

Financial Statements of

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

And Independent Auditor's Report thereon

Period from January 1, 2024 to August 31, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S 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 August 31, 2024
- the statement of operations for the period from January 1, 2024 to August 31, 2024
- the statement of changes in net assets for the period from January 1, 2024 to August 31, 2024
- the statement of cash flows for the period from January 1, 2024 to August 31, 2024
- 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 August 31, 2024, and its results of operations and its cash flows for the period from January 1, 2024 to August 31, 2024 in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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.



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- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

December 8, 2024

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Statement of Financial Position

August 31, 2024, with comparative information for December 31, 2023

	2024	2023
Assets		
Current assets:		
Cash (note 2)	\$ 37,745,468	\$ 41,661,933
Accounts receivable	1,356,979	745,378
Investments (note 4)	18,000,000	19,000,000
Inventory (note 3)	4,798,891	1,771,674
Prepays and other assets (note 5)	2,236,849	1,817,352
Total current assets	64,138,187	64,996,337
Investments (note 4)	98,702,774	90,252,254
Capital assets (note 6)	9,954,929	10,248,082
Total assets	\$ 172,795,890	\$ 165,496,673
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 7,784,085	\$ 4,289,597
Investments held on behalf of Area and District Councils (note 4)	2,299,608	2,170,479
Due to Area and District Councils and Units (notes 2 and 13)	24,043,930	24,897,024
Deferred revenue (note 8)	7,181,306	5,420,882
Total current liabilities	41,308,929	36,777,982
Deferred capital contributions (note 9)	62,172	59,042
Deferred contributions - programs/events (note 9)	24,306,603	23,639,753
Lease inducements	250,531	265,648
Total liabilities	65,928,235	60,742,425
Net assets:		
Unrestricted	82,771,663	80,978,274
Endowment funds (note 10)	1,996,068	1,939,684
Internally restricted (note 12)	12,207,167	11,647,250
Invested in capital assets	9,892,757	10,189,040
Total net assets	106,867,655	104,754,248
Commitments, contractual obligations and contingencies (note 16)		
Total liabilities and net assets	\$ 172,795,890	\$ 165,496,673

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

Period from January 1, 2024 to August 31, 2024, with comparative information for the year ended December 31, 2023

	2024	2023
Revenue:		
Membership fees	\$ 5,417,120	\$ 7,311,464
Cookie fundraising sales	11,856,001	22,766,019
Camping, conference and event fees	1,620,863	1,824,441
Merchandise royalties and sales	371,496	896,827
Net investment income (note 14(a))	2,105,835	4,871,463
Other income	1,288,689	1,424,131
Grants (note 15)	449,174	738,427
Amortization of deferred capital contributions (note 9)	11,246	13,135
Gain on sale of real property (note 13)	29,825	333,670
	<u>23,150,249</u>	<u>40,179,577</u>
Less:		
Cookie fundraising expenses	5,569,293	11,368,551
Merchandise expenses	11,120	122,484
	<u>5,580,413</u>	<u>11,491,035</u>
	17,569,836	28,688,542
Expenses:		
Girl and member services:		
Camping, outdoor experience and events	4,794,570	3,363,061
Programming and unit support	2,558,257	3,295,659
Registration and member support	2,000,512	2,684,277
Provincial operations	1,179,730	1,793,691
Girl safety	716,327	1,151,677
	<u>11,249,396</u>	<u>12,288,365</u>
Governance and operations:		
Finance	2,723,807	3,453,559
Marketing and communications	1,864,378	3,051,823
Information technology	1,757,166	2,420,509
Operations	1,582,545	2,908,226
Human resources	899,721	1,014,269
Governance	428,355	903,733
Fundraising	330,754	321,874
Amortization	553,868	680,971
	<u>10,140,594</u>	<u>14,754,964</u>
	21,389,990	27,043,329
Excess (deficiency) of revenue over expenses before the undernoted	(3,820,154)	1,645,213
Unrealized gain on investments (note 14(b))	5,933,561	3,932,831
Excess of revenue over expenses	\$ 2,113,407	\$ 5,578,044

See accompanying notes to financial statements.

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Statement of Changes in Net Assets

Period from January 1, 2024 to August 31, 2024, with comparative information for the year ended December 31, 2023

					2024	2023
	Unrestricted	Endowment funds (note 10)	Internally restricted (note 12)	Invested in capital assets	Total	Total
Balance, beginning of period	\$ 80,978,274	\$ 1,939,684	\$ 11,647,250	\$ 10,189,040	\$ 104,754,248	\$ 99,176,204
Excess (deficiency) of revenue over expenses	2,680,056	–	–	(566,649)	2,113,407	5,578,044
Deferred capital contributions	14,376	–	–	(14,376)	–	–
Interfund transfers	(616,301)	56,384	559,917	–	–	–
Purchase of capital assets	(284,742)	–	–	284,742	–	–
Balance, end of period	\$ 82,771,663	\$ 1,996,068	\$ 12,207,167	\$ 9,892,757	\$ 106,867,655	\$ 104,754,248

See accompanying notes to financial statements.

