

GIRLS INCORPORATED OF UPPER CANADA

Financial Statements

Year ended December 31, 2021

GIRLS INCORPORATED OF UPPER CANADA

Year ended December 31, 2021

	Page
Independent Auditor's Report	1
Financial Statements	
Balance Sheet	3
Statement of Operations	4
Schedules to Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8

Independent Auditor's Report

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

Qualified Opinion

I have audited the financial statements of Girls Incorporated of Upper Canada, which comprise the balance sheet as at December 31, 2021, and the statement of operations and 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 my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of Girls Incorporated of Upper Canada as at December 31, 2021 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, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to fundraising and donation revenues, excess of revenue over expenditures, assets and net assets for the years ended December 31, 2021 and December 31, 2020.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.

Authorized to practise public accounting by the Chartered Professional Accountants of Ontario

P.O. Box 413 · Prescott, Ontario · K0E 1T0

Phone: (613) - 803 - 8820 Fax: (613) - 704 - 6407 Email: franlevere@fl-cpa.ca

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

I 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 I identify during my audit.

Prescott, Ontario
June 21, 2022



Francine Levere
Professional Corporation

GIRLS INCORPORATED OF UPPER CANADA

Balance Sheet

December 31, 2021, with comparative figures for December 31, 2020

	2021	2020
Assets		
Current assets:		
Cash (note 2)	\$ 67,393	\$ 69,707
Investments	75,051	55,014
Accounts receivable	17,098	9,661
HST receivable	6,367	4,574
Inventory	3,280	4,173
Prepaid expenses	8,345	2,711
	<u>\$ 177,534</u>	<u>\$ 145,840</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 13,710	\$ 19,224
Source deductions payable	9,040	8,713
Deferred contributions (note 3)	10,377	28,575
	<u>33,127</u>	<u>56,512</u>
Long-term debt (note 4)	60,000	40,000
	<u>93,127</u>	<u>96,512</u>
Net assets (page 6):		
Internally restricted net assets (note 7)	15,000	15,000
Unrestricted net assets	69,407	34,328
	<u>84,407</u>	<u>49,328</u>
	<u>\$ 177,534</u>	<u>\$ 145,840</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, 2021, with comparative figures for 2020

	2021	2020
Revenues:		
United Way	\$ 37,644	\$ 38,264
Donations	43,586	29,855
Fundraising - Nevada tickets - schedule 1	75,007	52,659
Fundraising	1,661	2,585
Wage subsidy	43,202	44,340
Miscellaneous grants	83,155	54,934
Program fees	24,695	4,440
Interest	38	8
	308,988	227,085
Expenditures:		
Dues and fees	3,730	3,630
Fundraising - Nevada tickets - schedule 1	30,422	21,063
Fundraising	1,139	260
Fund development costs	842	164
Insurance	1,881	1,409
Office	5,135	8,299
Professional development	11,267	15
Professional fees	7,172	6,022
Programs and activities	32,930	8,365
Publicity and recruitment	770	1,501
Rent	16,865	12,943
Salaries and benefits	159,282	123,507
Telephone	2,474	2,402
	273,909	189,580
Excess of revenues over expenditures	\$ 35,079	\$ 37,505

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, 2021, with comparative figures for 2020

	Brockville	Kemptville	Athens	2021	2020
Schedule 1 - Nevada Tickets:					
Sales	\$ 22,911	\$ 40,964	\$ 11,132	\$ 75,007	\$ 52,659
Cost of sales	8,929	16,505	4,988	30,422	21,063
Gross margin	\$ 13,982	\$ 24,459	\$ 6,144	\$ 44,585	\$ 31,596
Gross margin %	61.0 %	59.7 %	55.2 %	59.4 %	60.0 %

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, 2021, with comparative figures for 2020

	Restricted	Unrestricted	2021	2020
Net assets, beginning of the year	\$ 15,000	\$ 34,328	\$ 49,328	\$ 11,823
Excess of revenues over expenditures	-	35,079	35,079	37,505
Net assets, end of the year	\$ 15,000	\$ 69,407	\$ 84,407	\$ 49,328

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

GIRLS INCORPORATED OF UPPER CANADA

Statement of Cash Flows

Year ended December 31, 2021, with comparative figures for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Cash receipts	\$ 283,353	\$ 255,070
Cash paid to suppliers and employees	(285,630)	(190,576)
	(2,277)	64,494
Investing:		
Increase in short-term investments	(20,037)	(53,319)
Financing:		
Proceeds of long-term debt	20,000	40,000
Increase (decrease) in cash	(2,314)	51,175
Cash - beginning of the year	69,707	18,532
Cash - end of the year (note 2)	\$ 67,393	\$ 69,707

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

GIRLS INCORPORATED OF UPPER CANADA

Notes to Financial Statements

Year ended December 31, 2021

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. Capital assets consist of computers, furniture and equipment.

(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, 2021

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:

	2021	2020
Cash on hand	\$ 22	\$ 59
Operating accounts	50,258	50,369
Nevada accounts	17,113	19,279
	\$ 67,393	\$ 69,707

3. Deferred contributions:

Deferred contributions represent unspent grants and sponsorships that have been restricted by the funders:

	2021	2020
Balance, beginning of the year	\$ 28,575	\$ 3,600
Contributions received during the year	17,595	36,575
Amount recognized as revenue	(35,793)	(11,600)
Balance, end of the year	\$ 10,377	\$ 28,575

4. Long term debt:

	2021	2020
CEBA loan, 0%, due December 2023	\$ 60,000	\$ 40,000
Less scheduled repayments of long term debt	-	-
	\$ 60,000	\$ 40,000

If \$40,000 is repaid by December 2023, the remaining \$20,000 is forgiven. If the balance is not repaid by December 2023, the loan converts to a 2 year term loan at 5% interest due December 2025.

GIRLS INCORPORATED OF UPPER CANADA

Notes to Financial Statements

Year ended December 31, 2021

5. Commitments:

During the year the Corporation entered into an agreement to rent premises at 1809 Oxford Street Brockville at the following annual rates including HST:

2022	\$18,591
2023	\$19,790
2024	\$20,989
2025	\$22,188
2026	\$7,529

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

6. 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. Unless otherwise noted the organization is not exposed to any significant interest rate or credit risk.

7. 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.

8. COVID-19:

On March 11, 2020, the World Health Organization announced an outbreak of a virus called COVID-19 as a pandemic. The duration and impact of COVID-19 are unknown at this time and it is not possible to reliably estimate the impact it will have on the financial results of the organization in future periods.