



## Financial Statements

Brigadoon Children's Camp Society

December 31, 2020

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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, 2020, 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.

#### **Basis for qualified conclusion**

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory review verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess (deficiency) of revenue over expenditures, and cash flows from operations for the years ended December 31, 2020 and December 31, 2019, current assets as at December 31, 2020 and December 31, 2019, and net assets as at January 1 and December 31 for both the 2020 and 2019 years.

# Independent Practitioner's Review Engagement Report (continued)

## Qualified conclusion

Except as described in our basis for qualified conclusion above, 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, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Kentville, Canada  
May 17, 2021

*Grant Thornton LLP*

Chartered Professional Accountants

## Brigadoon Children's Camp Society

### Statement of Operations

Year ended December 31	2020	2019
<b>Revenues</b>		
Facility rental	\$ 57,373	\$ 851,611
Fundraising	1,752,172	1,229,207
Amortization of deferred contributions	173,378	180,602
Employee grants	7,500	11,837
Other revenue	88,876	90,088
	<b>2,079,299</b>	<b>2,363,345</b>
<b>Expenditures</b>		
Office (Schedule 1)	359,538	420,068
Fund development (Schedule 2)	407,745	533,904
Camp operations (Schedule 3)	801,736	1,440,250
	<b>1,569,019</b>	<b>2,394,222</b>
Excess (deficiency) of revenues over expenditures before other income	510,280	(30,877)
Canadian emergency wage subsidy (Note 12)	344,603	-
Debt forgiveness	10,000	-
Investment income	27,328	9,271
Unrealized gain (loss) on investments	5,276	20,685
	<b>387,207</b>	<b>29,956</b>
Excess (deficiency) of revenues over expenditures	<b>\$ 897,487</b>	<b>\$ (921)</b>

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

Year ended December 31

	Endowment	Unrestricted	Internally restricted capital	Total 2020	Total 2019
Balance, beginning of year \$	280,487 \$	1,090,842 \$	115,000 \$	1,486,329 \$	1,487,250
Excess (deficiency) of revenues over expenditures	-	897,487	-	897,487	(921)
Endowment contributions	20,000	-	-	20,000	-
Balance, end of year	<u>\$ 300,487</u>	<u>\$ 1,988,329</u>	<u>\$ 115,000</u>	<u>\$ 2,403,816</u>	<u>\$ 1,486,329</u>

# Brigadoon Children's Camp Society

## Statement of Financial Position

December 31

2020

2019

### Assets

#### Current

Cash and cash equivalents	\$ 1,972,917	\$ 452,303
Short-term investments (Note 3)	402,139	697,912
Receivables	71,069	24,324
Prepays	19,392	16,006
Government remittance receivable	<u>51,069</u>	<u>2,042</u>
	2,516,586	1,192,587
Property and equipment (Note 4)	6,021,890	5,684,110
Long term investments (Note 5)	<u>439,245</u>	<u>415,293</u>
	<u>\$ 8,977,721</u>	<u>\$ 7,291,990</u>

### Liabilities

#### Current

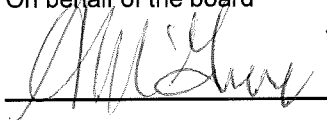
Payables and accruals	\$ 194,541	\$ 40,998
Deferred revenue (Note 6)	74,700	11,500
Current portion of callable debt (Note 7)	<u>105,000</u>	<u>105,000</u>
Current liabilities before callable debt	374,241	157,498
Callable debt (Note 7)	<u>447,917</u>	<u>552,917</u>
	822,158	710,415
Long-term debt (Note 8)	30,000	-
Deferred capital contributions (Note 9)	<u>5,721,747</u>	<u>5,095,246</u>
	<u>6,573,905</u>	<u>5,805,661</u>

### Fund balances

Endowment	300,487	280,487
Unrestricted	1,988,329	1,090,842
Internally restricted capital	<u>115,000</u>	<u>115,000</u>
	2,403,816	1,486,329
	<u>\$ 8,977,721</u>	<u>\$ 7,291,990</u>

Subsequent events (Note 10)

On behalf of the board

  
Member

  
Member

See accompanying notes and schedules to the financial statements.

