

THE NEW MARINE CENTRE SOCIETY

Financial Statements

For the Year Ended May 31, 2023



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, 2023 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.

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.



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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT (continued)

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, 2023 . Our review conclusion on the financial statements for the year ended May 31, 2023 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, 2023, 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 .

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 13 of the financial statement, which explains that certain comparative information presented for the year ended May 31, 2022 have been restated. Our opinion is not modified in respect of this matter.

Baker Tilly Victoria Ltd.

CHARTERED PROFESSIONAL ACCOUNTANTS

Victoria, B.C.

November 14, 2023

The New Marine Centre Society

Statement of Financial Position

As at May 31, 2023

	2023	2022
	\$	\$
Assets		
Current Assets -		
Cash and short term deposits	438,535	488,023
Restricted cash (note 3)	38,499	54,605
Accounts receivable	5,811	8,086
Inventory	52,751	33,215
Prepaid expenses	1,016	4,180
	536,612	588,109
Property, Plant and Equipment (note 5)	1,302,478	1,414,075
	1,839,090	2,002,184
Liabilities		
Current Liabilities -		
Accounts payable	42,764	74,755
Goods and services taxes payable	5,315	1,905
Provincial sales taxes payable	672	518
WCB payable	1,568	1,831
Deferred contributions (restricted) (note 6)	36,935	51,130
Deferred capital contributions (restricted) (note 8)	1,564	3,475
Deferred revenue (unrestricted)	23,521	6,247
Current portion of Canada Emergency Business Account Loan (note 7)	40,000	-
	152,339	139,861
Amounts Held In Trust	9,590	9,590
Canada Emergency Business Account Loan (note 7)	-	40,000
	161,929	189,451

The New Marine Centre Society

Statement of Financial Position

As at May 31, 2023

	2023	2022
	\$	\$
Net Assets		
Operating Fund	200,000	200,000
Equity in Capital Fund	1,302,478	1,414,075
Capital Reserve Fund	174,683	198,658
	1,677,161	1,812,733
	1,839,090	2,002,184

SIGNED ON BEHALF OF THE BOARD:

Director

The New Marine Centre Society

Revenues and Expenditures

For the Year Ended May 31, 2023

	2023	2022
	\$	\$
Revenue		
Admissions and rentals	658,699	542,919
Donations and grants	134,187	195,114
Gift shop sales, net of cost(note 9)	93,059	49,684
Memberships	127,381	114,905
Operating grant - Town of Sidney	205,000	205,000
Other revenue	23,444	17,799
	1,241,770	1,125,421
Expenditures		
Accounting and legal	14,741	15,323
Aquarium costs	39,183	34,297
Credit card charges	19,790	15,945
Education costs	21,910	23,207
Fundraising costs	13,410	1,892
Insurance	27,950	25,370
Interest and bank charges	1,950	2,521
Maintenance costs	104,968	79,443
Marketing	18,185	13,481
Oceaneer expenses	8,974	6,860
Office	21,785	41,764
Special projects	8,364	1,096
Telephone and utilities	87,021	81,310
Travel and automotive	1,133	1,191
Wages and benefits	814,020	711,450
	1,203,384	1,055,150
Excess of Revenues Over Expenses from Operations	38,386	70,271
Other Expenses -		
Amortization	173,958	161,933
Deficiency of Revenues Over Expenses	(135,572)	(91,662)

The New Marine Centre Society

Statement of Changes in Net Assets

For the Year Ended May 31, 2023

	Operating Fund	Capital Reserve Fund	Equity in Capital Fund	2023	2022
				\$	\$
Net Assets - Beginning of Year	200,000	198,658	2,176,167	2,574,825	2,603,492
Prior period adjustment (note 13)	-	-	(762,092)	(762,092)	(699,097)
Net Assets - Beginning of Year (restated)	200,000	198,658	1,414,075	1,812,733	1,904,395
Amortization	-	-	(173,958)	(173,958)	(161,933)
Purchase of Property, Plant and Equipment	-	(62,361)	62,361	-	-
Excess of Revenues Over Expenses	38,386	-	-	38,386	70,271
Transfer of Operating Fund Surplus to Capital Reserve Fund	(38,386)	38,386	-	-	-
Net Assets - End of Year	200,000	174,683	1,302,478	1,677,161	1,812,733

