

Sooke Region Historical Society
Financial Statements
Year Ended October 31, 2025

Independent Practitioner's Review Engagement Report

To the Members of Sooke Region Historical Society

We have reviewed the accompanying financial statements of Sooke Region Historical Society (the society) that comprise the statement of financial position as at October 31, 2025, and the statements of operations, 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 (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.

Practitioner's Responsibility

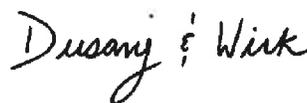
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

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.

Conclusion

Based on our review, 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 Sooke Region Historical Society as at October 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.



Victoria, British Columbia
March 4, 2026

Chartered Professional Accountants



Sooke Region Historical Society
Statement of Financial Position
October 31, 2025

	2025	2024
	\$	\$
Assets		
Current		
Cash and term deposits	397,229	264,450
Internally restricted cash (Note 3)	433,713	451,473
Accounts receivable	5,903	11,591
Accrued interest receivable	1,321	593
Inventory	76,995	70,761
	<u>915,161</u>	<u>798,868</u>
Property and equipment (Note 4)	1,031,753	1,035,779
Historical collections (Note 5)	2,810,325	2,810,325
Total assets	<u>4,757,239</u>	<u>4,644,972</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	28,503	27,279
Government remittances payable	11,794	10,950
Deferred revenue (Note 6)	29,552	29,552
	<u>69,849</u>	<u>67,781</u>
Deferred capital contributions (Note 7)	178,940	84,548
Total liabilities	<u>248,789</u>	<u>152,329</u>
Net Assets		
Unrestricted	306,599	279,614
Invested in property and equipment (Note 8)	3,768,138	3,761,556
Internally restricted funds (Note 3)	433,713	451,473
	<u>4,508,450</u>	<u>4,492,643</u>
Total liabilities and net assets	<u>4,757,239</u>	<u>4,644,972</u>

Approved on behalf of the Board


 _____ Director


 _____ Director

The accompanying notes are an integral part of these financial statements

Sooke Region Historical Society
Statement of Operations
Year Ended October 31, 2025

	2025	2024
	\$	\$
Revenues		
Amortization of deferred capital contributions <i>(Note 7)</i>	10,608	9,937
Donations and corporate contributions	12,727	14,839
Fundraising	13,857	11,300
Gift shop	154,154	165,865
Government grants and funded programs <i>(Note 9)</i>	140,977	143,507
Interest income	13,652	14,715
Memberships	1,795	560
Public programs and exhibitions	40,152	25,417
Tax levies	295,340	225,630
	<u>683,262</u>	<u>611,770</u>
Operating expenses		
Administration	15,843	12,177
Amortization	17,526	14,141
Exhibits and curatorial	9,553	12,767
Fundraising	4,036	6,331
Gift shop	82,644	88,972
Insurance	29,226	28,007
Interest and bank charges	5,820	6,405
Management salaries	69,039	66,845
Office	6,059	8,327
Professional fees	9,188	7,483
Programs	49,251	22,758
Repairs and maintenance	19,741	45,846
Salaries and wages	324,413	323,826
Telephone and fax	3,222	1,938
Utilities	21,894	18,561
	<u>667,455</u>	<u>664,384</u>
Excess (deficiency) of revenues over operating expenses	<u>15,807</u>	<u>(52,614)</u>

The accompanying notes are an integral part of these financial statements

Sooke Region Historical Society
Statement of Changes in Net Assets
Year Ended October 31, 2025

	Unrestricted \$	Invested in Property and Equipment (Note 7) \$	Internally Restricted Funds (Note 3) \$	2025 \$	2024 \$
Net assets - beginning of year	279,614	3,761,556	451,473	4,492,643	4,545,257
Excess (deficiency) of revenues over operating expenses	10,428	-	5,379	15,807	(52,614)
Invested in property and equipment	(13,500)	13,500	-	-	-
Amortization of property and equipment	17,526	(17,526)	-	-	-
Amortization of deferred capital contributions	(10,608)	10,608	-	-	-
Memorial donations	(100)	-	100	-	-
Interfund transfers	23,239	-	(23,239)	-	-
Net assets - end of year	306,599	3,768,138	433,713	4,508,450	4,492,643

The accompanying notes are an integral part of these financial statements

Sooke Region Historical Society
Statement of Cash Flows
Year Ended October 31, 2025

