

Financial Statements of

**SCOUTS CANADA - WHITE
PINE COUNCIL**

Years ended August 31, 2013 and 2012

INDEPENDENT AUDITORS' REPORT

To the Members of Scouts Canada - White Pine Council

We have audited the accompanying financial statements of Scouts Canada - White Pine Council, 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 (deficiency) 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, Scouts Canada - White Pine Council derives revenue from camp fees, summer program fees, donations, fundraising and events, 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 - White Pine Council. Therefore, we were not able to determine whether, as at August 31, 2013, August 31, 2012 and September 1, 2011 or for the years ended August 31, 2013 and August 31, 2012, any adjustments might be necessary to revenue and excess of revenue over expenses reported in the statement of operations, excess of revenue over expenses reported in the statements of cash flows and changes in fund balances (deficiency), and current assets and unrestricted net assets reported in the statement of financial position. This caused us to qualify our audit opinion on the financial statements as at and for the years ended August 31, 2013 and August 31, 2012, and as at September 1, 2011.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Scouts Canada - White Pine Council as at August 31, 2013, August 31, 2012 and September 1, 2011 and its results of operations, changes in fund balances (deficiency) and cash flows for the years ended August 31, 2013 and August 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Accountants, Licensed Public Accountants

(date)

Ottawa, Canada

SCOUTS CANADA - WHITE PINE COUNCIL

Statements of Financial Position

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

	August 31, 2013 (Schedule A)	August 31, 2012 (Schedule B)	September 1, 2011 (Schedule C)
Assets			
Current assets:			
Cash	\$ 144,620	\$ 307,476	\$ 449,267
Amounts receivable (note 3)	127,445	93,669	141,601
Due from related parties (note 8)	—	21,656	30,902
Prepaid expenses	96,402	18,933	19,576
	<u>368,467</u>	<u>441,734</u>	<u>641,346</u>
Capital assets (note 4)	436,171	445,135	518,028
	<u>\$ 804,638</u>	<u>\$ 886,869</u>	<u>\$ 1,159,374</u>

Liabilities and Fund Balances (Deficiency)

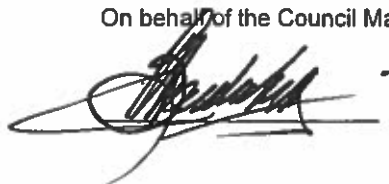
Current liabilities:			
Accounts payable and accrued liabilities (note 5)	\$ 139,523	\$ 71,414	\$ 97,807
Deferred revenue (note 6)	175,466	198,306	302,473
Due to related parties (note 8)	25,899	99,362	76,120
Loans payable to related parties (note 8)	220,139	185,139	364,043
	<u>561,027</u>	<u>554,221</u>	<u>840,443</u>
Deferred capital contributions (note 7)	113,622	53,266	65,784
Employee future benefits accrued liability (note 8(a)(iv))	55,613	61,786	88,690
Closed Group funds held in trust to related companies (note 9)	635	6,878	29,874
Fund balances (deficiency):			
Unrestricted	(368,822)	(342,290)	(430,372)
Restricted	120,014	161,139	112,711
Investment in capital assets	322,549	391,869	452,244
	<u>73,741</u>	<u>210,718</u>	<u>134,583</u>
	<u>\$ 804,638</u>	<u>\$ 886,869</u>	<u>\$ 1,159,374</u>

Going concern basis of presentation (note 1)

Funds held in trust by Provincial Council for Ontario; Boy Scouts of Canada (note 8(c))

See accompanying notes to financial statements.

On behalf of the Council Management Committee:



