



Financial Statements

Brigadoon Children's Camp Society

December 31, 2019

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# Independent Practitioner's Review Engagement Report

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To the Directors of  
Brigadoon Children's Camp Society

We have reviewed the accompanying financial statements of Brigadoon Children's Camp Society that comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets, and cash flows 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**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

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, we do not express an audit opinion on these financial statements.

# Independent Practitioner's Review Engagement Report (continued)

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Brigadoon Children's Camp Society as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Society.

Kentville, Canada  
June 9, 2020

*Grant Thornton LLP*

Chartered Professional Accountants

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**Brigadoon Children's Camp Society**  
**Statement of Operations**

Year ended December 31

**2019****2018**

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## Revenues

Facility rental	\$ 851,611	\$ 725,925
Fundraising	1,229,207	1,293,952
Amortization of deferred contributions	180,602	186,044
Grants	11,837	38,583
Other revenue	90,088	-
	<u>2,363,345</u>	<u>2,244,504</u>

## Expenditures

Office (Schedule 1)	420,068	343,528
Fund development (Schedule 2)	533,904	488,499
Camp operations (Schedule 3)	1,440,250	1,336,359
	<u>2,394,222</u>	<u>2,168,386</u>

(Deficiency) excess of revenues over expenditures before other  
income (item)(30,877) 76,118

Investment income

9,271 6,539

Unrealized gain (loss) on investments

20,685 (12,972)29,956 (6,433)

(Deficiency) excess of revenues over expenditures

(921) 69,685

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

Year ended December 31

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	<b>Endowment</b>	<b>Unrestricted</b>	<b>Internally restricted capital</b>	<b>Total 2019</b>	<b>Total 2018</b>
Balance, beginning of year \$	280,487 \$	1,091,763 \$	115,000 \$	1,487,250 \$	1,412,565
(Deficiency) excess of revenues over expenditures	-	(921)	-	(921)	69,685
Endowment contributions	-	-	-	-	5,000
Balance, end of year	<u>\$ 280,487</u>	<u>\$ 1,090,842</u>	<u>\$ 115,000</u>	<u>\$ 1,486,329</u>	<u>\$ 1,487,250</u>

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# Brigadoon Children's Camp Society

## Statement of Financial Position

December 31

2019

2018

### Assets

#### Current

Cash	\$ 1,078,127	\$ 385,652
Short term investments (Note 3)	204,944	202,398
Receivables	24,324	56,678
Prepays	16,006	15,424
Government remittance receivable	2,042	7,257

**1,325,443**      667,409

Restricted cash (Note 4)	282,437	280,284
Property and equipment (Note 5)	5,684,110	5,870,618

**\$ 7,291,990**      **\$ 6,818,311**

### Liabilities

#### Current

Payables and accruals	\$ 40,998	\$ 39,319
Deferred revenue	11,500	3,631
Current portion of long-term debt (Note 7)	-	10,134
Current portion of callable debt (Note 6)	105,000	105,000

Current liabilities before callable debt	157,498	158,084
Callable debt (Note 6)	552,917	657,917

**710,415**      816,001

Deferred capital contributions (Note 8)	5,095,246	4,515,060
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**5,805,661**      5,331,061

<b>Net assets</b>	<b>1,486,329</b>	<b>1,487,250</b>
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**\$ 7,291,990**      **\$ 6,818,311**

On behalf of the board

 Member

 Member

## Brigadoon Children's Camp Society

### Statement of Cash Flows

Year ended December 31

2019

2018

Increase (decrease) in cash and cash equivalents

**Operating**

(Deficiency) excess of revenues over expenditures	\$ (921)	\$ 69,685
Items not affecting cash		
Amortization	261,234	275,942
Amortization of deferred capital contributions	<u>(180,602)</u>	<u>(186,044)</u>
	79,711	159,583
Change in non-cash working capital items		
Short term investments	(2,546)	(2,080)
Receivables	32,354	(40,013)
Prepays	(582)	(1,155)
Government remittance receivable	5,215	(6,784)
Payables and accruals	1,680	(5,672)
Deferred revenue	<u>7,869</u>	<u>(11,951)</u>
	<u>123,701</u>	<u>91,928</u>

