

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

FINANCIAL STATEMENTS

(Unaudited)

FOR THE YEAR ENDED AUGUST 31, 2022

**SCOUTS CANADA (NEWFOUNDLAND AND LABRADOR) TRUST
FOUNDATION INC.
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AUGUST 31, 2022
(Unaudited)**

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Independent Practitioner's Review Engagement Report

To the Members of Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc.:

We have reviewed the accompanying financial statements of Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc. (the "Entity") that comprise the statement of financial position as at August 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the Entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

The Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc. derives part of its revenues from donations, the completeness of which are not susceptible to satisfactory review procedures. Consequently, we were not able to obtain sufficient appropriate review engagement evidence to support the completeness of these revenues, and was unable to determine whether any adjustments were necessary.

Because the opening balances were neither audited or reviewed we were not able to obtain sufficient appropriate review engagement evidence to support the opening balances of cash, marketable securities, HST receivable, guaranteed investment certificates, accounts payable and accrued liabilities, due to related company and net assets, and was unable to determine whether any adjustments were necessary.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc. as at August 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

Comparative Information

Without modifying our conclusion, we draw our attention to note 4 to the financial statements which describes that Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc. adopted ASNPO on August 31, 2022 with a transition date of September 1, 2021. We were not engaged to report on the restated comparative information, and as such, it was neither audited or reviewed.

Mount Pearl, Newfoundland and Labrador

January 24, 2023

MNP LLP

Chartered Professional Accountants

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT, continued

St. John's, NL, Canada
December 1, 2022

MNP LLP

**SCOUTS CANADA (NEWFOUNDLAND AND LABRADOR) TRUST
FOUNDATION INC.**
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED AUGUST 31, 2022
(Unaudited)

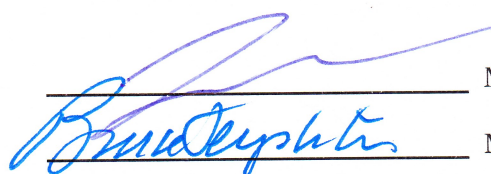
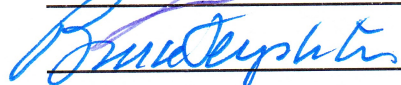
	2022	2021 Note 9
REVENUES (Schedule 1)	\$ 50,274	\$ 81,521
EXPENDITURES		
Grants	46,614	2,327
Interest and bank charges	94	140
Investment Fees	12,823	11,474
Office and administration	106	10
Professional fees	3,700	-
	63,337	13,951
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER ITEMS AND AMORTIZATION	(13,063)	67,570
OTHER EXPENSE (INCOME)		
Unrealized loss (gain) on marketable securities	137,037	(137,376)
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	\$ (150,100)	\$ 204,946

See accompanying notes to the financial statements

**SCOUTS CANADA (NEWFOUNDLAND AND LABRADOR) TRUST
FOUNDATION INC.**
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2022
(Unaudited)

	2022	2021 Note 9
<u>ASSETS</u>		
CURRENT		
Cash	\$ 18,032	\$ 19,868
Marketable securities - note 3	1,061,197	1,136,105
HST receivable	1,679	793
	<u>1,080,908</u>	<u>1,156,766</u>
GUARANTEED INVESTMENT CERTIFICATES	85,421	169,000
	<u>\$ 1,166,329</u>	<u>\$ 1,325,766</u>
<u>LIABILITIES</u>		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,198	\$ -
DUE TO RELATED COMPANY - note 6	14,963	29,498
	<u>20,161</u>	<u>29,498</u>
NET ASSETS	<u>1,146,168</u>	<u>1,296,268</u>
	<u>\$ 1,166,329</u>	<u>\$ 1,325,766</u>

APPROVED ON BEHALF OF THE BOARD

 Member
 Member
03 FEBRUARY 2023 Date

See accompanying notes to the financial statements

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

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2022
(Unaudited)**

	2022	2021 Note 9
BALANCE, BEGINNING OF YEAR	\$ 1,296,268	\$ 1,091,322
<u>(Deficiency) excess of revenues over expenditures</u>	<u>(150,100)</u>	<u>204,946</u>
BALANCE, END OF YEAR	\$ 1,146,168	\$ 1,296,268

