

Financial Statements of

**GIRL GUIDES OF CANADA-  
GUIDES DU CANADA**

And Independent Auditors' Report thereon

Year ended December 31, 2021



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## INDEPENDENT AUDITORS' REPORT

To the Members of Girl Guides of Canada - Guides du Canada

### ***Opinion***

We have audited the financial statements of Girl Guides of Canada - Guides du Canada (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- the statement of changes in 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 December 31, 2021, and its results of operations 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.

### ***Emphasis of Matter - Comparative Information***

We draw attention to Note 19 to the financial statements ("Note 19"), which explains that certain comparative information presented for the year ended December 31, 2020 has been restated. Note 19 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information. Our opinion is not modified in respect of this matter.



### ***Other Matter - Comparative Information***

As part of our audit of the financial statements for the year ended December 31, 2021, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2020. In our opinion, such adjustments are appropriate and have been properly applied.

### ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in Annual Report 2021 document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in Annual Report 2021 document as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

### ***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 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.



Page 4

- 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 10, 2022

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

## Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020 (Restated - note 19)
<b>Assets</b>		
Current assets:		
Cash (note 2)	\$ 59,752,057	\$ 24,549,815
Accounts receivable (note 14)	1,563,308	3,598,302
Investments (note 4)	159,772	555,433
Inventory (note 3)	1,142,753	2,326,819
Prepaid expenses (note 18)	1,708,957	1,011,004
Camp properties held for sale (note 17)	-	1,603,106
Total current assets	64,326,847	33,644,479
Investments (note 4)	98,494,941	65,698,759
Capital assets (note 5)	10,865,753	12,289,320
<b>Total assets</b>	<b>\$ 173,687,541</b>	<b>\$ 111,632,558</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 4,493,559	\$ 2,190,946
Investments held on behalf of Area and District Councils (note 4)	2,260,669	1,948,082
Due to Area and District Councils and Units (note 12)	26,462,300	21,119,162
Deferred revenue (note 7)	3,928,350	3,288,037
Total current liabilities	37,144,878	28,546,227
Deferred capital contributions (note 8)	39,516	59,616
Deferred contributions - programs/events (note 8)	22,276,302	11,587,183
Lease inducements	310,999	342,134
Total liabilities	59,771,695	40,535,160
Net assets:		
Unrestricted	95,532,110	49,747,617
Endowment funds (note 9)	1,941,274	1,835,172
Internally restricted (note 11)	5,616,225	5,681,799
Invested in capital assets	10,826,237	13,832,810
	113,915,846	71,097,398
Commitments and contingencies (note 15)		
<b>Total liabilities and net assets</b>	<b>\$ 173,687,541</b>	<b>\$ 111,632,558</b>

See accompanying notes to financial statements.

On behalf of the Organization:

  
Chair of the Board

  
Chief Executive Officer

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

## Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	2021	2020 (Restated - note 19)
<b>Revenue:</b>		
Membership fees	\$ 5,285,181	\$ 8,196,119
Cookie fundraising sales	8,486,149	16,347,362
Camping, conference, and event fees	5,955	203,028
Merchandise sales	2,147,508	2,241,877
Net investment income (note 13)	5,507,600	5,681,297
Other income	1,135,975	821,006
Amortization of deferred capital contributions (note 8)	20,100	13,340
Gain on sale of real property (notes 12 and 18)	42,674,152	517,418
Government grants (note 14)	3,354,315	2,790,371
	<u>68,616,935</u>	<u>36,811,818</u>
<b>Less:</b>		
Cookie fundraising expenses	5,841,747	7,210,597
Merchandise expenses	1,960,431	2,782,511
	<u>7,802,178</u>	<u>9,993,108</u>
	<u>60,814,757</u>	<u>26,818,710</u>
<b>Expenses:</b>		
<b>Girl experience:</b>		
Program development	998,779	970,136
Subsidies and scholarships	177,249	200,836
Special experiences: camps, events, and travel	133,623	646,762
Camp properties and user space	876,470	1,299,921
Infrastructure and communications	568,902	791,888
Girl safety	495,431	355,171
Cookie fundraising allocation to Area and District Councils and Units	335,037	3,097,026
	<u>3,585,491</u>	<u>7,361,740</u>
<b>Member services:</b>		
Customer care centre	868,887	718,844
Guider development	173,378	480,680
Infrastructure	1,123,364	1,096,243
	<u>2,165,629</u>	<u>2,295,767</u>
<b>Governance and operations:</b>		
Finance	4,294,021	3,729,448
Operations	953,526	2,745,231
Administration	2,963,778	2,395,698
Information technology	1,856,815	1,948,709
Human resources	652,056	700,420
Governance	742,688	504,535
Restructuring costs	-	1,303,405
Amortization	808,805	914,259
	<u>12,271,689</u>	<u>14,241,705</u>
	<u>18,022,809</u>	<u>23,899,212</u>
<b>Excess of revenue over expenses</b>	<b>\$ 42,791,948</b>	<b>\$ 2,919,498</b>

