



Financial Statements

Brigadoon Children's Camp Society

December 31, 2018

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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, 2018, 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.

# Independent Practitioner's Review Engagement Report (continued)

## Conclusion

Based on our review, 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, 2018, 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.

*Grant Thornton LLP*

Kentville, Canada  
March 31, 2019

Chartered Professional Accountants  
Licensed Public Accountants

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# Brigadoon Children's Camp Society

## Statement of Operations

Year ended December 31

2018

2017

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### Revenues

Facility rental	\$ 725,925	\$ 659,727
Fundraising	1,293,952	1,276,934
Amortization of deferred contributions	186,044	193,796
Grants	38,583	23,895
	<u>2,244,504</u>	<u>2,154,352</u>

### Expenditures

Office (Schedule 1)	343,528	308,686
Fund development (Schedule 2)	488,499	345,440
Camp operations (Schedule 3)	1,336,359	1,221,013
	<u>2,168,386</u>	<u>1,875,139</u>

Excess of revenues over expenditures before other income (item) 76,118 279,213

Investment income	6,539	4,411
Unrealized gain (loss) on investments	(12,972)	11,039
	<u>(6,433)</u>	<u>15,450</u>

Excess of revenues over expenditures \$ 69,685 \$ 294,663

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## Brigadoon Children's Camp Society

### Statement of Changes in Net Assets

Year ended December 31

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	Endowment	Unrestricted	Internally restricted capital	Total 2018	Total 2017
Balance, beginning of year \$	275,487 \$	1,022,078 \$	115,000 \$	<b>1,412,565 \$</b>	1,088,485
Excess of revenues over expenditures	-	69,685	-	<b>69,685</b>	294,663
Endowment contributions	<u>5,000</u>	<u>-</u>	<u>-</u>	<u><b>5,000</b></u>	<u>29,417</u>
Balance, end of year	<b><u>\$ 280,487</u></b>	<b><u>\$ 1,091,763</u></b>	<b><u>\$ 115,000</u></b>	<b><u>\$ 1,487,250</u></b>	<b><u>\$ 1,412,565</u></b>

# Brigadoon Children's Camp Society

## Statement of Financial Position

December 31

2018

2017

### Assets

#### Current

Cash	\$ 385,652	\$ 381,829
Short term investments (Note 3)	202,398	200,318
Receivables	56,678	16,665
Prepays	15,424	14,269
Government remittance receivable	7,257	473

**667,409** 613,554

Restricted cash (Note 4) **280,284** 275,487

Property and equipment (Note 5) **5,870,618** 6,118,747

**\$ 6,818,311** \$ 7,007,788

### Liabilities

#### Current

Payables and accruals	\$ 39,319	\$ 44,991
Deferred revenue	3,631	15,582
Current portion of long-term debt (Note 7)	10,134	12,161
Current portion of callable debt (Note 6)	105,000	140,560

Current liabilities before callable debt **158,084** 213,294

Callable debt (Note 6) **657,917** 720,690

**816,001** 933,984

Long-term debt (Note 7) - 10,135

Deferred capital contributions (Note 8) **4,515,060** 4,651,104

**5,331,061** 5,595,223

**Net assets** **1,487,250** 1,412,565

**\$ 6,818,311** \$ 7,007,788

On behalf of the board

\_\_\_\_\_ Member

\_\_\_\_\_ Member

# Brigadoon Children's Camp Society

## Statement of Cash Flows

Year ended December 31

2018

2017

Increase (decrease) in cash and cash equivalents

### Operating

Excess of revenues over expenditures	\$	69,685	\$	294,663
Items not affecting cash				
Amortization		275,942		284,640
Amortization of deferred capital contributions		(186,044)		(193,796)
		<u>159,583</u>		<u>385,507</u>
Change in non-cash working capital items				
Short term investments		(2,080)		(200,318)
Receivables		(40,013)		27,235
Prepays		(1,155)		(14,269)
Government remittance receivable		(6,784)		2,487
Payables and accruals		(5,672)		(9,489)
Deferred revenue		(11,951)		(6,973)
		<u>91,928</u>		<u>184,180</u>

### Financing

Repayment of callable debt		(98,333)		(85,000)
Repayment of long-term debt		(12,162)		(7,492)
Proceeds of long-term debt		-		24,323
Increase in deferred capital contributions		50,000		-
Endowment funds received		5,000		29,417
		<u>(55,495)</u>		<u>(38,752)</u>

### Investing

Purchase of property and equipment		<u>(27,813)</u>		<u>(86,936)</u>
Increase in cash and cash equivalents		8,620		58,492
Cash and cash equivalents				
Beginning of year		<u>657,316</u>		<u>598,824</u>
End of year	\$	<u>665,936</u>	\$	<u>657,316</u>

### Cash consists of:

Cash	\$	385,652	\$	381,829
Restricted cash		<u>280,284</u>		<u>275,487</u>
	\$	<u>665,936</u>	\$	<u>657,316</u>



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# Brigadoon Children's Camp Society

## Notes to the Financial Statements

December 31, 2018

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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 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, 2018

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### 2. Significant accounting policies (continued)

#### 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.

#### 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

#### 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.

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# Brigadoon Children's Camp Society

## Notes to the Financial Statements

December 31, 2018

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### 2. Significant accounting policies (continued)

#### 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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### 3. Short term investments

Short-term investments consist of two term deposits that mature November 5, 2019 and bear an interest rate of 1.25%. These funds are cash holdings for operations and have no restrictions.

