

Special Olympics Yukon Society

Financial Statements

June 30, 2015

Draft

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Auditor's Report

To the Board of Directors,
Special Olympics Yukon Society

I have audited the accompanying financial statements of Special Olympics Yukon Society, which comprise the statement of financial position as at June 30, 2015, and the statement of revenue and expenditures, net assets, and cash flows 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

In common with many charitable organizations, the society derives revenue from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. The Society also derives revenue from donations in kind, the valuation of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the society's records, and I was not able to determine whether any adjustments might be necessary to revenue, expenditures and net assets. .

Opinion

In my opinion, except for the effect of adjustments, if any, which I might have deemed necessary to satisfy myself concerning the completeness and valuation of fund raising revenue and donations, and described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Special Olympics Yukon Society as at June 30, 2015, and its financial performance, net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Whitehorse, Yukon

Rebecca Edzerza, Chartered Accountant

Special Olympics Yukon Society

Statement of Financial Position

As At June 30, 2015

	Note	2015	2014
Assets			
Current Assets			
Cash		\$ 31,209	\$ 15,072
Restricted investment	2	11,064	10,875
Due from Special Olympics Canada	i.	37,728	8,886
Government receivables	i.	48,406	51,655
GST Receivable		7,531	4,242
Accounts receivable		10,632	24,771
Other current assets		669	-
Total Current Assets		147,239	115,501
Property, plant and equipment, net of accumulated amortization	3	4,246	5,307
Total Assets		\$ 151,485	\$ 120,808
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 21,732	\$ 15,368
Employee related liabilities		4,159	2,943
Employee payroll deductions payable		5,868	4,120
Total Current Liabilities		31,759	22,431
Net Assets			
Net assets		119,726	98,377
Total Liabilities and Net Assets		\$ 151,485	\$ 120,808

Approved on Behalf of the Board:

_____,

Special Olympics Yukon Society

Statement of Revenues and Expenditures

For the Year Ended June 30, 2015

	2015	2014
Revenue		
Grants and Funding	\$ 192,271	\$ 114,661
Fundraising: Events	133,385	146,944
Sponsorship and Fees	24,633	25,391
Fundraising - Gaming	8,881	13,754
Donations	1,200	11,819
Interest and Other Income	929	2,158
Total revenue	361,299	314,727
Fundraising and Program Costs		
Program Costs	62,325	75,783
Fundraising Costs	49,391	77,787
Total Fundraising and Program Costs	111,716	153,570
Operating expenses		
Salaries and wages	173,006	152,827
Travel expenses	11,717	10,910
Rental	10,553	10,553
Telephone and Internet	8,521	4,066
Accounting fees	6,273	6,150
Other office expenses	6,296	1,833
Supplies	2,963	3,429
Janitorial	2,099	1,860
Utilities	2,009	1,937
Advertising	1,921	277
Bookkeeping fees	1,500	1,200
Amortization of tangible assets	1,061	6,260
Insurance	163	161
Bad debt expense	150	2,029
Sub-contracts	-	1,230
Total operating expenses	228,232	204,722
Excess (Deficit) of revenue over expenditures	\$ 21,351	\$ (43,565)

Special Olympics Yukon Society

Statement of Net Assets

For the Year Ended June 30, 2015

	2015	2014
Net assets, beginning of year	\$ 98,377	\$ 141,942
Excess (deficiency) revenue over expenditures	21,350	(43,565)
Net assets, end of year	\$ 119,727	\$ 98,377

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Special Olympics Yukon Society

Statement of Cash Flows

For the Year Ended June 30, 2015

	Note	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess (deficiency) revenue over expenditures		\$ 21,350	\$ (43,565)
Adjustment for:			
Depreciation		1,061	6,260
Decrease (Increase) in accounts receivable		(11,454)	(37,161)
Decrease (Increase) in other receivables		(3,289)	1,857
Increase (decrease) in other current assets		(669)	-
Increase (Decrease) in accounts payable		6,363	2,307
Increase (Decrease) in payroll remittances		1,748	4,120
Increase (Decrease) in wages payable		1,216	2,943
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		16,326	(63,239)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital additions - Furniture		-	(914)
NET CASH USED BY INVESTING ACTIVITIES		-	(914)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash increase (decreases) in cash and cash equivalents		16,326	(64,153)
Cash and cash equivalents at beginning of period		25,947	90,100
Cash and cash equivalents at end of period		\$ 42,273	\$ 25,947
Comprised of:			
Cash		\$ 31,209	\$ 15,072
Restricted investment		\$ 11,064	\$ 10,875
Cash & equivalents, closing		\$ 42,273	\$ 25,947