	2025	2024
	\$	\$
Operating activities		
Excess (deficiency) of revenues over operating expenses	15,807	(52,614)
Items not affecting cash:		
Amortization of property and equipment	17,526	14,141
Amortization of deferred capital contributions	(10,608)	(9,937)
	<u>22,725</u>	<u>(48,410)</u>
Changes in non-cash working capital:		
Accounts receivable	5,688	2,709
Accrued interest receivable	(728)	3,091
Inventory	(6,234)	(2,160)
Accounts payable and accrued liabilities	1,224	(645)
Government remittances payable	844	1,651
Deferred revenue	-	29,552
	<u>794</u>	<u>34,198</u>
Cash flow from (used by) operating activities	<u>23,519</u>	<u>(14,212)</u>
Investing activities		
Purchase of property and equipment	(13,500)	(2,683)
Deferred capital contributions received (Note 7)	105,000	-
Cash flow from (used by) investing activities	<u>91,500</u>	<u>(2,683)</u>
Increase (decrease) in cash flow	115,019	(16,895)
Cash - beginning of year	<u>715,923</u>	<u>732,818</u>
Cash - end of year	<u>830,942</u>	<u>715,923</u>
Cash consists of:		
Cash and term deposits	397,229	264,450
Internally restricted cash	433,713	451,473
	<u>830,942</u>	<u>715,923</u>

The accompanying notes are an integral part of these financial statements

Sooke Region Historical Society

Notes to Financial Statements

Year Ended October 31, 2025

1. Purpose of the society

Sooke Region Historical Society (the "Society") is incorporated provincially under the Societies Act of British Columbia. The Society is a registered charitable organization and is exempt from the payment of income taxes under the Income Tax Act. The purpose of the Society is to gather and preserve information, records, and objects of educational and cultural value associated with the natural and human history of the area, and without limiting the generality of the foregoing. The Society establishes and maintains a museum for the purpose of preserving, recording, and exhibiting for public enjoyment such material.

2. Significant accounting policies

Basis of presentation

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

Revenue recognition

The Society uses the deferral method of accounting for grants and contributions received, whereby revenues are matched with expenses. Externally restricted contributions, if any, 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.

Gift shop revenues are recognized when the title passes to the customer, which generally coincides with the delivery and acceptance of goods.

Government assistance

Government assistance for acquiring fixed assets and related to expenses is recorded as deferred government assistance and is amortized on the same basis and according to the same rates as the related fixed assets or to income as eligible expenditures are incurred. Government assistance for current expenses is recorded as a reduction of the related expenditures.

Inventory

Inventory consists of the gift shop items held for sale and is stated at the lower of cost and net realizable value, with cost being determined using the first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

(continues)

Sooke Region Historical Society
Notes to Financial Statements
Year Ended October 31, 2025

2. Significant accounting policies (continued)

Property and equipment

The building is carried at an appraised market value as was established by the board for insurance purposes in 1997, the time the Society adopted accounting standards for not-for-profit organizations. Amortization is not recorded on this value. Building additions since 1997 are subject to amortization.

All other property and equipment are stated at cost or deemed cost less accumulated amortization and are amortized over its estimated useful life on a straight-line basis at the following rates:

Buildings and lighthouse	20 years
Equipment	5 years
Computer equipment	5 years
Computer software	1 year
Web design	5 years
Signage and murals	10 years

Historical collection

Certain assets are held for public exhibition and education. These assets are protected, cared for and preserved. Additions to artifacts and the historical collection are capitalized based on the appraised fair market value. Items greater than \$1,000 in value, for which an income tax receipt is issued, are subject to an independent appraisal.

These items are not amortized.

Contributed services

The operations of the Society depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Financial instruments

The Society initially measures all its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transactions costs directly attributable to the instrument.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash and investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the period incurred.

Transaction costs are recognized in income in the period incurred, except for financial instruments that will subsequently be measured at amortized cost.

Financial instruments measured at amortized cost include accounts receivable, accounts payable and accrued liabilities.

(continues)

Sooke Region Historical Society
Notes to Financial Statements
Year Ended October 31, 2025

2. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 and may have an impact on future periods.

Allocated expenses

The Society allocates expenses between different programs as follows:

- Wages and benefits are allocated based on hours worked by employees
- Supplies and services consumed are allocated based on specific cost where determinable
- Insurance and utilities are allocated to the Visitor Information Centre based on the relative floor space used
- Facility costs are not allocated to the gift shop

3. Internally restricted cash

Cash is internally restricted at the discretion of the Board of Directors and is comprised of the following funds:

	2025 \$	2024 \$
Memorial donations	27,893	27,301
Capital	205,820	224,172
Planning	100,000	100,000
Projects	100,000	100,000
	<u>433,713</u>	<u>451,473</u>

Sooke Region Historical Society
Notes to Financial Statements
Year Ended October 31, 2025

4. Property and equipment

	2025		2024	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Land	267,549	-	267,549	-
Buildings not subject to amortization	626,400	-	626,400	-
Buildings and lighthouse	600,350	476,573	586,849	466,908
Equipment	92,974	81,599	92,974	74,790
Signage and murals	36,200	36,200	36,200	36,200
Computer software	4,930	4,930	4,930	4,930
Web design	3,200	3,200	3,200	3,200
Computer equipment	5,263	2,611	5,263	1,558
	<u>1,636,866</u>	<u>605,113</u>	<u>1,623,365</u>	<u>587,586</u>
Net book value	<u>1,031,753</u>		<u>1,035,779</u>	

5. Historical collection

The value of the Society's historical collection comprises the following:

	2025 \$	2024 \$
Artifacts collection	1,292,623	1,292,623
Lighthouse project	1,517,702	1,517,702
	<u>2,810,325</u>	<u>2,810,325</u>

The artifacts collection includes artifacts, photographs, archives and books as part of the Society's library collection. The lighthouse project includes the Triangle Island Lighthouse and its foundation.

