



Financial Statements

(Unaudited)

Brigadoon Children's Camp Society

December 31, 2014

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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, 2014 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
April 20, 2015



Chartered Accountants

Brigadoon Children's Camp Society

Statement of Operations

(Unaudited)

Year ended December 31	2014	Restated 2013
Revenues		
Facility rental	\$ 484,765	\$ 437,722
Fundraising	825,235	886,196
Other income	2,265	3,871
Amortization of deferred contributions	216,107	223,398
Grants	<u>15,835</u>	<u>6,580</u>
	<u>1,544,207</u>	<u>1,557,767</u>
Expenditures		
Office (Schedule 1)	281,224	251,680
Fund development (Schedule 2)	242,548	261,701
Camp operations (Schedule 3)	<u>1,019,256</u>	<u>920,588</u>
	<u>1,543,028</u>	<u>1,433,969</u>
Excess of revenues over expenditures	<u>\$ 1,179</u>	<u>\$ 123,798</u>

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

(Unaudited)

	Received for endowment purposes	Unrestricted	Total December 31 2014	Total Restated - Note 8 December 31 2013
Balance, beginning of year				
As previously reported	\$ 200,000	\$ 486,139	\$ 686,139	\$ 469,830
Prior period adjustment (Note 8)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,011</u>
As restated	200,000	486,139	686,139	479,841
Excess of revenues over expenditures	-	1,179	1,179	123,798
Deferred endowment contributions	-	-	-	82,500
Received during the year	<u>7,317</u>	<u>-</u>	<u>7,317</u>	<u>-</u>
Balance, end of year	<u>\$ 207,317</u>	<u>\$ 487,318</u>	<u>\$ 694,635</u>	<u>\$ 686,139</u>

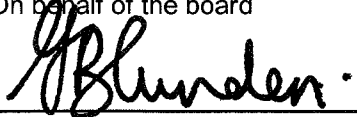
Brigadoon Children's Camp Society

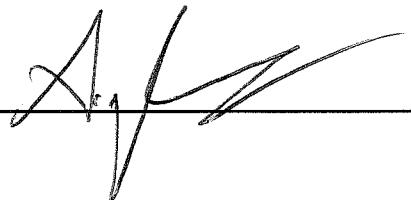
Statement of Financial Position

(Unaudited)

December 31	2014	Restated 2013
Assets		
Current		
Cash	\$ 228,748	\$ 308,315
Receivables	6,339	29,850
Government remittance receivable	<u>68,449</u>	<u>855</u>
	303,536	339,020
Restricted cash (Note 3)	207,520	200,000
Property and equipment (Note 4)	<u>6,846,266</u>	<u>7,154,399</u>
	<u>\$ 7,357,322</u>	<u>\$ 7,693,419</u>
Liabilities		
Current		
Payables and accruals	\$ 55,624	\$ 61,639
Deferred revenue	39,778	84,773
Current portion of long-term debt (Note 5)	<u>118,101</u>	<u>113,567</u>
	213,503	259,979
Long-term debt (Note 5)	1,262,604	1,385,739
Deferred capital contributions (Note 6)	<u>5,186,580</u>	<u>5,361,562</u>
	6,662,687	7,007,280
Net assets	<u>694,635</u>	<u>686,139</u>
	<u>\$ 7,357,322</u>	<u>\$ 7,693,419</u>

On behalf of the board


 _____ Member


 _____ Member

Brigadoon Children's Camp Society

Statement of Cash Flows

(Unaudited)

Year ended December 31	December 31 2014	Restated - Note 8 December 31 2013
Increase (decrease) in cash and cash equivalents		
Operating		
Excess of revenues over expenditures	\$ 1,179	\$ 123,798
Item not affecting cash		
Amortization	<u>315,432</u>	<u>324,023</u>
	316,611	447,821
Change in non-cash working capital items		
Receivables	23,511	(27,516)
Prepaid expenses	-	3,712
Government remittance receivable	(67,594)	(23,264)
Payables and accruals	(6,015)	(9,283)
Deferred revenue	<u>(44,995)</u>	<u>65,081</u>
	<u>221,518</u>	<u>456,551</u>
Financing		
Repayment of long-term debt	(118,601)	(194,779)
Deferred capital contributions	(174,982)	(223,398)
Endowment contributions	<u>7,317</u>	<u>82,500</u>
	<u>(286,266)</u>	<u>(335,677)</u>
Investing		
Purchase of property and equipment	<u>(7,299)</u>	<u>(68,183)</u>
(Decrease) increase in cash and cash equivalents	(72,047)	52,691
Cash and cash equivalents		
Beginning of year	<u>508,315</u>	<u>455,624</u>
End of year	<u>\$ 436,268</u>	<u>\$ 508,315</u>
Cash consists of:		
Cash	\$ 228,748	\$ 308,315
Restricted cash	<u>207,520</u>	<u>200,000</u>
	<u>\$ 436,268</u>	<u>\$ 508,315</u>

Brigadoon Children's Camp Society

Notes to the Financial Statements

(Unaudited)
December 31, 2014

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. 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

Brigadoon Children's Camp Society

Notes to the Financial Statements

(Unaudited)
December 31, 2014

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.

Brigadoon Children's Camp Society

Notes to the Financial Statements

(Unaudited)
December 31, 2014

3. Restricted cash

Restricted cash represents amounts received as endowments. These funds are invested in term deposits that bear interest at 0.8% per annum and mature in February 2015.

