

Financial Statements of

**SCOUTS CANADA  
(NEWFOUNDLAND AND  
LABRADOR) PROPERTIES INC.**

Year ended August 31, 2021  
(Unaudited)

# Scouts Canada (Newfoundland and Labrador) Properties Inc.

## Statement of Financial Position

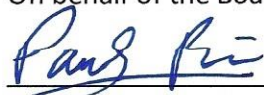
August 31, 2021, with comparative information for 2021

(Unaudited)

	2021	2020
<b>ASSETS</b>		
Current assets		
Cash	\$ 107,941	\$ 1,002,058
Accounts receivable	-	1,334
RBC Building fund	14,375	14,375
Due from related party	36,252	34,439
Short term investments	63,102	-
	221,670	1,052,207
Property and equipment (Note3)	572,613	586,723
	\$ 794,283	\$ 1,638,929
<b>LIABILITIES AND UNRESTRICTED NET ASSETS</b>		
Current liabilities		
Accounts payable	-	-
Accrued liabilities	90,604	218,710
Deferred revenue	5,495	6,934
Deposits held for related Scout Groups	-	-
	96,098	225,644
Net assets		
Restricted net assets	30,966	30,966
Unrestricted net assets	667,218	1,382,319
	\$ 794,283	\$ 1,638,929

See accompanying notes to financial statements.

On behalf of the Board



Member



Member

# Scouts Canada (Newfoundland and Labrador) Properties Inc.

## Statement of Operations

August 31, 2021, with comparative information for 2021  
(Unaudited)

	2021	2020
<b>Revenues</b>		
Fundraising	\$ 1,442	\$ -
Government grants	5,129	27,251
Trust Foundation grants	-	-
Other income	1,439	3,816
Rental income	-	22,060
Gain on disposal of assets	-	4,032
	<b>8,010</b>	<b>57,159</b>
<b>Expenditures</b>		
Salaries and benefits	\$ 5,183	\$ 1,798
Office and general	-	1,480
Amortization	14,110	14,995
Travel	-	-
Professional fees	7,519	55,849
Repairs and maintenance	1,176	11,450
Fuel and propane	519	1,098
Insurance	8,730	16,431
Telephone	-	3,682
Utilities	212	4,266
Advertising	-	-
Vehicles	56	282
Snow clearing and lawn care	-	6,181
Training	-	-
Other	264	3,753
Interest and bank charges	375	536
	<b>38,144</b>	<b>121,801</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(\$30,134)</b>	<b>(\$64,643)</b>

See accompanying notes to financial statements.

# Scouts Canada (Newfoundland and Labrador) Properties Inc.

## Statement of Cash Flows

August 31, 2021, with comparative information for 2021  
(Unaudited)

	2021	2020
Cash provided by (used in):		
Operations:		
(Deficiency) excess of revenues over expenditures	(\$30,134)	(\$64,643)
Items not involving cash:		
Amortization	14,110	14,995
(Increase) decrease in accounts receivable	1,334	22,319
(Increase) decrease in due from related party	(1,813)	(17,362)
Increase (decrease) in accounts payable and accrued liabilities	(128,106)	99,802
Transfer of cash to related party	(684,967)	-
Increase (decrease) in future employee benefits	-	-
(Decrease) increase in deferred revenue	(1,439)	(1,733)
Gain (loss) on sale of assets	-	(4,032)
	(831,016)	49,346
Investing:		
Advances to related party	-	-
(Increase) decrease in short term investments	(63,102)	-
Proceeds on sale of property and equipment	-	880,000
	(63,102)	880,000
Increase (Decrease) in cash	(894,117)	929,346
Cash, beginning of year	1,002,058	72,712
Cash, end of year	\$ 107,941	\$ 1,002,058

See accompanying notes to financial statements.

# Scouts Canada (Newfoundland and Labrador) Properties Inc.

## Statement of Changes in Net Assets

August 31, 2021, with comparative information for 2021  
(Unaudited)

	Restricted	Unrestricted	Investment in Capital Assets	2021	2021
Net assets, beginning of year	\$ 30,966	\$ 1,432,705	(\$50,386)	\$ 1,413,285	\$ 1,477,928
Excess (deficiency) of revenue over expenses	-	(16,024)	(14,110)	(30,134)	(64,643)
Disposal of assets	-	-	-	-	-
Transfer of funds to related party	-	(684,967)	-	(684,967)	-
Net assets, end of year	\$ 30,966	\$ 731,714	(\$64,496)	\$ 698,184	\$ 1,413,285

See accompanying notes to financial statements.



