THRIVE, CYN ST. JOHN'S, INC.

Financial Statements

Year Ended March 31, 2017

WINSOR ◆ COOMBS
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Thrive, CYN St. John's, INC.

We have audited the accompanying financial statements of Thrive, CYN St. John's, INC., which comprise the statement of financial position as at March 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives some of its revenue from the general public in the form of donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Thrive, CYN St. John's, Inc. as at March 31, 2017, and the results of its operations and its cash flows for the year ended March 31, 2017 in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

(continues)

Mount Pearl, NL
June 30, 2017

Winsor Coombs
CHARTERED PROFESSIONAL ACCOUNTANTS

THRIVE, CYN ST. JOHN'S, INC.
Statement of Revenues and Expenditures
For the Year Ended March 31, 2017

		2017		2016
REVENUES				
Program and project revenue *(Note 4)*	**$**	**732,378**	$	853,989
Core funding - Office of Public Engagement		**229,644**		229,653
Registration fees and other income		**942**		6,496
Fundraising revenue		**23,383**		-
Donations		**22,756**		30,561
		1,009,103		1,120,699
PROGRAM COSTS				
Street Reach		**334,225**		335,833
Learning Initiative		**214,413**		268,040
Project Endure		**154,952**		195,843
Blue Door Program		**10,100**		-
Other		**6,523**		12,429
CASEY		**3,957**		2,961
Meeting Future Labour		**-**		8,387
Youth Development		**46,377**		36,200
		770,547		859,693
ADMINISTRATIVE EXPENSES				
Amortization		**6,979**		4,879
Evaluation		**-**		1,816
Insurance		**6,173**		1,857
Interest and bank charges		**1,747**		2,029
Meetings and conferences		**1,368**		2,340
Occupancy costs		**39,440**		54,013
Office		**13,711**		9,038
Printing, promotions and postage		**2,369**		1,747
Professional development		**814**		367
Professional fees		**6,021**		7,009
Salaries and wages		**141,017**		145,086
Telephone and internet		**4,596**		2,543
Travel		**1,208**		462
Website development		**169**		2,423
		225,612		235,609
EXCESS OF REVENUES OVER ADMINISTRATIVE EXPENSES	**$**	**12,944**	$	25,397

THRIVE, CYN ST. JOHN'S, INC.
Statement of Changes in Net Assets
Year Ended March 31, 2017

	2017	2016
NET ASSETS - BEGINNING OF YEAR	**$ 262,817**	$ 237,420
Excess of revenues over administrative expenses	**12,944**	25,397
NET ASSETS - END OF YEAR	**$ 275,761**	$ 262,817

THRIVE, CYN ST. JOHN'S, INC.

Statement of Financial Position

March 31, 2017

		2017		2016
ASSETS				
CURRENT				
Cash	**$**	**259,743**	$	258,641
Short-term investment		**20,824**		20,513
Accounts receivable		**57,800**		71,010
Harmonized sales tax recoverable		**14,865**		13,314
Prepaid expenses		**8,663**		4,312
		361,895		367,790
CAPITAL ASSETS *(Note 3)*		**35,697**		27,114
	$	**397,592**	$	394,904
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	**$**	**39,288**	$	80,982
Employee deductions payable		**24,646**		15,185
Deferred revenue		**57,897**		35,920
		121,831		132,087
NET ASSETS				
General fund		**275,761**		262,817
	$	**397,592**	$	394,904

ON BEHALF OF THE BOARD

_________________________________ *Director*

_________________________________ *Director*

THRIVE, CYN ST. JOHN'S, INC.
Statement of Cash Flow
Year Ended March 31, 2017

		2017		2016
OPERATING ACTIVITIES				
Excess of revenues over administrative expenses	**$**	**12,944**	$	25,397
Item not affecting cash:				
Amortization of capital assets		**6,979**		4,879
		19,923		30,276
Changes in non-cash working capital:				
Accounts receivable		**13,210**		39,462
Accounts payable		**(41,694)**		23,923
Deferred revenue		**21,977**		(109,128)
Prepaid expenses		**(4,351)**		2,855
Harmonized sales tax payable		**(1,551)**		1,913
Employee deductions payable (recoverable)		**9,461**		(3,748)
		(2,948)		(44,723)
Cash flow from (used by) operating activities		**16,975**		(14,447)
INVESTING ACTIVITY				
Purchase of capital assets		**(15,562)**		(15,195)
INCREASE (DECREASE) IN CASH FLOW		**1,413**		(29,642)
Cash - beginning of year		**279,154**		308,796
CASH - END OF YEAR	**$**	**280,567**	$	279,154
CASH CONSISTS OF:				
Cash	**$**	**259,743**	$	258,641
Short-term investment		**20,824**		20,513
	$	**280,567**	$	279,154

1. NATURE OF OPERATIONS

The Thrive, CYN St. John's Inc. 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 their community by identifying solutions to the barriers they face while trying to access learning, employment, community building and other support services.

The entity is a charitable organization and, as such, is exempt from income tax under Section 149.1 of the Income Tax Act.

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).

Short term investments

Short term investments consist of a cashable GIC with a maturity date of January 10, 2020. At March 31, 2017, the interest rate was 0.75%.

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 property, plant and equipment;
- the estimated useful lives of assets;
- the allowance for doubtful accounts.

Capital assets

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

Equipment	20%	declining balance 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.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	**2017 Net book value**	2016 Net book value
Equipment	$ 63,468	$ 27,771	**$ 35,697**	$ 27,114

4. PROGRAM AND PROJECT REVENUE

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

	2017	2016
Department of Advanced Education and Skills	**$ 113,558**	$ 119,667
Rogers Communications Partnership	**-**	90,059
City of St. John's	**15,000**	15,000
Eastern Health	**151,376**	155,138
Donations	**65,000**	43,979
Department of Education	**6,000**	6,000
Other program revenue	**11,813**	35,851
Newfoundland and Labrador Housing	**184,851**	184,064
Health Canada	**154,953**	195,845
Office of Public Engagement	**4,500**	8,386
Crime Prevention Action Fund	**25,327**	-
	$ 732,378	$ 853,989

5. LEASE COMMITMENTS

The organization leases premises under one term lease.

The organization has a lease with respect to its office space at 108 LeMarchant Road. Future minimum lease payments are as follows:

2018	$ 100,885
2019	42,035
	$ 142,920

6. ALLOCATION OF EXPENSES

All costs related to program coordination and delivery are presented as program costs. Costs related to organizational administration including expenses such as office, salary, IT, fund development and insurance are presented as administrative expenses.

7. COMPARATIVE FIGURES

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

8. 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, 2017.

It is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.