

**Sooke Region Historical Society**  
**Financial Statements**  
**Year Ended October 31, 2023**

## 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, 2023, 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

*Dusanj & Wirk*

Victoria, British Columbia  
February 28, 2024

Chartered Professional Accountants



**Sooke Region Historical Society**  
**Statement of Financial Position**  
**October 31, 2023**

	2023	2022
	\$	\$
<b>Assets</b>		
Current		
Cash and term deposits	250,034	201,177
Accounts receivable	156	1,197
Inventory	68,601	60,544
Accrued interest receivable	3,684	1,905
Internally restricted cash (Note 3)	482,784	523,651
	<u>805,259</u>	<u>788,474</u>
Property and equipment (Note 4)	1,028,030	1,049,003
Historical collection (Note 5)	2,810,325	2,810,325
<b>Total assets</b>	<u>4,643,614</u>	<u>4,647,802</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	25,904	31,888
Government remittances payable	10,769	7,633
Deferred revenue	-	21,800
	<u>36,673</u>	<u>61,321</u>
Deferred capital contributions (Note 6)	94,484	102,936
<b>Total liabilities</b>	<u>131,157</u>	<u>164,257</u>
<b>Net Assets</b>		
Unrestricted	285,802	203,502
Invested in property and equipment (Note 7)	3,743,871	3,756,392
Internally restricted funds (Note 3)	482,784	523,651
	<u>4,512,457</u>	<u>4,483,545</u>
<b>Total liabilities and net assets</b>	<u>4,643,614</u>	<u>4,647,802</u>

Approved on behalf of the Board

\_\_\_\_\_  
  
 Director

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 Director

The accompanying notes are an integral part of these financial statements

**Sooke Region Historical Society**  
**Statement of Operations**  
**Year Ended October 31, 2023**

	2023	2022
	\$	\$
<b>Revenues</b>		
Amortization of deferred capital contributions <i>(Note 6)</i>	8,451	7,717
Donations and corporate contributions	13,515	13,099
Fundraising	15,577	13,709
Gift shop	177,422	152,743
Government grants and funded programs <i>(Note 8)</i>	242,572	214,434
Interest income	11,720	3,446
Memberships	640	640
Public programs and exhibitions	30,263	33,462
Tax levies	218,000	211,890
	<u>718,160</u>	<u>651,140</u>
<b>Expenses</b>		
Administration	17,144	6,415
Amortization	30,527	26,864
Exhibits and curatorial	10,622	8,899
Fundraising	4,969	9,100
Gift shop	95,742	81,729
Insurance	27,280	24,746
Interest and bank charges	6,875	5,568
Management salaries	54,730	67,138
Office	8,431	8,051
Professional fees	9,691	6,663
Programs	26,800	17,417
Repairs and maintenance	46,219	15,823
Salaries and wages	327,403	264,045
Telephone and fax	1,627	1,333
Utilities	21,188	21,268
	<u>689,248</u>	<u>565,059</u>
<b>Excess of revenues over expenses</b>	<u>28,912</u>	<u>86,081</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, 2023**

	Unrestricted \$	Invested in Property and Equipment (Note 7) \$	Internally Restricted Funds (Note 3) \$	2023 \$	2022 \$
Net assets - beginning of year	203,502	3,756,392	523,651	4,483,545	4,397,464
Excess of revenues over expenses	25,600	-	3,312	28,912	86,081
Invested in property and equipment	(9,555)	9,555	-	-	-
Amortization of property and equipment	30,527	(30,527)	-	-	-
Amortization of deferred capital contributions	(8,451)	8,451	-	-	-
Memorial donations	(400)	-	400	-	-
Interfund transfers	44,579	-	(44,579)	-	-
<b>Net assets - end of year</b>	<b>285,802</b>	<b>3,743,871</b>	<b>482,784</b>	<b>4,512,457</b>	<b>4,483,545</b>

The accompanying notes are an integral part of these financial statements

**Sooke Region Historical Society**  
**Statement of Cash Flows**  
**Year Ended October 31, 2023**

	2023 \$	2022 \$
<b>Operating activities</b>		
Excess of revenues over expenses	28,912	86,081
Items not affecting cash:		
Amortization of property and equipment	30,527	26,864
Amortization of deferred capital contributions	(8,451)	(7,717)
	<u>50,988</u>	<u>105,228</u>
<b>Changes in non-cash working capital:</b>		
Accounts receivable	1,041	(156)
Accrued interest receivable	(1,779)	(1,905)
Inventory	(8,057)	(9,618)
Accounts payable and accrued liabilities	(5,984)	2,062
Government remittances payable	3,136	469
Deferred revenue	(21,800)	(2,401)
	<u>(33,443)</u>	<u>(11,549)</u>
<b>Cash flow from operating activities</b>	<u>17,545</u>	<u>93,679</u>
<b>Investing activity</b>		
Purchase of property and equipment	(9,555)	(35,136)
<b>Financing activity</b>		
Repayment of long term debt	-	(40,000)
<b>Increase in cash flow</b>	7,990	18,543
Cash - beginning of year	<u>724,828</u>	<u>706,285</u>
<b>Cash - end of year</b>	<u>732,818</u>	<u>724,828</u>
<b>Cash consists of:</b>		
Cash and term deposits	250,034	201,177
Internally restricted cash	482,784	523,651
	<u>732,818</u>	<u>724,828</u>

