

Financial Statements

of

MAHONE BAY CENTRE SOCIETY

December 31, 2013

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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, 2013. We recommend them to the Annual General Meeting of the Society Members for approval.

Paul Seltzer,
Chairman of the Board

Michael Saker,
Treasurer

April 14, 2014

Statement of Operations Year Ended December 31

	2013	2012 (revised)
Revenue	\$	\$
Rental Income - Leases	98,582	86,274
Rental Income - Occasional	27,554	29,451
CentreFit (Net), see page 4	9,033	4,130
Seniors (Net), see page 4	4,139	6,135
Membership Fees	2,165	4,455
Donations	10,062	22,350
Fundraising Events	9,450	7,512
Grants Used in Current Year	20,090	4,986
Other	1,265	593
Sub Total	182,340	165,886
From Deferred Contributions - Capital	14,962	15,067
Total Revenue	197,302	180,953
 Expenditures		
Accounting	7,381	6,613
Bad Debts	150	175
Building Projects	22,318	14,936
Repair & Maintenance	13,530	11,682
Fundraising and Marketing	282	1,398
Heat	28,882	27,210
Insurance	4,725	4,687
Interest and Bank Charges	8,806	9,816
Janitorial	22,052	20,620
Office Expenses	10,008	9,026
Property Taxes	4,759	4,620
Utilities	10,369	9,874
Wages and Benefits	37,792	28,679
Sub Total	171,054	149,335
Amortization, Capital Assets	20,059	21,727
Total Expenditures	191,113	171,062
 Excess of Revenue over Expenditures	 6,189	 9,891

Balance Sheet as at December 31

	2013	2012
	\$	\$
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	38,873	57,455
Accounts receivable	4,767	1,578
	43,640	59,033
 Capital Assets (Note 3)	 351,937	 366,772
Total Assets	395,578	425,805
 <u>Liabilities</u>		
Current Liabilities		
Accounts payable	10,756	11,581
HST payable	1,144	3,219
Deferred Revenue	20,484	25,666
Current Portion of Mortgage	19,164	18,042
	51,548	58,508
 Long Term Liabilities		
Mortgage Payable - long term (Note 4)	114,375	133,579
Deferred Contributions (Note 2)	267,537	277,789
	381,912	411,368
Total Liabilities	433,460	469,876
 Fund Balance, end of year	 -37,882	 -44,071
	395,578	425,805

Seniors Program and Centre Fit Calculation of Net Revenues

These 2013 Financial Statements have revised the manner by which "internal" program delivery is presented. This applies to Centre Fit and Seniors Program. Below, the net revenue is calculated for each program and entered in the Statement of Operations at page 2. This method is employed to more accurately represent the financial impact of these programs as compared to the overall MBC operations. The data reported in the 2012 Financial Statements has been revised to match this new format.

	2013 \$	2012 \$
<u>Seniors</u>		
Revenue	7,477	10,922
Expenses*	3,338	4,787
Seniors Net Revenue	4,139	6,135
 <u>Centre Fit</u>		
Revenue	27,765	18,689
Expenses*	18,731	14,559
Centre Fit Net Revenue	9,033	4,130

Note * Centre Fit and Seniors are not charged rent

Mahone Bay Centre Society

Notes to the Financial Statement Year ended December 31, 2013

1. Nature of Operations

The Mahone Bay Centre Society is a registered not-for-profit society operating under the Societies Act of Nova Scotia and was incorporated on June 30, 2000.

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:

Fund Accounting

The Society follows the Restricted Fund method of accounting for contributions and grants. The financial statement reports all restricted and unrestricted capital and operating activities of the Society. The activities include revenue and expenditures related to the operations of the buildings, program activities, administration, and assets and liabilities of the Society.

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.

Donated Services

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

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.

3. Capital Assets

	Rate	Cost	Accumulated	Net 2013	Net 2012
			Amortization	Assets	Assets
Office Equipment	20%	4,128	2,644	1,484	1,855
Other Equipment	20%	37,085	18,661	18,424	21,465
Buildings	4%	392,913	66,544	326,367	336,306
Exterior Renovation	20%	14,132	8,851	5,281	6,601
Websites & Computers	30%	1,518	1,137	381	545
Total Cost of Assets		449,776	97,837	351,937	366,772

4. Mortgage Payable

A mortgage from Royal Bank for a 10 year term, was issued in 2010, secured with a charge against the buildings. Interest is payable at a fixed rate of 5.95% until December 2014, with blended monthly payments of \$2,216. The rate will be subject to revision in January 2015

The total outstanding at 31 December 2013 was \$133,579.

At 31 December 2014 the outstanding balance will be \$114,375