

**GIRLS INCORPORATED OF LIMESTONE,  
ALGONQUIN AND LAKESHORE**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Operations	4
Statement of Change in Net Assets	5
Statement of Cash Flow	6
Notes to Financial Statements	7

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Girls Incorporated of Limestone, Algonquin and Lakeshore

We have audited the accompanying financial statements of Girls Incorporated of Limestone, Algonquin and Lakeshore which comprise the statement of financial position as at December 31, 2016 and the statements of operations, change in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

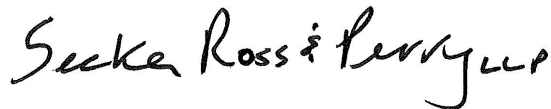
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

## **Basis for Qualified Opinion**

In common with many charitable organizations, the organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, the excess of revenues over expenses or cash flow from operations for the year ended December 31, 2016 or the net asset deficiency at January 1, 2016 and December 31, 2016.

## **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2016 and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants  
Licensed Public Accountants  
Kingston, Ontario  
June 5, 2017

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE**

**STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Current Assets		
Cash	\$ 127,726	\$ 9,323
Accounts receivable	19,561	21,755
Prepaid expense	<u>330</u>	<u>330</u>
	<u>147,617</u>	<u>31,408</u>
Leasehold Improvements	11,512	-
Less accumulated amortization	<u>1,439</u>	<u>-</u>
	<u>10,073</u>	<u>-</u>
	<u>\$ 157,690</u>	<u>\$ 31,408</u>
<b>Liabilities</b>		
Current Liabilities		
Bank indebtedness (note 3)	\$ -	\$ 25,451
Accounts payable and accrued liabilities (note 4)	38,606	39,619
Funds held in trust	2,192	12,744
Deferred grants (note 5)	<u>158,093</u>	<u>15,511</u>
	198,891	93,325
Deferred Capital Contributions (note 7)	10,073	-
Unspent Contributions for Capital Assets (note 8)	<u>3,488</u>	<u>-</u>
	212,452	93,325
<b>Net Asset Deficiency</b>	<u>(54,762)</u>	<u>(61,917)</u>
	<u>\$ 157,690</u>	<u>\$ 31,408</u>

Approved on behalf of the Board:

Member

Member

See accompanying notes to financial statements.

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Revenues</b>		
United Way	\$ 70,521	\$ 71,197
Program grants		
After School Program	68,031	43,532
Girls on Fire	-	5,000
Money Smart Moms	-	5,309
New Horizon	77	14,562
Smart Start	383,830	-
Fundraising and special events	29,586	23,955
Donations	26,659	29,081
Interest and other	<u>19,181</u>	<u>13,538</u>
	<u>597,885</u>	<u>206,174</u>
<b>Expenses</b>		
Administration	1,577	2,003
Amortization	1,439	-
Insurance	1,749	1,842
Licences and fees	1,550	-
Memberships dues	3,552	4,927
Mileage and travel	3,548	4,865
Office	5,413	4,160
Professional fees	1,954	2,732
Program	301,706	14,653
Rent	3,250	7,066
Special events	414	3,299
Telephone	5,742	5,563
Wages and benefits	<u>258,836</u>	<u>152,434</u>
	<u>590,730</u>	<u>203,544</u>
<b>Excess of revenues over expenses</b>	<u><u>\$ 7,155</u></u>	<u><u>\$ 2,630</u></u>

See accompanying notes to financial statements.

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE**  
**STATEMENT OF CHANGE IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Net asset deficiency at beginning of year</b>	(61,917)	(64,547)
Excess of revenues over expenses	<u>7,155</u>	<u>2,630</u>
<b>Net asset deficiency at end of year</b>	<u><u>\$ (54,762)</u></u>	<u><u>\$ (61,917)</u></u>

See accompanying notes to financial statements.