# Scouts Canada (Newfoundland and Labrador) Properties Inc.

Notes to Financial Statements

Year ended August 31, 2021

(Unaudited)

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Scouts Canada (Newfoundland and Labrador) Properties Inc. ("Properties Inc.") is incorporated under the laws of the Province of Newfoundland and Labrador as a not-for-profit organization and as such has no share capital and is exempt from the payment of income tax.

The Newfoundland and Labrador Council (NL Council) is a regional council of Scouts Canada National Operation, which controls and operates Properties Inc. 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 Law and Promise, to help build a better world where people are self-fulfilled as individuals and play a constructive role in society. Formerly called the Boy Scouts of Canada, the National Operation was incorporated on June 12, 1914 by an Act of the Canadian Parliament.

## 1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Entity's significant accounting policies are as follows:

### (a) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

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 cost, which are amortized using the straight-line method.

## 1. Significant accounting policies (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, the Entity 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

# Scouts Canada (Newfoundland and Labrador) Properties Inc.

Notes to Financial Statements (continued)

Year ended August 31, 2021

(Unaudited)

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## 1. Significant accounting policies (continued):

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 the selling of the financial asset or the amount the Entity expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (b) Property and equipment:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided using the declining-balance method at the following annual rates:

Asset	Rate
Campsite Building & Roadwork	2%
Equipment	10%
Camp Nor'Wes Equipment	20%
Vehicles	20%
Campsite equipment	20%
Computer	30%

The carrying amount of an item of property and equipment is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

# Scouts Canada (Newfoundland and Labrador) Properties Inc.

Notes to Financial Statements (continued)

Year ended August 31, 2021

(Unaudited)

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## 1. Significant accounting policies (continued):

### (c) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of property and equipment. Actual results could differ from those estimates.

### (d) Revenue recognition:

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

Properties Inc. follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue in the period received. Externally restricted contributions are recognized as revenues in the period which the related expenses are incurred. Pledges of contributions and fundraising revenues are recorded upon receipt since they cannot be reasonably estimated. Camp and other fees are recognized as revenue in the period to which they relate.

### (e) Contributed services:

Volunteers contribute many hours to assist Properties Inc in the governance of its operations and programs. Because of the difficulty in assessing the number of hours and their fair value, contributed services are not recognized in the financial statements.

### (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



# Scouts Canada (Newfoundland and Labrador) Properties Inc.

Notes to Financial Statements (continued)

Year ended August 31, 2021

(Unaudited)

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## 1. Significant accounting policies (continued):

elected to carry the instruments at fair value. Properties Inc. has not elected to carry any 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 cost, 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, Properties Inc. 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 in selling the financial asset or the amount Properties Inc. 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.

## 2. Property and equipment:

Properties Inc. holds ownership of thirty-seven campsites and crown land leases which were either acquired when Scout groups ceased to operate or were transferred to Properties Inc. through the NL Council. Since these assets were acquired at no cost to Properties Inc., they have each been recorded by Properties Inc. at a value of \$1.

# Scouts Canada (Newfoundland and Labrador) Properties Inc.

Notes to Financial Statements (continued)

Year ended August 31, 2021

(Unaudited)

## 2. Property and equipment (continued):

			2021	2020
	Cost	Accumulated Amortation	Net Book Value	Net Book Value
Land	\$ 37	\$ -	\$ 37	\$ 37
Campsite Buildings & Roadwork	1,079,960	518,678	561,282	572,737
Computer Equip	14,754	14,639	115	165
Equipment	52,260	50,899	1,360	1,511
Generator - Camp NorWes	30,500	24,743	5,757	7,196
Camp equipment	65,164	61,103	4,061	5,077
	\$ 1,242,675	\$ 670,063	\$ 572,613	\$ 586,723

## 3. Contingencies:

Government grants:

During the fiscal year, the Properties Inc received \$Nil (2020 - \$27,251) in revenue from government grants. These grants are for contracts with certain terms and conditions that may require that advances be repaid if the terms and conditions are not fulfilled. Wage grants awarded to NL Council and managed by Properties Inc. amounting to \$5,129 (2020 - \$Nil) are not repayable.