Council Executive Director



Council Commissioner

SCOUTS CANADA - WHITE PINE COUNCIL

Statements of Operations

Years ended August 31, 2013 and 2012

	2013	2012
	(Schedule D)	(Schedule E)
Revenue:		
Membership fees	\$ 503,685	\$ 646,948
Less: National and insurance fees	(216,934)	(251,114)
Less: fee subsidies and discounts	(34,573)	(38,611)
Net membership fees	252,178	357,223
Camp fees	236,545	218,693
Summer program fees	199,671	193,984
Fundraising	203,922	325,012
Grants	35,414	67,186
Donations	74,229	52,775
Scout Shop (note 8(a)(i))	11,842	11,362
Events	1,537	571
Other (note 8(c))	48,417	41,290
	1,063,755	1,268,096
Expenses:		
Administration, salaries and benefits	638,581	641,952
Property operation and maintenance	176,289	135,120
Fundraising	179,570	203,216
Program supplies and equipment	22,762	26,020
Travel and meetings	31,312	32,245
Communication and promotion	5,854	8,767
Funding to Scout groups	39,860	43,438
Events	1,612	1,048
Staff and volunteer training and uniforms	5,336	4,189
Other	27,981	14,688
	1,129,157	1,110,683
Excess (deficiency) of revenue over expenses before the undernoted	(65,402)	157,413
Amortization and write-down of deferred capital contributions (note 7)	20,456	19,699
Amortization and write-down on disposal of capital assets	(92,031)	(100,977)
Excess (deficiency) of revenue over expenses	\$ (136,977)	\$ 76,135

See accompanying notes to financial statements.

SCOUTS CANADA - WHITE PINE COUNCIL

Statements of Changes in Fund Balances (Deficiency)

Years ended August 31, 2013 and 2012

August 31, 2012	Operating	Restricted (note 10)	Camp Samac - Restricted	Operating - Invested in capital assets
Fund balances (deficiency), beginning of year	\$ (342,290)	\$ 176,074	\$ (14,935)	\$ 142,616
Excess (deficiency) of revenue over expenses	(35,678)	34	(101,333)	–
Amortization and write-down of capital assets	12,114	–	79,917	(12,114)
Capital asset additions	–	–	(83,067)	–
Deferred capital contributions received	–	–	80,812	–
Amortization and write-down of deferred capital contributions	(2,968)	–	(17,488)	2,968
Fund balances (deficiency), end of year	\$ (368,822)	\$ 176,108	\$ (56,094)	\$ 133,470

August 31, 2012	Operating	Restricted (note 10)	Camp Samac - Restricted	Operating - Invested in capital assets
Fund balances (deficiency), beginning of year	\$ (430,372)	\$ 152,693	\$ (39,982)	\$ 128,114
Excess (deficiency) of revenue over expenses	102,584	23,381	(49,830)	–
Amortization and write-down of capital assets	7,955	–	93,022	(7,955)
Capital asset additions	(19,489)	–	(8,595)	19,489
Deferred capital contributions received	–	–	7,181	–
Amortization and write-down of deferred capital contributions	(2,968)	–	(16,731)	2,968
Fund balances (deficiency), end of year	\$ (342,290)	\$ 176,074	\$ (14,935)	\$ 142,616

See accompanying notes to financial statements.

SCOUTS CANADA - WHITE PINE COUNCIL

Statements of Cash Flows

Years ended August 31, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	\$ (136,977)	\$ 76,135
Items which do not involve cash:		
Amortization and write-down of capital assets	92,031	100,977
Amortization and write-down of deferred capital contributions	(20,456)	(19,699)
Change in non-cash operating working capital:		
Decrease (increase) in amounts receivable	(33,776)	47,932
Decrease in due from related parties	21,656	9,246
Decrease (increase) in prepaid expenses	(77,469)	643
Increase (decrease) in accounts payable and accrued liabilities	68,109	(26,393)
Decrease in deferred revenue	(22,840)	(104,167)
Decrease in employee future benefits accrued liability	(6,173)	(26,904)
	<u>(115,895)</u>	<u>57,770</u>
Cash flows from investing activities:		
Capital asset additions	(83,067)	(28,084)
Cash flows from financing activities:		
Increase (decrease) in loan payable	35,000	(178,904)
Decrease in Closed Group funds held in trust	(6,243)	(22,996)
Deferred capital contributions received	80,812	7,181
Increase (decrease) in due to related parties	(73,463)	23,242
	<u>36,106</u>	<u>(171,477)</u>
Decrease in cash	(162,856)	(141,791)
Cash, beginning of year	307,476	449,267
Cash, end of year	\$ 144,620	\$ 307,476

See accompanying notes to financial statements.

