

SIDNEY & NORTH SAANICH MEMORIAL PARK SOCIETY
FINANCIAL STATEMENTS
DECEMBER 31, 2012

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INDEPENDENT AUDITORS' REPORT

To the Members of
Sidney & North Saanich Memorial Park Society

We have audited the accompanying financial statements of Sidney & North Saanich Memorial Park Society, which comprise the statement of financial position as at December 31, 2012 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 Sidney & North Saanich Memorial Park Society as at December 31, 2012 and the results of its operations and its cash flows for the year then ended. As required by the Society Act of British Columbia, 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.
January 31, 2013

Hale Hughesman

Hale Hughesman
Chartered Accountants

SIDNEY & NORTH SAANICH MEMORIAL PARK SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31

	Operating Fund	MWCCC Fund	Building Fund	Blue Heron Park Improvements Fund	2012 Total	2011 Total
ASSETS						
CURRENT						
Cash	\$ 1,444	\$ 77,516	\$ -	\$ 16,280	\$ 95,240	\$ 50,336
Accounts receivable	-	11,885	-	2,468	14,353	8,049
Accrued interest	8,714	-	-	-	8,714	8,992
Inventory	-	546	-	-	546	1,156
Prepaid expenses	3,217	25,518	-	1,011	29,746	27,044
	13,375	115,465	-	19,759	148,599	95,577
INVESTMENTS - Restricted (note 4)	372,145	-	-	-	372,145	378,794
INTERFUND LOAN (note 5)	20,000	-	-	-	20,000	20,000
PROPERTY, PLANT & EQUIPMENT (note 6)	1,458	87,099	4,087,358	819,048	4,994,963	4,999,118
	\$ 406,978	\$ 202,564	\$ 4,087,358	\$ 838,807	\$ 5,535,707	\$ 5,493,489
LIABILITIES AND FUND BALANCES						
CURRENT						
Accounts payable	\$ 1,522	\$ 54,754	-	\$ 2,891	\$ 59,167	\$ 52,818
Due to employees	-	5,189	-	-	5,189	387
Due to government agencies	-	30,211	-	-	30,211	24,089
Deferred revenue	-	73,740	-	-	73,740	63,652
	1,522	163,894	-	2,891	168,307	140,946
INTERFUND LOAN (note 5)	-	20,000	-	-	20,000	20,000
	1,522	183,894	-	2,891	188,307	160,946
FUND BALANCES (note 2)	405,456	18,670	4,087,358	835,916	5,347,400	5,332,543
	\$ 406,978	\$ 202,564	\$ 4,087,358	\$ 838,807	\$ 5,535,707	\$ 5,493,489

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

	Operating Fund	MWCCC Fund	Building Fund	Blue Heron Park Improvements Fund	2012 Total	2011 Total
FUND BALANCES, beginning of year	\$ 411,409	\$ (23,778)	\$ 4,176,009	\$ 768,903	\$ 5,332,543	\$ 5,314,237
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(5,953)	79,399	-	67,013	140,459	142,469
Building fund contributions (note 6)	-	(36,951)	36,951	-	-	-
Building fund amortization	-	-	(125,602)	-	(125,602)	(124,169)
	(5,953)	42,448	(88,651)	67,013	14,857	18,300
FUND BALANCES, end of year	\$ 405,456	\$ 18,670	\$ 4,087,358	\$ 835,916	\$ 5,347,400	\$ 5,332,537

SIDNEY & NORTH SAANICH MEMORIAL PARK SOCIETY
STATEMENT OF OPERATIONS
OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31

	2012	2011
REVENUE		
10th Anniversary Celebration	\$ -	\$ 14,055
Interfund loan interest	500	500
Investment income	14,012	13,868
Membership	400	500
Murder Mystery	-	19,598
Sundry income	12	-
Volunteer Tea	-	500
	14,924	49,021
EXPENSES		
10th Anniversary celebration expenses	-	8,189
Airport lease	100	100
Amortization	364	455
Blue Heron Park expenses	14,691	13,312
Insurance	2,075	2,171
Murder Mystery expenses	-	13,669
Office	2,147	1,927
Professional fees	1,500	1,500
SCCCF Grant	-	2,500
Volunteer Tea expenses	-	574
	20,877	44,397
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (5,953)	\$ (15,376)