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Statement of Cash Flows

Period from January 1, 2024 to August 31, 2024, with comparative information for the year ended December 31, 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 2,113,407	\$ 5,578,044
Items not involving cash:		
Amortization of capital assets	553,868	680,971
Amortization of deferred capital contributions	(11,246)	(13,135)
Amortization of lease inducement	(15,117)	(22,675)
Unrealized gain on investments	(5,933,561)	(3,932,831)
Reinvested investment income	(762,277)	(3,559,616)
Realized loss on sale of investments	5,135	418,836
Deferred contributions realized	(1,021,952)	(1,127,876)
Gain on sale of real property	(29,825)	(333,670)
Write off of capital assets	24,027	52,942
Non-cash rent on sale leaseback	–	470,250
	(5,077,541)	(1,788,760)
Change in non-cash operating working capital:		
Accounts receivable	(611,601)	(146,945)
Inventory	(3,027,217)	(608,398)
Prepays and other assets	(419,497)	(969,633)
Accounts payable and accrued liabilities	3,494,488	1,226,945
Investments held on behalf of Area and District Councils	129,129	148,560
Due to Area and District Councils and Units	(853,094)	(955,466)
Deferred capital contributions	14,376	43,363
Deferred revenue	1,760,424	898,023
Cash used in operating activities	(4,590,533)	(2,152,311)
Financing activities:		
Additions to deferred contributions	1,596,069	2,282,948
Investing activities:		
Net change in investments	(667,084)	5,647,894
Purchase of capital assets	(284,742)	(903,589)
Proceeds on sale of real property	29,825	506,444
Cash provided by (used in) investing activities	(922,001)	5,250,749
Increase (decrease) in cash	(3,916,465)	5,381,386
Cash, beginning of period	41,661,933	36,280,547
Cash, end of period	\$ 37,745,468	\$ 41,661,933

See accompanying notes to financial statements.

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements

Period from January 1, 2024 to August 31, 2024

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. 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.

During the period, Girl Guides of Canada-Guides du Canada changed its fiscal year end from December 31 to August 31. As a result, the current fiscal period covers an eight-month period from January 1, 2024 to August 31, 2024.

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:

For the purposes of these statements, the defined Organization is comprised of National Operations and Provincial Councils.

As the Board does not fully exercise 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.

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

1. Significant accounting policies (continued):

(b) Adoption of new accounting standard:

Effective January 1, 2024, the Organization adopted AcG-20, Customer's Accounting for Cloud Computing Arrangements ("AcG-20"). This guideline provides guidance on accounting for expenditures in a cloud computing arrangement. The Organization has chosen not to apply the simplification approach and to capitalize qualifying implementation expenditures relating to a software service. The Organization has applied AcG-20 retrospectively only to expenditures on implementation activities incurred in a cloud computing arrangement on or after January 1, 2023. As a result, the Organization has included these expenditures in the amount of \$47,160 (2023 - nil) as software service implementation costs within prepaids and other assets (note 5) on the statement of financial position. There was no impact to total assets or total net assets as of December 31, 2023 and no impact to excess of revenue over expenses for the year ended December 31, 2023 as a result of the adoption of AcG-20.

(c) 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 by Local Councils and Units in-person, the gross amount is revenue based on the amount collected from those related parties.

Royalties earned on the sale of merchandise is recognized in the period of sale. Revenue on the sale of merchandise sold directly to customers is recognized when shipped.

Camp fees are recognized 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.

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

1. Significant accounting policies (continued):

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

Net investment income includes interest and dividend income net of management fees and realized gains and losses on sale of investments. Restricted net investment income, including income earned on endowments is recorded in deferred contributions until the related expense is incurred. Unrealized gains and losses on investments are recognized as 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.

(d) 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.

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

1. Significant accounting policies (continued):

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 impairment charge.

(e) Inventory:

Inventory consists primarily of cookie inventory related to current fundraising campaigns and is recorded at the lower of cost and net realizable value.

(f) 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:

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

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)

Period from January 1, 2024 to August 31, 2024

1. Significant accounting policies (continued):

(g) 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.

(h) 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.