## Brigadoon Children's Camp Society

### Statement of Cash Flows

Year ended December 31	2020	2019
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Excess (deficiency) of revenues over expenditures	\$ 897,487	\$ (921)
Items not affecting cash		
Amortization	246,639	261,234
Amortization of deferred capital contributions	<u>(173,378)</u>	<u>(180,602)</u>
	970,748	79,711
Change in non-cash working capital items		
Short-term investments	295,773	(495,514)
Receivables	(46,745)	32,354
Prepays	(3,386)	(582)
Government remittance receivable	(49,027)	5,215
Payables and accruals	153,543	1,680
Deferred revenue	<u>63,200</u>	<u>7,869</u>
	<u>1,384,106</u>	<u>(369,267)</u>
<b>Financing</b>		
Repayment of callable debt	(105,000)	(105,000)
Repayment of long-term debt	-	(10,134)
Proceeds of long-term debt	30,000	-
Increase in deferred capital contributions	799,879	760,788
Endowment funds received	<u>20,000</u>	<u>-</u>
	<u>744,879</u>	<u>645,654</u>
<b>Investing</b>		
Purchase of property and equipment	(584,419)	(74,727)
Long-term investments	<u>(23,952)</u>	<u>(135,009)</u>
	<u>(608,371)</u>	<u>(209,736)</u>
Increase in cash and cash equivalents	1,520,614	66,651
Cash and cash equivalents		
Beginning of year	<u>452,303</u>	<u>385,652</u>
End of year	<u>\$ 1,972,917</u>	<u>\$ 452,303</u>



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# **Brigadoon Children's Camp Society**

## **Notes to the Financial Statements**

December 31, 2020

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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, 2020

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### 2. Significant accounting policies (continued)

#### Government assistance

Grants received to cover current period expenses are accounted for as a reduction of operating expenses.

Grants received specified to cover future expenses are deferred and amortized as a reduction of those operating expenses when the expenses are incurred.

Grants received for the acquisition of long lived assets are accounted for as a deduction from the related asset's cost with any future amortization calculated on the net amount.

During the year, the Company received \$40,000 of CEBA loan of which a forgiven amount of \$10,000 is recognized in net income and 30,000 was recognized as long term debt. The loan is due December 2022.

#### 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..

#### 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

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# **Brigadoon Children's Camp Society**

## **Notes to the Financial Statements**

December 31, 2020

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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.

#### **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

December 31, 2020

### 3. Short-term investments 2020 2019

Short-term investments consist of two term deposits. These funds are cash holdings for operations and have no restrictions.

GIC, interest at 0.25%, maturing November 4, 2021	\$ 103,637	\$ -
GIC, interest at 0.25%, maturing November 4, 2021	103,637	-
GIC, interest at 1.14%, maturing May 12, 2021	103,414	-
GIC, interest at 1.14%, maturing May 12, 2021	91,451	-
GIC, interest at 1.3%, maturing November 4, 2020	-	102,472
GIC, interest at 1.3%, maturing November 4, 2020	-	102,472
GIC, interest at 2.87%, maturing February 5, 2020	-	80,000
GIC, interest at 2.34%, maturing May 11, 2020	-	90,036
GIC, interest at 2.2%, maturing June 15, 2020	-	182,110
GIC, interest at 2.33%, maturing October 21, 2020	-	51,065
GIC, interest at 2.3%, maturing November 12, 2020	-	89,757
	<u>\$ 402,139</u>	<u>\$ 697,912</u>

### 4. Property and equipment 2020 2019

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings	\$ 8,346,016	\$ 2,417,167	\$ 5,928,849	\$ 5,569,082
Equipment	4,200	3,636	564	705
Vehicles	94,928	83,597	11,331	16,187
Furniture and fixtures	282,449	204,775	77,674	97,092
Computer equipment	5,759	2,287	3,472	1,044
	<u>\$ 8,733,352</u>	<u>\$ 2,711,462</u>	<u>\$ 6,021,890</u>	<u>\$ 5,684,110</u>

### 5. Long-term investments

Long-term investments include a portfolio consisting primarily of equities and mutual funds. Included in the long-term investment account is \$300,487 (2019- \$282,347) of restricted funds that represent amounts received as endowments.

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## Brigadoon Children's Camp Society

### Notes to the Financial Statements

December 31, 2020

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#### 6. Deferred revenue

Deferred revenue includes amounts that are received in advance for facility rentals for which obligations have not yet been fulfilled by the Society as the rental dates are in the future.

#### 7. Callable debt

	<u>2020</u>	<u>2019</u>
2.598% CIBC loan, repayable on demand. Until demand, repayable in monthly instalments of \$7,083 plus interest, maturing in 2026.	\$ 446,250	\$ 531,250
Prime plus 1% CIBC loan, repayable on demand. Until demand, repayable in monthly instalments of \$1,667 plus interest, maturing in 2026.	<u>106,667</u>	<u>126,667</u>
	<b>552,917</b>	657,917
Less current portion	<u>105,000</u>	<u>105,000</u>
	<b><u>\$ 447,917</u></b>	<b><u>\$ 552,917</u></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 a debt service coverage covenant with respect to its callable debts. At the balance sheet date the Society was in compliance with this covenants.

Estimated principal repayments are as follows:

2021	\$ 105,000
2022	105,000
2023	105,000
2024	105,000
2025	105,000

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# Brigadoon Children's Camp Society

## Notes to the Financial Statements

December 31, 2020

### 8. Long-term debt

Canada Emergency Business Account loan - The amount of \$30,000 represents the unforgivable balance of the \$40,000 interest-free loan received under the Government of Canada COVID response program. 25% of the loan will be eligible for loan forgiveness, up to \$10,000, if the loan is fully repaid on or before December 31, 2022. As at the yearend date, \$10,000 has been included in other income and represents the maximum forgivable portion of the loan. If the unforgivable portion of the loan is not fully repaid by December 31, 2022, the remaining principal balance will be payable and will bear interest at a rate of 5% per annum, beginning on January 1, 2023. The loan is due in full December 31, 2025.

