

**Scouts Canada - Central Ontario**

Financial Statements  
**August 31, 2015**

**DRAFT**

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT  
NOT TO BE FURTHER COMMUNICATED**

November @@, 2015

## **Independent Auditor's Report**

### **To the Directors of Scouts Canada - Central Ontario**

We have audited the accompanying financial statements of Scouts Canada - Central Ontario, which comprise the statement of financial position as at August 31, 2015 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes, which comprise 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.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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**Basis for qualified opinion**

In common with many not-for-profit organizations, Scouts Canada - Central Ontario derives revenue from fees and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Scouts Canada - Central Ontario. Therefore, we were not able to determine whether any adjustments might be necessary to fees and fundraising revenues, excess (deficiency) of revenue over expenses and cash flows from operations for the years ended August 31, 2015 and August 31, 2014, current assets as at August 31, 2015 and August 31, 2014 and net assets as at September 1 and August 31 for both 2015 and 2014. Our audit opinion on the financial statements for the year ended August 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

**Qualified opinion**

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Scouts Canada - Central Ontario as at August 31, 2015 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.

**Chartered Professional Accountants, Licensed Public Accountants**

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT  
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## Scouts Canada - Central Ontario

## Statement of Financial Position

As at August 31, 2015

|  |                      |                          |                       | 2015        | 2014        |
|--|----------------------|--------------------------|-----------------------|-------------|-------------|
|  | Operating fund<br>\$ | Capital asset fund<br>\$ | Restricted fund<br>\$ | Total<br>\$ | Total<br>\$ |
| <b>Assets</b>  |                      |                          |                       |             |             |
| <b>Current assets</b>  |                      |                          |                       |             |             |
| Cash   | 266,323              | -                        | 811,567               | 1,077,890   | 1,351,228   |
| Investments (note 3)   | 1,038,687            | 402,926                  | 197,424               | 1,639,037   | 1,622,063   |
| Accounts receivable (note 5)   | 139,440              | -                        | -                     | 139,440     | 224,875     |
| Camp inventories   | 17,223               | -                        | -                     | 17,223      | 25,767      |
| Prepaid expenses and other   | 130,496              | -                        | -                     | 130,496     | 522,525     |
|  | 1,592,169            | 402,926                  | 1,008,991             | 3,004,086   | 3,746,458   |
| <b>Capital assets</b> (note 4)   | -                    | 1,980,859                | -                     | 1,980,859   | 2,073,768   |
| <b>Due from Provincial Council for Ontario;<br/>Boy Scouts of Canada</b> (note 5(b)) | -                    | -                        | 3,208,161             | 3,208,161   | 3,023,781   |
|  | 1,592,169            | 2,383,785                | 4,217,152             | 8,193,106   | 8,844,007   |
| <b>Liabilities</b>   |                      |                          |                       |             |             |
| <b>Current liabilities</b>   |                      |                          |                       |             |             |
| Accounts payable and accrued liabilities (note 6)                                    | 376,004              | -                        | -                     | 376,004     | 288,769     |
| Deferred revenue   | -                    | -                        | -                     | -           | 936,570     |
|  | 376,004              | -                        | -                     | 376,004     | 1,225,339   |
| <b>Deferred lease inducement</b>   | 47,981               | -                        | -                     | 47,981      | 59,271      |
|  | 423,985              | -                        | -                     | 423,985     | 1,284,610   |
| <b>Due to Scouts Canada - National<br/>Operation</b> (note 7)                        | 59,217               | -                        | -                     | 59,217      | 73,093      |
|  | 483,202              | -                        | -                     | 483,202     | 1,357,703   |
| <b>Net Assets</b>  |                      |                          |                       |             |             |
| <b>Operating fund</b>  | 1,108,967            | -                        | -                     | 1,108,967   | 1,018,410   |
| <b>Capital asset fund</b>  | -                    | 2,383,785                | -                     | 2,383,785   | 2,476,694   |
| <b>Restricted fund</b> (note 10)   | -                    | -                        | 4,217,152             | 4,217,152   | 3,991,200   |
|  | 1,108,967            | 2,383,785                | 4,217,152             | 7,709,904   | 7,486,304   |
|  | 1,592,169            | 2,383,785                | 4,217,152             | 8,193,106   | 8,844,007   |

Commitments (note 11)

Approved by the Board of Directors

Anna-Marie Christian, Treasurer  
Central Escarpment Council

Michael Wharrie, Council Commissioner  
Greater Toronto Council

Pierre Trautmann, Treasurer  
Shining Waters Council

The accompanying notes are an integral part of these financial statements.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT  
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## Scouts Canada - Central Ontario

