

Financial Statements of

**SCOUTS CANADA -
VOYAGEUR COUNCIL**

Year ended August 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Members of Scouts Canada - Voyageur Council

We have audited the accompanying financial statements of Scouts Canada - Voyageur Council, which comprise the statement of financial position as at August 31, 2015, the statements of operations, changes in fund balances (deficiency) and cash flows for the year then ended, 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 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 - Voyageur Council derives revenue from camp 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 - Voyageur Council. Therefore, we were not able to determine whether, as at and for the year ended August 31, 2015, any adjustments might be necessary to revenue and excess (deficiency) of revenue over expenses reported in the statement of operations, excess (deficiency) 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 year ended August 31, 2015.

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 - Voyageur Council as at August 31, 2015 and its results of operations, changes in fund balances (deficiency) and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

November 20, 2015

Ottawa, Canada

SCOUTS CANADA - VOYAGEUR COUNCIL

Statement of Financial Position

August 31, 2015, with comparative information for 2014

	Operating	Restricted	Camp Opemikon	2015 Total	2014 Total
Assets					
Current assets:					
Cash	\$ 36,422	\$ 10,077	\$ -	\$ 46,499	\$ 128,911
Amounts receivable (note 2)	112,906	-	-	112,906	18,591
Due from related parties (note 8)	11,526	-	-	11,526	56,324
Prepaid expenses and deposits	9,706	-	-	9,706	110,330
	170,560	10,077	-	180,637	314,156
Investments (note 3)	-	941,160	-	941,160	988,813
Tangible capital assets (note 4)	6,177	6,530	283,121	295,828	335,201
	\$ 176,737	\$ 957,767	\$ 283,121	\$ 1,417,625	\$ 1,638,170

Liabilities and Fund Balances (Deficiency)

Current liabilities:					
Accounts payable and accrued liabilities (note 5)	\$ 95,699	\$ -	\$ -	\$ 95,699	\$ 74,997
Current portion of long-term debt	-	-	6,786	6,786	6,786
Deferred revenue (note 6)	-	711	6,500	7,211	279,423
	95,699	711	13,286	109,696	361,206
Employee future benefits accrued liability (note 8(a)(v))	21,839	-	-	21,839	26,957
Amounts due to Camp Opemikon Fund (from Unrestricted Fund)	(65,595)	-	65,595	-	-
Amounts due to Unrestricted (from Restricted Fund)	193,520	(193,520)	-	-	-
Deferred capital contributions (note 7)	6,177	11,030	29,255	46,462	59,310
Long-term debt (note 9)	-	-	5,503	5,503	12,289
Fund balances (deficiency):					
Unrestricted	(70,403)	-	(72,095)	(142,498)	(274,332)
Externally restricted - endowment	-	395,033	-	395,033	417,206
Restricted (schedule)	-	744,513	-	744,513	759,175
Invested in tangible capital assets	(4,500)	-	241,577	237,077	276,359
	(74,903)	1,139,546	169,482	1,234,125	1,178,408
	\$ 176,737	\$ 957,767	\$ 283,121	\$ 1,417,625	\$ 1,638,170

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

See accompanying notes to financial statements.

On behalf of the Council Management Committee:


