

# **Girls Incorporated of Durham**

## **Financial Statements**

**For the year ended March 31, 2024**

To the Board of Directors of Girls Incorporated of Durham:

## Qualified Opinion

We have audited the financial statements of Girls Incorporated of Durham (the "Organization"), which comprise the statement of financial position as at March 31, 2024, and the statement of operations, changes in net assets and 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 the Organization as at March 31, 2024, 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 organization, Girls Incorporated of Durham derives revenue from donations and fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenue was limited to the amount recorded in the records of Girls Incorporated of Durham and we were not able to determine whether any adjustments might be necessary to donation and fundraising events revenue, excess of revenue over expenses, and cash flows from operations for the year ended March 31, 2024 and the year ended March 31, 2023, or assets as at March 31, 2024 and March 31, 2023.

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 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.

## 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.

Mississauga, Ontario

September 3, 2024

*MNP LLP*

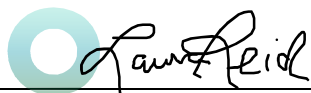
Chartered Professional Accountants

Licensed Public Accountants

**GIRLS INCORPORATED OF DURHAM**  
**Statements of Financial Position**

	As at March 31,	
	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 3)	\$ 703,440	\$ 559,357
Investments (note 4)	245,280	373,476
Accounts receivable (note 5)	21,521	4,800
Prepaid expenses	8,863	10,043
Government remittance receivable	5,548	10,041
	<b>984,652</b>	957,717
<b>Non-current assets</b>		
Equipment (note 6)	10,537	9,273
<b>TOTAL ASSETS</b>	<b>\$ 995,189</b>	<b>\$ 966,990</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 36,059	\$ 34,438
Deferred revenue (note 7)	69,853	113,673
<b>Total liabilities</b>	<b>105,912</b>	148,111
<b>NET ASSETS</b>		
Unrestricted	539,277	468,879
Internally restricted operating reserve	350,000	350,000
	<b>889,277</b>	818,879
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 995,189</b>	<b>\$ 966,990</b>

On behalf of the Board of Directors:



Treasurer

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

**GIRLS INCORPORATED OF DURHAM****Statements of Changes in Net Assets**

	Unrestricted	Internally restricted operating reserve	For the year ended March 31,	
			2024	2023
Net assets, beginning of year	\$ 468,879	350,000	\$ 818,879	\$ 717,687
Excess of revenues over expenditures	70,398	-	70,398	101,192
Net assets, end of year	\$ 539,277	350,000	\$ 889,277	\$ 818,879

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

## **GIRLS INCORPORATED OF DURHAM**

### **Statements of Operations**

	For the year ended ended March 31,	
	<b>2024</b>	2023
<b>Revenue</b>		
Government grants	\$ 492,933	\$ 415,930
Community grants	191,586	393,174
Program revenue	131,174	80,776
Donations and fundraising	116,950	125,798
Other revenues (note 8)	72,292	28,804
Investment income	49,929	11,051
Bingo	37,724	58,025
United Way	24,361	29,791
<b>Total revenue and other support</b>	<b>1,116,949</b>	<b>1,143,349</b>
<b>EXPENDITURES</b>		
Salaries and benefits	\$ 762,873	\$ 720,113
Program costs	169,923	211,262
Rent, insurance and utilities	42,293	39,453
Professional fees	21,282	14,844
Conference and training	17,135	20,212
Fundraising costs	11,052	15,560
Communication costs	6,936	6,698
Equipment	4,872	5,974
Interest and bank charges	4,382	2,882
Office and general	2,909	2,257
Amortization of equipment	2,894	2,902
<b>Total expenses</b>	<b>1,046,551</b>	<b>1,042,157</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 70,398</b>	<b>\$ 101,192</b>

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

**GIRLS INCORPORATED OF DURHAM****Statements of Cash Flows**

	For the year ended March 31,	
	2024	2023
<b>OPERATING ACTIVITIES</b>		
Excess of expenditures over revenues	\$ 70,398	\$ 101,192
Adjustments:		
Unrealized gains on investments	(20,176)	(1,562)
Dividends reinvested	(1,628)	-
Amortization of equipment	2,894	2,902
	51,488	102,532
Change in non-cash working capital items		
Accounts receivable	(16,721)	5,064
Prepaid expenses	1,180	(3,786)
Government remittance receivable	4,493	(7,019)
Accounts payable and accrued liabilities	1,621	5,380
Deferred revenue	(43,820)	18,992
	(53,247)	18,631
<b>Cashflows from (used by) operating activities</b>	<b>(1,759)</b>	<b>121,163</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(100,000)	(370,000)
Proceeds from maturity of investments	250,000	7,699
Purchase of equipment	(4,158)	(4,762)
<b>Cashflows from (used by) investing activities</b>	<b>145,842</b>	<b>(367,063)</b>
<b>FINANCING ACTIVITIES</b>		
Loan repayment	-	(40,000)
<b>Cashflows used by financing activities</b>	<b>-</b>	<b>(40,000)</b>
<b>Increase (decrease) in cash</b>	<b>144,083</b>	<b>(285,900)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>559,357</b>	<b>845,257</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 703,440</b>	<b>\$ 559,357</b>

