

Financial Statements of

**THE BOY SCOUTS OF  
CANADA – VOYAGEUR  
COUNCIL**

Year ended August 31, 2005



**KPMG LLP**  
**Chartered Accountants**  
Suite 2000  
160 Elgin Street  
Ottawa ON K2P 2P8  
Canada

Telephone (613) 212-KPMG (5764)  
Fax (613) 212-2896  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## AUDITORS' REPORT

To the Members of  
The Boy Scouts of Canada – Voyageur Council

We have audited the statement of financial position of The Boy Scouts of Canada – Voyageur Council as at August 31, 2005 and the statements of operations, changes in fund balances (deficiency) and cash flows for the year then ended. These financial statements are the responsibility of Voyageur Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Voyageur Council derives revenue from camp fees, donations, fundraising, and events, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Voyageur Council and we were not able to determine whether any adjustments might be necessary to revenue, deficiency of revenue over expenses, current assets and net assets (deficiency).

In our opinion, except as explained in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of The Boy Scouts of Canada - Voyageur Council as at August 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in the Schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*KPMG LLP*

Chartered Accountants

Ottawa, Canada

November 29, 2005

# THE BOY SCOUTS OF CANADA – VOYAGEUR COUNCIL

## Statement of Financial Position

August 31, 2005, with comparative figures for 2004

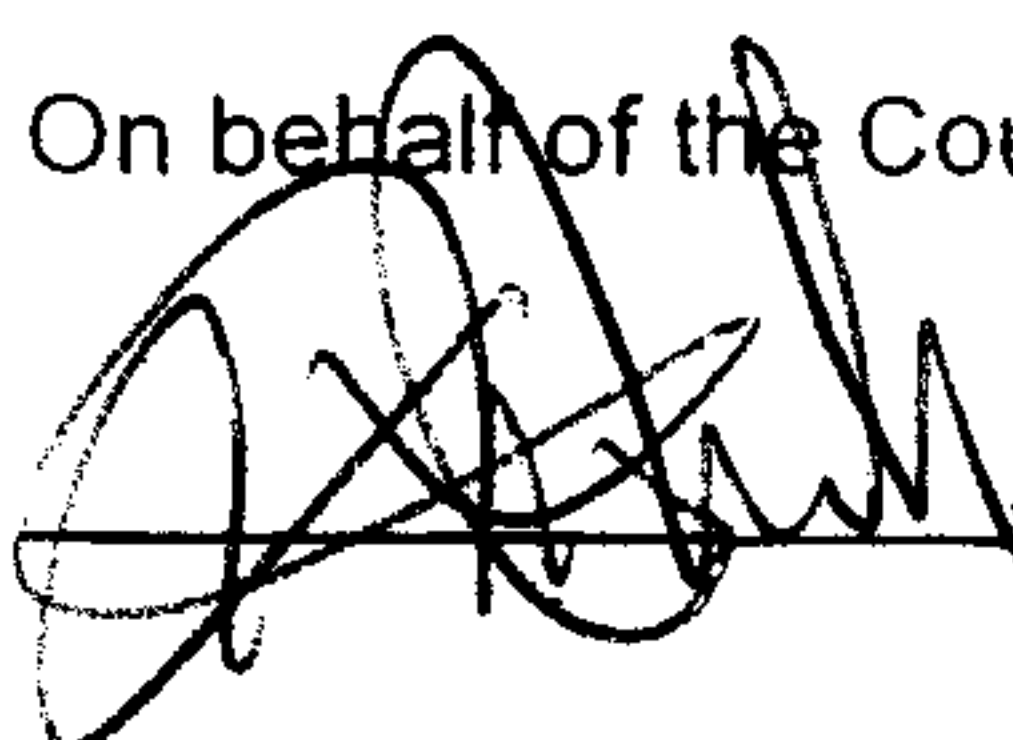
	Unrestricted Fund	Restricted Funds	2005 Total	2004 Total
<b>Assets</b>				
Current assets:				
Cash	\$ -	\$ 1,157	\$ 1,157	\$ 5,777
Amounts receivable (note 2)	25,910	-	25,910	25,974
Membership receivable (net of allowance of \$11,341)	36,443	-	36,443	-
Inventory	17,156	-	17,156	20,605
Prepaid expenses	11,146	-	11,146	6,855
	90,655	1,157	91,812	59,211
Investments (note 3)	251,649	519,541	771,190	716,644
Capital assets (note 4)	1,754	-	1,754	2,638
Camp Opemikon property	410,407	-	410,407	422,887
Amounts due from Unrestricted Fund	(77,776)	77,776	-	-
	\$ 676,689	\$ 598,474	\$ 1,275,163	\$ 1,201,380

