

SCOUTS CANADA
FINANCIAL STATEMENTS
AUGUST 31, 2022

Independent Auditor's Report
Statement of Financial Position
Statement of Operations
Statement of Changes in Fund Balances
Statement of Cash Flows
Notes to Financial Statements
Schedule A - Restricted and Endowment Funds



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Scouts Canada

Opinion

We have audited the accompanying financial statements of Scouts Canada, which comprise the statement of financial position as at August 31, 2022, and the statements of operations, changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Scouts Canada as at August 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Scouts Canada in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

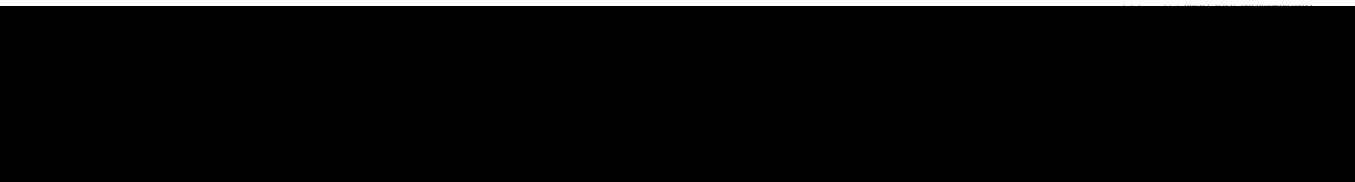
Emphasis of Matter - Restated Comparative Information

We draw attention to note 2 to the financial statements which explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

As part of our audit of the financial statements for the year ended August 31, 2022, we also audited the adjustments that were applied to restate certain of the comparative information presented for the year ended August 31, 2021. In our opinion, such adjustments are appropriate and have been properly applied.

Responsibilities of Management and Those Charged with Governance 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.



In preparing the financial statements, Management is responsible for assessing Scouts Canada's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate Scouts Canada or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Scouts Canada's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

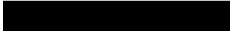
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Scouts Canada's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Scouts Canada's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause Scouts Canada to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Stittsville, Ontario


Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

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SCOUTS CANADA

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended AUGUST 31, 2022

	Operating Fund	Investment in capital assets	Restricted & Endowment Funds	2022	2021
			(Schedule A)		
FUND BALANCES - BEGINNING OF YEAR, as previously stated	\$36,469,620	\$ 5,376,932	\$14,963,067	\$56,809,619	\$58,739,736
Restatement (note 2)	559,216	-	-	559,216	-
FUND BALANCES - BEGINNING OF YEAR	37,028,836	5,376,932	14,963,067	57,368,835	58,739,736
Net expenses	(5,847,377)	-	(1,802,365)	(7,649,742)	(4,669,501)
Change in investments in capital assets:					
Amortization of capital assets	505,718	(505,718)	-	-	-
Purchase of capital assets	(660,477)	660,477	-	-	-
Interfund transfers	(889,082)	-	889,082	-	-
Remeasurements and other items related to employee future benefits - pension	(4,538,300)	-	-	(4,538,300)	2,960,600
Remeasurements and other items related to employee future benefits - other post-employment	62,000	-	-	62,000	338,000
FUND BALANCES - END OF YEAR	\$25,661,318	\$ 5,531,691	\$14,049,784	\$45,242,793	\$57,368,835

The accompanying notes are an integral part of these financial statements.

SCOUTS CANADA

STATEMENT OF CASH FLOWS

For the year ended AUGUST 31, 2022

	(as restated - note 2)	
	2022	2021
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net expenses	\$ (7,649,742)	\$ (4,669,501)
Items not affecting cash:		
Amortization of capital assets	505,718	510,544
Unrealized (gains) losses on investments	4,813,566	(3,810,693)
Net change in non-cash working capital items:		
Amounts receivable	(333,929)	749,487
Inventories	654,066	292,960
Prepaid expenses and deposits	(149,973)	175,518
Accounts payable and accrued liabilities	(331,923)	1,288,970
Deferred revenue	3,794,495	1,164,053
Changes relating to employee future benefits:		
Remeasurements and other items	(4,476,300)	3,298,600
Prepaid pension costs and recoveries	4,062,500	(3,265,100)
Accrued employee future benefits	(47,000)	(372,000)
	<u>841,478</u>	<u>(4,637,162)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(660,477)	(5,868)
Proceeds on sale (purchases) of investments, net	<u>(2,384,636)</u>	<u>9,919,591</u>
	<u>(3,045,113)</u>	<u>9,913,723</u>
NET CHANGE IN CASH	(2,203,635)	5,276,561
CASH - BEGINNING OF YEAR	13,141,777	7,865,216
CASH - END OF YEAR	<u>\$ 10,938,142</u>	<u>\$ 13,141,777</u>