## Statement of Operations

For the year ended August 31, 2015

|   | 2015                    |                                |                          | 2014        |             |
|---|-------------------------|--------------------------------|--------------------------|-------------|-------------|
|   | Operating<br>fund<br>\$ | Capital<br>asset<br>fund<br>\$ | Restricted<br>fund<br>\$ | Total<br>\$ | Total<br>\$ |
| <b>Revenue</b>  |                         |                                |                          |             |             |
| Membership fees   | 2,009,282               | -                              | -                        | 2,009,282   | 2,049,905   |
| Camp fees   | 1,083,548               | -                              | -                        | 1,083,548   | 1,186,037   |
| Fundraising   | 926,554                 | -                              | 147,090                  | 1,073,644   | 1,392,071   |
| United Way contributions  | 368,281                 | -                              | -                        | 368,281     | 377,482     |
| Grants  |                         |                                |                          |             | -           |
| Greater Toronto Scout Foundation  | 160,283                 | -                              | -                        | 160,283     | 150,948     |
| Kitchener Waterloo  | 10,000                  | -                              | 4,450                    | 14,450      | 10,000      |
| Event fees  | 42,812                  | -                              | 4,767                    | 47,579      | 14,897      |
| Training fees   | 40,766                  | -                              | -                        | 40,766      | 29,381      |
| Scout revenue sharing   | 14,593                  | -                              | -                        | 14,593      | 13,969      |
| Camp shop sales   | 92,969                  | -                              | -                        | 92,969      | 122,128     |
| Investment income (note 5(b))   | 6,604                   | -                              | 246,810                  | 253,414     | 138,213     |
| Other   | 159,408                 | -                              | 135                      | 159,543     | 379,522     |
| Government rebate/grants  | 8,036                   | -                              | 8,523                    | 16,559      | 10,909      |
| Rent income (note 5(a))   | 29,988                  | -                              | -                        | 29,988      | 36,412      |
| Transfer from other scouting entities (note 8)                          | -                       | -                              | 17,450                   | 17,450      | 4,824       |
|   | 4,953,124               | -                              | 429,225                  | 5,382,349   | 5,916,698   |
| <b>Expenses</b>   |                         |                                |                          |             |             |
| National and provincial fees  | 985,283                 | -                              | -                        | 985,283     | 951,233     |
| Salaries  | 1,178,813               | -                              | 40,455                   | 1,219,268   | 1,204,163   |
| Pension and benefits (notes 7(a) and (b))                               | 231,611                 | -                              | -                        | 231,611     | 243,498     |
| Special pension plan contributions<br>(note 7(b))                       | 55,432                  | -                              | -                        | 55,432      | 169,010     |
| Camp meals  | 124,783                 | -                              | -                        | 124,783     | 150,915     |
| Fundraising   | 762,213                 | -                              | 34,321                   | 796,534     | 860,585     |
| Communication and promotion   | 32,247                  | -                              | 2,381                    | 34,628      | 43,194      |
| Property operation and maintenance                                      | 684,339                 | -                              | -                        | 684,339     | 779,555     |
| Administration  | 241,671                 | -                              | 2,348                    | 244,019     | 197,426     |
| Program supplies and equipment  | 196,424                 | -                              | 3,218                    | 199,642     | 126,321     |
| Travel and meetings   | 128,215                 | -                              | 3,176                    | 131,391     | 145,249     |
| Staff and volunteer training  | 57,770                  | -                              | -                        | 57,770      | 42,289      |
| Events  | 46,753                  | -                              | 8,182                    | 54,935      | 18,547      |
| Amortization of capital assets  | -                       | 251,023                        | -                        | 251,023     | 266,890     |
| Cost of goods sold  | 88,091                  | -                              | -                        | 88,091      | 72,543      |
|   | 4,813,645               | 251,023                        | 94,081                   | 5,158,749   | 5,271,418   |
| <b>Excess (deficiency) of revenue over<br/>expenses from operations</b> | 139,479                 | (251,023)                      | 335,144                  | 223,600     | 645,280     |
| <b>One-time grant from National<br/>Operation</b>                       | -                       | -                              | -                        | -           | 115,635     |
| <b>Excess (deficiency) of revenue over<br/>expenses for the year</b>    | 139,479                 | (251,023)                      | 335,144                  | 223,600     | 760,915     |

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## Scouts Canada - Central Ontario

### Statement of Changes in Net Assets

For the year ended August 31, 2015

|  |                         |                             |                          | 2015             | 2014             |
|--|-------------------------|-----------------------------|--------------------------|------------------|------------------|
|  | Operating<br>fund<br>\$ | Capital<br>asset fund<br>\$ | Restricted<br>fund<br>\$ | Total<br>\$      | Total<br>\$      |
| <b>Net assets - Beginning of year</b>                        | 1,018,410               | 2,476,694                   | 3,991,200                | 7,486,304        | 6,725,389        |
| Excess (deficiency) of revenue over<br>expenses for the year | 139,479                 | (251,023)                   | 335,144                  | 223,600          | 760,915          |
| Interfund transfers (note 9)                                 | 109,192                 | -                           | (109,192)                | -                | -                |
| Capital asset additions                                      | (158,114)               | 158,114                     | -                        | -                | -                |
| <b>Net assets - End of year</b>                              | <b>1,108,967</b>        | <b>2,383,785</b>            | <b>4,217,152</b>         | <b>7,709,904</b> | <b>7,486,304</b> |

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## Scouts Canada - Central Ontario

## Statement of Cash Flows

For the year ended August 31, 2015

|   | 2015<br>\$       | 2014<br>\$       |
|---|------------------|------------------|
| <b>Cash provided by (used in)</b>                             |                  |                  |
| <b>Operating activities</b>                                   |                  |                  |
| Excess of revenue over expenses for the year                  | 223,600          | 760,915          |
| Add: Items not affecting cash                                 |                  |                  |
| Amortization of capital assets                                | 251,023          | 266,890          |
| Fair value change in investments                              | (135)            | (3,247)          |
| Due to Scouts Canada - National Operation                     | (13,876)         | (140,777)        |
| Due from Provincial Council for Ontario; Boy Scouts of Canada | (184,380)        | (224,261)        |
| Decrease in non-cash working capital components               | (374,617)        | (47,989)         |
|   | <u>(98,385)</u>  | <u>611,531</u>   |
| <b>Investing activities</b>                                   |                  |                  |
| Sale of investments   | 1,424,774        | 1,407,474        |
| Purchase of investments                                       | (1,441,613)      | (1,424,774)      |
| Purchase of capital assets                                    | (158,114)        | (209,687)        |
|   | <u>(174,953)</u> | <u>(226,987)</u> |
| <b>Increase (decrease) in cash during the year</b>            | <b>(273,338)</b> | <b>384,544</b>   |
| <b>Cash - Beginning of year</b>                               | <b>1,351,228</b> | <b>966,684</b>   |
| <b>Cash - End of year</b>                                     | <b>1,077,890</b> | <b>1,351,228</b> |