See accompanying notes to financial statements.

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

## Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

					2021	2020
	Unrestricted	Endowment funds (note 9)	Internally restricted (note 11)	Invested in capital assets	Total	Total
Balance, beginning of year (restated - note 19)	\$ 49,747,617	\$ 1,835,172	\$ 5,681,799	\$ 13,832,810	\$ 71,097,398	\$ 68,177,900
Excess (deficiency) of revenue over expenses	45,914,239	–	–	(3,122,291)	42,791,948	2,919,498
Interfund transfers	(14,028)	79,602	(65,574)	–	–	–
Purchase of capital assets	(115,718)	–	–	115,718	–	–
Endowment funds received (net)	–	26,500	–	–	26,500	–
<b>Balance, end of year</b>	<b>\$ 95,532,110</b>	<b>\$ 1,941,274</b>	<b>\$ 5,616,225</b>	<b>\$ 10,826,237</b>	<b>\$ 113,915,846</b>	<b>\$ 71,097,398</b>

See accompanying notes to financial statements.

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

## Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020 (Restated - note 19)
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 42,791,948	\$ 2,919,498
Items not involving cash:		
Amortization of capital assets	808,805	914,259
Amortization of deferred capital contributions	(20,100)	(13,340)
Amortization of lease inducement	(31,135)	(6,328)
Unrealized gain (loss) on investments	596,054	(2,630,452)
Realized investment income	(6,103,656)	(3,293,481)
Deferred contributions realized	(246,329)	(226,224)
Loss (gain) on disposal of capital assets	(42,587,128)	708,284
Asset retirement obligation	-	10,000
	(4,791,541)	(1,617,784)
Change in non-cash operating working capital:		
Accounts receivable	2,034,994	(2,196,254)
Inventory	1,184,066	(555,965)
Prepaid expenses	556,047	(312,711)
Accounts payable and accrued liabilities	2,302,613	(488,127)
Due to Areas and District Councils and Units	5,343,138	17,592,212
Investments held on behalf of Area and District Councils	312,587	(22,593)
Deferred revenue	640,313	(3,595,221)
Cash provided by operating activities	7,582,217	8,803,557
Financing activities:		
Endowment received	26,500	-
Additions to deferred contributions	9,746,884	8,984,707
Cash provided by financing activities	9,773,384	8,984,707
Investing activities:		
Net change in investments	(25,700,811)	(3,890,238)
Purchase of capital assets	(115,718)	(248,351)
Proceeds on sale of capital assets	43,663,170	-
Cash provided by (used in) investing activities	17,846,641	(4,138,589)
Increase in cash	35,202,242	13,649,675
Cash, beginning of year	24,549,815	10,900,140
Cash, end of year	\$ 59,752,057	\$ 24,549,815

See accompanying notes to financial statements

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements

Year ended December 31, 2021

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The mission of Girl Guides of Canada-Guides du Canada is to be a catalyst for girls empowering girls.

