

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE
FINANCIAL STATEMENTS
AS AT MARCH 31, 2023**

GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE
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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, 2023 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, 2023, 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, 2023 and March 31, 2022, 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.

KINGSTON, Canada
September 12, 2023

Wilkinson Company LLP

Chartered Professional Accountants
Licensed Public Accountants

GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	2023	2022
	\$	\$
ASSETS		
CURRENT		
Cash	662,350	685,685
Accounts receivable		14,468
Sales tax recoverable	29,265	9,674
Prepaid expenses	5,758	5,758
Investments - Note 11	200,000	
	897,373	715,585
TANGIBLE CAPITAL ASSETS - Note 3	17,764	23,755
	915,137	739,340
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	54,598	51,550
Source deductions payable	5,572	
Deferred grants - Note 5	504,161	390,462
	564,331	442,012
DEFERRED CONTRIBUTIONS FOR TANGIBLE CAPITAL ASSETS - Note 6	13,758	19,261
UNSPENT CONTRIBUTIONS FOR TANGIBLE CAPITAL ASSETS - Note 7	2,132	2,132
CANADA EMERGENCY BUSINESS ACCOUNT - Note 8	40,000	40,000
	620,221	503,405
NET ASSETS		
UNRESTRICTED	130,811	71,441
INTERNALLY RESTRICTED - Note 9	160,000	160,000
INVESTED IN CAPITAL ASSETS - Note 10	4,105	4,494
	294,916	235,935
COMMITMENTS - Note 12		
APPROVED ON BEHALF OF THE BOARD		
	Danielle Bureau, Treasurer	
	Angela Lyons, President	
	915,137	739,340

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, 2023

	2023	2022
	\$	\$
REVENUE		
Program revenue		
Canadian Women's Foundation	128,114	84,397
Department for Women and Gender Equality	38,000	50,000
Employment and Social Development Canada	891,915	889,227
Kingston Employment Youth Services		7,680
Kinsmen Club of Kingston	25,000	20,000
Ministry of Heritage, Sport, Tourism and Culture	32,250	32,250
United Way	78,586	70,174
Amortization of deferred contributions for tangible capital assets - Note 6	5,503	5,503
Donations	164,700	183,828
Fundraising	3,897	12,667
Other revenue	145,752	10,000
	1,513,717	1,365,726
EXPENDITURES		
Amortization of tangible capital assets	7,446	7,301
Fundraising	22,982	3,520
Insurance	1,636	1,478
Membership dues	4,527	5,271
Mileage and travel	9,088	8,065
Occupancy costs	16,195	14,029
Office and administration	14,310	11,213
Professional development	11,585	1,031
Professional fees	3,148	5,607
Program delivery - Note 13	683,410	675,771
Wages and benefits	680,409	584,423
	1,454,736	1,317,709
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	58,981	48,017
NET ASSETS - BEGINNING OF YEAR	235,935	187,918
NET ASSETS - END OF YEAR	294,916	235,935

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, 2023

	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenditures for year	58,981	48,017
Adjustment for items which do not affect cash		
Amortization of deferred contributions for tangible capital assets	(5,503)	(5,503)
Amortization of tangible capital assets	7,446	7,301
Forgivable portion of Canada Emergency Business Account		(10,000)
	60,924	39,815
Net change in non-cash working capital balances related to operations - Note 14	117,196	136,349
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	178,120	176,164
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(1,455)	
Purchase of investments	(200,000)	
CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES	(201,455)	NIL
FINANCING ACTIVITIES		
Proceeds from Canada Emergency Business Account		20,000
CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES	NIL	20,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR YEAR	(23,335)	196,164
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	685,685	489,521
CASH AND CASH EQUIVALENTS - END OF YEAR	662,350	685,685
REPRESENTED BY:		
Cash	662,350	685,685

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, 2023**

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, 2023

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, except for equities quoted in an active market, which will be subsequently measured at fair value. Changes in fair value are recognized as income.

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, 2023**

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:

Asset	Basis	Rate
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, 2023

3. TANGIBLE CAPITAL ASSETS

	2023		2022	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Computer equipment	31,072	15,374	29,617	9,305
Furniture	6,887	4,821	6,887	3,444
	37,959	20,195	36,504	12,749
Cost less accumulated amortization		17,764		23,755

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, 2023, the amount outstanding on the line of credit is \$Nil (2022 - \$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:

	2023 \$	2022 \$
Employment and Social Development Canada	479,161	390,462
Kinsmen Club of Kingston	25,000	
	504,161	390,462

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

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:

	2023	2022
	\$	\$
Balance - beginning of year	19,261	24,764
Amortization recognized as revenue for year	(5,503)	(5,503)
Balance - end of year	13,758	19,261

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.

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.

GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

10. INVESTED IN CAPITAL ASSETS

	2023	2022
	\$	\$
Net assets - beginning of year	4,494	6,292
<hr/>		
Excess of revenue over expenditures (expenditures over revenue)		
Amortization of deferred contributions for tangible capital assets	5,503	5,503
Amortization of tangible capital assets	(7,446)	(7,301)
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	(1,943)	(1,798)
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Purchases of tangible capital assets with unrestricted funds	1,554	
<hr/>		
	1,554	
<hr/>		
Net assets - end of year	4,105	4,494

11. INVESTMENTS

The short-term investments consist of a \$200,000 12 month term deposit maturing April 29, 2024. Interest is paid upon maturity at a fixed rate of 2.75%.

12. 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:

	\$
2024	25,435
2025	8,562

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

13. PROGRAM DELIVERY

	2023	2022
	\$	\$
Furniture	166	1,790
Insurance	1,323	1,195
Materials and supplies	15,917	24,318
Membership dues	3,535	3,117
Mileage and travel	9,916	8,374
Office and administration	10,379	7,629
Participant supports	498,357	359,330
Participant wages	89,130	227,144
Professional fees	2,532	4,117
Occupancy costs	39,695	28,429
Telecommunications	12,460	10,328
	683,410	675,771

**GIRLS INCORPORATED OF LIMESTONE, ALGONQUIN AND LAKESHORE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

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

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

	2023	2022
	\$	\$
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable	14,468	2,741
Sales tax recoverable	(19,591)	16,438
Prepaid expenses		2,150
	(5,123)	21,329
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	3,048	1,836
Source deductions payable	5,572	(9,944)
Deferred grants	113,699	123,128
	122,319	115,020
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	117,196	136,349

15. 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, 2023**

16. 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.

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.