

**THE NEW MARINE CENTRE SOCIETY**  
**Financial Statements**  
**Year Ended September 30, 2015**  
*(Unaudited)*

**THE NEW MARINE CENTRE SOCIETY**  
**Index to Financial Statements**  
**Year Ended September 30, 2015**  
*(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, 2015 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 principles.

Saanichton, British Columbia  
December 3, 2015

  
PEGGY YELLAND & ASSOCIATES INC  
CHARTERED PROFESSIONAL ACCOUNTANT

**THE NEW MARINE CENTRE SOCIETY**  
**Statement of Financial Position**  
**September 30, 2015**  
*(Unaudited)*

	2015	2014
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 294,339	\$ 249,430
Accounts receivable	5,115	18,857
Inventory	44,805	58,687
Goods and services tax recoverable	-	13,800
Prepaid expenses	12,685	14,232
	<u>356,944</u>	355,006
PROPERTY, PLANT AND EQUIPMENT <i>(Note 3)</i>	<u>2,904,638</u>	3,117,363
	<u>\$ 3,261,582</u>	<u>\$ 3,472,369</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 13,037	\$ 11,410
Goods and services tax payable	284	-
Provincial sales tax payable	776	846
Employee deductions payable	12,000	14,243
	<u>26,097</u>	26,499
<b>NET ASSETS</b>		
Operating fund	(295,170)	(301,592)
Capital fund	3,523,504	3,740,311
Endowment fund	7,151	7,151
	<u>3,235,485</u>	3,445,870
	<u>\$ 3,261,582</u>	<u>\$ 3,472,369</u>

ON BEHALF OF THE BOARD

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**PEGGY YELLAND**  
 & ASSOCIATES INC.  
 CERTIFIED GENERAL ACCOUNTANT

**THE NEW MARINE CENTRE SOCIETY**  
**Statement of Revenues and Expenditures**  
**For the Year Ended September 30, 2015**  
*(Unaudited)*

	2015	2014
<b>REVENUES</b>		
Admissions and rentals	\$ 599,733	\$ 610,167
Gift shop sales, net of costs	77,646	78,754
Donations and grants	85,175	59,799
Operating grant - Town of Sidney	65,000	42,600
Other revenue	18,885	18,420
Memberships	210	3,666
	<u>846,649</u>	<u>813,406</u>
<b>EXPENDITURES</b>		
Accounting and legal	8,734	10,630
Aquarium costs	22,018	18,187
Credit card charges	12,029	13,376
Education costs	6,121	9,539
Memberships	1,663	-
Fundraising costs	3,081	458
Insurance	17,204	16,250
Interest and bank charges	2,960	3,564
Maintenance costs	55,177	58,248
Marketing	44,364	79,552
Oceaneer expenses	5,126	8,375
Office	10,850	14,081
Special projects	4,115	8,256
Telephone and utilities	75,044	68,332
Travel and automotive	2,778	2,857
Wages and benefits	568,963	553,183
	<u>840,227</u>	<u>864,888</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>6,422</b>	<b>(51,482)</b>
<b>OTHER INCOME (EXPENSES)</b>		
Amortization	<u>(216,807)</u>	<u>(212,642)</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (210,385)</b>	<b>\$ (264,124)</b>

**THE NEW MARINE CENTRE SOCIETY**  
**Statement of Changes in Net Assets**  
**Year Ended September 30, 2015**  
*(Unaudited)*

	Operating Fund	Capital Fund	Endowment Fund	<b>2015</b>	2014
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ (301,592)	\$ 3,740,311	\$ 7,151	<b>\$ 3,445,870</b>	\$ 3,710,490
Amortization	-	(216,807)	-	<b>(216,807)</b>	(212,642)
Excess (Deficiency) of revenues over expenditures from operations	6,422	-	-	<b>6,422</b>	(51,482)
Interest Income	-	-	-	-	1,468
Endowment Contribution	-	-	-	-	536
Transfer to the Victoria Foundation	-	-	-	-	(2,500)
<b>NET ASSETS - END OF YEAR</b>	<b>\$ (295,170)</b>	<b>\$ 3,523,504</b>	<b>\$ 7,151</b>	<b>\$ 3,235,485</b>	<b>\$ 3,445,870</b>



**THE NEW MARINE CENTRE SOCIETY**  
**Statement of Cash Flow**  
**Year Ended September 30, 2015**  
*(Unaudited)*

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (210,385)	\$ (264,124)
Item not affecting cash:		
Amortization of property, plant and equipment	216,807	212,642
	<u>6,422</u>	<u>(51,482)</u>
Changes in non-cash working capital:		
Accounts receivable	13,742	19,453
Inventory	13,882	12,435
Accounts payable	1,627	(17,223)
Prepaid expenses	1,547	1,470
Goods and services tax payable	14,084	(7,628)
Provincial sales tax payable (recoverable)	(70)	242
Employee deductions payable	<u>(2,243)</u>	<u>(6,319)</u>
	<u>42,569</u>	<u>2,430</u>
Cash flow from (used by) operating activities	<u>48,991</u>	<u>(49,052)</u>
<b>INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	<u>(4,082)</u>	<u>(5,064)</u>
<b>FINANCING ACTIVITIES</b>		
Transfer from Endowment Fund to the Victoria Foundation	-	(2,500)
Donation, interest and grant income (Capital Fund)	-	1,468
Contribution to Endowment Fund	<u>-</u>	<u>536</u>
Cash flow used by financing activities	<u>-</u>	<u>(496)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>44,909</b>	<b>(54,612)</b>
Cash - beginning of year	<u>249,430</u>	<u>304,042</u>
<b>CASH - END OF YEAR</b>	<b>\$ 294,339</b>	<b>\$ 249,430</b>

# THE NEW MARINE CENTRE SOCIETY

## Notes to Financial Statements

Year Ended September 30, 2015

(Unaudited)

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### 1. PURPOSE OF THE SOCIETY

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.

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### 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.

#### 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, 2015**  
*(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 and 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

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	2015 Net book value	2014 Net book value
Ocean Discovery Centre Facility	\$ 4,212,490	\$ 1,332,000	\$ 2,880,490	\$ 3,090,490
Automotive	24,829	20,515	4,314	6,163
Furniture and fixtures	24,792	4,958	19,834	20,710
	<u>\$ 4,262,111</u>	<u>\$ 1,357,473</u>	<u>\$ 2,904,638</u>	<u>\$ 3,117,363</u>

4. VOLUNTEER HOURS

The ongoing operations of the Society are greatly assisted by the generous donation of over 11,000 hours of time by our 128 volunteers. The value of this donation at a conservative rate of \$10.25 per hour would be \$113,682 (2014 - \$107,953).

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. The market value of the endowment funds held by the Foundation at September 30, 2015, including earned interest, is \$35,361. 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, 2015**

*(Unaudited)*

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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.

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