

Financial Statements of

**GIRL GUIDES OF CANADA-  
GUIDES DU CANADA**  
(NOVA SCOTIA COUNCIL)

Year ended December 31, 2018



## INDEPENDENT AUDITORS' REPORT

To the Members of the Girl Guides of Canada – Guides du Canada (Nova Scotia Council)

### ***Opinion***

We have audited the financial statements of Girl Guides of Canada – Guides du Canada (Nova Scotia Council) (the Entity), which comprise:

- the statement of financial position as at end of December 31, 2018
- the statement of operations for the year then ended
- the statement of changes net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at end of December 31, 2018, and its results of operations, changes in net assets 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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.



## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 the Entity'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 the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are/is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the 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 the Entity'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 the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.

Halifax, Canada

May 1, 2019

**Girl Guides of Canada-Guides du Canada**  
**Nova Scotia Council**  
**Statement of Financial Position**

December 31, 2018, with comparative information for 2017 2018 2017

**Assets**

**Current assets:**

Cash	\$ 290,759	\$ 191,288
Accounts receivable	68,379	65,205
Prepaid expenses	160,049	169,368
	519,187	425,861

**Investments (note 2)** 780,685 977,219

**Property and equipment (note 4)** 405,926 407,416

**\$ 1,705,798 \$1,810,496**

**Liabilities and Net Assets**

**Current liabilities:**

Accounts payable and accrued liabilities (note 5)	\$ 59,684	\$ 40,947
Due to related parties (note 3)	3,900	4,140
Deferred revenue	263,379	269,392
	326,963	314,479

**Deferred contributions (note 6)** 5,027 5,401

**Due to Areas/Districts (note 7)** 252,816 264,521

**Net assets:**

Unrestricted	415,520	519,327
Internally restricted (note 8)	299,545	299,353
Invested in property and equipment	405,927	407,416
	1,120,992	1,226,096

**Commitments and contingencies (note 11)**

**\$ 1,705,798 \$ 1,810,496**

See accompanying notes to financial statements.

On behalf of the Province/Territory:

Barbara Fortune  
A Stoddart

Provincial Commissioner

Provincial Treasurer

**Girl Guides of Canada-Guides du Canada  
Nova Scotia Council  
Statement of Operations**

Year ended December 31, 2018, with comparative information for 2017      2018      2017

**Revenue:**

Registration fees	\$ 147,076	147,024
Cookie fundraising fees (note 9)	334,023	331,062
Events	2,759	69,331
Camps	17,622	4,246
Investment income (note 10)	3,147	66,973
Donations	51,730	31,748
Other	5,375	5,260
	561,732	655,644

**Expenses:**

Finance and administration	327,667	334,768
Committees	238,695	174,206
Provincial Council	17,168	22,785
Events	47,418	116,317
Camps	22,581	7,155
Amortization	13,309	14,522
	666,838	669,753

<b>Excess of expenses over revenue</b>	<b>\$ (105,104)</b>	<b>(14,110)</b>
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See accompanying notes to financial statements.

**Girl Guides of Canada-Guides du Canada  
Nova Scotia Council  
Statement of Operations**

Year ended December 31, 2018, with comparative information for 2017

	Unrestricted	Internally Restricted (Note 8)	Invested in property and equipment	2018 total	2017 total
Balance, beginning of year	\$519,327	\$299,353	\$407,416	\$1,226,096	\$1,240,205
Excess of expenses over revenue	(91,795)	-	(13,309)	(105,104)	(14,109)
Inter-fund transfers	(192)	192	-	-	-
Purchase of property and equipment	(11,820)	-	11,820	-	-
Balance, end of year	\$415,520	\$299,545	\$405,927	\$1,120,992	\$1,226,096

See accompanying notes to financial statements.

