

Iris the Dragon Inc.

Financial Statements
June 30, 2019

Iris the Dragon Inc.

Balance Sheet

As at June 30, 2019

	2019 \$	2018 \$ (Unaudited)
Assets		
Current assets		
Cash	141,030	38,996
Accounts receivable	1,074	625
Inventory	2,160	890
Prepaid expense	-	3,375
	<hr/>	<hr/>
	144,264	43,886
Property and equipment (note 3)	<hr/>	<hr/>
	363	454
	<hr/>	<hr/>
	144,627	44,340
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	26,342	6,231
Due to directors (note 5)	316,365	308,552
Deferred contributions (note 4)	116,950	-
	<hr/>	<hr/>
	459,657	314,783
Deficit	<hr/>	<hr/>
	(315,030)	(270,443)
	<hr/>	<hr/>
	144,627	44,340

Approved by the Board of Directors



Director

Director

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

Iris the Dragon Inc.
Statement of Operations and Deficit
For the year ended June 30, 2019

	2019 \$	2018 \$ (Unaudited)
Revenue		
Income Me	163,835	483,126
Performance & Accountability Frameworks	49,720	-
Other	2,502	300
	<hr/> 216,057	<hr/> 483,426
Expenses		
Include Me	203,828	445,433
Performance & Accountability Frameworks	49,620	-
Operations	7,196	25,099
Project management	-	150,000
	<hr/> 260,644	<hr/> 620,532
Net loss for the year	(44,587)	(137,106)
Deficit – Beginning of year	<hr/> (270,443)	<hr/> (133,337)
Deficit – End of year	<hr/> (315,030)	<hr/> (270,443)

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

Iris the Dragon Inc.
Statement of Cash Flows
For the year ended June 30, 2019

	2019	2018
	\$	\$
		(Unaudited)
Cash provided by (used in)		
Operating activities		
Net loss for the year	(44,587)	(137,106)
Item not affecting cash		
Amortization	91	195
Change in non-cash working capital items		
Accounts receivable	(449)	(306)
Inventory	(1,270)	124
Prepaid expense	3,375	-
Accounts payable and accrued liabilities and due to directors	20,111	175,187
Due to directors	7,813	-
Deferred contributions	116,950	-
	<hr/>	<hr/>
Change in cash during the year	102,034	38,094
Cash – Beginning of year	38,996	902
	<hr/>	<hr/>
Cash – End of year	141,030	38,996
	<hr/>	<hr/>

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

1 Purpose of the organization

Iris the Dragon Inc. (the Organization) is producer of mental health education tool for schools, workplaces and communities.

The Organization is incorporated under the Canada Not-for-profit Corporations Act and is a registered charity under subsection 149(1)(f) of the Income Tax Act Canada and is exempt from income taxes.

2 Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows.

Use of estimates

The preparation of 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 and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Inventory

Inventory is recorded at the lower of cost and net realizable value.

Property and equipment

Property and equipment are initially recorded at cost and are amortized over their useful lives, using the declining balance method as follows:

Computer equipment	30%
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Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Revenue received in respect of projects is deferred until the related expenditures are incurred.

Unrestricted donations are recognized as revenue when received. Funds received designated for an activity or project by the donor are recognized as revenue when used for the purpose for which the funds were received.

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Notes to Financial Statements
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Financial instruments

The Organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and due to directors. The fair values of these financial instruments approximate their carrying values due to the short-term nature of these instruments.

3 Property and equipment

			<u>2019</u>	<u>2018</u>
	Cost \$	Accumulated amortization \$	Net \$	Net \$ (Unaudited)
Computer equipment	2,491	2,128	363	454

Cost and accumulated amortization amounted to \$2,491 and \$2,037, respectively, as at June 30, 2018.

4 Deferred contributions

	Balance – Beginning of year \$ (Unaudited)	Funds received \$	Amounts recognized as revenue \$	Balance – End of year \$
Include Me	-	163,835	163,835	-
Performance & Accountability Frameworks	-	166,570	49,620	116,950
	-	330,405	213,455	116,950

5 Due to directors

Amounts due to three members of the Board of Directors of the Organization are non-interest bearing and have no specified terms of repayment.

6 Commitments and contingencies

The Organization is committed to minimum annual payments under a lease for its head office, payable to a director, as follows:

	\$
Year ending June 30, 2020	8,000
2021	8,000
2022	6,000

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This related party transaction is in the normal course of business and has been recorded at the exchange amount.

Contribution agreements allow funding agencies to conduct audits to ensure project expenditures are in accordance with the terms and conditions. Ineligible expenditures, if any, may result in the Organization reimbursing a portion of the funding. Management believes the Organization has incurred no ineligible expenditures and has, therefore, not recorded any liability for reimbursement.

7 Accounts payable and accrued liabilities

Government remittances of \$nil (2018 – \$nil) are included in accounts payable and accrued liabilities.