

Financial Statements

of

MAHONE BAY CENTRE SOCIETY

December 31, 2014

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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, 2014. We recommend them to the Annual General Meeting of the Society Members for approval.

Bryan Palfreyman
Vice Chairman of the Board of Directors

Michael Saker,
Treasurer

May 18, 2015

Statement of Operations Year Ended December 31

	2014	2013
Revenue	\$	\$
Rental Income - Leases	103,497	98,582
Rental Income - Occasional	25,176	27,554
CentreFit (Net), see page 4	13,460	9,033
Seniors (Net), see page 4	6,075	4,139
Membership Fees	-	2,165
Donations	11,684	10,062
Fundraising Events	28,710	9,450
Grants Used in Current Year	26,631	20,090
Other	1,391	1,265
	216,624	182,340
Sub Total	216,624	182,340
From Deferred Contributions - Capital, (Note 2.2)	18,207	14,962
	234,831	197,302
Total Revenue	234,831	197,302
 Expenditures		
Accounting	8,346	7,381
Bad Debts	0	150
Building Projects	6,501	22,318
Repair & Maintenance	16,695	13,530
Fundraising and Marketing	4,784	282
Heat	32,206	28,882
Insurance	5,764	4,725
Interest and Bank Charges	7,859	8,806
Janitorial	23,923	22,052
Office Expenses	10,130	8,085
Project Expenses	32,801	1,923
Property Taxes	4,758	4,759
Utilities	10,778	10,369
Wages and Benefits	38,775	37,792
	203,320	171,054
Sub Total	203,320	171,054
Amortization, Capital Assets, (Note 2.2)	25,305	20,059
	228,625	191,113
Total Expenditures	228,625	191,113
 Excess of Revenue over Expenditures	 6,206	 6,189

Balance Sheet as at December 31

	2014	2013
	\$	\$
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	55,881	38,873
Accounts receivable	4,679	4,767
	60,560	43,640
 Capital Assets (Note 3)	 338,664	 351,937
Total Assets	399,224	395,578
 <u>Liabilities</u>		
Current Liabilities		
Accounts payable	21,556	10,756
HST payable	2,759	1,144
Deferred Revenue	37,204	20,484
Current Portion of Mortgage	20,932	19,164
	82,451	51,548
 Long Term Liabilities		
Mortgage Payable - long term (Note 4)	93,449	114,375
Deferred Contributions (Note 2.2)	255,000	267,537
	348,449	381,912
 Total Liabilities	 430,900	 433,460
 Fund Balance, end of year	 -31,676	 -37,882
Liabilities and Equity	399,224	395,578

Seniors Program, Centre Fit and South Shore Helping Hands Pilot Project Calculation of Net Revenues

These 2014 Financial Statements continue the revised 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.

	2014 \$	2013 \$
<u>Seniors</u>		
Revenue	8,130	7,477
Expenses*	2,055	3,338
Seniors Net Revenue	6,075	4,139
 <u>Centre Fit</u>		
Revenue	26,110	27,765
Expenses*	12,650	18,731
Centre Fit Net Revenue	13,460	9,033

Note * Centre Fit and Seniors are not charged rent

South Shore Helping Hands Pilot Project

This \$82,000 project aims to spread the application of the MBC's successful Seniors Helping Seniors Project to other areas of Lunenburg and Queens counties. Funding to hire a coordinator for 15 months was obtained from: a \$54,000 federal grant; \$25,000 from SS Health; \$1,000 from United Way; and \$2,000 from the MBC. Since the project is revenue/expenses neutral (2014 expenses of **\$23,933.43** are offset by equivalent revenue from the project funding) and given that the expanded project is temporary and is outside the Centre's normal operations, its financial performance is not included in the Statement of Operations (page 2). \$1,166.57 of Cash and Deferred Revenue at year end 2014, shown in the Balance Sheet (page 3), is attributable to SSHH.

Mahone Bay Centre Society

Notes to the Financial Statement Year ended December 31, 2014

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:

2.1 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.

2.2 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.

2.3 Donated Services

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

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 2014	Net 2013
			Amortization	Assets	Assets
Office Equipment	20%	4,627	3,362	1,265	1,484
Other Equipment	20%	40,385	24,825	15,560	18,424
Buildings	4%	400,154	82,555	317,599	326,367
Exterior Renovation	20%	14,132	10,971	3,161	5,281
Websites & Computers	30%	2,509	1,431	1,078	381
Total Cost of Assets		461,808	123,144	338,663	351,937

4. Mortgage Payable

A mortgage from Royal Bank 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% with a blended monthly rate of \$2,046.60

The total outstanding at 31 December 2014 was \$114,381. At 31 December 2015 the outstanding balance will be \$93,449 when the mortgage again will be up for renewal.