Council
Executive Director


Council
Commissioner

SCOUTS CANADA - VOYAGEUR COUNCIL

Statement of Operations

Year ended August 31, 2015, with comparative information for 2014

	Unrestricted	Restricted	Dick Cowan Endowment (schedule)	Camp Opemikon	2015 Total	2014 Total
Revenue:						
Membership fees	\$ 832,398	\$ -	\$ -	\$ -	\$ 832,398	\$ 748,723
Less: National and insurance fees	(377,356)	-	-	-	(377,356)	(301,806)
Less: fee discounts and subsidies	(39,094)	(764)	-	-	(39,858)	(46,565)
Net membership fees	415,948	(764)	-	-	415,184	400,352
Camp fees	-	15,374	-	310,177	325,551	257,301
Donations	126,293	2,318	-	3,119	131,730	148,380
Events	34,523	487	-	-	35,010	33,263
Fundraising	159,196	22,157	-	3,245	184,598	190,870
Grants	31,127	-	-	15,774	46,901	26,926
Investment	-	(8,654)	(16,449)	-	(25,103)	135,442
Other	1,225	-	-	9,791	11,016	37,106
Scout Shop royalties (note 8(a)(i))	10,665	-	-	-	10,665	9,528
Summer camp	-	-	-	245,645	245,645	176,598
Training fees	27,180	-	-	-	27,180	10,625
	806,157	30,918	(16,449)	587,751	1,408,377	1,426,391
Expenses:						
Administration, salaries and benefits	395,778	100	-	85,849	481,727	508,009
Communication and promotion	3,267	1,540	-	225	5,032	11,638
Event	13,322	185	-	-	13,507	17,414
Field servicing	74,249	-	-	-	74,249	83,231
Fundraising	140,088	6,360	-	3,235	149,683	165,432
Occupancy	20,772	-	-	-	20,772	21,763
Other	55,503	12,080	-	-	67,583	88,606
Program and camp meals	-	-	-	55,696	55,696	48,101
Program supplies and equipment	9,267	2,442	5,724	3,484	20,917	19,326
Property operation and maintenance	-	19,333	-	99,815	119,148	140,478
Staff and volunteer training	3,959	2,799	-	716	7,474	12,826
Summer camp	-	-	-	287,729	287,729	236,879
Transportation	-	741	-	21,877	22,618	20,264
	716,205	45,580	5,724	558,626	1,326,135	1,373,967
Excess (deficiency) of revenue over expenses before the undemoted	89,952	(14,662)	(22,173)	29,125	82,242	52,424
Endowment contributions received (schedule)	-	-	-	-	-	48,000
Amortization of deferred capital contributions (note 7)	4,118	468	-	8,262	12,848	11,290
Amortization of tangible capital assets	(4,586)	-	-	(34,787)	(39,373)	(40,019)
Excess (deficiency) of revenue over expenses	\$ 89,484	\$ (14,194)	\$ (22,173)	\$ 2,600	\$ 55,717	\$ 71,695

See accompanying notes to financial statements.

SCOUTS CANADA - VOYAGEUR COUNCIL

Statement of Changes in Fund Balances (Deficiency)

Year ended August 31, 2015, with comparative information for 2014

	Unrestricted	Camp Opemikon	Externally restricted - endowment	Restricted	Invested in tangible capital assets - operating	Invested in Camp Opemikon property	2015 Total	2014 Total
Fund balances (deficiency), beginning of year	\$ (157,768)	\$ (116,564)	\$ 417,206	\$ 759,175	\$ (7,087)	\$ 283,446	\$ 1,178,408	\$ 1,106,713
Excess (deficiency) of revenue over expenses - operations	89,952	2,600	(22,173)	(14,662)	-	-	55,717	23,695
Endowment contributions received	-	-	-	-	-	-	-	48,000
Amortization of tangible capital assets	4,118	34,787	-	468	(4,586)	(34,787)	-	-
Amortization of deferred capital contributions	(4,118)	(8,262)	-	(468)	4,586	8,262	-	-
Interfund transfers	(2,587)	15,344	-	-	2,587	(15,344)	-	-
Fund balances (deficiency), end of year	\$ (70,403)	\$ (72,095)	\$ 395,033	\$ 744,513	\$ (4,500)	\$ 241,577	\$ 1,234,125	\$ 1,178,408

See accompanying notes to financial statements.

