

Financial Statements

of

MAHONE BAY CENTRE SOCIETY

December 31, 2015

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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, 2015. We recommend them to the Annual General Meeting of the Society Members for approval.

Michael Saker
Chairman, Board of Directors

Helen Steenburgh
Treasurer

Date
18-Apr-16

Statement of Operations Year Ended December 31

| Revenue | 2015 | 2014 |
|---|----------------|----------------|
| Rental Income - Leases | 97,475 | 103,497 |
| Rental Income - Occasional | 22,742 | 25,176 |
| CentreFit (Net), see page 4 | 13,455 | 13,460 |
| Seniors (Net), see page 4 | 3,944 | 6,075 |
| Donations | 6,253 | 11,684 |
| Fundraising Events | 13,452 | 28,710 |
| Grants Used in Current Year | 12,333 | 26,631 |
| Other | 2,431 | 1,391 |
| Sub Total | 172,085 | 216,624 |
| From Deferred Contributions - Capital, (Note 2.2) | 18,205 | 18,207 |
| Total Revenue | 190,290 | 234,831 |
| Expenditures | | |
| Accounting | 8,080 | 8,346 |
| Building Projects | 5,619 | 6,501 |
| Repair & Maintenance | 14,060 | 9,580 |
| Fundraising and Marketing | 2,542 | 4,784 |
| Heat | 27,608 | 32,206 |
| Insurance | 5,367 | 5,764 |
| Interest and Bank Charges | 3,993 | 7,859 |
| Janitorial | 25,754 | 23,923 |
| Office Expenses | 7,499 | 10,130 |
| Project Expenses | 3,822 | 32,801 |
| Property Taxes | 0 | 4,758 |
| Security | 5,931 | 7,115 |
| Utilities | 10,302 | 10,778 |
| Wages and Benefits | 38,431 | 38,775 |
| Sub Total | 159,008 | 203,320 |
| Amortization, Capital Assets, (Note 2.2) | 27,103 | 25,305 |
| Total Expenditures | 186,111 | 228,625 |
| Excess of Revenue over Expenditures | 4,178 | 6,206 |

Balance Sheet as at December 31

| | 2015 | 2014 |
|-----------------------------------|----------------|----------------|
| | \$ | \$ |
| <u>Assets</u> | | |
| Current Assets | | |
| Cash and cash equivalents | 41,073 | 55,881 |
| Accounts receivable | 18,536 | 4,679 |
| | 59,609 | 60,560 |
| Capital Assets (Note 3) | 411,761 | 338,664 |
| Total Assets | 471,370 | 399,224 |
| <u>Liabilities</u> | | |
| Current Liabilities | | |
| Accounts payable | 11,898 | 21,556 |
| HST payable | -5,626 | 2,759 |
| Deferred Revenue | 66,877 | 37,204 |
| Short term loans | 11,800 | 0 |
| | 84,949 | 61,519 |
| Long Term Liabilities | | |
| Mortgage Payable (Note 4) | 93,450 | 114,381 |
| Deferred Contributions (Note 2.2) | 320,469 | 255,000 |
| | 413,919 | 369,381 |
| Total Liabilities | 498,868 | 430,900 |
| Fund Balance, end of year | -27,498 | -31,676 |
| Liabilities and Equity | 471,370 | 399,224 |

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

These 2015 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.

| | 2015 \$ | 2014 \$ |
|-------------------------------|---------------|---------------|
| <u>Seniors</u> | | |
| Revenue | 6,821 | 8,130 |
| Expenses* | 2,877 | 2,055 |
| Seniors Net Revenue | 3,944 | 6,075 |
| <u>Centre Fit</u> | | |
| Revenue | 25,530 | 26,110 |
| Expenses* | 12,075 | 12,650 |
| Centre Fit Net Revenue | 13,455 | 13,460 |

Note: * As internal undertakings, Centre Fit and the Seniors Program are not charged rent.

South Shore Helping Hands Pilot Project

This \$82,000 pilot 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 (2015 expenses of \$57,295.55 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). The pilot project ended 12 Nov 2015 when the \$82,000 initial funding was all spent but the project has continued to year end and beyond through opportunity funding provided from a variety of sources. \$10,511.02 of Deferred Revenue at year end is reserved for this project.

Mahone Bay Centre Society

Notes to the Financial Statement

Year ended December 31, 2015

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 2015 | Net 2014 |
|----------------------|------|---------|--------------|----------|----------|
| | | | Amortization | Assets | Assets |
| Office Equipment | 20% | 27,281 | 3,756 | 23,525 | 1,265 |
| Other Equipment | 20% | 68,991 | 32,650 | 36,341 | 15,560 |
| Buildings | 4% | 446,686 | 99,901 | 346,785 | 317,599 |
| Exterior Renovation | 20% | 14,132 | 12,024 | 2,108 | 3,161 |
| Websites & Computers | 30% | 2,510 | 1,915 | 595 | 1,078 |
| Parking Lot | 17% | 2,407 | 0 | 2,407 | |
| Total Cost of Assets | | 562,006 | 150,246 | 411,761 | 338,663 |

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 2015 was \$93,449.93. At that time the Society was negotiating with the bank to remortgage the property for \$250,000 over 10 years to enable the Centre to pursue 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. The mortgage was secured in early 2016 for \$250,000 at a rate of 4.61% over a five year term.