



## Financial Statements

(Unaudited)

Brigadoon Children's Camp Society

December 31, 2015

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Grant Thornton

## Review Engagement Report

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To the Directors of  
Brigadoon Children's Camp Society

We have reviewed the statement of financial position of Brigadoon Children's Camp Society as at December 31, 2015 and the statements of operations, changes in net assets, and cash flows for the year then ended. Our 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 Society.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Kentville, Canada  
March 8, 2016

*Grant Thornton LLP*

Chartered Accountants

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## Brigadoon Children's Camp Society Statement of Operations

(Unaudited)

Year ended December 31

	2015	2014
Revenues		
Facility rental	\$ 477,424	\$ 484,765
Fundraising	749,869	825,235
Other income	2,432	2,267
Amortization of deferred contributions	209,496	216,107
Grants	<u>18,562</u>	<u>15,835</u>
	<u>1,457,783</u>	<u>1,544,209</u>
Expenditures		
Office (Schedule 1)	361,669	281,226
Fund development (Schedule 2)	275,126	242,549
Camp operations (Schedule 3)	<u>1,008,916</u>	<u>1,019,256</u>
	<u>1,645,711</u>	<u>1,543,031</u>
(Deficiency) excess of revenues over expenditures	<u>\$ (187,928)</u>	<u>\$ 1,178</u>

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## Brigadoon Children's Camp Society Statement of Changes in Net Assets

(Unaudited)  
Year ended December 31

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	Received for endowment purposes	Unrestricted	Total 2015	Total 2014
Balance, beginning of year	\$ 208,497	\$ 486,139	<b>\$ 694,636</b>	\$ 686,141
(Deficiency) excess of revenues over expenditures	2,053	(189,981)	<b>(187,928)</b>	1,178
Deferred endowment contributions	-	-	-	7,317
Transfer to non-restricted	<u>(3,030)</u>	<u>3,030</u>	<u>-</u>	<u>-</u>
Balance, end of year	<b><u>\$ 207,520</u></b>	<b><u>\$ 299,188</u></b>	<b><u>\$ 506,708</u></b>	<b><u>\$ 694,636</u></b>

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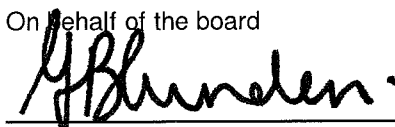
# Brigadoon Children's Camp Society

## Statement of Financial Position

(Unaudited)  
December 31

	2015	2014
<b>Assets</b>		
Current		
Cash	\$ 80,740	\$ 228,748
Receivables	7,071	6,339
Government remittance receivable	<u>1,547</u>	<u>68,449</u>
	<b>89,358</b>	303,536
Restricted cash (Note 3)	<b>207,520</b>	207,520
Property and equipment (Note 4)	<u><b>6,596,222</b></u>	<u>6,846,266</u>
	<u><b>\$ 6,893,100</b></u>	<u><b>\$ 7,357,322</b></u>
<b>Liabilities</b>		
Current		
Payables and accruals	\$ 26,783	\$ 55,623
Deferred revenue	76,651	39,778
Current portion of long-term debt (Note 5)	<u>935,135</u>	<u>118,101</u>
	<b>1,038,569</b>	213,502
Long-term debt (Note 5)	<b>319,908</b>	1,262,604
Deferred capital contributions (Note 6)	<u><b>5,027,915</b></u>	<u>5,186,580</u>
	<b>6,386,392</b>	6,662,686
<b>Net assets</b>	<u><b>506,708</b></u>	<u>694,636</u>
	<u><b>\$ 6,893,100</b></u>	<u><b>\$ 7,357,322</b></u>

On behalf of the board

  
Member

  
Member





# Brigadoon Children's Camp Society

## Statement of Cash Flows

(Unaudited)

Year ended December 31

2015

2014

Increase (decrease) in cash and cash equivalents

### Operating

(Deficiency) excess of revenues over expenditures	\$ (187,928)	\$ 1,178
Items not affecting cash		
Amortization	304,611	315,432
Amortization of deferred capital contributions	<u>(209,496)</u>	<u>(216,107)</u>
	(92,813)	100,503
Change in non-cash working capital items		
Receivables	(732)	23,511
Government remittance receivable	66,902	(67,594)
Payables and accruals	(28,841)	(6,014)
Deferred revenue	<u>36,873</u>	<u>(44,995)</u>
	<u>(18,611)</u>	<u>5,411</u>

