

**THRIVE, CYN ST. JOHN'S, INC.**  
**Financial Statements**  
**Year Ended March 31, 2022**

**THRIVE, CYN ST. JOHN'S, INC.**  
**Index to Financial Statements**  
**Year Ended March 31, 2022**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The financial statements of THRIVE, CYN ST. JOHN'S, INC. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of THRIVE, CYN ST. JOHN'S, INC.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the board members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the board members by Pinsent Bartlett, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards.

*Brian Scammell*

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Mr. Brian Scammell, Treasurer

St. John's, NL  
June 09, 2022

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## INDEPENDENT AUDITOR'S REPORT

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To the Board Members of THRIVE, CYN ST. JOHN'S, INC.

### *Qualified Opinion*

We have audited the financial statements of THRIVE, CYN ST. JOHN'S, INC. (the organization), which comprise the statement of financial position as at March 31, 2022, and the statements of revenues and expenditures, 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, 2022, and the results of its operations and 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 not-for-profit organizations, the organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2022, current assets and net assets as at March 31, 2022. The predecessor auditor's opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation of scope.

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 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 audit opinion.

### *Other Matter*

The financial statements for the year ended March 31, 2021 were audited by another auditor who expressed a qualified opinion on those financial statements on June 15, 2021 for the reasons described in the *Basis for Qualified Opinion* section.

### *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 ASNPO, 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.

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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.

PINSENT BARTLETT

CHARTERED PROFESSIONAL ACCOUNTANTS

St. John's, Newfoundland and Labrador  
June 9, 2022

**THRIVE, CYN ST. JOHN'S, INC.**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2022**

	2022	2021
<b>PROGRAM REVENUES</b> (Note 5)	<b>\$ 1,390,707</b>	<b>\$ 1,377,853</b>
<b>PROGRAM EXPENSES</b>		
Blue Door	448,233	478,600
Street Reach	348,877	436,849
Learning Initiative	300,893	291,779
End Homelessness St. John's	131,864	6,141
Coalition Against the Sexual Exploitation of Youth	77,208	72,753
Other	62,047	66,121
	<b>1,369,122</b>	<b>1,352,243</b>
<b>EXCESS OF PROGRAM REVENUE OVER PROGRAM EXPENSES</b>	<b>21,585</b>	<b>25,610</b>
<b>ADMINISTRATIVE REVENUES</b>		
Core funding - Office of Public Engagement	229,645	229,645
Donations	25,837	195,407
Registration fees and other income	35,183	26,391
Fundraising revenue	7,390	200
Loan forgiveness	3,996	3,600
	<b>302,051</b>	<b>455,243</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Salaries and wages	209,053	207,028
Amortization	40,481	40,616
Office	12,489	9,622
Professional fees	9,262	4,187
Rent	4,420	-
Insurance	2,737	2,943
Telephone and internet	1,829	2,598
Interest and bank charges	1,658	1,479
Meetings and conferences	1,599	150
Evaluation	1,290	1,290
Interest on long term debt	932	2,773
Printing, promotions and postage	537	2,528
Repairs and maintenance	290	-
Professional development	244	1,125
Memberships	199	199
Website development	134	684
Travel	50	232
	<b>287,204</b>	<b>277,454</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 36,432</b>	<b>\$ 203,399</b>

See notes to financial statements

**THRIVE, CYN ST. JOHN'S, INC.**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2022**

	<b>2022</b>	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>		
As previously reported	\$ 439,864	\$ 255,135
Prior period adjustments	-	(18,670)
As restated	<b>439,864</b>	236,465
EXCESS OF PROGRAM REVENUES OVER ADMINISTRATIVE EXPENSES	<b>36,432</b>	203,399
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 476,296</b>	<b>\$ 439,864</b>

