

Financial Statements of

**SCOUTS CANADA NATIONAL  
OPERATION**

Years ended August 31, 2013 and 2012



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Governors of Scouts Canada National Operation

We have audited the accompanying financial statements of Scouts Canada National Operation, which comprise the statements of financial position as at August 31, 2013, August 31, 2012 and September 1, 2011, the statements of operations, changes in fund balances and cash flows for the years ended August 31, 2013 and August 31, 2012, and notes, comprising 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 our 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, we consider 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Scouts Canada National Operation as at August 31, 2013, August 31, 2012 and September 1, 2011, and its results of operations, changes in fund balances and its cash flows for the years ended August 31, 2013 and August 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

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Chartered Accountants, Licensed Public Accountants

November 16, 2013

Ottawa, Canada

# SCOUTS CANADA NATIONAL OPERATION

## Statements of Financial Position

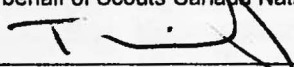
August 31, 2013, August 31, 2012 and September 1, 2011

(In thousands of dollars)

	August 31, 2013 (Schedule A)	August 31, 2012 (Schedule B)	September 1, 2011 (Schedule C)
<b>Assets</b>			
Current assets:			
Cash	\$ 1,908	\$ 258	\$ 1,106
Amounts receivable (notes 12 and 13)	185	310	1,028
Inventories	4,364	4,815	4,710
Prepaid expenses	192	583	501
Membership fees receivable (note 11(a))	51	260	355
Current portion of loans receivable from related parties (note 7)	185	195	658
	6,885	6,421	8,358
Investments (note 3)	11,134	10,684	10,717
Tangible capital and intangible assets (note 4(a))	2,458	2,257	2,357
Prepaid pension costs (note 5(a))	4,169	4,014	3,344
Employee future benefits recovery receivable (note 6)	984	1,130	1,643
Loans receivable from related parties (note 7)	-	-	10
	\$ 25,630	\$ 24,506	\$ 26,429
<b>Liabilities and Fund Balances</b>			
Current liabilities:			
Accounts payable and accrued liabilities (note 9)	\$ 2,097	\$ 2,363	\$ 2,411
Deferred revenue (note 8)	1,500	547	467
Current portion of loans payable to related parties (note 10)	100	100	100
	3,697	3,010	2,978
Deferred capital contributions (note 4(b))	593	-	-
Loans payable to related parties (note 10)	305	405	505
Accrued employee future benefits (note 5(a))	5,756	5,923	5,955
Fund balances:			
Operating Fund	3,765	2,571	2,781
Restricted Funds (Schedule E)	6,106	7,076	8,623
Investment in tangible capital and intangible assets	1,865	2,257	2,357
World Scout Foundation	3,543	3,264	3,230
	15,279	15,168	16,991
Contingent liabilities (note 14)			
Commitments (note 15)			
	\$ 25,630	\$ 24,506	\$ 26,429

See accompanying notes to financial statements.

On behalf of Scouts Canada National Operation:

  
Vice-Chair Finance – Board of Governors

  
Chair – Board of Governors

# SCOUTS CANADA NATIONAL OPERATION

## Statements of Operations

Years ended August 31, 2013 and 2012  
(In thousands of dollars)

	Operating Fund	Restricted Funds (Schedule E)	Total 2013	Total 2012 (Schedule D)
<b>Revenue:</b>				
Membership fees (note 11(a))	\$ 4,578	\$ –	\$ 4,578	\$ 4,994
Retail	4,518	–	4,518	4,700
Fundraising	1,832	85	1,917	1,889
Other	874	209	1,083	717
Canadian Jamboree (note 18)	3,667	–	3,667	–
	15,469	294	15,763	12,300
<b>Expenses:</b>				
Salaries and benefits (note 12)	12,763	–	12,763	13,051
Recovery of salaries and benefits (note 12)	(8,594)	–	(8,594)	(8,349)
Retail expenses	3,274	–	3,274	3,546
Program services	379	–	379	453
Grants	406	–	406	340
Technology services	306	–	306	296
Financial services	457	–	457	330
Marketing and communications	1,001	–	1,001	777
Fundraising expenses	265	–	265	203
Administration	651	–	651	680
Compliance and governance	507	900	1,407	2,055
Human resources management	430	–	430	308
Canadian Jamboree - direct expenses	3,217	–	3,217	–
Restricted funds	–	185	185	602
	15,062	1,085	16,147	14,292
<b>Excess (deficiency) of revenue over expenses before the undernoted</b>				
	407	(791)	(384)	(1,992)
Change in unrealized gains on investments	(62)	278	216	135
World Scout Foundation donations	–	279	279	34
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 345</b>	<b>\$ (234)</b>	<b>\$ 111</b>	<b>\$ (1,823)</b>

See accompanying notes to financial statements.