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

	2012	2011
REVENUE		
Building and portable rental	\$ 15,665	\$ 13,780
Labour and internal services	30,359	33,457
Meeting room rental (note 7)	346,410	329,346
Other revenue	46,408	47,827
Theatre (note 8)	323,605	374,081
	762,447	798,491
EXPENSES		
Amortization	18,951	13,967
Bad debts	675	1,592
Bank charges and interest	5,651	5,022
Contract service	33,172	28,530
Food service	10,476	9,208
Insurance	21,495	21,397
Loan interest	500	500
Office	20,024	17,409
Professional fees	6,580	9,970
Promotion and advertising	38,821	31,090
Repairs and maintenance	42,487	48,187
Salaries, wages and benefits	681,835	661,914
Theatre costs	129,199	199,352
Utilities	61,616	78,896
	1,071,482	1,127,034
DEFICIENCY OF REVENUE OVER EXPENSES		
BEFORE OTHER ITEMS	(309,035)	(328,543)
Municipal grants (note 9)	327,723	329,621
Contributions - SCCCCF (note 10)	60,711	118,653
Capital grant - BC Rehab	-	7,223
Capital grant - Enterprising Non-Profits	-	5,000
EXCESS OF REVENUE OVER EXPENSES	\$ 79,399	\$ 131,954

SIDNEY & NORTH SAANICH MEMORIAL PARK SOCIETY
STATEMENT OF OPERATIONS
BLUE HERON PARK IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31

	2012	2011
REVENUE		
Contributions from Peninsula Soccer Association	\$ 150,500	\$ 85,000
Contributions - other	700	900
Donation - Track 21	200	-
Field rentals	2,136	3,832
Interest	19	17
Reversal of prior year's administration costs	500	1,500
	154,055	91,249
EXPENSES		
Amortization	48,829	54,292
Insurance	1,348	-
Maintenance	36,442	31,066
Professional fees	423	-
	87,042	85,358
EXCESS OF REVENUE OVER EXPENSES	\$ 67,013	\$ 5,891

SIDNEY & NORTH SAANICH MEMORIAL PARK SOCIETY**CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31**

	2012	2011
CASH PROVIDED BY OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 14,857	\$ 18,300
Items not requiring an outlay of cash:		
Amortization	193,740	192,883
	208,597	211,183
CHANGES IN NON-CASH OPERATING ACCOUNTS		
Accounts receivable	(6,304)	18,028
Accrued interest	278	(644)
Inventory	610	(1,156)
Prepaid expenses	(2,702)	(5,045)
Accounts payable	17,276	(25,360)
Deferred revenue	10,088	(44,723)
	19,246	(58,900)
NET CASH PROVIDED BY OPERATING ACTIVITIES	227,843	152,283
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(189,592)	(197,800)
Net purchase (disposition) of investments	6,653	(13,201)
	(182,939)	(211,001)
INCREASE (DECREASE) IN CASH	44,904	(58,718)
CASH, beginning of year	50,336	109,054
CASH, end of year	\$ 95,240	\$ 50,336

See accompanying notes

SIDNEY & NORTH SAANICH MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

1. PURPOSE OF THE SOCIETY

The Sidney & North Saanich Memorial Park Society is incorporated under the Society Act of the Province 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 provide and to manage lands, parks and facilities for community, cultural, athletic and recreational purposes for the residents of the Electoral District of Saanich whose names appear from time to time on the then current list of voters of the said Electoral District prepared under the Provincial Elections Act and who reside north of the present north boundary of the municipality of Central Saanich."

2. ACCOUNTING POLICIES

a) **Fund accounting**

The Operating Fund reports the assets, liabilities, revenue and expenses related to the operation of the Memorial Park Society. In accordance with the original trust document dated December 31, 1965, of the Sidney and North Saanich War Memorial Park Society, \$380,000 of the Operating Funds are restricted.

The MWCCC Fund reports the assets, liabilities, revenues and expenses related to the operation of the Mary Winspear Community Cultural Centre at Sanscha.

The Building Fund reports the assets, liabilities, revenues and expenses related to the cost and equipping of the building.

The Blue Heron Park Improvements Fund reports the assets, liabilities, revenues and expenses related to improvements to Blue Heron Park. This fund was set up in 2005 under an agreement with the Peninsula Soccer Association to enhance the recreation activities and facilities at Blue Heron Park.

b) **Investments**

Investments are carried at market value. Investments are adjusted at the end of each fiscal year to reflect market value. Any unrealized gains and losses are recorded as such in the appropriate fund.

c) **Inventory**

Inventory is valued at the lower of cost and fair market value.

