

2024

WEST SHORE PARKS AND RECREATION SOCIETY
Financial Statements
For the fiscal year ending December 31, 2024

WEST SHORE PARKS AND RECREATION SOCIETY

BOARD OF DIRECTORS

City of Langford Representatives:

Kimberley Guiry

City of Colwood Representatives:

Dean Jantzen

District of Metchosin Representatives:

Shelly Donaldson

View Royal Representatives:

Alison MacKenzie

District of Highlands Representative:

Leslie Anderson

STAFF MEMBERS

Administrator

Manager of Recreation

Manager of Finance and Administration

Manager of Operations

Manager of Human Resources

Grant Brown

Geoff Welham

Wei Wu

Ron Dietrich

April Luchinski

AUDITOR

KPMG LLP

BANKERS

Scotiabank

WEST SHORE PARKS AND RECREATION SOCIETY

Financial Statements

For the fiscal year ended December 31, 2024

Financial Statements

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of West Shore Parks and Recreation Society (the "Society") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Society's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Finance Committee meets with management and the external auditor to review the financial statements and discuss any significant financial reporting or internal control matters prior to approval of the financial statements by the Board of Directors.

The financial statements have been audited by KPMG LLP, independent external auditor appointed by the Society. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Society's financial statements.



Grant Brown
Chief Administrative Officer



Wei Wu
Manager of Finance and Administration





KPMG LLP

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Victoria BC V8W 3Y7
Canada
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INDEPENDENT AUDITOR'S REPORT

To the Members of West Shore Parks and Recreation Society

Report on the Financial Statements

Opinion

We have audited the financial statements of West Shore Parks and Recreation Society, which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting financial statements in accordance with Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding period.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Victoria, Canada
April 10, 2025

WEST SHORE PARKS AND RECREATION SOCIETY

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial assets:		
Cash and cash equivalents	\$3,457,555	\$2,925,143
Investments (note 2)	2,351,137	2,250,000
Accounts receivable	456,598	554,729
Inventory held for resale	54,082	45,636
	<u>6,319,372</u>	<u>5,775,508</u>
Financial liabilities:		
Accounts payable and accrued liabilities	1,136,855	1,217,269
Deferred revenue (note 3)	2,424,424	2,028,387
Employee benefit obligations (note 4)	327,216	309,947
	<u>3,888,495</u>	<u>3,555,603</u>
Net financial assets	<u>2,430,877</u>	<u>2,219,905</u>
Non-financial assets:		
Tangible capital assets (note 5)	1,504,592	1,481,675
Prepaid expenses	211,775	191,459
	<u>1,716,367</u>	<u>1,673,134</u>
Commitments and contingencies (note 11)		
Accumulated surplus (note 6)	<u>\$4,147,244</u>	<u>\$3,893,039</u>

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Society:



Director



Director

WEST SHORE PARKS AND RECREATION SOCIETY

Statement of Operations

December 31, 2024, with comparative information for 2023

	Budget (note 12)	2024	2023
Revenue:			
Government transfers (note 7)	\$6,672,015	\$7,208,681	\$7,088,692
Sales of services	7,138,292	7,212,572	7,200,238
Sale of goods	471,806	508,920	426,769
Contributed advertising	-	276,998	276,998
Other income	101,543	485,874	602,516
Total revenue	14,383,656	15,693,045	15,595,213
Expenditures:			
Administration	893,002	463,151	433,699
Amortization of tangible capital assets	-	336,874	254,896
Community Recreation Admin	153,291	126,062	111,630
Finance	996,212	1,040,455	998,837
Human Resources	378,326	366,671	258,957
Reception	645,062	711,501	636,101
Food & Beverage	21,364	12,090	15,950
Food & Beverage - "Q" Centre	230,825	243,368	198,798
Infrastructure Maintenance	250,557	91,874	47,890
Maintenance - Arena	717,964	684,577	637,436
Maintenance - "Q" Centre	692,133	605,736	675,908
Maintenance - Centennial Centre	184,294	190,072	115,345
Maintenance - Indoor Sports Complex	373,954	386,172	187,804
Maintenance - Fleet Vehicles	74,206	65,125	75,283
Maintenance - General	456,602	383,025	719,576
Maintenance - Golf	197,204	168,567	197,657
Maintenance - Library Building	142,929	134,676	101,679
Maintenance - Parks	898,357	978,034	955,591
Maintenance - Pool	727,301	778,417	754,017
Maintenance - Senior's Building	396,443	411,755	301,919
Marketing	31,800	295,295	297,498
Programs - Administration	272,327	255,762	259,635
Programs - Arena	243,962	325,274	358,072
Programs - "Q" Centre	393,166	371,448	470,372
Programs - Arts & Culture	289,360	304,279	267,600
Programs - Community Development	126,925	121,311	140,611
Programs - Fitness/Wellness/Weights	338,173	424,987	363,940
Programs - Indoor Sports Complex	5,000	44	1,933
Programs - Golf	141,274	157,986	151,145
Programs - Licensed	1,214,332	1,313,474	1,334,673
Programs - Preschool to Youth	416,789	649,906	400,876
Programs - Sports	332,661	357,841	231,793
Programs - Pool	972,280	1,116,466	962,480
TCA Members' Assets (Note 9)	1,360,000	1,566,565	1,944,077
Total Expenses	14,568,075	15,438,840	14,863,678
Annual surplus (deficit)	(184,419)	254,205	731,535
Accumulated surplus, beginning of year	3,893,039	3,893,039	3,161,504
Accumulated surplus, end of year	\$3,708,620	\$4,147,244	\$3,893,039

The accompanying notes are an integral part of these financial statements.

WEST SHORE PARKS AND RECREATION SOCIETY

Statement of Change in Net Financial Assets

December 31, 2024, with comparative information for 2023

	Budget (note 12)	2024	2023
Annual surplus (deficit)	(\$184,419)	\$254,205	\$731,535
Acquisition of tangible capital assets	(360,000)	(359,791)	(702,418)
Amortization of tangible capital assets	-	336,874	254,896
	(360,000)	(22,917)	(447,522)
Acquisition of prepaid expenses	-	(538,356)	(584,971)
Use of prepaid expenses	-	518,040	512,532
	-	(20,316)	(72,439)
Change in net financial assets	(544,419)	210,972	211,574
Net financial assets, beginning of year	2,219,905	2,219,905	2,008,331
Net financial assets, end of year	\$1,675,486	\$2,430,877	\$2,219,905

The accompanying notes are an integral part of these financial statements

WEST SHORE PARKS AND RECREATION SOCIETY

Statement of Cash Flows

December 31, 2024, with comparative information for 2023

	2024	2023
Operating activities:		
Annual surplus (deficit)	\$254,205	\$731,535
Items not involving cash:		
Amortization of tangible capital assets	336,874	254,896
Changes in non-cash operating assets and liabilities:		
Employee benefits obligations	17,269	14,597
Accounts receivable	98,131	20,475
Inventory held for resale	(8,446)	9,023
Accounts payable and accrued liabilities	(80,414)	359,784
Deferred revenue	396,037	(236,177)
Prepaid expenses	(20,316)	(72,439)
	993,340	1,081,694
Capital activities:		
Acquisition of tangible capital assets	(359,791)	(702,418)
	(359,791)	(702,418)
Investment activities:		
Changes in investments	(101,137)	(2,250,000)
	(101,137)	(2,250,000)
Increase (decrease) in cash and cash equivalents	532,412	(1,870,724)
Cash and cash equivalents, beginning of year	2,925,143	4,795,867
Cash and cash equivalents, end of year	\$3,457,555	\$2,925,143
Supplemental cash flow information:		
Cash received from interest	\$262,313	\$249,647

The accompanying notes are an integral part of these financial statements

WEST SHORE PARKS AND RECREATION SOCIETY

Notes to Financial Statements

Year ended December 31, 2024

The West Shore Parks and Recreation Society (the "Society") is incorporated under the Societies Act (British Columbia), which the Society transitioned to on July 24, 2018. The purpose of the Society is to provide parks, recreation and community services. Its members include the City of Colwood, District of Highlands, City of Langford, District of Metchosin and Town of View Royal.