(i) Cloud computing arrangements:

Cloud computing arrangements are reviewed to assess whether the software element is a software intangible asset or a software service. Qualifying implementation expenditures related to a software service are capitalized. Software service implementation costs are stated at cost less accumulated amortization. Amortization is provided on a straight-line basis over the expected period of access to the software. This ranges generally three to five years from the service commencement date. Software implementation costs are not amortized until they are available for use. Capitalized implementation expenditures related to a software service are included in prepaids and other assets and disclosed separately in note 5 prepaids and other assets as software service implementation costs. Software intangible assets are included in capital assets and disclosed separately in note 6 capital assets as computer software.

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

1. Significant accounting policies (continued):

(j) 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 12. 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.

(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.

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

1. Significant accounting policies (continued):

(k) 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.

(l) 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 period was \$229,590 (2023 - \$340,794).

(m) 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 (note 2).

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.

(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 investments held on behalf of Area and District Councils and Units.

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

1. Significant accounting policies (continued):

(n) 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.

2. Cash:

Cash includes \$24,043,930 (2023 - \$24,897,024) held on behalf of Local Councils and Units (note 13).

In addition, cash includes restricted cash of \$1,125,501 (2023 - \$3,072,980) for use in connection with the Outdoor Experience Fund (note 9) and \$754,582 (2023 - \$336,179) in connection with various grants.

3. Inventory:

	2024	2023
Cookies	\$ 4,707,324	\$ 1,714,934
Merchandise	91,567	56,740
	<u>\$ 4,798,891</u>	<u>\$ 1,771,674</u>

The merchandise inventory recognized as an expense during the period amounted to nil (2023 - \$75,471). During the period, \$225,742 (2023 - \$182,022) was recorded as a write-down from cost to net realizable value and included in cookie fundraising expense.

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

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 period end.

	2024	2023
Short-term:		
Guaranteed investment certificate, maturing December 19, 2024, 4.83%	\$ 18,000,000	\$ 18,000,000
Guaranteed investment certificate, matured June 10, 2024, 5.6%	–	1,000,000
	<u>18,000,000</u>	<u>19,000,000</u>
Long-term:		
Guaranteed investment certificate maturing January 29, 2026, 4.73%	1,500,000	–
Segregated and pooled funds	96,843,087	89,922,372
The Winnipeg Foundation managed fund	359,687	329,882
	<u>98,702,774</u>	<u>90,252,254</u>
Total investments	\$ 116,702,774	\$ 109,252,254

Investments include \$2,299,608 (2023 - \$2,170,479) invested on behalf of Area and District Councils and \$19,500,000 (2023 - \$18,000,000) restricted for use in connection with the Outdoor Experience Fund (note 9).

5. Prepays and other assets:

	2024	2023
Other prepays	\$ 2,189,689	\$ 1,817,352
Software service implementation costs	47,160	–
	<u>\$ 2,236,849</u>	<u>\$ 1,817,352</u>

For the period ended August 31, 2024, software service fees of \$517,807 (2023 - \$515,050) were expensed and most are included in information technology on the statement of operations.

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

6. Capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land and commemorative rock	\$ 547,133	\$ –	\$ 547,133	\$ 547,133
Land improvements	9,761	597	9,164	9,598
Buildings	12,563,652	4,906,455	7,657,197	7,744,495
Leasehold improvements	1,021,493	672,306	349,187	377,442
Office equipment and furniture	2,203,107	2,023,601	179,506	187,657
Computer equipment	967,049	916,974	50,075	47,749
Computer software	3,870,421	2,789,421	1,081,000	1,249,008
Asset retirement obligation	100,000	18,333	81,667	85,000
Automobile	5,925	5,925	–	–
	\$ 21,288,541	\$ 11,333,612	\$ 9,954,929	\$ 10,248,082

7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at August 31, 2024 are government remittances payable of \$20,466 (2023 - \$12,189) relating to harmonized sales tax, payroll taxes, employer health taxes and workers' safety insurance.

8. 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:

	2024	2023
Membership fees	\$ 6,717,094	\$ 5,284,260
Camping and programs	464,212	136,622
	\$ 7,181,306	\$ 5,420,882

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

9. 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 period end include the following:

			2024	2023
	Capital investment	Programs/ events	Total	Total
Balance, beginning of period	\$ 59,042	\$ 23,639,753	\$ 23,698,795	\$ 22,411,384
Contributions	14,376	914,630	929,006	1,327,403
Investment income, inclusive of unrealized gain on investments (note 14)	–	774,172	774,172	1,101,019
Recognized as revenue	(11,246)	(1,021,952)	(1,033,198)	(1,141,011)
	\$ 62,172	\$ 24,306,603	\$ 24,368,775	\$ 23,698,795

The Ontario Council's deferred contribution balance includes the Outdoor Experience Fund amounting to \$21,283,611 (2023 - \$21,114,375). These funds are restricted by court orders to be used for camping and other outdoor experiences for members in Ontario and Nunavut.