SCOUTS CANADA - VOYAGEUR COUNCIL

Statement of Cash Flows

Year ended August 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 55,717	\$ 71,695
Item not involving cash:		
Amortization of tangible capital assets	39,373	39,095
Amortization of deferred capital contributions	(12,848)	(11,290)
Change in employee future benefit accrued liability (note 8(a)(iv))	(5,118)	(51,537)
Change in non-cash operating working capital:		
Decrease (increase) in amounts receivable	(94,315)	29,499
Decrease in loans receivable from related parties	-	65,000
Decrease in prepaid expenses and deposits	100,624	68,123
Decrease in investments	47,653	-
Decrease (increase) in due from related parties	44,798	(6,148)
Increase in accounts payable and accrued liabilities	20,702	47,247
Increase in current portion of long-term debt	-	6,786
Decrease in due to related parties	-	(14,563)
Decrease in deferred revenue	(272,212)	(36,161)
	(75,626)	207,746
Investing:		
Additions to investments	-	(158,931)
Additions to tangible capital assets	-	(45,606)
	-	(204,537)
Financing:		
Deferred capital contributions received	-	15,917
Increase (decrease) in long-term debt	(6,786)	12,289
	(6,786)	28,206
Increase (decrease) in cash	(82,412)	31,415
Cash, beginning of year	128,911	97,496
Cash, end of year	\$ 46,499	\$ 128,911

See accompanying notes to financial statements.

SCOUTS CANADA - VOYAGEUR COUNCIL

Notes to Financial Statements

Year ended August 31, 2015

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 - Voyageur Council ("Voyageur Council"), is a Council of Scouts Canada, constituted under the authority of the Act. Voyageur Council operates Scout programs in Eastern Ontario and Western Quebec (its "Areas"). Voyageur Council is a registered charity under the Income Tax Act (Canada), and as such is not subject to income taxes.

1. 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 Voyageur Council including the activities of a portion of its Areas.

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

(b) Fund accounting:

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

The Unrestricted fund reports the revenue, expenses, assets, liabilities and fund balances for Voyageur Council's program delivery and administrative activities.

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

(c) 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. Voyageur 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.

SCOUTS CANADA - VOYAGEUR COUNCIL

Notes to Financial Statements (continued)

Year ended August 31, 2015

1. Significant accounting policies (continued):

(c) Financial instruments (continued):

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, Voyageur 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 Voyageur 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.

(d) Tangible capital assets:

(i) Operating:

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

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

Asset	Estimated useful life
Equipment	5 years
Leasehold improvements	10 years

(ii) Camp Opemikon property:

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

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

SCOUTS CANADA - VOYAGEUR COUNCIL

Notes to Financial Statements (continued)

Year ended August 31, 2015

1. Significant accounting policies (continued):

(d) Tangible capital assets (continued):

(ii) Camp Opemikon property (continued):

Tangible 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.

(e) Deferred capital contributions:

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

(f) Revenue recognition:

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

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

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

Investment revenue is recognized in the period earned and is recorded in the applicable Restricted or Unrestricted fund.

(g) Expenses:

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

(h) Donated services:

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

SCOUTS CANADA - VOYAGEUR COUNCIL

Notes to Financial Statements (continued)

Year ended August 31, 2015

1. Significant accounting policies (continued):

(i) Use of estimates:

The preparation of financial statements 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.

2. Amounts receivable:

	2015	2014
Trade	\$ 91,542	\$ -
Commodity taxes	11,234	-
Other	10,130	18,591
	<u>\$ 112,906</u>	<u>\$ 18,591</u>

3. Investments:

Investments consist of:

	2015 Market value	2014 Market value
Fixed income securities	\$ 330,281	\$ 322,722
Common shares	515,478	564,321
Preferred share	95,401	101,770
	<u>\$ 941,160</u>	<u>\$ 988,813</u>

SCOUTS CANADA - VOYAGEUR COUNCIL

Notes to Financial Statements (continued)

Year ended August 31, 2015

4. Tangible capital assets:

(a) Operating and restricted:

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Properties	\$ 1	\$ -	\$ 1	\$ 1
Buildings	5,596	-	5,596	5,596
Computers	14,043	14,043	-	-
Equipment	30,887	23,777	7,110	11,696
Leasehold improvements	7,517	7,517	-	-
	\$ 58,044	\$ 45,337	\$ 12,707	\$ 17,293

Cost and accumulated amortization at August 31, 2014 amounted to \$58,044 and \$40,751, respectively.