SCOUTS CANADA - WHITE PINE COUNCIL

Notes to Financial Statements

Years ended August 31, 2013 and 2012

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

Scouts Canada - White Pine Council ("White Pine Council") is a Council of Scouts Canada, constituted under the authority of the Act. White Pine Council operates Scout programs in south central and eastern Ontario, east of Toronto and west of Kingston. White Pine Council is a registered charity under the Income Tax Act, and as such is not subject to income taxes.

On September 1, 2012, White Pine Council 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 Canadian accounting standards for not-for-profit organizations, the Association 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 Canadian accounting standards for not-for-profit organizations.

There were no adjustments to net assets as at September 1, 2011 or excess of revenue over expenses for the year ended August 31, 2012 as a result of the transition to Canadian accounting standards for not-for-profit organizations.

1. Going concern basis of presentation:

The financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles. The going concern basis of presentation assumes that White Pine Council will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. White Pine Council has negative working capital of \$192,560 and has accumulated an unrestricted deficiency in its operating fund of \$368,822 as at August 31, 2013.

These factors raise substantial doubt about White Pine Council's ability to continue as a going concern. White Pine Council's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due, is dependent on White Pine Council generating sufficient revenue from membership and other fees to fund its expenses, and obtaining continued support and adequate funding from Scouts Canada - National Operation. No assurance can be given that activities undertaken by White Pine Council in this regard will be successful.

SCOUTS CANADA - WHITE PINE COUNCIL

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

1. Going concern basis of presentation (continued):

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses, and the statement of financial position classification used.

2. Significant accounting policies:

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

(a) Basis of presentation:

These financial statements include the revenue, expenses, assets and liabilities of White Pine Council.

These financial statements do not include the revenue, expenses, assets and liabilities of the local Scout Groups operating in White Pine Council and its Areas.

(b) Fund accounting:

White Pine Council follows the restricted fund method of accounting for contributions for not-for-profit organizations.

The Operating Fund reports the revenue, expenses, assets, liabilities and fund balances related to White Pine Council's program delivery and administrative activities.

The Restricted Fund reports the revenue, expenses, assets, liabilities and fund balances related to the activities of White Pine Council for which the funding is internally and externally restricted to that activity or purpose.

The Camp Samac Fund reports the revenue, expenses, assets, liabilities and fund balances relating to the operation of Camp Samac.

(c) Capital assets:

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. When a capital asset no longer contributes to White Pine Council's ability to provide services, its carrying amount is written down to its residual value.

SCOUTS CANADA - WHITE PINE COUNCIL

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

2. Significant accounting policies (continued):

(c) Capital assets (continued):

Capital assets are amortized on a straight-line basis using the following annual rates:

Asset	Estimated useful life
Buildings	20 years
Betterments	10 years
Pool	20 years
Equipment	5 years

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

(d) Deferred capital contributions:

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at rates corresponding with the amortization rate for the related capital assets.

(e) Revenue recognition:

Membership, camp and other fees are recognized as revenue in the Operating Fund or Camp Samac Fund in the fiscal year to which they relate.

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 Restricted Fund or Camp Samac Fund in the year received.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received.

SCOUTS CANADA - WHITE PINE COUNCIL

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

2. Significant accounting policies (continued):

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. White Pine Council has not elected to carry all such financial 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 effective interest rate 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, White Pine Council 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 White Pine Council 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 carrying value.

(g) Expenses:

In the statement of operations, White Pine Council presents its expenses by object. Expenses are recognized in the year incurred and are recorded in the applicable restricted fund to which they are directly related.

(h) Donated services:

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

(i) Use of estimates:

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

SCOUTS CANADA - WHITE PINE COUNCIL

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

3. Amounts receivable:

	August 31, 2013	August 31, 2012	September 1, 2011
Amounts receivable	\$ 127,445	\$ 93,669	\$ 141,601
Less allowance for doubtful accounts	-	-	-
	<u>\$ 127,445</u>	<u>\$ 93,669</u>	<u>\$ 141,601</u>

4. Capital assets:

August 31, 2013	Cost	Accumulated amortization	Net book value
Camp Samac:			
Land	\$ 90,000	\$ -	\$ 90,000
Buildings	985,726	887,811	97,915
Betterments	174,620	93,154	81,466
Pool	330,271	329,108	1,163
Equipment	200,650	172,817	27,833
	<u>\$ 1,781,267</u>	<u>\$ 1,482,890</u>	<u>\$ 298,377</u>

