

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE  
FINANCIAL STATEMENTS  
AS AT MARCH 31, 2022**

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE**  
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**AS AT MARCH 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

### Qualified Opinion

We have audited the financial statements of Girls Incorporated of Limestone, Algonquin and Lakeshore (the "Organization"), which comprise the statement of financial position as at March 31, 2022 and the statements of revenue and expenditures and net assets and cash flows and for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, 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.

### Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether, as at and for the years ended March 31, 2022 and March 31, 2021, any adjustments might be necessary to donations revenue, excess of revenues over expenditures, assets and fund balances.

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 are independent of the Organization 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 qualified 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 these financial statements, management is responsible for assessing the Organization'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 Organization, or to cease operations, or has no realistic alternative but to do so.

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

**INDEPENDENT AUDITOR'S REPORT  
(CONT'D)**

**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 the Organization'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 Organization'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 Organization 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.

The prior year's financial statements were subject to independent audit by another firm of chartered professional accountants.

KINGSTON, Canada  
October 4, 2022

*Wilkinson & Company LLP*

Chartered Professional Accountants  
Licensed Public Accountants

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**

	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	685,685	489,521
Accounts receivable	14,468	17,209
Sales tax recoverable	9,674	26,112
Prepaid expenses	5,758	7,908
	715,585	540,750
<b>TANGIBLE CAPITAL ASSETS - Note 3</b>	<b>23,755</b>	<b>31,056</b>
	739,340	571,806
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	51,550	49,714
Source deductions payable		9,944
Deferred grants - Note 5	390,462	267,334
	442,012	326,992
<b>DEFERRED CONTRIBUTIONS FOR TANGIBLE CAPITAL ASSETS - Note 6</b>	<b>19,261</b>	<b>24,764</b>
<b>UNSPENT CONTRIBUTIONS FOR TANGIBLE CAPITAL ASSETS - Note 7</b>	<b>2,132</b>	<b>2,132</b>
<b>CANADA EMERGENCY BUSINESS ACCOUNT - Note 8</b>	<b>40,000</b>	<b>30,000</b>
	503,405	383,888
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	<b>71,441</b>	<b>181,626</b>
<b>INTERNALLY RESTRICTED - Note 9</b>	<b>160,000</b>	
<b>INVESTED IN CAPITAL ASSETS - Note 10</b>	<b>4,494</b>	<b>6,292</b>
	235,935	187,918
<b>COMMITMENTS - Note 11</b>		
<b>APPROVED ON BEHALF OF THE BOARD</b>		
<u>          <i>dbureau</i>          </u>	Treasurer	
<u>          <i>Angela Lyons</i>          </u>	President	
	739,340	571,806

The accompanying notes form an integral part of these financial statements

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE**  
**STATEMENT OF REVENUE AND EXPENDITURES AND NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

	2022	2021
	\$	\$
<b>REVENUE</b>		
Program revenue		
Canadian Women's Foundation	84,397	
Department for Women and Gender Equality	50,000	68,000
Employment and Social Development Canada	889,227	1,080,055
Kingston Employment Youth Services	7,680	
Kinsmen	20,000	20,000
Ministry of Heritage, Sport, Tourism and Culture	32,250	32,250
United Way	70,174	127,479
Amortization of deferred contributions for tangible capital assets - Note 6	5,503	7,196
Donations	183,828	73,914
Fundraising	12,667	10,794
Government assistance		10,000
Loss on disposal of tangible capital assets		(4,444)
Other revenue	10,000	43,751
	<b>1,365,726</b>	<b>1,468,995</b>
<b>EXPENDITURES</b>		
Amortization of tangible capital assets	7,301	4,549
Fundraising	3,520	4,733
Insurance	1,478	2,069
Membership dues	5,271	4,395
Mileage and travel	8,065	6,309
Occupancy costs	14,029	16,467
Office and administration	11,213	9,289
Professional development	1,031	860
Professional fees	5,607	6,236
Program delivery - Note 12	675,771	776,914
Wages and benefits	584,423	519,816
	<b>1,317,709</b>	<b>1,351,637</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR</b>	<b>48,017</b>	<b>117,358</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>187,918</b>	<b>70,560</b>
<b>NET ASSETS - END OF YEAR</b>	<b>235,935</b>	<b>187,918</b>

