

Hubbards Barn Association
Financial Statements
Unaudited

For the year ended December 31, 2016

Hubbards Barn Association

Financial Statements

Unaudited

For the year ended December 31, 2016

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REVIEW ENGAGEMENT REPORT

To the Members of the Hubbards Barn Association:

I have reviewed the statement of financial position of Hubbards Barn Association as at December 31, 2016 and the statements of operations, changes in net assets and cash flow for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and consisted primarily of inquiry, analytical procedures and discussion related to information supplied to me by the association.

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.

Hubbards, Nova Scotia
March 20, 2017



Chartered Professional Accountant
Licensed Public Accountant

Hubbards Barn Association

Statement of Financial Position

Unaudited

As at December 31, 2016

	Dec. 31 2016	Dec. 31 2015
Assets		
Current Assets:		
Petty cash	\$ -	\$ 25
Cash	49,960	58,196
Prepaid Expenses	279	
HST receivable		1,076
	<u>50,239</u>	<u>59,297</u>
Investments (Note 3)	7,135	7,131
Capital assets (Note 4)	179,238	169,158
Total Assets	236,612	235,586
Liabilities		
Current Liabilities		
Accounts payable & Accrued Liabilities	\$ 2,393	\$ 805
Damage deposits	12,500	9,910
	<u>14,893</u>	<u>10,715</u>
Restricted capital contributions (Note 6)	4,248	25,100
Deferred capital contributions (Note 5)	168,505	161,253
	<u>172,753</u>	<u>186,353</u>
Net Assets		
Internally restricted net assets (Note 7)	24,000	6,379
Unrestricted net assets	24,966	32,139
	<u>48,966</u>	<u>38,518</u>
Total Liabilities and Net Assets	\$ 236,612	\$ 235,586

Hubbards Barn Association

Statement of Net Assets

Unaudited

For the Year Ended December 31, 2016

	2016	2015
Net Assets, beginning of period	\$ 38,518	\$ 23,326
Excess of Revenue over expenditures	10,448	15,192
Net Assets, End of Period	48,966	38,518
Allocation of Net Assets, end of period		
Internally Restricted Net Assets (Note 7)	24,000	6,379
Unrestricted Net Assets	24,966	32,139
Net Assets, end of period	\$ 48,966	\$ 38,518

Hubbards Barn Association

Statement of Operations

Unaudited

For the Year Ended December 31, 2016

	Current (12 months)	Budget 2016	Prior Year 2015
Revenues			
Barn rental (Appendix 1)	\$ 33,318	\$ 25,000	\$ 29,578
Farmer's market (Appendix 1)	26,744	25,000	23,932
Fundraising events (Appendix 1)	8,645	12,000	11,243
Membership fees (Note 10)	1,220	750	600
Merchandise sales (Note 8)	686	1,500	590
Donations	251	400	845
Miscellaneous income	248		104
Interest	4	15	6
Gov't grants & funding (Canada Summer Jobs grant)		3,500	3,117
Other Grants		1,000	
Amortization of deferred capital contributions (Note 5)	13,850		12,247
Total revenues	84,966	69,165	82,262
Expenditures			
Farmer's market (Appendix 1)	19,408	22,600	18,047
Barn rental (Appendix 1)	13,011	6,800	6,949
Repairs, supplies and maintenance (Note 9)	11,203	14,000	9,998
Insurance	5,260	5,150	5,092
Fundraising costs (Appendix 1)	3,356	3,000	2,878
Utilities (Electricity)	1,340	1,700	1,516
Rent property	1,200	1,200	1,200
Accounting fees	700	800	700
Cost of merchandise (Note 8)	612	1,200	
Office supplies, courier and postage	591	400	306
Property taxes	578	700	599
Annual AGM	528	450	452
Fire, alarm, security	375	800	840
Gardens & landscape	345	500	38
Telephone	300	100	100
Barn décor	267	600	331
Advertising	215		
Snow clearing	180	500	610
Business fees and licenses	131	250	137
Web hosting fees	108	150	108
Interest and bank charges	78	100	97
Wages and benefits		4,800	3,921
Honorariums		1,800	
Annual Hubbards Parade		300	195
Donations		100	110
Mileage		100	
Amortization of leaseholds (Note 4)	14,732		12,847
Total expenditures	74,518	68,100	67,071
Excess of Revenues Over Expenditures	\$ 10,448	\$ 1,065	\$ 15,192