**Girl Guides of Canada-Guides du Canada  
Nova Scotia Council  
Statement of Cash Flows**

Year ended December 31, 2018, with comparative information for 2017      2018      2017

**Cash provided by (used in):**

**Operating activities:**

Excess of expenses over revenue      \$ (105,104)      \$ (14,109)

Items not involving cash:

Amortization of property and equipment      13,309      14,522

Realized loss (gain) on investments      5,553      (26)

Unrealized loss (gain) on investments      52,451      (33,383)

Change in deferred contributions      (374)      238

Change in non-cash operating working capital:

Accounts receivable      (3,174 )      (29,290 )

Due from related parties      (240)      (1,690)

Prepaid expenses      9,319      5,414

Accounts payable and accrued liabilities      18,737      (879)

Deferred revenue      (6,013)      (8,379 )

Dues to areas / districts      (11,705)      83,422

(27,241)      15,840

**Investing activities:**

Purchase of investments      (66,652)      (81,865)

Proceeds from sale of investments      205,183      4,809

Purchase of property and equipment      (11,819)      (4,945)

126,712      (82,001)

**Increase (decrease) in cash**

99,471      (66,161)

**Cash, beginning of year**

191,288      257,378

**Cash, end of year**

\$ 290,759      \$ 191,288

See accompanying notes to financial statements.



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**Girl Guides of Canada-Guides du Canada  
Nova Scotia Council  
Notes to Financial Statements**

**Year ended December 31, 2018**

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Girl Guides of Canada - Guides du Canada, Nova Scotia Council ("Nova Scotia Council") enables girls to be confident, resourceful and courageous, and to make a difference in the world.

The governing body of Girl Guides of Canada-Guides du Canada is the National Board of Directors (the "Board"). The Board delegates defined authority and responsibility to Provincial Councils, which promote and administer guiding within specific provinces and territories. Similarly there are Area and District Councils (collectively "the Councils") that are responsible for guiding within a designated locality. The Councils are administrative groups under a Commissioner's leadership. Each of the Councils bears the name of Girl Guides of Canada - Guides du Canada along with its own local identifying name. All of the Councils, regardless of level, are focused on the overall mission of the Girl Guides of Canada - Guides du Canada.

Girl Guides of Canada-Guides du Canada is a nationally incorporated charitable organization established by a Special Act of Parliament and the Nova Scotia Council is a provincial level entity and has no separate legal status. Girl Guides of Canada - Guides du Canada, as a single legal entity is responsible for all property in its name. These financial statements reflect all operating assets of the Council to better reflect the financial position of the Council.

Nova Scotia Council is exempt from income taxes under the provision related to charitable organizations, provided certain requirements under the Income Tax Act (Canada) are met. In the opinion of management, these requirements have been met.

**1. Significant accounting policies:**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

**(a) Basis of presentation:**

The Nova Scotia Council functions through consultation, collaboration and sharing resources. These financial statements do not reflect the assets, liabilities, revenue or expenses of the Councils or the National Office of Girl Guides of Canada ("National"), each of which prepares separate financial statements.

The Nova Scotia Council has certain economic relationships with the Councils in that it relies on the operation of these entities to carry out fundraising. These entities also collect National membership fees from members who do not register through Girl Guides of Canada's online registration website.

**(b) Revenue recognition:**

The Nova Scotia Council follows the deferral method of accounting for contributions. Government grants, specified donations, externally restricted monies and event fees that relate to programs to be undertaken in future periods are deferred and recognized as revenues as the related expenditures are incurred or related events take place.

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**Girl Guides of Canada-Guides du Canada  
Nova Scotia Council  
Notes to Financial Statements (continued)**

**Year ended December 31, 2018**

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**1. Significant accounting policies (continued):**

National collects registration fees on behalf of Nova Scotia Council. The Nova Scotia Council also collects National membership fees from members who do not register through Girl Guides of Canada's online registration website. The National membership fee collected is remitted to National and therefore not included in revenues of Nova Scotia Council. Deferred revenue includes the portion of fees received that pertain to the next fiscal year.

Cookie fundraising fees, camp fees and other revenue are recorded on an accrual basis to the extent that persuasive evidence of an arrangement exists, the services are rendered or the cookies are ordered and delivered locally. The amounts to be received can be reasonably estimated and collection is reasonably assured.

Investment income, which is recorded on the accrual basis, includes interest income and net realized gains or losses on sale of investments.

Endowments are recognized as direct increases in net assets and are required to be maintained on a permanent basis and only the revenue derived therefrom is available to support the activities of Nova Scotia Council.