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

## **GIRLS INCORPORATED OF DURHAM**

### **Notes to Financial Statements**

**For the year ended March 31, 2024**

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#### **1) NATURE OF ORGANIZATION**

Girls Incorporated of Durham (the “Organization”), incorporated under Letters Patents on January 21, 1986, inspires all girls to be strong, smart, and bold through advocacy, education, and programs.

The objective of the Organization is to foster the development of young girls in need of assistance that they may grow up to become adults who are positive contributors to the community at large. The Organization provides girls across Durham Region of Ontario, Canada, with life-changing experiences and solutions, consisting of people, an environment, and programming that, together, empower girls to succeed.

The Organization is a non-profit corporation with no share capital and is exempt from income taxes under the terms of the Canadian Income Tax Act. As a not-for-profit charitable organization, it is not liable for income taxes provided it meets certain requirements established by Canada Revenue Agency.

#### **2) SIGNIFICANT ACCOUNTING POLICIES**

##### ***a) Basis of accounting***

These financial statements have been prepared in accordance using Canadian accounting standards for not-for-profit organizations.

##### ***b) 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 the disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The principal estimates used in the preparation of the financial statements are the useful life of equipment, the collectability of accounts receivable, the amount of accrued liabilities and deferred revenue recognized.

##### ***c) Contributed services***

These financial statements do not reflect the substantial value of services contributed by volunteers and interested parties, as the fair value of these services cannot be reasonably estimated.



## **GIRLS INCORPORATED OF DURHAM**

### **Notes to Financial Statements**

**For the year ended March 31, 2024**

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## **2) SIGNIFICANT ACCOUNTING POLICIES (continued)**

### ***d) Equipment***

Equipment is recorded at cost less accumulated amortization. The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the equipment over their estimated useful lives. The annual amortization rates are as follows:

- Computer hardware - 5 years
- Computer software - 3 years

### ***e) Financial instruments***

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

#### *Arm's length financial instruments*

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance, or assumption of financial instruments subsequently measured at fair value are immediately recognized in deficiency of revenue over expenditures. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

#### *Financial asset impairment*

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

Any impairment, which is not considered temporary, is included in current year deficiency of revenue over expenditures.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in deficiency of revenue over expenditures in the year the reversal occurs.

## **GIRLS INCORPORATED OF DURHAM**

### **Notes to Financial Statements**

**For the year ended March 31, 2024**

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#### **2) SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### *f) Net assets*

The Organization follows the deferral method of accounting for contributions and reports using fund accounting and maintains two funds: Unrestricted Fund and Internally restricted operating reserve Fund. Unrestricted Fund reflects the organization's operating activities. The Internally restricted operating reserve reflects funding for unforeseen increase in operating expenses or decreases in operating revenues.

##### *g) 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.

Because of the uncertainty surrounding the collectability of donations, the Organization only recognizes those donations for which amounts have been received at the date of completion of the financial statements.

Fundraising revenue is recorded when the event is held.

#### **3) CASH AND CASH EQUIVALENTS**

	As at March 31,	
	<b>2024</b>	2023
Cash	\$ <b>63,119</b>	\$ 206,839
Restricted cash	<b>29,298</b>	18,064
Savings account	<b>611,023</b>	334,454
	<b>\$ 703,440</b>	\$ 559,357

Restricted cash of \$29,298 (2023 - \$18,064) relates to Bingo activities, which restrictions do not prevent use of this cash for general purposes, but specify that it can be used for funding of certain expenses only.

Cash equivalents of \$611,023 (2023 - \$334,454) is held in an investment savings account with IG Wealth Management earning ranging from 4.50% to 4.85% per annum (2023 - 4.25%).