## Liabilities and Fund Balances (Deficiency)

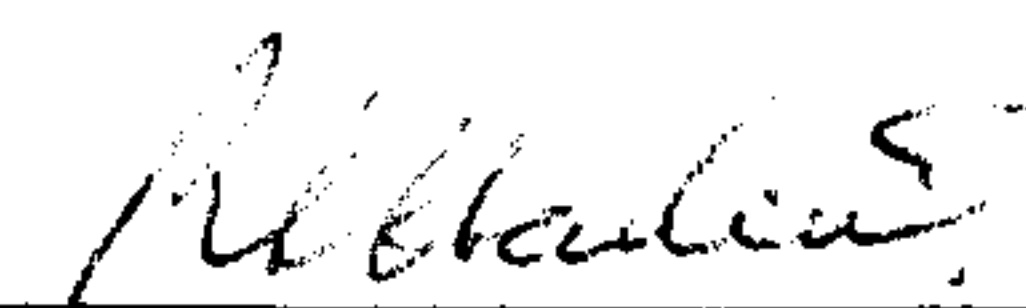
Current liabilities:				
Accounts payable and accrued liabilities (note 5)	\$ 18,234	\$ -	\$ 18,234	\$ 29,675
Deferred revenue (note 7)	344,310	-	344,310	304,047
Amount payable to National Operation (note 6)	127,594	-	127,594	76,848
	490,138	-	490,138	410,570
Employee future benefits payable (note 8)	174,751	-	174,751	37,817
Fund balances (deficiency):				
Unrestricted	(400,361)	-	(400,361)	(242,514)
Restricted	-	598,474	598,474	569,982
Investment in capital assets	1,754	-	1,754	2,638
Investment in Camp Opemikon property	410,407	-	410,407	422,887
	11,800	598,474	610,274	752,993
Funds held in trust by Provincial Council of Ontario (note 9)				
	\$ 676,689	\$ 598,474	\$ 1,275,163	\$ 1,201,380

See accompanying notes to financial statements.

On behalf of the Council Management Committee:



Executive Director



Treasurer



# THE BOY SCOUTS OF CANADA – VOYAGEUR COUNCIL

## Statement of Operations

Year ended August 31, 2005, with comparative figures for 2004

	Operating Fund	Restricted Funds	2005 Total	2004 Total
<b>Revenue:</b>				
Membership fees	\$ 748,878	\$ 46	\$ 748,924	\$ 770,156
Less: National and provincial fees	(303,905)	–	(303,905)	(394,557)
Less: fee subsidies	(66,340)	(8,871)	(75,211)	(25,226)
Camp fees	303,076	2,653	305,729	292,173
Fundraising	98,973	30,411	129,384	123,579
Donations	54,339	22,445	76,784	41,658
United Way of Ottawa	2,198	–	2,198	3,524
Training fees	1,824	6,183	8,007	17,603
Investment	16,570	34,203	50,773	32,854
Events	13,430	29,326	42,756	50,003
Scout Shop royalties (note 6)	14,194	–	14,194	14,745
Other	3,798	18,938	22,736	17,221
Transfer from Provincial Council of Ontario	–	–	–	8,550
	887,035	135,334	1,022,369	952,283
<b>Expenses:</b>				
Administration, salaries and benefits	479,008	1,451	480,459	510,163
Camp meals	84,902	–	84,902	74,061
Fundraising	79,720	11,514	91,234	99,782
Communication and promotion	10,663	1,075	11,738	13,111
Rent	7,893	–	7,893	14,947
Property operation and maintenance	81,828	24,824	106,652	89,741
Program supplies and equipment	48,795	2,295	51,090	54,701
Travel and meetings	44,136	5,382	49,518	58,715
Transportation	36,658	3,856	40,514	42,982
Staff and volunteer training	3,662	–	3,662	14,900
Transfers to Local Scout Group	–	–	–	8,550
Events	–	23,330	23,330	10,499
Other	36,894	12,937	49,831	5,191
	914,159	86,664	1,000,823	997,343
Excess (deficiency) of revenue over expenses, before amortization	(27,124)	48,670	21,546	(45,060)
Amortization of capital assets	36,314	–	36,314	40,960
Excess (deficiency) of revenue over expenses	\$ (63,438)	\$ 48,670	\$ (14,768)	\$ (86,020)

