

THE NEW MARINE CENTRE SOCIETY

Financial Statements

For the Year Ended May 31, 2022



Baker Tilly Victoria Ltd
Chartered Professional
Accountants
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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Members of The New Marine Centre Society

We have reviewed the accompanying financial statements of The New Marine Centre Society (the "Society") that comprise the statement of financial position as at May 31, 2022 and the statement of revenues and expenditures, changes in net assets, 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 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.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.



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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT (continued)

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis of Qualified Conclusion

In common with many charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, deficiency of revenues over expenses, and cash flows from operations, and current assets and net assets as at May 31, 2022 . Our review conclusion on the financial statements for the year ended May 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of The New Marine Centre Society as at May 31, 2022, 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 .

Baker Tilly Victoria Ltd.

CHARTERED PROFESSIONAL ACCOUNTANTS

Victoria, B.C.

October 20, 2022

The New Marine Centre Society

Statement of Financial Position

As at May 31, 2022

	2022	2021
	\$	\$
Assets		
Current Assets -		
Cash and short term deposits	488,023	445,822
Restricted cash (note 3)	54,605	39,468
Accounts receivable	8,086	88
Inventory	33,215	36,294
Prepaid expenses	4,180	3,815
	588,109	525,487
Property, Plant and Equipment (note 5)	2,176,167	2,234,386
	2,764,276	2,759,873
Liabilities		
Current Liabilities -		
Accounts payable and accrued liabilities	74,755	57,751
Goods and services taxes payable	1,905	2,980
Provincial sales taxes payable	518	335
WCB payable	1,831	1,557
Deferred contributions (restricted) (note 6)	51,130	39,468
Deferred capital contributions (restricted) (note 8)	3,475	-
Deferred revenue (unrestricted)	6,247	4,700
	139,861	106,791
Amounts Held In Trust	9,590	9,590
Canada Emergency Business Account Loan (note 7)	40,000	40,000
	189,451	156,381
Net Assets		
Operating Fund	200,000	286,807
Equity in Capital Fund	2,176,167	2,234,386
Capital Reserve Fund	198,658	82,299
	2,574,825	2,603,492
	2,764,276	2,759,873

SIGNED ON BEHALF OF THE BOARD:


Director

The New Marine Centre Society

Revenues and Expenditures

For the Year Ended May 31, 2022

	2022	2021
	\$	\$
Revenue		
Admissions and rentals	542,919	244,832
Donations and grants	195,114	287,389
Gift shop sales, net of cost	49,684	42,150
Memberships	114,905	85,992
Operating grant - Town of Sidney	205,000	205,000
Other revenue	17,799	22,761
	1,125,421	888,124
Expenditures		
Accounting and legal	15,323	13,291
Aquarium costs	34,297	26,208
Credit card charges	10,809	7,337
Education costs	23,207	2,181
Fundraising costs	1,892	4,881
Insurance	25,370	19,518
Interest and bank charges	2,521	1,957
Maintenance costs	79,443	57,679
Marketing	13,481	6,346
Oceaneer expenses	6,860	1,786
Office	46,900	19,231
Special projects	1,096	217
Telephone and utilities	81,310	75,743
Travel and automotive	1,191	353
Wages and benefits	711,450	552,911
	1,055,150	789,639
Excess of Revenues Over Expenses from Operations	70,271	98,485
Other Expenses -		
Amortization	98,938	92,252
Excess (Deficiency) of Revenues Over Expenses	(28,667)	6,233

The New Marine Centre Society

Statement of Changes in Net Assets

For the Year Ended May 31, 2022

	Operating Fund	Capital Reserve Fund	Equity in Capital Fund	2022 \$	2021 \$
Net Assets - Beginning of Year	286,807	82,299	2,234,386	2,603,492	2,597,259
Amortization	-	-	(98,938)	(98,938)	(92,252)
Purchase of Property, Plant and Equipment	-	(40,719)	40,719	-	-
Purchase of Property, Plant and Equipment - Restricted Fund	(4,793)	4,793	-	-	-
Transfer of Operating Fund Surplus to Capital Reserve Fund (note 8)	(152,285)	152,285	-	-	-
Excess (Deficiency) of Revenues Over Expenses	70,271	-	-	70,271	98,485
Net Assets - End of Year	200,000	198,658	2,176,167	2,574,825	2,603,492