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# Scouts Canada - Central Ontario

## Notes to Financial Statements

August 31, 2015

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### 1 Organization

Scouts Canada - Central Ontario 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. Scouts Canada was incorporated on June 12, 1914 by an Act of the Canadian Parliament.

On February 21, 2007, the organization changed its name from Boy Scouts of Canada - Central Ontario to Scouts Canada - Central Ontario (SCCO). SCCO is comprised of the Central Escarpment Council, Greater Toronto Council, and the Shining Waters Council (collectively the Councils), which provide administrative services to its members. Scouts Canada is a registered charity under the Income Tax Act and, as such, is not subject to income taxes provided certain provisions of the Income Tax Act are met.

### 2 Basis of presentation and summary of significant accounting policies

#### Basis of presentation

These financial statements include the revenue, expenses, assets, liabilities and net assets of SCCO, which includes the Councils. These financial statements do not include amounts related to the local groups operating within the Councils.

#### Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) applied within the framework of the accounting policies summarized below.

#### Fund accounting

SCCO follows the restricted fund method of accounting for contributions. The operating fund accounts for the organization's program delivery and administrative activities. The capital asset fund reports the assets, revenue and expenses related to SCCO capital asset transactions. The restricted fund accounts for activities for which the use of these funds is restricted. The restrictions are imposed internally by the Councils and externally by the Provincial Council for Ontario; Boy Scouts of Canada (Provincial Council of Ontario) and Scouts Canada - Corporate Services (the National Operation). The use of these funds is overseen by the Council Commissioners, Council Youth Commissioners and/or the Council Treasurers and staff management of the Councils.

#### Inventories

Inventories are valued at the lower of cost (determined on a first-in, first-out basis) and net recoverable amount.

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# Scouts Canada - Central Ontario

## Notes to Financial Statements

August 31, 2015

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### Capital assets

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

|   |              |
|---|--------------|
| Camp buildings and equipment                        | 3 - 25 years |
| Administrative equipment and leasehold improvements | 3 - 7 years  |

Capital assets with a value less than \$1,000 are expensed on purchase.

SCCO reviews the carrying amounts of its long-lived assets regularly. If the long-lived assets no longer have any long-term service potential to the organization, the excess of the net carrying amount over any residual value is recognized as an expense in the statement of operations.

### Revenue recognition

Unrestricted revenue is recognized in the operating fund in the year to which it relates. Restricted contributions relating to general operations are recognized as revenue of the operating 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.

Investment income is recognized when earned and is credited to the applicable restricted or operating fund. Interest income on amounts owing by the Provincial Council of Ontario is recognized when confirmed by the Provincial Council of Ontario.

Pledges of contributions are not recorded until received.

Contributions to the capital asset fund are recognized in the year in which the cash is received or receivable.

### Cash

Cash consists of cash deposits and term deposits with original terms to maturity of 90 days or less. There are no cash equivalents as of August 31, 2015 (2014 - \$nil). As the bank account for SCCO services the Councils, individual bank accounts are not maintained.

### Deferred revenue

Monies received for next year's membership are recorded in deferred membership fees and are recognized into revenue in the year to which they relate.

### Deferred lease inducement

In 2013, SCCO received a lease inducement of \$81,850, which has been deferred and will be amortized over seven years. Accumulated amortization on this deferred lease inducement as at August 31, 2015 is \$33,869 (2014 - \$22,579). The deferred lease inducement is classified as long-term based on the amounts being earned over the term of the building lease.

# Scouts Canada - Central Ontario

## Notes to Financial Statements

August 31, 2015

### Donated services

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

### Financial instruments

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value based on the closing bid price at the reporting date. All other financial instruments including term deposits are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

The net change in the fair value of investments is recognized in the statement of operations. Realized gains and losses on disposal of investments are included as change in fair value of investments.

Financial assets are tested for impairment at the end of each reporting period where there are indicators the assets may be impaired.

### Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates as additional information becomes available in the future.

## 3 Investments

Investments comprise the following:

|                                | 2015<br>\$ | 2014<br>\$ |
|--------------------------------|------------|------------|
| Term deposits                  | 1,441,613  | 1,424,774  |
| Government and corporate bonds | 197,424    | 197,289    |
|                                | 1,639,037  | 1,622,063  |

The term deposits bear interest rates ranging from 0.95% to 1.25% and have maturity dates ranging from December 2, 2015 to July 6, 2016.