Girl Guides of Canada-Guides du Canada is a nationally incorporated charitable organization established by a Special Act of Parliament. The governing board of the Girl Guides of Canada-Guides du Canada is the Board of Directors (the "Board"). The Board delegates defined authority and responsibility to specific divisions of Girl Guides of Canada-Guides du Canada. National Operations is the head body and Provincial Councils, along with certain Area Councils, are internal divisions as described in guidance from Canada Revenue Agency ("CRA"). Along with Provincial Councils, all Area and District Councils (collectively, "Local Councils") are responsible for delivering guiding within a designated locality. Each Council bears the name of Girl Guides of Canada-Guides du Canada, along with its own local identifying name and all Councils bear certain fiduciary and administrative responsibilities as prescribed by the Board. All Councils, regardless of level, are focused on delivering the overall mission of Girl Guides of Canada-Guides du Canada. The Local and Provincial Councils deliver programs to members through units ("Units"). Units describe groups of age-similar members who participate in program experiences.

Girl Guides of Canada-Guides du Canada 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:

The 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:

In 2019, the Board approved a project to combine the financial activities across the country, referred to as the Nation-wide Financial Management Project. In 2020, as part of this project the financial activities of National Operations, Provincial Councils, Local Councils, and Units transitioned to a centralized platform.

As a result of this project, Girl Guides of Canada-Guides du Canada now has the ability to present combined financial statements consisting of National Operations and Provincial Councils. For the purposes of these statements, the defined Organization is comprised of National Operations and Provincial Councils.

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## 1. Significant accounting policies (continued):

As the Board has not fully exercised control over the Local Councils and Units, with the exception of cash and investment balances that are held in comingled accounts, the assets, liabilities, revenue, and expenses of the Local Councils and Units have not been combined nor reported in these financial statements, as they are comprised of a large number of individually immaterial organizations.

### (b) Revenue recognition:

The Organization follows the deferral method of accounting for contributions. Specified donations, externally restricted monies, membership fees and event fees that relate to programs to be undertaken in future periods are deferred and recognized as revenue as the related expenses are incurred or related events take place.

National Operations collects the majority of the membership fees on behalf of Girl Guides of Canada, however only the Organization's portion is included in revenue in these financial statements.

Cookie fundraising revenue is recognized on an accrual basis based on the number of cases sold and is presented on a gross basis. For cases sold to retailers and online, the gross amount of the revenue is based on the sale price to the retailer or end consumer. For cases sold by Local Councils and Units in-person, the gross amount is revenue based on the amount collected from those related parties.

Merchandising revenue is recorded when merchandise is shipped to the customer.

Camp fees and Alberta Lottery and Gaming Corporation revenue are recorded on an accrual basis to the extent that persuasive evidence of an arrangement exists or the services are rendered, the amounts are reasonably estimated and collection is reasonably assured.

General donations, included in other income, are recognized when received.

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## 1. Significant accounting policies (continued):

Investment income, which is recorded on the accrual basis, includes interest income, realized gains on sale of investments and unrealized gain (loss) on investments net of management fees. Restricted investment income is recorded in deferred contributions until the related expense is incurred.

Grant revenue and government assistance is recorded on the accrual basis. It is recognized as revenue when amounts are reasonably estimated, collection is reasonably assured, and if applicable, the terms of the grant have been met.

External endowments are recognized as direct increases in net assets and are required to be maintained on a permanent basis. Only the revenue derived therefrom is available to support the Organization's activities, unless otherwise set out in the terms of the endowment.

### (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. The Organization 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, which 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 is an indicator of impairment, the Organization 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 the Organization 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

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## 1. Significant accounting policies (continued):

### (d) Inventory:

Inventory is measured at the lower of cost, determined on a first-in, first-out basis, and net realizable value. Inventory consists of merchandise which is sold to support guiding programs as well as cookie inventory related to current fundraising campaigns. Cost includes all purchase costs. Net realizable value is the estimated selling price in the normal course of business less the estimated costs to make the sale. Cost of sales includes all costs of inventory recognized as expenses in the year.