The accompanying notes are an integral part of these financial statements

**Sooke Region Historical Society**

**Notes to Financial Statements**

**Year Ended October 31, 2023**

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**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 establish and maintain a Museum which gathers, preserves, and communicates information, records, and objects of educational, historical and cultural value associated with the area for public enjoyment.

**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. Government assistance for acquiring fixed assets is recorded as a reduction of the cost of related assets.

**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.

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**Sooke Region Historical Society**  
**Notes to Financial Statements**  
**Year Ended October 31, 2023**

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**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.

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**Sooke Region Historical Society**  
**Notes to Financial Statements**  
**Year Ended October 31, 2023**

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**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:

	2023	2022
	\$	\$
Memorial donations	24,051	23,651
Capital contingencies	258,733	300,000
Planning	100,000	100,000
Programming	100,000	100,000
	<u>482,784</u>	<u>523,651</u>

**Sooke Region Historical Society**  
**Notes to Financial Statements**  
**Year Ended October 31, 2023**

**4. Property and equipment**

	2023		2022	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Land	267,549	-	267,549	-
Buildings not subject to amortization	626,400	-	626,400	-
Buildings and lighthouse	586,849	479,567	583,099	455,784
Equipment	92,974	67,981	87,169	61,752
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	2,580	774	2,580	258
	<u>1,620,682</u>	<u>592,652</u>	<u>1,611,127</u>	<u>562,124</u>
Net book value	<u>1,028,030</u>		<u>1,049,003</u>	

Included in buildings and lighthouse are improvements in progress totalling \$111,203 (2022: \$107,453) that were not amortized during the year.

**5. Historical collection**

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

	2023 \$	2022 \$
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.

**Sooke Region Historical Society**  
**Notes to Financial Statements**  
**Year Ended October 31, 2023**

**6. 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 to be used for building a shed inside the museum for seniors.

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

	Opening \$	Contributions (expenses) \$	Amortization \$	2023 \$	2022 \$
Lighthouse Project: cash contributions	116	-	(116)	-	116
Lighthouse Project: HRDC Grant	8,150	-	(2,329)	5,821	8,150
Lighthouse Project: BC Gaming	2,149	-	(830)	1,319	2,149
Pavilion and Storage: HRDC Grant	3,161	-	(1,221)	1,939	3,161
Western Diversification Grant	13,750	-	(1,375)	12,375	13,750
Outdoor Artifact Display	64,000	-	-	64,000	64,000
New Horizons for Seniors	11,610	-	(2,580)	9,030	11,610
	<u>102,936</u>	<u>-</u>	<u>(8,451)</u>	<u>94,484</u>	<u>102,936</u>

**Sooke Region Historical Society**  
**Notes to Financial Statements**  
**Year Ended October 31, 2023**

**7. 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:

	2023 \$	2022 \$
Property and equipment (Note 4)	1,028,030	1,049,003
Historical collection (Note 5)	2,810,325	2,810,325
Less amounts financed by:		
Deferred capital contributions	(94,484)	(102,936)
	<u>3,743,871</u>	<u>3,756,392</u>

**8. Government grants and funded programs**

	2023 \$	2022 \$
BC Arts Council	33,600	57,600
BC Arts Council Arts and Culture Resilience Supplement	57,190	-
BC Arts Council Arts Impact Grant	21,800	-
BC Arts Council Pivot Grant	-	17,201
Canada Summer Jobs	15,819	10,632
Canadian Heritage COVID-19 Emergency Support Fund	36,416	45,520
Capital Regional District IDEA Grant	-	3,000
Municipal	53,000	33,681
New Horizons for Seniors	-	4,000
Provincial - BC Tourism	18,210	18,210
Young Canada Works	6,537	24,590
	<u>242,572</u>	<u>214,434</u>

**9. 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, 2023, the balance in the Sooke Region Museum Fund is \$15,994 (2022: \$15,255).

**Sooke Region Historical Society**  
**Notes to Financial Statements**  
**Year Ended October 31, 2023**

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**10. 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.

**11. 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.