10. Endowment funds:

	2024	2023
External endowment funds:		
Norma Osler Education Fund	\$ 163,717	\$ 156,658
Daphne Sebag-Montefiore	30,000	30,000
Others	23,000	22,000
Internal endowment funds:		
Endowment fund - Capital reserve	1,315,618	1,267,293
Jean Youngson Fund	463,733	463,733
	\$ 1,996,068	\$ 1,939,684

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

10. 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.

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

11. Endowment funds held by Vancouver Foundation:

The British Columbia ("BC") Council receives unrestricted contributions from an endowed fund controlled by the Vancouver Foundation of \$1,863,843 (2023 - \$1,797,357). As the funds are endowed, BC Council does not have rights to the capital, as such this endowed fund is not recorded in these financial statements. In 2024, distributions of \$44,643 were made to the BC Council (2023 - \$83,582).

12. Internally restricted net assets:

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

	2024	2023
National	\$ 8,500,000	\$ 8,500,000
Alberta	1,038,261	1,040,430
British Columbia	780,837	726,848
Ontario	655,918	711,087
Saskatchewan	372,630	365,382
Nova Scotia	150,000	150,000
Manitoba	707,897	151,879
Newfoundland	1,624	1,624
	<u>\$ 12,207,167</u>	<u>\$ 11,647,250</u>

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

13. Related party transactions:

During the period, the Manitoba Provincial Council restructured its Local Councils, by dissolving all Area Councils in Manitoba and reducing the number of District Councils. Cash held within the Provincial Council bank account on behalf of the dissolved Area Councils was transferred to the Manitoba Provincial Council to be held in an internally restricted fund to support the District Councils and Units. The transfer of cash in the amount of \$571,214 from the dissolved Area Councils to the Provincial Council has been included in other revenue in the statement of operations. Cash held within the Provincial Council bank account for the previous District Councils was redistributed to the new District Councils and a remaining balance of \$39,991 has also been included in other revenue in the statement of operations, and transferred to the internally restricted fund at the Manitoba Provincial Council.

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.

Provincial and Local Councils are required to remit to National Operations a portion of net proceeds from the sale of real properties. During the period, \$29,825 (2023 - nil) was received from Local Councils and is included in the gain on sale of real property on the statement of operations.

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.

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

14. Net investment income:

(a) Net investment income:

	2024	2023
Dividends and interest	\$ 3,061,731	\$ 6,730,259
Realized losses on sale of investments	(4,701)	(418,757)
Management fees	(211,316)	(298,822)
Net realized investment income	2,845,714	6,012,680
Allocated to deferred contributions (note 9)	(692,268)	(1,050,907)
Allocated to Area and District Councils not included in these financial statements	(47,611)	(90,310)
Net realized investment income recognized in the statement of operations	\$ 2,105,835	\$ 4,871,463

(b) Unrealized gain on investments:

	2024	2023
Unrealized gain on investments	\$ 6,162,498	\$ 4,063,033
Allocated to deferred contributions (note 9)	(81,904)	(50,112)
Allocated to Area and District Councils not included in these financial statements	(147,033)	(80,090)
Unrealized gain on investments recognized in the statement of operations	\$ 5,933,561	\$ 3,932,831

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

15. Grants:

	2024	2023
Federal government departments	\$ 141,642	\$ 358,383
Provincial government agencies	214,556	241,591
Foundations and community programs	92,976	138,453
	<u>\$ 449,174</u>	<u>\$ 738,427</u>

The Organization has recognized revenue related to various grants during the period, including SPAR Alberta Government Grant, Saskatchewan Lotteries Trust Fund Grant, Government of Canada under the Community Services Recovery Fund, General Motors Foundation Grant, McCall MacBain Foundation Grant and Government of Canada's Women and Gender Equality Grant.

16. Commitments, contractual obligations and contingencies:

(a) Commitments:

The Organization is committed to various operating leases for office space and office equipment as well as other long-term contracts for software and other services with the following minimum annual payments:

2025	\$ 1,340,000
2026	766,000
2027	657,000
2028	603,000
2029	600,000
Thereafter	450,000
	<u>\$ 4,416,000</u>

(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 (2023 - \$9,700,000).

GIRL GUIDES OF CANADA-GUIDES DU CANADA

Notes to Financial Statements (continued)

Period from January 1, 2024 to August 31, 2024

16. Commitments, contractual obligations and contingencies (continued):

(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.

17. 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.

18. Comparative information:

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