See accompanying notes to financial statements.

# THE BOY SCOUTS OF CANADA – VOYAGEUR COUNCIL

## Statement of Changes in Fund Balances (Deficiency)

Year ended August 31, 2005, with comparative figures for 2004

	Unrestricted	Restricted	Investment in capital assets	Investment in Camp Opemikon property	2005 Total	2004 Total
Fund balance (deficiency), as previously reported	\$ (242,514)	\$ 569,982	\$ 2,638	\$ 422,887	\$ 752,993	\$ 796,564
Adjustment to employee future benefits payable (note 8)	(127,951)	–	–	–	(127,951)	–
Excess (deficiency) of revenue over expenses	(63,438)	48,670	–	–	(14,768)	(86,020)
Transfers from Areas	–	–	–	–	–	42,449
Transfer from unrestricted	(2,772)	2,772	–	–	–	–
Amortization of capital assets	884	–	(884)	–	–	–
Amortization of Camp Opemikon property	35,430	–	–	(35,430)	–	–
Acquisitions – Camp Opemikon property	–	(22,950)	–	22,950	–	–
<b>Fund balance (deficiency), end of year</b>	<b>\$ (400,361)</b>	<b>\$ 598,474</b>	<b>\$ 1,754</b>	<b>\$ 410,407</b>	<b>\$ 610,274</b>	<b>\$ 752,993</b>

See accompanying notes to financial statements.

# THE BOY SCOUTS OF CANADA – VOYAGEUR COUNCIL

## Statement of Cash Flows

Year ended August 31, 2005, with comparative figures for 2004

	2005	2004
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	\$ (14,768)	\$ (86,020)
Items which do not involve cash:		
Amortization of capital assets	36,314	40,960
Change in employee future benefits payable (note 8)	8,983	25,444
Changes in non-cash working capital balances:		
Decrease in amounts receivable	64	45,635
Increase in membership receivable	(36,443)	–
Decrease in inventory	3,449	5,292
Increase in prepaid expenses	(4,291)	(5,985)
Decrease in accounts payable and accrued liabilities	(11,441)	(46,574)
Increase in deferred revenue	40,263	303,657
Increase in amount payable to National Operation	50,746	12,725
	<u>72,876</u>	<u>295,134</u>
Cash flows from investing activities:		
Acquisitions – Camp Opemikon property	(22,950)	(34,832)
Increase in investments	(54,546)	(287,017)
	<u>(77,496)</u>	<u>(321,849)</u>
Cash flows from financing activities:		
Transfers from Areas	–	42,449
	<u>(4,620)</u>	<u>15,734</u>
Net increase (decrease) in cash	(4,620)	15,734
Cash, beginning of year	5,777	(9,957)
Cash, end of year	<u>\$ 1,157</u>	<u>\$ 5,777</u>

See accompanying notes to financial statements.