# SCOUTS CANADA NATIONAL OPERATION

## Statements of Changes in Fund Balances

Years ended August 31, 2013 and 2012  
(In thousands of dollars)

August 31, 2013	Operating Fund	Restricted Funds (Schedule E)	Investment in tangible capital and intangible assets	World Scout Foundation	Total
Fund balances, beginning of year	\$ 2,571	\$ 7,076	\$ 2,257	\$ 3,264	\$ 15,168
Excess (deficiency) of revenue over expenses	345	(513)	–	279	111
Change in investment in tangible capital and intangible assets:					
Amortization of tangible capital and intangible assets	446	–	(446)	–	–
Tangible capital and intangible capital assets additions	(647)	–	647	–	–
Additions to deferred capital contributions	593	–	(593)	–	–
Transfer to operating fund	457	(457)	–	–	–
Closing balance	\$ 3,765	\$ 6,106	\$ 1,865	\$ 3,543	\$ 15,279

August 31, 2012	Operating Fund	Restricted Funds (Schedule E)	Investment in tangible capital and intangible assets	World Scout Foundation	Total
Fund balances, beginning of year	\$ 2,781	\$ 8,623	\$ 2,357	\$ 3,230	\$ 16,991
Excess (deficiency) of revenue over expenses	(935)	(922)	–	34	(1,823)
Change in investment in tangible capital and intangible assets:					
Amortization of tangible capital and intangible assets	328	–	(328)	–	–
Tangible capital and intangible asset additions	(228)	–	228	–	–
Transfer to operating fund	625	(625)	–	–	–
Closing balance	\$ 2,571	\$ 7,076	\$ 2,257	\$ 3,264	\$ 15,168

See accompanying notes to financial statements.

# SCOUTS CANADA NATIONAL OPERATION

## Statements of Cash Flows

Years ended August 31, 2013 and 2012  
(In thousands of dollars)

	2013	2012
<b>Cash flows from operating activities:</b>		
Excess (deficiency) of revenue over expenses	\$ 348	\$ (1,823)
Items not involving cash:		
Amortization of tangible capital and intangible assets	446	328
Change in pension and employee future benefit balances	(176)	(189)
Change in unrealized gains on investments	(216)	(135)
Changes in non-cash working capital:		
Amounts receivable	125	718
Inventories	451	(105)
Prepaid expenses	391	(82)
Membership fees receivable	209	95
Accounts payable and accrued liabilities	(503)	(48)
Deferred revenue	953	80
	<u>2,028</u>	<u>(1,161)</u>
<b>Cash flows from investing activities:</b>		
Purchase of tangible capital and intangible assets	(647)	(228)
Principal payments received on loan receivable from related parties	10	473
Purchase of investments	(234)	-
	<u>(871)</u>	<u>245</u>
<b>Cash flows from financing activities:</b>		
Withdrawals from investments	-	168
Principal payments on loans payable to related parties	(100)	(100)
Increase in deferred capital contributions (note 4(b))	593	-
	<u>493</u>	<u>68</u>
<b>Net increase (decrease) in cash</b>	<u>1,650</u>	<u>(848)</u>
Cash, beginning of year	258	1,106
<b>Cash, end of year</b>	<u>\$ 1,908</u>	<u>\$ 258</u>
<b>Supplemental cash flow information:</b>		
Interest paid	\$ 16	\$ 19

See accompanying notes to financial statements.

# SCOUTS CANADA NATIONAL OPERATION

## Notes to Financial Statements

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

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Scouts Canada is a national organization operating programs aimed at contributing to the development of young people in achieving their full physical, intellectual, social and spiritual potential as individuals, as responsible citizens and as members of their local, national and international communities through the application of Scouts Principles and Practices.

Scouts Canada was incorporated on June 12, 1914, by an Act of the Canadian Parliament and is a registered charity under the Income Tax Act, and as such is not subject to income taxes. Scouts Canada National Operation (the "National Operation") is responsible for the national activities of Scouts Canada and provides services to the Provincial and Regional Councils (the "Councils") of Scouts Canada.

On September 1, 2012, the National Operation adopted Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook. These are the first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations.

In accordance with the transitional provisions in the not-for-profit accounting standards, the National Operation has adopted the changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is September 1, 2011 and all comparative information provided has been presented by applying not-for-profit standards.

There were no adjustments to net assets as at September 1, 2011 as a result of the transition to Canadian accounting standards for not-for-profit organizations. A summary of transitional adjustments recorded to deficiency of revenue over expenditures is provided in note 2.

### 1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Basis of presentation:

These financial statements reflect the operations of the National Operation only and do not include the revenue, expenses, assets and liabilities of the Councils and Fondation Scouts Canada Foundation.

(b) Fund accounting:

The National Operation follows the restricted fund method of accounting for contributions for not-for-profit organizations.

The Operating Fund accounts for the National Operation's program delivery, retail sales and administrative activities. Restricted funds report the revenue, expenses and fund balances of the activities of the National Operation for which the funding is internally or externally restricted to that activity.



# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

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## 1. Significant accounting policies (continued):

### (b) Fund accounting (continued):

The World Scout Foundation Fund reports donations received for the benefit of the World Scout Bureau. The investment revenue earned on the World Scout Foundation Fund is forwarded annually to the World Scout Bureau.

### (c) Inventories:

Inventories are valued at the lower of weighted average cost and net realizable value.

### (d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The National Operation has elected to carry its investments 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.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the National Operation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the National Operation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment change.

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

## 1. Significant accounting policies (continued):

### (e) Tangible capital and intangible assets:

Purchased tangible capital and intangible assets are recorded at cost. Repairs and maintenance costs are charged to expense. When a tangible capital and intangible asset no longer contributes to the National Operations' ability to provide services, its carrying amount is written down to its residual value.

Tangible capital and intangible capital assets are amortized over their estimated useful lives using the straight-line basis at the following annual rates:

Asset	Term
Tangible capital:	
Building	20 years
Betterment	20 years
Office furniture and equipment	5 years
Computer hardware	3 years
Scout Shop equipment and renovations	3 years
Intangible assets:	
Computer software	3 years
Membership system	3 years
Donated software	3 years

Tangible capital and intangible 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) Employee benefit plans:

The cost of pensions and other post-retirement benefits earned by the employees covered by defined benefit plans is actuarially determined using the projected benefit cost method prorated on employees' length of service and management's best estimate of expected plan performance, salary escalation, retirement ages of plan members and expected health care costs.

