



SCOUTS CANADA

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To: Council Commissioners
Council Treasurers
Council Executive Commissioners

CC: Board of Governors
Operations Advisory Committee

From: Chris Barltrop FCA
Vice Chair-Finance (Board of Governors)

Date: March 11, 2005

Re: Scout Eh

You may be aware of an article that appeared last month on the Scout Eh website commenting on the finances of Scouts Canada. Accordingly, I am sending this communication to you to reassure you and your Councils that Scouts Canada's finances are well managed.

The article, prepared by Mr. Joseph Grittani, a public accountant, is his personal view and his observations are based on his analysis of the Annual Financial Statements of the National Operation. Mr. Grittani has not been privy to all of the financial data of Scouts Canada and the related decision making process. The article appears to deal with Scouts Canada as a whole, whereas, as stated, the financial data is actually only applicable to the National Operation. Unfortunately, Mr. Grittani did not seek our comments on his report prior to its issuance.

With respect to financial stewardship, our auditors, KPMG LLP have expressed an unqualified audit opinion on the financial statements of the National Council.

I stated at the Annual Meeting in November that the National financial statements contain expenses that are for the benefit of the organization as a whole. These include the restructuring costs to right size the organization. I also indicated, and as reflected in my quarterly financial reporting, the National Operation is operating with an approved budget that shows a small surplus for 2004-2005. The financial operating results are closely monitored by your National Board and discussed at the quarterly Board meeting.

I trust you will find this memorandum helpful in clarifying the situation. If I can be of any further assistance to you, please do not hesitate to communicate with me through Rob Stewart or our National controller.