Hubbards Barn Association

Statement of Cash Flow

Unaudited

For the Year Ended December 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 10,448	\$ 15,192
Non cash items:		
Add Amortization of leaseholds	14,732	12,847
Deduct Amortization of deferred capital contributions	(13,850)	(12,247)
	<u>11,330</u>	<u>15,792</u>
Increase (Decrease) in cash received from damage deposits	2,590	(3,090)
Increase in investments	(4)	(6)
Increase (Decrease) in accounts payable	1,588	-
(Increase) Decrease in accounts receivable	1,076	2,226
(Increase) Decrease in prepaid expenses	(279)	
Cash flow from operating activities	<u>16,301</u>	<u>14,922</u>
FINANCING ACTIVITIES		
Increase in restricted capital contributions	250	26,000
Cash flow from financing activities	<u>250</u>	<u>26,000</u>
INVESTING ACTIVITIES		
Increase in capital assets	(24,812)	(6,890)
Cash flow used by investing activities	<u>(24,812)</u>	<u>(6,890)</u>
Increase in cash flow	(8,261)	34,032
Cash, beginning of year	58,221	24,189
Cash, end of year	<u>\$ 49,960</u>	<u>\$ 58,221</u>

Hubbards Barn Association

Notes to Financial Statements

Unaudited

For the year ended December 31, 2016

1. Purpose of the Organization

The Hubbards Barn Association is a not-for-profit organization dedicated to the betterment of Hubbards, Nova Scotia and surrounding area. Its purpose is to promote the Hubbards Farmers' Market and the Barn with its land for community activities, and to maintain and improve the building and property while retaining its heritage value. The Hubbards Barn Association was incorporated on January 27, 2004.

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.

Capital Assets

Leasehold Improvements are recorded at cost or if contributed they are recorded at fair value at the date of contribution. Leasehold Improvements are amortized on a straight line basis over the lease period of 25 years, the period of the lease with the Aspotogan Heritage Trust Society. Amortization expense is recorded in the Statement of Operations.

Deferred Capital Contributions

Deferred capital contributions are related to the cost of the capital assets and are amortized on a straight line basis over the lease period of 25 years, the period of the lease with the Aspotogan Heritage Trust Society. Amortization revenue is recorded in the Statement of Operations.

Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions related to capital assets are recorded as increases in net assets invested in capital assets.

Unrestricted contributions are recognized as revenue when received or receivable if amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed Services

Volunteers contribute about 1,500 hours per year to assist the Hubbards Barn Association in carrying out its operating activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Hubbards Barn Association
Notes to Financial Statements
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For the year ended December 31, 2016

3. Investments

The Hubbards Barn Association has an investment account with the Bank of Nova Scotia for investing in Guaranteed Investment Certificates. For the years ended 2016 and 2015 only cash was held in this account. The annual interest earned has been taken into revenue in the current year.

4. Capital Assets

	Cost		Amortization		Net Book Value	
	Year	Prior	Year	Prior	Year	Prior
Leasehold Improvements	\$ 314,583	\$ 289,771	\$ 135,345	\$ 120,613	\$ 179,238	\$ 169,158

Amortization Expense for 2016 - \$14,732 and 2015 - \$12,847.

5. Deferred Capital Contributions

	Original Amount		Amortization		Carrying Value	
	Year	Prior	Year	Prior	Year	Prior
Balances	\$ 303,396	\$ 282,595	\$ 135,191	\$ 121,342	\$ 168,505	\$ 161,253

Amortization Revenue for 2016 - \$13,850 and 2015 - \$12,247.

6. Restricted Capital Contributions

	2016	2015
Capital Improvement Project, opening balance	\$ 25,100	\$ -
Contributions received:		
J.D. Shatford Memorial Trust		24,000
Municipality of Chester	250	2,000
	<u>25,350</u>	<u>26,000</u>
Approved project expenditures	21,102	900
Capital Improvement Project, closing balance	\$ 4,248	\$ 25,100

Hubbards Barn Association
Notes to Financial Statements
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For the year ended December 31, 2016

7. Internally Restricted Net Assets

The internally restricted amounts are not available for unrestricted purpose without approval of the Board of Directors.