Under the terms of an Operating, Maintenance and Management Agreement with the Members, the Society is responsible for the equipping, maintenance, management and operation of the facilities comprising the Juan de Fuca Recreation Centre and Centennial Park Recreation Centre. The current agreement has a term of March 1, 2020 to February 28, 2025, which has been renewed for another five years to February 28, 2030.

1. Significant accounting policies:

The financial statements of the Society are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants (CPA) of Canada. Significant accounting policies adopted by the Society are as follows:

(a) Basis of accounting:

The Society follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Government transfers:

Government transfers without stipulations are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Government transfers with stipulations restricting their use that give rise to an obligation that meets the definition of a liability are recognized as revenue in the period eligible expenses are incurred, provided they are authorized and eligibility criteria are met.

(c) Revenue:

Revenue from sales of services and sale of goods is recognized as goods or services are delivered, when performance obligations are satisfied.

Receipts that are restricted by legislation or by agreement with external parties are deferred and reported as deferred revenue. When qualifying expenses are incurred, deferred revenues are brought into revenue at equal amounts.

(d) Investment income:

Investment income is reported as revenue in the period earned. When required by legislation or agreement with external parties, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(e) Contributed services:

Non-monetary transactions are measured at the more reliably measurable of the fair value of the asset given up and the fair value of the asset received unless the transaction lacks commercial substance or the transaction is an exchange of a product held for sale in the ordinary course of business, in which case the transaction is measured at the carrying amount of the asset given up.

WEST SHORE PARKS AND RECREATION SOCIETY

Notes to Financial Statements

Year ended December 31, 2024

(f) Cash equivalents:

Cash equivalents include short-term, highly liquid investments and investments with a term to maturity of 90 days or less at acquisition.

(g) Employee future benefits:

The Society and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

Sick leave and other benefits are also available to the Society's employees. The cost of these benefits is actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(h) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Machinery and equipment	4 to 15

Amortization is charged annually, including in the years of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(iv) Interest capitalization

The Society does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(v) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

WEST SHORE PARKS AND RECREATION SOCIETY

Notes to Financial Statements

Year ended December 31, 2024

(i) Liability for contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- 1) an environmental standard exists
- 2) contamination exceeds the environmental standard
- 3) the Society is directly responsible or accepts responsibility for the liability
- 4) future economic benefits will be given up, and
- 5) a reasonable estimate of the liability can be made

(j) Financial instruments

Financial instruments include cash and cash equivalents, investments, accounts receivables, inventory held for resale and accounts payables and accrued liabilities.

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has not elected to carry any other financial instruments at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. There are no unrealized changes in fair value as at December 31, 2024 and December 31, 2023. As a result, the Society does not have a statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method or effective interest rate method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

(k) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 period. Estimates include assumptions used in estimating provisions for accrued liabilities, performing actuarial valuations of employee future benefits and estimating the useful lives of tangible capital assets. Actual results could differ from these estimates.

(l) Adoption of new accounting standards:

Adoption of PS 3400 Revenue

On January 1, 2024, the Society adopted Canadian Public Sector Accounting Standard PS 3400, Revenue ("PS 3400"). Under the new accounting standard, there are two categories of revenue - exchange and unilateral. If the transaction gives rise to one or more performance obligations, it is an exchange transaction. If no performance obligations are present, it is unilateral revenue. Management has assessed the impact of adopting PS 3400 on the financial statements of the Society and has found that there is no resulting impact to the financial statements for fiscal years beginning on or after January 1, 2024.

WEST SHORE PARKS AND RECREATION SOCIETY

Notes to Financial Statements

Year ended December 31, 2024

2. Investments:

Investments includes three term deposits bearing interest at a rate of 4.80%, 3.95% and 3.37% respectively.