The accompanying notes are an integral part of these financial statements.

SCOUTS CANADA

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

1. ORGANIZATION

Scouts Canada is a national organization operating programs aimed at contributing to the development of young people in achieving their full physical, intellectual, social and spiritual potential as individuals, as responsible citizens and as members of their local, national and international communities through the application of Scouts Principles and Practices.

The financial statements include all assets, liabilities, revenues and expenses associated with the National Operation, Councils, camps and properties under the control of Scouts Canada.

Scouts Canada was incorporated on June 12, 1914, by an Act of the Canadian Parliament and is a registered charity under the Income Tax Act (Canada), and as such is not subject to income taxes.

2. RESTATEMENT

The financial statements have been restated to exclude liabilities that were recorded in error at August 31, 2021. The comparative figures have been restated as follows:

Fund balances, as previously reported	\$ 56,809,619
Decrease in accounts payable and accrued liabilities recorded in error resulting in an increase to net revenue (expenses) for the year	559,216
Fund balances, as restated	\$ 57,368,835

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Basis of Presentation

These financial statements reflect the operations of Scouts Canada and thus include all assets, liabilities, revenues and expenses associated with the National Operation, Councils, camps and properties under the control of Scouts Canada.

The financial statements do not include the revenue, expenses, assets and liabilities of Fondation Scouts Canada Foundation. In addition, the individual Scout Groups and related properties are not included in these financial statements.

SCOUTS CANADA

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting

Scouts Canada follows the restricted fund method of accounting for contributions for not-for-profit organizations.

The Operating Fund accounts for Scouts Canada's program delivery, retail sales and administrative activities. Restricted funds report the revenue, expenses and fund balances of the activities of Scouts Canada for which the funding is internally or externally restricted to that activity.

The Insurance Fund reports the revenue and expenses related to insurance premiums, settlements and potential legal liabilities to Scouts Canada.

The Brotherhood Fund reports revenues and expenses related to Canadian support of World Scouting projects.

The International Participation Fund is related to Canadian delegates attending World Scouting conferences, events and meetings.

The [REDACTED] Endowment Fund reports donations received for the benefit of the [REDACTED]. These donations are held in perpetuity.

The [REDACTED] Fund reports the investment income earned on the [REDACTED] [REDACTED] Endowment Fund and the amounts paid to the [REDACTED] from the investment income earned.

The [REDACTED] Fund reports the revenue and expenses related to a bequest received by Scouts Canada from the [REDACTED].

The other restricted fund reports revenue and expenses related to externally restricted funds that support specific geographies, properties, and projects.

Inventories

Inventories are valued at the lower of weighted average cost and net realizable value.

Expenses

In the Statement of Operations, Scouts Canada presents its expenses by function, except for salaries and benefits, marketing and communications, and fundraising expense, which are presented on an object basis. Expenses are recognized in the year incurred and are recorded in the applicable function to which they are directly related. Scouts Canada does not allocate expenses between functions after initial recognition.

SCOUTS CANADA

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are recorded at fair value on initial recognition. Fixed income, mutual funds, and other equity investments that are quoted in an active market are subsequently measured at fair value. Any other investments are recorded at cost.

Donated Materials and Services

Volunteers donate services throughout the year to assist Scouts Canada in carrying out its activities. Because of the difficulty of tracking and determining their fair value, donated services are not recorded in the financial statements.

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at year end. Revenues and expenses are translated at the rate of exchange prevailing at the time of the transactions. Exchange gains and losses resulting from the translation of these amounts are recorded in the Statement of Operations.