**THRIVE, CYN ST. JOHN'S, INC.**  
**Statement of Financial Position**  
**March 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 397,198	\$ 640,050
Short-term investment	74,974	74,525
Accounts receivable	212,455	19,557
Harmonized sales tax recoverable	9,569	13,321
Prepaid expenses	7,892	7,621
	<b>702,088</b>	<b>755,074</b>
<b>CAPITAL ASSETS (Note 4)</b>	<b>178,086</b>	<b>218,568</b>
	<b>\$ 880,174</b>	<b>\$ 973,642</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 122,501	\$ 176,560
Employee deductions payable	10,970	27,823
Deferred revenue	215,555	241,016
Current portion of long term debt (Note 10)	34,450	33,000
	<b>383,476</b>	<b>478,399</b>
<b>LONG TERM DEBT (Note 10)</b>	<b>20,402</b>	<b>55,379</b>
	<b>403,878</b>	<b>533,778</b>
<b>NET ASSETS</b>	<b>476,296</b>	<b>439,864</b>
	<b>\$ 880,174</b>	<b>\$ 973,642</b>

LEASE COMMITMENTS (Note 6)

CONTINGENT LIABILITY (Note 7)

**ON BEHALF OF THE BOARD**

*Brian Scammell*

Director

See notes to financial statements

**THRIVE, CYN ST. JOHN'S, INC.****Statement of Cash Flows****Year Ended March 31, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 36,432	\$ 203,399
Item not affecting cash:		
Amortization of capital assets	40,481	40,616
	<b>76,913</b>	<b>244,015</b>
Changes in non-cash working capital:		
Accounts receivable	(192,898)	47,811
Accounts payable	(54,058)	32,063
Deferred revenue	(25,461)	70,909
Prepaid expenses	(271)	561
Harmonized sales tax recoverable	3,752	30,154
Employee deductions payable	(16,853)	15,586
	<b>(285,789)</b>	<b>197,084</b>
Cash flow from (used by) operating activities	<b>(208,876)</b>	<b>441,099</b>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	-	(18,058)
<b>FINANCING ACTIVITY</b>		
Repayment of long term debt	(33,527)	(32,371)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(242,403)</b>	<b>390,670</b>
Cash - beginning of year	714,575	323,905
<b>CASH - END OF YEAR</b>	<b>\$ 472,172</b>	<b>\$ 714,575</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 397,198	\$ 640,050
Short-term investment	74,974	74,525
	<b>\$ 472,172</b>	<b>\$ 714,575</b>

See notes to financial statements

# THRIVE, CYN ST. JOHN'S, INC.

## Notes to Financial Statements

Year Ended March 31, 2022

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### 1. PURPOSE OF THE ORGANIZATION

THRIVE, CYN ST. JOHN'S, INC. (the "organization") is a not-for-profit organization incorporated provincially under the Corporations Act of Newfoundland and Labrador. As a registered charity the organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The organization was incorporated on August 22, 2001. Its mandate is to increase the opportunity for youth to avail of the supports they need to mature into healthy, educated, employable members of the community by identifying solutions to the barriers they face while trying to access learning, employment, community and other support services.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***Basis of presentation***

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### ***Cash and cash equivalents***

Cash includes cash and cash equivalents. The carrying amounts approximate fair value.

#### ***Investments***

Short term investments, which consist primarily of GICs with original maturities at date of purchase beyond three months and less than twelve months, are carried at amortized cost.

#### ***Financial instruments policy***

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### ***Measurement uncertainty***

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the organization's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of capital assets
- the allowance for doubtful accounts;

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**THRIVE, CYN ST. JOHN'S, INC.**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital assets**

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Equipment	20% declining balance method
Leasehold improvements	7 years straight-line method

The organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

**Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred.

Government grants intended for the purchase of capital items are deferred and recognized over the course of the useful life of the assets.

Government grants for expenses are recognized in the period the expenses are incurred.

**Contributed services**

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

**3. SHORT TERM INVESTMENTS**

Short term investments consist of a cashable GIC of \$21,582 with a maturity date of January 10, 2023 and a GIC of \$53,068 with a maturity of May 31, 2023 as at March 31, 2022, plus accrued interest. The interest rate was 0.75% and 0.65%, respectively.