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

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## 1. Significant accounting policies (continued):

### (f) Employee benefit plans (continued):

Adjustments arising from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment. The excess of the net actuarial gain or loss over 10% of the greater of the accrued benefit obligation and the fair value of plan assets is amortized over the average remaining service period of the active employees.

Pension plan assets are measured at fair value, determined at quoted market prices.

### (g) Revenue recognition:

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 or receivable.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned on restricted funds is recognized in the applicable restricted fund. Other investment income is recognized in the Operating Fund when earned.

Membership, insurance and other Council related fees are recognized as revenue in the fiscal year to which they relate. Amounts received but not recognized as revenue are recorded as deferred revenue.

### (h) Expenses:

In the statement of operations, the National Operation presents its expenses by function, except for salaries and benefits, recovery of salaries and benefits, marketing and communications, fundraising expenses and action plan, which are presented on an object basis. Expenses are recognized in the year incurred and are recorded in the applicable function to which they are directly related. The National Operation does not allocate expenses between functions after initial recognition.

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

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## 1. Significant accounting policies (continued):

(i) Donated materials and services:

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

(j) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at year end. Revenue and expenses are translated at the rate of exchange prevailing at the time of the transactions. Exchange gains and losses resulting from the translation of these amounts are recorded in the statement of operations.

(k) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount 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 reporting period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known. Significant estimates result from assumptions used to actuarially determine the prepaid pension costs and accrued employee future benefits liability.

## 2. Transitional adjustments:

The following table summarizes the impact of the transition to Canadian accounting standards for not-for-profit organizations on the National Operation's deficiency of revenue over expenses for the year ended August 31, 2012:

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Deficiency of revenue over expenses:	
As previously reported under Canadian generally accepted accounting principles for year ended August 31, 2012	\$ (1,958)
Less: adjustment to record unrealized investment gains on investments in the statement of operations	135
<b>Restated for the year ended August 31, 2012</b>	<b>\$ (1,823)</b>

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# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

## 3. Investments:

(a) The National Operation holds investments for the following purposes:

August 31, 2013	Cost	Fair value
Operating:		
Employee future benefits	\$ 986	\$ 1,004
Restricted:		
Insurance Fund	5,211	5,290
Brotherhood Fund	563	573
International Participation Fund	350	358
World Scout Foundation	3,582	3,909
	<u>\$ 10,692</u>	<u>\$ 11,134</u>

August 31, 2012	Cost	Fair value
Operating:		
Employee future benefits	\$ 925	\$ 948
Restricted:		
Insurance Fund	5,373	5,509
Brotherhood Fund	559	571
International Participation Fund	357	368
World Scout Foundation	3,244	3,288
	<u>\$ 10,458</u>	<u>\$ 10,684</u>

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

## 3. Investments (continued):

(a) (continued):

September 1, 2011	Cost	Fair value
Operating:		
Employee future benefits	\$ 902	\$ 915
Building reserve	427	430
Restricted:		
Insurance Fund	5,265	5,309
Brotherhood Fund	498	504
International Participation Fund	403	408
Youth Event Fund	379	379
World Scout Foundation	2,752	2,772
	<b>\$ 10,626</b>	<b>\$ 10,717</b>

Investments consist of:

August 31, 2013	Cost	Fair value
Fixed income securities	\$ 4,068	\$ 4,056
Equities	4,593	5,047
Cash	2,031	2,031
	<b>\$ 10,692</b>	<b>\$ 11,134</b>

August 31, 2012	Cost	Fair value
Fixed income securities	\$ 4,011	\$ 4,078
Equities	5,309	5,468
Money market mutual funds	1,076	1,076
Cash	62	62
	<b>\$ 10,458</b>	<b>\$ 10,684</b>

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

## 3. Investments (continued):

(a) (continued):

September 1, 2011	Cost	Fair value
Fixed income securities	\$ 4,557	\$ 4,655
Equities	4,014	4,007
Money market mutual funds	1,709	1,709
Cash	346	346
	<u>\$ 10,626</u>	<u>\$ 10,717</u>

The National Operation's fixed income securities have interest rates of 1.3% to 7.0% (August 2012 - 1.25% to 5.0%; September 1, 2011 - 2.1% to 5.0%) and maturity dates ranging from June 2012 to June 2018.

(b) Cumulative unrealized gains on investments:

	2013	2012
Balance, beginning of year	\$ 226	\$ 91
Change in cumulative unrealized gains on investments in the year	216	135
Balance, end of year	<u>\$ 442</u>	<u>\$ 226</u>

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

(Amounts in thousands of dollars)

## 4. Tangible capital and intangible assets:

### (a) Cost and accumulated amortization:

August 31, 2013	Cost	Accumulated amortization	Net book value
Tangible capital:			
Land	\$ 15	\$ –	\$ 15
Building	1,485	1,278	207
Betterment	3,088	1,865	1,223
Office furniture and equipment	405	387	18
Computer hardware	182	162	20
Scout Shop equipment and renovations	51	42	9
Intangible assets:			
Computer software	561	547	14
Membership system	696	337	359
Donated software	593	–	593
	<u>\$ 7,076</u>	<u>\$ 4,618</u>	<u>\$ 2,458</u>
August 31, 2012	Cost	Accumulated amortization	Net book value
Tangible capital:			
Land	\$ 15	\$ –	\$ 15
Building	1,485	1,248	237
Betterment	3,050	1,712	1,338
Office furniture and equipment	404	381	23
Computer hardware	195	178	17
Scout Shop equipment and renovations	51	39	12
Intangible assets:			
Computer software	561	537	24
Membership system	696	105	591
	<u>\$ 6,457</u>	<u>\$ 4,200</u>	<u>\$ 2,257</u>



# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

## 4. Tangible capital and intangible assets (continued):

### (a) Cost and accumulated amortization (continued):

September 1, 2011	Cost	Accumulated amortization	Net book value
Tangible capital:			
Land	\$ 15	\$ –	\$ 15
Building	1,485	1,219	266
Betterment	3,049	1,560	1,489
Office furniture and equipment	400	373	27
Computer hardware	187	150	37
Scout Shop equipment and renovations	51	36	15
Intangible assets:			
Computer software	535	534	1
Membership system	507	–	507
	\$ 6,229	\$ 3,872	\$ 2,357

During the year \$28 (August 31, 2012 - \$Nil; September 1, 2011 - \$15) of computer hardware and software and \$28 (August 31, 2012 - \$Nil; September 1, 2011 - \$15) of related accumulated amortization were written off.

### (b) Deferred capital contributions:

During the year, Scouts Canada received software licenses free of charge from a vendor. This donation was recorded as a deferred capital contribution and will be amortized over three years.

## 5. Employee future benefits:

Scouts Canada administers the Employees' Pension Plan of Scouts Canada, which consists of a defined benefit pension plan and a defined contribution plan that cover most of its employees working at the National Operation and the Councils. Scouts Canada also provides its employees with other retirement and post-employment benefits under its employee benefit plans.

For the defined benefit pension and employee benefit plans, Scouts Canada has adopted an annual measurement date of June 30 for estimating the accounting surplus or deficit, and establishing benefit costs for the coming fiscal year, both of which are dependent on the measurement factors at that time.

As of January 1, 2013, the defined benefit plan was frozen. Employees can no longer accrue credited service under the defined benefit component of the Plan. However employee earnings will be projected in the future for the purpose of calculating the accrued pension benefit. Employees who were members of the defined benefit plan now contribute to the defined contributions plan, disclosed in note 5(f).

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

## 5. Employee future benefits (continued):

### (a) Plan assets and obligations:

The following table presents the changes in plan assets and benefit obligations and the composition of prepaid pension costs and accrued future employee benefits liability in the financial statements.

#### (i) Prepaid pension costs (accrued benefit liability):

August 31, 2013	Pension	Other post-employment
Plan assets at fair value	\$ 27,097	\$ –
Accrued benefit obligation	(30,892)	(4,214)
	(3,795)	(4,214)
Employer contributions from measurement date to fiscal year end	173	–
Unamortized net actuarial loss (gain)	7,725	(825)
Unamortized past service costs	66	(717)
<b>Prepaid pension costs (accrued benefit liability)</b>	<b>\$ 4,169</b>	<b>\$ (5,756)</b>
August 31, 2012	Pension	Other post-employment
Plan assets at fair value	\$ 24,067	\$ –
Accrued benefit obligation	(28,973)	(4,130)
	(4,906)	(4,130)
Employer contributions from measurement date to fiscal year end	287	–
Unamortized net actuarial loss (gain)	8,473	(933)
Unamortized past service costs	160	(860)
<b>Prepaid pension costs (accrued benefit liability)</b>	<b>\$ 4,014</b>	<b>\$ (5,923)</b>

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

## 5. Employee future benefits (continued):

(a) Plan assets and obligations (continued):

(i) Prepaid pension costs (accrued benefit liability) (continued):

September 1, 2011	Pension	Other post-employment
Plan assets at fair value	\$ 24,035	\$ –
Accrued benefit obligation	(26,925)	(4,450)
	(2,890)	(4,450)
Employer contributions from measurement date to fiscal year end	189	–
Unamortized net actuarial loss (gain)	5,790	(502)
Unamortized past service costs	255	(1,003)
Prepaid pension costs (accrued benefit liability)	\$ 3,344	\$ (5,955)

(ii) Accrued benefit obligation:

August 31, 2013	Pension	Other post-employment
Benefit obligation, beginning	\$ (28,973)	\$ (4,130)
Current service cost	(214)	(59)
Interest cost	(1,348)	(194)
Employee contributions	(143)	–
Benefits paid	1,573	212
Actuarial gain (loss)	(1,787)	(43)
Accrued benefit obligation, ending	\$ (30,892)	\$ (4,214)

August 31, 2012	Pension	Other post-employment
Benefit obligation, beginning	\$ (26,925)	\$ (4,450)
Current service cost	(364)	(100)
Interest cost	(1,437)	(233)
Employee contributions	(285)	–
Benefits paid	2,261	216
Actuarial gain (loss)	(2,223)	437
Accrued benefit obligation, ending	\$ (28,973)	\$ (4,130)

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

## 5. Employee future benefits (continued):

(a) Plan assets and obligations (continued):

(iii) Plan assets:

August 31, 2013	Pension	Other post-employment
Plan assets at fair value, beginning	\$ 24,067	\$ –
Actual return on plan assets	3,087	–
Employer contributions	1,372	212
Employee contributions	143	(212)
Benefits paid	(1,572)	–
Plan assets at fair value, ending	\$ 27,097	\$ –