# Scouts Canada - Central Ontario

## Notes to Financial Statements

August 31, 2015

### 4 Capital assets

|   | 2015       |                                   |           |
|---|------------|-----------------------------------|-----------|
|   | Cost<br>\$ | Accumulated<br>amortization<br>\$ | Net<br>\$ |
| Camp properties                                     | 862,106    | -                                 | 862,106   |
| Camp buildings and equipment                        | 4,592,750  | 3,533,597                         | 1,059,153 |
| Administrative equipment and leasehold improvements | 643,072    | 583,472                           | 59,600    |
|   | 6,097,928  | 4,117,069                         | 1,980,859 |
|   | 2014       |                                   |           |
|   | Cost<br>\$ | Accumulated<br>amortization<br>\$ | Net<br>\$ |
| Camp properties                                     | 862,106    | -                                 | 862,106   |
| Camp buildings and equipment                        | 4,434,636  | 3,295,935                         | 1,138,701 |
| Administrative equipment and leasehold improvements | 643,072    | 570,111                           | 72,961    |
|   | 5,939,814  | 3,866,046                         | 2,073,768 |

Camp buildings and equipment include \$6,802 (2014 - \$14,548) of construction-in-progress. No amortization has been recorded for these assets.

SCCO and its local Scout groups control, manage and use properties located in the region. Title to properties is held in trust by the Provincial Council of Ontario (note 5(b)). On the sale of the properties, the Provincial Council of Ontario has the right to hold the proceeds in trust for the Councils until it approves the use of the funds by the Councils.

During the year, the Shining Waters Council disposed of a property resulting in a net gain of \$nil (2014 - \$158,000), which has been recorded as other income in the Shining Waters Council's statement of operations.

### 5 Related parties

- a) The National Operation is a related party by virtue of significant influence and has the ability to affect the strategic operating, investing and financial policies of SCCO. The National Operations has control over operations, programs and field services with a national scope and provides services to the 20 Councils in Canada. This includes the administration of salaries and benefits for all employees, for which it charges an administration fee of \$8,395. This also includes management of retail services/Scout Shops for which SCCO received rent during the year in the amount of \$32,148 (2014 - \$32,148) from the National Operation. The amount outstanding as at year-end amounts to \$13,723 (2014 - \$83,451).

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## Scouts Canada - Central Ontario

### Notes to Financial Statements

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- b) The Provincial Council of Ontario is a related party by virtue of significant influence and has the ability to affect the strategic operating, investing and financial policies of SCCO. The Councils within SCCO each have representation on the Board of Directors and there is the potential for material inter-entity transactions on an ongoing basis. The Provincial Council of Ontario holds legal title to Scout properties located in the Province of Ontario for the Councils. The amounts due from the Provincial Council of Ontario of \$3,208,161 (2014 - \$3,023,781) relate primarily to proceeds received from the sale of properties (note 4), which are held in trust for SCCO. These amounts will be received by SCCO as programs related to membership initiatives and camp capital improvements are approved and, therefore, are classified as long-term in these financial statements. These amounts are invested by the Provincial Council of Ontario with any investment income earned distributed to SCCO based on its proportionate share of the investment portfolio.
- c) Scouts Canada - White Pine Council (White Pine) is a related party by virtue of being related to the National Operation and the Provincial Council of Ontario, and receives administration and management services from SCCO. The amount due from White Pine as at year-end is \$10,960 (2014 - \$nil).

Related party transactions are recorded at the exchange amounts.

#### 6 Government remittances payable

Government remittances consist of the sales and withholding taxes that are required to be paid to government authorities and are recognized when the amounts come due. Sales and withholding taxes payable of \$25,611 (2014 - \$7,710) are included within accounts payable and accrued liabilities.

#### 7 Employee future benefits

##### a) Post-employment benefits

The National Operation administers and provides its employees with health and life insurance benefits and allocates a share of the net benefit costs to the Councils based on each Council's membership level. The Councils are required to pay part of the amount on a cash basis each year, while the balance is considered to be a long-term payable with no fixed terms of repayment.

During the year, the SCCO incurred \$53,450 (2014 - \$41,419) in post-employment benefits costs, which have been recorded as part of pension and benefits expense in the statement of operations.

##### b) Pension plan contributions

The National Operation has a defined benefit pension plan and a defined contribution plan that cover most of its employees. In the current year, following an annual valuation of the plans, it was estimated that the accrued liability for the pension benefits significantly exceeded the pension fund assets. This deficiency continues to be funded by the National Operation; however, in the current year, the Councils were allocated a portion of these deficiency payments based on their individual payroll levels. This resulted in the SCCO incurring an additional special contribution expense in the amount of \$55,432 (2014 -

# Scouts Canada - Central Ontario

## Notes to Financial Statements

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\$169,010). In future periods, SCCO's pension special contributions are expected to decrease and the amount will be determined based on the 2015 actuarial valuation.

During the year, SCCO made regular contributions to the pension plans in the amount of \$47,699 (2014 - \$50,609), which has been recorded as part of pension and benefits expense in the statement of operations.

Total amount due to National Operation amounts to \$59,217 (2014 - \$73,093) relating to these benefit payments.

### 8 Transfer from/to other scouting entities

When a local scout group becomes inactive, all remaining financial assets are transferred to be held in trust by SCCO for a period of three years. If the local group is not reactivated within three years, the funds are transferred to the appropriate council youth assistance fund.

During the year, SCCO recorded amounts previously held by groups, areas, districts and the province in the amount of \$17,450 (2014 - \$4,824).

### 9 Interfund transfers

During the year, SCCO transferred \$109,192 (2014 - \$107,192) from the restricted funds to the operating fund to assist with camp upgrades, maintenance of Scout halls, youth assistance and membership development. The interfund transfers were approved by the senior management of the Councils.

### 10 Restricted fund

SCCO holds restricted funds for the Councils. These funds are designated for youth assistance, area and Council events, camp development and camp programs. The restrictions are imposed internally by the Councils and externally by the Provincial Council of Ontario and the National Operation. The use of these funds is overseen by the Council Commissioners, Council Youth Commissioners and/or the Council Treasurers and staff management of the Councils.

