

**ARCTIC CHILDREN AND YOUTH FOUNDATION**  
**FINANCIAL STATEMENTS**  
DECEMBER 31, 2015

**ARCTIC CHILDREN AND YOUTH FOUNDATION**  
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DECEMBER 31, 2015

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**Basis for Qualified Opinion**

In common with many not-for-profit organizations, Arctic Children and Youth Foundation 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. We were not able to determine whether any adjustments might be necessary to revenues, excess revenues (expenses), assets, and net assets.

**Qualified Opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Arctic Children and Youth Foundation as at December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Iqaluit, Nunavut  
April 11, 2016

CHARTERED ACCOUNTANTS

**ARCTIC CHILDREN AND YOUTH FOUNDATION**  
**STATEMENT OF OPERATIONS AND NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>REVENUE</b>		
Federal government	\$ 197,673	\$ 210,909
Corporate	13,162	18,920
Fundraising activities	8,225	7,631
Deferred revenue, beginning of year	92,167	75,859
Deferred revenue, end of year	<u>(51,385)</u>	<u>(92,167)</u>
	<u>259,842</u>	<u>221,152</u>
<b>EXPENSES</b>		
Advertising, promotion and fundraising	154	635
Consulting fees	61,514	11,645
Depreciation	671	839
General administrative fees	31,261	18,452
Interest and bank charges	204	167
Professional fees	9,481	8,231
Rent	19,680	17,665
Salaries and wages	128,926	157,558
Travel	<u>7,951</u>	<u>5,960</u>
	<u>259,842</u>	<u>221,152</u>
<b>EXCESS REVENUES</b>	0	0
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>0</u>	<u>0</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 0</u>	<u>\$ 0</u>

**ARCTIC CHILDREN AND YOUTH FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
AS AT DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
<b><u>ASSETS</u></b>		
<b>CURRENT</b>		
Cash	\$ 40,704	\$ 97,866
Accounts receivable	29,780	7,434
Prepaid expenses	<u>2,882</u>	<u>3,010</u>
	73,366	108,310
 <b>EQUIPMENT</b> (Notes 2(f) and 3)	 <u>2,684</u>	 <u>3,355</u>
	 <u>\$ 76,050</u>	 <u>\$ 111,665</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 24,665	\$ 19,498
Deferred contributions (Note 5)	<u>51,385</u>	<u>92,167</u>
	76,050	111,665
 <b>NET ASSETS</b>	 <u>0</u>	 <u>0</u>
	 <u>\$ 76,050</u>	 <u>\$ 111,665</u>

**APPROVED BY THE BOARD:**

\_\_\_\_\_ President

\_\_\_\_\_ Secretary/Treasurer

**ARCTIC CHILDREN AND YOUTH FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
<b>OPERATING ACTIVITIES</b>		
Excess revenues	\$ 0	\$ 0
Item not requiring (providing) cash:		
Depreciation	671	839
Cash provided by (used for) changes in non-cash working capital:		
Accounts receivable	(22,346)	4,886
Prepaid expenses	128	(154)
Accounts payable and accrued liabilities	5,167	5,550
Deferred contributions	<u>(40,782)</u>	<u>16,308</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(57,162)</b>	<b>27,429</b>
<b>CASH, OPENING</b>	<u>97,866</u>	<u>70,437</u>
<b>CASH, CLOSING</b>	<u><u>\$ 40,704</u></u>	<u><u>\$ 97,866</u></u>

**ARCTIC CHILDREN AND YOUTH FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2015

**1. NATURE OF THE ORGANIZATION**

Arctic Children and Youth Foundation was incorporated under the *Canada Corporations Act - Part II* on July 30, 2003 and was continued under the *Canada Not-for-Profit Corporations Act* on October 2, 2013. The purpose of the Foundation is to focus, direct and strengthen efforts towards addressing the issues and needs of Arctic children and youth as a distinct, disadvantaged and under-represented part of the population.

The Foundation is a charitable organization and is exempt from income tax under Sec. 149(1)(f) of the *Income Tax Act* (Canada).

**2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies followed by the Foundation are in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant policies:

**(a) Use of Estimates**

The preparation of the financial statements in conformity 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 revenue and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of accounts receivable, and the estimated useful life of equipment. Actual results could differ from those estimates.

**(b) Financial Instruments**

The Foundation initially measures its financial assets and financial liabilities at fair value. The Foundation subsequently measures all its financial assets and liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are measured at fair value.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

It is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments unless otherwise noted.





**ARCTIC CHILDREN AND YOUTH FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**5. DEFERRED CONTRIBUTIONS**

	<u>2015</u>	<u>2014</u>
Employment and Social Development Canada	\$ 0	\$ 50,900
Department of Justice Canada	18,773	23,255
Corporate grants	25,112	18,012
Government of Nunavut - Department of Justice	<u>7,500</u>	<u>0</u>
	<u>\$ 51,385</u>	<u>\$ 92,167</u>

**6. DONATIONS IN KIND**

	<u>2015</u>	<u>2014</u>
Event staging	\$ 0	\$ 750
Supplies and services	<u>0</u>	<u>1,800</u>
	<u>\$ 0</u>	<u>\$ 2,550</u>