See accompanying notes to the financial statements

**SCOUTS CANADA (NEWFOUNDLAND AND LABRADOR) TRUST
FOUNDATION INC.**
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2022
(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES

(Deficiency) excess of revenues over expenditures	\$ (150,100)
Changes in non-cash working capital	
Decrease in marketable securities	74,908
(Increase) decrease in HST receivable	(886)
Increase in accounts payable and accrued liabilities	5,198
Increase (decrease) in Guaranteed Investment Certificates	83,579
	<u>12,699</u>

CASH FLOWS FROM FINANCING ACTIVITY

Advances to related company	<u>(14,535)</u>
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DECREASE IN CASH	(1,836)
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CASH, BEGINNING OF YEAR	<u>19,868</u>
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CASH, END OF YEAR	<u>\$ 18,032</u>
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SCOUTS CANADA (NEWFOUNDLAND AND LABRADOR) TRUST FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2022 (Unaudited)

1. NATURE OF OPERATIONS

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 per the Income Tax Act, the Foundation is not subject to either federal or provincial income taxes.

The Foundation holds investment 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.

2. SIGNIFICANT ACCOUNTING POLICIES

The Foundation applies the Canadian accounting standards for not-for-profit organizations.

(a) Accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(b) Financial instruments

The Foundation's financial instruments consist of cash, marketable securities, HST receivable, guaranteed investment certificates, accounts payable and accrued liabilities. Unless otherwise noted it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks and the fair values of these instruments are not materially different from their carrying values.

(c) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, cash on deposit, net of cheques issued and outstanding at the reporting date.

(d) Marketable securities and Guaranteed investment certificates

Marketable securities and guaranteed investment certificates are recorded at fair market value.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2022
(Unaudited)**

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

(f) 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.

3. MARKETABLE SECURITIES

	2022	2021
Cash	\$ 18,150	\$ 15,671
Common Shares	937,873	1,058,472
Mutual Funds	57,490	57,475
Foreign Securities	5,184	4,487
GIC due within one year	42,500	-
	\$ 1,061,197	\$ 1,136,105

**4. FIRST-TIME ADOPTION OF CANADIAN ACCOUNTING STANDARDS FOR NOT-
FOR-PROFIT ORGANIZATIONS**

This is the Foundation's first financial statements prepared in accordance with ASNPO. These accounting standards have not been applied to the comparative figures in preparing these financial statements.

SCOUTS CANADA (NEWFOUNDLAND AND LABRADOR) TRUST FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2022 (Unaudited)

5. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Foundation's marketable securities are subject to market risk.

6. RELATED PARTY TRANSACTIONS

The Foundation is related to Scouts Canada (Newfoundland and Labrador) Properties Inc by virtue of common control.

Transaction and balances with these related parties are as follows:

	2022	2021
Due to Scouts Canada (Newfoundland and Labrador) Properties Inc.	\$ 14,963	\$ 29,498

The amount due to the related party is unsecured with no specific terms of repayment.

Although the amounts are of a demand nature, the related company has waived their right to demand payment during the next fiscal year. Accordingly, the amount has been classified as a long term liability in the financial statements.

These transactions 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.

7. GRANTS ISSUED

During the fiscal year, the Foundation awarded \$7,239 (2021 - \$1,561) to support youth member participation in Scouting programs and awarded \$39,375 to Scouts Canada Newfoundland and Labrador Council.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2022
(Unaudited)**

8. COVID-19

On March 11, 2020, the World Health Organization assessed the coronavirus outbreak (COVID-19) as a pandemic. The outbreak has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The extent to which COVID-19 impacts the future financial results of the organization will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and actions taken to contain the virus or its impact, among others.

9. COMPARATIVE FIGURES

Financial statements for the year ended August 31, 2021 were compiled by management and are presented for comparative purposes only. The comparative information was neither audited or reviewed.

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

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

SCHEDULE OF REVENUES

FOR THE YEAR ENDED AUGUST 31, 2022

(Unaudited)

	2022	2021 Note 9
Donations	\$ 8,389	\$ 796
Gain on sale of marketable securities	10,537	62,786
Investment income	24,693	17,939
Other revenue	6,655	-
	\$ 50,274	\$ 81,521