### (e) Capital assets:

Capital assets are stated at cost less accumulated amortization. Amortization is based on the estimated useful lives of the assets and is calculated on a straight-line basis as follows:

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Land and commemorative rock	Indefinite
Land improvements	15 years
Buildings	20 - 40 years
Leasehold improvements	Over the term of the lease
Office equipment and furniture	5 - 10 years
Computer equipment	3 - 5 years
Computer software	3 - 5 years
Asset retirement obligation	Over the useful life of the underlying asset
Automobile	5 years

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Capital assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to the Organization's ability to provide goods and services.

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## 1. Significant accounting policies (continued):

### (f) Asset retirement obligation:

The Organization recognizes a liability for an asset retirement obligation that results from normal operations in the year in which it is incurred and when a reasonable estimate of fair value can be made. In subsequent years, the liability is adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of the undiscounted cash flows.

### (g) Leases and lease inducements:

Leases that the Organization enters into, which transfer substantially all benefits and risks associated with ownership of the property are recorded as capital leases. All other leases are accounted for as operating leases.

The total amount of lease inducements, including rent-free periods, is amortized on the straight-line basis over the term of the respective lease.

### (h) Net assets:

For financial reporting purposes, the net assets have been classified into the following categories:

#### (i) Unrestricted:

Unrestricted net assets include assets available for use by the Organization for program delivery and administrative activities.

#### (ii) Internally restricted net assets:

These funds reflect assets designated by the Board or Provincial Councils to provide funds for operations and special purposes. These amounts are disclosed in note 11. Investment income earned on internally restricted net assets is recorded as unrestricted investment income when earned and as transfers to the respective programs within internally restricted net assets in accordance with the approved policies.

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## 1. Significant accounting policies (continued):

### (iii) Endowment funds:

The Organization holds both internal and external endowments. The annual investment income earned from these endowments is used for specific purposes, in a manner consistent with the endowment agreement or the decision of the Board in the case of internal endowment funds. The unspent income amounts are reflected in endowment funds or deferred contributions on the statement of financial position, depending on the endowment agreement requirements.

### (iv) Invested in capital assets:

Net assets invested in capital assets represent the unamortized portion of capital assets purchased with unrestricted resources, less related deferred capital contributions.

### (i) Donated services:

The Organization's activities 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.

### (j) Pension plan:

The Organization maintains a defined contribution pension plan for employees. The expense for this plan is equal to the Organization's required contribution for the year. Pension expense for the year was \$307,997 (2020 - \$285,615).

### (k) Funds held for Local Councils and Units and related party transactions:

#### (i) Cash held belonging to Local Councils and Units:

The Organization holds funds for various Local Councils and Units for the purposes of day-to-day cash uses and investing activities.

The Provincial Councils pool the Local Councils' and Units' operating cash into bank accounts and disburse funds as directed by Local Councils and Units. Aggregate amounts of cash held on behalf of Local Councils and Units are recorded as due to Area and District Councils and Units.

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## 1. Significant accounting policies (continued):

### (ii) Investments held belonging to Local Councils:

Some Provincial Councils hold funds for various Local Councils in their investment accounts. Disbursements, receipts of funds and investment income earned are recognized on the statement of financial position with no impact on the statement of operations. Aggregate amounts of investments held on behalf of Local Councils are recorded as due to Area and District Councils and Units.

### (l) Assets held for sale:

Assets classified as held for sale relate to assets for which management, having the authority to approve the action, commits to a plan to sell, the asset is available for sale in its current condition subject only to terms that are usual and customary for sales of such assets, an active program to locate a buyer and other actions required to complete the sale plan have been initiated, the sale is probable, and is expected to qualify for recognition as a completed sale within one year, it is being actively marketed for sale at a price that is reasonable in relation to its current fair value, and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Assets classified as held for sale are measured at the lower of carrying amount and fair market value less costs to sell, are recorded as current assets on the statement of financial position, and are not amortized.

