

Financial Statements of

**SCOUTS CANADA
(NEWFOUNDLAND AND
LABRADOR) TRUST
FOUNDATION INC.**

Year ended August 31, 2020
(Unaudited)

Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc.

Statement of Financial Position

August 31, 2021, with comparative information for 2020
(Unaudited)

	2021	2020
ASSETS		
Current assets		
Cash	\$ 19,868	\$ 16,982
Accounts receivable	5,620	5,331
Short-term investments (note 2)	57,399	4,354
	82,886	26,667
Long-term investments (note 2)	1,247,706	447,495
	\$ 1,330,592	\$ 474,162
LIABILITIES AND NET ASSETS		
Current liabilities		
Accrued liabilities	\$ 34,325	\$ 26,796
Deposits payable (note 3)	-	21,809
	34,325	48,605
Net assets		
Net assets, end of year	1,296,267	425,557
	1,296,267	425,557
	\$ 1,330,592	\$ 474,162

See accompanying notes to financial statements.

On behalf of the Board

Andrea Cook

Member

Bruce Dwyer

Member

Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc.

Statement of Operations and Changes in Net Assets

Year ended August 31, 2020, with comparative information for 2019

(Unaudited)

	2020	2019
Revenues		
Donations	\$ 4,670	\$ 3,475
Investment income	9,557	9,977
	14,227	13,452
Expenditures		
Bank charges	81	46
Grants (note 5)	2,816	7,044
Investment fees	6,437	1,610
Loss on sale of investments	5,908	-
Office & administrative	10	-
Professional fees	-	2,000
	15,252	10,699
Excess (deficiency) of revenues over expenditures	(1,025)	2,753
Unrestricted net assets, beginning of year	385,569	382,816
Unrestricted net assets, end of year	\$ 384,545	\$ 385,569

See accompanying notes to financial statements.

Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc.

Statement of Cash Flows

August 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Cash provided by (used in):		
Operations:		
(Deficiency) excess of revenues over expenditures	(\$1,025)	\$2,753
Items not involving cash:		
(Increase) decrease in accounts receivable	(449)	(530)
(Increase) decrease in due from related party		-
Increase (decrease) in accounts payable and accrued liabilities	3,717	8,025
Transfer of cash to related party	-	-
	2,243	10,248
Investing:		
Advances to related party	-	-
(Increase) Decrease in short term investments	1,987	408,988
(Increase) Decrease in long term investments	3,099	(409,581)
	5,085	(594)
Increase (Decrease) in cash	7,328	9,654
Cash, beginning of year	9,654	-
Cash, end of year	\$ 16,982	\$ 9,654

See accompanying notes to financial statements.

Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc.

Notes to Financial Statements

Year ended August 31, 2020

(Unaudited)

Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc. (the "Foundation") is a not-for-profit organization incorporated under the laws of the Province of Newfoundland and Labrador. The Foundation is a registered charity and, as such, is exempt from the payment of income tax.

The Foundation holds investments in order to provide sufficient income to make annual grants to support future Scouting activities in Newfoundland and Labrador. The Foundation's long term investment strategy for providing future support is managed through distinct Fund accounts; the Bursary Fund, and the General Fund, with established guidelines providing for investment decisions and the distribution of income earned annually by each fund.

1. Significant accounting policies:

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

(a) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation 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, the Foundation determines if there is a significant adverse change in the expected amount or timing of future

Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc.

Notes to Financial Statements (continued)

Year ended August 31, 2020

(Unaudited)

1. Significant accounting policies (continued):

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 flow, the amount that could be realized from the selling of the financial asset or the amount the Foundation 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) Investments:

Investments classified as current assets are carried at the lower of cost and market value. Other investments are carried at cost less a write-down, if necessary, for any impairment in value which is other than temporary.

(c) Revenue recognition:

The Foundation uses the deferral method for accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received is reasonably assured. Restricted contributions are deferred and recognized as revenue when the related expenditure is incurred. Investment income is recognized in revenue of the period in which it is earned.

(d) Contributed services:

Volunteers contribute many hours to assist the Foundation 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.

(e) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the

Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc.

Notes to Financial Statements (continued)

Year ended August 31, 2020

(Unaudited)

1. Significant accounting policies (continued):

financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Investments:

	2020		2019	
Short-term investments	\$	4,354	\$	6,340
Long-term investments		406,483		409,582
	\$	410,837	\$	415,922

Short-term and long-term investments include investments in cash, guaranteed investment certificates, common shares and mutual funds. Short-term investments include cash and investments, which have a maturity date within one year of the fiscal year-end date.

3. Deposits payable:

The Foundation holds deposits on behalf of other Scouts Groups that do not have a separate charter to hold assets. Therefore, investment balances are held by the Foundation until such investments are requested to be withdrawn. After a specified period of time, if the funds are not requested, they are invested in the Funds.

4. Financial risks:

The Foundation's financial instruments consist of cash, short term and long-term investments, accrued liabilities and deposits payable. The fair values of financial instruments approximate their carrying values unless otherwise noted. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant currency or interest risks.

Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc.

Notes to Financial Statements (continued)

Year ended August 31, 2020

(Unaudited)

4. Financial risks (continued):

(a) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to meet its cash requirements in a timely and cost-effective manner. Liquidity requirements are managed by monitoring its cash flows and ensuring that it has sufficient cash and short-term investments to meet its obligation and liabilities.

(b) Credit risk:

Financial instruments which potentially subject the Foundation to credit risk consist primarily of cash, and short term and long-term investments. The Foundation limits the amount of credit exposure with its cash balance by only maintaining cash and investments with major Canadian financial institutions.

5. Grants issued:

During the fiscal year, the Foundation awarded \$2,816 (2019 - \$7,044) to support youth member participation in Scouting programs.

6. Related party transactions:

The Newfoundland and Labrador Council receives significant benefit from the Foundation by virtue of the Council's economic interest in the Foundation.

During the fiscal year, the Foundation awarded \$Nil (2019 - \$Nil) to the Newfoundland and Labrador Council in grants.

Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc.

Notes to Financial Statements (continued)

Year ended August 31, 2020

(Unaudited)

6. Related party transactions (continued):

During the fiscal year, the Foundation awarded \$Nil (2019 - \$Nil) to Scouts Canada (Newfoundland and Labrador) Properties Inc., an organization under common control.

Included in trade receivables at year end is \$4,770 (2019 - \$4,770) owing from Scouts Canada (Newfoundland and Labrador) Properties Inc. for donations received and directed to the Foundation.

Included in accrued liabilities at year end is \$26,796 (2019 - \$23,080) owing to Scouts Canada (Newfoundland and Labrador) Properties Inc. for expenses incurred on behalf of the Foundation.