

Financial Statements of

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

Year ended December 31, 2017

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Girl Guides of Canada-Guides du Canada (Nova Scotia Council), which comprise the statement of financial position as at December 31, 2017, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Girl Guides of Canada-Guides du Canada (Nova Scotia Council) as at December 31, 2017, 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

May 7, 2018

Halifax, Canada

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

December 31, 2017, with comparative information for 2016 2017 2016

Assets

Current assets:

Cash	\$ 191,288	\$ 257,378
Accounts receivable	65,205	35,914
Prepaid expenses	169,368	174,782
	425,861	468,074

Investments (note 2) 977,219 866,755

Property and equipment (note 4) 407,416 416,993

\$ 1,810,496 \$ 1,751,822

Liabilities and Net Assets

Current liabilities:

Accounts payable and accrued liabilities (note 5)	\$40,946	\$ 41,825
Due to related parties (note 3)	4,140	5,760
Deferred revenue	269,392	277,771
	314,478	325,356

Due to areas/districts (note 7) 264,521 181,098

Deferred contributions (note 6) 5,401 5,163

Net assets:

Unrestricted	519,327	517,679
Internally restricted (note 8)	299,353	305,533
Invested in property and equipment	407,416	416,993
	1,226,096	1,240,205

Commitments and contingencies (note 12)

\$1,810,496 \$ 1,751,822

See accompanying notes to financial statements.

On behalf of the Province/Territory:

Sandra Fortune
A. Stadden

Provincial Commissioner

Provincial Treasurer

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

Year ended December 31, 2017, with comparative information for 2016	2017	2016
Revenue:		
Registration fees (note 3)	\$ 147,024	\$ 146,268
Cookie fundraising fees (note 9)	331,062	336,073
Investment income (note 10)	66,973	47,304
Donations (note 11)	31,748	14,546
Other	5,260	2,395
	<u>582,067</u>	<u>546,586</u>
Expenses:		
Finance and administration	334,768	419,447
Committees	246,886	144,169
Amortization	14,522	14,364
	<u>596,176</u>	<u>577,980</u>
Excess of expenses over revenue	\$ (14,109)	\$ (31,394)

See accompanying notes to financial statements.

**Girl Guides of Canada-Guides du Canada
Nova Scotia Council
Statement of Changes in Net Assets**

Year ended December 31, 2017, with comparative information for 2016

	Unrestricted	Internally Restricted (note 8)	Invested in property and equipment	2017 Total	2016 Total
Balance, beginning of year	\$ 517,679	\$ 305,533	\$ 416,993	\$ 1,240,205	\$ 1,271,599
Excess expenses over revenue	413	-	(14,522)	(14,109)	(31,394)
Investment in capital assets	(4,945)	-	4,945	-	-
Interfund transfers:	6,180	(6,180)	-	-	-
Balance, end of year	\$ 519,327	\$ 299,353	\$ 407,416	\$ 1,226,096	\$ 1,240,205

See accompanying notes to financial statements.

Girl Guides of Canada-Guides du Canada

Nova Scotia Council Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016 2017 2016

Cash provided by (used in):

Operating activities:

Excess of expenses over revenue	\$ (14,109)	\$ (31,394)
Items not involving cash:		
Amortization of property and equipment	14,522	14,364
Realized gain on investments	(26)	5
Unrealized (gain) loss on investments	(33,383)	(4,925)
Change in deferred contributions	238	(225)
Change in non-cash operating working capital:		
Accounts receivable	(29,291)	(2,190)
Due to related parties	(1,620)	780
Prepaid expenses	5,414	12,666
Accounts payable and accrued liabilities	(879)	(11,646)
Deferred revenue	(8,378)	5,467
Due to areas/districts	83,422	24,351
	<u>15,910</u>	<u>7,253</u>

Investing activities:

Purchase of investments	(81,864)	(46,412)
Proceeds from sale of investments	4,809	4,505
Purchase of property and equipment	(4,945)	(2,198)
	<u>(82,000)</u>	<u>(44,105)</u>

Increase (decrease) in cash	(66,090)	(36,852)
Cash, beginning of year	<u>257,378</u>	<u>294,230</u>
Cash, end of year	\$ 191,288	\$ 257,378

See accompanying notes to financial statements.

