are included for comparison purposes only.

*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.

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

Sidney, British Columbia  
April 17, 2023

*Paterson Henn CPA*

Chartered Professional Accountants

**SAANICH PENINSULA MEMORIAL PARK SOCIETY**

**Statement of Financial Position**

**December 31, 2022**

	Memorial Park Society Operating Fund	Mary Winspear Centre Operating Fund	Building Fund	Blue Heron Park Improvement Fund	Capital Improvement Fund	<b>2022 Total</b>	2021 Total
<b>ASSETS</b>							
<b>Current</b>							
Cash	\$ 45,859	\$ 75,343	\$ -	\$ 11,780	\$ -	\$ <b>132,982</b>	\$ 449,243
Restricted cash	-	95,012	-	-	7,546	<b>102,558</b>	96,904
Accounts receivable	-	123,362	-	-	-	<b>123,362</b>	244,587
Inventory (Note 4)	-	26,029	-	-	-	<b>26,029</b>	26,802
Prepaid expenses	3,925	22,555	-	-	-	<b>26,480</b>	11,614
Interfund receivables/(payables)	254,921	(69,296)	-	(63,421)	(122,204)	-	-
	304,705	273,005	-	(51,641)	(114,658)	<b>411,411</b>	829,150
RESTRICTED INVESTMENTS (Note 5)	-	-	-	-	362,259	<b>362,259</b>	400,901
CAPITAL ASSETS (Notes 6, 7)	142	40,338	3,535,206	539,031	-	<b>4,114,717</b>	4,201,471
COLLECTIONS OF ART (Note 8)	-	1	-	-	-	<b>1</b>	1
	\$ 304,847	\$ 313,344	\$ 3,535,206	\$ 487,390	\$ 247,601	\$ <b>4,888,388</b>	\$ 5,431,523
<b>LIABILITIES AND NET ASSETS</b>							
<b>Current</b>							
Accounts payable	\$ 11,502	\$ 144,323	\$ -	\$ 500	\$ -	\$ <b>156,325</b>	\$ 316,882
Due to government agencies	-	43,105	-	-	-	<b>43,105</b>	32,180
Deferred revenue (Note 9)	-	423,196	-	-	-	<b>423,196</b>	595,452
	11,502	610,624	-	500	-	<b>622,626</b>	944,514
LONG TERM DEBT (Note 10)	-	30,000	-	-	-	<b>30,000</b>	30,000
	11,502	640,624	-	500	-	<b>652,626</b>	974,514
<b>NET ASSETS (DEBT) (Notes 11, 12)</b>	<b>293,345</b>	<b>(327,280)</b>	<b>3,535,206</b>	<b>486,890</b>	<b>247,601</b>	<b>4,235,762</b>	<b>4,457,009</b>
	\$ 304,847	\$ 313,344	\$ 3,535,206	\$ 487,390	\$ 247,601	\$ <b>4,888,388</b>	\$ 5,431,523

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**SAANICH PENINSULA MEMORIAL PARK SOCIETY**

**Statement of Operations**

**Year Ended December 31, 2022**

	Memorial Park Society Operating Fund	Mary Winspear Centre Operating Fund	Building Fund	Blue Heron Park Improvement Fund	Capital Improvement Fund	<b>2022 Total</b>	2021 Total
<b>REVENUES</b>							
Theatre and events <i>(Note 14)</i>	\$ -	\$ 1,354,430	\$ -	\$ -	\$ -	\$ 1,354,430	\$ 463,980
Rentals <i>(Note 14)</i>	-	406,298	-	-	-	406,298	296,094
Labour and internal services	-	26,288	-	-	-	26,288	8,440
Municipal grants <i>(Note 14)</i>	80,000	583,933	-	-	-	663,933	616,904
Donations and grants	-	1,543	-	-	-	1,543	1,208
Investment revenue	7,545	-	-	-	-	7,545	6,518
Other revenue	-	29,977	-	-	-	29,977	12,439
	<u>87,545</u>	<u>2,402,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,490,014</u>	<u>1,405,583</u>
<b>EXPENSES</b>							
Amortization	35	19,616	92,977	25,493	-	138,121	134,662
Contract service	-	48,616	-	-	-	48,616	31,989
Insurance	2,645	39,674	-	-	-	42,319	39,515
Interest and bank charges	-	9,487	-	-	-	9,487	7,173
Office and sundry	27,687	33,738	-	-	-	61,425	24,535
Professional fees	3,500	11,784	-	-	-	15,284	8,000
Promotion and advertising	-	2,188	-	-	-	2,188	7,949
Repairs and maintenance	7,185	83,394	-	-	-	90,579	47,492
Salaries and wages	1,200	1,168,371	-	-	-	1,169,571	1,036,159
Theatre and event costs	-	1,012,585	-	-	-	1,012,585	382,614
Utilities	-	78,816	-	-	-	78,816	94,977
	<u>42,252</u>	<u>2,508,269</u>	<u>92,977</u>	<u>25,493</u>	<u>-</u>	<u>2,668,991</u>	<u>1,815,065</u>
<b>Excess (deficiency) Of Revenues Over Expenses from operations</b>	<u>45,293</u>	<u>(105,800)</u>	<u>(92,977)</u>	<u>(25,493)</u>	<u>-</u>	<u>(178,977)</u>	<u>(409,482)</u>
Other income							
Gain (loss) on sale of investments	(42,270)	-	-	-	-	(42,270)	43,528
Government wage subsidy	-	-	-	-	-	-	329,325
	<u>(42,270)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,270)</u>	<u>372,853</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 3,023</u>	<u>\$ (105,800)</u>	<u>\$ (92,977)</u>	<u>\$ (25,493)</u>	<u>\$ -</u>	<u>\$ (221,247)</u>	<u>\$ (36,629)</u>

