

THE NEW MARINE CENTRE SOCIETY
Financial Statements
Year Ended September 30, 2016
(Unaudited)

THE NEW MARINE CENTRE SOCIETY
Index to Financial Statements
Year Ended September 30, 2016
(Unaudited)

	Page
REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 8



PEGGY YELLAND
& ASSOCIATES INC.
CHARTERED PROFESSIONAL ACCOUNTANTS

REVIEW ENGAGEMENT REPORT

To the Members of The New Marine Centre Society

I have reviewed the statement of financial position of The New Marine Centre Society as at September 30, 2016 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the company.

A review does not constitute an audit and, consequently, I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting standards for not-for-profit organizations.

Saanichton, British Columbia
November 28, 2016



PEGGY YELLAND & ASSOCIATES INC.
CHARTERED PROFESSIONAL ACCOUNTANT

THE NEW MARINE CENTRE SOCIETY

Statement of Financial Position

September 30, 2016

(Unaudited)

	2016	2015
ASSETS		
CURRENT		
Cash and short term deposits	\$ 256,090	\$ 294,339
Accounts receivable	4,346	5,115
Inventory	49,209	44,805
Goods and services tax recoverable	8,737	-
Prepaid expenses	14,100	12,685
	<u>332,482</u>	356,944
PROPERTY, PLANT AND EQUIPMENT <i>(Note 3)</i>	<u>2,821,637</u>	2,904,638
	<u>\$ 3,154,119</u>	\$ 3,261,582
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 39,176	\$ 23,230
Goods and services tax payable	-	284
Provincial sales tax payable	693	776
WCB payable	2,206	1,807
	<u>42,075</u>	26,097
NET ASSETS		
Operating fund	(328,287)	(295,170)
Capital fund	3,433,180	3,523,504
Endowment fund	7,151	7,151
	<u>3,112,044</u>	3,235,485
	<u>\$ 3,154,119</u>	\$ 3,261,582

ON BEHALF OF THE BOARD

THE NEW MARINE CENTRE SOCIETY
Statement of Revenues and Expenditures
For the Year Ended September 30, 2016
(Unaudited)

	2016	2015
REVENUES		
Admissions and rentals	\$ 571,114	\$ 599,733
Donations and grants	141,938	85,175
Operating grant - Town of Sidney	65,000	65,000
Gift shop sales, net of costs	52,037	77,646
Other revenue	43,409	18,885
Memberships	6,383	210
	<u>879,881</u>	<u>846,649</u>
EXPENDITURES		
Accounting and legal	9,565	8,734
Aquarium costs	29,303	22,018
Credit card charges	10,052	12,029
Education costs	11,321	6,121
Fundraising costs	10,012	3,081
Insurance	16,561	17,204
Interest and bank charges	2,103	2,960
Maintenance costs	86,906	55,177
Marketing	43,230	46,027
Oceaneer expenses	7,053	5,126
Office	11,396	10,850
Special projects	3,913	4,115
Telephone and utilities	77,392	75,044
Travel and automotive	4,873	2,778
Wages and benefits	592,004	568,963
	<u>915,684</u>	<u>840,227</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(35,803)</u>	<u>6,422</u>
OTHER INCOME (EXPENSES)		
Amortization	(90,324)	(216,807)
Gain on disposal of property, plant and equipment	2,686	-
	<u>(87,638)</u>	<u>(216,807)</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (123,441)</u>	<u>\$ (210,385)</u>

THE NEW MARINE CENTRE SOCIETY
Statement of Changes in Net Assets
Year Ended September 30, 2016
(Unaudited)

	Operating Fund	Capital Fund	Endowment Fund	2016	2015
NET ASSETS - BEGINNING OF YEAR	\$ (295,170)	\$ 3,523,504	\$ 7,151	\$ 3,235,485	\$ 3,445,870
Amortization	-	(90,324)	-	(90,324)	(216,807)
Excess (Deficiency) of revenues over expenditures from operations	(33,117)	-	-	(33,117)	6,421
Interest Income	-	-	-	-	-
Endowment Contribution	-	-	-	-	-
Transfer to the Victoria Foundation	-	-	-	-	-
NET ASSETS - END OF YEAR	\$ (328,287)	\$ 3,433,180	\$ 7,151	\$ 3,112,044	\$ 3,235,484

THE NEW MARINE CENTRE SOCIETY
Statement of Cash Flow
Year Ended September 30, 2016
(Unaudited)

