

Scouts Canada (Newfoundland and Labrador) Properties Inc.
Financial Statements
August 31, 2023

Scouts Canada (Newfoundland and Labrador) Properties Inc.

Contents

For the year ended August 31, 2023

Page

Independent Practitioner's Review Engagement Report

Financial Statements

Statement of Financial Position.....	1
Statement of Operations.....	2
Statement of Changes in Net Assets.....	3
Statement of Cash Flows.....	4

Notes to the Financial Statements.....	5
--	---

Independent Practitioner's Review Engagement Report

To the Board of Scouts Canada (Newfoundland and Labrador) Properties Inc.:

We have reviewed the accompanying financial statements of Scouts Canada (Newfoundland and Labrador) Properties Inc. (the "Organization") which comprise the statement of financial position as at August 31, 2023, 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 Organization, 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.

Conclusion

Based on our review, 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) Properties Inc. as at August 31, 2023, 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.

Mount Pearl, Newfoundland and Labrador

February 29, 2024

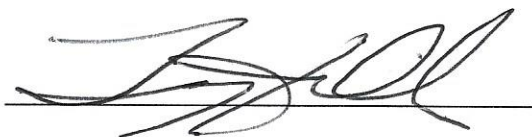
MNP LLP

Chartered Professional Accountants

Scouts Canada (Newfoundland and Labrador) Properties Inc.
Statement of Financial Position
As at August 31, 2023

	2023	2022
Assets		
Current		
Cash	50,172	79,229
Marketable securities (Note 3)	65,616	63,286
Accounts receivable	3,260	2,800
	119,048	145,315
Due from related party (Note 4)	14,702	14,521
Tangible capital assets (Note 5)	569,731	582,801
	703,481	742,637
Liabilities		
Current		
Accounts payable and accrued liabilities	3,801	9,490
Government remittances payables (Note 6)	57,452	54,733
Deferred revenue (Note 7)	9,627	9,627
Dormant groups	5,097	-
	75,977	73,850
Deferred capital contributions (Note 8)	3,498	4,385
	79,475	78,235
Contingencies		
Net Assets	624,006	664,402
	703,481	742,637

Approved on behalf of the Board of Directors

Scouts Canada (Newfoundland and Labrador) Properties Inc.

Statement of Operations

For the year ended August 31, 2023

	2023	2022
Revenue		
Amortization of capital contribution	888	1,109
Fundraising	106	101
Government grants	-	4,373
Interest income	1,917	185
Miscellaneous income	-	4,698
Provincial Jamboree/Beaversee	509	4,542
Rental	-	7,950
	3,420	22,958
Expenses		
Automotive	166	458
Fuel and propane	1,474	189
Insurance	15,273	12,128
Interest and bank charges	310	259
Miscellaneous	2,691	1,013
Professional fees	6,933	3,963
Repairs and maintenance	3,619	18,789
Utilities	281	269
	30,747	37,068
Deficiency of revenue over expenses before other items	(27,327)	(14,110)
Other expenses		
Amortization	(13,069)	(13,440)
Loss on sale of tangible capital assets	-	(1,476)
	(13,069)	(14,916)
Deficiency of revenue over expenses	(40,396)	(29,026)

The accompanying notes are an integral part of these financial statements

Scouts Canada (Newfoundland and Labrador) Properties Inc.
Statement of Changes in Net Assets
For the year ended August 31, 2023

	2023	2022
Net assets, beginning of year	664,402	693,428
Deficiency of revenue over expenses	(40,396)	(29,026)
Net assets, end of year	624,006	664,402

The accompanying notes are an integral part of these financial statements

Scouts Canada (Newfoundland and Labrador) Properties Inc.

Statement of Cash Flows

For the year ended August 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(40,396)	(29,026)
Amortization	13,069	13,440
	(27,327)	(15,586)
Changes in working capital accounts		
Marketable securities	(2,330)	(184)
Accounts receivable	(460)	(2,800)
Accounts payable and accrued liabilities	(5,687)	5,752
Government remittances payable	2,719	(3,671)
Deferred revenue	-	9,627
Dormant groups	5,097	(6,655)
Decrease in archives museum	-	(4,454)
	(27,988)	(17,971)
Financing		
Due from related company	(181)	13,997
Deferred capital contribution	(888)	(1,110)
	(1,069)	12,887
Investing		
Purchase of tangible capital assets	-	(25,104)
Proceeds on disposal of tangible capital assets	-	1,476
	-	(23,628)
Decrease in cash resources	(29,057)	(28,712)
Cash resources, beginning of year	79,229	107,941
Cash resources, end of year	50,172	79,229

The accompanying notes are an integral part of these financial statements

Scouts Canada (Newfoundland and Labrador) Properties Inc.