### (m) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to estimates and assumptions include the useful life of capital assets, the assessment of the sale leaseback transaction and net realizable value of inventory. Actual results could differ from those estimates.

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## 2. Cash:

Cash includes \$26,462,300 (2020 - \$21,119,162) held on behalf of Local Councils and Units (note 12).

In addition, cash includes restricted cash of \$20,310,257 (2020 - nil) for use in connection with the Outdoor Experience Fund (see note 8) and \$94,545 (2020 - \$15,060) for use as specified by a grant from the Alberta Lottery and Gaming Corporation.

## 3. Inventory:

	2021	2020
Merchandise	\$ 487,181	\$ 1,248,125
Cookies	655,572	1,078,694
	<u>\$ 1,142,753</u>	<u>\$ 2,326,819</u>

The merchandise inventory recognized as an expense during the year amounted to \$981,205 (2020 - \$1,103,688). During the year, \$16,369 (2020 - \$1,457,929) was recorded as a write-down from cost to net realizable value to merchandising expenses and fund development revenue.

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

## 4. Investments:

The Organization's investments are held in multiple types of financial instruments. Certain funds held are restricted for specific uses only. All investments are measured at fair market value as at December 31.

	2021	2020 (note 20)
Short-term:		
Guaranteed investment certificate, maturing July 21, 2022 (2020 - July 21, 2021), 0.40%	\$ 159,772	\$ 158,898
Guaranteed investment certificate, maturing April 12, 2021, 2.23% to 2.24%	-	243,336
Guaranteed investment certificate, maturing June 7, 2021, 2.25%	-	131,634
Cash held in investment fund	-	21,565
	<u>159,772</u>	<u>555,433</u>
Long-term:		
Mutual funds	350,581	136,502
Segregated and pooled funds - CIBC	97,774,867	65,216,959
The Winnipeg Foundation managed fund - Canadian equities	357,270	336,782
Common shares - Brookfield Asset Management Inc.	12,223	8,516
	<u>98,494,941</u>	<u>65,698,759</u>
<b>Total investments</b>	<b>\$ 98,654,713</b>	<b>\$ 66,254,192</b>

Investments include \$2,260,669 (2020 - \$1,948,082) invested on behalf of Area and District Councils.

Investments include nil (2020 - \$9,824,078) restricted for use in connection with the Outdoor Experience Fund (see note 8).

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

## 5. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Land and commemorative rock	\$ 638,705	\$ –	\$ 638,705	\$ 759,698
Land improvements	16,692	4,871	11,821	13,004
Buildings	13,225,602	4,532,070	8,693,532	9,702,163
Leasehold improvements	1,000,141	505,263	494,878	557,924
Office equipment and furniture	2,443,191	2,088,584	354,607	443,800
Computer equipment	1,039,621	977,288	62,333	84,787
Computer software	2,778,696	2,263,819	514,877	627,944
Asset retirement obligation	100,000	5,000	95,000	100,000
Automobile	5,925	5,925	–	–
	\$ 21,248,573	\$ 10,382,820	\$ 10,865,753	\$ 12,289,320

Computer software includes \$209,496 (2020 - \$117,979) of projects in process. COVID-19 has negatively impacted the Organization's ability to generate revenue from camp properties. Although there was a decline in revenue generation from camp properties in the short-term, management has concluded that the properties continue to have value in use and that there is no impairment of these, or other fixed assets held by the Organization.

## 6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at December 31, 2021 are government remittances payable of \$9,704 (2020 - \$12,250) relating to harmonized sales tax, payroll taxes, employer health taxes and workers' safety insurance.