The restricted funds are designated for the following purposes:

|   |  |                                     |                                    | 2015             | 2014             |
|---|--|-------------------------------------|------------------------------------|------------------|------------------|
|   | Central<br>Escarpment<br>Council<br>\$ | Greater<br>Toronto<br>Council<br>\$ | Shining<br>Waters<br>Council<br>\$ | Total<br>\$      | Total<br>\$      |
| Capital improvements and membership initiatives | 347,245                                | 1,550,802                           | 514,876                            | 2,412,923        | 2,330,519        |
| Youth assistance                                | 1,623,935                              | 49,426                              | 10,987                             | 1,684,348        | 1,537,827        |
| Area/group funds                                | 85,256                                 | 7,663                               | 26,962                             | 119,881          | 122,854          |
|   | <u>2,056,436</u>                       | <u>1,607,891</u>                    | <u>552,825</u>                     | <u>4,217,152</u> | <u>3,991,200</u> |

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# Scouts Canada - Central Ontario

## Notes to Financial Statements

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### 11 Commitments

Lease obligations for premises and office equipment, including estimated operating costs and property taxes, are payable as follows:

|            | \$             |
|------------|----------------|
| 2016       | 170,374        |
| 2017       | 174,504        |
| 2018       | 186,782        |
| 2019       | 186,782        |
| 2020       | 46,695         |
| Thereafter | -              |
|            | <u>765,137</u> |

### 12 Risk management

#### Credit risk

Financial assets that potentially subject SCCO to concentration of credit risk are accounts receivable. SCCO's accounts receivable credit risk is considered to be low.

#### Liquidity risk

Liquidity risk is the risk that SCCO will be unable to fulfill its obligations on a timely basis or at a reasonable cost. SCCO manages its liquidity risk by monitoring its operating requirements. SCCO prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

#### Market risk

Investments are subject to market risk and interest rate risk. SCCO manages these risks by investing in fixed income instruments and short-term investments. Professional investment managers invest and manage the investment portfolio in accordance with SCCO's investment policy guidelines. Investments are recorded at fair values. Fair value estimates are made at a specific point in time and may not be reflective of future value. SCCO does not hold or issue financial instruments for trading purposes and does not hold or invest in derivative financial instruments.

### 13 Subsequent event

Effective September 1, 2015, Scouts Canada transferred certain operational responsibilities to the National Operation from the Councils. Scouts Canada is taking a centralized approach to support the organizational strategic plan. The impact of this restructuring will be reflected in the 2015 - 2016 financial statements.

Membership revenue, subsidy programs, and the major fundraiser – popcorn will be centrally managed and funds will go directly to the National Operation. The Councils' financial operations will be focused on events, short-term programs and running properties in their area.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT  
NOT TO BE FURTHER COMMUNICATED**

(7)

**Scouts Canada - Central Ontario**

Notes to Financial Statements

August 31, 2015

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**14 Comparative figures**

Prior year balances have been reclassified to conform to the current year's financial statement presentation.

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**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT  
NOT TO BE FURTHER COMMUNICATED**

(8)

## Scouts Canada - Central Ontario

## Supplementary Statement of Financial Position

As at August 31, 2015

|  |  |                                     |                                    | 2015        | 2014        |
|--|--|-------------------------------------|------------------------------------|-------------|-------------|
|  | Central<br>Escarpment<br>Council<br>\$ | Greater<br>Toronto<br>Council<br>\$ | Shining<br>Waters<br>Council<br>\$ | Total<br>\$ | Total<br>\$ |
| <b>Assets</b>  |  |                                     |                                    |             |             |
| <b>Current assets</b>  |  |                                     |                                    |             |             |
| Cash   | 319,869                                | 554,190                             | 203,831                            | 1,077,890   | 1,351,228   |
| Investments  | 683,792                                | 582,470                             | 372,775                            | 1,639,037   | 1,622,063   |
| Accounts receivable  | 49,768                                 | 65,310                              | 24,362                             | 139,440     | 224,875     |
| Camp inventories   | 524                                    | 16,699                              | -                                  | 17,223      | 25,767      |
| Prepaid expenses and other   | 61,006                                 | 63,882                              | 5,608                              | 130,496     | 522,525     |
|  | 1,114,959                              | 1,282,551                           | 606,576                            | 3,004,086   | 3,746,458   |
| <b>Capital assets</b>  |  |                                     |                                    |             |             |
|  | 999,167                                | 902,475                             | 79,217                             | 1,980,859   | 2,073,768   |
| <b>Due from Provincial Council for Ontario;<br/>Boy Scouts of Canada</b> |  |                                     |                                    |             |             |
|  | 1,514,572                              | 1,208,471                           | 485,118                            | 3,208,161   | 3,023,781   |
|  | 3,628,698                              | 3,393,497                           | 1,170,911                          | 8,193,106   | 8,844,007   |
| <b>Liabilities</b>   |  |                                     |                                    |             |             |
| <b>Current liabilities</b>   |  |                                     |                                    |             |             |
| Accounts payable and accrued liabilities                                 | 79,161                                 | 228,941                             | 52,702                             | 360,804     | 288,769     |
| Deferred revenue   | 8,000                                  | 7,200                               | -                                  | 15,200      | 936,570     |
|  | 87,161                                 | 236,141                             | 52,702                             | 376,004     | 1,225,339   |
| <b>Deferred lease inducement</b>   |  |                                     |                                    |             |             |
|  | 12,955                                 | 26,389                              | 8,637                              | 47,981      | 59,271      |
|  | 100,116                                | 262,530                             | 61,339                             | 423,985     | 1,284,610   |
| <b>Due to Scouts Canada - National<br/>Operation</b>                     |  |                                     |                                    |             |             |
|  | 22,533                                 | 19,918                              | 16,766                             | 59,217      | 73,093      |
|  | 122,649                                | 282,448                             | 78,105                             | 483,202     | 1,357,703   |
| <b>Net Assets</b>  |  |                                     |                                    |             |             |
| <b>Operating fund</b>  |  |                                     |                                    |             |             |
|  | 450,475                                | 197,728                             | 460,764                            | 1,108,967   | 1,018,410   |
| <b>Capital asset fund</b>  |  |                                     |                                    |             |             |
|  | 999,138                                | 1,305,430                           | 79,217                             | 2,383,785   | 2,476,694   |
| <b>Restricted fund</b>   |  |                                     |                                    |             |             |
|  | 2,056,436                              | 1,607,891                           | 552,825                            | 4,217,152   | 3,991,200   |
|  | 3,506,049                              | 3,111,049                           | 1,092,806                          | 7,709,904   | 7,486,304   |
|  | 3,628,698                              | 3,393,497                           | 1,170,911                          | 8,193,106   | 8,844,007   |

FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT  
NOT TO BE FURTHER COMMUNICATED



## Scouts Canada - Central Ontario

## Supplementary Statement of Operations - Central Escarpment Council

For the year ended August 31, 2015

|  | 2015                    |                             |                          | 2014             |                  |
|--|-------------------------|-----------------------------|--------------------------|------------------|------------------|
|  | Operating<br>fund<br>\$ | Capital<br>asset fund<br>\$ | Restricted<br>fund<br>\$ | Total<br>\$      | Total<br>\$      |
| <b>Revenue</b>   |                         |                             |                          |                  |                  |
| Membership fees  | 802,330                 | -                           | -                        | 802,330          | 851,845          |
| Camp fees  | 324,938                 | -                           | -                        | 324,938          | 350,049          |
| Fundraising  | 510,536                 | -                           | 10,663                   | 521,199          | 598,849          |
| Grants - Kitchener Waterloo  | 10,000                  | -                           | 4,450                    | 14,450           | 10,000           |
| Event fees   | 400                     | -                           | -                        | 400              | 2,182            |
| Training fees  | 11,849                  | -                           | -                        | 11,849           | 3,686            |
| Scout revenue sharing  | 6,279                   | -                           | -                        | 6,279            | 7,128            |
| Camp shop sales  | 2,899                   | -                           | -                        | 2,899            | 8,620            |
| Investment income  | -                       | -                           | 118,889                  | 118,889          | 64,198           |
| Other  | 59,971                  | -                           | -                        | 59,971           | 75,594           |
| Government rebate/grants   | 2,364                   | -                           | 8,523                    | 10,887           | 3,627            |
| Rent income  | 14,731                  | -                           | -                        | 14,731           | 16,351           |
| Transfer from other scouting entities                                | -                       | -                           | 1,842                    | 1,842            | 2,272            |
|  | <b>1,746,297</b>        | <b>-</b>                    | <b>144,367</b>           | <b>1,890,664</b> | <b>1,994,401</b> |
| <b>Expenses</b>  |                         |                             |                          |                  |                  |
| National fees  | 376,640                 | -                           | -                        | 376,640          | 378,758          |
| Salaries   | 350,036                 | -                           | 40,454                   | 390,490          | 368,760          |
| Pension and benefits   | 78,224                  | -                           | -                        | 78,224           | 81,490           |
| Special pension plan contributions                                   | 16,630                  | -                           | -                        | 16,630           | 53,517           |
| Camp meals   | 10,670                  | -                           | -                        | 10,670           | 11,719           |
| Fundraising  | 402,492                 | -                           | -                        | 402,492          | 411,497          |
| Communication and promotion  | 8,129                   | -                           | -                        | 8,129            | 15,163           |
| Property operation and maintenance                                   | 298,792                 | -                           | -                        | 298,792          | 340,475          |
| Administration   | 65,464                  | -                           | 2,348                    | 67,812           | 56,147           |
| Program supplies and equipment                                       | 37,814                  | -                           | 2,626                    | 40,440           | 25,943           |
| Travel and meetings  | 51,098                  | -                           | 3,176                    | 54,274           | 49,998           |
| Staff and volunteer training   | 8,855                   | -                           | -                        | 8,855            | 8,394            |
| Events   | 1,092                   | -                           | 3,611                    | 4,703            | 2,867            |
| Amortization of capital assets                                       | -                       | 84,287                      | -                        | 84,287           | 90,593           |
| Cost of goods sold   | 4,546                   | -                           | -                        | 4,546            | 4,487            |
|  | <b>1,710,482</b>        | <b>84,287</b>               | <b>52,215</b>            | <b>1,846,984</b> | <b>1,899,808</b> |
| <b>Excess (deficiency) of revenue<br/>over expenses for the year</b> | <b>35,815</b>           | <b>(84,287)</b>             | <b>92,152</b>            | <b>43,680</b>    | <b>94,593</b>    |

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT  
NOT TO BE FURTHER COMMUNICATED**