Use of Estimates

The preparation of financial statements requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities, and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known. Significant estimates include the establishment of useful lives and related amortization rates of capital assets, Management's accrual of contingent liabilities, and assumptions used to actuarially determine the prepaid pension costs and accrued employee future benefits liability.

Capital Assets

Capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. When a capital asset no longer contributes to Scouts Canada's ability to provide services, its carrying amount is written down to its residual value. Amortization is on a straight-line basis as follows:

Buildings and camps	- 5-20 years
Office furniture and equipment	- 5 years
Computer hardware and software	- 3 years

SCOUTS CANADA

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued)

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Revenue Recognition

Restricted contributions relating to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year received or receivable.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned on restricted funds is recognized in the applicable restricted fund. Other investment income is recognized in the Operating Fund when earned.

Membership, insurance, camps and other related fees are recognized as revenue in the fiscal year to which they relate. Amounts received but not recognized as revenue are recorded as deferred revenue.

Government Assistance

Scouts Canada has applied for Government assistance relating to expenses. Assistance received is recorded in other revenue when the related expenditures are incurred.

Contingent Liabilities

Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

SCOUTS CANADA

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Benefit Plans

Scouts Canada administers the [REDACTED] which consists of a defined benefit pension plan and a defined contribution plan that covers most of its employees. Scouts Canada also provides its employees with other retirement and post-employment benefits under its employee benefits plans.

As of January 1, 2013, the defined benefit plan was frozen. Employees no longer accrue credited service under the defined benefit component of the Plan. However, employee earnings were projected for the purpose of calculating the accrued pension benefit obligation up to December 31, 2021. The Plan was amended effective January 1, 2022 such that the defined benefit component to December 31, 2021 is now indexed in accordance with defined increases in the average industrial wage from January 1, 2022 to the date of retirement. In September 2021, Scouts Canada purchased a buy-in annuity contract with Industrial Alliance securing all benefits of the Plan. Employees who were members of the defined benefit plan now contribute to the defined contribution plan, as disclosed in note 7.

Scouts Canada uses the immediate recognition approach to account for the above plans. Scouts Canada accrues its obligations under the defined benefit plans as the employees render the services necessary to earn the pension and other retirement benefits. The actuarial determination of the accrued benefit obligations for pensions and other retirement benefits uses the projected benefit method prorated on service (which incorporates Management's assumptions used for funding purposes, other cost escalation, retirement ages of employees and other actuarial factors). The measurement date of the plan assets, which are recorded at fair value, and accrued benefit obligation coincides with Scouts Canada's fiscal year. The fair value of the plan assets equals the sum of the assets held in trust, plus the actuarial value of the buy-in annuity contract as at the valuation date.

The most recent actuarial valuation of the defined benefit pension plan for funding purposes was as of January 1, 2020 and the next required valuation will be as of January 1, 2023.

In years between valuations, Scouts Canada uses a roll-forward technique to estimate the accrued benefit obligation. Scouts Canada recognizes the accrued benefit obligation net of the fair value of the plan amounts adjusted for any valuation allowance in the Statement of Financial Position at the end of the year. The annual benefit cost is recognized in the Statement of Operations and actuarial gains and losses are recognized in the Statement of Changes in Fund Balances.

SCOUTS CANADA

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

4. AMOUNTS RECEIVABLE

	2022	2021
Amounts receivable	\$ 116,067	\$ 348,371
Ontario Incorporated Body; Scouts Canada, and other camps and groups	322,765	520
Government receivables	<u>516,551</u>	<u>272,563</u>
	955,383	621,454
Less: Allowance for doubtful accounts	(3,297)	(3,297)
	<u>\$ 952,086</u>	<u>\$ 618,157</u>

5. INVESTMENTS

Scouts Canada holds investments at fair value for the following purposes:

	2022	2021
Operating Fund:		
Properties	\$ 3,290,059	\$ 3,519,577
Other operating	<u>18,873,288</u>	<u>20,155,855</u>
	<u>22,163,347</u>	<u>23,675,432</u>
Restricted and Endowment Funds:		
Insurance Fund	5,233,132	5,577,133
Brotherhood Fund	797,638	945,370
International Participation Fund	516,735	612,441
██████████ Funds	<u>5,196,238</u>	<u>5,525,644</u>
	11,743,743	12,660,588
	<u>\$33,907,090</u>	<u>\$36,336,020</u>