Operating Fund:

Land	\$ 66,782	\$ -	\$ 66,782
Buildings	105,943	56,083	49,860
Betterments	32,818	27,709	5,109
Equipment	81,098	65,055	16,043
Computers	5,690	5,690	-
	<u>\$ 292,331</u>	<u>\$ 154,537</u>	<u>\$ 137,794</u>

August 31, 2012	Cost	Accumulated amortization	Net book value
Camp Samac:			
Land	\$ 90,000	\$ -	\$ 90,000
Buildings	985,726	838,525	147,201
Betterments	93,808	85,309	8,499
Pool	330,271	320,771	9,500
Equipment	198,395	158,368	40,027
	<u>\$ 1,698,200</u>	<u>\$ 1,402,973</u>	<u>\$ 295,227</u>

SCOUTS CANADA - WHITE PINE COUNCIL

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

4. Capital assets (continued):

August 31, 2012	Cost	Accumulated amortization	Net book value
Operating Fund:			
Land	\$ 66,782	\$ -	\$ 66,782
Buildings	105,943	51,286	54,657
Betterments	32,818	24,427	8,391
Equipment	81,098	61,020	20,078
Computers	5,690	5,690	-
	\$ 292,331	\$ 142,423	\$ 149,908

September 1, 2011	Cost	Accumulated amortization	Net book value
Camp Samac:			
Land	\$ 90,000	\$ -	\$ 90,000
Buildings	985,726	789,239	196,487
Betterments	93,808	73,821	19,987
Pool	330,271	304,064	26,207
Equipment	189,800	142,827	46,973
	\$ 1,689,605	\$ 1,309,951	\$ 379,654

Operating Fund:			
Land	\$ 66,782	\$ -	\$ 66,782
Buildings	105,943	46,489	59,454
Betterments	32,818	21,146	11,672
Equipment	61,609	61,143	466
Computers	5,690	5,690	-
	\$ 272,842	\$ 134,468	\$ 138,374

White Pine Council controls, manages and uses properties located in the region. With the exception of Camp Samac and the Samac Adventure Base, these properties are recorded at a nominal value in these financial statements, as they were acquired through contributions or bequests prior to 1997. The legal title to all properties is held by the Provincial Council for Ontario; Boy Scouts of Canada in trust for White Pine Council, in accordance with the policies of Scouts Canada.

SCOUTS CANADA - WHITE PINE COUNCIL

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

5. Accounts payable and accrued liabilities:

As at year end, White Pine Council had \$2,242 (August 31, 2012 - \$772; September 1, 2011 - \$1,049) payable for government remittances.

6. Deferred revenue:

Deferred revenue represents amounts received for 2012-2013 membership fees, future rental of camp property and fees for specific activities on purchases that have not taken place. Deferred revenue consists of:

	August 31, 2013	August 31, 2012	September 1, 2011
Membership fees	\$ 163,405	\$ 191,161	\$ 254,986
Camp Samac early registration fees	4,106	6,690	20,032
Camp Samac restricted operating grant	-	-	10,000
Brownsea Base	455	455	455
Operating grants	7,500	-	17,000
	<u>\$ 175,466</u>	<u>\$ 198,306</u>	<u>\$ 302,473</u>

7. Deferred capital contributions:

Deferred capital contributions consist of:

	Operating	Camp Samac	2013	2012
Opening balance	\$ 7,292	\$ 45,974	\$ 53,266	\$ 65,784
Capital contributions received	-	80,812	80,812	7,181
Amortization of deferred capital contributions	(2,968)	(17,488)	(20,456)	(19,699)
Ending balance	<u>\$ 4,324</u>	<u>\$ 109,298</u>	<u>\$ 113,622</u>	<u>\$ 53,266</u>

SCOUTS CANADA - WHITE PINE COUNCIL

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

8. Related party transactions:

White Pine Council is related to the National Operation and Councils of Scouts Canada including the Provincial Council for Ontario; Boy Scouts of Canada, the Voyageur Council of Scouts Canada and the Northern Ontario Council of Scouts Canada. White Pine Council has the following related party balances with these entities:

