



Grant Thornton

Financial Statements

(Unaudited)

Brigadoon Children's Camp Society

December 31, 2016

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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, 2016 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
March 15, 2017

Grant Thornton LLP

Chartered Professional Accountants
Licensed Public Accountants

Brigadoon Children's Camp Society

Statement of Operations

(Unaudited)

Year ended December 31

| | 2016 | 2015 |
|---|-------------------|---------------------|
| Revenues | | |
| Facility rental | \$ 586,172 | \$ 477,424 |
| Fundraising | 1,465,991 | 749,869 |
| Other income | 2,878 | 2,431 |
| Amortization of deferred contributions | 201,871 | 209,496 |
| Grants | <u>17,879</u> | <u>18,562</u> |
| | <u>2,274,791</u> | <u>1,457,782</u> |
| Expenditures | | |
| Office (Schedule 1) | 324,887 | 361,668 |
| Fund development (Schedule 2) | 318,555 | 275,126 |
| Camp operations (Schedule 3) | <u>1,088,122</u> | <u>1,008,916</u> |
| | <u>1,731,564</u> | <u>1,645,710</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ 543,227</u> | <u>\$ (187,928)</u> |

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

(Unaudited)
Year ended December 31

| | Received for endowment purposes | Unrestricted | Internally restricted capital reserve (Note 8) | Total 2016 | Total 2015 |
|--|---------------------------------------|-------------------|--|---------------------|-------------------|
| Balance, beginning of year | \$ 207,520 | \$ 299,188 | \$ - | \$ 506,708 | \$ 694,636 |
| Excess (deficiency) of revenues over expenditures | - | 543,227 | - | 543,227 | (187,928) |
| Endowment contributions | 38,550 | - | - | 38,550 | - |
| Transfer from non-restricted | <u>-</u> | <u>(115,000)</u> | <u>115,000</u> | <u>-</u> | <u>-</u> |
| Balance, end of year | <u>\$ 246,070</u> | <u>\$ 727,415</u> | <u>\$ 115,000</u> | <u>\$ 1,088,485</u> | <u>\$ 506,708</u> |

Brigadoon Children's Camp Society

Statement of Financial Position

(Unaudited)
December 31

| | 2016 | 2015 |
|--|---------------------|---------------------|
| Assets | | |
| Current | | |
| Cash | \$ 352,754 | \$ 80,740 |
| Receivables | 43,900 | 7,071 |
| Government remittance receivable | <u>2,960</u> | <u>1,547</u> |
| | 399,614 | 89,358 |
| Restricted cash (Note 3) | 246,070 | 207,520 |
| Property and equipment (Note 4) | <u>6,316,452</u> | <u>6,596,222</u> |
| | <u>\$ 6,962,136</u> | <u>\$ 6,893,100</u> |
| Liabilities | | |
| Current | | |
| Payables and accruals | \$ 54,480 | \$ 26,783 |
| Deferred revenue | 22,555 | 76,651 |
| Current portion of callable debt (Note 5) | 140,560 | - |
| Current portion of long-term debt (Note 6) | <u>5,466</u> | <u>935,135</u> |
| | 223,061 | 1,038,569 |
| Current liabilities before callable debt | 805,690 | - |
| Callable debt (Note 5) | <u>1,028,751</u> | <u>1,038,569</u> |
| | - | 319,908 |
| Long-term debt (Note 6) | <u>4,844,900</u> | <u>5,027,915</u> |
| Deferred capital contributions (Note 7) | 5,873,651 | 6,386,392 |
| | <u>1,088,485</u> | <u>506,708</u> |
| Net assets | <u>\$ 6,962,136</u> | <u>\$ 6,893,100</u> |

On behalf of the board

_____ Member _____ Member

Brigadoon Children's Camp Society

Statement of Cash Flows

(Unaudited)

