

Financial Statements

of

MAHONE BAY CENTRE SOCIETY

December 31, 2016

Index to pages of the Financial Statements

Management Report	1
Statement of Operations	2
Balance Sheet	3
Seniors Program and Centre Fit	4
Notes to the Financial Statements	5,6

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, 2016. We recommend them to the Annual General Meeting of the Society Members for approval.

Michael Saker
Chairman, Board of Directors

Helen Steenburgh
Treasurer

Date
15-May-17

Statement of Operations Year Ended December 31

Revenue	2016	2015
Rental Income - Leases	96,067	97,475
Rental Income - Occasional	26,001	22,742
CentreFit (Net), see page 4	13,265	13,455
Seniors (Net), see page 4	6,057	3,944
Donations	15,837	6,253
Fundraising Events	25,340	13,452
Grants Used in Current Year	10,993	12,333
Other	778	2,431
Sub Total	194,338	172,085
From Deferred Contributions - Capital, (Note 2.2)	30,820	18,205
Total Revenue	225,158	190,290
Expenditures		
Accounting	10,540	8,080
Building Projects	955	5,619
Repair & Maintenance	20,047	14,060
Fundraising and Marketing	3,586	2,542
HST (adjustment)	13,482	
Heat	20,154	27,608
Insurance	6,367	5,367
Interest and Bank Charges	9,658	3,993
Janitorial	24,935	25,754
Office Expenses	8,531	7,499
Project Expenses	16,846	3,822
Security	4,486	5,931
Utilities	12,879	10,302
Wages and Benefits	37,175	38,431
Sub Total	189,643	159,008
Amortization, Capital Assets, (Note 2.2)	33,718	27,103
Total Expenditures	223,361.09	186,111
Excess of Revenue over Expenditures	1,797	4,178

Balance Sheet as at December 31, 2016

	2016	2015
	\$	\$
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	68,074	41,073
Accounts receivable	6,975	18,536.00
	75,049	59,609
Capital Assets (Note 3)		
	550,873	411,761
Total Assets	625,922	471,370
<u>Liabilities</u>		
Current Liabilities		
Accounts payable	18,004	11,898
HST payable	2,151	-5,626
Deferred Revenue	61,813	66,877
Short term loans	3,920	11,800
	85,888	84,949
Long Term Liabilities		
Mortgage Payable (Note 4)	234,997	93,450
Deferred Contributions (Note 2.2)	330,737	320,469
	565,734	413,919
Total Liabilities	651,623	498,868
Fund Balance, end of year	-25,701	-27,498
Liabilities and Equity	625,922	471,370

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

These 2016 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.

	2016 \$	2015 \$
<u>Seniors</u>		
Revenue	8,515	6,821
Expenses*	2,457	2,877
Seniors Net Revenue	6,057	3,944
 <u>Centre Fit</u>		
Revenue	22,737	25,530
Expenses*	9,471	12,075
Centre Fit Net Revenue	13,265	13,455

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

South Shore Helping Hands Project

This project to help seniors remain in their homes by providing assistance with minor chores and transportation needs continued throughout 2016 with funding provided by the provincial government and the Nova Scotia Health Authority to pay for a part time coordinator following completion of an earlier 15 month pilot project whose aim was to extend the service to other areas in Lunenburg and Queens counties. Since the project is revenue/expenses neutral (2016 expenses of \$29,632.31 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). \$26,759.26 of Deferred Revenue on page 3 at year end is reserved for this project.

Mahone Bay Centre Society

Notes to the Financial Statement

Year ended December 31, 2016

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 2016	Net 2015
			Amortization	Assets	Assets
Office Equipment	20%	27,281	8,682	18,600	23,525
Other Equipment	20%	89,826	40,474	49,352	36,341
Buildings	4%	598,132	119,109	479,023	346,785
Exterior Renovation	20%	14,132	13,078	1,054	2,108
Websites & Computers	30%	3,059	2,213	846	595
Parking Lot	17%	2,408	409	1,998	2,407
Total Cost of Assets		734,838	183,965	550,873	411,761

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

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.