

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

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

Independent Auditor's Report

Statement of Financial Position

Statement of Operations

Statement of Change in Net Asset Deficiency

Statement of Cash Flow

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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, 2015 and the statements of operations, change in net asset deficiency 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.

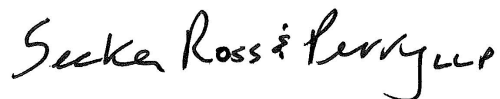
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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, 2015 or the net asset deficiency at January 1, 2015 and December 31, 2015.

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, 2015 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 Accountants
Licensed Public Accountants
Kingston, Ontario
June 13, 2016

GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u> (restated) (note 8)
Assets		
Current Assets		
Cash	\$ 9,323	\$ 1,249
Accounts receivable	21,755	5,681
Prepaid expense	<u>330</u>	<u>1,590</u>
	<u>\$ 31,408</u>	<u>\$ 8,520</u>
Liabilities		
Current Liabilities		
Bank indebtedness (note 3)	\$ 25,451	\$ 31,216
Accounts payable and accrued liabilities (note 4)	39,619	26,862
Funds held in trust	12,744	9,989
Deferred grants (note 5)	<u>15,511</u>	<u>5,000</u>
	93,325	73,067
Net Asset Deficiency	<u>(61,917)</u>	<u>(64,547)</u>
	<u>\$ 31,408</u>	<u>\$ 8,520</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, 2015**

	<u>2015</u>	<u>2014</u> (restated) (note 8)
Revenues		
United Way	\$ 71,197	\$ 67,291
Program grants		
After School Program	43,532	37,915
Girls on Fire	5,000	15,164
Money Smart Moms	5,309	-
New Horizon	14,562	-
Mother's Network	-	31,928
Focus Programs	-	34,509
Fundraising and special events	23,955	24,076
Donations	29,081	8,032
Interest and other	<u>13,538</u>	<u>3,673</u>
	<u>206,174</u>	<u>222,588</u>
Expenses		
Administration	2,003	1,400
Insurance	1,842	1,867
Memberships dues	4,927	4,377
Mileage and travel	4,865	4,247
Office	4,160	3,674
Professional fees	2,732	3,354
Program (note 7)	14,653	47,677
Rent	7,066	8,606
Special events	3,299	2,750
Telephone	5,563	4,610
Wages and benefits	<u>152,434</u>	<u>167,302</u>
	<u>203,544</u>	<u>249,864</u>
Excess (deficiency) of revenues over expenses	<u>\$ 2,630</u>	<u>\$ (27,276)</u>

See accompanying notes to financial statements.

GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE
STATEMENT OF CHANGE IN NET ASSET DEFICIENCY
YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u> (restated) (note 8)
Net asset deficiency at beginning of year, as previously stated	\$ (51,845)	\$ (33,480)
Effect of correction of prior period error (note 8)	<u>(12,702)</u>	<u>(3,791)</u>
Net asset deficiency at beginning of year as restated	(64,547)	(37,271)
Excess (deficiency) of revenues over expenses	<u>2,630</u>	<u>(27,276)</u>
Net asset deficiency at end of year	<u><u>\$ (61,917)</u></u>	<u><u>\$ (64,547)</u></u>

See accompanying notes to financial statements.

GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u> (restated) (note 8)
Cash flow from (used in) operating activities		
Excess (deficiency) of revenues over expenses	\$ 2,630	\$ (27,276)
Changes in non-cash working capital balances		
Accounts receivable	(16,074)	1,805
Prepaid expense	1,260	120
Accounts payable and accrued liabilities	12,757	6,845
Funds held in trust	2,755	1,272
Deferred grants	<u>10,511</u>	<u>(30,713)</u>
Net increase (decrease) in cash	13,839	(47,947)
Cash (deficiency) at beginning of year	<u>(29,967)</u>	<u>17,980</u>
Cash deficiency at end of year	<u><u>\$ (16,128)</u></u>	<u><u>\$ (29,967)</u></u>
Cash (deficiency) represented by:		
Cash	\$ 9,323	\$ 1,249
Bank indebtedness	<u>(25,451)</u>	<u>(31,216)</u>
	<u><u>\$ (16,128)</u></u>	<u><u>\$ (29,967)</u></u>

See accompanying notes to financial statements.

GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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.

(b) Capital Assets

Capital assets are stated at cost. Amortization of furniture and equipment is provided on a straight-line basis over a period of five years.

(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 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, 2015

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 (2014 - \$25,000) of which \$24,567 has been drawn as at December 31, 2015. 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>2015</u>	<u>2014</u>
Workers' Compensation	\$ -	\$ 276
Payroll source deductions	<u>2,865</u>	<u>3,643</u>
	<u>\$ 2,865</u>	<u>\$ 3,919</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>2015</u>	<u>2014</u>
After school program	\$ 15,511	\$ -
Girls on Fire	<u>-</u>	<u>5,000</u>
	<u>\$ 15,511</u>	<u>\$ 5,000</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, 2015

7. Allocation of Expenses

The organization, in conjunction with the fulfillment of its mission, operates a number of different programs. The organization allocates salaries and benefits to these programs based on the amount of time required to administer the program. During the year \$nil (2014 \$21,029) of salaries and benefit costs, and other general overhead costs were allocated to various programs and are included as program costs on the statement of operations.

8. Correction of Error

During the preparation of the current year's financial statements, management identified unrecorded liabilities pertaining to wages at December 31, 2013 and December 31, 2014 in the amount of \$3,791 and \$12,702 respectively. The correction of these errors resulted in the following increases (decreases):

Statement of Financial Position

	<u>At December 31, 2014</u>	<u>At January 1, 2014</u>
Accounts payable and accrued liabilities	<u>\$ 12,702</u>	<u>\$ 3,791</u>
Net asset deficiency	<u>\$ 12,702</u>	<u>\$ 3,791</u>

Statement of Operations

	<u>Year Ended December 31, 2014</u>
Wages and benefits	<u>\$ 8,911</u>
Deficiency of revenues over expenses	<u>\$ 8,911</u>