**Financing**

Repayment of callable debt	(105,000)	(98,333)
Repayment of long-term debt	(10,134)	(12,162)
Increase in deferred capital contributions	760,788	50,000
Endowment funds received	<u>-</u>	<u>5,000</u>
	<u>645,654</u>	<u>(55,495)</u>

**Investing**

Purchase of property and equipment	<u>(74,727)</u>	<u>(27,813)</u>
Increase in cash and cash equivalents	694,628	8,620
Cash and cash equivalents		
Beginning of year	<u>665,936</u>	<u>657,316</u>
End of year	<u>\$ 1,360,564</u>	<u>\$ 665,936</u>

**Cash consists of:**

Cash	\$ 1,078,127	\$ 385,652
Restricted cash	<u>282,437</u>	<u>280,284</u>
	<u>\$ 1,360,564</u>	<u>\$ 665,936</u>

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# Brigadoon Children's Camp Society

## Notes to the Financial Statements

December 31, 2019

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### 1. Purpose of organization

Brigadoon Children's Camp Society operates a year-round facility for recreational 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

The Society applies the Canadian accounting standards for not-for-profit organizations.

#### Reserves

The Society includes in its net assets various reserves.

Assets, liabilities, revenues and expenses related to program delivery and administrative activities are reported in the Unrestricted reserve.

Asset, liabilities, internally restricted contributions and expenditures for specific capital items are reported in the Internally Restricted Capital Reserve.

Endowment assets and endowment contributions are reported in the Endowment Reserve.

#### 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, net of a 10% admin fee, 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.

Investment income is recognized when earned.

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# Brigadoon Children's Camp Society

## Notes to the Financial Statements

December 31, 2019

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### 2. Significant accounting policies (continued)

#### 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.

#### Investments

Investments traded in an active market are initially recognized at cost and subsequently measured at fair value, without adjustments for transaction costs that would be incurred on disposals. Changes in fair value are recognized in income in the period of change. Transaction costs associated with the acquisition of these investments are recognized in net income in the period incurred.

#### 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
Computer equipment	20% Declining balance

#### 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.

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# Brigadoon Children's Camp Society

## Notes to the Financial Statements

December 31, 2019

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### 2. Significant accounting policies (continued)

#### 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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### 3. Short term investments

Short-term investments consist of two term deposits that mature November 4, 2020 and bear an interest rate of 1.30%. These funds are cash holdings for operations and have no restrictions.

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### 4. Restricted cash

Restricted cash represents amounts received as endowments. These funds are being held in an investment portfolio consisting primarily of equities and mutual funds.

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### 5. Property and equipment

			<u>2019</u>	<u>2018</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings	\$ 7,764,528	\$ 2,195,446	\$ 5,569,082	\$ 5,733,680
Equipment	4,200	3,495	705	881
Vehicles	94,928	78,741	16,187	23,125
Furniture and fixtures	282,449	185,357	97,092	111,627
Computer equipment	2,829	1,785	1,044	1,305
	<u>\$ 8,148,934</u>	<u>\$ 2,464,824</u>	<u>\$ 5,684,110</u>	<u>\$ 5,870,618</u>

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

December 31, 2019

6. Callable debt	<u>2019</u>	<u>2018</u>
3.74% CIBC loan, repayable on demand. Until demand, repayable in monthly instalments of \$7,083 plus interest, maturing in 2026.	\$ 531,250	\$ 616,250
Prime plus 1% CIBC loan, repayable on demand. Until demand, repayable in monthly instalments of \$4,630 plus interest, maturing in 2026.	<u>126,667</u>	<u>146,667</u>
	<b>657,917</b>	762,917
Less current portion	<u>105,000</u>	<u>105,000</u>
	<b>\$ 552,917</b>	<b>\$ 657,917</b>