August 31, 2012	Pension	Other post-employment
Plan assets at fair value, beginning	\$ 24,035	\$ –
Actual return on plan assets	533	–
Employer contributions	1,575	216
Employee contributions	285	–
Benefits paid	(2,261)	(216)
Provision for plan expenses	(100)	–
Plan assets at fair value, ending	\$ 24,067	\$ –

(b) Net benefit cost:

The components of the net benefit cost included in salaries and benefits expense are:

	2013		2012	
	Pension	Other post-employment	Pension	Other post-employment
Current service cost	\$ 214	\$ 59	\$ 364	\$ 100
Provision for plan expenses	–	–	100	–
Interest cost	1,348	194	1,437	233
Expected return on plan assets	(1,250)	–	(1,380)	–
Amortization of actuarial losses	697	(65)	387	(6)
Amortization of past service costs	95	(143)	95	(143)
Net benefit cost	\$ 1,104	\$ 45	\$ 1,003	\$ 184

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

## 5. Employee future benefits (continued):

### (c) Assumptions:

The significant weighted-average assumptions used in the actuarial valuation of the plan are:

	2013		2012	
	Pension	Other post-employment	Pension	Other post-employment
Rate of compensation increases	3.25%	–	3.00%	–
Discount rate	4.75%	4.60%	5.50%	4.75%
Expected return on plan assets	5.20%	–	5.80%	–
Initial health care trend rate	–	4.80%	–	5.00%
Ultimate health care trend rate	–	3.40%	–	3.80%

The ultimate health care trend rate is estimated to be reached in 2030. The actual return on plan assets in fiscal 2013 was 12.8% (2012 - 2.2%).

### (d) Health care sensitivity analysis:

Assumed health care cost trend rates have a significant effect on the amounts reported for the post-employment benefits. A 1% change in assumed health care trend rates would have the following effect for 2013.

	Increase	Decrease
Net benefit cost	\$ 10	\$ 9
Accrued benefit obligation	218	191

### (e) Defined benefit plan:

The latest actuarial valuation of the pension plan for funding purposes was performed as at January 1, 2013. The next actuarial valuation is required to be completed as at January 1, 2014, in accordance with the requirements of the Pension Benefits Act (Ontario).

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

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## 5. Employee future benefits (continued):

### (e) Defined benefit plan (continued):

As part of the regulations governing provincially regulated pension plans in Ontario, pension plans must meet certain solvency requirements, which assume the plans, are wound up/liquidated as of the valuation date. The actuarial valuation for funding purposes performed as at January 1, 2013 reported a solvency deficiency of \$151 (January 1 2012 - \$2,917; January 1, 2011 - \$1,256) and a going concern deficit of \$4,576 (January 1, 2012 - \$2,630; January 1, 2011 - \$2,790), based on economic assumptions applicable at January 1, 2013. Scouts Canada is required to make additional contributions of \$1,125 (January 1, 2012 - \$858; January 1, 2011 - \$987) per annum in future years to eliminate the solvency deficiency and going concern unfunded liability under the Pension Benefits Act (Ontario). In fiscal 2013, Scouts Canada made additional contributions of \$1,036 (August 31, 2012 - \$903; September 1, 2011 - \$1,307).

### (f) Defined contribution plan:

Effective January 1, 2010, Scouts Canada created a defined contribution plan available to all employees of Scouts Canada who meet the eligibility requirements specified in the Plan Agreement. In the year, Scouts Canada made employer contributions to the defined contribution plan of \$361 (2012 - \$114), which is included in salaries and benefits expense and recovery of salaries and benefits, as disclosed in note 12.

## 6. Employee future benefits recovery receivable:

The employee future benefits recovery receivable represents the amount of the prepaid pension costs and accrued employee future benefits liability, disclosed in note 5(a), that is receivable from the Councils with respect to their employees. The Councils pay the National Operation for their portion of the employer contributions made to the pension and employee benefit plans.

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

## 7. Loans receivable from related parties:

	August 31, 2013	August 31, 2012	September 1, 2011
New Brunswick Council	\$ –	\$ 10	\$ 20
White Pine Council	185	185	364
Fondation Scouts Canada Foundation	–	–	284
	185	195	668
Current portion	185	195	658
Long-term portion	\$ –	\$ –	\$ 10

The loan to White Pine Council is non-interest bearing and is repayable on demand.

The loan to New Brunswick Council was non-interest bearing and was repaid in 2013.

The loan to Fondation Scouts Canada Foundation related to advances made by National Operation for the World Scout Foundation conference held in Canada. The loan was non-interest bearing and was repaid in 2012.

## 8. Deferred revenue:

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

	Opening balance	Amounts received	Revenue recognized	Closing balance
Membership	\$ 60	\$ 1,182	\$ 88	\$ 1,154
ScoutsAbout and Extreme Adventure programs	18	–	18	–
Other programs	401	170	294	277
Gift Certificates – Scout Shops	68	24	23	69
	\$ 547	\$ 1,376	\$ 423	\$ 1,500

Membership consists of fees collected in advance of the Scouting year, which runs from September 1 to August 31.

ScoutsAbout and Extreme Adventure programs consist of restricted grants and donations to be used to develop and introduce these programs in Councils across Canada.

Other programs consist of restricted grants and donations received for various Scout programs in future years.

Gift Certificates - Scout Shops are funds left on deposit at Scout Shops for future purchases.

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

## 9. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$Nil (August 31, 2012 - \$2; September 1, 2011 - \$Nil), which includes amounts payable for HST and payroll related taxes.