The New Marine Centre Society

Statement of Cash Flows

For the Year Ended May 31, 2023

	2023	2022
	\$	\$
Cash Provided from (Used for):		
Operating Activities		
Deficiency of revenues over expenses	(135,572)	(91,662)
Item not affecting cash:		
Amortization	173,958	161,933
	38,386	70,271
Changes in non-cash working capital:		
Accounts receivable	2,275	(7,998)
Inventory	(19,536)	3,079
Prepaid expenses	3,164	(365)
Accounts payable and accrued liabilities	(31,991)	17,004
Deferred contributions	(14,195)	11,662
Deferred capital contributions	(1,911)	3,475
Deferred revenue	17,274	1,547
Goods and services tax payable (recoverable)	3,410	(1,075)
Provincial sales tax payable	154	183
WCB payable	(263)	274
	(3,233)	98,057
Investing Activities		
Purchase of capital assets	(62,361)	(40,719)
Net Increase (Decrease) in Cash	(65,594)	57,338
Cash - Beginning of Year	542,628	485,290
Cash - End of Year	477,034	542,628
Cash Consists of:		
Cash and cash equivalents	438,535	488,023
Restricted cash	38,499	54,605
	477,034	542,628

The New Marine Centre Society

Notes to Financial Statements

For the Year Ended May 31, 2023

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, 2023

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. No amount is recorded for the donated value of the leased space.

The New Marine Centre Society

Notes to Financial Statements

For the Year Ended May 31, 2023

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 \$38,499 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, 2023

5 Property, Plant and Equipment

	Cost \$	Accumulated amortization \$	2023 Net \$	2022 Net \$
Ocean Discovery Centre Facility	4,237,054	3,008,310	1,228,744	1,379,170
Furniture and fixtures	102,644	37,677	64,967	16,659
Artwork	5,513	-	5,513	4,763
Computer equipment	18,597	15,343	3,254	13,483
	4,363,808	3,061,330	1,302,478	1,414,075

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	18,783	17,442	25,011	11,214
Eco Canada	-	23,880	23,880	-
M & L Farmer Seaweed (Victoria Foundation)	-	6,705	6,705	-
Pacific Salmon Foundation	5,819	-	5,262	557
Salish Weave Foundation & Town of Sidney: Coast Salish Project	8,080	-	-	8,080
Town of Sidney	17,084	205,000	205,000	17,084
Victoria Foundation (Fowlow Fund): Octopus & Animal Care	1,364	7,890	9,254	-
	51,130	260,917	275,112	36,935

The New Marine Centre Society

Notes to Financial Statements

For the Year Ended May 31, 2023

7 Canada Emergency Business Account Loan Payable

	2023	2022
	\$	\$
CEBA loan received	60,000	60,000
Forgivable portion of loan included in revenue	(20,000)	(20,000)
	40,000	40,000
Current portion of CEBA loan	(40,000)	-
Total long-term portion of CEBA loan	-	40,000

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 January 18, 2024. 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, 2026. The Society is fully intent on repaying the loan before the afore-mentioned repayment deadline.

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	3,475	-	1,911	1,564

The New Marine Centre Society

Notes to Financial Statements

For the Year Ended May 31, 2023

9 Gift Shop

	2023	2022
	\$	\$
Gift shop sales	217,206	144,183
Cost of sales	(124,147)	(94,499)
Gross shop sales, net of cost	93,059	49,684

10 Volunteer Hours

The ongoing operations of the Society are greatly assisted by the generous donation of time by around 140 listed volunteers. The value of this donation of time at a conservative rate of 16.75 per hour would be \$107,954 (2022 - \$81,787 at \$15.65 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, 2023, including earned interest, is \$50,760. 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 year term. No amount is recorded for the donated value of the leased space.

The New Marine Centre Society

Notes to Financial Statements

For the Year Ended May 31, 2023

13 Prior Period Adjustment

In order to comply with Section 4433 of the Chartered Professional Accountants for Not-for-Profit Organizations Handbook, the Society corrected an error in presentation related to the amortization period of the Ocean Discovery Centre Facility. The Society historically did not consider the entire value of the facility when depreciating over its useful life. The following adjustments were made by the Society to correct the comparative figures:

	2022	Adjustment	2022 (restated)
	\$	\$	\$
Property, Plant & Equipment	2,176,167	(762,092)	1,414,075
Net assets - beginning of year	2,603,492	(699,097)	1,904,395
Net Assets - end of year	2,574,825	(762,092)	1,812,733

14 Employee Remuneration

The British Columbia Societies Act requires the disclosure of remunerations paid to all directors, the ten highest paid employees and all contractors who are paid over \$75,000 annually. During the year the Society paid total annual remuneration greater than \$75,000 to one employee. The total amount paid was \$78,462.

15 Comparative Financial Statements

Certain comparative figures have been reclassified to be consistent with the presentation adopted in the current year.