

# **THE NEW MARINE CENTRE SOCIETY**

**Financial Statements**

**For the Year Ended May 31, 2021**

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Baker Tilly Victoria Ltd  
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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, 2021 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, 2021. Our review conclusion on the financial statements for the year ended May 31, 2021 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, 2021, 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.

November 1, 2021

# The New Marine Centre Society

## Statement of Financial Position

As at May 31, 2021

|   | 2021             | 2020      |
|---|------------------|-----------|
|   | \$               | \$        |
| <b>Assets</b>                                   |                  |           |
| Current Assets -                                |                  |           |
| Cash and short term deposits                    | 445,822          | 281,287   |
| Restricted cash (note 3)                        | 39,468           | 27,216    |
| Accounts receivable                             | 88               | 17,304    |
| Inventory                                       | 36,294           | 63,147    |
| Goods and services tax recoverable              | -                | 629       |
| Prepaid expenses                                | 3,815            | 1,256     |
|   | <b>525,487</b>   | 390,839   |
| Property, Plant and Equipment (note 5)          | <b>2,234,386</b> | 2,320,268 |
|   | <b>2,759,873</b> | 2,711,107 |
| <b>Liabilities</b>                              |                  |           |
| Current Liabilities -                           |                  |           |
| Accounts payable and accrued liabilities        | 57,751           | 31,490    |
| Goods and services taxes payable                | 2,980            | -         |
| Provincial sales taxes payable                  | 335              | 106       |
| WCB payable                                     | 1,557            | 2,960     |
| Deferred contributions (restricted) (note 6)    | 39,468           | 27,216    |
| Deferred revenue (unrestricted)                 | 4,700            | 12,486    |
|   | <b>106,791</b>   | 74,258    |
| Amounts Held In Trust                           | 9,590            | 9,590     |
| Canada Emergency Business Account Loan (note 7) | 40,000           | 30,000    |
|   | <b>156,381</b>   | 113,848   |
| <b>Net Assets</b>                               |                  |           |
| Operating Fund                                  | 286,807          | 188,322   |
| Equity in Capital Fund                          | 2,234,386        | 2,320,268 |
| Capital Reserve Fund                            | 82,299           | 88,669    |
|   | <b>2,603,492</b> | 2,597,259 |
|   | <b>2,759,873</b> | 2,711,107 |

**SIGNED ON BEHALF OF THE BOARD:**

\_\_\_\_\_  
Director

# The New Marine Centre Society

## Revenues and Expenditures

For the Year Ended May 31, 2021

|  | 2021           | 2020             |
|--|----------------|------------------|
|  | \$             | \$               |
| <b>Revenue</b>   |                |                  |
| Admissions and rentals   | 244,832        | 421,931          |
| Donations and grants   | 287,389        | 211,667          |
| Gift shop sales, net of cost   | 42,150         | 61,661           |
| Memberships  | 85,992         | 92,048           |
| Operating grant - Town of Sidney                                     | 205,000        | 85,417           |
| Other revenue  | 22,761         | 18,188           |
|  | <b>888,124</b> | <b>890,912</b>   |
| <b>Expenditures</b>  |                |                  |
| Accounting and legal   | 13,291         | 13,416           |
| Aquarium costs   | 26,208         | 23,945           |
| Credit card charges  | 7,337          | 11,581           |
| Education costs  | 2,181          | 8,375            |
| Fundraising costs  | 4,881          | 1,316            |
| Insurance  | 19,518         | 16,920           |
| Interest and bank charges  | 1,957          | 2,683            |
| Maintenance costs  | 57,679         | 84,435           |
| Marketing  | 6,346          | 20,846           |
| Oceaneer expenses  | 1,786          | 3,358            |
| Office   | 19,231         | 12,465           |
| Special projects   | 217            | 4,850            |
| Telephone and utilities  | 75,743         | 80,931           |
| Travel and automotive  | 353            | 2,211            |
| Wages and benefits   | 552,911        | 615,258          |
|  | <b>789,639</b> | <b>902,590</b>   |
| <b>Excess (Deficiency) of Revenues Over Expenses from Operations</b> | <b>98,485</b>  | <b>(11,678)</b>  |
| Other Expenses -   |                |                  |
| Amortization   | 92,252         | 110,517          |
| <b>Excess (Deficiency) of Revenues Over Expenses</b>                 | <b>6,233</b>   | <b>(122,195)</b> |

# The New Marine Centre Society

## Statement of Changes in Net Assets

For the Year Ended May 31, 2021

|  | Operating<br>Fund | Capital<br>Reserve Fund | Equity in<br>Capital<br>Fund | 2021<br>\$       | 2020<br>\$ |
|--|-------------------|-------------------------|------------------------------|------------------|------------|
| Net Assets - Beginning of Year                   | 188,322           | 88,669                  | 2,320,268                    | <b>2,597,259</b> | 2,719,454  |
| Amortization                                     | -                 | -                       | (92,252)                     | <b>(92,252)</b>  | (110,517)  |
| Purchase of Property, Planet and<br>Equipment    | -                 | (6,370)                 | 6,370                        | -                | -          |
| Excess (Deficiency) of Revenues<br>Over Expenses | 98,485            | -                       | -                            | <b>98,485</b>    | (11,678)   |
| <b>Net Assets - End of Year</b>                  | 286,807           | 82,299                  | 2,234,386                    | <b>2,603,492</b> | 2,597,259  |