### Financing

Repayment of long-term debt	(150,188)	(118,601)
Proceeds of long-term debt	24,526	-
Increase in deferred capital contributions	50,831	41,125
Endowment contributions	<u>-</u>	<u>7,317</u>
	<u>(74,831)</u>	<u>(70,159)</u>

### Investing

Purchase of property and equipment	<u>(54,566)</u>	<u>(7,299)</u>
Decrease in cash and cash equivalents	(148,008)	(72,047)
Cash and cash equivalents		
Beginning of year	<u>436,268</u>	<u>508,315</u>
End of year	<u>\$ 288,260</u>	<u>\$ 436,268</u>

### Cash consists of:

Cash	\$ 80,740	\$ 228,748
Restricted cash	<u>207,520</u>	<u>207,520</u>
	<u>\$ 288,260</u>	<u>\$ 436,268</u>

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# Brigadoon Children's Camp Society

## Notes to the Financial Statements

(Unaudited)  
December 31, 2015

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### 1. Purpose of organization

Brigadoon Children's Camp Society operates a year-round facility for residential camps for children and youth living with chronic illness.

The Society is a registered charity under the *Income Tax Act* and as such is tax exempt.

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### 2. Significant accounting policies

These financial statements have been prepared in accordance with Part III of the CPA Canada Handbook - Canadian accounting standards for not-for-profit organizations.

#### Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions for the purchase of capital assets are deferred and recognized in revenue on the same basis as the related amortization expense.

Restricted endowment contributions are deferred and the earnings used to fund operations.

Grant revenue is recognized as received or receivable if the amount to be received can be reasonably estimated.

Facility rental fees are recognized as revenue in accordance with the agreement between the parties, when the rental takes place, fees are fixed or determinable and collection is reasonably assured. The liability relating to the received but unearned portion of revenues from rentals is recognized in the statement of financial position as deferred revenues.

#### Property and equipment

Property and equipment are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is provided on a declining balance basis over the useful life of the asset.

Property and equipment are amortized on the basis of their useful life using the following methods and rates:

Buildings	4% Declining balance
Equipment	20% Declining balance
Vehicles	30% Declining balance
Furniture and fixtures	20% Declining balance

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# **Brigadoon Children's Camp Society**

## **Notes to the Financial Statements**

(Unaudited)  
December 31, 2015

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### **2. Significant accounting policies (continued)**

#### **Donated material and services**

There has been a substantial amount of time and goods donated to the Society, which are not reflected in the financial statements because of the difficulty of determining their fair value. Only cash donations are reflected in the revenue section of the financial statements.

Donated capital assets have been recorded at fair value when fair value can be reasonably estimated.

#### **Use of estimates**

In preparing the Society's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenses. Actual amounts could differ from these estimates.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts and highly liquid temporary money market instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Restricted cash is an endowment wherein the principal is to remain intact and the earnings may be used in operations.

#### **Financial instruments**

The Society's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

At each reporting date, the Society measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities in an active market, which must be measured at fair value.

For financial assets measured at cost or amortized cost, the Society regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Society determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversal of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

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## Brigadoon Children's Camp Society Notes to the Financial Statements

(Unaudited)  
December 31, 2015

### 3. Restricted cash

Restricted cash represents amounts received as endowments. These funds are being held in a savings account.

### 4. Property and equipment

			<u>2015</u>	<u>2014</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings	\$ 7,665,505	\$ 1,220,792	<b>\$ 6,444,713</b>	\$ 6,713,243
Equipment	4,200	2,480	<b>1,720</b>	2,150
Vehicles	78,428	39,632	<b>38,796</b>	29,514
Furniture and fixtures	194,954	86,790	<b>108,164</b>	101,359
Computer equipment	<u>2,829</u>	<u>-</u>	<b><u>2,829</u></b>	<u>-</u>
	<b><u>\$ 7,945,916</u></b>	<b><u>\$ 1,349,694</u></b>	<b><u>\$ 6,596,222</u></b>	<b><u>\$ 6,846,266</u></b>

### 5. Long-term debt

	<u>2015</u>	<u>2014</u>
3.95% RBC loan, payable in monthly instalments of \$10,556 including interest, due August 2017. Security - see below.	<b>\$ 430,617</b>	\$ 537,967
Variable rate RBC loan, interest only payable monthly at prime plus 1.6%, principal payable in one lump sum payment due February 2016. Security - see below.	<b>800,000</b>	825,000
John Deere loan payable in monthly instalments of \$554, interest 0%, due 2017. As security, the Society has provided a vehicle with a net book value of \$11,187.	<b>11,086</b>	17,738
Nissan Canada Financial Services Inc. 0.9% Capital Lease payable in monthly instalments of \$1,031, due 2017. As security, the Society has provided a vehicle with a net book value of \$18,136.	<b><u>13,340</u></b>	<u>-</u>
	<b>1,255,043</b>	1,380,705
Less current portion	<b><u>935,135</u></b>	<u>118,101</u>
	<b><u>\$ 319,908</u></b>	<b><u>\$ 1,262,604</u></b>