## 10. Loans payable to related parties:

	August 31, 2013	August 31, 2012	September 1, 2011
Loans payable to related parties:			
Incorporated Body for Scouts Canada in Ontario	\$ 305	\$ 380	\$ 455
British Columbia Councils	100	125	150
	<u>405</u>	<u>505</u>	<u>605</u>
Current portion	100	100	100
Long-term portion	<u>\$ 305</u>	<u>\$ 405</u>	<u>\$ 505</u>

The loan from the Incorporated Body for Scouts Canada in Ontario is repayable in annual installments of \$75 principal plus interest accrued at the chartered bank prime rate less 1% at the date of the original loan.

The loans from the British Columbia Councils are repayable in annual installments of \$25 plus interest accrued at the chartered bank prime rate less 1% at the date of the original loan.

## 11. Related party transactions:

### (a) Membership fees:

Membership fees are collected from individual members of Scouts Canada primarily at the local Group level. National and Council fees collected by the local Groups are allocated to the National Operation and the Councils based on the membership fee schedules for the year.

The membership fee receivable balance of \$51 (August 31, 2012 - \$260; September 1, 2011 - \$355) consists of amounts receivable for national membership fees from Councils at year end.



# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

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## 11. Related party transactions (continued):

(b) Council revenue sharing:

Effective September 1, 2003, the National Operation assumed ownership from the Councils of all the Scout Shops across Canada.

As part of the transfer of ownership of the Scout Shops, the National Operation committed to paying the Councils 2% of the annual gross sales of the Scout Shops in their region. In 2013, \$79 (2012 - \$89) was paid to the Councils.

(c) Other:

Other related party transactions and balances are disclosed in notes 6, 7, 10, 12 and 13 to the financial statements.

## 12. Salaries and benefits:

The National Operation administers the payroll for all employees of Scouts Canada, including those working at the Councils. The National Operation recovers the cost of these salary and benefits.

	2013	2012
All employees:		
Salaries and benefits	\$ 11,065	\$ 11,343
Employee future benefits	1,698	1,708
	<u>12,763</u>	<u>13,051</u>
Less amounts recovered:		
Salaries and benefits	7,447	7,229
Employee future benefits	1,147	1,120
	<u>8,594</u>	<u>8,349</u>
National Operation	<u>\$ 4,169</u>	<u>\$ 4,702</u>

At year-end, the National Operation has amounts receivable from the Councils totaling \$151 (August 31, 2012 - \$307; September 1, 2011 - \$570) relating to salaries and benefits.

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

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## 13. Fondation Scouts Canada Foundation:

The National Operation has an economic interest in Fondation Scouts Canada Foundation. The Foundation was established to financially support Scouts Canada by promoting and soliciting gifts, grants and matching funds from individuals, corporations and foundations.

The National Operation received donations of \$30 (2012 - \$88) from the Foundation.

The National Operation has an amount receivable from the Foundation of \$Nil (August 31, 2012 - \$Nil; September 1, 2011 - \$37) for scholarships and grants from the Foundation.

## 14. Contingent liabilities:

### (a) Legal claims:

The National Operation has been named as a defendant in a number of legal claims, which have arisen in the normal course of its operations and delivery of its programs. Legal claims are categorized as liability, breach of contract, sexual molestation, wrongful dismissal and human rights complaints. In certain of these instances, a specified amount has been claimed by the plaintiffs. In other instances, no amounts have been specified.

The National Operation is covered by insurance policies which provide funding for the cost of most of these claims should damages be awarded. However, since September 2001, Scouts Canada has not been insured for child abuse claims. The National Operation has accrued as an expense the amount deductible from insurance payments for those cases where management believes a payment is likely. Due to the difficulty in predicting the outcome of any litigation and the sustainability of insurance coverage, actual losses could differ from management's estimates and therefore could have a material adverse effect on the financial position of the National Operation.

Additional costs, if any, for financial settlements in excess of the National Operation's insurance coverage, and for cases where no insurance coverage exists, will be recorded as an expense of the Insurance Fund in the period in which they are determined.

### (b) Other:

Under certain circumstances, the National Operation could be held liable for the obligations of the Councils and Groups.

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

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## 15. Commitments:

The National Operation is committed under long-term operating leases for the rental of Scouts Shops. Minimum annual payments are approximately:

2014	\$ 54
2015	46
2016	46
2017	46
	<hr/>
	\$ 192

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## 16. Financial risks:

### (a) Credit risk:

The National Operation is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as Scouts Councils, government agencies and public companies. The National Operation believes that it is not exposed to significant credit risk arising from its financial instruments. In 2013, an allowance for doubtful accounts was not considered necessary.

### (b) Interest rate risk:

The National Operation is exposed to interest rate risk with respect to its interest-bearing investments, loans receivable from related parties and loans repayable to related parties, as disclosed in notes 3 and 10.

### (c) Foreign currency risk:

The National Operation believes that it is not exposed to significant foreign currency risks arising from its financial instruments.

# SCOUTS CANADA NATIONAL OPERATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012  
(Amounts in thousands of dollars)

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## **17. Fund balances:**

The National Operation considers its capital to consist of the fund balances of the operating and restricted funds and its investment in capital assets.

The National Operation's overall objective for its capital is to fund capital assets, contingent liabilities, future projects and ongoing operations. The National Operation manages its capital by maintaining and monitoring restricted funds for specific purposes, future projects, contingencies and other capital requirements. The restricted funds are disclosed in the schedule.

In 2009, the Board of Governors approved by motion the objective of accumulating a fund balance of \$4 million in the Operating Fund by 2016.