# The New Marine Centre Society

## Statement of Cash Flows

For the Year Ended May 31, 2021

|  | 2021           | 2020            |
|--|----------------|-----------------|
|  | \$             | \$              |
| <b>Cash Provided from (Used for):</b>        |                |                 |
| <b>Operating Activities</b>                  |                |                 |
| Deficiency of revenues over expenses         | 6,233          | (122,195)       |
| Item not affecting cash:                     |                |                 |
| Amortization                                 | 92,252         | 110,517         |
|  | <b>98,485</b>  | <b>(11,678)</b> |
| Changes in non-cash working capital:         |                |                 |
| Accounts receivable                          | 17,216         | 42,961          |
| Inventory                                    | 26,853         | (1,042)         |
| Prepaid expenses                             | (2,559)        | (29)            |
| Accounts payable and accrued liabilities     | 26,261         | (29,733)        |
| Deferred contributions                       | 12,252         | (7,718)         |
| Deferred revenue                             | (7,786)        | (11,202)        |
| Goods and services tax payable (recoverable) | 3,609          | (2,451)         |
| Provincial sales tax payable                 | 229            | (707)           |
| WCB payable                                  | (1,403)        | 2,299           |
| Amounts held in trust                        | -              | 1,225           |
|  | <b>173,157</b> | <b>(18,075)</b> |
| <b>Investing Activities</b>                  |                |                 |
| Purchase of capital assets                   | (6,370)        | (1,281)         |
| <b>Financing Activities</b>                  |                |                 |
| Proceeds from Canada Emergency Business Loan | 10,000         | 30,000          |
| <b>Net Increase in Cash</b>                  | <b>176,787</b> | <b>10,644</b>   |
| Cash - Beginning of Year                     | 308,503        | 297,859         |
| <b>Cash - End of Year</b>                    | <b>485,290</b> | <b>308,503</b>  |
| <b>Cash Consists of:</b>                     |                |                 |
| Cash and cash equivalents                    | 445,822        | 281,287         |
| Restricted cash                              | 39,468         | 27,216          |
|  | <b>485,290</b> | <b>308,503</b>  |

# The New Marine Centre Society

## Notes to Financial Statements

For the Year Ended May 31, 2021

### 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 (ASNFPPO).

#### 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.



# The New Marine Centre Society

## Notes to Financial Statements

For the Year Ended May 31, 2021

### 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 8). 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, 2021

### 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    |

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 \$39,468 is externally restricted for use, as indicated in Note 6.

### 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, 2021

### 5 Property, Plant and Equipment

|                                 | Cost<br>\$ | Accumulated<br>amortization<br>\$ | 2021<br>Net<br>\$ | 2020<br>Net<br>\$ |
|---------------------------------|------------|-----------------------------------|-------------------|-------------------|
| Ocean Discovery Centre Facility | 4,220,058  | 2,001,500                         | <b>2,218,558</b>  | 2,304,263         |
| Furniture and fixtures          | 35,908     | 24,842                            | <b>11,065</b>     | 11,242            |
| Artwork                         | 4,763      | -                                 | <b>4,763</b>      | 4,763             |
|                                 | 4,260,729  | 2,026,342                         | <b>2,234,386</b>  | 2,320,268         |

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<br>Balance<br>\$ | Received<br>\$ | Expenditures<br>\$ | Closing<br>Balance<br>\$ |
|---|--------------------------|----------------|--------------------|--------------------------|
| Mountain Equipment Co-op:   |                          |                |                    |                          |
| Curriculum Review & Upgrade<br>Project                            | 921                      | -              | -                  | <b>921</b>               |
| NSERC: World Oceans Day   | 3                        | -              | -                  | <b>3</b>                 |
| Pacific Salmon Foundation   | -                        | 10,750         | 4,931              | <b>5,819</b>             |
| Private donation  | -                        | 5,484          | 1,506              | <b>3,978</b>             |
| Saanich Peninsula Foundation                                      | 1,100                    | -              | 719                | <b>381</b>               |
| Salish Weave Foundation & Town of<br>Sidney: Coast Salish Project | 8,080                    | -              | -                  | <b>8,080</b>             |
| Town of Sidney  | 17,084                   | 205,000        | 205,000            | <b>17,084</b>            |
| Town of Sidney: Research & Capital                                | 2                        | -              | -                  | <b>2</b>                 |
| Victoria Foundation (Fowlow Fund):<br>Octopus & Animal Care       | 26                       | 6,444          | 3,270              | <b>3,200</b>             |
|   | 27,216                   | 227,678        | 215,426            | <b>39,468</b>            |

The Town of Sidney grant has been reflected as restricted cash on the statements this year, with the 2021 annual amount being allocated on a monthly basis, in-line with the calendar year.

# The New Marine Centre Society

## Notes to Financial Statements

For the Year Ended May 31, 2021

### 7 Canada Emergency Business Account Loan Payable

|  | 2021     | 2020     |
|--|----------|----------|
|  | \$       | \$       |
| 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, 2022. Should the loan not be paid back, it will be converted to a term loan with an annual interest rate of 5% payable in monthly instalments and due December 31, 2025.

### 8 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 \$15.20 per hour would be \$100,013 (2020 - \$86,646 at \$13.85 per hour).

### 9 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, 2021, including earned interest, is \$52,500. 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.

# The New Marine Centre Society

## Notes to Financial Statements

For the Year Ended May 31, 2021

### 10 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.

### 11 COVID-19 Pandemic

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses. This outbreak could adversely impact the Society's operations. It is not possible for the Society to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Society's business or results of operations at this time.