



Grant Thornton

Financial Statements

(Unaudited)

Brigadoon Children's Camp Society

December 31, 2013

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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, 2013 and the statements of operations and 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 28, 2014

*Grant Thornton LLP*

Chartered Accountants

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## Brigadoon Children's Camp Society

### Statements of Operations and Changes in Net Assets

(Unaudited)

Year ended December 31

2013

2012

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#### Revenues

Facility rental	\$ 445,224	\$ 397,569
Fundraising	886,196	1,160,292
Other income	3,872	3,790
Amortization of deferred contributions	292,007	303,617
Grants and other income	<u>6,580</u>	<u>20,269</u>
	<u>1,633,879</u>	<u>1,885,537</u>

#### Expenditures

Office (Schedule 1)	255,451	320,568
Fund development (Schedule 2)	271,198	157,291
Camp operations (Schedule 3)	<u>929,218</u>	<u>888,372</u>
	<u>1,455,867</u>	<u>1,366,231</u>

Excess of revenues over expenditures

\$ 178,012      \$ 519,306

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Net assets, beginning of year

\$ 469,830      \$ (49,476)

Excess of revenues over expenditures

178,012      519,306

Net assets, end of year

\$ 647,842      \$ 469,830

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**Brigadoon Children's Camp Society**  
**Statement of Financial Position**

(Unaudited)

December 31

2013

2012

**Assets**

Current

Cash	\$ 308,315	\$ 338,124
Receivables	37,351	2,334
Prepaids	-	3,712
Government remittance receivable	3,368	2,001

349,034 346,171

Restricted cash	200,000	117,500
Property and equipment (Note 3)	7,154,399	7,410,238

\$ 7,703,433 \$ 7,873,909

**Liabilities**

Current

Payables and accruals	\$ 61,638	\$ 70,921
Deferred revenue	84,773	19,692
Current portion of long-term debt (Note 4)	113,567	107,608

259,978 198,221

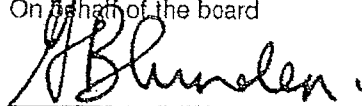
Long-term debt (Note 4)	1,385,739	1,586,477
Deferred capital contributions (Note 5)	5,209,874	5,501,881
Deferred endowment contributions (Note 6)	200,000	117,500

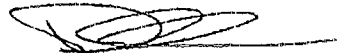
7,055,591 7,404,079

Net assets 647,842 469,830

\$ 7,703,433 \$ 7,873,909

On behalf of the board

 Member

 Member

# Brigadoon Children's Camp Society

## Statement of Cash Flows

(Unaudited)

Year ended December 31

2013

2012

Increase (decrease) in cash and cash equivalents

### Operating

Excess of revenues over expenditures	\$ 178,012	\$ 519,306
Item not affecting cash		
Amortization	<u>324,023</u>	<u>324,493</u>
	502,035	843,799
Change in non-cash working capital items		
Receivables	(35,017)	(1,391)
Prepays	3,712	(3,712)
Government remittance receivable	(1,367)	91,859
Payables and accruals	(9,283)	(1,094,750)
Deferred revenue	65,081	17,392
Loan payable	<u>-</u>	<u>(781,648)</u>
	<u>525,161</u>	<u>(928,451)</u>

### Financing

Repayment of long-term debt	(194,779)	(34,835)
Proceeds of long-term debt	-	1,728,920
Deferred capital contributions	(292,007)	(371,117)
Deferred endowment contributions	<u>82,500</u>	<u>117,500</u>
	<u>(404,286)</u>	<u>1,440,468</u>

### Investing

Purchase of property and equipment	<u>(68,184)</u>	<u>(79,844)</u>
Increase in cash	52,691	432,173
Cash and cash equivalents		
Beginning of year	<u>455,624</u>	<u>23,451</u>
End of year	<u>\$ 508,315</u>	<u>\$ 455,624</u>

### Cash consists of:

Cash	\$ 308,315	\$ 338,124
Restricted cash	<u>200,000</u>	<u>117,500</u>
	<u>\$ 508,315</u>	<u>\$ 455,624</u>

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# **Brigadoon Children's Camp Society**

## **Notes to the Financial Statements**

(Unaudited)  
December 31, 2013

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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 revenue is recognized when earned.