3. Deferred revenue:

Deferred revenue reported on the statement of financial position is made up of the following:

	2024	2023
Sale of services	\$836,836	\$714,119
West Shore Rugby	290,846	320,666
Library capital	523,217	469,005
Grant	494,273	315,165
Seniors	279,252	209,432
Total deferred revenue	\$2,424,424	\$2,028,387

Continuity of deferred revenue, seniors is as follows:

	2024	2023
Balance, beginning of year	\$209,432	\$181,084
Contributions	57,933	20,250
Interest earned	11,887	9,335
Revenue recognized	-	(1,237)
	\$279,252	\$209,432

4. Employee benefit obligations:

The Society provides sick leave and certain other benefits to its employees. These amounts and other employee related liabilities are set out below:

	2024	2023
Accrued sick leave	\$294,556	\$265,857
Accrued vacation	25,768	34,929
Accrued overtime	6,892	9,161
	\$327,216	\$309,947

Accrued sick leave represents the liability for sick leave banks accumulated for estimated draw down at future dates. Sick leave entitlements can only be used while employed by the Society and are not paid out upon retirement or termination of employment. Accrued vacation is the amount of unused vacation entitlement carried forward into the next year.

WEST SHORE PARKS AND RECREATION SOCIETY

Notes to Financial Statements

Year ended December 31, 2024

The significant actuarial assumptions adopted in measuring the Society's accrued benefit obligation are as follows:

	2024	2023
Discount rate	4.05%	4.73%
Expected wage and salary increase	3.00%	5.00%
Expected inflation rate	1.90%	2.90%

5. Tangible capital assets:

	December 31, 2023	Additions	Amortization	Disposals	December 31, 2024
Machinery and equipment					
Cost	\$5,947,718	\$359,791	-	(\$500,455)	\$5,807,054
Accumulated Amortization	(4,466,043)	-	(336,874)	500,455	(4,302,462)
Net book value	\$1,481,675	\$359,791	(\$336,874)	-	\$1,504,592

	December 31, 2022	Additions	Amortization	Disposals	December 31, 2023
Machinery and equipment					
Cost	\$5,968,940	\$702,418	-	(\$723,640)	\$5,947,718
Accumulated Amortization	(4,934,787)	-	(254,896)	723,640	(4,466,043)
Net book value	\$1,034,153	\$702,418	(\$254,896)	-	\$1,481,675

Included in equipment is the Indoor Sports Complex Turf and Curtain, Computers, Basketball Nets and Soccer Goal Posts.

6. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2024	2023
Surplus:		
Invested in tangible capital assets	\$1,504,592	\$1,481,675
Unfunded members' tangible capital assets	(263,419)	(322,759)
Total surplus	1,241,173	1,158,916
Reserves set aside for specific purposes by the Board:		
Equipment replacement	355,731	168,730
Major repair and maintenance	2,550,340	2,565,393
Total reserves	2,906,071	2,734,123
	\$4,147,244	\$3,893,039

In 2007 the Members' agreement was amended to add "Payments to be made to a capital reserve and equipment reserve fund established by the Society". The reserve is funded by surpluses realized by the Society on an annual basis and is maintained by the Society, with direction from the Board.

WEST SHORE PARKS AND RECREATION SOCIETY

Notes to Financial Statements

Year ended December 31, 2024

In October 2018, the Board agreed that the unfunded members' tangible capital assets repayments would be changed to a 20 year debt repayment plan with interest. This was applied retroactively to when expenditures on the weightroom were first incurred in 2009. This change was implemented in the 2018 financial statements.

7. Government transfers:

The following government transfers have been included in revenue:

	2024	2023
Requisitions:		
City of Colwood	\$1,357,564	\$1,268,583
District of Highlands	211,580	209,377
City of Langford	3,276,205	3,137,471
District of Metchosin	435,092	432,640
Town of View Royal	768,644	768,358
	6,049,085	5,816,429
Grant revenue:		
Capital Regional District Library	168,297	126,755
Government grants	991,299	1,145,508
	1,159,596	1,272,263
Total revenue	\$7,208,681	\$7,088,692

8. Classification of expenses by object:

	Budget	2024	2023
Salaries, wages and employee benefits	\$8,765,811	\$9,167,718	\$8,398,624
Supplies	690,497	879,727	675,670
Contracted services	829,364	1,033,671	895,992
Utilities	878,608	769,603	785,909
Property and liability insurance	443,132	452,112	402,641
Debt subsidy	-	-	194,000
Building & equipment repair and maintenance	478,732	308,089	400,134
Other	1,121,931	924,481	911,735
Amortization	-	336,874	254,896
TCA Members' Assets	1,360,000	1,566,565	1,944,077
	\$14,568,075	\$15,438,840	\$14,863,678

9. TCA Members' Assets:

The members of the Society own the land, buildings and engineering structures that are operated by the Society. Under the Operating, Maintenance and Management Agreement, the Society administers funds for the purchase of tangible capital assets on behalf of members. As the tangible capital assets purchased are not owned by the Society, they have been excluded from these financial statements. In 2024 - \$1,566,565 (2023 - \$1,944,077) of funds from members were used to acquire members' tangible capital assets and are recorded as an expense in the Statement of Operations.

