

Financial Statements

of

MAHONE BAY CENTRE SOCIETY

December 31, 2017

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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, 2017. We recommend them to the Annual General Meeting of the Society Members for approval.

Michael Saker
Chairman, Board of Directors

Chris Heide
Treasurer

Date
15-May-18

Statement of Operations Year Ended December 31

Revenue	2017	2016
Rental Income - Leases	99,981	96,067
Rental Income - Occasional	30,117	26,001
CentreFit (Net), see page 4	13,733	13,265
Seniors (Net), see page 4	2,640	6,057
Donations	5,417	15,837
Fundraising Events	17,083	25,340
Grants Used in Current Year	5,554	10,993
HST (Rebait)	722	-
Other	1,355	778
Sub Total	176,602	194,338
From Deferred Contributions - Capital, (Note 2.2)	30,204	30,820
Total Revenue	206,806	225,158
Expenditures		
Accounting	8,255	10,540
Building Projects	-	955
Repair & Maintenance	15,670	20,047
Fundraising and Marketing	2,990	3,586
HST (adjustment)	-	13,482
Heat	20,528	20,154
Insurance	6,386	6,367
Interest and Bank Charges	10,876	9,658
Janitorial	25,488	24,935
Office Expenses	7,735	8,531
Project Expenses	2,806	16,846
Security	4,575	4,486
Utilities	13,375	12,879
Wages and Benefits	38,947	37,175
Sub Total	157,631	189,643
Amortization, Capital Assets, (Note 2.2)	42,416	33,718
Total Expenditures	200,047	223,361.09
Excess of Revenue over Expenditures	6,759	1,797

Balance Sheet as at December 31, 2017

	2017	2016
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	63,651	68,074
Accounts receivable	19,343	6,975
	82,994	75,049
Capital Assets (Note 3)	544,831	550,873
Total Assets	627,825	625,922
Liabilities		
Current Liabilities		
Accounts payable	22,142	18,004
HST payable	3,035	2,151
Deferred Revenue	74,865	61,813
Short term loans	1,040	3,920
	101,082	85,888
Long Term Liabilities		
Mortgage Payable (Note 4)	214,072	234,997
Deferred Contributions (Note 2.2)	331,613	330,737
	545,685	565,734
Total Liabilities	646,767	651,623
Fund Balance, end of year	(18,942)	(25,701)
Liabilities and Equity	627,825	625,922

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

These 2017 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.

	2017 \$	2016 \$
<u>Seniors</u>		
Revenue	2,814.00	8,515
Expenses*	174.00	2,457
Seniors Net Revenue	2,640	6,057
 <u>Centre Fit</u>		
Revenue	19,405.00	22,737
Expenses*	5,672.00	9,471
Centre Fit Net Revenue	13,733	13,265

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

South Shore Helping Hands Project

In June of this year the board of directors of the Mahone Bay Centre passed the Centre's Helping Hands operation over to the VON, including the majority of our volunteers. The program had evolved largely into a transportation service for seniors to attend mainly medical appointments. This is a core service already provided by the VON which is also able to operate over a wider area and is able to provide gas money and other services to their drivers. In January 2018 a cheque for \$6,316.59 --- the remainder of the funds supplied to the Centre by outside agencies to operate Helping Hands ---was passed to the VON.

Since the project was revenue/expenses neutral (2017 expenses of \$22,942.67 were offset by equivalent revenue from the project funding) and given that the program has been on a trial basis and is outside the Centre's normal operations, its financial performance is not included in the Statement of Operations (page 2).

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 2017	Net 2016
			Amortization		
Office Equipment	20%	27,281	13,539	13,742	18,600
Other Equipment	12.5%	89,826	50,843	38,983	49,352
Buildings	4%	629,271	144,374	484,897	479,023
Exterior Renovations	20%	19,368	14,132	5,236	1,054
Websites & Computers	30%	3,058	2,674	384	846
Parking Lot	17%	2,408	819	1,589	1,998
Total Cost of Assets		771,212	226,381	544,831	550,873

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.