

THE NEW MARINE CENTRE SOCIETY
Financial Statements
Year Ended September 30, 2014
(Unaudited)

THE NEW MARINE CENTRE SOCIETY
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Year Ended September 30, 2014
(Unaudited)

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PEGGY YELLAND
& ASSOCIATES INC.
CERTIFIED GENERAL ACCOUNTANT

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, 2014 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 inquiry, analytical procedures and discussion related to information supplied to us 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 accounting standards for not-for-profit organizations.

Saanichton, British Columbia
December 2, 2014

PEGGY J. YELLAND
CERTIFIED GENERAL ACCOUNTANT

THE NEW MARINE CENTRE SOCIETY

Statement of Financial Position

September 30, 2014

(Unaudited)

	<i>September 30</i> 2014	<i>September 30</i> 2013
ASSETS		
CURRENT		
Cash	\$ 249,430	\$ 304,042
Accounts receivable	18,857	38,310
Goods and services tax recoverable	13,800	6,172
Inventory	58,687	71,122
Prepaid expenses	14,232	15,702
	355,006	435,348
PROPERTY, PLANT AND EQUIPMENT <i>(Note 3)</i>	3,117,363	3,324,943
	\$ 3,472,369	\$ 3,760,291
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 11,410	\$ 28,635
Provincial sales tax payable	846	604
Employee deductions payable	14,243	20,562
	26,499	49,801
NET ASSETS		
Operating Fund	(301,592)	(250,110)
Capital Fund	3,740,311	3,951,485
Endowment Fund	7,151	9,115
	3,445,870	3,710,490
	\$ 3,472,369	\$ 3,760,291

ON BEHALF OF THE BOARD

THE NEW MARINE CENTRE SOCIETY
Statement of Revenues and Expenditures
Year Ended September 30, 2014
(Unaudited)

	2014	2013
REVENUES		
Admissions and rentals	\$ 610,167	\$ 582,508
Gift shop sales, net of costs	78,754	70,385
Donations and grants	59,799	69,950
Operating grant - Town of Sidney	42,600	42,600
Other revenue	18,420	23,826
Memberships	3,666	4,906
Donations from TD Bank Group	-	25,000
	<u>813,406</u>	<u>819,175</u>
EXPENDITURES		
Accounting and legal	10,630	10,057
Aquarium costs	18,187	18,491
Credit card charges	13,376	12,638
Education costs	9,539	11,208
Fundraising costs	458	8,620
Insurance	16,250	17,061
Interest and bank charges	3,564	2,889
Maintenance costs	58,248	71,368
Marketing	79,552	83,245
Oceaneer expenses	8,375	3,517
Office	14,081	14,930
Special projects	8,256	949
Telephone and utilities	68,332	70,737
Travel and automotive	2,857	2,981
Wages and benefits	553,183	588,653
	<u>864,888</u>	<u>917,344</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES FROM OPERATIONS	(51,482)	(98,169)
OTHER INCOME (EXPENSES)		
Amortization	<u>(212,642)</u>	<u>(213,774)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ (264,124)	\$ (311,943)

THE NEW MARINE CENTRE SOCIETY
Statement of Changes in Net Assets
Year Ended September 30, 2014
(Unaudited)

	Operating Fund	Capital Fund	Endowment Fund	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ (250,110)	\$ 3,951,485	\$ 9,115	\$ 3,710,490	\$ 4,022,371
Amortization	-	(212,642)	-	(212,642)	(213,774)
Deficiency of revenues over expenditures from operations	(51,482)	-	-	(51,482)	(98,169)
Interest income	-	1,468	-	1,468	2,562
Endowment Contribution	-	-	536	536	-
Transfer to the Victoria Foundation	-	-	(2,500)	(2,500)	(2,500)
NET ASSETS - END OF YEAR	\$ (301,592)	\$ 3,740,311	\$ 7,151	\$ 3,445,870	\$ 3,710,490

THE NEW MARINE CENTRE SOCIETY

Statement of Cash Flows

Year Ended September 30, 2014

(Unaudited)

	2014	2013
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	\$ (264,124)	\$ (311,942)
Item not affecting cash:		
Amortization of property, plant and equipment	<u>212,642</u>	213,774
	<u>(51,482)</u>	<u>(98,168)</u>
Changes in non-cash working capital:		
Accounts receivable	19,453	(10,733)
Inventory	12,435	(7,350)
Accounts payable	(17,223)	9,527
Prepaid expenses	1,470	(3,120)
Goods and services tax payable (recoverable)	(7,628)	65,611
Provincial sales tax payable (recoverable)	242	604
Employee deductions payable	<u>(6,319)</u>	<u>(1,148)</u>
	<u>2,430</u>	<u>53,391</u>
Cash flow used by operating activities	<u>(49,052)</u>	<u>(44,777)</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,064)	(8,775)
Proceeds on disposal of property, plant and equipment	<u>-</u>	<u>1,990</u>
Cash flow used by investing activities	<u>(5,064)</u>	<u>(6,785)</u>
FINANCING ACTIVITIES		
Transfer from Endowment Fund to the Victoria Foundation	(2,500)	(2,500)
Donation, interest and grant income (Capital Fund)	1,468	2,562
Contribution to Endowment Fund	<u>536</u>	<u>-</u>
Cash flow from (used by) financing activities	<u>(496)</u>	<u>62</u>
DECREASE IN CASH FLOW	(54,612)	(51,500)
Cash - beginning of year	<u>304,042</u>	<u>355,542</u>
CASH - END OF YEAR	\$ 249,430	\$ 304,042

THE NEW MARINE CENTRE SOCIETY

Notes to Financial Statements

Year Ended September 30, 2014

(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

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 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.

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.

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.

(continues)

THE NEW MARINE CENTRE SOCIETY

Notes to Financial Statements

Year Ended September 30, 2014

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

3. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Ocean Discovery Centre Facility	\$ 4,233,200	\$ 1,122,000	\$ 3,111,200	\$ 3,316,138
Automotive	24,829	18,666	6,163	8,805
	<u>\$ 4,258,029</u>	<u>\$ 1,140,666</u>	<u>\$ 3,117,363</u>	<u>\$ 3,324,943</u>

4. VOLUNTEER HOURS

The ongoing operations of the Society are greatly assisted by the generous donation of time by around 128 listed volunteers. The value of this donation at a conservative rate of \$10.25 per hour would be \$107,953 (2013 - \$128,453).

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, 2014, including earned interest, is \$30,323. Future donations designated to this permanent fund to support the Society will be welcomed by the Victoria Foundation.

THE NEW MARINE CENTRE SOCIETY

Notes to Financial Statements

Year Ended September 30, 2014

(Unaudited)

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.