WEST SHORE PARKS AND RECREATION SOCIETY

Notes to Financial Statements

Year ended December 31, 2024

10. Municipal pension plan:

The Society and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2024 with results available later in 2025.

The Society paid \$442,589 (2023 - \$400,740) for employer contributions while employees contributed \$409,312 (2023 - \$370,609) to the plan in fiscal 2024.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

11. Commitments and contingencies:

(a) The Society has the commitment to operate the following facilities:

i. The Society received grants under the Child Care Capital Funding Program. The Society must continue child care operations for a minimum of fifteen years from the date of the childcare facility commencing in July 2021.

ii. The Society received grants for the Juan de Fuca Arena Improvement Project. Within five years from the date of Substantial Completion, if the Society sells, leases, or disposes of any asset purchased, acquired, constructed, in whole or in part, with funds contributed by the Government of Canada or the Province, the Society may be required to reimburse the Government of Canada and the Province any funds received for the Project. The Project was completed in September 2021.

iii. The Society received grants for the Skatepark project. The Society must obtain approval of the Minister of Pacific Economic Development of Canada prior to any disposal of the Skatepark project assets. The Project was completed in March 2023.

WEST SHORE PARKS AND RECREATION SOCIETY

Notes to Financial Statements

Year ended December 31, 2024

12. Budget data:

The budget data presented in these financial statements is based upon the 2024 operating and capital budgets approved by the Members in January and February 2024. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

		2024 Adopted Budget
Revenues:		
Operating		\$13,903,656
Capital		480,000
Total revenue		14,383,656
Add:		
Transfer from reserve		1,419,000
		\$15,802,656
Expenses:		
Operating	13,208,075	
Capital (TCA Members' Assets)	1,360,000	
		14,568,075
Capital (Society)		360,000
Total expenses		14,928,075
Add:		
Transfer to reserve		874,581
		\$15,802,656
Annual deficit		-

WEST SHORE PARKS AND RECREATION SOCIETY

Notes to Financial Statements

Year ended December 31, 2024

13. Employee remuneration over \$75,000 per year:

The BC Societies Act came into effect on November 28, 2016. The Act has a requirement for the disclosure in the financial statements of the remuneration of directors, employees and contractors for financial statements prepared after November 28, 2016. For employee and contractor remuneration, the requirement is to disclose amounts paid to individuals whose remuneration was greater than \$75,000. For the fiscal year ending December 31, 2024, the Society paid remuneration of \$1,867,110 to 20 employees, each of whom received total annual remuneration of \$75,000 or greater. (2023 - \$1,100,025, 11 employees)

These positions are as follows:

- Administrator
- Administrative Systems Specialist
- Aquatics Coordinator
- Arena and Events Coordinator
- Assistant Greenskeeper
- Community Recreation Coordinator
- Facility Maintenance (3)
- Finance Supervisor
- Maintenance Supervisor
- Maintenance Lead Hand
- Manager of Finance and Administration
- Manager of Human Resource
- Manager of Operations
- Manager of Recreation
- Parks Mechanic
- Parks Supervisor
- Recreation Programmer (2)

14. Financial risks and concentration of credit risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to the accounts receivable, cash and investments.

The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Society at December 31, 2024 is the carrying value of these assets.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the statement of operations. Subsequent recoveries of impairment losses related to accounts receivable are credited to the statement of operations.

As at December 31, 2024, \$16,634 (2023 - \$130,867) of trade accounts receivable were past due, but not impaired.

There have been no significant changes to the credit risk exposure from 2023.

(b) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

There have been no significant changes to the liquidity risk exposure from 2023.

(c) Market risk:

It is management's opinion that the Society is not exposed to significant interest or currency risks.

