

THRIVE, CYN ST. JOHN'S, INC.
Financial Statements
Year Ended March 31, 2018

THRIVE, CYN ST. JOHN'S, INC.
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Year Ended March 31, 2018

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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, 2018 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 not-for-profit organizations, Thrive, CYN St. John's, INC. 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 Thrive, CYN St. John's, INC. 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, 2018, current assets and net assets as at March 31, 2018.

(continues)

Independent Auditor's Report to the Members of Thrive, CYN St. John's, INC. *(continued)*

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, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Mount Pearl, NL
June 5, 2018


CHARTERED PROFESSIONAL ACCOUNTANTS

THRIVE, CYN ST. JOHN'S, INC.
Statement of Revenues and Expenditures
For the Year Ended March 31, 2018

	2018	2017
REVENUES		
Program and project revenue <i>(Note 4)</i>	\$ 1,102,046	\$ 732,378
Core funding - Office of Public Engagement	229,645	229,644
Registration fees and other income	14,515	942
Fundraising revenue	5,143	23,383
Donations	17,243	22,756
	1,368,592	1,009,103
PROGRAM COSTS		
Street Reach	357,498	334,225
Learning Initiative	196,015	214,413
Project Endure	-	154,952
Blue Door Program	473,785	10,100
Other	1,222	6,523
CASEY	21,650	3,957
Youth Development	34,619	46,377
	1,084,789	770,547
ADMINISTRATIVE EXPENSES		
Amortization	7,458	6,979
Insurance	2,841	6,173
Interest and bank charges	1,833	1,747
Meetings and conferences	1,867	1,368
Occupancy costs	28,274	39,440
Office	9,970	13,711
Printing, promotions and postage	6,403	2,369
Professional development	1,038	814
Professional fees	4,000	6,021
Salaries and wages	229,958	141,017
Telephone and internet	2,935	4,596
Travel	500	1,208
Website development	865	169
	297,942	225,612
EXCESS (DEFICIENCY) OF REVENUES OVER ADMINISTRATIVE EXPENSES	\$ (14,139)	\$ 12,944

See notes to financial statements

THRIVE, CYN ST. JOHN'S, INC.
Statement of Changes in Net Assets
Year Ended March 31, 2018

	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 275,761	\$ 262,817
Deficiency of revenues over expenses	(14,139)	12,944
NET ASSETS - END OF YEAR	\$ 261,622	\$ 275,761

See notes to financial statements

THRIVE, CYN ST. JOHN'S, INC.
Statement of Financial Position
March 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 202,187	\$ 259,743
Short-term investment	21,545	20,824
Accounts receivable	63,607	57,800
Harmonized sales tax recoverable	10,530	14,865
Prepaid expenses	8,754	8,663
	306,623	361,895
CAPITAL ASSETS (Note 3)	31,421	35,697
LONG TERM INVESTMENTS	50,000	-
	\$ 388,044	\$ 397,592
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 25,178	\$ 39,288
Employee deductions payable	35,070	24,646
Deferred revenue	66,174	57,897
	126,422	121,831
NET ASSETS	261,622	275,761
	\$ 388,044	\$ 397,592

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

THRIVE, CYN ST. JOHN'S, INC.**Statement of Cash Flow****Year Ended March 31, 2018**

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over administrative expenses	\$ (14,139)	\$ 12,944
Item not affecting cash:		
Amortization of capital assets	7,458	6,979
	(6,681)	19,923
Changes in non-cash working capital:		
Accounts receivable	(5,807)	13,210
Accounts payable	(14,110)	(41,694)
Deferred revenue	8,277	21,977
Prepaid expenses	(91)	(4,351)
Harmonized sales tax payable	4,335	(1,551)
Employee deductions payable	10,424	9,461
	3,028	(2,948)
Cash flow from (used by) operating activities	(3,653)	16,975
INVESTING ACTIVITIES		
Purchase of capital assets	(3,182)	(15,562)
Purchase of long term investments	(50,000)	-
Cash flow used by investing activities	(53,182)	(15,562)
INCREASE (DECREASE) IN CASH FLOW	(56,835)	1,413
Cash - beginning of year	280,567	279,154
CASH - END OF YEAR	\$ 223,732	\$ 280,567
CASH CONSISTS OF:		
Cash	\$ 202,187	\$ 259,743
Short-term investment	21,545	20,824
	\$ 223,732	\$ 280,567

See notes to financial statements

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, 2018, the interest rate was 0.80%.

Long term investments

Long term investments consist of a GIC with a maturity date of May 31, 2019. At March 31, 2018 the interest rate was 1.35%.

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
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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.

THRIVE, CYN ST. JOHN'S, INC.
Notes to Financial Statements
Year Ended March 31, 2018

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Equipment	\$ 66,650	\$ 35,229	\$ 31,421	\$ 35,697

4. PROGRAM AND PROJECT REVENUE

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

	2018	2017
Advanced Education, Skills and Labour Employment and Training Division	\$ 123,778	\$ 113,558
City of St. John's	15,000	15,000
Eastern Health	155,674	151,376
Donations	72,121	65,000
Department of Education	6,000	6,000
Other program revenue	53,448	11,813
Service Canada	3,356	-
Newfoundland and Labrador Housing	185,639	184,851
Health Canada	-	154,953
Office of Public Engagement	-	4,500
Crime Prevention Action Fund	487,030	25,327
	\$ 1,102,046	\$ 732,378

5. LEASE COMMITMENTS

The organization leases premises under one term lease.

The organization has a lease with respect to its office space at 99 Queen's Road. Future minimum lease payments are as follows:

2019	<u>\$ 24,000</u>
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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, salaries, IT, fund development and insurance are presented as administrative expenses.

7. 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, 2018.

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 funders. An allowance for doubtful accounts is established based specific account identification. The organization has a significant number of different sources of funding which minimizes concentration of credit risk.

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