Notes to the Financial Statements

For the year ended August 31, 2023

1. Incorporation and nature of the organization

Scouts Canada (Newfoundland and Labrador) Properties Inc. (the "Organization") is incorporated under the laws of the Province of Newfoundland and Labrador as a not-for-profit organization without share capital and is not subject to either federal or provincial income taxes.

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 Promise, to help build a better world where people are self-fulfilled as individuals and play a constructive role in society. Formerly called Boy Scouts of Canada, the National Operation was incorporated on June 12, 1914 by an Act of the Canadian Parliament.

2. Significant accounting policies

The organization applies the Canadian accounting standards for not-for-profit organization

Measurement uncertainty (use of estimates)

The preparation of 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 revenues and expenses during the reporting period.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

The organization's financial instruments consist of cash, marketable securities, accounts receivable, accounts payable and accrued liabilities, government remittances payable, deferred revenue, unearned revenue and dormant group. Unless otherwise noted it is management's opinion that the organization 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.

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.

Marketable securities

Marketable securities are carried at fair market value.

Tangible capital assets

Tangible capital assets are recorded at cost.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

When a tangible capital asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. A writedown of a tangible capital asset is never reversed.

	Method	Rate
Campsite Buildings & Roadwork	declining balance	2 %
Camp equipment	declining balance	20 %
Generator - Camp NorWest	declining balance	20 %

Scouts Canada (Newfoundland and Labrador) Properties Inc.
Notes to the Financial Statements
For the year ended August 31, 2023
(Unaudited)

2. Significant accounting policies (Continued from previous page)

Revenue recognition

The organization 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.

Camp fees, other fees, interest income and rental income are recognized as revenue in the period in which they are earned.

Externally restricted contributions for the purchase of tangible capital assets that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets. Externally restricted contributions for the purchase of tangible capital assets that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

Contributed services

Volunteers contribute many hours to assist the organization 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

	2023	2022
RBC Investment Savings	65,616	63,286

4. Related party transactions

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

Transaction and balances with these related companies are as follows:

	2023	2022
Due from Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc.	14,702	14,521

The amount due from the related company is unsecured with no specific terms of repayment.

Although the amounts are of a demand nature, this organization has waived their right to demand payment during the next fiscal year. Accordingly, the amount has been classified as a long term receivable 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 companies.

Scouts Canada (Newfoundland and Labrador) Properties Inc.

Notes to the Financial Statements

For the year ended August 31, 2023
(Unaudited)

5. Tangible capital assets

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 the organization at a value of \$1.

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	37	-	37	37
Campsite Buildings & Roadwork	1,105,064	541,653	563,411	574,910
Camp equipment	65,164	62,565	2,599	3,249
Generator - Camp NorWest	30,500	26,816	3,684	4,605
	1,200,765	631,034	569,731	582,801

6. Government remittances payables

The organization has recorded \$58,240 representing the HST collected, net of the Public Service Rebate, on the purchase of the office building and land in 2014.

There is substantial uncertainty that the organization will qualify for the Public Service Rebate on the purchase of the office building and land.

If the organization does not qualify for the Public Service Rebate the full amount of \$116,000, the HST collected on the purchase, will be payable, instead of the net amount of \$58,240.

No interest or penalties have been calculated on the outstanding amount. Including estimated interest and penalties the estimated balances could be between \$120,000 and \$240,000.

7. Deferred revenue

	2023	2022
Province of Newfoundland and Labrador Trail Upgrades Grant	5,627	5,627
Province of Newfoundland and Labrador Mental Health Training	4,000	4,000
	9,627	9,627

8. Deferred capital contribution

	2023	2022
Balance, beginning of year	4,385	5,494
Amortization of capital contribution	(887)	(1,109)
Balance, end of year	3,498	4,385

Scouts Canada (Newfoundland and Labrador) Properties Inc.

Notes to the Financial Statements

For the year ended August 31, 2023
(Unaudited)

9. 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. holds legal title to real property operated by NL Council and the Foundation holds the 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 \$1,223,378 (2022 - \$1,146,168).

10. Contingencies

During the prior fiscal year, the organization received \$14,000 in revenue from government grants. These grants are for contracts with certain terms and conditions that may require that advances are repaid if the terms and conditions are not fulfilled.

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

11. Capital management

The NL Council's overall objective for capital through the Organization 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 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. The Parties have implemented a long-term investment policy and strategy to provide annual support for future Scouting activities in Newfoundland and Labrador.

12. Financial instruments

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.

Credit Risk

The organization does have credit risk in accounts receivable of \$3,260 (2022 - \$2,800). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The organization maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the organization is low and is not material.

Liquidity risk

Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization is exposed to this risk mainly in respect of its receipt of contributions from its funders and accounts payable. The organization manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet its obligations and liabilities.

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 organization's marketable securities are subject to market risk.