

**Girls E-Mentorship
Innovation Inc.**

Financial Statements
December 31, 2018



Independent auditor's report

To the Board of Directors of Girls E-Mentorship Innovation Inc.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Girls E-Mentorship Innovation Inc. (GEM) as at December 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

GEM's financial statements comprise:

- the statement of financial position as at December 31, 2018;
- the statement of income 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
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of GEM in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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In preparing the financial statements, management is responsible for assessing GEM'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 GEM or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GEM'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 GEM'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 GEM 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.



We 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Concord, Ontario
August 9, 2019

Girls E-Mentorship Innovation Inc.

Statement of Financial Position

As at December 31, 2018

	2018 \$	2017 \$
Assets		
Current assets		
Cash	276,012	155,361
Accounts receivable	12,161	6,348
	<hr/>	<hr/>
	288,173	161,709
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	7,500	8,143
Deferred contributions (note 4)	2,032	3,275
	<hr/>	<hr/>
	9,532	11,418
Net Assets		
Unrestricted	278,641	150,291
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	288,173	161,709
Lease commitment (note 5)		

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

Girls E-Mentorship Innovation Inc.

Statement of Income

For the year ended December 31, 2018

	2018 \$	2017 \$
Revenue		
Contributions (note 6)	314,545	220,636
Expenses		
Consulting fees	33,334	71,816
Program management costs	129,473	67,764
Other	3,876	6,346
Occupancy costs	14,105	14,407
Administrative	2,407	5,153
Scholarship awards	3,000	2,000
	186,195	167,486
Net income for the year	128,350	53,150

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

Girls E-Mentorship Innovation Inc.

Statement of Changes in Net Assets

For the year ended December 31, 2018

	2018 \$	2017 \$
Balance – Beginning of year	150,291	97,141
Net income for the year	128,350	53,150
Balance – End of year	<u>278,641</u>	<u>150,291</u>

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

Girls E-Mentorship Innovation Inc.

Statement of Cash Flows

For the year ended December 31, 2018

	2018 \$	2017 \$
Cash provided by (used in)		
Operating activities		
Net income for the year	128,350	53,150
Change in non-cash operating working capital		
Amounts receivable	(5,813)	(3,791)
Accounts payable and accrued liabilities	(643)	(9,082)
Deferred contributions	(1,243)	-
	<hr/>	<hr/>
Increase in cash during the year	120,651	40,277
Cash – Beginning of year	<hr/> 155,361	<hr/> 115,084
Cash – End of year	<hr/> <hr/> 276,012	<hr/> <hr/> 155,361

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

Girls E-Mentorship Innovation Inc.

Notes to Financial Statements

December 31, 2018

1 Nature of the organization

Girls E-Mentorship Innovation Inc. (GEM) is a registered charitable club incorporated without share capital under the Corporations Act (Ontario) on December 11, 2012. Its principal activities include providing electronic and in-person mentorship to at-risk girls in grades 11 and 12 by connecting them with female professional mentors in the GTA.

GEM is exempt from income taxes in Canada as it is designated as a registered charitable organization pursuant to paragraph 149(1)(f) of the Income Tax Act (Canada).

2 Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) applied within the framework of the accounting policies summarized below.

Revenue recognition

GEM follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Contributed services and donations in-kind

Contributed materials and services are not recognized in the financial statements. Volunteers make a substantial contribution of time each year to assist GEM in carrying out its activities. Due to the difficulty in determining the fair value of such volunteer services, they are not recognized in these financial statements.

Financial instruments

GEM initially measures its financial instruments at fair value. GEM subsequently measures all its financial instruments at amortized cost, unless management has elected to carry the instrument at fair value.

Financial assets and financial liabilities measured at amortized cost include cash, accounts receivable and accounts payable and accrued liabilities.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment.

Girls E-Mentorship Innovation Inc.

Notes to Financial Statements

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Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3 Financial instruments

It is management's opinion that GEM is not exposed to significant credit, foreign exchange and market risks. Exposure to liquidity risk is as follows.

Liquidity risk

Liquidity risk is the risk GEM will not be able to meet its financial obligations when they come due. GEM manages its liquidity risk by forecasting cash flows from operations and anticipating activities to ensure it has sufficient available funds to meet current and foreseeable financial requirements. Given GEM's available liquid resources as compared to the timing of the payment of liabilities, management assesses GEM's liquidity risk to be low.

4 Deferred contributions

The changes for the year in the deferred contributions balance are as follows:

	2018 \$	2017 \$
Balance – Beginning of year	3,275	3,275
Contributions received	-	-
Amounts recognized	1,243	-
	<hr/>	<hr/>
Balance – End of year	2,032	3,275

5 Lease commitment

GEM leased its office space under an operating lease on a month-to-month basis for \$1,075 per month.

6 Related parties

GEM is related to E-L Financial Corporation Limited (E-L) and certain other private companies by virtue of GEM's management being related to the management of E-L and related to the beneficial ownership of certain other private companies. In 2018, E-L's wholly owned subsidiary and these certain other private companies made contributions to GEM in the amount of \$50,000 (2017 – \$42,000).

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GEM recognized the contributions using the exchange amount, which is the amount agreed on by both parties. All related party transactions occurred in the normal course of business.

7 Economic dependence

E-L's wholly owned subsidiary and certain other private companies (note 6) are significant contributors to GEM, accounting for 16% (2017 – 19%) of its revenues.