**(c) Financial instruments:**

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. Nova Scotia Council has elected to carry non-equity investments 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 costs. These costs 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, Nova Scotia Council 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 from selling the financial asset or the amount Nova Scotia Council 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.

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**Girl Guides of Canada-Guides du Canada  
Nova Scotia Council  
Notes to Financial Statements (continued)**

Year ended December 31, 2018

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**1. Significant accounting policies (continued):**

(d) Property and equipment:

Property and equipment are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated on a declining basis as follows:

Building	2-5%
Office equipment and furniture	10-20%
Computer equipment	30%
Computer software	N/A

(e) Donated services:

The activities of Nova Scotia Council include time donated by a substantial number of volunteers. Since no objective basis exists for recording and assigning values to these services, they are not reflected in the financial statements.

(f) Pension plan:

The Nova Scotia Council maintains a defined contribution pension RRSP for employees. The expense for this plan is equal to Nova Scotia Council's required contribution for the year. RRSP expense for the year was \$8,407 (2017 \$8,399).

(g) Allocation of general administrative expenses:

The Nova Scotia Council classifies expenses on the statement of operations by function. The Nova Scotia Council does not allocate expenses between functions on the statement of operations.

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimate.

**Girl Guides of Canada-Guides du Canada  
Nova Scotia Council  
Notes to Financial Statements (continued)**

Year ended December 31, 2018

**2. Investments:**

	2018	2017
Pooled funds	\$ 780,685	\$ 977,219

**3. Related party transactions:**

The Councils provided \$4,150 (2017 \$5,624) to the Nova Scotia Council for donations to the Canadian World Friendship Fund during the year. These amounts are owing to National and have the same terms and conditions as trade accounts payable.

The Nova Scotia Council collects and remits membership fees on behalf of National and as such does not reflect these amounts in these financial statements. During the year \$ 105,720 (2017 \$147,024), was collected and remitted. Additional registration and membership fees were collected by the Councils, and by National, and provided through the Nova Scotia Council to the Councils.

Related party transactions related to cookie fundraising are described in Note 9. Funds of \$726,656 (2017 \$699,997) were received during the year by the Nova Scotia Council and provided to the Councils.

Effective January 1, 2018, National administers and pays all payroll for the Councils. During the year, Nova Scotia Council reimbursed National \$196,063 relating to payroll costs.

These transactions are in the normal course of operations and are measured at the exchange amounts, which is the amount of consideration established and agreed to by the related parties.

**4. Property and equipment:**

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 41,100	\$ -	\$ 41,100	\$ 41,100
Building	510,479	166,335	344,144	341,149
Office equipment and furniture	240,569	224,209	16,360	18,993
Computer equipment	203,132	198,810	4,322	6,174
	\$ 995,280	\$ 589,354	\$ 405,926	\$ 407,416

**Girl Guides of Canada-Guides du Canada  
Nova Scotia Council  
Notes to Financial Statements (continued)**

**Year ended December 31, 2018**

**5. Accounts payable and accrued liabilities:**

Included in accounts payable and accrued liabilities as at December 31, 2018 are government remittances payable of \$nil (2017 - \$nil) relating to harmonized sales tax, payroll taxes, health taxes and workers' safety insurance.

**6. Deferred contributions:**

Deferred contributions related to expenses of future periods represent unspent restricted grants and donations for specific programs.

	2018	2017
Balance, beginning of year	\$ 5,401	\$ 5,163
Interest and unrealized gains / losses	27	238
Recognized as revenue	(401)	-
<b>Balance, end of year</b>	<b>\$ 5,027</b>	<b>\$ 5,401</b>

Deferred contributions relate to the Council holding \$5,027 in a perpetual trust called the A. Isabel Power Trust. The interest from this trust is provided annually to a Girl Guide unit in the Town of Liverpool, Queens County, Nova Scotia. The Trust shall terminate when there is no longer an active Girl Guide Unit in the Town of Liverpool that was in existence when the Trust was created. At this time any principal and unused interest will become vested to the Council.