## 7. Deferred revenue:

Deferred revenue consists of the following funds received for membership fees for the following fiscal year and future events which have not yet occurred:

	2021	2020
Membership fees	\$ 3,897,205	\$ 3,286,077
Camping and programs	31,145	1,960
	\$ 3,928,350	\$ 3,288,037

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

## 8. Deferred contributions:

Deferred contributions include externally restricted funds that relate to specific activities, either capital investment or programs/events of future periods. Deferred contributions as at December 31 include the following:

			2021	2020
	Capital investment	Programs/ events	Total	Total
Balance, beginning of year	\$ 59,616	\$ 11,587,183	\$ 11,646,799	\$ 2,901,656
Contributions	–	266,508	266,508	570,439
Net proceeds from sale of camp properties	–	9,480,384	9,480,384	7,701,051
Investment income (note 13)	–	1,188,556	1,188,556	713,217
Recognized as revenue	(12,297)	(246,329)	(258,626)	(239,564)
Recognized on sale of property	(7,803)	–	(7,803)	–
	\$ 39,516	\$ 22,276,302	\$ 22,315,818	\$ 11,646,799

The Ontario Council's deferred contribution balance contains the Outdoor Experience Fund amounting to \$20,310,257 (2020 - \$9,824,078). These funds are restricted by court orders to be used for camping and other outdoor experiences for members in Ontario and Nunavut.

The Alberta Council's deferred contribution balance contains the contribution from the Alberta Lottery and Gaming Corporation amounting to \$94,781 (2020 - \$15,415).

## 9. Endowment funds:

	2021	2020
External endowment funds:		
Norma Osler Education Fund	\$ 177,410	\$ 163,689
Daphne Sebag-Montefiore	30,000	–
Others	22,000	22,000
Internal endowment funds		
Endowment fund - Capital reserve	1,248,131	1,185,750
Jean Youngson Fund	463,733	463,733
	\$ 1,941,274	\$ 1,835,172

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## 9. Endowment funds (continued):

The income from the endowment funds is subject to the following restrictions:

### (a) External endowment funds

#### (i) Norma Osler Education Fund:

This fund will provide scholarships on an annual basis to a young woman who is pursuing a post-secondary degree with particular emphasis in the field of Education.

#### (ii) Daphne Sebag-Montefiore Fund:

The income from this fund provides financial support to members participating in international travel to Guiding world centres or member organization camps.

### (b) Internal endowment funds

#### (i) Endowment fund - Capital reserve:

The Organization established an internally restricted fund to create a capital reserve to supplement the annual budget. Until the capital in the fund reaches \$1,000,000, all investment income will be reinvested in the fund. Thereafter, until the capital reaches \$2,000,000, up to 50% of the earned income will be available for special purposes. The Board can determine the usage of funds following the fund reaching \$2,000,000. Approximately \$300,000 was donated to this fund, with the balance resulting from investment income reinvested in the fund.

#### (ii) Jean Youngson Fund:

This fund covers the cost of guiders in charge who accompany girls to international events. Any remaining balance is available to augment donation income in the Canadian World Friendship Fund (CWFF).

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

## 10. Endowment funds held by Vancouver Foundation:

The Vancouver Foundation holds \$1,932,460 (2020 - \$1,790,688) of endowment funds for the benefit of the British Columbia ("BC") BC Council. As the funds are endowed, BC Council does not have rights to the capital as such receives contributions as unrestricted income. In 2021, distributions of \$66,786 were made to the BC Council (2020 - \$66,786).

## 11. Internally restricted net assets:

The Board and Provincial Councils have internally restricted amounts for future initiatives. The internally restricted amounts are not available without approval of the Board or Provincial Councils.

	2021	2020
National	\$ 2,042,479	\$ 2,042,479
Alberta	1,093,717	1,093,067
British Columbia	1,025,866	859,936
Ontario	213,687	495,997
Saskatchewan	371,761	355,786
Nova Scotia	383,798	350,246
New Brunswick	226,524	226,524
Manitoba	152,279	152,279
Newfoundland	106,114	105,485
	<u>\$ 5,616,225</u>	<u>\$ 5,681,799</u>

## 12. Related party transactions:

The Organization consists of National Operations and Provincial Councils within these financial statements. The Local Councils and Units are identified as related parties. Local Councils report to their respective Provincial Council. Each Provincial Council collects cash and pays for expenses on behalf of the Local Councils and Units. These transactions result in related party transactions, which are captured in the financial statements and information of the Local Councils and Units, respectively. Thus, the amount within the due to Area and District Councils and Units comprises the cash held within the Provincial Council bank account on behalf of the Area and District Councils and Units.