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

These properties include: Apple Hill, Camp Trail, Camp Legewade, Camp Folly, Otter Lake (Quebec), Otter Lake Camp (Ontario), and Camp Oskenonton.

(b) Camp Opemikon property:

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Buildings	\$ 405,989	\$ 282,268	\$ 123,721	\$ 144,021
Equipment	197,373	169,627	27,746	41,432
Truck	52,398	52,398	-	801
	655,760	504,293	151,467	186,254
Land	131,654	-	131,654	131,654
	\$ 787,414	\$ 504,293	\$ 283,121	\$ 317,908

Cost and accumulated amortization at August 31, 2014 amounted to \$787,414 and \$469,506, respectively.

SCOUTS CANADA - VOYAGEUR COUNCIL

Notes to Financial Statements (continued)

Year ended August 31, 2015

5. Accounts payable and accrued liabilities:

As at year end, no amounts were included in accounts payable for government remittances such as harmonized sale tax or payroll taxes.

6. Deferred revenue:

Deferred revenue represents amounts received by the Unrestricted fund for future rental of camp property and fees for specific activities or purchases that have not taken place.

	Opening balance	Amounts received	Revenue recognized	Closing balance
Camp Opemikon	\$ 2,585	\$ 6,500	\$ (2,585)	\$ 6,500
Camp Odawa	–	711	–	711
Membership	276,207	–	(276,207)	–
Training	631	–	(631)	–
	\$ 279,423	\$ 7,211	\$ (279,423)	\$ 7,211

7. Deferred capital contributions:

	Opening balance	Amounts received	Revenue recognized	Closing balance
Deferred capital contributions	\$ 59,310	\$ –	\$ (12,848)	\$ 46,462

8. Related party transactions:

Voyageur Council is related to the National Operation and Councils of Scouts Canada including Boy Scouts of Canada, Provincial Council for Ontario and Scouts Canada - Northern Ontario and Quebec Councils. At year-end, Voyageur Council had the following balances with these related parties:

	2015	2014
Due from related parties:		
Scouts Canada - Quebec	\$ 9,321	\$ –
Scouts Canada - Northern Ontario Council	2,205	34,368
Scouts Canada - White Pine Council	–	21,956
	\$ 11,526	\$ 56,324

SCOUTS CANADA - VOYAGEUR COUNCIL

Notes to Financial Statements (continued)

Year ended August 31, 2015

8. Related party transactions (continued):

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

(a) 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 2015, \$10,665 (2014 - \$9,528) was received by Voyageur Council under this arrangement.

(ii) Membership fees:

Fees for group registrations are remitted to the Council; the national and insurance portion of fees are paid to the National Operation by the Council. Membership fees received online are collected by the National Operation; the Council's portion of the fee is paid to the Council by the National Operation.

(iii) Employee future benefits:

The National Operation administers the Employees' Pension Plan of Scouts Canada which is a defined benefit pension plan that covers some of the employees working at the National Operation and Councils. The National Operation 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, Voyageur Council paid \$17,259 (2014 - \$52,624) for regular payments for employee future benefits to the National Operation.

(iv) Employee future benefits accrued liability:

At year-end, Voyageur Council's employee future benefits accrued liability is \$21,839 (2014 - \$26,957). The decrease in the liability of \$5,118 (2014 - \$51,537) has been recorded as a credit to administration, salaries and benefits expense.

SCOUTS CANADA - VOYAGEUR COUNCIL

Notes to Financial Statements (continued)

Year ended August 31, 2015

8. Related party transactions (continued):

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

The Provincial Council for Ontario; Boy Scouts of Canada (the "Corporation") holds funds in trust for Ontario Councils, in accordance with the policies of Scouts Canada. These funds were generated from the sale of Scout properties in Voyageur Council and are available for use by Voyageur Council upon approval of the Corporation. The Corporation holds funds in trust for Voyageur Council which are not recorded in these financial statements. Investment revenue on these funds is reinvested. Funds held in trust at August 31, 2015 have a cost of \$445,160 (2014 - \$303,606) and a fair market value of \$534,212 (2014 - \$390,359).