## **GIRLS INCORPORATED OF DURHAM**

### **Notes to Financial Statements**

**For the year ended March 31, 2024**

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#### **4) INVESTMENTS**

As at March 31, 2024, the Organization maintains investment accounts with IG Wealth Management. The breakdown of the securities held is as follows:

	As at March 31,	
	<b>2024</b>	2023
Equity securities	\$ <b>144,710</b>	\$ 122,679
Fixed income securities	<b>100,570</b>	250,797
	<b>\$ 245,280</b>	\$ 373,476

#### **5) ACCOUNTS RECEIVABLE**

	As at March 31,	
	<b>2024</b>	2023
Public Health Agency of Canada	\$ <b>15,272</b>	\$ -
Bingo	<b>4,974</b>	4,800
Girl Start	<b>1,275</b>	-
	<b>\$ 21,521</b>	\$ 4,800

#### **6) EQUIPMENT**

	As at March 31,			
	<b>2024</b>		2023	
	Cost	Accumulated Amortization	Net	Net
Computer hardware	\$ <b>22,503</b>	\$ <b>11,966</b>	\$ <b>10,537</b>	\$ 9,273
Computer software	<b>7,768</b>	<b>7,768</b>	-	-
	<b>\$ 30,271</b>	<b>\$ 19,734</b>	<b>\$ 10,537</b>	\$ 9,273

## **GIRLS INCORPORATED OF DURHAM**

### **Notes to Financial Statements**

**For the year ended March 31, 2024**

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#### **7) DEFERRED REVENUE**

	As at March 31,	
	<b>2024</b>	2023
Bingo	\$ 34,272	\$ 22,863
Summer camp registration	28,982	16,520
Membership and other fees	6,599	6,288
Ontario Trillium Foundation	-	48,234
The City of Oshawa	-	12,500
Other community grants	-	7,268
	<b>\$ 69,853</b>	<b>\$ 113,673</b>

#### *Bingo*

Funds raised through bingo activities are externally restricted in accordance with the permit from the Ontario Lottery and Gaming Corporation (“OLG”). Bingo funds of \$34,272 as at March 31, 2024 (2023 - \$22,863) remains unspent and has been reallocated to deferred revenue. These funds are held in a separate bank account as required by the OLG.

#### *Summer Camp Registration fees*

Registration fees of \$28,982 (2023 - \$16,520) relates to summer camp programs to be delivered starting July 2024.

#### **8) OTHER REVENUES**

	For the year ended	
	March 31,	
	<b>2024</b>	2023
Girls Inc (USA) flow through funding	\$ 60,378	\$ 20,129
Other funding	9,666	6,023
Merchandise and other sales	2,248	2,652
	<b>\$ 72,292</b>	<b>\$ 28,804</b>

Flow through funding from Girls Inc. (USA) represents funding to support implementation of Leadership Activities Pilot program, and unrestricted funding to support the Organization with Mental Health Support.

## **GIRLS INCORPORATED OF DURHAM**

### **Notes to Financial Statements**

**For the year ended March 31, 2024**

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#### **9) FINANCIAL RISK MANAGEMENT**

The Organization is exposed to various financial risks through transactions in financial instruments. The Organization's exposure to and management of the risks is described below.

##### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge their obligation. The Organization is exposed to credit risks on its account receivable. The Organization manages this risk through proactive collection policies.

##### *Liquidity risk*

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due as a result of the Organization's inability to liquidate assets in a timely and reasonable manner. The Organization is exposed to liquidity risk with respect to its accounts payable and mitigates this risk by preparing and monitoring detailed budgets and holding assets that can be readily converted to cash. There were no significant changes in this risk from prior year.

##### *Market risk*

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes caused by factors specific to the individual investment or its issuer or factors affecting all securities traded in the market. Market risk comprises of three types of risk: currency risk, interest risk and price risk.

The Organization is exposed to price risk in which the value of financial instruments will fluctuate due to changes in market prices on its portfolio investments consisting of equity funds. At March 31, 2024, the fair value of the Organization's portfolio investments in equity securities totaled \$144,710 (2023 - \$122,679).

In addition, the Organization is exposed to interest risk in which changes in interest rates will affect future cash flows or fair values of financial instruments on its portfolio investment consisting of fixed income securities.

The Organization is exposed to fair value risk with respect to its portfolio investments in fixed income securities. At March 31, 2024, the fair value of the Organization's portfolio investments in fixed income securities totaled \$100,570 (2023 - \$250,797).

The Organization is also exposed to cash flow risk with respect to its cash held in a saving account and earning interest at a variable rate. At March 31, 2024, the Organization had cash of \$409,986 earning interest at prime less 2.70 (2023 - \$334,454 earning interest at prime less 2.45 %) and had interest savings of \$201,037 (2023 - \$nil) earning interest at 4.85% (2023 - nil%). Prime rate increased by 0.5% from March 31, 2023 to March 31, 2024.