## Scouts Canada - Central Ontario

### Supplementary Statement of Changes in Net Assets - Central Escarpment Council

For the year ended August 31, 2015

|  |                         |                             |                          | 2015             | 2014             |
|--|-------------------------|-----------------------------|--------------------------|------------------|------------------|
|  | Operating<br>fund<br>\$ | Capital<br>asset fund<br>\$ | Restricted<br>fund<br>\$ | Total<br>\$      | Total<br>\$      |
| <b>Net assets - Beginning of year</b>                        | 472,814                 | 1,025,940                   | 1,963,615                | 3,462,369        | 3,367,776        |
| Excess (deficiency) of revenue over<br>expenses for the year | 35,815                  | (84,287)                    | 92,152                   | 43,680           | 94,593           |
| Interfund transfers  | (669)                   | -                           | 669                      | -                | -                |
| Capital asset additions                                      | (57,485)                | 57,485                      | -                        | -                | -                |
| <b>Net assets - End of year</b>                              | <b>450,475</b>          | <b>999,138</b>              | <b>2,056,436</b>         | <b>3,506,049</b> | <b>3,462,369</b> |

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT  
NOT TO BE FURTHER COMMUNICATED**

## Scouts Canada - Central Ontario

Supplementary Statement of Operations - Greater Toronto Council

For the year ended August 31, 2015

|   | 2015                    |                             |                          | 2014             |                  |
|---|-------------------------|-----------------------------|--------------------------|------------------|------------------|
|   | Operating<br>fund<br>\$ | Capital<br>asset fund<br>\$ | Restricted<br>fund<br>\$ | Total<br>\$      | Total<br>\$      |
| <b>Revenue</b>  |                         |                             |                          |                  |                  |
| Membership fees   | 503,621                 | -                           | -                        | 503,621          | 517,977          |
| Camp fees   | 744,866                 | -                           | -                        | 744,866          | 818,868          |
| Fundraising   | 179,279                 | -                           | 129,623                  | 308,902          | 504,647          |
| United Way contributions  | 368,281                 | -                           | -                        | 368,281          | 377,482          |
| Grants - Greater Toronto Scout<br>Foundation                                | 160,283                 | -                           | -                        | 160,283          | 150,948          |
| Event fees  | 7,200                   | -                           | 4,765                    | 11,965           | 12,715           |
| Training fees   | 21,379                  | -                           | -                        | 21,379           | 5,635            |
| Scout revenue sharing   | 8,314                   | -                           | -                        | 8,314            | 6,841            |
| Camp shop sales   | 90,070                  | -                           | -                        | 90,070           | 113,508          |
| Investment income   | -                       | -                           | 100,489                  | 100,489          | 52,688           |
| Other   | 98,861                  | -                           | 135                      | 98,996           | 106,116          |
| Government rebate/grants  | 4,254                   | -                           | -                        | 4,254            | 5,450            |
| Rent income   | 11,443                  | -                           | -                        | 11,443           | 15,151           |
| Transfer from other scouting entities                                       | -                       | -                           | 15,608                   | 15,608           | 2,388            |
|   | <b>2,197,851</b>        | <b>-</b>                    | <b>250,620</b>           | <b>2,448,471</b> | <b>2,690,414</b> |
| <b>Expenses</b>   |                         |                             |                          |                  |                  |
| National fees   | 301,486                 | -                           | -                        | 301,486          | 298,595          |
| Salaries  | 632,930                 | -                           | -                        | 632,930          | 637,995          |
| Pension and benefits  | 111,894                 | -                           | -                        | 111,894          | 115,666          |
| Special pension plan contributions  | 27,716                  | -                           | -                        | 27,716           | 84,505           |
| Camp meals  | 114,113                 | -                           | -                        | 114,113          | 139,196          |
| Fundraising   | 153,557                 | -                           | 34,321                   | 187,878          | 194,358          |
| Communication and promotion   | 20,171                  | -                           | 2,381                    | 22,552           | 22,167           |
| Property operation and maintenance  | 335,499                 | -                           | -                        | 335,499          | 363,578          |
| Administration  | 131,597                 | -                           | -                        | 131,597          | 103,322          |
| Program supplies and equipment  | 132,846                 | -                           | 591                      | 133,437          | 77,262           |
| Travel and meetings   | 42,032                  | -                           | -                        | 42,032           | 59,439           |
| Staff and volunteer training  | 40,895                  | -                           | -                        | 40,895           | 21,571           |
| Events  | 6,966                   | -                           | 4,571                    | 11,537           | 13,025           |
| Amortization of capital assets  | -                       | 157,320                     | -                        | 157,320          | 165,904          |
| Cost of goods sold  | 83,545                  | -                           | -                        | 83,545           | 68,056           |
|   | <b>2,135,247</b>        | <b>157,320</b>              | <b>41,864</b>            | <b>2,334,431</b> | <b>2,364,639</b> |
| <b>Excess (deficiency) of revenue<br/>over expenses from<br/>operations</b> | <b>62,604</b>           | <b>(157,320)</b>            | <b>208,756</b>           | <b>114,040</b>   | <b>325,775</b>   |
| <b>One-time grant from National<br/>Operation</b>                           | <b>-</b>                | <b>-</b>                    | <b>-</b>                 | <b>-</b>         | <b>115,635</b>   |
| <b>Excess (deficiency) of revenue<br/>over expenses for the year</b>        | <b>62,604</b>           | <b>(157,320)</b>            | <b>208,756</b>           | <b>114,040</b>   | <b>441,410</b>   |

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT  
NOT TO BE FURTHER COMMUNICATED**