**4. CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2022 Net book value</b>	2021 Net book value
Equipment	\$ 102,741	\$ 66,886	\$ <b>35,855</b>	\$ 44,819
Leasehold improvements	220,625	78,394	<b>142,231</b>	173,749
	<b>\$ 323,366</b>	<b>\$ 145,280</b>	<b>\$ 178,086</b>	<b>\$ 218,568</b>

**THRIVE, CYN ST. JOHN'S, INC.****Notes to Financial Statements****Year Ended March 31, 2022****5. PROGRAM AND PROJECT REVENUE**

Program and project revenue has been provided from the following funders:

	<b>2022</b>	2021
Crime Prevention Action Fund	\$ 427,957	\$ 460,403
Eastern Health	150,000	150,000
Newfoundland & Labrador Housing	184,851	184,851
Donations	122,186	127,696
Advanced Education, Skills and Labour Employment and Training Division	111,737	117,963
Other program revenue	146,720	80,945
Office of Women & Gender Equality	60,100	74,410
End Homelessness St. John's	148,994	6,141
Department of Education	6,000	6,000
Department of Health and Community Services	11,136	143,864
City of St. John's	30,000	30,000
Service Canada	11,756	11,180
	-	-
Less: Administrative revenue reallocation	(20,730)	(15,600)
	<b>\$ 1,390,707</b>	<b>\$ 1,377,853</b>

**6. LEASE COMMITMENTS**

The Organization has a lease with respect to its office space at 803 Water Street. The lease term expires July 31, 2026. Future minimum lease payments are as follows:

2023	\$ 117,842
2024	117,842
2025	117,842
2026	117,842
2027	39,281
	<b>\$ 510,649</b>

**7. FORGIVABLE LOANS FROM NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION**

	<b>2022</b>	2021
Beginning balance	\$ 14,004	\$ 18,000
Forgiven during the year	(3,996)	(3,996)
	<b>\$ 10,008</b>	<b>\$ 14,004</b>

The forgivable loan was recorded in deferred revenue in a prior year. In order for principal and interest payments to continue to be forgiven, the Organization must maintain its status as a not-for-profit organization, pay any applicable taxes and must maintain NLHC's consent prior to the sale of the property. Management believes they are in compliance with these conditions as at March 31, 2022. The loan is forgiven at a rate of \$333 per month over a 60 month term. The above balance of \$10,008 is the balance of the unforgiven loan at the year end and as such is a contingent liability.

**THRIVE, CYN ST. JOHN'S, INC.**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

**8. DEFERRED REVENUE**

	<b>2022</b>	2021
Opening	\$ 241,016	\$ 170,107
Transferred to revenue	(162,792)	(102,878)
Additions in current year	137,331	173,787
	<b>\$ 215,555</b>	<b>\$ 241,016</b>

The Organization receives restricted funding from a variety of sources. Until this funding is spent for the intended purpose it is recorded as deferred revenue.

**9. ALLOCATION OF EXPENSES**

All expenditures related to program coordination are presented as program expenses. expenses related to the organization administration including expenses such as office, salaries, IT, fund development and insurance, are presented as administrative expenses.

**10. LONG TERM DEBT**

	<b>2022</b>	2021
Royal Bank of Canada loan bearing interest at 1.25% per annum, repayable in monthly blended payments of \$2,913. The loan matures on August 21, 2023 and is secured by first ranking on all property of the borrower which has a net book value of \$178,086.	\$ 54,852	\$ 88,379
Amounts payable within one year	(34,450)	(33,000)
	<b>\$ 20,402</b>	<b>\$ 55,379</b>

Principal repayment terms are approximately:

2023	\$ 34,451
2024	20,401
	<u>54,852</u>
	<b>\$ 54,852</b>

**11. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2022.

***Credit risk***

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from its funders. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of funders which minimizes concentration of credit risk.

***Liquidity risk***

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, long-term debt and accounts payable.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

**12. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**THRIVE, CYN ST. JOHN'S, INC.**  
**SUPPORTIVE LIVING PROGRAM**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2022**

*(Schedule 1)*

	2022	2021
<b>REVENUES</b>	<b>\$ 184,851</b>	<b>\$ 184,851</b>
<b>EXPENSES</b>		
Salaries & wages	126,231	126,333
Office lease	22,000	22,000
Program supplies	9,549	5,004
Evaluation	5,000	5,000
Training	3,312	3,824
Office equipment	3,192	3,699
travel	3,074	3,623
Office supplies	2,826	2,824
Audit fees	2,800	1,800
Communication	2,355	2,220
Insurance	1,500	1,500
Building cleaning	1,200	1,685
Meetings and conventions	805	94
Outreach	742	2,014
Advertising and promotion	265	3,231
	<b>184,851</b>	<b>184,851</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>

See notes to financial statements