4. Property and equipment			<u>2014</u>	Restated <u>2013</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings	\$ 7,665,505	\$ 952,262	\$ 6,713,243	\$ 7,010,571
Equipment	4,200	2,050	2,150	4,200
Vehicles	57,090	27,576	29,514	42,164
Furniture and fixtures	<u>164,554</u>	<u>63,195</u>	<u>101,359</u>	<u>97,464</u>
	<u>\$ 7,891,349</u>	<u>\$ 1,045,083</u>	<u>\$ 6,846,266</u>	<u>\$ 7,154,399</u>

5. Long-term debt	<u>2014</u>	Restated <u>2013</u>
3.95% RBC loan, payable in monthly instalments of \$10,556 including interest, due 2019. Security - see below.	\$ 537,967	\$ 649,917
Variable rate RBC loan, payable in at least one Lump Sum payment per year based on collection of pledges, interest only at prime plus 1.6%, due 2017. Security - see below.	825,000	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 \$14,757.	<u>17,738</u>	<u>24,389</u>
	1,380,705	1,499,306
Less current portion	<u>118,101</u>	<u>113,567</u>
	<u>\$ 1,262,604</u>	<u>\$ 1,385,739</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.

Brigadoon Children's Camp Society

Notes to the Financial Statements

(Unaudited)

December 31, 2014

5. Long-term debt (continued)

Estimated principal repayments are due as follows:

2015	\$ 118,101
2016	122,826
2017	950,535
2018	126,236
2019	63,007

6. Deferred capital contributions

	<u>2014</u>	<u>Restated 2013</u>
Beginning of year	\$ 5,361,562	\$ 5,584,960
Less amounts recognized as revenue in the year	(216,107)	(223,398)
Add amounts received for future expenditures	<u>41,125</u>	<u>-</u>
	<u>\$ 5,186,580</u>	<u>\$ 5,361,562</u>

7. 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.

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.

Brigadoon Children's Camp Society

Notes to the Financial Statements

(Unaudited)

December 31, 2014

8. Correction of accounting errors

a) During the year, the Society received the results of an audit by the Canada Revenue Agency (CRA) related to the Harmonized Sales Tax (HST). This audit determined that input tax credits ("ITCs") were overstated in 2011 and 2012 and the Society had been collecting HST in error on certain revenues. The ITC error resulted in an understatement of expenses and liabilities for each year impacted for a total of \$48,256. There is no impact on the statement of operations in the comparative 2013 period. The HST collected in error resulted in an overstatement of revenues and receivables of \$7,502 in 2013.

As a result of revisiting the HST filings, the Society determined that it was not filing the GST/HST Public Service Bodies' Rebate. This resulted in an overstatement of liabilities and expenses for 2011, 2012 and 2013 of \$8,534, \$15,312 and \$21,897 respectively.

b) The deferred endowment contribution balance has been reclassified from liabilities to Net Assets to conform to ASNPO. This reclassification had no impact to the statement of operations.

c) Deferred capital contribution and amortization of deferred contributions has been adjusted to reflect an error in calculation of the annual amortization.

As a result of the corrections, the following financial statement items as at December 31, 2013 have been increased (decreased) by the following amounts:

Net assets as at January 1, 2013:	<u>\$ 10,011</u>
Balance sheet at December 31, 2013:	
Deferred capital contribution	(151,688)
Deferred endowment contribution	200,000
Receivables	(7,502)
Government remittance receivable:	
ITC	(48,256)
Rebates	<u>45,743</u>
Net assets	<u>38,297</u>
Net assets as at January 1, 2014:	<u>38,297</u>
Income statement for the year ended December 31, 2013:	
Amortization of deferred contributions	(68,609)
Facility rental	(7,502)
Office	3,771
Fund development	9,496
Camp operations	<u>8,630</u>
Excess of revenues over expenditures	<u>(54,214)</u>

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	
	2014	Restated 2013
Bad debt (recovery)	\$ (499)	\$ 2,455
Bank fees and interest	12,090	6,972
Event	800	794
Insurance	1,368	1,609
Interest on long-term debt	60,832	60,909
Marketing and printing	253	1,533
Meetings	1,440	1,204
Membership and training	4,101	1,411
Occupancy	9,869	11,068
Office supplies	9,875	8,322
Other	-	296
Personnel costs	143,282	126,695
Phone/internet/cell phone	6,084	1,531
Postage	4,106	3,355
Professional development	5,313	-
Professional fees	17,087	19,892
Travel and mileage	5,223	3,634
	<u>\$ 281,224</u>	<u>\$ 251,680</u>

Schedule of fund development	Schedule 2	
	2014	Restated 2013
Brigadoon clothing	\$ 5,838	\$ -
Donor recognition	5,626	5,312
Event	29,018	22,935
Marketing and printing	41,493	40,644
Meals and entertainment	203	275
Meetings	-	250
Personnel costs	141,718	120,258
Professional development	1,084	780
Professional fees	-	62,017
Shipping/postage	12,892	746
Travel and mileage	4,676	8,484
	<u>\$ 242,548</u>	<u>\$ 261,701</u>

Brigadoon Children's Camp Society

Schedules to the Financial Statements

(Unaudited)

Year ended December 31

Schedule of camp operations

Schedule 3

	2014	Restated 2013
Amortization	\$ 315,432	\$ 324,023
Operations	296,268	249,222
Personnel costs and benefits	<u>407,556</u>	<u>347,343</u>
	<u>\$ 1,019,256</u>	<u>\$ 920,588</u>