As security for the CIBC loans, the Society has provided a Security Agreement granting a first security interest in all present and after acquired personal property; registration of a Fixtures Notice in Favour of CIBC against Nova Scotia Power Inc. land; Consent and Non-Disturbance Agreement with Nova Scotia Power Inc.; Collateral Assignment of Nova Scotia Power Inc. licence; Collateral Assignment of all material contracts of the camp; an acknowledged assignment of adequate fire and other perils insurance on the property of the Borrower that are subject to CIBC's security, with loss payable to CIBC and with designation of CIBC.

The Society is subject to covenants with respect to its callable debts. One of the covenants requires the Society to maintain a debt service ratio of 1.2:1. At the balance sheet date the Society was not in compliance with this covenant, however the lender has processed a credit renewal, which removes the debt service ratio covenant as of May 30, 2020.

Estimated principal repayments are as follows:

2020	\$ 105,000
2021	105,000
2022	105,000
2023	105,000
2024	105,000

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## Brigadoon Children's Camp Society

### Notes to the Financial Statements

December 31, 2019

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<b>7. Long-term debt</b>	<u>2019</u>	<u>2018</u>
NSPI loan repaid within the year.	\$ -	\$ 10,134
Less current portion	<u>-</u>	<u>10,134</u>
	<u>\$ -</u>	<u>\$ -</u>

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<b>8. Deferred capital contributions</b>	<u>2019</u>	<u>2018</u>
Balance beginning of year	\$ 4,515,060	\$ 4,651,104
Additions	760,788	50,000
Amortization of capital contributions	<u>(180,602)</u>	<u>(186,044)</u>
	<u>\$ 5,095,246</u>	<u>\$ 4,515,060</u>

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#### **9. Credit facilities**

The Society has an authorized a line of credit of \$50,000 bearing interest at prime plus 1%, of which \$Nil was used at year end. Security for this facility is described in Note 5 for CIBC debt.

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# **Brigadoon Children's Camp Society**

## **Notes to the Financial Statements**

December 31, 2019

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### **10. 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, callable debt and long-term debt.

#### 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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### **11. Subsequent events**

#### COVID 19

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Society has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019, have not been adjusted as the pandemic is expected to have minimal impact on the Society and its operations.

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

Year ended December 31

Schedule of office	Schedule 1	
	2019	2018
Personnel costs	\$ 245,605	\$ 156,398
Occupancy	46,413	44,723
Phone/Internet/cell phone	8,541	8,537
Professional fees	21,164	21,827
Bank fees and interest	5,362	15,901
Office	9,137	22,496
Meetings	3,124	2,791
Postage	4,613	3,660
Travel and mileage	4,590	5,597
IT (computer, software, personnel)	34,843	17,121
Event	1,554	5,258
Membership and training	2,200	1,910
Miscellaneous	3,067	4,667
Interest on long-term debt	28,390	31,972
Insurance	1,465	456
Bad debt (recovery)	-	214
	<b>\$ 420,068</b>	<b>\$ 343,528</b>

Schedule of fund development	Schedule 2	
	2019	2018
Personnel costs	\$ 296,989	\$ 276,364
Donor recognition	2,685	3,172
Event	53,011	85,078
Shipping/postage	1,778	14,532
Professional fees	3,739	914
Membership and training	999	358
Travel and mileage	7,355	6,170
Marketing and printing	61,836	50,766
Professional development	100,315	49,481
Meals and entertainment	1,048	143
Office	4,149	1,521
	<b>\$ 533,904</b>	<b>\$ 488,499</b>

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

Year ended December 31

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**Schedule of camp operations**

**Schedule 3**

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	<b>2019</b>	<b>2018</b>
Personnel costs and benefits	\$ 713,833	\$ 633,338
Amortization	261,234	275,942
Operations	<u>465,183</u>	<u>427,079</u>
	<u>\$ 1,440,250</u>	<u>\$ 1,336,359</u>

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