Year ended December 31

2016

2015

Increase (decrease) in cash and cash equivalents

Operating

| | | |
|---|------------------|------------------|
| Excess (deficiency) of revenues over expenditures | \$ 543,227 | \$ (187,928) |
| Items not affecting cash | | |
| Amortization | 293,313 | 304,611 |
| Amortization of deferred capital contributions | <u>(201,871)</u> | <u>(209,496)</u> |
| | 634,669 | (92,813) |
| Change in non-cash working capital items | | |
| Receivables | (36,829) | (732) |
| Government remittance receivable | (1,413) | 66,902 |
| Payables and accruals | 27,697 | (28,841) |
| Deferred revenue | <u>(54,096)</u> | <u>36,873</u> |
| | <u>570,028</u> | <u>(18,611)</u> |

Financing

| | | |
|--|------------------|-----------------|
| Repayment of callable debt | (403,750) | - |
| Proceeds of callable debt | 1,350,000 | - |
| Repayment of long-term debt | (1,249,577) | (150,188) |
| Proceeds of long-term debt | - | 24,526 |
| Increase in deferred capital contributions | 18,856 | 50,831 |
| Endowment contribution | <u>38,550</u> | <u>-</u> |
| | <u>(245,921)</u> | <u>(74,831)</u> |

Investing

| | | |
|--|-------------------|-------------------|
| Purchase of property and equipment | <u>(13,543)</u> | <u>(54,566)</u> |
| Increase (decrease) in cash and cash equivalents | 310,564 | (148,008) |
| Cash and cash equivalents | | |
| Beginning of year | <u>288,260</u> | <u>436,268</u> |
| End of year | <u>\$ 598,824</u> | <u>\$ 288,260</u> |

Cash consists of:

| | | |
|-----------------|-------------------|-------------------|
| Cash | \$ 352,754 | \$ 80,740 |
| Restricted cash | <u>246,070</u> | <u>207,520</u> |
| | <u>\$ 598,824</u> | <u>\$ 288,260</u> |

Brigadoon Children's Camp Society

Notes to the Financial Statements

(Unaudited)
December 31, 2016

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 |
| Computer equipment | 20% Declining balance |

Brigadoon Children's Camp Society

Notes to the Financial Statements

(Unaudited)
December 31, 2016

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, 2016

3. Restricted cash

Restricted cash represents amounts received as endowments. These funds are being held in a GIC.

4. Property and equipment

| | | | <u>2016</u> | <u>2015</u> |
|------------------------|----------------------------|-------------------------------------|----------------------------|----------------------------|
| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> | <u>Net Book Value</u> |
| Buildings | \$ 7,665,505 | \$ 1,478,576 | \$ 6,186,929 | \$ 6,444,713 |
| Equipment | 4,200 | 2,828 | 1,372 | 1,720 |
| Vehicles | 78,428 | 51,260 | 27,168 | 38,796 |
| Furniture and fixtures | 208,497 | 109,551 | 98,946 | 108,164 |
| Computer equipment | <u>2,829</u> | <u>792</u> | <u>2,037</u> | <u>2,829</u> |
| | <u>\$ 7,959,459</u> | <u>\$ 1,643,007</u> | <u>\$ 6,316,452</u> | <u>\$ 6,596,222</u> |

5. Callable debt

| | <u>2016</u> | <u>2015</u> |
|--|--------------------------|--------------------|
| 3.74% CIBC loan, repayable on demand. Until demand, repayable in monthly instalments of \$7,083 plus interest, maturing in 2026. | \$ 786,250 | \$ - |
| Prime plus 1% CIBC loan, repayable on demand. Until demand, repayable in monthly instalments of \$4,630 plus interest, maturing in 2026. | <u>160,000</u> | <u>-</u> |
| | 946,250 | - |
| Less current portion | <u>140,560</u> | <u>-</u> |
| Callable debt | <u>\$ 805,690</u> | <u>\$ -</u> |

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. As at the balance sheet date, the Society was in compliance with the covenants.