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### 4. Restricted cash

Restricted cash represents amounts received as endowments. These funds are being held in an investment portfolio consisting primarily of equities and mutual funds.

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### 5. Property and equipment

			<u>2018</u>	<u>2017</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings	\$ 7,698,457	\$ 1,964,777	\$ 5,733,680	\$ 5,951,496
Equipment	4,200	3,319	881	1,101
Vehicles	94,928	71,803	23,125	31,406
Furniture and fixtures	273,793	162,166	111,627	133,114
Computer equipment	<u>2,829</u>	<u>1,524</u>	<u>1,305</u>	<u>1,630</u>
	<u>\$ 8,074,207</u>	<u>\$ 2,203,589</u>	<u>\$ 5,870,618</u>	<u>\$ 6,118,747</u>

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# Brigadoon Children's Camp Society

## Notes to the Financial Statements

December 31, 2018

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6. Callable debt	<u>2018</u>	<u>2017</u>
3.74% CIBC loan, repayable on demand. Until demand, repayable in monthly instalments of \$7,083 plus interest, maturing in 2026.	\$ 616,250	\$ 701,250
Prime plus 1% CIBC loan, repayable on demand. Until demand, repayable in monthly instalments of \$4,630 plus interest, maturing in 2026.	<u>146,667</u>	<u>160,000</u>
	<b>762,917</b>	861,250
Less current portion	<u>105,000</u>	<u>140,560</u>
	<b>\$ 657,917</b>	<b>\$ 720,690</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 covenants with respect to its callable debts. As at the balance sheet date, the Society was in compliance with the covenants.

Estimated principal repayments are as follows:

2019	\$ 105,000
2020	105,000
2021	105,000
2022	105,000
2023	105,000

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## Brigadoon Children's Camp Society

### Notes to the Financial Statements

December 31, 2018

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#### 7. Long-term debt

	<u>2018</u>	<u>2017</u>
NSPI loan payable in monthly instalments of \$1,013, interest 0%, due 2019. As security, the Society has granted a security interest in the financed equipment.	\$ 10,134	\$ 22,296
Less current portion	<u>10,134</u>	<u>12,161</u>
	<u>\$ -</u>	<u>\$ 10,135</u>

Estimated principal repayment is due as follows:

2019	\$ 10,134
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#### 8. Deferred capital contributions

	<u>2018</u>	<u>2017</u>
Beginning of year	\$ 4,701,104	\$ 4,844,900
Amortization of capital contributions	<u>(186,044)</u>	<u>(193,796)</u>
	<u>\$ 4,515,060</u>	<u>\$ 4,651,104</u>

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#### 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.

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# **Brigadoon Children's Camp Society**

## **Notes to the Financial Statements**

December 31, 2018

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### **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.

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# Brigadoon Children's Camp Society

## Schedules to the Financial Statements

Year ended December 31

Schedule of office	Schedule 1	
	2018	2017
Bad debt (recovery)	\$ 214	\$ 626
Bank fees and interest	15,901	15,354
Event	5,258	4,558
IT (computer, software, personnel)	17,121	-
Insurance	456	912
Interest on long-term debt	31,972	33,840
Marketing and printing	-	1,106
Meetings	2,791	665
Membership and training	1,910	1,939
Miscellaneous	4,667	2,868
Occupancy	44,723	41,398
Office	22,496	13,576
Personnel costs	156,398	153,058
Phone/Internet/cell phone	8,537	8,275
Postage	3,660	5,560
Professional fees	21,827	18,682
Travel and mileage	5,597	6,269
	<u>\$ 343,528</u>	<u>\$ 308,686</u>

Schedule of fund development	Schedule 2	
	2018	2017
Donor recognition	\$ 3,172	\$ 2,952
Event	85,078	75,963
Marketing and printing	50,766	48,612
Meals and entertainment	143	-
Membership and training	358	308
Office	1,521	1,759
Personnel costs	276,364	184,848
Professional development	49,481	2,442
Professional fees	914	-
Shipping/postage	14,532	21,231
Travel and mileage	6,170	7,325
	<u>\$ 488,499</u>	<u>\$ 345,440</u>

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# Brigadoon Children's Camp Society

## Schedules to the Financial Statements

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Year ended December 31

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### Schedule of camp operations

### Schedule 3

	2018	2017
Amortization	\$ 275,942	\$ 284,640
Operations	427,079	362,085
Personnel costs and benefits	<u>633,338</u>	<u>574,288</u>
	<u>\$ 1,336,359</u>	<u>\$ 1,221,013</u>

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