

Hubbards Barn Association
Financial Statements
Unaudited

For the year ended December 31, 2017

Hubbards Barn Association

Financial Statements

Unaudited

For the year ended December 31, 2017

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Don Weagle Incorporated

Chartered Professional Accountant
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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Hubbards Barn Association

I have reviewed the accompanying financial statements of Hubbards Barn Association that comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not present fairly, in all material respects, the financial position of Hubbards Barn Association as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.



Hubbards, Nova Scotia
March 15, 2018

Don Weagle Incorporated
Chartered Professional Accountant
Licensed Public Accountant

Hubbards Barn Association

Statement of Financial Position

Unaudited

As at December 31, 2017

	Dec. 31 2017	Dec. 31 2016
Assets		
Current Assets:		
Petty cash	\$ 60	\$ -
Cash	57,660	49,960
Prepaid Expenses	210	279
Accounts Receivable	1,451	-
Inventory	1,138	
HST receivable	592	-
	<u>61,110</u>	<u>50,239</u>
Investments (Note 3)	-	7,135
Capital assets (Note 4)	231,310	179,238
Total Assets	292,420	236,612
Liabilities		
Current Liabilities		
Accounts payable & Accrued Liabilities	\$ 700	\$ 1,777
HST Payable		617
Damage deposits	13,000	12,500
	<u>13,700</u>	<u>14,893</u>
Restricted capital contributions (Note 6)	9,950	4,248
Deferred capital contributions (Note 5)	212,193	168,505
	<u>222,142</u>	<u>172,753</u>
Net Assets		
Internally restricted net assets (Note 7)	-	24,000
Unrestricted net assets	56,578	24,966
	<u>56,578</u>	<u>48,966</u>
Total Liabilities and Net Assets	\$ 292,420	\$ 236,612

Hubbards Barn Association

Statement of Net Assets

Unaudited

For the Year Ended December 31, 2017

	2017	2016
Net Assets, beginning of period	\$ 48,966	\$ 38,518
Excess of Revenue over expenditures	7,612	10,448
Net Assets, End of Period	56,578	48,966
Allocation of Net Assets, end of period		
Internally Restricted Net Assets (Note 7)	-	24,000
Unrestricted Net Assets	56,578	24,966
Net Assets, end of period	\$ 56,578	\$ 48,966

Hubbards Barn Association

Statement of Operations

Unaudited

For the Year Ended December 31, 2017

	Current (12 months)	Prior Year 2016	Prior Year 2015
Revenues			
Barn rental (Appendix 1)	\$ 35,675	\$ 33,318	\$ 29,578
Farmer's market (Appendix 1)	31,391	26,744	23,932
Fundraising events (Appendix 1)	7,518	8,645	11,243
Membership fees (Note 10)	1,160	1,220	600
Merchandise sales (Note 8)	505	686	590
Donations	320	251	845
Miscellaneous income	16	248	104
Interest	5	4	6
Gov't grants & funding (Canada Summer Jobs grant)	2,904	-	3,117
Other Grants	500	-	-
Amortization of deferred capital contributions (Note 5)	19,002	13,850	12,247
Total revenues	98,997	84,966	82,262
Expenditures			
Management Services	20,533	14,883	11,624
Event Maintenance & Security	12,755	10,722	5,824
Repairs, supplies and maintenance (Note 9)	10,796	12,200	11,942
Insurance	5,490	5,260	5,092
Utilities (Electricity)	1,381	1,340	1,516
Rent property	1,200	1,200	1,200
Accounting fees	700	700	700
Merchandise cost (Note 8)	115	612	-
Supplies, courier and postage	1,382	1,062	306
Musicians	1,374	1,375	1,450
Property taxes	577	578	599
Annual AGM	518	528	452
Fire, alarm, security	789	375	840
Gardens & landscape	517	345	38
Advertising & promotions	1,492	1,780	1,987
Snow clearing	420	180	610
Business fees and licenses	2,650	2,440	1,925
Web hosting fees	108	108	108
Bank charges & finance fees	315	78	97
Wages and benefits	3,185	-	3,921
Honorarium expense	1,000	-	-
Annual Hubbards Parade	90	-	195
Donations & gifts	379	-	110
Miscellaneous expense	-	634	375
Barn bucks	(5)	30	135
Fundraiser expense (Appendix 1)	2,619	3,356	2,941
Special celebrations	291	-	239
Amortization of leaseholds (Note 4)	20,714	14,732	12,847
Total expenditures	91,384	74,518	67,071
Excess of Revenues Over Expenditures	\$ 7,612	\$ 10,448	\$ 15,192

Hubbards Barn Association

Statement of Cash Flow

Unaudited

For the Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 7,612	\$ 10,448
Non cash items:		
Add Amortization of leaseholds	20,714	14,732
Deduct Amortization of deferred capital contributions	(19,002)	(13,850)
	<u>9,324</u>	<u>11,330</u>
Increase (Decrease) in cash received from damage deposits	500	2,590
Increase from investments	7,134	(4)
Increase (Decrease) in accounts payable	(1,693)	1,588
(Increase) Decrease in accounts receivable	(2,043)	1,076
(Increase) Decrease in prepaid expenses	69	(279)
(Increase) Decrease in inventory	(1,138)	
Cash flow from operating activities	<u>12,154</u>	<u>16,301</u>
FINANCING ACTIVITIES		
Increase in restricted capital contributions	68,393	250
Cash flow from financing activities	<u>68,393</u>	<u>250</u>
INVESTING ACTIVITIES		
Increase in capital assets	72,786	(24,812)
Cash flow used by investing activities	<u>72,786</u>	<u>(24,812)</u>
Increase in cash flow	7,760	(8,261)
Cash, beginning of year	49,960	58,221
Cash, end of year	<u>\$ 57,720</u>	<u>\$ 49,960</u>

Hubbards Barn Association

Notes to Financial Statements

Unaudited

For the year ended December 31, 2017

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 2,000 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.