**7. Due to Areas/Districts:**

	2018	2017
Ceilidh Area	\$ 62,695	\$ 62,365
South Shore District	12,160	12,096
Fundy District	9,833	9,781
Colchester District	33,399	33,222
Dartmouth Shore Area	6,203	6,171
Western District	6,203	6,171
La Cabane Guiding Project	34,741	36,200
Rose Jette Goodman Camp	87,582	98,515
	<b>\$ 252,816</b>	<b>\$ 264,521</b>

The NS Council holds financial assets for the related parties to pool excess funds for investment purposes under a Statement of Investment Policy approved by the Board. Investment earnings and expenses accrue proportionately to each related party and do not form part of the assets available to the NS Council for activities.

**Girl Guides of Canada-Guides du Canada  
Nova Scotia Council  
Notes to Financial Statements (continued)**

**Year ended December 31, 2018**

**8. Internally restricted net assets:**

The Nova Scotia Council has internally restricted amounts for future initiatives. Internally restricted net assets are comprised of the following:

	2018	2017
Appropriated	\$ 150,000	\$ 150,000
Building	21,379	21,379
Nova Scotia Bursary Fund	36,416	36,224
National Youth Initiative	11,765	11,765
Membership Recruitment	29,130	29,130
Provincial Guiding Assistance Initiative	50,855	50,855
	<b>\$ 299,545</b>	<b>\$ 299,353</b>

The NS Council holds financial assets for the above internally restricted funds for the following purposes:

**Appropriate:** Funds to be held to address future operational commitments.

**Building:** Funds to be used for major maintenance and repairs to provincial office property.

**Nova Scotia Bursary Fund:** Formally known as the Chief Commissioner Education Support, this fund is used to provide bursaries for members for continued education.

**National Youth Initiatives:** Formally known as the National Guiding Mosaic Camps, this fund is used to support members attending National Guiding Mosaic Camps.

**Membership Recruitment:** Funds allocated to support province wide membership recruitment initiatives.

**Provincial Guiding Assistance:** Funds allocated to support member financial needs as it relates to membership and provincial events.

**9. Cookie fundraising:**

The Councils sell cookies for fundraising purposes. The Nova Scotia Council assists in this process and retains a cookie fundraising fee. The following is a breakdown of the fundraising activities:

	2018	2017
Funds collected from the Councils	\$1,060,680	\$1,031,059
Payments to National for cookie purchases	(726,657)	(699,998)
Cookie fundraising fees	<b>\$ 334,023</b>	<b>\$ 331,061</b>

**Girl Guides of Canada-Guides du Canada  
Nova Scotia Council  
Notes to Financial Statements (continued)**

Year ended December 31, 2018

**10. Investment income:**

	2018	2017
Dividends and interest	\$ 66,171	\$ 41,565
Realized gain on disposal of investments	(5,593)	22
Unrealized gain (loss) on investments	(52,828)	29,457
Management Fees	(4,603)	(4,071)
	<u>\$ 3,147</u>	<u>\$ 66,973</u>

**11. Commitments and contingencies:**

(a) Commitments:

The Nova Scotia Council leases office space and equipment. Future lease commitments under these arrangements are as follows:

2019	\$ 41,776
2020	41,776
2021	1,776
	<u>\$ 85,328</u>

The Nova Scotia Council has agreed to support National Strategic Priorities by providing funding for 2019 and 2020 of \$40,000 and \$40,000 respectively.

(b) Contingencies:

From time to time, the Nova Scotia Council may be involved in legal actions, the outcomes of which are not within the Nova Scotia Council's complete control and may not be known for prolonged periods of time. The Nova Scotia Council records a liability in the financial statements when the loss is known or considered probable and the amount can be reasonably estimated.

In addition, the Nova Scotia Council guarantees any debt or lease obligations assumed by the Councils.

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**Girl Guides of Canada-Guides du Canada  
Nova Scotia Council  
Notes to Financial Statements (continued)**

Year ended December 31, 2018

**12. Financial risks:**

The Nova Scotia Council manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by the Board. The Nova Scotia Council is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

The Nova Scotia Council believes that it is not exposed to significant interest rate, market, credit or cash flow risk arising from its financial instruments.

Additionally, the Nova Scotia Council believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments.

**13. Comparative information:**

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.