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## 12. Related party transactions (continued):

Provincial and Local Councils are required to remit to National Operations a portion of net proceeds from the sale of real properties. During the year, \$87,059 (2020 - \$370,029) was received from Local Councils and is included in the gain on sale of real property on the statement of operations.

Provincial Councils contribute to shared expenses through a cost recovery model. Certain Provincial Councils pass a portion of these costs onto Area Councils. Included in operations expense is a recovery of \$549,448 (2020 - \$269,837), being the portion allocated to Area Councils.

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.

## 13. Net investment income:

Net investment income is recorded as follows:

	2021	2020
Dividends and interest	\$ 5,899,389	\$ 4,245,084
Realized gains on sale of investments	1,678,000	134,932
Management fees	(261,481)	(218,225)
Net realized investment income	7,315,908	4,161,791
Unrealized gain (loss) on investments	(296,399)	2,358,905
Total net investment income	7,019,509	6,520,696
Allocated to deferred contributions (note 8)	(1,188,556)	(713,217)
Allocated to Area and District Councils not included in these financial statements	(323,353)	(126,182)
Investment income recognized in the statement of operations	\$ 5,507,600	\$ 5,681,297

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

## 14. Government grants:

The Organization applied for the following COVID-19 related subsidy programs offered by the Government of Canada:

	2021	2020
Canadian Emergency Wage Subsidy	\$ 2,853,160	\$ 2,554,192
Canadian Emergency Rent Subsidy	274,038	29,971
Canadian Hiring Recovery Program	76,829	–
	<u>\$ 3,204,027</u>	<u>\$ 2,584,163</u>

Of the amount claimed, \$1,110,846 (2020 - \$1,559,569) is included in accounts receivable.

Provincial Councils also applied for and received a SPAR Alberta Government Grant and a Saskatchewan Lotteries Trust Fund Grant.

## 15. Commitments, contractual obligations and contingencies:

### (a) Commitments:

The Organization is committed to various operating leases for office space and office equipment as well as outsourcing agreements related to sale of merchandise with the following minimum annual payments:

2022	\$ 674,735
2023	547,552
2024	541,446
2025	550,422
2026	552,905
Thereafter	1,918,602
	<u>\$ 4,785,662</u>

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## 15. Commitments, contractual obligations and contingencies (continued):

### (b) Contractual obligations:

The organization has entered into obligations related to the purchase, storage and distribution of cookies in the amount of approximately \$5,700,000 for 2022.

### (c) Contingencies:

From time to time, the Organization may be involved in legal actions, the outcomes of which are not within the Organization's complete control and may not be known for prolonged periods of time. The Organization 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 Organization guarantees any debt or lease obligation assumed by the Local Councils.

In the opinion of management, any liability which may arise from such contingencies or guarantees would not have a material effect on the financial statements of the Organization.

## 16. Financial risks:

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

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

Additionally, the Organization 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.

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## 16. Financial risks (continued):

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in the Canadian and provincial governments enacting emergency measures to combat the spread of the virus. COVID-19 had an impact on the Organization's membership activity, fundraising efforts and merchandising sales in 2021 and 2020.

The impact of COVID-19 is expected to negatively impact operations for a duration that cannot be reasonably predicted. The overall operational and financial impact is highly dependent on the duration of COVID-19, including the potential occurrence of additional waves of the pandemic, and could be affected by other factors that are currently not known at this time.