# THE BOY SCOUTS OF CANADA – VOYAGEUR COUNCIL

Notes to Financial Statements

Year ended August 31, 2005

---

The Boy Scouts of Canada is a national organization operating programs aimed at contributing to the education of young people through a value system based on the Scout Promise and Law, to help build a better world where people are self-fulfilled as individuals and play a constructive role in society. The Boy Scouts of Canada was incorporated on June 12, 1914 by an Act of the Canadian Parliament.

The Boy Scouts of Canada – Voyageur Council (“Voyageur Council”), is a Regional Council of The Boy Scouts of Canada, constituted under the authority of the Act. Voyageur Council operates Scout programs in Eastern Ontario. Voyageur Council is a registered charity under the Income Tax Act, and as such is not subject to income taxes.

## 1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

### (a) Basis of presentation:

These financial statements include the revenue, expenses, assets and liabilities of Voyageur Council including the activities of its Areas.

These financial statements do not include the revenue, expenses, assets and liabilities of the local Groups operating in Voyageur Council.

### (b) Fund accounting:

The Council follows the restricted fund method of accounting for not-for-profit organizations.

The Unrestricted Fund accounts for Voyageur Council’s program delivery and administrative activities.

The Restricted Funds account for the use of funds that have been designated by management or donors for specific purposes.

### (c) Inventory:

Inventory consists of clothing, crests, Camp Opemikon prints, books and food. Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

# THE BOY SCOUTS OF CANADA – VOYAGEUR COUNCIL

Notes to Financial Statements, page 2

Year ended August 31, 2005

---

## 1. Significant accounting policies (continued):

### (d) Investments:

Investments are recorded at cost plus accrued interest. Investments are written down to market if the decline in value is considered to be other than temporary by management.

### (e) Capital assets:

#### (i) Operating:

Capital assets are carried at cost less accumulated amortization. Amortization is recorded on a straight-line basis over the estimated useful life of the assets which is as follows:

Asset	Estimated useful life
Computers	3 years
Leasehold improvements	10 years

One-half the normal rate is used in the year of acquisition.

Voyageur Council and its local Scout Groups control, manage and use properties located in the region. With the exception of Camp Opemikon, these properties are recorded at a nominal value in these financial statements as they were acquired through contributions or bequests prior to 1997. The legal title to these camp properties is held by the Provincial Council of Ontario for Voyageur Council, in accordance with the policies of The Boy Scouts of Canada.

#### (ii) Camp Opemikon property:

Camp Opemikon property consists of Camp Opemikon facilities and is carried at cost less accumulated amortization. Amortization is provided for on a straight-line basis over the estimated useful life of the particular asset. In the year of acquisition, one-half the normal rate is used.

Asset	Estimated useful life
Camp Opemikon buildings	20 years
Camp Opemikon equipment	5 years
Truck	5 years



# THE BOY SCOUTS OF CANADA – VOYAGEUR COUNCIL

Notes to Financial Statements, page 3

Year ended August 31, 2005

---

## 1. Significant accounting policies (continued):

### (e) Capital assets (continued):

#### (ii) Camp Opemikon property (continued):

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

### (f) Revenue recognition:

Restricted contributions relating to general operations are recognized as revenue of the unrestricted fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year received.

Unrestricted contributions are recognized as revenue of the unrestricted fund in the year received. Pledges of contributions are not recorded until received.

Investment income is recognized when earned and is credited to the applicable restricted or operating fund.

Membership, camp and other related fees are recognized as revenue in the applicable restricted or operating fund in the fiscal year to which they relate.

### (g) Donated materials and supplies:

Volunteers donate services throughout the year to assist Voyageur Council in carrying out its activities. Because of the difficulty of tracking and determining their fair value, contributed services are not recorded in the financial statements.

