



Grant Thornton

Financial Statements

(Unaudited)

Brigadoon Children's Camp Society

December 31, 2012

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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, 2012, December 31, 2011 and January 1, 2011 and the statements of operations and changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011. 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
April 12, 2013

Grant Thornton LLP

Chartered Accountants

Brigadoon Children's Camp Society

Statements of Operations and Changes in Net Assets

(Unaudited)

Year ended December 31

2012

2011

Revenues		
Fundraising	\$ 1,130,292	\$ 129,894
Amortization of deferred contributions	303,617	76,560
Endowment fund	30,000	-
Facility rental	397,569	88,368
Other income	3,790	6,220
Grants and other income	<u>20,269</u>	<u>-</u>
	<u>1,885,537</u>	<u>301,042</u>
Expenditures		
Office (Schedule 1)	320,568	221,453
Fund development (Schedule 2)	157,291	119,540
Camp operations (Schedule 3)	<u>888,372</u>	<u>330,177</u>
	<u>1,366,231</u>	<u>671,170</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 519,306</u>	<u>\$ (370,128)</u>
Surplus (Deficiency), beginning of year	\$ (49,476)	\$ 320,652
Excess (deficiency) of revenues over expenditures	<u>519,306</u>	<u>(370,128)</u>
Surplus (Deficiency), end of year	<u>\$ 469,830</u>	<u>\$ (49,476)</u>

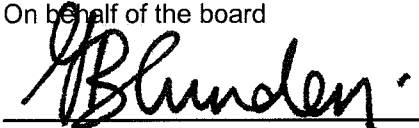
Brigadoon Children's Camp Society

Statement of Financial Position

(Unaudited)

December 31	2012	2011	January 1, 2011
Assets			
Current			
Cash			
Cash	\$ 338,124	\$ 23,451	\$ 1,793,374
Restricted	117,500	-	-
Receivables	2,334	943	-
Prepays	3,712	-	-
Government remittance receivable	<u>2,001</u>	<u>93,860</u>	<u>223,097</u>
	463,671	118,254	2,016,471
Property and equipment (Note 5)	<u>7,410,238</u>	<u>7,654,885</u>	<u>1,855,016</u>
	<u>\$ 7,873,909</u>	<u>\$ 7,773,139</u>	<u>\$ 3,871,487</u>
Liabilities			
Current			
Payables and accruals	\$ 70,921	\$ 1,165,669	\$ 653,725
Deferred revenue	19,692	2,300	-
Loan payable	-	781,648	-
Current portion of long-term debt (Note 6)	<u>107,608</u>	<u>-</u>	<u>-</u>
	198,221	1,949,617	653,725
Long-term debt (Note 6)	1,586,477	-	-
Deferred capital contributions (Note 7)	<u>5,619,381</u>	<u>5,872,998</u>	<u>2,897,110</u>
	7,404,079	7,822,615	3,550,835
Fund balances			
Surplus (Deficiency)	<u>469,830</u>	<u>(49,476)</u>	<u>320,652</u>
	<u>\$ 7,873,909</u>	<u>\$ 7,773,139</u>	<u>\$ 3,871,487</u>

On behalf of the board


Member


Member

Brigadoon Children's Camp Society

Statement of Cash Flows

(Unaudited)

Year ended December 31

2012

2011

Increase (decrease) in cash and cash equivalents

Operating

Excess (deficiency) of revenues over expenditures	\$ 519,306	\$ (370,128)
Item not affecting cash		
Amortization	<u>324,493</u>	<u>80,308</u>
	843,799	(289,820)
Change in non-cash working capital items		
Receivables	(1,391)	(943)
Prepays	(3,712)	-
Government remittance receivable	91,859	129,237
Payables and accruals	(1,094,748)	511,944
Deferred revenue	17,392	2,300
Loan payable	<u>(781,648)</u>	<u>781,648</u>
	<u>(928,449)</u>	<u>1,134,366</u>

Financing

Repayment of long-term debt	(34,835)	-
Proceeds of long-term debt	1,728,920	-
Deferred capital contributions	<u>(253,617)</u>	<u>2,975,888</u>
	<u>1,440,468</u>	<u>2,975,888</u>

Investing

Purchase of property and equipment	<u>(79,846)</u>	<u>(5,880,177)</u>
Increase (decrease) in cash	432,173	(1,769,923)
Cash and cash equivalents		
Beginning of year	<u>23,451</u>	<u>1,793,374</u>
End of year	<u>\$ 455,624</u>	<u>\$ 23,451</u>

Brigadoon Children's Camp Society

Notes to the Financial Statements

(Unaudited)
December 31, 2012

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.

2. Statement of compliance with the Canadian accounting standards

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3. First-time adoption of Canadian accounting standards for not-for-profit organizations

The Society has elected to apply the standards in Part III of the CICA Accounting Handbook for not-for-profit organizations in accordance with Canadian accounting standards for not-for-profit organizations.

These financial statements are the first financial statements for which the Society has applied Canadian accounting standards for not-for-profit organizations hereafter referred to as "ASNPO".

The date of transition to ASNPO is January 1, 2011. The accounting policies described in Note 4 to the financial statements are for the year ended December 31, 2012, the comparative information and the opening statement of financial position as at the date of transition.

