

Report of the Independent Auditors on the Summary Financial Statements



KPMG LLP
Suite 1800
150 Elgin Street
Ottawa ON K2P 2P8
Canada

Telephone (613) 212-KPMG (5764)
Fax (613) 212-2896
Internet www.kpmg.ca

To the Board of Governors of Scouts Canada National Operation

The accompanying summary financial statements of Scouts Canada National Operation, which comprise the summary statement of financial position as at August 31, 2015 and the summary statement of operations for the year then ended, and related notes, are derived from the audited financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations, of Scouts Canada National Operation as at August 31, 2016, and for the year then ended.

We expressed an unmodified audit opinion on those financial statements in our report dated November 11, 2016.

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations applied in the preparation of the audited financial statements of Scouts Canada National Operation. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Scouts Canada National Operation.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis described in note 1.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Scouts Canada National Operation as at August 31, 2016 and for the year then ended are a fair summary of those financial statements, in accordance with the basis described in note 1.

The auditor's report on the audited financial statements contains an Emphasis of Matter paragraph, drawing attention to the impact of the restructuring of Scouts Canada National Operations, as summarized in note 2. Our audit opinion is not modified in respect of the matter emphasized.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants
November 11, 2016
Ottawa, Canada

Scouts Canada National Operation

Summary Statement of Financial Position

August 31, 2016, with comparative information for 2015 (In thousands of dollars)

	2016	2015
ASSETS		
Current assets	\$ 9,446	\$ 8,568
Investments	14,384	13,441
Tangible capital and intangible assets	1,077	1,340
Prepaid pension costs	4,653	3,087
Employee future benefits recovery receivable	274	274
	\$ 29,834	\$ 26,710
LIABILITIES AND FUND BALANCES		
Current liabilities	\$ 9,149	\$ 7,570
Deferred capital contributions	–	198
Loans payable to related parties	–	105
Accrued employee future benefits	3,619	3,671
Fund balances	17,066	15,166
	\$ 29,834	\$ 26,710

See accompanying notes to summary financial statements.

Summary Statement of Operations

Year ended August 31, 2016, with comparative information for 2015 (In thousands of dollars)

	Operating Fund	Restricted Funds	Total 2016	Total 2015
REVENUE:				
Membership fees	\$ 10,434	\$ –	\$ 10,434	\$ 4,364
Retail	4,725	–	4,725	4,107
Fundraising	5,689	43	5,732	1,647
Other	1,923	407	2,330	1,179
World Scouts Jamboree	–	–	–	2,093
	22,771	450	23,221	13,390
EXPENSES:				
Salaries and benefits	10,945	–	10,945	10,777
Recovery of salaries and benefits	(1,645)	–	(1,645)	(7,092)
Retail	3,389	–	3,389	3,013
Program services	402	–	402	321
Grants	167	–	167	194
Technology services	382	–	382	332
Financial services	723	–	723	758
Marketing and communications	436	–	436	581
Fundraising	3,470	–	3,470	108
Administration	731	–	731	648
Compliance and governance	603	493	1,096	1,127
Human resources & volunteer services	392	–	392	437
Field operations	662	–	662	–
Field services	702	–	702	–
World Scouts Jamboree – direct expenses	–	–	–	2,025
Restricted funds - other	–	644	644	173
	21,359	1,137	22,496	13,402
Excess (deficiency) of revenue over expenses before the undernoted	1,412	(687)	725	(12)
Unrealized gains (losses) on investments	156	21	177	(115)
World Scout Foundation donations	–	7	7	10
Excess (deficiency) of revenue over expenses	\$1,568	\$ (659)	\$ 909	\$ (117)

See accompanying notes to summary financial statements.

Scouts Canada National Operation

Notes to Summary Financial Statements

Year ended August 31, 2016

Scouts Canada National Operation (the "National Operation") 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.

The National Operation is a registered charity and is responsible for the national activities of Scouts Canada and provides services to the Councils of the National Operation.

1. Summary financial statements:

The summary financial statements are derived from the complete audited financial statements, prepared in accordance with Canadian accounting standards for not-for-profit organizations, as at August 31, 2016 and for the year then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in the summary financial statements so that they are consistent, in all material respects, with or represent a fair summary of the audited financial statements.

These summarized financial statements have been prepared by management using the following criteria:

- (a) whether information in the summary financial statements is in agreement with the related information in the complete audited financial statements; and
- (b) whether, in all material respects, the summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete audited financial statements, including the notes thereto.

Management determined that the statements of changes in fund balances and cash flows do not provide additional useful information and as such have not included them as part of the summary financial statements.

The complete audited financial statements of Scouts Canada National Operation are available upon request by contacting the management of Scouts Canada National Operation.

2. Operational restructure:

Effective September 1, 2015, certain responsibilities were transferred to the National Operation from the Councils as part of the operational restructuring of Scouts Canada. Under the restructuring, certain amounts previously recorded in the Councils' financial statements are now recorded in the National Operation's. Local direct event and camp management activities continue to be recorded by the Councils. As a result, in 2016 the National Operation recorded revenues, expenses, assets and liabilities which were formerly recorded by the Councils. The impact on the summarized 2016 financial statements is approximately:

	2016
Revenue	\$ 10,923
Expenses	9,779
Current assets	3,007
Current liabilities	3,007