(c) Northern Ontario Council:

Voyageur Council shares certain administrative costs with Northern Ontario Council. At year-end, Voyageur Council has a receivable from Northern Ontario Council of \$2,205 (2014 - \$34,368) for amounts the Council paid on Northern Ontario Council's behalf.

(d) Quebec Council:

Voyageur Council shares certain administrative costs with Quebec Council. At year-end, Voyageur Council has a receivable from Quebec Council of \$9,321 (2014 - \$Nil) for amounts the Council paid on Quebec Council's behalf.

(e) White Pine Council:

Voyageur Council shared certain administrative costs with White Pine Council. At year-end, Voyageur Council had a receivable from White Pine Council of \$Nil (2014 - \$21,956) for amounts the Council paid on White Pine Council's behalf.

9. Long-term debt:

	2015	2014
Agricredit Acceptance Canada, 6.22% interest, due April 1, 2017, monthly payments of blended interest and principal \$648	\$ 12,289	\$ 19,075
Current portion	6,786	6,786
	\$ 5,503	\$ 12,289

SCOUTS CANADA - VOYAGEUR COUNCIL

Notes to Financial Statements (continued)

Year ended August 31, 2015

10. Financial risks and concentration of credit risks:

(a) Currency risk:

Voyageur Council is not exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, Voyageur Council does not transact in foreign currencies.

(b) Liquidity risk:

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

(c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. Voyageur Council is exposed to credit risk with respect to the accounts receivable. Voyageur Council assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(d) Interest rate risk:

Voyageur Council is not exposed to interest rate risk as no fixed interest rate financial instruments are held.

There has been no change to the risk exposure from 2014.

11. Capital management:

Voyageur Council considers its capital to consist of its fund balances.

Voyageur Council's overall objective for its capital is to fund capital assets, future projects and ongoing operations. Voyageur 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 the schedule to the financial statements.

Voyageur Council is not subject to externally imposed capital requirements and its approach to capital management remains unchanged for the prior year.

12. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

SCOUTS CANADA - VOYAGEUR COUNCIL

Notes to Financial Statements (continued)

Year ended August 31, 2015

13. Subsequent event:

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

Membership revenue, subsidy programs and the major fundraiser – popcorn – will be centrally managed and funds will be received directly by the National Operation. The Council's financial operations will be focused on events, short-term programs and running properties in its area.

SCOUTS CANADA - VOYAGEUR COUNCIL

Schedule - Restricted Funds

Year ended August 31, 2015

	Balance, beginning of year	Revenue from activities	Investment loss	Expenses	Balance, end of year
Area funds	\$ 536,533	\$ 37,832	\$ (6,276)	\$ 40,066	\$ 528,023
Camp Opemikon Reserve fund	51,979	-	(802)	-	51,177
Dick Cowan Endowment fund (a)	417,206	-	(16,449)	5,724	395,033
Endowment fund	25,004	-	(386)	-	24,618
Growth fund	15,529	-	-	-	15,529
Inactive Groups fund	9,755	-	-	5,948	3,807
National Child Benefit Program fund	5,363	-	-	-	5,363
Nunavut Project	12,580	84	-	-	12,664
Opemikon scholarship	2,000	2,125	-	-	4,125
Operating Reserve fund	73,407	-	(1,100)	34	72,273
Training Reserve fund	5,769	-	(89)	-	5,680
Youth fund	21,256	-	(2)	-	21,254
	\$ 1,176,381	\$ 40,041	\$ (25,104)	\$ 51,772	\$ 1,139,546

(a) Dick Cowan Endowment fund:

Under the terms of the bequest, the principal amount of \$368,000 is permanently endowed and cannot be spent. Investment revenue earned on the endowment principal is restricted in use to fund expenditures relating to the maintenance and operation of Camp Opemikon.