### (h) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period in which they become known.

# THE BOY SCOUTS OF CANADA – VOYAGEUR COUNCIL

Notes to Financial Statements, page 4

Year ended August 31, 2005

## 2. Amounts receivable:

	2005		2004	
Local Scout Groups	\$	17,080	\$	21,781
Other		8,830		4,193
	\$	25,910	\$	25,974

## 3. Investments:

Investments consist of:

	2005		2004	
	Carrying value	Market value	Carrying value	Market value
Fixed income securities	\$ 476,182	\$ 472,803	\$ 461,078	\$ 459,331
Common shares	295,008	414,814	255,566	319,580
	\$ 771,190	\$ 887,617	\$ 716,644	\$ 778,911

## 4. Capital assets:

	2005		2004	
	Cost	Accumulated amortization	Net book value	Net book value
Properties	\$ 1	\$ –	\$ 1	\$ 1
Computers	5,857	5,857	–	132
Leasehold improvements	7,517	5,764	1,753	2,505
	\$ 13,375	\$ 11,621	\$ 1,754	\$ 2,638

Cost and accumulated amortization at August 31, 2004 amounted to \$13,375 and \$10,737 respectively.

These properties include: Apple Hill, Camp Trail, Camp Ledgewade, Camp Folly, Otter Lake (Quebec), Chalk River (Legion #562), Camp Rock Dunder, Otter Lake Camp (Ontario), and Camp Oskenton.

# THE BOY SCOUTS OF CANADA – VOYAGEUR COUNCIL

Notes to Financial Statements, page 5

Year ended August 31, 2005

## 5. Accounts payable and accrued liabilities:

	2005	2004
Other	\$ 12,194	\$ 21,337
Local Scout Groups	6,040	8,338
	<u>\$ 18,234</u>	<u>\$ 29,675</u>

## 6. Related party transactions:

Voyageur Council is related to the National Operation and Councils of The Boy Scouts of Canada. The National Operation provides payroll, accounting and administrative services to Voyageur Council. During the year, the National Operation charged \$23,826 (2004 - \$23,460) for these services. The amount payable to National Operation represents amounts paid by National Operation on behalf of the Voyageur Council.

In the year, the National Operation paid \$14,194 (2004 - \$14,745) in Scout Shop royalties to the Voyageur Council.

Other related party balances and transactions are disclosed in notes 2, 5 and 8.

## 7. Deferred revenue:

Deferred revenue represents funds received by the Operating Fund for which goods or services will be provided in future years.

	Opening balance	Amounts received	Revenue recognized	Closing balance
Membership fees	\$ 295,297	\$ 340,858	\$ 295,297	\$ 340,858
Donations for Camp Opemikon	8,085	4,303	9,036	3,352
Central Canada Jamboree fees	650	-	650	-
Training	15	100	15	100
	<u>\$ 304,047</u>	<u>\$ 345,261</u>	<u>\$ 304,998</u>	<u>\$ 344,310</u>



# THE BOY SCOUTS OF CANADA – VOYAGEUR COUNCIL

Notes to Financial Statements, page 6

Year ended August 31, 2005

---

## **8. Employee future benefits payable:**

The Boy Scouts of Canada has a defined benefit pension plan that covers most of its employees. The Boy Scouts of Canada also provides its employees with other employee future benefits, including health and life insurance benefits. The National Operation administers both plans and allocates a share of the net benefit costs to Councils. In the year, Voyageur Council's net benefit costs incurred were \$33,244 (2004 - \$44,176).

Councils are required to pay a portion of their net benefit costs incurred each year based on the cash payments required to be made to the plans by the National Operation. During the year, Voyageur Council paid \$24,261 (2004 - \$18,732) to the National Operation. The remaining balance is included in employee future benefits payable.

In the year, the Board of The Boy Scouts of Canada, along with the Councils approved the allocation of the entire accrued employee future benefits liability between the National Operation and the Councils. In prior years, only the liability relating to post-September 1, 2001 employee service was allocated. This allocation has been recorded as an adjustment to Unrestricted Fund deficiency, resulting in an increase in the employee future benefits payable and an increase in the opening Unrestricted Fund deficiency of \$127,951.