	August 31, 2013	August 31, 2012	September 1, 2011
Due from related parties:			
Scouts Canada - National Operation	\$ -	\$ 21,656	\$ 30,902
Due to related parties:			
Scouts Canada - National Operation	\$ 22,083	\$ 86,547	\$ 65,298
Scouts Canada - Voyageur Council	3,816	12,815	10,822
	\$ 25,899	\$ 99,362	\$ 76,120
Loans payable to related parties:			
Scouts Canada - National Operation	\$ 185,139	\$ 185,139	\$ 364,043
Scouts Canada - Voyageur Council	35,000	-	-
	\$ 220,139	\$ 185,139	\$ 364,043

During the year, White Pine Council had the following related party transactions with these entities:

(a) Scout Canada - National Operation:

(i) Scout Shops:

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 gross sales of the Scout Shops in their region. In 2013, \$3,442 (2012 - \$3,596) was received by White Pine Council under this arrangement.

White Pine Council rents space to the National Operation for the Scout Shop. White Pine Council received \$8,400 (2012 - \$7,765) of rental revenue from the National Operation.

SCOUTS CANADA - WHITE PINE COUNCIL

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

8. Related party transactions (continued):

(a) Scout Canada - National Operation:

(ii) Loan payable to Scouts Canada - National Operation:

In 2011, White Pine Council and the National Operation entered into a loan agreement in order to consolidate amounts due to the National Operation for 2009-2010 national and insurance fees of \$185,139 and amounts due to other Scouts Councils of \$178,904. During the year, White Pine Council made payments to the National Operation relating to this loan in the amount of \$Nil (2012 - \$178,904). At August 31, 2013, White Pine Council had an amount of \$185,139 (August 31, 2012 - \$185,139; September 1, 2011 - \$364,043) payable to the National Operation with respect to this loan. The loan is non-interest bearing and is payable to the National Operation on demand.

(iii) Salary, administration and other services:

The National Operation provides payroll administration and other services to White Pine Council in the normal course of business. At year-end, White Pine Council had an amount due to the National Operation of \$22,083 (August 31, 2012 - \$86,547; September 1, 2011 - \$65,298) with respect to these services. This amount was paid in full subsequent to year end.

White Pine Council also has a receivable of \$Nil (August 31, 2012 - \$21,656; September 1, 2011 - \$30,902) from National Operation for amounts collected on White Pine Council's behalf.

(iv) Employee future benefits payable:

Scouts Canada administers the Employees' Pension Plan of Scout Canada which is a defined benefit pension plan that covers most of its employees working at the National Operation and Councils. Scouts Canada also provides its employees with other retirement and post-employment benefits under its employee benefit plans. The National Operation administers both plans and allocates a share of the prepaid pension costs and employee future benefits liability to Councils, with respect to their employees. Councils are required to pay a portion of their net benefit costs incurred each year based on the cash payments required to be made to the plans by the National Operation.

During the year, White Pine Council paid \$39,790 (2012 - \$21,935; 2011 - \$8,159) to the National Operation. White Pine Council was also invoiced \$517 (2012 - \$20,980; 2011 - \$43,723) by National Operation for special top-up payments for the pension plan.

SCOUTS CANADA - WHITE PINE COUNCIL

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

8. Related party transactions (continued):

(a) Scout Canada - National Operation:

(v) Employee future benefits accrued liability:

At year-end, White Pine Council's employee future benefits accrued liability is \$55,613 (August 31, 2012 - \$61,786; September 1, 2011 - \$88,690). The change in the liability of \$6,173 (2012 - \$26,904) has been recorded as a credit to administration, salaries and benefits expense.

(b) Voyageur Council:

(i) Administrative and other services:

White Pine Council shares certain administrative costs with Voyageur Council and Northern Ontario Council. At year-end, White Pine Council has a payable to Voyageur Council of \$3,816 (August 31, 2012 - \$12,815; September 1, 2011 - \$10,822) for amounts paid on its behalf. Subsequent to year-end, White Pine Council has paid the entire amount of this payable to Voyageur Council.

(ii) Loan payable to Scouts Canada - Voyageur Council:

In 2013, White Pine Council and the Voyageur Council entered into a loan agreement for \$35,000 to assist in managing cash flow. During the year, White Pine Council made payments to the Voyageur Council relating to this loan in the amount of \$Nil. At August 31, 2013, White Pine Council had an amount of \$35,000 payable to the Voyageur Council with respect to this loan. The loan is non-interest bearing and is payable October 30, 2013 to the Voyageur Council.