3. Investments

The Hubbards Barn Association investment account with the Bank of Nova Scotia was terminated in 2017 and the balance of \$7,137 was transferred to the Operating Account.

Hubbards Barn Association
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For the year ended December 31, 2017

4. Capital Assets

	Cost		Amortization		Net Book Value	
	Year	Prior	Year	Prior	Year	Prior
Leasehold Improvements	\$ 387,369	\$ 314,583	\$ 156,059	\$ 135,345	\$ 231,310	\$ 179,238

Amortization Expense for 2017 - \$20,714 and 2016 - \$14,732.

5. Deferred Capital Contributions

	Original Amount		Amortization		Carrying Value	
	Year	Prior	Year	Prior	Year	Prior
Balances	\$ 366,387	\$ 303,696	\$ 154,194	\$ 135,192	\$ 212,193	\$ 168,505

Amortization Revenue for 2017 - \$19,002 and 2016 - \$13,850.

6. Restricted Capital Contributions

	2017	2016
Restricted Capital Contributions, opening balance	\$ 4,248	\$ 25,100
Contributions received:		
J.D. Shatford Memorial Trust	53,776	-
Municipality of Chester	-	250
Bay Treasure Chest	14,617	-
	<u>72,641</u>	<u>25,350</u>
Approved project expenditures from restricted capital contributions:		
Capital Improvement Project	4,248	21,102
Pavilion Project	53,776	-
Bay Treasure Chest disbursements	4,667	-
	<u>62,691</u>	<u>21,102</u>
Restricted Capital Contributions, closing balance	\$ 9,950	\$ 4,248

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For the year ended December 31, 2017

7. Internally Restricted Net Assets

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

	2017		2016	
	Pavilion Project	Capital Improve. Project	Pavilion Project	Capital Improve. Project
Opening balances	\$ 20,000	\$ 4,000	\$ 2,379	\$ 4,000
Project expenditures	(8,400)	(1,695)	17,621	-
Balance, unspent	11,600	2,305	20,000	4,000
Authorized decrease on completion of projects	(11,600)	(2,305)	-	-
Internally restricted net assets, closing balance	\$ -	\$ -	\$ 20,000	\$ 4,000

The Board of Directors has deemed the projects complete and therefore there is no longer a need for appropriated funds.

8. Merchandise sales and associated costs

	2017	2016
Merchandise Sales	\$ 505	\$ 686
Merchandise Purchases	1,253	612
Inventory Value reported as asset	(1,138)	
Merchandise Cost	115	612
Net Proceeds	\$ 390	\$ 74

Previously it has been the Hubbards Barn Association's policy to expense merchandise when purchased. At December 31, 2017 the value of inventory on hand was significant at \$1,138 at cost and is reported as an asset.

9. Breakdown of Repairs, Supplies & Maintenance

	2017	2016
Plumbing, electrical & yard repairs	\$ 1,804	\$ 2,051
Grounds & Building Maintenance	6,943	7,609
Maintenance supplies & services	2,049	1,543
Total	\$ 10,796	\$ 11,203

10. Membership Fees

	2017	2016
Membership Fees from market vendors	\$ 800	\$ 875
Membership Fees from general public	360	345
Total	\$ 1,160	\$ 1,220

Hubbards Barn Association
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For the year ended December 31, 2017

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, 2017 was \$60,900 (prior year \$57,095), which is the total of its cash on deposit, accounts receivable and inventory/investments (inventory 2017/investments 2016) 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.

Hubbards Barn Association

Appendix 1: Statement of Operations by Activity

Unaudited

For the Year Ended December 31, 2017

	Barn Rentals		Farmers Market	
	2017	2016	2017	2016
Revenues				
Revenues	\$ 35,675	\$ 33,318	\$ 31,391	\$ 26,744
Grants	-	-	-	-
Total Revenues	35,675	33,318	31,391	26,744
Expenses				
Management services	5,288	-	15,065	14,883
Maintenance, Janitorial & Security cost	12,755	10,722	150	730
Musicians	-	-	1,374	1,375
Advertising and promotion	160	570	987	995
Supplies, courier and postage	169	228	25	243
Business fees and licenses	1,380	1,157	1,152	1,152
Barn bucks	-	-	(5)	30
Miscellaneous	-	334	93	-
Total Expenses	19,751	13,011	18,841	19,408
Net income	\$ 15,924	\$ 20,306	\$ 12,550	\$ 7,336

	Fundraising	
	2017	2016
Revenues		
Sponsorships	\$ -	\$ 550
Grants	3,362	4204
Refreshment Sales	1,462	1052
Ticket Sales	2,694	2839
Total Revenues	7,518	8,645
Expenses		
Management services	675	718
Advertising	115	522
Refreshment costs	859	814
Music	400	300
Supplies	570	1,002
Total Expenses	2,619	3,356
Net income	\$ 4,899	\$ 5,289