

Hubbards Barn Association
Financial Statements
Unaudited

For the year ended December 31, 2015

Hubbards Barn Association

Financial Statements

Unaudited

For the year ended December 31, 2015

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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, 2015 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 27, 2016



Don Weagle
Chartered Accountant

Hubbards Barn Association

Statement of Financial Position

Unaudited

As at December 31, 2015

	Dec. 31 2015	Dec. 31 2014
Assets		
Current Assets:		
Petty cash	\$ 25	\$ 25
Cash	58,196	24,165
HST receivable	1,076	3,301
	<u>59,297</u>	<u>27,491</u>
Investments (Note 3)	7,131	7,125
Capital assets (Note 4)	169,158	175,115
Total Assets	235,586	209,731
Liabilities		
Current Liabilities		
Accounts payable & Accrued Liabilities	\$ 805	\$ 805
Damage deposits	9,910	13,000
	<u>10,715</u>	<u>13,805</u>
Restricted capital contributions	25,100	
Deferred capital contributions (Note 5)	161,253	172,599
	<u>186,353</u>	<u>172,599</u>
Net Assets		
Internally restricted net assets (Note 6)	6,379	2,379
Unrestricted net assets	32,139	20,948
	<u>38,518</u>	<u>23,327</u>
Total Liabilities and Net Assets	\$ 235,586	\$ 209,731

Hubbards Barn Association

Statement of Net Assets

Unaudited

For the Year Ended December 31, 2015

	2015	2014
Net Assets, beginning of period	\$ 23,327	\$ 19,275
Excess of Revenue over expenditures	15,192	4,052
Net Assets, End of Period	38,519	23,327
Allocation of Net Assets, end of period		
Internally Restricted Net Assets (Note 6)	6,379	2,379
Unrestricted Net Assets	32,139	20,948
Net Assets, end of period	\$ 38,518	\$ 23,327

Hubbards Barn Association

Statement of Operations

Unaudited

For the Year Ended December 31, 2015

	Current (12 months)	Budget 2015	Prior Year 2014
Revenues			
Barn rental (Appendix 1)	\$ 29,578	\$ 22,000	\$ 18,118
Farmer's market (Appendix 1)	23,932	23,000	22,911
Fundraising events (Appendix 1)	11,243	5,000	7,840
Gov't grants & funding (Canada Summer Jobs grant)	3,117	3,500	3,491
Donations	845	100	66
Membership fees	600	750	710
Merchandise sales (Note 7)	590	1,500	1,353
Miscellaneous income	104		
Interest	6	20	14
Other Grants		3,000	2,700
Amortization of deferred capital contributions (Note 5)	12,247		12,184
Total revenues	82,262	58,870	69,387
Expenditures			
Farmer's market (Appendix 1)	18,047	16,640	14,969
Repairs, supplies and maintenance (Note 8)	9,998	12,000	14,107
Barn rental (Appendix 1)	6,949	5,250	5,077
Insurance	5,092	5,100	5,050
Wages and benefits	3,921	4,800	4,339
Fundraising costs (Appendix 1)	2,878	1,000	914
Utilities (Electricity)	1,516	1,700	1,476
Rent property	1,200	1,200	1,200
Fire, alarm, security	840	600	585
Accounting fees	700	800	700
Snow clearing	610	400	266
Property taxes	599	700	617
Annual AGM	452	300	246
Barn décor	331	600	442
Office supplies, courier and postage	306	400	722
Annual Hubbards Parade	195		
Business fees and licenses	137	100	194
Donations	110	150	20
Web hosting fees	108	130	108
Telephone	100	50	50
Interest and bank charges	97	60	45
Cost of merchandise (Note 7)		1,200	1,631
Gardens & landscape	38	700	216
Mileage		100	
Amortization of leaseholds (Note 4)	12,847		12,361
Total expenditures	67,071	53,980	65,335
Excess of Revenues Over Expenditures	\$ 15,192	\$ 4,890	\$ 4,052

Hubbards Barn Association

Statement of Cash Flow

Unaudited

For the Year Ended December 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 15,192	\$ 4,052
Non cash items:		
Add Amortization of leaseholds	12,847	12,361
Deduct Amortization of deferred capital contributions	(12,247)	(12,184)
	<u>15,792</u>	<u>4,229</u>
Increase (Decrease) in cash received from damage deposits	(3,090)	5,500
Increase in investments	(6)	(14)
Increase (Decrease) in accounts payable	-	(2,620)
(Increase) Decrease in accounts receivable	2,226	(1,480)
Cash flow from operating activities	<u>14,922</u>	<u>5,615</u>
FINANCING ACTIVITIES		
Increase in restricted capital contributions	<u>26,000</u>	
Cash flow from financing activities	<u>26,000</u>	
INVESTING ACTIVITIES		
Increase in capital assets	<u>(6,890)</u>	
Cash flow used by investing activities	<u>(6,890)</u>	
Increase in cash flow	34,032	5,615
Cash, beginning of year	24,190	18,575
Cash, end of year	<u>\$ 58,222</u>	<u>\$ 24,190</u>

Hubbards Barn Association

Notes to Financial Statements

Unaudited

For the year ended December 31, 2015

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.