## Scouts Canada - Central Ontario

## Supplementary Statement of Changes in Net Assets - Greater Toronto Council

For the year ended August 31, 2015

|  |                         |                             |                          | 2015             | 2014             |
|--|-------------------------|-----------------------------|--------------------------|------------------|------------------|
|  | Operating<br>fund<br>\$ | Capital<br>asset fund<br>\$ | Restricted<br>fund<br>\$ | Total<br>\$      | Total<br>\$      |
| <b>Net assets - Beginning of year</b>                        | 129,021                 | 1,362,121                   | 1,505,867                | 2,997,009        | 2,555,599        |
| Excess (deficiency) of revenue over<br>expenses for the year | 62,604                  | (157,320)                   | 208,756                  | 114,040          | 441,410          |
| Interfund transfers  | 106,732                 | -                           | (106,732)                | -                | -                |
| Capital asset additions                                      | (100,629)               | 100,629                     | -                        | -                | -                |
| <b>Net assets - End of year</b>                              | <b>197,728</b>          | <b>1,305,430</b>            | <b>1,607,891</b>         | <b>3,111,049</b> | <b>2,997,009</b> |

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT  
NOT TO BE FURTHER COMMUNICATED**

## Scouts Canada - Central Ontario

## Supplementary Statement of Operations - Shining Waters Council

For the year ended August 31, 2015

|  | 2015                    |                             |                          | 2014             |                  |
|--|-------------------------|-----------------------------|--------------------------|------------------|------------------|
|  | Operating<br>fund<br>\$ | Capital<br>asset fund<br>\$ | Restricted<br>fund<br>\$ | Total<br>\$      | Total<br>\$      |
| <b>Revenue</b>   |                         |                             |                          |                  |                  |
| Membership fees  | 703,331                 | -                           | -                        | 703,331          | 680,083          |
| Camp fees  | 13,744                  | -                           | -                        | 13,744           | 17,120           |
| Fundraising  | 236,739                 | -                           | 6,804                    | 243,543          | 288,575          |
| Event fees   | 35,214                  | -                           | -                        | 35,214           | -                |
| Training fees  | 7,538                   | -                           | -                        | 7,538            | 20,060           |
| Investment income  | 6,604                   | -                           | 27,432                   | 34,036           | 21,327           |
| Other  | 576                     | -                           | -                        | 576              | 197,812          |
| Government rebate/grants   | 1,418                   | -                           | -                        | 1,418            | 1,832            |
| Rent income  | 3,814                   | -                           | -                        | 3,814            | 4,910            |
| Transfer from other scouting entities                            | -                       | -                           | -                        | -                | 164              |
|  | <b>1,008,978</b>        | <b>-</b>                    | <b>34,236</b>            | <b>1,043,214</b> | <b>1,231,883</b> |
| <b>Expenses</b>  |                         |                             |                          |                  |                  |
| National fees  | 307,157                 | -                           | -                        | 307,157          | 273,880          |
| Salaries   | 195,848                 | -                           | -                        | 195,848          | 197,408          |
| Pension and benefits   | 41,493                  | -                           | -                        | 41,493           | 46,342           |
| Special pension plan contributions                               | 11,086                  | -                           | -                        | 11,086           | 30,988           |
| Fundraising  | 206,164                 | -                           | -                        | 206,164          | 254,730          |
| Communication and promotion                                      | 3,947                   | -                           | -                        | 3,947            | 5,864            |
| Property operation and maintenance                               | 50,048                  | -                           | -                        | 50,048           | 75,502           |
| Administration   | 44,610                  | -                           | -                        | 44,610           | 37,957           |
| Program supplies and equipment                                   | 25,765                  | -                           | -                        | 25,765           | 23,116           |
| Travel and meetings  | 35,085                  | -                           | -                        | 35,085           | 35,812           |
| Staff and volunteer training                                     | 8,020                   | -                           | -                        | 8,020            | 12,324           |
| Events   | 38,695                  | -                           | -                        | 38,695           | 2,655            |
| Amortization of capital assets                                   | -                       | 9,416                       | -                        | 9,416            | 10,393           |
|  | <b>967,918</b>          | <b>9,416</b>                | <b>-</b>                 | <b>977,334</b>   | <b>1,006,971</b> |
| <b>Excess (deficiency) of revenue over expenses for the year</b> | <b>41,060</b>           | <b>(9,416)</b>              | <b>34,236</b>            | <b>65,880</b>    | <b>224,912</b>   |

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT  
NOT TO BE FURTHER COMMUNICATED**

## Scouts Canada - Central Ontario

### Supplementary Statement of Changes in Net Assets - Shining Waters Council

For the year ended August 31, 2015

|  |                         |                             |                          | 2015             | 2014             |
|--|-------------------------|-----------------------------|--------------------------|------------------|------------------|
|  | Operating<br>fund<br>\$ | Capital<br>asset fund<br>\$ | Restricted<br>fund<br>\$ | Total<br>\$      | Total<br>\$      |
| <b>Net assets - Beginning of year</b>                        | 416,575                 | 88,633                      | 521,718                  | 1,026,926        | 802,014          |
| Excess (deficiency) of revenue over<br>expenses for the year | 41,060                  | (9,416)                     | 34,236                   | 65,880           | 224,912          |
| Interfund transfers  | 3,129                   | -                           | (3,129)                  | -                | -                |
| Capital asset additions                                      | -                       | -                           | -                        | -                | -                |
| <b>Net assets - End of year</b>                              | <b>460,764</b>          | <b>79,217</b>               | <b>552,825</b>           | <b>1,092,806</b> | <b>1,026,926</b> |

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT  
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