

Financial Statements
of
MAHONE BAY CENTRE SOCIETY
December 31, 2022

Index to pages of the Financial Statements

Management Report	3
Statement of Profit & Loss	4
Capital Report	5
Balance Sheet	6
Notes to the Financial Statements	7 - 8

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 Financial Statements are to be approved on May 15, 2023 at the Annual General Meeting 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, 2022.

Dave Stephens, Chairman, Board of Directors

Shannon Seaboyer, Treasurer

May 15, 2023

Profit and Loss

Mahone Bay Centre Society

For the Year ended December 31, 2022

	31 Dec 22	31 Dec 21
Revenue		
CEWS Wage Subsidy	0	16,394
Donations	17,855	31,145
Fitness Centre	29,818	15,695
Fundraising	4,260	7,056
Grants/Subsidies	14,376	30,326
HST Collected	8,246	8,052
Rent Service Income	3,091	3,917
Rental leases	122,913	134,354
Rentals Gym	10,259	7,291
Rentals Short Term	9,262	16,315
Rural Riches	0	7,379
Total Revenue	220,080	277,923
Expenses		
Accounting & Legal	3,236	7,745
Advertising & Promotions	150	327
Courier & Postage	0	49
Depreciation Expense (Note 2)	20,726	21,403
Donations	60	0
Dues, Fees, Subscription	2,857	186
Electricity	9,595	12,829
Fitness Centre	2,347	1,835
Fundraising Expense	196	773
Heating Oil	28,472	26,332
Insurance	11,918	10,206
Interest & Bank Charges	1,546	1,595
Janitor & Cleaning	37,618	32,240
Kitchen Supplies	131	1,518
Miscellaneous	386	212
Mortgage Interest	8,862	10,569
Office Expense	8,374	4,634
Project Expenses	4,821	7,079
Repair & Maintenance	43,135	11,106
Security	3,864	4,080
Snow Removal & Mowing	2,207	2,075
Telephone & Internet	14,025	5,993
Training	0	896
Wages & Payroll	54,331	49,236
Water	2,186	2,347
Website & Business Development	2,039	2,074
Total Expenses	263,081	217,340
Net Income (Loss)	(43,001)	60,583

Capital Report Year End December 31, 2022

Capital Revenues

In 2022, capital revenues came from Efficiency Nova Scotia, the Atlantic Canada Opportunities Agency (ACOA), and private donations.

Two rebates of \$100,000 each were received from Efficiency Nova Scotia, and were used towards the installation of heat pumps and an energy efficient LED lighting upgrade.

Atlantic Canada Opportunities Agency (ACOA) provided funding of \$102,169.88 in 2022 which was given towards installing a geothermal heating and cooling system.

Personal Donations amounting to \$6,994 from three individuals were made for the specific purpose of installing basketball backboards in the gymnasium.

Capital Spending

A total of \$359,849 was spent by the Society on Capital Projects in 2022:

Building

Geothermal Heating & Cooling System	\$148,038
Heat Pumps	\$148,195
LED Lighting	\$45,267
Gender Neutral Bathroom	\$11,355

Note \$8,000 received as a grant from Department of Communities, Culture, and Heritage – Province of NS in 2021, project completed in 2022

Equipment and Signage

Basketball Backboards	\$6,994
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Balance Sheet

Mahone Bay Centre Society

For the Year ended December 31, 2022

	31 Dec 2022	31 Dec 2021
Assets		
Cash and Cash Equivalents	51,234	95,118
Restricted Cash (Note 3)	50,000	50,000
Accounts Receivable	1,985	11,653
HST Receivable	308	971
	<u>103,527</u>	<u>157,742</u>
Capital Assets	918,720	651,312
Total Assets	<u>1,022,247</u>	<u>809,055</u>
Liabilities		
Accounts Payable	11,351	16,663
Deffered Revenue	3,942	3,942
Deposits	3,710	3,910
Project Liability Holding	8,165	3,499
HST Payable	0	0
	<u>27,167</u>	<u>28,013</u>
CEBA Loan	50,000	50,000
Deffered Capital Contributions	747,929	468,611
Mortgage	190,175	212,453
	<u>988,104</u>	<u>731,065</u>
Total Liabilities	<u>1,015,271</u>	<u>759,078</u>
Net Assets		
Beginning Net Assets	49,977	(10,606)
Net Income (Loss)	(43,001)	60,583
Total Net Assets	<u>6,975</u>	<u>49,977</u>
Total Liabilities & Net Assets	<u>1,022,247</u>	<u>809,055</u>

Notes to the Financial Statement Year end December 31, 2022

1. Nature of Operations

The Mahone Bay Centre Society is a registered charity operating under the Societies Act of Nova Scotia. It was incorporated on June 30, 2000 and was granted charitable status by Canada Revenue Agency in 2011. 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

These financial statements include the following significant accounting policies:

2.1 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 depreciation of the capital item occurs, a proportional amount of deferred contributions is released to help balance the amount of the amortization in that year. In 2022 the net cost of amortization is calculated at \$20,726.

Total Depreciation Expense (\$50,573)
Less Deferred Contributions Recognized (\$29,847)

2.2 Donated Services

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

2.3 Use of estimates

The preparation of financial statements 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. Certain comparative amounts were adjusted for presentation purposes.

3. CEBA Loan

In response to the COVID-19 pandemic, in 2020 the Government of Canada established the Canada Emergency Business Account (CEBA) to provide low interest loans to Canadian small businesses and not-

for-profits. During 2020 the MBC Board of Directors approved applications to CEBA that resulted in a loan of \$60,000 to support Centre activities.

During 2021, \$10,000 of the CEBA loan was repaid.

On January 12, 2022, the Department of Finance announced it had extended the repayment deadline for CEBA loans to qualify for partial loan forgiveness to December 31, 2023. Repayment on or before the new deadline of December 31, 2023, will result in loan forgiveness of up to a third of the value of the loans (meaning up to \$20,000). Outstanding loans will subsequently convert to two-year term loans of 5 per cent per annum commencing on January 1, 2024, with the loans fully due by December 31, 2025.

The Board of Directors has approved a motion to restrict the use of \$50,000 of cash until it is determined whether the CEBA loan will be repaid or converted to a term loan.

4. Mortgage Payable

In 2019, a \$250,000 mortgage from the Royal Bank of Canada was reissued for a 10-year term, at a rate of 4.53% over five years.

As of December 31, 2022, the amount of \$190,175.16 remained owing on the Mahone Bay Centre mortgage with the Royal Bank of Canada.

5. Project Liability Holding

In November, 2021, the Mahone Bay Centre Society investigated and accepted a role with the Mahone Bay Father Christmas Festival. As a charitable organization, the MBC is able to receive and reimburse donations and sponsorships made to Father Christmas to provide tax receipts to charitable donors. In 2022, the MBC Society agreed to perform this same service to the South Shore Summer Theatre Program. This is shown on the balance sheet as 'Project Liability Holding' and is maintained separately from the MBC's donations.