Restricted Capital Contributions

Contributions received during the year were \$24,000 from the J.D. Shatford Memorial Trust and \$2,000 from the Municipality of Chester Recreation Grant Program for a capital improvement project, of which \$900 was expended on capital assets.

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.

Hubbards Barn Association
Notes to Financial Statements
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For the year ended December 31, 2015

Contributed Services

Volunteers contribute about 1,600 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 has an investment account with the Bank of Nova Scotia for investing in Guaranteed Investment Certificates. For the years ended 2015 and 2014 only cash was held in this account. The annual interest earned has been taken into revenue in the current year.

4. Capital Assets

	Cost		Accumulated Amortization		Net Book Value	
	Year	Prior	Year	Prior	Year	Prior
Leasehold Improvements	\$ 289,771	\$ 282,881	\$ 120,613	\$ 107,766	\$ 169,158	\$ 175,115

Amortization Expense for 2015 - \$12,847 and 2014 - \$12,361.

5. Deferred Capital Contributions

	Original Amount		Accumulated Amortization		Carrying Value	
	Year	Prior	Year	Prior	Year	Prior
Balances	\$ 282,595	\$ 281,694	\$ 121,342	\$ 109,095	\$ 161,253	\$ 172,599

Amortization Revenue for 2015 - \$12,247 and 2014 - \$12,184.

6. Internally Restricted Net Assets

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

	2015	2014
Meadow Project, opening balance	\$ 2,379	\$ 2,379
Capital Improvement project	\$ 4,000	
Internally restricted net assets, closing balance	\$ 6,379	\$ 2,379

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For the year ended December 31, 2015

7. Merchandise sales and associated costs

	2015	Budget	2014
Merchandise Sales	\$ 590	\$ 1,500	\$ 1,353
Merchandise Costs	-	1,200	1,631
Net Proceeds	\$ 590	\$ 300	\$ (278)

It is the Hubbards Barn Association's policy to expense merchandise when purchased. At December 31, 2015 the value of inventory on hand was \$140 at cost.

8. Breakdown of Repairs, Supplies & Maintenance

	2015	2014
Replacement of front steps and ramps	\$ -	\$ 5,852
Plumbing, electrical, yard repairs	1,463	
Grounds & Building Maintenance	6,656	7,029
Maintenance supplies & services	1,879	1,226
Total	\$ 9,998	\$ 14,107

9. 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, 2015 was \$66,428 (prior year \$34,616), 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.

Hubbards Barn Association

Appendix 1: Statement of Operations by Activity

Unaudited

For the Year Ended December 31, 2015

	Barn Rentals			Farmers Market		
	2015	Budget 2015	2014	2015	Budget 2015	2014
Revenues						
Revenues	\$ 29,578	\$ 22,000	\$ 18,118	\$ 23,932	\$ 23,000	\$ 22,811
Grants	-	-	-	-	-	100
Total Revenues	29,578	22,000	18,118	23,932	23,000	22,911
Expenses						
20th Anniversary Promotion/Celebration				239	500	
Management services				11,624	11,000	11,009
Maintenance and janitorial cost	5,824	4,000	3,965	1,450	600	275
Event rental fees - cooler	275	250	20			
Musicians				1,450	1,400	1,350
Advertising and promotion				1,987	1,500	779
Office supplies, courier and postage			28			
Business fees and licenses	850	800	1,064	1,000	1,090	1,167
Supplies		100			100	85
Barn bucks				135	200	85
Barn décor		100		163	250	220
Total Expenses	6,949	5,250	5,077	18,047	16,640	14,969
Net income	\$ 22,629	\$ 16,750	\$ 13,041	\$ 5,885	\$ 6,360	\$ 7,942

	Fundraising		
	2015	Budget 2015	2014
Revenues			
Sponsorships	\$1,250	\$ -	\$ -
Grants	4,000		4160
Refreshment Sales	2,351		
Ticket Sales	3,380		3680
50/50 Draws	262		
Total Revenues	11,243	5,000	7,840
Expenses			
Management services	615		
Bonus to manager	300		
Refreshment costs	1,388		
Food costs	-		614
Music	300		300
Liquor license	62		
Supplies	213		
Total Expenses	2,878	1,000	914
Net income	\$ 8,365	\$ 4,000	\$ 6,926