**SAANICH PENINSULA MEMORIAL PARK SOCIETY**  
**Statement of Changes in Fund Balances**  
**Year Ended December 31, 2022**

	Memorial Park Society Operating Fund	Mary Winspear Centre Operating Fund	Building Fund	Blue Heron Park Improvement Fund	Capital Improvement Fund	<b>2022 Total</b>	2021 Total
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 313,393	\$ (207,158)	\$ 3,605,112	\$ 512,383	\$ 233,279	\$ <b>4,457,009</b>	\$ 4,493,640
Excess (Deficiency) of revenues over expenses	3,023	(105,800)	(92,977)	(25,493)	-	<b>(221,247)</b>	(36,631)
Building fund contributions	(23,071)	-	23,071	-	-	-	-
Capital improvement fund contributions	-	(37,393)	-	-	37,393	-	-
Capital asset interfund transfers	-	23,071	-	-	(23,071)	-	-
<b>NET ASSETS - END OF YEAR (Notes 11, 12)</b>	\$ 293,345	\$ (327,280)	\$ 3,535,206	\$ 486,890	\$ 247,601	\$ <b>4,235,762</b>	\$ 4,457,009

**SAANICH PENINSULA MEMORIAL PARK SOCIETY**

**Statement of Cash Flows**

**Year Ended December 31, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (221,247)	\$ (36,629)
Items not affecting cash:		
Amortization of capital assets	138,122	134,662
Unrealized gain (loss) on investments	42,270	(43,528)
	<u>(40,855)</u>	54,505
Changes in non-cash working capital:		
Accounts receivable	121,225	(159,828)
Inventory	773	757
Prepaid expenses	(14,866)	(3,807)
Accounts payable	(160,559)	191,856
Due to government agencies	10,925	10,111
Deferred revenue	(172,256)	253,383
	<u>(214,758)</u>	292,472
Cash flow from (used by) operating activities	<u>(255,613)</u>	346,977
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(51,366)	(70,273)
Purchase of investments	(82,734)	(39,739)
Disposal of investments	79,105	30,374
	<u>(54,995)</u>	(79,638)
Cash flow used by investing activities	<u>(54,995)</u>	(79,638)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(310,608)</b>	267,339
Cash - beginning of year	546,146	278,807
<b>CASH - END OF YEAR</b>	<b>\$ 235,538</b>	<b>\$ 546,146</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 132,981	\$ 449,242
Restricted cash	102,557	96,904
	<u>\$ 235,538</u>	<u>\$ 546,146</u>



# SAANICH PENINSULA MEMORIAL PARK SOCIETY

## Notes to Financial Statements

Year Ended December 31, 2022

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### 1. PURPOSE OF THE SOCIETY

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

The purpose of the Society is:

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

### 2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). The prior year's financial statements are unaudited and were reviewed by Paterson Henn CPA and are included for comparison purposes only.

The Society's charity status was revoked as of November 6, 2021 for failure to file Charity returns. The Society continues to operate and has begun the process of filing past returns and will be re-apply for Charity status. These financials are based on the Society being a going concern with the status being reinstated. This assumes that the Society will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. No adjustments or revaluations of assets or liabilities have been included in these financial statements. See Note 21.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Fund accounting

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

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

The Mary Winspear Community Cultural Centre (MWCCC) Fund reports the assets, liabilities, revenues and expenses related to the operation of the Mary Winspear Community Cultural Centre at Mary Winspear Centre building. The Board of Directors have internally restricted a portion of this fund. See Note 12.

