

Financial Statements
of
MAHONE BAY CENTRE SOCIETY
December 31, 2019

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Management Report

This Financial Statement has been reviewed by the Finance Committee of the Board of Directors, followed by discussion and approval by the Board of Directors of the Society. The statement has not been subject to an audit by a professional accountant.

We believe this statement presents a fair and accurate position of the Society as of December 31, 2019. We recommend them to the Annual General Meeting of the Society Members for approval.

Lynn Hennigar Chairman, Board of Directors

Chris Heide Treasurer

Dated

Statement of Operations Year End December 31, 2019

Revenue

	2019	2018
Rental leases	97,345	105,428
Rentals short term	25,497	25,113
Rentals Gym	12,250	8,138
Donations	6,556	8,723
Grants	16,825	15,909
Fundraising	21,442	21,744
Projects	1,633	2,345
Fitness Centre	30,098	20,258
Miscellaneous Revenue	1,083	1,051
HST Collected	10,328	9,726
TOTAL 2019 REVENUE	223,058	218,433

Statement of Operations Year End December 31, 2019

Expense

	2019	2018
Accounting & Legal	10,436	8,122
Advertising & Promotions	70	1,536
Amortization Expense Net (Note 2.2)	8,831	10,580
Bad Debt Expense	700	0
Capital Banking Expenses	3,686	1,050
Courier & Postage	193	259
Dues, Fees, Subscription	202	55
Fitness Centre	10,895	8,340
Fundraising Expense	6,352	3,038
Heating Oil	22,862	25,605
Insurance	7,085	6,723
Interest & Bank Charges	895	528
Janitor/Cleaning Supplies	35,794	26,342
Kitchen Supplies	1,384	1,094
Late Fees & Interest	197	164
Miscellaneous	564	362
Mortgage Interest	9,418	9,413
Office Supplies	2,925	2,967
Project Expenses	3,938	2,419
Professional Fees	351	450
Repair & Maintenance	19,395	12,834
Security	4,701	4,700
Small Tools & Equip.	1,947	1,380
Snow Removal, Mowing Operat.	462	532
Telephone,Internet	1,379	1,610
Utilities Power	12,079	10,827
UtilitiesWater,Sewr,Garb.	3,024	2,684
Website/Business Develop.	6,892	6,769
Payroll	38,362	38,622
EI Expense	874	892
CPP Expense	1,591	1,453
WCB Expense	485	321
HST Paid	5,392	8,833
TOTAL 2019 EXPENSES	223,360	200,502
2019 NET INCOME	(302)	17,931
ACCUMULATED SURPLUS/DEFICIT	(1,312)	(1,010)

Capital Report Year End December 31, 2019

Capital Revenues

At January 1, 2019, the Society held \$31,500 in Deferred Revenue Capital. As a result of significant Capital appeals through 2019, a total of \$112,906 was raised in order to fund Capital projects. In addition, two grants were received to support Capital Projects:

Province of Nova Scotia (Accessible Gym Entrance) \$10,000
Municipality of the District of Lunenburg (Art Room) \$3,500

Capital Spending

A total of \$156,774 was spent by the Society on Capital Projects in 2019:

Heather and David Abriel Room (Completed) \$6,040
New Exterior Siding on Degraded Surfaces of former Junior High Wing (Completed) \$32,423
Create Amos Family Community Art Studio (Completed) \$53,331
Create Accessible Gym Entrance (Completed) \$14,724
Initiate Work on C. Joseph Feeney Bell Tower & Library (In Progress) \$16,507
 General - Building \$13,381
 General - Equipment and Signage \$18,793
 General - Furniture and Equipment \$1,575

Capital Assets

	Rate	Cost	Accumulated Amortization	Net 2019	Net 2018
Office Equipment & Furniture	20%	28,856	22,751	6,106	9,112
Other Equipment & Signage	12.5%	123,809	67,158	56,651	38,579
Buildings	4%	811,259	199,481	611,778	510,508
Exterior Renovations	20%	19,368	16,226	3,141	4,188
Computers	30%	3,058	3,003	55	220
Parking Lot	17%	2,408	1,637	771	1,180
Total Cost of Assets		988,758	310,256	678,502	563,787

Balance Sheet Year End December 31, 2019

	2019	2018
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	63,097	46,872
Accounts receivable	14,754	4,465
	77,851	51,337
Capital Assets (Page 6)	678,502	563,787
Total Assets	756,353	615,124
 <u>Liabilities</u>		
Current Liabilities		
Accounts payable	24,781	17,031
HST payable	-	1,896
Deferred Revenue	11,345	50,323
Short term loans	-	-
	36,126	69,250
 Long Term Liabilities		
Mortgage Payable (Note 3)	243,275	192,166
Deferred Contributions (Note 2.2)	478,264	354,718
	721,539	546,884
Total Liabilities	757,665	616,134
Fund Balance, end of year	(1,312)	(1,010)
Liabilities and Equity	756,353	615,124

Notes to the Financial Statement Year end December 31, 2018

1. Nature of Operations

The Mahone Bay Centre Society is a registered charity operating under the Societies Act of Nova Scotia. It was incorporated on June 30, 2000 and was granted charitable status by Canada Revenue Agency in 2011. The Society owns and operates the community centre known as the Mahone Bay Centre located at 45 School Street, Mahone Bay, Nova Scotia.

2. Significant Accounting Policies

This financial statement has been prepared in accordance with Canadian generally accepted accounting principles (GAAP), and include the following significant accounting policies:

2.1 Revenue Recognition

Contributions and other payments are recognized in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Pledged contributions and grants not received are not recorded.

Restricted contributions and grants are recorded as Deferred Revenue when received and transferred to Revenue when the related expense is incurred. If the related expense is used to acquire a capital asset, the value of the deferred revenue contribution at the time of purchase is transferred to Deferred Contributions. Then as amortization of the capital item occurs, a proportional amount of deferred contributions is released to help balance the amount of the amortization in that year. In 2019 the net cost of amortization is calculated at \$8,831.

Total Amortization Expense (\$42,059)
Less Deferred Contributions Recognized (\$33,228)

2.2 Donated Services

The Society derives significant benefit from time and services donated by volunteers. These valuable contributions are not recorded in the Financial Statements.

2.3 Use of estimates

The preparation of financial statements, in conformity with Canadian GAAP, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statement, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from these estimates. Certain comparative amounts were adjusted for presentation purposes.

3. Mortgage Payable

A mortgage from the Royal Bank of Canada for a 10 year term was issued in 2010, secured with a charge against the buildings. The first 5-year term expired 31 December 2014 when the mortgage was renewed for one year at a rate of 3.46%.

At the close of 2015 the Society was negotiating a new 10 year mortgage to enable some needed service improvements and to rehabilitate the tower, the last portion of the old school to be refurbished since the Society acquired the facility in 2001. A mortgage for \$250,000 at a rate of 4.61% over five years was secured mid March 2016. This new mortgage yielded \$153,351 in cash to enable the needed capital improvements.

In 2019, a \$250,000 mortgage from the Royal Bank of Canada was reissued for a 10 year term, at a rate of 4.53% over five years. This new mortgage yielded \$71,098 in cash for capital improvements.