(c) Provincial Council for Ontario; Boy Scouts of Canada:

Funds held in trust:

The Provincial Council for Ontario; Boy Scouts of Canada (the "Corporation") holds funds in trust for Ontario Councils, in accordance with the policies of Scouts Canada. These funds were generated from the sale of Scout properties in White Pine region and are available for use by White Pine Council upon approval of the Corporation. The Corporation holds funds in trust for the Council which are not recorded in these financial statements. Investment revenue of these funds is reinvested in the funds held in trust. Funds held in trust at August 31, 2012 have a cost of \$219,974 (September 1, 2011 - \$212,310) and a fair value of \$249,439 (September 1, 2011 - \$238,413). Information on the cost and fair value of the funds held in trust as at August 31, 2013 was not available from the Corporation for disclosure in these financial statements.

In the year, the Council requested and received \$38,572 (2012 - \$Nil) from the Corporation for the use in operating activities. The funds received have been recorded in other operating income on the Statement of Operations.

SCOUTS CANADA - WHITE PINE COUNCIL

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

9. Closed Group funds held in trust:

Closed Group funds held in trust represent balances held on behalf of closed Scout Groups in the White Pine Region.

10. Restricted fund balances:

Restricted fund balances include the Youth Assistance Fund and various restricted funds transferred to White Pine Council from former Scout Districts in 2003. District amounts are restricted in their use for expenditures in the former Districts. As these amounts are expended, they will be recorded as expenses or capital assets of the restricted funds. The balances are as follows:

	August 31, 2013	August 31, 2012	September 1, 2011
Belleville District Funds	\$ 51,370	\$ 51,370	\$ 51,370
RSM Foundation Capital Renovation Fund	33,780	33,780	33,780
Oshawa Conlin Road Fund	25,875	25,875	25,875
Growth Fund	23,415	23,381	–
Haliburton Logging Fund	15,670	15,670	15,670
Peterborough District Funds	3,402	3,402	3,402
Cobourg District Funds	7,700	7,700	7,700
Peterborough Jamboree Fund	3,353	3,353	3,353
Naval Veterans' Totem Pole Fund	2,600	2,600	2,600
Rover Roundtable Fund	1,281	1,281	1,281
Youth Assistance Fund	564	564	564
William Gordon Memorial Fund (Whitby area)	3,879	3,879	3,879
Whitby Scout Trail Fund	27	27	27
Miscellaneous Funds	3,192	3,192	3,192
	<u>\$ 176,108</u>	<u>\$ 176,074</u>	<u>\$ 152,693</u>

11. Capital management:

White Pine Council considers its capital to consist of its fund balances.

White Pine Council's overall objective for its capital is to fund capital assets, future projects and ongoing operations. White Pine Council manages its capital by maintaining and monitoring restricted funds for specific purposes, future projects, and other capital requirements. The restricted funds are disclosed in note 10.

White Pine Council is not subject to externally imposed capital requirements and its approach to capital management remains unchanged from the prior year.

SCOUTS CANADA - WHITE PINE COUNCIL

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

12. Fair value of financial instruments:

The carrying values of cash, amounts receivable, membership receivable, accounts payable and accrued liabilities, due to related parties and loans payable to related parties approximate their fair value because of the relatively short periods to maturity of these financial instruments.

The fair value of the employee future benefits payable is not determinable as there are no set terms for repayment.

White Pine Council believes it is not exposed to significant interest rate, foreign currency, market or credit risk from its financial instruments.

13. Subsequent event:

On October 2, 2013, the Council entered into an agreement to sell real property held in the County of Haliburton for \$955,000. The transaction is expected to close no earlier than December 15, 2013 and is conditional on the purchaser meeting certain conditions.