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

The Blue Heron Park Improvement Fund reports the assets, liabilities, revenues and expenses related to improvements to Blue Heron Park soccer facilities. The Society operates within a joint undertaking agreement, signed in 2005. See Note 16.

The Capital Improvement Fund is an externally restricted fund that reports the assets, liabilities, contributions and expenditures related to the renewal and replacement of the Mary Winspear Centre assets. This fund includes the 10% of each public parking and annual grant payments made by the Town of Sidney as per the agreement starting June 1, 2017. See Note 15. All other contributions restricted for capital improvements will be added to this fund. Funds are transferred on an as needed basis to the appropriate fund when capital improvements are incurred.

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**SAANICH PENINSULA MEMORIAL PARK SOCIETY**

**Notes to Financial Statements**

**Year Ended December 31, 2022**

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

**(b) Inventory**

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

**(c) Capital assets**

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

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

**(d) Intangible assets**

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

**(e) Collections of art**

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

**(f) Revenue recognition**

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

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

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# SAANICH PENINSULA MEMORIAL PARK SOCIETY

## Notes to Financial Statements

Year Ended December 31, 2022

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

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

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

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

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

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

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

#### **(g) Contributed goods and services**

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

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

#### **(h) Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

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

#### **(i) Financial instruments**

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

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

**SAANICH PENINSULA MEMORIAL PARK SOCIETY**

**Notes to Financial Statements**

**Year Ended December 31, 2022**

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**4. INVENTORY**

Inventory is as follows:

	<u>2022</u>		<u>2021</u>
Artwork for resale	\$ 22,730	\$	22,730
Food and beverage	3,299		4,072
	<u>\$ 26,029</u>	\$	<u>26,802</u>

**5. RESTRICTED INVESTMENTS**

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

	<u>2022</u>		<u>2021</u>
Cash	\$ 7,546	\$	3,823
Equities and fixed income	370,369		363,517
Unrealized gains (losses)	(8,110)		37,384
	<u>\$ 369,805</u>	\$	<u>404,724</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, 2022**

**6. CAPITAL ASSETS**

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
<b>MPS Operating Fund</b>				
Land (Note 7)	\$ 1	\$ -	\$ 1	\$ 1
Blue Heron Park fixtures	9,019	8,878	141	177
	<u>9,020</u>	<u>8,878</u>	<u>142</u>	<u>178</u>
<b>MWCCC Fund</b>				
Computer equipment and software	142,199	129,490	12,709	1,533
Furniture, fixtures and equipment	191,010	163,382	27,628	30,125
	<u>333,209</u>	<u>292,872</u>	<u>40,337</u>	<u>31,658</u>
<b>Building Fund</b>				
Buildings	4,860,556	1,645,852	3,214,704	3,268,127
Computer equipment	17,177	16,732	445	1,941
Furniture and fixtures	738,062	649,273	88,789	97,419
Maintenance equipment	23,073	16,629	6,444	7,088
Parking lot	46,085	36,391	9,694	10,537
Reader board electronics	88,007	85,908	2,099	2,624
Reader board structure	300,331	87,300	213,031	217,379
	<u>6,073,291</u>	<u>2,538,085</u>	<u>3,535,206</u>	<u>3,605,115</u>
<b>Blue Heron Park Improvements Fund</b>				
Clubhouse	459,744	84,100	375,644	383,311
Equipment	19,954	18,613	1,341	1,677
Grounds	584,628	476,295	108,333	120,370
Lights	170,881	166,071	4,810	6,012
Paving	68,263	19,360	48,903	53,156
	<u>1,303,470</u>	<u>764,439</u>	<u>539,031</u>	<u>564,526</u>
	<u>\$ 7,718,990</u>	<u>\$ 3,604,274</u>	<u>\$ 4,114,716</u>	<u>\$ 4,201,477</u>

**CURRENT YEAR ADDITIONS:**

	2022
<b>MWCCC Fund</b>	
Computer lab equipment	\$ 23,884
Lobby TV/furniture	4,411
	<u>28,295</u>
<b>Building Fund</b>	
Building improvements	12,184
Theatre furniture and equipment	10,887
	<u>23,071</u>
	<u>\$ 51,366</u>

Building improvements in the amount of \$23,071 were funded by capital improvement funds.

**SAANICH PENINSULA MEMORIAL PARK SOCIETY**

**Notes to Financial Statements**

**Year Ended December 31, 2022**

**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 2022 assessed value of these properties is \$20,856,200 (2021 - \$15,633,400).

**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 2022 assessed value of these properties is \$12,836,000 (2021 - \$11,275,000).

**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 2022, management does not believe there is an impairment to the collection as at December 31, 2022.