Brigadoon Children's Camp Society

Notes to the Financial Statements

(Unaudited)
December 31, 2016

5. Callable debt (continued)

Estimated principal repayments are as follows:

| | | |
|------|--|------------|
| 2017 | | \$ 140,560 |
| 2018 | | 140,560 |
| 2019 | | 133,880 |
| 2020 | | 85,000 |
| 2021 | | 85,000 |

6. Long-term debt

| | <u>2016</u> | <u>2015</u> |
|--|--------------|-------------------|
| John Deere loan, payable in monthly instalments of \$554, interest 0%, due 2017. As security, the Society had provided a vehicle with a net book value of \$7,831. | \$ 4,435 | \$ 11,087 |
| Variable rate RBC loan, refinanced during the year. | - | 800,000 |
| 3.95% RBC loan payable, refinanced during the year. | - | 430,616 |
| Nissan Canada Financial Services Inc. 0.9% Capital Lease payable in monthly instalments of \$1,031, due 2017. As security, the Society has provided a vehicle with a net book value of \$18,136. | <u>1,031</u> | <u>13,340</u> |
| | 5,466 | 1,255,043 |
| Less current portion | <u>5,466</u> | <u>935,135</u> |
| Due beyond one year | <u>\$ -</u> | <u>\$ 319,908</u> |

Estimated principal repayment is due as follows:

| | | |
|------|--|----------|
| 2017 | | \$ 5,466 |
|------|--|----------|

Brigadoon Children's Camp Society

Notes to the Financial Statements

(Unaudited)
December 31, 2016

| 7. Deferred capital contributions | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|
| Beginning of year | \$ 5,027,915 | \$ 5,186,580 |
| Less amounts recognized as revenue in the year | (201,871) | (209,496) |
| Add amounts received for future expenditures | <u>18,856</u> | <u>50,831</u> |
| | <u>\$ 4,844,900</u> | <u>\$ 5,027,915</u> |

8. Reserve

During the year, a reserve was created through an allocation of retained earnings. This reserve was implemented at the discretion of those charged with governance and its primary purpose is as a reserve for future capital investment and significant repairs and maintenance to existing capital assets.

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.

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.

Brigadoon Children's Camp Society Schedules to the Financial Statements

(Unaudited)
Year ended December 31

| Schedule of office | Schedule 1 | |
|----------------------------|-------------------|-------------------|
| | 2016 | 2015 |
| Bank fees and interest | \$ 17,841 | \$ 24,616 |
| Event | 3,578 | 1,899 |
| Insurance | 2,200 | 3,568 |
| Interest on long-term debt | 54,613 | 51,992 |
| Marketing and printing | 421 | - |
| Meetings | 1,138 | 1,733 |
| Membership and training | 284 | 898 |
| Miscellaneous | 2,769 | 2,821 |
| Occupancy | 24,951 | 12,441 |
| Office | 10,617 | 6,821 |
| Personnel costs | 158,765 | 206,593 |
| Phone/Internet/cell phone | 7,234 | 5,849 |
| Postage | 3,671 | 3,302 |
| Professional fees | 30,797 | 31,180 |
| Travel and mileage | 6,008 | 7,955 |
| | <u>\$ 324,887</u> | <u>\$ 361,668</u> |

| Schedule of fund development | Schedule 2 | |
|------------------------------|-------------------|-------------------|
| | 2016 | 2015 |
| Brigadoon clothing | \$ - | \$ 1,075 |
| Donor recognition | 5,786 | 3,850 |
| Event | 74,789 | 56,547 |
| Marketing and printing | 38,049 | 37,360 |
| Meals and entertainment | - | 9 |
| Membership and training | 313 | 1,179 |
| Office | 1,704 | 1,739 |
| Personnel costs | 179,512 | 164,728 |
| Professional development | 590 | 696 |
| Shipping/postage | 14,153 | 3,890 |
| Travel and mileage | 3,659 | 4,053 |
| | <u>\$ 318,555</u> | <u>\$ 275,126</u> |

Brigadoon Children's Camp Society
Schedules to the Financial Statements

(Unaudited)
Year ended December 31

| Schedule of camp operations | Schedule 3 | |
|------------------------------|---------------------|---------------------|
| | 2016 | 2015 |
| Amortization | \$ 293,313 | \$ 304,611 |
| Operations | 317,664 | 276,691 |
| Personnel costs and benefits | <u>477,145</u> | <u>427,614</u> |
| | <u>\$ 1,088,122</u> | <u>\$ 1,008,916</u> |