SCOUTS CANADA

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

5. INVESTMENTS (continued)

These funds are invested in the following securities:

	2022	2021
Cash and cash equivalents	\$ 177,477	\$ 263,641
Mutual funds:		
████████████████████	5,113,887	5,492,044
Other mutual funds	14,127,501	14,657,374
Guaranteed investment certificates	326,059	1,414,770
Fixed income securities	124,800	530,785
Common and preferred shares	4,386,466	3,292,129
Other, including non-related Foundations	8,392,014	9,390,092
	1,258,886	1,295,185
	\$33,907,090	\$36,336,020

Included above are \$10,860,679 (2021 - \$11,950,783) of investments that are designated funds with Ontario Incorporated Body; Scouts Canada directly attributable to Councils.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	2022 Net Book Value	2021 Net Book Value
Land	\$ 1,132,797	\$ -	\$ 1,132,797	\$ 735,582
Buildings and camps	21,948,058	17,610,923	4,337,135	4,584,714
Office furniture and equipment	1,607,839	1,575,070	32,769	48,560
Computer hardware and software	2,563,504	2,534,514	28,990	8,076
	\$ 27,252,198	\$ 21,720,507	\$ 5,531,691	\$ 5,376,932

Cost and accumulated amortization as at August 31, 2021 amounted to \$26,661,073 and \$21,284,141, respectively.

Certain provincial organizations hold title to properties (including land, buildings and camps) located in the respective province. These properties are beneficially owned, managed and used by Scouts Canada in their operation and are thus reported in these financial statements.

SCOUTS CANADA

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

7. EMPLOYEE FUTURE BENEFITS

Defined benefit plan and other retirement and post-employment benefit plan:

During the year, the Plan purchased a buy-in annuity contract whereby a third party agrees to meet the benefit payments for all remaining members of the defined benefit plan. The buy-in annuity contract eliminates certain investment and longevity risks associated with the defined benefit plan; however, the Plan retains the ultimate contractual obligation to the participants and beneficiaries, and certain ongoing administrative expenses.

Information about Scouts Canada's defined benefit plans is as follows:

	2022		2021	
	Pension	Other post-employment	Pension	Other post-employment
Plan assets at fair value	\$ 5,000,800	\$ -	\$ 37,353,100	\$ -
Value of buy-in annuity contract purchased	27,805,000	-	-	-
Accrued benefit obligation	(27,805,000)	(2,640,000)	(28,289,800)	(2,687,000)
Prepaid pension costs (accrued benefit liability)	\$ 5,000,800	\$ (2,640,000)	\$ 9,063,300	\$ (2,687,000)

The prepaid pension costs of \$5,000,800 at August 31, 2022 represents only the assets held in trust and are used to pay for the administrative costs of the defined benefit plan and to fund the outgoing benefit payments that are ultimately reimbursed by the third party purchaser of the buy-in annuity contract.

Defined contribution plan:

Effective January 1, 2010, Scouts Canada created a defined contribution plan available to all employees of Scouts Canada who meet the eligibility requirements specified in the Plan Agreement. During the year, Scouts Canada made employer contributions to the defined contribution plan of \$493,300 (2021 - \$514,100).

SCOUTS CANADA

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

8. DEFERRED REVENUE

Deferred revenue represents amounts received or receivable by the Operating Fund for which goods or services will be provided in future years.

	Opening balance	Amounts received	Revenue recognized	Closing balance
Membership	\$ 1,426,252	\$ 8,576,811	\$ 5,683,917	\$ 4,319,146
Other programs	117,636	181,659	117,636	181,659
Scout Shops	106,209	1,578	2,575	105,212
Other deposits	-	75,000	-	75,000
World Jamboree	-	763,575	-	763,575
	<u>\$ 1,650,097</u>	<u>\$ 9,598,623</u>	<u>\$ 5,804,128</u>	<u>\$ 5,444,592</u>

Membership consists of fees collected in advance of the Scouting year, which runs from January 1 to December 31.