As security for RBC loans, the Society has provided a Security Agreement representing first charge on all assets; Security Agreement covering specific charge on pledge receivables; Letter of Agreement from Nova Scotia Power Incorporated acknowledging the financing provided by RBC to the Society, to provide notification to RBC on any default of the Lease Agreement and to notify RBC of any request by the Society to provide mortgage security or pledge property as collateral security.

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## Brigadoon Children's Camp Society

### Notes to the Financial Statements

(Unaudited)  
December 31, 2015

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#### 5. Long-term debt (continued)

The Society is subject to various covenants with respect to its long-term debts. As at the balance sheet date the Society was not in compliance with the debt service coverage covenant.

Estimated principal repayments are due as follows:

2016	\$ 935,135
2017	151,566
2018	126,236
2019	63,007

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#### 6. Deferred capital contributions

	<u>2015</u>	<u>2014</u>
Beginning of year	\$ 5,186,580	\$ 5,409,978
Less amounts recognized as revenue in the year	(209,496)	(223,398)
Add amounts received for future expenditures	<u>50,831</u>	<u>-</u>
	<u>\$ 5,027,915</u>	<u>\$ 5,186,580</u>

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#### 7. Subsequent event

Subsequent to the end of the period, the Society entered into negotiations to renew its loans maturing February 2016 and August 2017. Under the terms of the draft credit facility, the loan will be repayable on demand, with regularly scheduled monthly payments of interest only from May-August and principal payments of \$16,000 plus interest monthly from September-April. The loan will be interest bearing at prime plus 1%.

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#### 8. Financial instruments

The Society's main financial instrument risk exposures are detailed as follows:

##### Credit risk

The Society has determined that the financial assets with credit risk exposure are accounts and grants receivable since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Society. The Society is also exposed to concentration risk in that all of its cash is held with one financial institution and the balances held are in excess of Canadian Deposit Insurance Corporation Limits.

##### Liquidity risk

The Society's liquidity risk represents the risk that the Society could encounter difficulty in meeting obligations associated with its financial liabilities. The Society is, therefore, exposed to liquidity risk with respect to its accounts payable and long-term debt.

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# **Brigadoon Children's Camp Society**

## **Notes to the Financial Statements**

(Unaudited)  
December 31, 2015

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### **8. Financial instruments (continued)**

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk with respect to its long-term debt.

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## Brigadoon Children's Camp Society Schedules to the Financial Statements

(Unaudited)

Year ended December 31

Schedule of office	Schedule 1	
	2015	2014
Bad debt (recovery)	\$ -	\$ (499)
Bank fees and interest	24,616	12,090
Event	1,899	800
Insurance	3,568	1,368
Interest on long-term debt	51,992	60,832
Marketing and printing	-	253
Meetings	1,733	1,440
Membership and training	898	9,415
Miscellaneous	2,821	-
Occupancy	12,441	9,869
Office	6,821	9,875
Personnel costs	206,594	143,283
Phone/internet/cell phone	5,849	6,084
Postage	3,302	4,106
Professional fees	31,180	17,087
Travel and mileage	7,955	5,223
	<u>\$ 361,669</u>	<u>\$ 281,226</u>

Schedule of fund development	Schedule 2	
	2015	2014
Brigadoon clothing	\$ 1,075	\$ 5,838
Donor recognition	3,850	5,626
Event	56,547	29,018
Marketing and printing	37,360	41,494
Meals and entertainment	9	203
Membership and training	1,179	-
Office	1,739	-
Personnel costs	164,728	141,718
Professional development	696	1,084
Shipping/postage	3,890	12,892
Travel and mileage	4,053	4,676
	<u>\$ 275,126</u>	<u>\$ 242,549</u>

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## **Brigadoon Children's Camp Society**

### **Schedules to the Financial Statements**

(Unaudited)

Year ended December 31

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<b>Schedule of camp operations</b>	<b>Schedule 3</b>	
	<b>2015</b>	<b>2014</b>
Amortization	<b>\$ 304,611</b>	\$ 315,432
Operations	<b>276,691</b>	299,272
Personnel costs and benefits	<b><u>427,614</u></b>	<u>404,552</u>
	<b><u>\$ 1,008,916</u></b>	<u>\$ 1,019,256</u>

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