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE****STATEMENT OF CASH FLOW****YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>Cash flow from (used in) operating activities</b>		
Amortization of capital contributions	\$ 7,155	\$ 2,630
Amortization expense	1,439	-
Amortization of capital contributions	<u>(1,439)</u>	<u>-</u>
	7,155	2,630
Changes in non-cash working capital balances		
Accounts receivable	2,194	(16,074)
Prepaid expense	-	1,260
Accounts payable and accrued liabilities	(1,013)	12,757
Funds held in trust	(10,552)	2,755
Deferred grants	<u>142,582</u>	<u>10,511</u>
	<u>140,366</u>	<u>13,839</u>
<b>Cash flow from (used in) investing activities</b>		
Purchase of leasehold improvements	(11,512)	-
Deferred capital contributions received	<u>15,000</u>	<u>-</u>
	<u>3,488</u>	<u>-</u>
<b>Net increase in cash</b>	143,854	13,839
<b>Cash (deficiency) at beginning of year</b>	<u>(16,128)</u>	<u>(29,967)</u>
<b>Cash (deficiency) at end of year</b>	<u>\$ 127,726</u>	<u>\$ (16,128)</u>
<b>Cash (deficiency) represented by:</b>		
Cash	\$ 127,726	\$ 9,323
Bank indebtedness	<u>-</u>	<u>(25,451)</u>
	<u>\$ 127,726</u>	<u>\$ (16,128)</u>

See accompanying notes to financial statements.

# **GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE**

## **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

### **1. Nature of Business**

Girls Incorporated of Limestone, Algonquin and Lakeshore is committed to inspiring all girls to be strong, smart and bold by promoting their emotional, physical and social well-being through the friendship and guidance of responsible, mature and caring women. It is dedicated to providing long-term prevention-based education to members.

The organization is incorporated under the laws of Ontario without share capital and is a registered charity exempt from income tax.

### **2. Significant Accounting Policies**

These financial statements have been prepared in accordance with Part III of the CPA Canada Handbook - Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

#### **(a) Revenue Recognition**

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Operating grants are recorded as revenue in the period to which they related. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding to the amortization rate for the related capital assets. The amortization of unspent contributions restricted for the purchase of capital assets begins when the contribution is spent by the organization. If a capital asset is disposed of before the completion of its estimated useful life, the remaining unamortized deferred capital contribution is amortized to revenue in the year of disposition.

#### **(b) Capital Assets**

Capital assets are stated at cost. Amortization of leasehold improvements is provided on a straight-line basis over the life of the lease.

#### **(c) Use of Estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of accounts receivable and the determination of deferred revenue. Actual results could differ from those estimates.



# GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE

## NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2016

### 2. Significant Accounting Policies (continued)

#### (d) Donated Services and Materials

The work of Girls Incorporated of Limestone, Algonquin and Lakeshore is dependent on the efforts of many members and volunteers. These services are not normally purchased by the organization and due to the difficulty in determining their fair value, these services are not recognized in the financial statements.

### 3. Bank Credit Facility

The organization has a short-term line of credit facility of \$25,000 (2015 - \$25,000) of which none has been drawn as at December 31, 2016. The line of credit bears interest at 4% and is unsecured.

### 4. Government Remittances

Included in accounts payable and accrued liabilities are the following government remittances owing:

	<u>2016</u>	<u>2015</u>
Payroll source deductions	<u>\$ 16,034</u>	<u>\$ 2,865</u>

### 5. Deferred Grants

The deferred grants consists of contributions received during the year that have restrictions that the contributions be spent on certain projects, the costs of which have not been fully expended until the subsequent year. Deferred grants consist of:

	<u>2016</u>	<u>2015</u>
Smart Start	\$ 148,260	\$ -
After school program	9,000	15,511
United Way	<u>833</u>	<u>-</u>
	<u>\$ 158,093</u>	<u>\$ 15,511</u>

### 6. Financial Risks

Financial instruments are initially recognized at fair value and then subsequently at amortized cost. The carrying amounts cash, accounts receivable and accounts payable approximate their fair market values due to their nature or capacity for prompt liquidation.

The organization is exposed to significant liquidity risk. It is dependant on the continued contributions from its supporters to pay its liabilities as they fall due. It is management's opinion that the organization is not exposed to significant interest, currency, market or credit risks.

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**YEAR ENDED DECEMBER 31, 2016**

**7. Deferred Capital Contributions**

Deferred capital contributions related to capital assets represent the unamortized amount of donations and grants received for the purchase of capital assets. The amortization of deferred contributions is recorded as revenue in the statement of operations.

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ -	\$ -
Contributions spent	11,512	-
Less amounts amortized to revenue	<u>(1,439)</u>	<u>-</u>
Balance, end of year	<u>\$ 10,073</u>	<u>\$ -</u>

**8. Unspent Contributions for Capital Assets**

Unspent contributions for capital assets represent grants and contributions received by the organization for the purchase of capital assets, but have yet to be acquired by the organization. The balance is comprised of:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ -	\$ -
Capital contributions received	15,000	-
Less: spent during the year	<u>(11,512)</u>	<u>-</u>
Balance, end of year	<u>\$ 3,488</u>	<u>\$ -</u>