The adoption of ASNPO has resulted in no adjustments to the previously reported assets, liabilities, surplus, deficiency, excess of revenue over expenditures or cash flows of the Society.

4. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

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.

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

Facility rental revenue is recognized when earned.

Brigadoon Children's Camp Society

Notes to the Financial Statements

(Unaudited)

December 31, 2012

4. Significant accounting policies (continued)

Property and equipment

Rates and bases of amortization applied to write-off the costs less estimated salvage value of property and equipment over their useful lives are as follows:

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

At December 31, 2012, there were no items subject to significant 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.

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.

Brigadoon Children's Camp Society

Notes to the Financial Statements

(Unaudited)
December 31, 2012

4. Significant accounting policies (continued)

Financial instruments (continued)

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.

5. Property and equipment

	<u>2012</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Buildings	\$ 7,677,945	\$ 380,178	\$ 7,297,767
Equipment	4,200	840	3,360
Vehicles	28,920	2,892	26,028
Furniture and fixtures	<u>103,974</u>	<u>20,891</u>	<u>83,083</u>
	<u>\$ 7,815,039</u>	<u>\$ 404,801</u>	<u>\$ 7,410,238</u>
			<u>2011</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Buildings	\$ 7,656,036	\$ 76,560	\$ 7,579,476
Equipment	4,200	-	4,200
Furniture and fixtures	<u>74,957</u>	<u>3,748</u>	<u>71,209</u>
	<u>\$ 7,735,193</u>	<u>\$ 80,308</u>	<u>\$ 7,654,885</u>
			<u>January 1, 2011</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Buildings	\$ 1,850,816	\$ -	\$ 1,850,816
Equipment	<u>4,200</u>	<u>-</u>	<u>4,200</u>
	<u>\$ 1,855,016</u>	<u>\$ -</u>	<u>\$ 1,855,016</u>

Brigadoon Children's Camp Society

Notes to the Financial Statements

(Unaudited)
December 31, 2012

6. Long-term debt	<u>2012</u>	<u>2011</u>	<u>January 1, 2011</u>
4. 16% RBC loan, payable in monthly instalments of \$10,994 including interest, due 2019. Security - see below.	\$ 763,044	\$ -	\$ -
Variable rate RBC loan, payable in at least one Lump Sum payment per year based on collection of pledges, interest only at prime plus 1.9%, due 2017. Security - see below.	900,000	-	-
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 \$26,028.	<u>31,041</u>	<u>-</u>	<u>-</u>
	1,694,085	-	-
Less current portion	<u>107,608</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,586,477</u>	<u>\$ -</u>	<u>\$ -</u>

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.

Estimated principal re-payments are as follows:

2013	\$ 107,608
2014	112,055
2015	116,699
2016	121,547
2017	1,024,391

7. Deferred capital contributions	<u>2012</u>	<u>2011</u>	<u>January 1, 2011</u>
Beginning of year	\$ 5,872,998	\$ 2,897,110	\$ -
Less amounts recognized as revenue in the year	(303,617)	(76,560)	-
Add amounts received for future expenditures	<u>50,000</u>	<u>3,052,448</u>	<u>2,897,110</u>
	<u>\$ 5,619,381</u>	<u>\$ 5,872,998</u>	<u>\$ 2,897,110</u>

Brigadoon Children's Camp Society

Notes to the Financial Statements

(Unaudited)
December 31, 2012

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 fulfill 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.

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.

Other price risk

The Society is not exposed to other price risk.

Change in risk

During the year, the Society's exposure to interest rate risk increased as a result of the long-term financing obtained.

9. Comparative figures

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

Brigadoon Children's Camp Society

Schedules to the Financial Statements

(Unaudited)

Year ended December 31

Schedule of office	Schedule 1	
	2012	2011
Bank fees and interest	\$ 43,213	\$ 6,097
Event	90	150
IT (computer, software, personnel)	485	2,895
Interest on long-term debt	46,780	20,380
Marketing and printing	1,568	3,001
Meetings	616	2,189
Membership and training	1,094	996
Occupancy	10,173	10,145
Office supplies	5,641	5,074
Other	1,840	1,897
Personnel costs	168,539	142,617
Phone/internet/cell phone	2,606	3,176
Postage	1,529	921
Professional fees	33,410	20,076
Travel and mileage	2,984	1,839
	<u>\$ 320,568</u>	<u>\$ 221,453</u>

Schedule of fund development	Schedule 2	
	2012	2011
Brigadoon clothing	\$ -	\$ 11,775
Donor recognition	1,599	9,239
Event	14,209	12,094
Marketing and printing	5,243	2,937
Meetings	181	1,573
Membership and training	-	141
Personnel costs	79,143	75,137
Professional fees	53,761	1,357
Shipping/postage	142	38
Travel and mileage	3,013	5,249
	<u>\$ 157,291</u>	<u>\$ 119,540</u>

Brigadoon Children's Camp Society

Schedules to the Financial Statements

(Unaudited)

Year ended December 31

Schedule of camp operations

Schedule 3

	2012	2011
Amortization	\$ 324,493	\$ 80,308
Operations	206,650	81,664
Personnel costs and benefits	<u>357,229</u>	<u>168,205</u>
	<u>\$ 888,372</u>	<u>\$ 330,177</u>