The New Marine Centre Society

Statement of Cash Flows

For the Year Ended May 31, 2022

	2022	2021
	\$	\$
Cash Provided from (Used for):		
Operating Activities		
Deficiency of revenues over expenses	(28,667)	6,233
Item not affecting cash:		
Amortization	98,938	92,252
	70,271	98,485
Changes in non-cash working capital:		
Accounts receivable	(7,998)	17,216
Inventory	3,079	26,853
Prepaid expenses	(365)	(2,559)
Accounts payable and accrued liabilities	17,004	26,261
Deferred contributions	11,662	12,252
Deferred capital contributions	3,475	-
Deferred revenue	1,547	(7,786)
Goods and services tax payable (recoverable)	(1,075)	3,609
Provincial sales tax payable	183	229
WCB payable	274	(1,403)
	98,057	173,157
Investing Activities		
Purchase of capital assets	(40,719)	(6,370)
Financing Activities		
Proceeds from Canada Emergency Business Loan	-	10,000
Net Increase in Cash	57,338	176,787
Cash - Beginning of Year	485,290	308,503
Cash - End of Year	542,628	485,290
Cash Consists of:		
Cash and cash equivalents	488,023	445,822
Restricted cash	54,605	39,468
	542,628	485,290

The New Marine Centre Society

Notes to Financial Statements

For the Year Ended May 31, 2022

1 Purpose of the Society

The New Marine Centre Society is a not-for-profit organization incorporated in British Columbia under the Societies Act and is a registered charity under the Income Tax Act. The Society is a non-taxable entity. The Board is comprised of a wide spectrum of community educators, scientists and business people. The purposes of the Society are to operate a unique public facility or facilities to foster an appreciation of the Salish Sea Bioregion, be a valued community organization and undertake such other activities which from time to time may be deemed appropriate in pursuing the aforementioned purposes.

2 Summary of Significant Accounting Policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and short term deposits

Cash and short term deposits consists of cash on hand, bank balances and investments in short term, cashable GIC's.

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 financial liabilities at amortized cost, except for securities quoted in an active market, which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash and short term deposits and accounts receivable. Financial liabilities measured at amortized cost include accounts payable.

Inventory

Inventory is valued at lower of cost and replacement value with cost being determined on a first-in, first out basis.

The New Marine Centre Society

Notes to Financial Statements

For the Year Ended May 31, 2022

2 Summary of Significant Accounting Policies (Continued)

Fund accounting

The Operating Fund reports the revenue and expenses related to the operation of the Shaw Ocean Discovery Centre.

The Equity in Capital Fund reports the capital assets of the Society less amortization.

The Capital Reserve Fund reports income from non-operating activities and holds funds for future capital purchases less any capital replacement expenditures.

Revenue recognition

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

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

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

Revenues from rentals are recognized when the rental takes place.

Revenues from admissions, gift shop sales and memberships are recognized when received.

Volunteers contribute many hours per year to the Society (Note 10). Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Donations in kind are recorded at their fair market value when the goods are received.

The New Marine Centre Society

Notes to Financial Statements

For the Year Ended May 31, 2022

2 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization. Property, plant and equipment is amortized over its estimated useful life at the following rates and methods:

Ocean Discovery Centre Facility	5-30 years straight-line method
Furniture and fixtures	20% declining balance method
Computer equipment	55% declining balance method

There is no amortization being taken on artwork.

Measurement uncertainty

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 relate to the useful lives of capital assets and the collectability of accounts receivable. Actual results could differ from these estimates, although management does not generally believe such differences would materially affect the financial statement in any individual year.

3 Restricted Cash

Cash in the amount of \$54,605 is externally restricted for use, as indicated in Notes 6 & 8.

4 Financial Instruments

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk on its fixed rate term deposits, although the extent of such risk is considered minimal.

It is management's opinion that the Society is not exposed to significant market currency, liquidity, or other price risks arising from these financial instruments.