The National Operation is not subject to externally imposed capital requirements and its approach to capital management remains unchanged for the prior year.

## **18. Canadian Jamboree:**

In 2013, Scouts Canada National Operation held their 12th Canadian Jamboree at Camp Woods in Sylvan Lake, Alberta. Nearly 6,600 youth and volunteers joined together to celebrate Scouting.

The statement of operations shows the gross revenue and direct expenses of the Jamboree. Direct expenses do include the allocations of personnel and indirect costs including IT support, overhead and administration incurred by the National Operation in organizing the Jamboree, nor in-kind donations of goods and services received for the Jamboree.

# SCOUTS CANADA NATIONAL OPERATION

## Schedule A – Statement of Financial Position

August 31, 2013

(In thousands of dollars)

	Operating Fund	Restricted Funds	Total
<b>Assets</b>			
Current assets:			
Cash	\$ 1,857	\$ 51	\$ 1,908
Amounts receivable	185	–	185
Inventories	4,364	–	4,364
Prepaid expenses	192	–	192
Membership fees receivable	51	–	51
Current portion of loans receivable from related parties	185	–	185
	6,834	51	6,885
Investments	1,004	10,130	11,134
Tangible capital and intangible assets	2,458	–	2,458
Prepaid pension costs	4,169	–	4,169
Employee future benefits recovery receivable	984	–	984
Amounts due from operating fund to restricted funds	44	(44)	–
	\$ 15,493	\$ 10,137	\$ 25,630
<b>Liabilities and Fund Balances</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,609	\$ 488	\$ 2,097
Deferred revenue	1,500	–	1,500
Current portion of loans payable to related parties	100	–	100
	3,209	488	3,697
Deferred capital contributions	593	–	593
Loans payable to related parties	305	–	305
Accrued employee future benefits	5,756	–	5,756
Fund balances:			
Operating Fund	3,765	–	3,765
Restricted Funds	–	6,106	6,106
Investment in tangible capital and intangible assets	1,865	–	1,865
World Scout Foundation	–	3,543	3,543
	5,630	10,137	15,279
	\$ 15,493	\$ 10,137	\$ 25,630

# SCOUTS CANADA NATIONAL OPERATION

## Schedule B – Statement of Financial Position

August 31, 2012

(In thousands of dollars)

	Operating Fund	Restricted Funds	Total
<b>Assets</b>			
Current assets:			
Cash	\$ 58	\$ 200	\$ 258
Amounts receivable	310	–	310
Inventories	4,815	–	4,815
Prepaid expenses	583	–	583
Membership fees receivable	260	–	260
Current portion of loans receivable from related parties	195	–	195
	6,221	200	6,421
Investments	948	9,736	10,684
Tangible capital and intangible assets	2,257	–	2,257
Prepaid pension costs	4,014	–	4,014
Employee future benefits recovery receivable	1,130	–	1,130
Amounts due from operating fund to restricted funds	(1,136)	1,136	–
	\$ 13,434	\$ 11,072	\$ 24,506
<b>Liabilities and Fund Balances</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,631	\$ 732	\$ 2,363
Deferred revenue	547	–	547
Current portion of loans payable to related parties	100	–	100
	2,278	732	3,010
Loans payable to related parties	405	–	405
Accrued employee future benefits	5,923	–	5,923
Fund balances:			
Operating Fund	2,571	–	2,571
Restricted Funds	–	7,076	7,076
Investment in tangible capital and intangible assets	2,257	–	2,257
World Scout Foundation	–	3,264	3,264
	4,828	10,340	15,168
	\$ 13,434	\$ 11,072	\$ 24,506

# SCOUTS CANADA NATIONAL OPERATION

## Schedule C – Statement of Financial Position

September 1, 2011

(In thousands of dollars)

	Operating Fund	Restricted Funds	Total
<b>Assets</b>			
Current assets:			
Cash	\$ 547	\$ 559	\$ 1,106
Amounts receivable	1,028	–	1,028
Inventories	4,710	–	4,710
Prepaid expenses	221	280	501
Membership fees receivable	355	–	355
Current portion of loans receivable from related parties	658	–	658
	7,519	839	8,358
Investments	1,345	9,372	10,717
Tangible capital and intangible assets	2,357	–	2,357
Prepaid pension costs	3,344	–	3,344
Employee future benefits recovery receivable	1,643	–	1,643
Loans receivable from related parties	10	–	10
Amounts due from operating fund to restricted funds	(1,772)	1,772	–
	\$ 14,446	\$ 11,983	\$ 26,429
<b>Liabilities and Fund Balances</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 2,281	\$ 130	\$ 2,411
Deferred revenue	467	–	467
Current portion of loans payable to related parties	100	–	100
	2,848	130	2,978
Loans payable to related parties	505	–	505
Accrued employee future benefits	5,955	–	5,955
Fund balances:			
Operating Fund	2,781	–	2,781
Restricted Funds	–	8,623	8,623
Investment in tangible capital and intangible assets	2,357	–	2,357
World Scout Foundation	–	3,230	3,230
	5,138	11,853	16,991
	\$ 14,446	\$ 11,983	\$ 26,429

# SCOUTS CANADA NATIONAL OPERATION

## Schedule D - Statement of Operations

Year ended August 31, 2012  
(In thousands of dollars)