SCOUTS CANADA - WHITE PINE COUNCIL

Schedule A - Statement of Financial Position

August 31, 2013

	Operating	Restricted	Camp Samac	Total
Assets				
Current assets:				
Cash	\$ 144,620	\$ -	\$ -	\$ 144,620
Amounts receivable	68,153	-	59,292	127,445
Prepaid expenses	96,402	-	-	96,402
	309,175	-	59,292	368,467
Capital assets (note 4)	137,794	-	298,377	436,171
Amounts due to Restricted Fund (from Operating Fund)	(176,743)	176,743	-	-
Amounts due to Operating Fund (from Camp Samac Fund)	34,133	-	(34,133)	-
	\$ 304,359	\$ 176,743	\$ 323,536	\$ 804,638
Liabilities and Fund Balances (Deficiency)				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 62,831	\$ -	\$ 76,692	\$ 139,523
Deferred revenue	170,905	-	4,561	175,466
Due to related parties	25,899	-	-	25,899
Loan payable	220,139	-	-	220,139
	479,774	-	81,253	561,027
Deferred capital contributions	4,324	-	109,298	113,622
Employee future benefits accrued liability	55,613	-	-	55,613
Closed Group funds held in trust to related companies	-	635	-	635
Fund balances (deficiency):				
Unrestricted	(368,822)	-	-	(368,822)
Restricted	-	176,108	(56,094)	120,014
Investment in capital assets	133,470	-	189,079	322,549
	(235,352)	176,108	132,985	73,741
	\$ 304,359	\$ 176,743	\$ 323,536	\$ 804,638

SCOUTS CANADA - WHITE PINE COUNCIL

Schedule B - Statement of Financial Position

August 31, 2012

	Operating	Restricted	Camp Samac	Total
Assets				
Current assets:				
Cash	\$ 302,699	\$ 4,777	\$ -	\$ 307,476
Amounts receivable	93,669	-	-	93,669
Due from related parties	21,656	-	-	21,656
Prepaid expenses	18,933	-	-	18,933
	436,957	4,777	-	441,734
Capital assets (note 4)	149,908	-	295,227	445,135
Amounts due to Restricted Fund (from Operating Fund)	(178,175)	178,175	-	-
Amounts due to Operating Fund (from Camp Samac Fund)	7,790	-	(7,790)	-
	\$ 416,480	\$ 182,952	\$ 287,437	\$ 886,869

Liabilities and Fund Balances (Deficiency)

Current liabilities:				
Accounts payable and accrued liabilities	\$ 71,414	\$ -	\$ -	\$ 71,414
Deferred revenue	191,161	-	7,145	198,306
Due to related parties	99,362	-	-	99,362
Loan payable	185,139	-	-	185,139
	547,076	-	7,145	554,221
Deferred capital contributions	7,292	-	45,974	53,266
Employee future benefits accrued liability	61,786	-	-	61,786
Closed Group funds held in trust to related companies	-	6,878	-	6,878
Fund balances (deficiency):				
Unrestricted	(342,290)	-	-	(342,290)
Restricted	-	176,074	(14,935)	161,139
Investment in capital assets	142,616	-	249,253	391,869
	(199,674)	176,074	234,318	210,718
	\$ 416,480	\$ 182,952	\$ 287,437	\$ 886,869

SCOUTS CANADA - WHITE PINE COUNCIL

Schedule C - Statement of Financial Position

September 1, 2011

	Operating	Restricted	Camp Samac	Total
Assets				
Current assets:				
Cash	\$ 266,727	\$ 182,540	\$ -	\$ 449,267
Amounts receivable	141,601	-	-	141,601
Due from related parties	30,902	-	-	30,902
Prepaid expenses	1,500	-	18,076	19,576
	440,730	182,540	18,076	641,346
Capital assets (note 4)	138,374	-	379,654	518,028
Amounts due to Restricted Fund (from Operating Fund)	(27)	27	-	-
Amounts due to Operating Fund (from Camp Samac Fund)	27,571	-	(27,571)	-
	\$ 606,648	\$ 182,567	\$ 370,159	\$ 1,159,374

Liabilities and Fund Balances (Deficiency)