Special Olympics Yukon Society

Notes to the Financial Statements

For the Year Ended June 30, 2015

1 Significant Accounting Policies

a. Nature of business/basis of preparation

i. Date and place of incorporation, commencement of operations

Special Olympics Yukon Society (the society) was incorporated on June 9, 1981 under the Societies Act of the Yukon Territories. The society operates programs for the benefits of athletes with intellectual disabilities.

ii. Consistent Canadian accounting standards for not for profit organizations - policies outlined below

The accounting policies of the society are in accordance with Canadian accounting standards for not for profit organizations on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant.

b. Cash and cash equivalents

i. Restricted cash

Any cash that is legally restricted from use is recorded in restricted cash. Cash and deposits are considered restricted when they are subject to contingent rights of third parties. If the restriction on cash relates to acquiring a long-term asset, liquidating a long-term liability or is unavailable for a period longer than one year from the balance sheet date, the restricted cash is classified as a long-term asset. Otherwise, restricted cash is classified as a current asset.

c. Property, plant and equipment

i. Valuation, method and amount

Property, plant and equipment is carried at cost. Depreciation is calculated using the declining balance method over estimated useful lives ranging from 4 to 5 years. Depreciation expense for June 30, 2015 was \$ 1,061 (2014 - \$ 6,260).

d. Impairment of long lived assets

i. Description of process for evaluation

In the event that facts and circumstances indicate that the society's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The society considers that no circumstances exist that would require such an evaluation.

Special Olympics Yukon Society

Notes to the Financial Statements

For the Year Ended June 30, 2015

e. Income taxes

i. Not subject to federal or provincial taxes

The society is not subject to either federal or provincial income taxes. The society is also a registered charity under the Canadian Income Tax Act.

f. Financial instruments

i. Fair values not materially different from book values

The society has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

ii. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. To manage this risk, the society maintains a portion of its invested assets in liquid securities.

g. Revenue recognition

i. Government contributions

Government contributions are accounted for by the deferral method. Restricted contributions for the purchase of property, plant and equipment are recognized on the same basis as the related amortization expense.

ii. Revenue from fund raising activities

Revenue from fund raising activities is recognized at the time of commitment by the donor. Revenue from gaming activities is recognized at the time of the gaming event.

iii. Sponsorship and fees

The society recognizes revenue from sponsorship at the time of the commitment of the donor. Revenue from fees is recognized when earned.

iv. Donations

Donations are recognized when received.

h. Use of estimates

i. Actual results could differ

The preparation of financial statements in accordance with Canadian accounting standards for not for

Special Olympics Yukon Society

Notes to the Financial Statements

For the Year Ended June 30, 2015

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 reporting period. Actual results could differ from those estimates and may have impact on future periods.

i. Economic dependence

i. Dependence on key funders

Approximately 54% (2014 - 36%) of the society's are received from the Government of Yukon and Special Olympics Canada. The loss of a material amount of funding from either of these could have a material adverse effect on operations. As at June 30, 2015, approximately 88% (2014 - 63%) of the society's accounts receivable were owing from these customers, thereby increasing the level of credit risk due to the concentration of the accounts receivable.

2 Cash

a. Restricted for letter of credit

Restricted cash consists of cash and/or short-term investments which are held to secure the MasterCard used by the society. The restricted component is \$10,000. The balance represents accrued interest of \$1,064 (2014 - \$875).

3 Property, plant and equipment

a. Cost less accumulated depreciation/impairment - net book value by period

Property, plant and equipment consist of the following:

	2015		2014	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Leasehold improvements	\$ 15,143	\$ (15,143)	\$ -	\$ -
Office equipment	10,479	(6,233)	4,246	5,307
Total	\$ 25,622	\$ (21,376)	\$ 4,246	\$ 5,307

4 Prior period error

a. Prior period adjustment

The society discovered that the accounts payable in 2014 was overstated and consequently an adjustment was made for \$6,300 and a corresponding adjustment to the beginning balance of net assets. The prior period error had no effect on the statement of income for either of 2014 or 2015.

Special Olympics Yukon Society

Schedule of Revenue

For the Year Ended June 30, 2015

	2015	2014
Fundraising: Events	\$ 133,385	\$ 146,944
Special Olympics Canada Funding	116,864	35,000
Yukon YTG Grants and Funding	66,155	73,255
Sponsorship and Fees	24,633	25,391
Fundraising - Gaming	8,881	13,754
Other Grants and Funding	5,852	4,906
City of Whitehorse Funding	3,400	1,500
Donations	1,200	11,819
Interest and Other Income	929	2,158
Total revenue	\$ 361,299	\$ 314,727

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