## **9. Funds held in trust by Provincial Council for Ontario; Boy Scouts of Canada:**

The Provincial Council for Ontario; Boy Scouts of Canada (the "Corporation") holds funds in trust for Ontario Councils, in accordance with the policies of The Boy Scouts of Canada. These funds were generated from the sale of Scout properties in Voyageur region and are available for use by Voyageur Council upon approval by the Corporation. Funds held in trust for Voyageur Council by the Corporation at August 31, 2005 amounted to \$57,408 (2004 - \$52,841). This amount is not recorded in these financial statements as it is recorded in the Corporation's financial statements.

## **10. Fair value of financial instruments:**

The carrying values of cash, amounts receivable, accounts payable and accrued liabilities and amount payable to National Operation approximate their fair values because of the relatively short period to maturity of these financial instruments. The fair value of investments is disclosed in note 3.

# THE BOY SCOUTS OF CANADA – VOYAGEUR COUNCIL

Notes to Financial Statements, page 7

Year ended August 31, 2005

---

## 11. Comparative figures:

Certain 2004 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2005.

# THE BOY SCOUTS OF CANADA – VOYAGEUR COUNCIL

## Schedule 1: Restricted Funds

Year ended August 31, 2005, with comparative figures for 2004

	Balance 2004	Revenue	Investment income	Transfers from Areas	Interfund transfers	Transfers from / (to) Other Funds	Expenditures	Balance 2005
Area Trust Funds	\$ 273,095	\$ 86,104	\$ 16,602	\$ -	\$ -	\$ -	\$ 76,144	\$ 299,657
Camp Opemikon Reserve Fund (Schedule 2)	124,907	-	7,267	-	-	(22,950)	-	109,224
Operating Reserve Fund	122,268	-	7,260	-	-	2,772	-	132,300
Youth Fund	25,458	3,011	1,365	-	-	-	3,086	26,748
Endowment Fund	12,159	-	707	-	-	-	-	12,866
Inactive Groups Fund	5,270	-	311	-	-	-	-	5,581
National Child Benefit Program Fund	4,020	(578)	199	-	-	-	-	3,641
Training Reserve Fund	2,805	-	163	-	-	-	-	2,968
Nunavut Project	-	12,594	329	-	-	-	7,434	5,489
	\$ 569,982	\$ 101,131	\$ 34,203	\$ -	\$ -	\$ (20,178)	\$ 86,664	\$ 598,474



# THE BOY SCOUTS OF CANADA – VOYAGEUR COUNCIL

## Schedule 2: Camp Opemikon Reserve Fund

Year ended August 31, 2005, with comparative figures for 2004

	2005	2004
Balance, beginning of year	\$ 124,907	\$ 149,002
Revenue:		
Investment	7,267	10,737
	132,174	159,739
Capital expenditures:		
Building repairs	(13,334)	–
Other camp equipment	(9,616)	–
UV Water treatment equipment	–	(14,490)
Truck	–	(20,342)
	(22,950)	(34,832)
Balance, end of year	\$ 109,224	\$ 124,907

# THE BOY SCOUTS OF CANADA – VOYAGEUR COUNCIL

## Schedule 3: Investment in Camp Opemikon Property

Year ended August 31, 2005, with comparative figures for 2004

	2005	2004
Balance, beginning of year	\$ 422,887	\$ 426,873
Add:		
Buildings	13,334	14,490
Equipment	9,616	–
Truck	–	20,342
	445,837	461,705
Less:		
Amortization of Camp Opemikon Property	35,430	38,818
Balance, end of year	\$ 410,407	\$ 422,887

Investment in Camp Opemikon Property consists of:

	Cost	Accumulated amortization	2005 Net book value	2004 Net book value
Buildings	\$ 367,666	\$ 133,823	\$ 233,843	\$ 233,447
Equipment	129,822	99,151	30,671	39,478
Truck	20,342	6,103	14,239	18,308
	517,830	239,077	278,753	291,233
Land	131,654	–	131,654	131,654
	\$ 649,484	\$ 239,077	\$ 410,407	\$ 422,887

Cost and accumulated amortization at August 31, 2004 amounted to \$631,347 and \$208,460 respectively.