SIDNEY & NORTH SAANICH MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

2. ACCOUNTING POLICIES, continued

d) Property, plant and equipment

Property, plant and equipment are recorded at cost. The company 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 equipment	2 % Declining balance
Blue Heron Park fixtures	2 % Declining balance
Blue Heron Park grounds	10 % Declining balance
Blue Heron Park lights	20 % Declining balance
Building	2 % Declining balance
Computer equipment	50 % Declining balance
Computer lab equipment	50 % Declining balance
Equipment	20 % Declining balance
Furniture and fixtures	20 % Declining balance
Maintenance equipment	20 % Declining balance
Parking lot	8 % Declining balance
Portables	20 % Declining balance
Reader board electronics	2 % Declining balance
Reader board structure	2 % Declining balance
Software system	50 % Declining balance

e) Revenue recognition

The Society follows the restricted fund method of accounting for contributions.

Restricted contributions recognized in the operating fund, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Municipal grants are unrestricted contributions, therefore are recognized as revenue when received or receivable and the amount can be reasonably estimated and collection is reasonably assured.

Capital grants are restricted contributions recognized in the operating fund, designated for the purchase of capital items, therefore are recognized as revenue in the year in which the related expenses are incurred. The liability for grants which have not been spent at year end is recorded as deferred contributions.

Building and portable rental and meeting room rental revenue is 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.

SIDNEY & NORTH SAANICH MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

2. ACCOUNTING POLICIES, continued

f) Revenue recognition, continued

Capital donations are recognized as revenue in the building fund in the year the capital is donated.

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.

Contributions from the Peninsula Soccer Association are restricted contributions recognized in the operating fund and therefore are recognized as revenue in the year in which the related expenses are incurred.

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

g) 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. Actual results could differ from those estimates.

h) Financial instruments

The Society's financial instruments consist of cash, accounts receivable, investments, accounts payable and due to employees, the fair value of which approximates their carrying value due to their short maturities. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant credit, interest or foreign exchange risk.

To reduce credit risk associated with holding investments, the Society's investments consist entirely of guaranteed investment certificates, which have no historical record of default.

SIDNEY & NORTH SAANICH MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

The Fund has elected to apply the standards in Part III of the CICA Accounting Handbook for not-for-profit organizations in accordance with Canadian accounting standards for non-profit organizations (ASNFPO) .

These financial statements are the first financial statements for which the entity has applied Canadian accounting standards for not-for-profit organization.

As a result of the adoption of these accounting principles, due from (to) government agencies and due to employees has been reclassified and shown separately, a portion of which was previously shown as a part of accounts payable. Certain of the Society's disclosures included in these financial statements reflect the new disclosure requirements of ASNFPO.

4. INVESTMENTS

Investments currently consist of GIC's and are restricted in accordance with Note 2(a). These securities have coupon rates ranging from 1.00% to 5.24% which are approximately equal to their effective yield rates, and are expected to be held until maturity with varying dates in 2013.

5. INTERFUND LOAN

During 2009, a loan in the amount of \$20,000 was approved by the Operating Fund to the MWCCC Fund. This is an interest only loan, at a rate of 2.50%. The loan balance at December 31, 2012 is \$20,000 (2011 - \$20,000).

The terms of this loan will be reviewed and re-negotiated for the 2013 fiscal year.

6. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	2012 Net	2011 Net
Operating Fund				
Blue Heron Park fixtures	\$ 9,019	\$ 7,702	\$ 1,317	\$ 1,646
Land	1	-	1	1
Portables	6,954	6,814	140	175
	15,974	14,516	1,458	1,822
MWCCC Fund				
Computer equipment	39,926	39,584	342	685
Computer lab equipment	1,876	1,758	118	234
Equipment	6,730	3,502	3,228	1,211
Furniture and fixtures	115,663	34,270	81,393	62,428
Software system	32,797	30,779	2,018	4,036
	196,992	109,893	87,099	68,594

SIDNEY & NORTH SAANICH MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

6. PROPERTY, PLANT AND EQUIPMENT, continued

	Cost	Accumulated Amortization	2012 Net	2011 Net
Building Fund				
Building	4,654,326	952,515	3,701,811	3,757,576
Furniture and fixtures	570,039	488,924	81,115	101,394
Maintenance equipment	13,485	10,420	3,065	3,832
Parking lot	46,085	23,768	22,317	24,257
Reader board electronics	87,380	69,055	18,325	22,906
Reader board structure	300,331	39,606	260,725	266,045
	<u>5,671,646</u>	<u>1,584,288</u>	<u>4,087,358</u>	<u>4,176,010</u>
Blue Heron Park Improvements Fund				
Clubhouse	451,068	-	451,068	343,737
Equipment	19,954	7,465	12,489	7,744
Grounds	584,628	273,933	310,695	345,217
Lights	170,881	126,085	44,796	55,994
	<u>1,226,531</u>	<u>407,483</u>	<u>819,048</u>	<u>752,692</u>
	\$7,111,143	\$2,116,180	\$4,994,963	\$4,999,118