	2016	2015
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (123,441)	\$ (210,385)
Items not affecting cash:		
Amortization of property, plant and equipment	90,324	216,807
Gain on disposal of property, plant and equipment	(2,686)	-
	<u>(35,803)</u>	<u>6,422</u>
Changes in non-cash working capital:		
Accounts receivable	769	13,742
Inventory	(4,404)	13,882
Accounts payable	15,946	(548)
Prepaid expenses	(1,415)	1,547
Goods and services tax payable	(9,021)	14,084
Provincial sales tax payable (recoverable)	(83)	(70)
WCB payable	399	(68)
	<u>2,191</u>	<u>42,569</u>
Cash flow from (used by) operating activities	<u>(33,612)</u>	<u>48,991</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,637)	(4,082)
Proceeds on disposal of property, plant and equipment	7,000	-
Cash flow used by investing activities	<u>(4,637)</u>	<u>(4,082)</u>
FINANCING ACTIVITIES		
Transfer from Endowment Fund to the Victoria Foundation	-	-
Donation, interest and grant income (Capital Fund)	-	-
Contribution to Endowment Fund	-	-
Cash flow from financing activities	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	(38,249)	44,909
Cash - beginning of year	<u>294,339</u>	<u>249,430</u>
CASH - END OF YEAR	\$ 256,090	\$ 294,339

THE NEW MARINE CENTRE SOCIETY

Notes to Financial Statements

Year Ended September 30, 2016

(Unaudited)

1. PURPOSE OF THE COMPANY

The New Marine Centre Society is a not-for-profit organization incorporated in British Columbia under the Society Act and is a registered charity under the Income Tax Act. The Society is a non-taxable entity. The Board is comprised of a wide spectrum of community educators, scientists and business people. The Board has developed an Ocean Discovery Centre as a high-quality destination attraction and community asset. The primary goal of the Centre is to promote public awareness of the marine environment through exhibits, a teaching centre, public lectures and tours.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Inventory

Inventory is valued at the lower of cost and replacement value with the cost being determined on a first-in, first-out basis.

Fund accounting

The Operating Fund reports the revenue and expenses related to the operation of the Shaw Ocean Discovery Centre.

The Capital Fund reports the Society's non-operating activities, such as amortization and interest income.

The Endowment Fund was established by the Society to support education programs offered by the Shaw Ocean Discovery Centre. These funds are internally restricted and only the income earned by the funds may be allocated for expenditure by the Board.

(continues)

THE NEW MARINE CENTRE SOCIETY

Notes to Financial Statements

Year Ended September 30, 2016

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The New Marine Centre Society follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Revenues from admissions, gift shop sales and memberships are recognized when received.

Revenues from rentals are recognized when the rental takes place.

Volunteers contribute many hours per year to the Society (Note 4). Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Donations in kind are recorded at their fair market value when the goods are received.

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization. Property, plant and equipment is amortized over its estimated useful life at the following rates and methods:

Ocean Discovery Centre Facility	5 - 30 years	straight-line method
Automotive	30%	declining balance method
Furniture and fixtures	20%	declining balance method

There is no amortization being taken on artwork.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

THE NEW MARINE CENTRE SOCIETY
Notes to Financial Statements
Year Ended September 30, 2016
(Unaudited)

3. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Ocean Discovery Centre Facility	\$ 4,215,990	\$ 1,418,020	\$ 2,797,970	\$ 2,880,490
Automotive	-	-	-	4,314
Furniture and fixtures	28,166	9,262	18,904	19,834
Artwork	4,763	-	4,763	-
	\$ 4,248,919	\$ 1,427,282	\$ 2,821,637	\$ 2,904,638

There is no amortization taken on artwork.

4. VOLUNTEER HOURS

The ongoing operations of the Society are greatly assisted by the generous donation of time by around 136 listed volunteers. The value of this donation at a conservative rate of \$10.45 per hour would be \$100,623 (2015 - \$113,682 @ \$10.25 per hour).

5. VICTORIA FOUNDATION ENDOWMENT

During the 2012 fiscal year the Society was invited to establish a permanent endowment fund with the Victoria Foundation. The Ocean Discovery Fund will be held in perpetuity by the Foundation and a portion of the income earned by the fund will be returned to the Society to support activities as determined by the Board. An initial contribution of \$7,500 from funds already held by the Society for endowment purposes was transferred to the Victoria Foundation and matched equally by the Foundation. In 2014 the Society made a further contribution of \$2,500 from designated endowment funds to the Foundation. The Foundation provided a matching contribution of \$2,500. The market value of the endowment funds held by the Foundation at September 30, 2016, including earned interest, is \$37,834. Future donations designated to this permanent fund to support the Society will be welcomed by the Victoria Foundation.

6. PREMISES LEASE

The Society has a lease agreement (dated September 1, 2007) with the Town of Sidney for use of town-owned space in The Sidney Pier Hotel and Spa (approximately 10,000 square feet), at a rate of \$5.00 for 20 years.

7. COMPARATIVE AMOUNTS

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.