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

Year ended December 31, 2017

Girl Guides of Canada - Guides du Canada, Nova Scotia Council ("NS Council") enables girls to be a catalyst for empowering girls.

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 NS Council is a provincial level entity and has no separate legal status. NS 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 NS 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 NS Council has certain economic relationships with the Local Area 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 NS 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.

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

Year ended December 31, 2017

1. Significant accounting policies (continued):

National collects registration fees on behalf of NS Council. The NS 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 NS 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 delivered to the Councils, 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 NS 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. NS 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, NS 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 NS 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.

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

Year ended December 31, 2017

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%

(e) Donated services:

The activities of NS 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) 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.

2. Investments:

	2017	2016
Pooled funds	\$ 977,219	\$ 866,755

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

Year ended December 31, 2017

3. Related party transactions:

The NS 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 \$ 147,024 (2016 - \$110,540), was collected and remitted.

Related party transactions related to cookie fundraising are described in Note 9.

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.

Amounts due to related parties are non-interest bearing and are due on demand.

4. Property and equipment:

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Land	\$ 41,100		\$ 41,100	\$ 41,100
Building	498,660	157,511	341,149	350,582
Office equipment and furniture	240,570	221,577	18,993	21,436
Computer equipment	203,132	196,958	6,174	3,875
	\$ 983,462	576,046	407,416	\$ 416,993

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at December 31, 2017 are government remittances payable of \$nil (2016 - \$nil) relating to harmonized sales tax, payroll taxes, health taxes and workers' safety insurance.

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

Year ended December 31, 2017

6. Deferred contributions:

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

	2017	2016
Balance, beginning of year	\$ 5,163	\$ 5,388
Interest and unrealized gains/losses	238	163
Recognized as revenue	-	(388)
Balance, end of year	\$ 5,401	\$ 5,163

Deferred contributions relate to the Council holding \$5,000 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:

	2017	2016
Ceilidh Area	\$ 62,365	\$ 82,159
South Shore District	12,096	11,547
Fundy District	9,781	9,337
Colchester District	33,222	31,715
Dartmouth Shore Area	6,171	5,891
Western District	6,171	5,891
La Cabane Guiding Project	36,200	34,558
Rose Jette Goodman Camp	98,515	-
	\$ 264,521	\$ 181,098

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, 2017

8. Internally restricted net assets:

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

	2017	2016
Internally restricted:		
Appropriated	\$ 150,000	\$ 150,000
Building	21,379	11,379
Nova Scotia Bursary Fund	36,224	32,610
National Youth Initiatives	11,765	15,605
Membership Recruitment	29,130	31,105
Provincial Guiding Assistance	50,855	64,834
	\$ 299,353	\$ 305,533

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.

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

Year ended December 31, 2017

9. Cookie fundraising:

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

	2017	2016
Funds collected from Local Area Councils	\$ 1,031,059	\$ 1,022,517
Payments to the National Office for cookie purchases	(699,998)	(686,444)
Cookie fundraising fees	\$331,062	\$ 336,073

10. Investment income:

	2017	2016
Dividends and interest	\$ 41,565	\$ 46,636
Realized gain on disposal of investments	22	(5)
Unrealized gain (loss) on investments	29,457	4,925
Management fees	(4,071)	(4,252)
	\$ 66,973	\$ 47,304

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

Year ended December 31, 2017

11. Donations:

Donations include donations directed to support specific areas/districts of \$ 23,196 (2016 - \$13,544). All donations received during the year directed to specific areas/districts were disbursed to the area/district and have been recognized as an expense.

12. Commitments and contingencies:

(a) Commitments:

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

2018	\$ 1,776
2019	1,776
	<hr/> \$ 3,552 <hr/>

(b) Contingencies:

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

13. Financial risks:

The NS Council manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by the Board. The NS 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 NS Council believes that it is not exposed to significant interest rate, market, credit or cash flow risk arising from its financial instruments.

Additionally, the NS 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.