CURRENT ADDITIONS:

MWCCC Fund

Furniture and fixtures	\$ 34,946
Kitchen equipment	<u>2,510</u>
	<u>37,456</u>

Building Fund

Building improvements	<u>36,951</u>
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Blue Heron Park Improvements Fund

Clubhouse	107,331
Equipment	<u>7,854</u>
	<u>115,185</u>
	<u>\$ 189,592</u>

SIDNEY & NORTH SAANICH MEMORIAL PARK SOCIETY**NOTES TO THE FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2012**

7. MEETING ROOM RENTAL REVENUE

	2012	2011
Activity rooms	\$ 137,785	\$ 125,270
Bodine family hall	166,146	154,681
Courtyard and grounds	18,635	16,488
Food service	17,668	24,700
Gallery	6,176	8,207
	\$ 346,410	\$ 329,346

8. THEATRE REVENUE

	2012	2011
Box office	\$ 31,314	\$ 25,385
Donations	90	222
Events	96,653	166,378
Food service	16,807	18,337
Grant - BC Arts Council	-	2,000
Grant - Capital Regional District	5,000	4,000
Grant - Government of Canada	4,500	1,000
Grant - Peninsula Foundation Society Fund	-	2,050
Grant - SCCCCF (note 10)	18,000	15,000
Grant - Aspect	2,388	-
Grant - Timberwest	-	1,000
Grant - Embrace BC	7,629	-
Other	3,953	6,610
Registration	29,213	37,838
Sponsorships	9,700	14,500
Technical services recovery	38,092	26,368
Theatre rental	60,266	53,393
	\$ 323,605	\$ 374,081

9. MUNICIPAL GRANTS

The municipal grants are as follows:

	2012	2011
Town of Sidney	\$ 185,123	\$ 178,621
District of North Saanich	142,600	142,600
Town of Sidney - Reversal of special levy	-	8,400
	\$ 327,723	\$ 329,621

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

SIDNEY & NORTH SAANICH MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

10. RELATED PARTY TRANSACTIONS

During the year the MWCCC Fund received grants and contributions from the Sanscha Community Cultural Centre Foundation (the Foundation), a related charity, for the following purposes:

	2012	2011
Grants		
MWCCC arts (Professional theatre productions)	\$ 15,000	\$ 15,000
MWCCC arts and special events	3,000	-
	<u>18,000</u>	<u>15,000</u>
Contributions		
Charlie White Theatre upgrades	37,898	111,249
Furniture and equipment and electrical work	5,950	7,404
Room Improvements	12,114	-
Exterior building sign	3,929	-
Donor board sign improvements	820	-
	<u>60,711</u>	<u>118,653</u>
	<u>\$ 78,711</u>	<u>\$ 133,653</u>

Also during the year, the MWCCC Fund paid interest to the Operating Fund in the amount of \$500 (2011 - \$500).

At December 31, 2012, accounts receivable of the MWCCC Fund include \$35 owing from the Operating Fund related to expenses paid by the MWCCC Fund during the year on behalf of the Operating Fund.

At December 31, 2012, accounts payable of the MWCCC Fund include \$2,468 owing to the Blue Heron Park Improvements Fund.

SIDNEY & NORTH SAANICH MEMORIAL PARK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

11. LAND AND IMPROVEMENTS

A nominal value of \$1 is reflected in these financial statements to record transfer of titles to the Society of the following properties:

a) **Sanscha property**

Property at or near 2243 Beacon Avenue, Sidney, British Columbia referred to as "Sanscha" hall property and described as Lot A, Range 3 East, North Saanich District, Plan 1479, Section 10 and 11 Lot B, Range 3 East, North Saanich District, Plan 15203, Section 10 and 11. The 2012 assessed value of these properties is \$8,990,700.

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 2012 assessed value of these properties is \$3,315,000.

12. COMMITMENTS

The Society leases approximately 3.7 acres adjacent to its Sanscha Hall lands from the Victoria Airport Authority. On July 3, 2009 the Society signed a lease renewal for the term October 1, 2009 to September 30, 2019 as follows:

- October 1, 2009 to September 30, 2019 at \$100 annually plus GST/HST
- Option of 10 year renewal at \$100 annually plus GST/HST

13. 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.