Current liabilities:				
Accounts payable and accrued liabilities	\$ 97,807	\$ -	\$ -	\$ 97,807
Deferred revenue	271,986	-	30,487	302,473
Due to related parties	76,120	-	-	76,120
Loan payable	364,043	-	-	364,043
	809,956	-	30,487	840,443
Deferred capital contributions	10,260	-	55,524	65,784
Employee future benefits accrued liability	88,690	-	-	88,690
Closed Group funds held in trust to related companies	-	29,874	-	29,874
Fund balances (deficiency):				
Unrestricted	(430,372)	-	-	(430,372)
Restricted	-	152,693	(39,982)	112,711
Investment in capital assets	128,114	-	324,130	452,244
	(302,258)	152,693	284,148	134,583
	\$ 606,648	\$ 182,567	\$ 370,159	\$ 1,159,374

SCOUTS CANADA - WHITE PINE COUNCIL

Schedule D - Statement of Operations

Year ended August 31, 2013

	Operating	Restricted	Camp Samac	Total
Revenue:				
Membership fees	\$ 503,685	\$ -	\$ -	\$ 503,685
Less: National and insurance fees	(216,934)	-	-	(216,934)
Less: fee subsidies and discounts	(34,573)	-	-	(34,573)
Net membership fees	252,178	-	-	252,178
Camp fees	872	-	235,673	236,545
Summer program fees	199,671	-	-	199,671
Fundraising	197,362	-	6,560	203,922
Grants	35,414	-	-	35,414
Donations	35,959	-	38,270	74,229
Scout Shop (note 8(a)(i))	3,442	-	8,400	11,842
Events	1,537	-	-	1,537
Other	47,296	34	1,087	48,417
	773,731	34	289,990	1,063,755
Expenses:				
Administration, salaries and benefits	496,453	-	142,128	638,581
Property operation and maintenance	3,220	-	173,069	176,289
Fundraising	179,570	-	-	179,570
Program supplies and equipment	22,343	-	419	22,762
Travel and meetings	20,668	-	10,644	31,312
Communication and promotion	5,644	-	210	5,854
Funding to Scout groups	39,860	-	-	39,860
Events	1,612	-	-	1,612
Staff and volunteer training and uniforms	5,336	-	-	5,336
Other	25,557	-	2,424	27,981
	800,263	-	328,894	1,129,157
Excess (deficiency) of revenue over expenses before the undernoted	(26,532)	34	(38,904)	(65,402)
Amortization and write-down of deferred capital contributions	2,968	-	17,488	20,456
Amortization and write-down on disposal of capital assets	(12,114)	-	(79,917)	(92,031)
Deficiency of revenue over expenses	\$ (35,678)	\$ 34	\$ (101,333)	\$ (136,977)

SCOUTS CANADA - WHITE PINE COUNCIL

Schedule E - Statement of Operations

Year ended August 31, 2012

	Operating	Restricted	Camp Samac	Total
Revenue:				
Membership fees	\$ 646,948	\$ -	\$ -	\$ 646,948
Less: National and insurance fees	(251,114)	-	-	(251,114)
Less: fee subsidies and discounts	(38,611)	-	-	(38,611)
Net membership fees	357,223	-	-	357,223
Camp fees	640	-	218,053	218,693
Summer program fees	193,984	-	-	193,984
Fundraising	325,012	-	-	325,012
Grants	24,000	-	43,186	67,186
Donations	36,878	-	15,897	52,775
Scout Shop	3,597	-	7,765	11,362
Events	571	-	-	571
Other	7,605	23,381	10,304	41,290
	949,510	23,381	295,205	1,268,096
Expenses:				
Administration, salaries and benefits	518,515	-	123,437	641,952
Property operation and maintenance	-	-	135,120	135,120
Fundraising	203,216	-	-	203,216
Program supplies and equipment	25,415	-	605	26,020
Travel and meetings	24,597	-	7,648	32,245
Communication and promotion	8,767	-	-	8,767
Funding to Scout groups	43,438	-	-	43,438
Events	916	-	132	1,048
Staff and volunteer training and uniforms	4,189	-	-	4,189
Other	12,886	-	1,802	14,688
	841,939	-	268,744	1,110,683
Excess of revenue over expenses before the undemoted	107,571	23,381	26,461	157,413
Amortization and write-down of deferred capital contributions	2,968	-	16,731	19,699
Amortization and write-down on disposal of capital assets	(7,955)	-	(93,022)	(100,977)
Excess (deficiency) of revenue over expenses	\$ 102,584	\$ 23,381	\$ (49,830)	\$ 76,135