	<u>2020</u>	<u>2019</u>
	<u>\$ 30,000</u>	<u>\$ -</u>

Estimated principal repayment is due as follows:

2022	\$ 30,000
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### 9. Deferred capital contributions

	<u>2020</u>	<u>2019</u>
Balance beginning of year	\$ 5,095,246	\$ 4,515,060
Additions (net of administrative fee)	799,879	760,788
Amortization of capital contributions	<u>(173,378)</u>	<u>(180,602)</u>
	<u>\$ 5,721,747</u>	<u>\$ 5,095,246</u>

### 10. Subsequent events

#### Debt Facilities

Subsequent to the year end, bridge financing in the amount of \$3,000,000 for capital infrastructure projects was approved at an interest rate of prime + 1% with monthly payments of interest only. This facility is to be fully repaid no later than December 31, 2022.

#### Government Funding

The Society secured government funding through the Investing in Canada Infrastructure Program. Jointly, the Federal and Provincial governments have agreed to a contribution of up to 60.62% of eligible project expenditures (as defined by the contribution agreement), up to a maximum of \$6,000,000.

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

### **Notes to the Financial Statements**

December 31, 2020

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#### **11. 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.

Additionally, the Society secured financing for capital infrastructure projects in the amount of \$300,000. The facility is provided by way of a non-revolving demand installment loan, interest bearing at prime + 1% per annum, repayable in 96 monthly payments of \$3,125 plus interest commencing on the first day of the first month after the facility is advanced. As at December 31, 2020 this facility had not been drawn down.

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#### **12. Wage Subsidy**

In April 2020, the company applied for funding from the Federal government under the Canada Emergency Wages Subsidy Program ("CEWS"). Under the CEWS program, the company and its related group of companies are entitled to receive a subsidy equal to 75% of an employee's wages - up to a set amount per week. on May 15, 2020, the Canadian government announced the extension of the CEWS program until August 29, 2020, along with a retroactive broadening of eligibility for the CEWS. The company has determined that it will be eligible for CEWS up to the end of this extended period. On July 27, 2020, October 14, 2020 and December 19, 2020 the Canadian government passed additional CEWS changes, including a further extension of the program until June 2021; the company may be able to benefit from the revised subsidy.

During the year ended December 31, 2020, the company recognized payroll subsidies under CEWS totalling \$344,603. These subsidies were recognized in other income on the statement of income and retained earnings.

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# **Brigadoon Children's Camp Society**

## **Notes to the Financial Statements**

December 31, 2020

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### **13. 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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### **14. Impact of COVID-19**

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations 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.

As a result of COVID-19 the Society was unable to rent facilities for camps which resulted in a significant decrease in facility rental income. The company participated in the Canada Emergency Wage Subsidy program. The Society has plans in place to return to operations at reduced capacity in the current year and return to full capacity when Provincial restrictions permit.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the company for future periods.

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### **15. Comparative figures**

Comparative figures have been adjusted to conform to changes in the current year presentation.

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# Brigadoon Children's Camp Society

## Schedules to the Financial Statements

Year ended December 31

Schedule of office	Schedule 1	
	2020	2019
Personnel costs	\$ 209,470	\$ 245,605
Occupancy	43,280	46,413
Phone/Internet/cell phone	9,197	8,541
Professional fees	21,092	21,164
Bank fees and interest	5,538	5,362
Office	13,123	9,137
Meetings	1,956	3,124
Postage	1,862	4,613
Travel and mileage	2,778	4,590
IT (computer, software, personnel)	22,425	34,843
Event	759	1,554
Membership and training	399	2,200
Miscellaneous	2,770	3,067
Interest on long-term debt	23,066	28,390
Insurance	1,823	1,465
	<u>\$ 359,538</u>	<u>\$ 420,068</u>

Schedule of fund development	Schedule 2	
	2020	2019
Personnel costs	\$ 283,170	\$ 296,989
Donor recognition	624	2,685
Event	10,971	53,011
Shipping/postage	437	1,778
Professional fees	-	3,739
Membership and training	360	999
Travel and mileage	2,287	7,355
Marketing and printing	31,431	61,836
Professional development	75,066	100,315
Meals and entertainment	659	1,048
Office	2,740	4,149
	<u>\$ 407,745</u>	<u>\$ 533,904</u>

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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>2020</b>	<b>2019</b>
Personnel costs and benefits	\$ 395,783	\$ 713,833
Amortization	246,639	261,234
Operations	<u>159,314</u>	<u>465,183</u>
	<u>\$ 801,736</u>	<u>\$ 1,440,250</u>

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