The New Marine Centre Society

Notes to Financial Statements

For the Year Ended May 31, 2022

5 Property, Plant and Equipment

	Cost \$	Accumulated amortization \$	2022 Net \$	2021 Net \$
Ocean Discovery Centre Facility	4,233,506	2,092,244	2,141,262	2,218,558
Furniture and fixtures	44,582	27,923	16,659	11,065
Artwork	4,763	-	4,763	4,763
Computer equipment	18,597	5,114	13,483	-
	4,301,448	2,125,281	2,176,167	2,234,386

There is no amortization taken on artwork.

6 Deferred Contributions

Deferred contributions represent externally restricted funding received in the current period.

Changes in the deferred contributions balance are as follows:

	Opening Balance \$	Received \$	Expenditures \$	Closing Balance \$
Canada Summer Jobs Fund	-	42,881	24,098	18,783
Life on this Planet Fund	-	5,000	5,000	-
Mountain Equipment Co-op: Curriculum Review & Upgrade Project	921	-	921	-
NSERC: World Oceans Day	3	-	3	-
Pacific Salmon Foundation	5,819	-	-	5,819
Private donation	3,978	5,826	9,804	-
Saanich Peninsula Foundation	381	-	381	-
Salish Weave Foundation & Town of Sidney: Coast Salish Project	8,080	-	-	8,080
Town of Sidney	17,084	-	-	17,084
Town of Sidney: Research & Capital	2	-	2	-
Victoria Foundation (Fowlow Fund): Octopus & Animal Care	3,200	6,850	8,686	1,364
	39,468	60,557	48,895	51,130

The New Marine Centre Society

Notes to Financial Statements

For the Year Ended May 31, 2022

7 Canada Emergency Business Account Loan Payable

	2022	2021
	\$	\$
CEBA loan received	60,000	40,000
Forgivable portion of loan included in revenue	(20,000)	(10,000)
	40,000	30,000

The Society received the Government's Canada Emergency Business Account (CEBA) loan in response to the COVID-19 global pandemic. The loan is held at TD Canada Trust. It bears no interest and is due to be paid December 31, 2023. Should the loan not be paid back, the full loan will be converted to a term loan with an annual interest rate of 5% payable in monthly instalments and due December 31, 2025.

8 Deferred Capital Contributions

Deferred capital contributions represent externally restricted contributions related to the acquisition of capital assets. These contributions are recognized as revenue on the same basis as the amortization expense related to the capital assets acquired. Changes in the deferred capital contributions balance is as follows:

	Opening Balance	Additions	Amortization	Closing Balance
	\$	\$	\$	\$
Computer equipment	-	4,793	1,318	3,475

The New Marine Centre Society

Notes to Financial Statements

For the Year Ended May 31, 2022

9 Interfund Transfers

During the year the board approved a transfer of \$152,285 from the Operating Fund to the Capital Reserve Fund. These funds will be used finance future capital purchases.

10 Volunteer Hours

The ongoing operations of the Society are greatly assisted by the generous donation of time by around 121 listed volunteers. The value of this donation of time at a conservative rate of \$15.65 per hour would be \$81,787 (2021 - \$100,013 at \$15.20 per hour).

11 Victoria Foundation Endowment

During the 2012 fiscal year, the Society was invited to establish a permanent endowment fund with the Victoria Foundation. The Ocean Discovery Fund will be held in perpetuity by the Foundation and a portion of the income earned by the fund will be returned to the Society to support activities as determined by the Board. An initial contribution of \$7,500 from funds already held by the Society for endowment purposes was transferred to the Victoria Foundation and matched equally by the Foundation. In 2013 & 2014, the Society made a further contribution of \$2,500 in each year and a further \$5,000 in 2018, to which the Foundation provided matching contributions. The market value of the endowment funds held by the Foundation at June 30, 2022, including earned interest, is \$46,768. These funds are not included on the Statement of Financial Position. Future donations designated to this permanent fund to support the Society will be welcomed by the Victoria Foundation.

12 Premises Lease

The Society has a lease agreement (dated September 1, 2007) with the Town of Sidney for use of town-owned space in The Sidney Pier Hotel and Spa (approximately 10,000 square feet), at a rate of \$5.00 for 20 years.