Other programs consist of restricted grants and donations received for various Scout programs in future years.

Scout Shops are all gift certificates and funds left on deposit at Scout Shops for future purchases.

Other deposits relate to funds collected in advance of the future sale of a property.

World Jamboree consists of participant and service team registration fees that were collected in advance of the World Jamboree event which is scheduled to take place in August 2023.

9. FONDATION SCOUTS CANADA FOUNDATION

Scouts Canada has an economic interest in Fondation Scouts Canada Foundation ("the Foundation"). The Foundation was established to financially support Scouts Canada by promoting and soliciting gifts, grants and matching funds from individuals, corporations and foundations.

Scouts Canada received donations of \$370,000 (2021 - \$168,000) from the Foundation.

SCOUTS CANADA

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

10. CANADA EMERGENCY WAGE SUBSIDY

On March 11, 2020, the World Health Organization categorized COVID-19 as a global pandemic. As a result, the federal government has introduced a variety of financial support programs to aid those impacted by the outbreak. During the year, Scouts Canada has recognized \$555,019 (2021 - \$3,150,557) in relation to the Canada Emergency Wage Subsidy program; these amounts are recognized in investment and other income.

11.

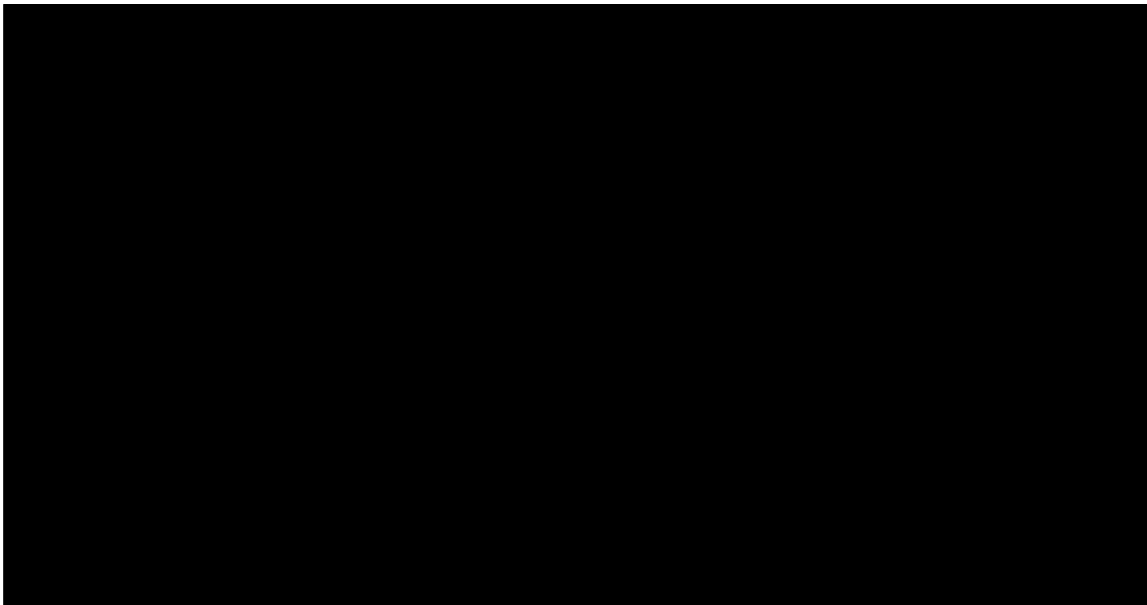


SCOUTS CANADA

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

11.



12. FINANCIAL INSTRUMENTS

Scouts Canada's financial instruments consist of cash, amounts receivable, investments, and accounts payable and accrued liabilities.

Credit Risk Exposure

Scouts Canada is exposed to credit risk in the event of non-performance by counterparties in connection with its amounts receivable. Scouts Canada does not obtain collateral or other security to support the amounts receivable subject to credit risk but mitigates this risk by dealing only with what Management believes to be financially sound counterparties such as government agencies and public companies. Scouts Canada's credit risk relates to receivables and investments as disclosed in notes 4 and 5.