## 17. Camp properties held for sale:

On October 9, 2018 and March 5, 2021, court hearings were held with the Ontario Superior Court of Justice granting the Ontario Council the right to sell 17 camp properties. Of the camp properties, 15 have been sold, including all of the camps classified as held for sale as of December 31, 2020. The Organization continues to operate the two remaining camp properties.

The net proceeds from the sale of these camps are restricted in use by the court orders to provide camping and other outdoor experiences for members in Ontario and Nunavut.

## 18. Sale and leaseback transaction:

On September 27, 2021, the Organization closed the sale of the property and building at 50 Merton St., Toronto, Ontario for net proceeds of \$39,569,385. The Organization has leased the entire property and building back for a term of two years at \$1 per year, expiring on September 26, 2023. The gain on sale of \$38,810,831, which was adjusted by \$1,254,000 for off-market leaseback terms, was recognized immediately and is included in gain on sale of real property on the statement of operations. The amount recognized for the off-market leaseback rentals is included in prepaid expenses on the statement of financial position and will be recognized as rent expense over the two-year term.

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## 19. Restatement:

### (a) Cookie fundraising presentation:

As a result of the pandemic, the Organization changed both the method of transporting cookies to the Local Councils and Units and, temporarily, the methods of selling cookies. Beginning with the second cookie campaign in 2020, the Organization has taken on the storage and distribution of the cookies to Local Councils and Units. Previously, the manufacturer of the cookies was responsible for distribution. As a result, the Organization takes ownership of the cookies once delivered to the storage facility. In addition, due to the various restrictions placed on in-person activities across Canada, in both 2021 and 2020, the Organization sold a portion of its cookies directly to retailers as well as through an internally developed online platform directly to consumers.

Due to these recent changes, the Organization reviewed its method of presenting cookie revenue and determined that the revenue and expense from cookie fundraising should be recognized on a gross basis, as opposed to a net basis, as the Organization acts as a principal with respect to this fundraising activity. As a result of this change, cookie fundraising sales and cookie fundraising expenses are presented separately on the statement of operations for all of 2021 and cookie sales that occurred subsequent to the changes described above in 2020.

For 2020, the net proceeds relating to cookie sales previously included in Fund Development have been reclassified to Cookie fundraising sales and Cookies fundraising expenses. The portion of the retail and online sales allocated to Local Councils and Units is reflected in Girl Experience expenses. General donations previously included in fund development have been reclassified to other income. There is no impact to the statement of financial position for this change and no net impact to the excess of revenue over expenses previously presented in the prior year.

### (b) Cookie fundraising revenue allocation to Local Councils and Units:

In addition, during the current year, the Organization identified certain revisions relating to the cookie fundraising revenue allocated to Local Councils and Units in the prior year. The prior year has been restated to reflect these revisions. The impact of this adjustment is to decrease cookie fundraising sales and increase the due to Areas and District Councils and Units by \$581,679 resulting in a decrease of the same amount in the excess of revenue over expenses previously presented in the prior year.

# GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2021

## 19. Restatement (continued):

The impact of these changes on the statement of operations for the year ended December 31, 2020, is presented below.

	As previously reported	Adjustments	As restated
Cookie fundraising sales	\$ –	\$ 16,347,362	\$ 16,347,362
Fund development	7,033,874	(581,679)	–
Other income	408,550	412,456	821,006
Cookie fundraising expenses	–	7,210,597	7,210,597
Cookie fundraising allocation to Area and District Councils and Units	–	3,097,026	3,097,026
Excess of revenue over expenses	3,501,177	(581,679)	2,919,498

In addition, the amount due to Area and District Councils and Units increased by \$581,679.

There is no change to the total cash flows provided by operating, financing, and investing activities in the statement of cash flows.

## 20. Comparative information:

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

Of specific note, some Provincial Councils hold investments on behalf of Local Councils in their CIBC investment accounts. During the current year, it was determined that the accounting for the amounts held on behalf of Local Councils varied. An adjustment has been recorded to reflect Investments based on the CIBC account balance, with the amount held on behalf of the Local Councils presented as Investments held on behalf of Area and District Councils.