6. Deferred revenue

	2025 \$	2024 \$
Province of BC gaming grant	25,000	25,000
Destination British Columbia	4,552	4,552
	<u>29,552</u>	<u>29,552</u>

Sooke Region Historical Society
Notes to Financial Statements
Year Ended October 31, 2025

7. Deferred capital contributions

Deferred capital contributions represent contributions externally restricted to acquire property and equipment. Deferred capital contributions are amortized on the same basis as the related property and equipment. The balance of each account represents the unamortized balance of the contributions, to be amortized over the useful life of the related assets.

The Lighthouse Project capital contributions are made up of cash donations, a grant from Human Resources Development Canada (HRDC), and a grant from the Gaming Policy and Enforcement Branch of the Provincial Government.

Pavilion and Storage is a grant from Human Resources Development Canada (HRDC) and was approved for a total of \$54,020 for the purpose of enhancing resources and facilities available to the community through the provision of upgrades to the Sooke Region Museum and the creation of a fine art program.

The Western Diversification Grant of \$27,500 was received in 2013 and is used for building improvements.

The Outdoor Artifact Display Grant of \$64,000 was received in 2017 and is used for creating an outdoor presentation.

The New Horizons for Seniors Grant of \$12,900 was received in 2020 and is used for a men's shed at the museum.

The British Columbia Arts Council Grant of \$105,000 was received in 2025 and is to be used for updates to the Events pavillion.

The changes in deferred capital contributions balance for the year are as follows:

	Opening \$	Contributions (expenses) \$	Amortization \$	2025 \$	2024 \$
Lighthouse Project: HRDC Grant	3,492	-	(2,327)	1,165	3,492
Lighthouse Project: BC Gaming	489	-	(489)	-	489
Pavilion and Storage: HRDC Grant	717	-	(717)	-	717
Western Diversification Grant	11,000	-	(1,375)	9,625	11,000
Outdoor Artifact Display	62,400	-	(3,120)	59,280	62,400
New Horizons for Seniors	6,450	-	(2,580)	3,870	6,450
BC Arts Council Grant	-	105,000	-	105,000	-
	84,548	105,000	(10,608)	178,940	84,548

Sooke Region Historical Society
Notes to Financial Statements
Year Ended October 31, 2025

8. Net assets invested in property and equipment

Net assets invested in property and equipment represent the original cost of property and equipment and the historical collection less related debt and amortization to date. The Society's investment in property and equipment is calculated as follows:

	2025 \$	2024 \$
Property and equipment (Note 4)	1,031,753	1,035,779
Historical collection (Note 5)	2,810,325	2,810,325
Unspent deferred capital contributions	105,000	-
Less amounts financed by:		
Deferred capital contributions	(178,940)	(84,548)
	<u>3,768,138</u>	<u>3,761,556</u>

9. Government grants and funded programs

	2025 \$	2024 \$
BC Arts Council	33,600	33,600
BC Community Gaming Grant	25,000	-
Canada Summer Jobs	-	10,977
Capital Regional District IDEA Grant	1,600	-
Municipal	56,716	55,279
Grants - Provincial - Tourism	18,210	18,210
Young Canada Works	5,851	25,441
	<u>140,977</u>	<u>143,507</u>

10. Endowment fund

In 2017, the Society established an endowment fund, the Sooke Region Museum Fund (the "Fund") with The Victoria Foundation. The Fund is managed for the benefit of the Society and is held permanently. Gifts are made from time to time as determined by the Society or in accordance with the wishes of the contributors. The Fund earns investment income in accordance with the Investment Policy of The Victoria Foundation. Distributions from the Fund are determined by the Distribution Policy of The Victoria Foundation.

The endowments are reported in the Sooke Region Museum Fund by The Victoria Foundation and are not reflected in the Society's net assets.

At October 31, 2025, the balance in the Sooke Region Museum Fund is \$19,389 (2024: \$18,223).

Sooke Region Historical Society
Notes to Financial Statements
Year Ended October 31, 2025

11. Financial risks and concentration risks

The Society has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, currency risk, interest rate risk and liquidity risk. There have been no significant changes in the Society's risk exposure from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society does not face significant credit risk exposure.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Society does not face significant currency risk exposure.

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 does not face significant interest rate risk exposure.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society does not face significant liquidity risk exposure.

12. Remuneration of employees, directors and contractors

Under the British Columbia Societies Act, societies must disclose remuneration paid to directors and to employees and contractors whose remuneration was at least \$75,000 for the fiscal year.

During the year, there were no employees or contractors who met this criterion. The Board of Directors receive no remuneration for their services other than reimbursement of expenses.