	2016	2015
Meadow Project, opening balance	\$ 2,379	\$ 2,379
Increase for Pavilion Project	17,621	
Meadow Pavilion Project, Closing Balance (Note 12)	20,000	2,379
Capital Improvement Project	4,000	4,000
Internally restricted net assets, closing balance	\$ 24,000	\$ 6,379

8. Merchandise sales and associated costs

	2016	Budget	2015
Merchandise Sales	\$ 686	\$ 1,500	\$ 590
Merchandise Costs	612	1,200	
Net Proceeds	\$ 74	\$ 300	\$ 590

It is the Hubbards Barn Association's policy to expense merchandise when purchased. At December 31, 2016 the value of inventory on hand was \$100 at cost.

9. Breakdown of Repairs, Supplies & Maintenance

	2016	2015
Plumbing, electrical & yard repairs	\$ 2,051	\$ 1,463
Grounds & Building Maintenance	7,609	6,656
Maintenance supplies & services	1,543	1,879
Total	\$ 11,203	\$ 9,998

10. Membership Fees

	2016	Budget	2015
Membership Fees from market vendors	\$ 875	\$ -	\$ -
Membership Fees from general public	345		
Total	\$ 1,220	\$ 750	\$ 600

In 2015, \$575 in Membership Fees were paid by market vendors and included in Farmers' Market Revenue.

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Notes to Financial Statements
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For the year ended December 31, 2016

11. Financial Instruments

Fair Value

The fair value of cash, accounts receivables, accounts payable and damage deposits approximate their carrying amount because of the short-term nature of these investments.

Nature and extent of risks arising from financial instruments

The Hubbards Barn Association maximum credit risk for the year ended December 31, 2016 was \$57,095 (prior year \$66,428), which is the total of its cash on deposit, accounts receivable and investments at the respective year ends. This is a very unlikely, worst case scenario that assumes that all creditors default on their obligations and that the Hubbards Barn Association is unable to recover any funds through legal action or other collection activity.

12. Subsequent Events

On January 13, 2017, a letter dated December 27, 2016 was received from J.P. Morgan Chase Bank N.A., Trustee of the J.D. Shatford Memorial Trust, approving a grant of USD \$41,800 (CAD \$53,776) for costs associated with the construction of a pavilion. A cheque in the amount of the full grant was received with the same letter and was deposited on January 16, 2017, the date the Grant Agreement was signed.

As per Note 7, Hubbards Barn Association has set aside \$20,000 of its own funds for this project. The estimated cost for the project is in the order of \$74,000.

Hubbards Barn Association

Appendix 1: Statement of Operations by Activity

Unaudited

For the Year Ended December 31, 2016

	Barn Rentals Budget			Farmers Market Budget		
	2016	2016	2015	2016	2016	2015
Revenues						
Revenues	\$ 33,318	\$ 25,000	\$ 29,578	\$ 26,744	\$ 25,000	\$ 23,932
Grants	-	-	-	-	-	-
Total Revenues	33,318	25,000	29,578	26,744	25,000	23,932
Expenses						
Special Promotion/Celebration						239
Management services				14,883	16,500	11,624
Maintenance, Janitorial & Security cost	10,722	5,500	5,824	730	1,450	1,450
Event rental fees - cooler		300	275			
Musicians				1,375	1,450	1,450
Advertising and promotion	570			995	1,500	1,987
Supplies, courier and postage	228	100		243	250	
Business fees and licenses	1,157	800	850	1,152	1,100	1,000
Barn bucks				30	100	135
Barn décor		100			250	
Miscellaneous	334					163
Total Expenses	13,011	6,800	6,949	19,408	22,600	18,047
Net income	\$ 20,306	\$ 18,200	\$ 22,629	\$ 7,336	\$ 2,400	\$ 5,885

	Fundraising Budget		
	2016	2016	2015
Revenues			
Sponsorships	\$ 550	\$ -	\$ 1,250
Grants	4,204		4000
Refreshment Sales	1,052		2351
Ticket Sales	2,839		3380
50/50 Draws			262
Total Revenues	8,645	12,000	11,243
Expenses			
Management services	718	1000	615
Bonus to manager			300
Advertising	522		
Refreshment costs	814	1,400	1,388
Food costs	-		
Music	300	300	300
Liquor license		65	62
Supplies	1,002	235	213
Total Expenses	3,356	3,000	2,878
Net income	\$ 5,289	\$ 9,000	\$ 8,365