The accompanying notes form an integral part of these financial statements

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

	2022	2021
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures for year	48,017	117,358
Adjustment for items which do not affect cash		
Amortization of deferred contributions for tangible capital assets	(5,503)	(7,196)
Amortization of tangible capital assets	7,301	4,549
Forgivable portion of Canada Emergency Business Account		(10,000)
Loss on disposal of tangible capital assets		4,444
	<b>49,815</b>	109,155
Net change in non-cash working capital balances related to operations - Note 13	<b>136,349</b>	(47,845)
<b>CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES</b>	<b>186,164</b>	61,310
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets		(27,515)
<b>CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES</b>		(27,515)
<b>FINANCING ACTIVITIES</b>		
Deferred contributions for tangible capital assets received		27,515
Proceeds from Canada Emergency Business Account	20,000	40,000
<b>CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES</b>	<b>20,000</b>	67,515
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS FOR YEAR</b>	<b>206,164</b>	101,310
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>489,521</b>	388,211
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>695,685</b>	489,521
<b>REPRESENTED BY:</b>		
Cash	<b>685,685</b>	489,521

The accompanying notes form an integral part of these financial statements

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

**1. NATURE OF OPERATIONS**

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 registered as a charitable organization and consequently is exempt from income taxes under the *Income Tax Act*.

**2. ACCOUNTING POLICIES**

Outlined below are those accounting policies adopted by the Organization that are considered to be particularly significant:

**(a) Basis of Accounting**

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

**(b) 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.

**(c) Government Assistance**

Government assistance in the form of forgivable loans is recognized in the period where all conditions of the assistance are met.

**(d) Contributed Services**

Volunteers contributed a significant number of hours per year to assist the Organization in carrying out its operations. Due to the difficulty in determining their fair value, contributed services are not recognized in these financial statements.



**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

**2. ACCOUNTING POLICIES (Cont'd)**

**(e) Financial Instruments**

**(i) Measurement of Financial Instruments**

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of financial instruments that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, and sales tax recoverable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, source deductions payable, funds held in trust, and Canada Emergency Business Account.

**(ii) Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recorded in revenue and expenditures. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in revenue and expenditures up to the impairment amount previously recognized.

**(f) Accounting 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 expenditures 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  
FOR THE YEAR ENDED MARCH 31, 2022**

**2. ACCOUNTING POLICIES (Cont'd)**

**(g) Tangible Capital Assets and Amortization**

Tangible capital assets are stated at acquisition cost. Gains or losses on the disposal of individual assets are recognized in earnings in the year of disposal. Amortization of tangible capital assets, which is based on estimated useful life, is calculated on the following bases and at the rates set out below:

<b>Asset</b>	<b>Basis</b>	<b>Rate</b>
Computer equipment	Straight-line	5 years
Furniture	Straight-line	5 years

**(h) Deferred Contributions for Tangible Capital Assets**

Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding to the amortization rate for the related tangible capital assets. The amortization of unspent contributions restricted for the purchase of tangible capital assets begins when the contribution is spent by the Organization. If a tangible 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.

**(i) Cash and Equivalents**

Cash and equivalents consist of cash on deposit.

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

**3. TANGIBLE CAPITAL ASSETS**

	2022		2021	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Computer equipment	29,617	9,305	29,617	3,382
Furniture	6,887	3,444	6,887	2,066
	<b>36,504</b>	<b>12,749</b>	<b>36,504</b>	<b>5,448</b>
Cost less accumulated amortization		<b>23,755</b>		<b>31,056</b>

**4. LINE OF CREDIT**

The Organization has an operating line of credit, with a limit of \$25,000, bearing interest at the 7.20% and is unsecured. As at March 31, 2022, the amount outstanding on the line of credit is \$Nil (2021 - \$Nil).

**5. DEFERRED GRANTS**

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

	2022 \$	2021 \$
Employment and Social Development Canada	<b>390,462</b>	267,334

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE  
NOTES TO FINANCIAL STATEMENTS  
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**6. DEFERRED CONTRIBUTIONS FOR TANGIBLE CAPITAL ASSETS**

Deferred contributions related to tangible capital assets represent the unamortized amount of contributions received for the purchase of tangible capital assets. Deferred capital contributions for tangible capital assets consist of:

	2022	2021
	\$	\$
Balance - beginning of year	24,764	4,445
Contributions received during the year		27,515
Amortization recognized as revenue for year	(5,503)	(7,196)
	<hr/>	
Balance - end of year	19,261	24,764

**7. UNSPENT CONTRIBUTIONS FOR TANGIBLE CAPITAL ASSETS**

Unspent contributions for tangible capital assets represent contributions received by the Organization for the purchase of tangible capital assets, which have yet to be acquired by the Organization.

**8. GOVERNMENT ASSISTANCE**

During the year, the Organization received government assistance, as a consequence of COVID-19. The Canadian Emergency Business Account is a \$60,000 loan that is unsecured, non-interest bearing with no repayment requirements until December 31, 2023. Up to \$20,000 is forgivable if certain conditions are met, including repayment of \$40,000 on or before December 31, 2023. Amounts owing after December 31, 2023 are converted into a 3-year term loan, repayable in monthly instalments, bearing interest at 5% per annum.

