

GIRLS INCORPORATED OF UPPER CANADA

Financial Statements

Year ended December 31, 2018

GIRLS INCORPORATED OF UPPER CANADA

Year ended December 31, 2018

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Independent Auditor's Report

To the Members of
Girls Incorporated of Upper Canada
Brockville, Ontario

Qualified Opinion

We have audited the financial statements of Girls Incorporated of Upper Canada, which comprise the balance sheet as at December 31, 2018, and the statement of operations, and the statement of changes in net assets, and statement of cash flows 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 Girls Incorporated of Upper Canada as at December 31, 2018 and its financial performance 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 and non-profit organizations, the organization derives revenue from donations and fundraising, 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 and we were not able to determine whether any adjustments might be necessary to fundraising and donation revenues, excess of revenue over expenditures, assets and net assets.

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 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 the 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.

PROFESSIONAL CORPORATION

Chartered Professional Accountants • Chartered Accountants

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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 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 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.

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.

Durand and Associates

Prescott, Ontario
May 21, 2019

DURAND AND ASSOCIATES
PROFESSIONAL CORPORATION

GIRLS INCORPORATED OF UPPER CANADA

Balance Sheet

December 31, 2018, with comparative figures for December 31, 2017

	2018	2017
Assets		
Current assets:		
Cash (note 2)	\$ 17,635	\$ 29,674
Investments	15,580	10,437
Accounts receivable	3,422	10,332
HST receivable	5,475	5,127
Inventory	1,494	961
Prepaid expenses	5,309	2,433
	<u>\$ 48,915</u>	<u>\$ 58,964</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 12,636	\$ 14,095
Source deductions payable	5,860	6,186
Deferred contributions	4,743	19,740
	<u>23,239</u>	<u>40,021</u>
Net assets (page 6):		
Internally restricted net assets (note 5)	15,000	15,000
Unrestricted net assets	10,676	3,943
	<u>25,676</u>	<u>18,943</u>
	<u>\$ 48,915</u>	<u>\$ 58,964</u>

Approved by the Board:

Director_____
Director

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

GIRLS INCORPORATED OF UPPER CANADA

Statement of Operations

Year ended December 31, 2018, with comparative figures for 2017

	2018	2017
Revenues:		
United Way	\$ 38,000	\$ 38,000
Donations	35,076	31,142
Fundraising - Nevada tickets - schedule 1	55,975	58,990
Fundraising - schedule 2A	42,061	44,636
Wage subsidy	7,504	12,344
Miscellaneous grants	53,973	19,031
Program fees	17,162	20,156
Interest	183	61
	249,934	224,360
Expenditures:		
Dues and fees	3,405	3,730
Fundraising - Nevada tickets - schedule 1	31,807	33,170
Fundraising - schedule 2B	17,451	14,858
Fund development costs	1,755	488
Insurance	1,534	2,376
Office	2,622	3,149
Professional development	3,314	1,356
Professional fees	5,820	5,768
Programs and activities	19,711	16,823
Publicity and recruitment	663	370
Rent	13,257	12,473
Salaries and benefits	139,810	126,522
Telephone	2,052	1,682
	243,201	222,765
Excess of revenues over expenditures	\$ 6,733	\$ 1,595

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

GIRLS INCORPORATED OF UPPER CANADA

Schedules to Statement of Operations

Year ended December 31, 2018, with comparative figures for 2017

	Brockville	Kemptville	Athens	2018	2017
Schedule 1 - Nevada Tickets:					
Sales	\$ 29,362	\$ 25,717	\$ 896	\$ 55,975	\$ 58,990
Cost of sales	16,502	14,642	663	31,807	33,170
Gross margin	\$ 12,860	\$ 11,075	\$ 233	\$ 24,168	\$ 25,820
Gross margin %	43.8 %	43.1 %	26.0 %	43.2 %	43.8 %

	2018	2017
Schedule 2A: Fundraising Revenues:		
Women of the year	\$ 5,987	\$ 4,747
Golf tournament	13,455	15,963
Hockey tournament	20,379	22,399
Miscellaneous events	2,240	1,527
	\$ 42,061	\$ 44,636

	2018	2017
Schedule 2B: Fundraising Expenditures:		
Women of the year	\$ 2,189	\$ 243
Golf tournament	5,332	5,696
Hockey tournament	7,950	7,895
Miscellaneous events	1,980	1,024
	\$ 17,451	\$ 14,858

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

GIRLS INCORPORATED OF UPPER CANADA

Statement of Changes in Net Assets

Year ended December 31, 2018, with comparative figures for 2017

	Restricted	Unrestricted	2018	2017
Net assets, beginning of the year	\$ 15,000	\$ 3,943	\$ 18,943	\$ 17,348
Excess of revenues over expenditures	-	6,733	6,733	1,595
Net assets, end of the year	\$ 15,000	\$ 10,676	\$ 25,676	\$ 18,943

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

GIRLS INCORPORATED OF UPPER CANADA

Statement of Cash Flows

Year ended December 31, 2018, with comparative figures for 2017

	2018	2017
Cash provided by (used in):		
Operations:		
Cash receipts	\$ 241,847	\$ 228,718
Cash paid to suppliers and employees	(248,743)	(216,919)
	(6,896)	11,799
Investing:		
Decrease (increase) in short-term investments	(5,143)	4,950
Increase (decrease) in cash	(12,039)	16,749
Cash - beginning of the year	29,674	12,925
Cash - end of the year (note 2)	\$ 17,635	\$ 29,674

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

GIRLS INCORPORATED OF UPPER CANADA

Notes to Financial Statements

Year ended December 31, 2018

Purpose of the organization:

Girls Incorporated of Upper Canada inspires all girls to be strong, smart, and bold through age-appropriate group programs for 6-18 year olds. Grounded in research, tested in the field, and delivered by trained facilitators, their award-winning programs address peer pressure, health and relationships, media literacy, substance use prevention, economic literacy and violence prevention. Girls Incorporated of Upper Canada is incorporated under the Ontario Corporation Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

1. Significant accounting policies:**(a) Basis of presentation:**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Cash and cash equivalents:

Cash is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

(c) Investments:

Investments are recorded at fair market value.

(d) Capital assets:

Capital assets are expensed in the year purchased.

(e) Revenue recognition:

Girls Inc. 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. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(f) 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

GIRLS INCORPORATED OF UPPER CANADA

Notes to Financial Statements

Year ended December 31, 2018

1. Significant accounting policies (continued):**(g) Contributed services:**

Volunteers contribute numerous hours per year to assist Girls Inc. in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

2. Cash:

	2018	2017
Cash on hand	\$ 267	\$ 27
Operating accounts	14,121	27,747
Nevada accounts	3,247	1,900
	\$ 17,635	\$ 29,674

3. Commitments:

The organization has an agreement to rent premises at 1809 Oxford Street Brockville at the following annual rates including HST:

2019	\$15,255
2020	\$16,102
2021	\$5,462

The organization can terminate this lease upon providing six months written notice.

4. Financial instruments:

The carrying amount of accounts receivable, prepaid expenses, and accounts payable approximates their fair value because of the short-term maturities of these items.

5. Restricted net assets:

The Board of Directors internally restricted \$15,000 as a reserve for any future potential contingencies. These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.