**9. DEFERRED REVENUE**

Deferred revenue is comprised of the following:

	<u>2022</u>	<u>2021</u>
Event deposits	\$ 213,771	\$ 355,338
Future use deposits	18,084	23,714
Grant - FACTOR	95,000	125,000
Municipal grant - Town of Sidney	96,341	91,400
	<u>\$ 423,196</u>	<u>\$ 595,452</u>

**10. LONG TERM DEBT**

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

	<u>2022</u>	<u>2021</u>
	<u>\$ 30,000</u>	<u>\$ 30,000</u>

**SAANICH PENINSULA MEMORIAL PARK SOCIETY**

**Notes to Financial Statements**

**Year Ended December 31, 2022**

**11. MWCCC OPERATING FUND**

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

	<u>2022</u>	<u>2021</u>
<u>Net Assets (Deficit)</u>		
Operating Net Assets (Deficit)	\$ (422,294)	\$ (300,238)
Internally Restricted Funds (Note 12)	<u>95,012</u>	<u>93,081</u>
	<u>\$ (327,282)</u>	<u>\$ (207,157)</u>

**12. INTERNALLY RESTRICTED FUNDS**

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

	<u>2022</u>	<u>2021</u>
Restricted capital reserve funds, beginning of year	\$ 93,081	\$ 111,315
Contributions during the year	25,000	25,000
Capital improvements during the year	(23,070)	(43,234)
	-	-
<b>Internally restricted capital reserve funds, end of year</b>	<u>\$ 95,011</u>	<u>\$ 93,081</u>

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

**13. DUE TO RELATED PARTIES**

In the prior year the MWCCC Fund received grants of \$25,688 from the Mary Winspear Centre Foundation (MWCF) for professional theatre operations.

Accounts payable includes an amount due to Mary Winspear Centre Foundation as at December 31, 2022 of \$1,960. Accounts receivable includes an amount due from Mary Winspear Centre Foundation as at December 31, 2021 of \$27,610.

**SAANICH PENINSULA MEMORIAL PARK SOCIETY**

**Notes to Financial Statements**

**Year Ended December 31, 2022**

**14. REVENUE DETAILS**

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

	<u>2022</u>	2021
<u>Theatre and Event Revenue</u>		
Theatre events	\$ 783,722	\$ 198,659
Technical services recovery	105,723	53,930
Theatre rental	79,578	30,262
Box office	73,931	16,216
Internet box office charges	42,593	10,346
Food service	71,654	16,329
Grant - Mary Winspear Centre Foundation	-	25,688
Grants - charity/private sector funding	185,300	99,600
Other	11,297	2,950
Sponsorships	500	10,000
	<u>\$ 1,354,298</u>	<u>\$ 463,980</u>
 <u>Rental Revenue</u>		
Bodine family hall	\$ 142,289	\$ 184,297
Activity rooms	207,882	63,945
Food service	4,043	530
Courtyard and grounds	45,874	42,583
Theatre seminar rentals	2,111	776
Gallery	2,828	3,352
Storage	1,271	611
	<u>\$ 406,298</u>	<u>\$ 296,094</u>
 <u>Municipal grants</u>		
Town of Sidney - Grants	\$ 340,600	\$ 268,252
Town of Sidney - Public parking	33,333	58,652
Town of Sidney - Capital	25,000	25,000
	<u>398,933</u>	<u>351,904</u>
 District of North Saanich	 240,000	 240,000
District of North Saanich - Capital	25,000	25,000
	<u>265,000</u>	<u>265,000</u>
	<u>\$ 663,933</u>	<u>\$ 616,904</u>

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



# SAANICH PENINSULA MEMORIAL PARK SOCIETY

## Notes to Financial Statements

Year Ended December 31, 2022

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### 15. TOWN OF SIDNEY LEASE AND AGREEMENTS

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

During the year an amount of \$32,690 (2021 - \$32,690) has been transferred to the Capital Improvement Fund and \$25,000 (2021 - \$25,000) has been internally restricted.

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

The Parking Agreement provides the Town of Sidney pay the equivalent of 0.5% of the previous year's municipal property tax revenues, for as long as the parking agreement is in place. The current year's payment was \$33,333 (2021 - \$33,333). Future payments are expected to increase 2.5% annually.

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

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

### 16. PENINSULA SOCCER ASSOCIATION LEASE AND AGREEMENT

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

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

Improvements are held in the Blue Heron Park Improvement Fund.

### 17. SCHOOL BOARD LEASE

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

# SAANICH PENINSULA MEMORIAL PARK SOCIETY

## Notes to Financial Statements

Year Ended December 31, 2022

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### 18. COLLECTIVE AGREEMENT

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

### 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, 2022.

#### 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 \$239,760 to three 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.