Other:

Under certain circumstances, the NL Council could be held liable for the obligations of the regions, districts and other groups within the Council's jurisdiction.

# Scouts Canada (Newfoundland and Labrador) Properties Inc.

Notes to Financial Statements (continued)

Year ended August 31, 2021

(Unaudited)

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## 4. Financial risks:

Financial instruments consist of cash, due from related party and accounts payable and accrued liabilities. The fair values of financial instruments approximate their carrying values unless otherwise noted. The fair value of the employee future benefits payable is not determinable as there are no set terms of repayment. Risk management relates to the understanding and active management of risks associated with all areas of the NL Council and the associated operating environment. Financial instruments are primarily exposed to credit and liquidity risk.

### (a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. Financial instruments which are potentially subject to credit risk consist primarily of cash and trade receivables. The amount of credit exposure is limited with its cash balance by only maintaining cash and investments with major Canadian financial institutions. There is no significant exposure to any one individual or organization.

### (b) Liquidity risk:

Liquidity risk is defined as not being unable to meet cash requirements in a timely and cost-effective manner. Liquidity requirements are managed through the receipt of funds from different revenue sources. These sources of funds are used to pay operating expenses.

## 5. Deposits held for related Scout Groups:

Certain Scout Groups operate under the auspices of the NL Council and do not have a separate charter to hold assets. Therefore, any unused assets are held by the NL Council, though Properties Inc, for a specified time unless such funds are requested to be expended to replacement groups. Funds remaining in excess of the specified time are no longer available to those Scout Groups and are invested for the benefit of Newfoundland and Labrador Scouting.



# Scouts Canada (Newfoundland and Labrador) Properties Inc.

Notes to Financial Statements (continued)

Year ended August 31, 2021

(Unaudited)

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## 6. Related party transactions:

- a) The National Operation has incurred \$Nil (2020 - \$Nil) for the rental of the Camp Nor'Wes site.
- b) Included in trade receivables at year end is \$7,735 (2020 - \$6,436) owing from Scouts Canada, National operations.
- c) During the fiscal year, Properties Inc. was awarded operating and grant revenue \$Nil (2020 - Nil) from Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc.
- d) Included in trade receivables at year end is \$28,518 (2020 - \$28,003) owing from Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc. for net expenses on behalf of, and donations received and directed to, the Foundation.

## 7. Economic interest:

Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc. (the "Foundation") and Scouts Canada (Newfoundland and Labrador) Properties Inc. ("Properties Inc.") are both not-for-profit organizations, incorporated under the laws of the Province of Newfoundland and Labrador. Properties Inc. hold legal title to real property operated for NL Council and the Foundation holds investments in order to provide sufficient income to make annual grants to support future Scouting activities in Newfoundland and Labrador. During the year, the Foundation had net assets of \$1,296,267 (2020 - \$425,557).

These transactions between the parties are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## 8. Capital management:

The NL Council overall objective for capital through Properties Inc. and the Foundation (the Parties) is to fund capital assets, future projects and operations in support of Scouting in Newfoundland and Labrador. The Parties manage their capital by maintaining and monitoring



# Scouts Canada (Newfoundland and Labrador) Properties Inc.

Notes to Financial Statements (continued)

Year ended August 31, 2021

(Unaudited)

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## **8. Capital Management (continued):**

restricted funds for specific purposes, future projects and other capital requirements. The restricted funds are disclosed in the schedule to the financial statements.

The Parties are not subject to externally imposed capital requirements. During the year the Parties implemented a long-term investment policy and strategy to provide annual support for future Scouting activities in Newfoundland and Labrador.

## **9. COVID-19 Impacts:**

The COVID-19 pandemic continues to cause considerable social and economic uncertainty. During the year Properties Inc. had limited operations, primarily related to maintenance of some of its camp properties. In accordance with COVID-19 health guidelines all camp operations were curtailed for the entire fiscal year, and revenues were significantly impacted.