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

**9. INTERNALLY RESTRICTED**

The Board of Directors has internally restricted \$160,000 as emergency funding. The internally restricted contingency reserve is comprised of funds restricted for use in the event of a change in funding or other specific purposes as designated by the Organization's Board of Directors.

**10. INVESTED IN CAPITAL ASSETS**

	2022 \$	2021 \$
Net assets - beginning of year	<b>6,292</b>	8,089
Excess of revenue over expenditures (expenditures over revenue)		
Amortization of deferred contributions for tangible capital assets	<b>5,503</b>	2,752
Amortization of tangible capital assets	<b>(7,301)</b>	(4,549)
	<b>(1,798)</b>	(1,797)
Net assets - end of year	<b>4,494</b>	6,292

**11. COMMITMENTS**

In 2021, the Organization signed a three year lease agreement at 1040 Gardiners Road and a two year lease agreement at 250 Sydney Street for its operations. In 2022, the Organization signed a 14 month lease agreement at 797 Princess Street for its operations. The total commitments are as follows:

	\$
2023	<b>48,614</b>
2024	<b>25,435</b>
2025	<b>8,562</b>

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

**12. PROGRAM DELIVERY**

	2022	2021
	\$	\$
Furniture	1,790	
Insurance	1,195	592
Materials and supplies	24,318	18,172
Membership dues	3,117	3,257
Mileage and travel	8,374	5,706
Office and administration	7,629	8,350
Participant supports	359,330	504,886
Participant wages	227,144	199,558
Professional fees	4,117	2,947
Occupancy costs	28,429	24,492
Telecommunications	10,328	8,954
	<b>675,771</b>	<b>776,914</b>

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

**13. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS**

Cash provided from (used in) non-cash working capital is compiled as follows:

	2022	2021
	\$	\$
<b>(INCREASE) DECREASE IN CURRENT ASSETS</b>		
Accounts receivable	2,741	(7,574)
Sales tax recoverable	16,438	(12,375)
Prepaid expenses	2,150	(2,098)
	<b>21,329</b>	<b>(22,047)</b>
<b>INCREASE (DECREASE) IN CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	1,836	(14,232)
Source deductions payable	(9,944)	1,195
Funds held in trust		(225)
Deferred grants	123,128	(12,536)
	<b>115,020</b>	<b>(25,798)</b>
<b>NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS</b>	<b>136,349</b>	<b>(47,845)</b>

**14. ECONOMIC DEPENDENCE**

The Organization is dependent on annual contributions from Employment and Social Development Canada. Should these contributions cease, the Organization may be unable to continue its operations.

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

**15. FINANCIAL RISKS AND CONCENTRATION OF RISK**

The fair value of the Organization's cash, accounts receivable, sales tax recoverable, accounts payable and accrued liabilities, source deductions payable, funds held in trust, and Canada Emergency Business Account approximate their carrying amounts due to the immediate and short-term nature of these financial instruments.

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, liquidity risk, and market (other price) risk. Price risk arises from changes in interest rates and market prices.

**(a) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk, and equity risk.

**(b) Interest Rate Risk**

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The Organization is exposed to this risk through the line of credit with a floating interest rate, as disclosed in Note 4. As the prime lending rate fluctuates, the cash outflows with fluctuate. The Organization mitigates this risk through the minimal use of its credit facilities.

**(c) Liquidity Risk**

Liquidity risk is the risk that the Organization will not be able to meet all cash outflow obligations as they come due.

The Organization's exposure to liquidity risk is dependent on the receipt of funds from its operations. The risk is mitigated through the line of credit available, as disclosed in Note 4.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures or methods used to measure the risks.



**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE  
NOTES TO FINANCIAL STATEMENTS  
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**16. IMPACT OF COVID-19**

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and, both globally and locally, has the potential to create financial stress on the Organization. In order to mitigate the effects of the pandemic, the organization has undertaken a number of efforts, including management of its operating costs where possible, modifying delivery of those services where close proximity of staff or clients is an issue and applying for eligible relief funding. At the time that these financial statements were approved, the amount of the financial impact could not be determined.

**17. CAPITAL DISCLOSURE**

The Organization's objectives with respect to capital management are to maintain a minimum capital base that allows the Organization to continue with and execute its overall purpose as disclosed in Note 1. The Organization's Board of Directors perform periodic reviews of the Organization's capital needs to ensure they remain consistent with the risk tolerance that is acceptable to the Organization.

**18. COMPARATIVE FIGURES**

In order to conform with the financial statement presentation adopted for the current year, certain elements of the comparative figures have been regrouped.