#### **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.

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# **Brigadoon Children's Camp Society**

## **Notes to the Financial Statements**

(Unaudited)

December 31, 2013

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

#### **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, 2013, 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.

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, 2013

3. Property and equipment			<u>2013</u>	<u>2012</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings	\$ 7,682,755	\$ 672,184	<b>\$ 7,010,571</b>	\$ 7,297,767
Equipment	4,200	672	<b>3,528</b>	3,360
Vehicles	57,090	14,926	<b>42,164</b>	26,028
Furniture and fixtures	<u>139,177</u>	<u>41,041</u>	<b><u>98,136</u></b>	<u>83,083</u>
	<b><u>\$ 7,883,222</u></b>	<b><u>\$ 728,823</u></b>	<b><u>\$ 7,154,399</u></b>	<b><u>\$ 7,410,238</u></b>

4. Long-term debt	<u>2013</u>	<u>2012</u>
4.16% RBC loan, payable in monthly instalments of \$10,994 including interest, due 2019. Security - see below.	<b>\$ 649,917</b>	\$ 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.	<b>825,000</b>	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 \$21,112.	<b><u>24,389</u></b>	<u>31,041</u>
	<b>1,499,306</b>	1,694,085
Less current portion	<b><u>113,567</u></b>	<u>107,608</u>
	<b><u>\$ 1,385,739</u></b>	<b><u>\$ 1,586,477</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.

Estimated principal repayments are due as follows:

2014	\$ 113,567
2015	118,101
2016	122,826
2017	950,535
2018	126,236

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## Brigadoon Children's Camp Society

### Notes to the Financial Statements

(Unaudited)

December 31, 2013

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<b>5. Deferred capital contributions</b>	<u>2013</u>	<u>2012</u>
Beginning of year	\$ 5,501,881	\$ 5,755,498
Less amounts recognized as revenue in the year	(292,007)	(303,617)
Add amounts received for future expenditures	<u>-</u>	<u>50,000</u>
	<u>\$ 5,209,874</u>	<u>\$ 5,501,881</u>

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<b>6. Deferred endowment contributions</b>	<u>2013</u>	<u>2012</u>
Beginning of year	\$ 117,500	\$ 117,500
Add amounts received for endowment	<u>82,500</u>	<u>-</u>
	<u>\$ 200,000</u>	<u>\$ 117,500</u>

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#### **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.

##### Other price risk

The Society is not exposed to other price risk.

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

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

(Unaudited)

December 31, 2013

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#### **8. Other matter**

The Society is currently undergoing an HST audit. An amount of \$19,877 has been repaid subsequent to year end and a further \$31,367 has been determined to be payable. Other adjustments may be required.

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#### **9. 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

(Unaudited)

Year ended December 31

Schedule of office	Schedule 1	
	2013	2012
Bad debts	\$ 2,455	\$ -
Bank fees and interest	7,086	43,213
Event	850	90
Insurance	1,609	1,800
IT (computer, software, personnel)	-	485
Interest on long-term debt	60,909	46,780
Marketing and printing	1,640	1,568
Meetings	1,244	616
Membership and training	1,509	1,094
Occupancy	11,841	10,173
Office supplies	8,903	5,641
Other	317	40
Personnel costs	126,693	168,539
Phone/internet/cell phone	1,638	2,606
Postage	3,590	1,529
Professional fees	21,279	33,410
Travel and mileage	3,888	2,984
	<b>\$ 255,451</b>	<b>\$ 320,568</b>

Schedule of fund development	Schedule 2	
	2013	2012
Donor recognition	\$ 5,683	\$ 1,599
Event	24,535	14,209
Marketing and printing	43,480	5,243
Meals and entertainment	285	-
Meetings	250	181
Personnel costs	120,259	79,143
Professional fees	66,112	53,761
Professional development	834	-
Shipping/postage	765	142
Travel and mileage	8,995	3,013
	<b>\$ 271,198</b>	<b>\$ 157,291</b>

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## Brigadoon Children's Camp Society

### Schedules to the Financial Statements

(Unaudited)

Year ended December 31

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Schedule of camp operations	Schedule 3	
	2013	2012
Amortization	\$ 324,023	\$ 324,493
Operations	257,852	206,650
Personnel costs and benefits	<u>347,343</u>	<u>357,229</u>
	<u>\$ 929,218</u>	<u>\$ 888,372</u>

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