	Operating Fund	Restricted Funds	Total
<b>Revenue:</b>			
Membership fees	\$ 4,994	\$ –	\$ 4,994
Retail	4,700	–	4,700
Fundraising	1,829	60	1,889
Other	626	91	717
	12,149	136	12,300
<b>Expenses:</b>			
Salaries and benefits	13,051	–	13,051
Recovery of salaries and benefits	(8,349)	–	(8,349)
Retail expenses	3,546	–	3,546
Program services	453	–	453
Grants	340	–	340
Technology services	296	–	296
Financial services	330	–	330
Marketing and communications	777	–	777
Fundraising expenses	203	–	203
Administration	680	–	680
Compliance and governance	1,455	600	2,055
Human resources management	308	–	308
Restricted funds	–	602	602
	13,090	1,202	14,292
<b>Deficiency of revenue over expenses before the undernoted</b>			
	(941)	(1,051)	(1,992)
Change in cumulative unrealized gains on investments	6	129	135
World Scout Foundation donations	–	34	34
<b>Deficiency of revenue over expenses</b>	<b>\$ (935)</b>	<b>\$ (888)</b>	<b>\$ (1,823)</b>



# SCOUTS CANADA NATIONAL OPERATION

## Schedule E – Restricted Funds

Years ended August 31, 2013 and 2012

(In thousands of dollars)

August 31, 2013	Insurance	Brotherhood	International Participation	World Scout Foundation	I.T. Fund	CCTFOG Fund	Total Restricted Funds
Revenue:							
Donations and sponsorships	\$ —	\$ 50	\$ 35	\$ —	\$ —	\$ —	85
Investment	—	40	28	141	—	—	209
	—	90	63	141	—	—	294
Expenses:							
Administration	—	21	3	32	—	—	56
Compliance and governance	900	—	—	—	—	—	900
Travel and meetings	—	—	29	—	—	—	29
Programs and grants	—	34	—	1	—	—	35
Transfer to World Scout Bureau	—	—	—	65	—	—	65
	900	55	32	98	—	—	1,085
Deficiency of revenue over expenses before undernoted	(900)	35	31	43	—	—	(791)
Change in cumulative unrealized gains on investments	—	(2)	(3)	283	—	—	278
Deficiency of revenue over expenses	(900)	33	28	326	—	—	(513)
Fund balance, beginning of year	5,400	539	343	37	26	731	7,076
Transfer from (to) Operating fund	300	—	—	—	(26)	(731)	(457)
Fund balance, end of year	\$ 4,800	\$ 572	\$ 371	\$ 363	\$ —	\$ —	6,106

# SCOUTS CANADA NATIONAL OPERATION

Schedule E – Restricted Funds (continued)

Years ended August 31, 2013 and 2012

(In thousands of dollars)

August 31, 2012	Insurance	Brotherhood	International Participation	World Scout Foundation	Youth Event	I.T. Fund	CCTFOG Fund	World Jamboree	Total Restricted Funds
<b>Revenue:</b>									
Donations and sponsorships	\$ –	\$ 54	\$ 6	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 60
Investment	2	16	13	59	–	1	–	–	91
	2	70	19	59	–	1	–	–	151
<b>Expenses:</b>									
Insurance	43	–	–	–	–	–	–	–	43
Administration	–	21	3	18	–	32	–	5	79
Compliance and governance	600	–	–	–	–	–	–	–	600
Advertising	–	–	–	–	–	–	133	–	133
Consulting	–	–	–	–	–	–	56	–	56
Travel and meetings	–	–	39	–	–	1	–	2	42
Programs and grants	–	56	–	44	–	–	–	4	104
Refund of fees	–	–	–	–	–	–	–	39	39
Transfer to World Scout Bureau	–	–	–	106	–	–	–	–	106
	643	77	42	168	–	33	189	50	1,202
<b>Excess (deficiency) of revenue over expenses before the undernoted</b>									
	(641)	(7)	(23)	(109)	–	(32)	(189)	(50)	(1,051)
<b>Change in cumulative unrealized gains on investments</b>									
	93	6	6	24	–	–	–	–	129
<b>Excess (deficiency) of revenue over expenses</b>									
	(548)	(1)	(17)	(85)	–	(32)	(189)	(50)	(922)
<b>Fund balance, beginning of year</b>									
	6,000	540	360	122	379	163	920	139	8,623
<b>Transfer from (to) Operating fund</b>									
	(52)	–	–	–	(379)	(105)	–	(89)	(625)
<b>Fund balance, end of year</b>									
	\$ 5,400	\$ 539	\$ 343	\$ 37	\$ –	\$ 26	\$ 731	\$ –	\$ 7,076

# SCOUTS CANADA NATIONAL OPERATION

Schedule E – Restricted Funds (continued)

Years ended August 31, 2013 and 2012

(In thousands of dollars)

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## **Restricted fund descriptions:**

The Insurance Fund reports the revenue and expenses related to insurance premiums and settlements and potential legal liabilities to Scouts Canada.

The Brotherhood Fund reports revenue and expenses related to Canadian support of World Scouting projects.

The International Participation Fund reports revenue and expenses related to Canadian delegates attending World Scouting conferences, events and meetings.

The World Scout Foundation fund reports the investment income earned on the World Scout Foundation Fund and the amounts paid to the World Scout Foundation from the investment income earned.

The Information Technology (I.T.) Fund is an internally restricted fund that has been set aside to fund upgrades to the Membership Management System. This fund was closed in the year.

The Chief Commissioner's Task Force on Growth ("CCTFOG") Fund is an internally restricted fund that has been set aside to support the work of the Chief Commissioner's Task Force on membership renewal and growth. During 2011, the National Operation received a \$500 contribution from the Greater Toronto Scouts Foundation to support the new Scouts promotional campaign. This fund was closed in the year.