Interest Rate Risk

Scouts Canada is exposed to interest rate risk with respect to its interest-bearing investments, as disclosed in note 5.

Market Risk

Scouts Canada's investments in publicly-traded securities exposes the entity to price risks as equity investments are subject to price changes in an open market, as disclosed in note 5. Scouts Canada does not use derivative financial instruments to alter the effects of this risk.

SCOUTS CANADA

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

12. FINANCIAL INSTRUMENTS (continued)

Foreign Currency Risk

Scouts Canada enters into foreign currency purchase and sale transactions and has assets and liabilities that are denominated in foreign currencies and thus are exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates. These assets and liabilities are of a short-term nature and Management does not believe they represent a significant risk to the entity. At year-end, Scouts Canada held U.S. dollar denominated cash of CAD \$5,772 (2021 - CAD \$2,145).

Liquidity Risk

Liquidity risk is the risk that Scouts Canada will have difficulty in meeting obligations associated with financial liabilities. Scouts Canada is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. Scouts Canada has a bank overdraft authorization limit of \$1,500,000 on its bank account to mitigate this risk.

Scouts Canada believes that it is not exposed to significant financial risks arising from its financial instruments.

13. OTHER RESTRICTED FUNDS

The other restricted funds are presented in Schedule A. The balances at the end of the year consist of the following:

	2022
Funds held by Ontario Incorporated Body; Scouts Canada	\$ 1,204,121
Funds held by Saskatchewan Scout Foundation	1,539,796
Funds held by Vancouver Community Foundation	452,171
Funds held by Hamilton Community Foundation	249,570
██████████ Fund	633,504
██████████ Fund	343,920
Other funds	948,971
	<u>\$ 5,372,053</u>

Other funds contain a number of externally restricted funds that support specific geographies, properties, and projects.

SCOUTS CANADA

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

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SCOUTS CANADA

SCHEDULE A - RESTRICTED AND ENDOWMENT FUNDS

For the year ended AUGUST 31, 2022

	Internal			External			Total Restricted Funds	External Endowment	Total Restricted and Endowment Funds
	Insurance	Brotherhood	International Participation		Other				
REVENUE									
Fundraising	\$ -	\$ 4,600	\$ -	\$ -	\$ -	\$ -	\$ 4,600	\$ -	\$ 4,600
donations	-	-	-	-	-	-	-	111,358	111,358
Investment	-	86,148	55,809	378,005	-	280,218	800,180	-	800,180
	-	90,748	55,809	378,005	-	280,218	804,780	111,358	916,138
EXPENSES									
Salaries and benefits	-	-	-	-	41,568	-	41,568	-	41,568
Financial services	-	3,988	2,584	35,882	-	5,328	47,782	-	47,782
Administration	-	-	-	25,000	-	-	25,000	-	25,000
Compliance and governance	705,333	-	-	-	-	-	705,333	-	705,333
Human resources and volunteer services	-	-	-	-	9,071	-	9,071	-	9,071
Other	-	-	-	309,053	-	86,023	395,076	-	395,076
	705,333	3,988	2,584	369,935	50,639	91,351	1,223,830	-	1,223,830
Net revenue (expenses) before the undernoted	(705,333)	86,760	53,225	8,070	(50,639)	188,867	(419,050)	111,358	(307,692)
Unrealized losses on investments	-	(150,030)	(97,194)	(1,103,157)	-	(144,292)	(1,494,673)	-	(1,494,673)
Net revenue (expenses)	(705,333)	(63,270)	(43,969)	(1,095,087)	(50,639)	44,575	(1,913,723)	111,358	(1,802,365)
Fund balances - Beginning of year	766,465	1,082,295	580,068	1,638,165	1,093,365	5,327,478	10,487,836	4,475,231	14,963,067
Transfer from/to Operating Fund	1,000,000	-	-	-	(110,918)	-	889,082	-	889,082
Fund balances - End of year	\$ 1,061,132	\$ 1,019,025	\$ 536,099	\$ 543,078	\$ 931,808	\$ 5,372,053	\$ 9,463,195	\$ 4,586,589	\$ 14,049,784