

THRIVE, CYN ST. JOHN'S, INC.
Financial Statements
Year Ended March 31, 2019

THRIVE, CYN ST. JOHN'S, INC.
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Year Ended March 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the 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, 2019, 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, 2019, and the results of its operations and its 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, 2019, current assets and net assets as at March 31, 2019. Our audit opinion on the financial statements for the year ended March 31, 2018 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 the 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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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.

Mount Pearl, NL
June 25, 2019



CHARTERED PROFESSIONAL ACCOUNTANTS

THRIVE, CYN ST. JOHN'S, INC.
Statement of Revenues and Expenditures
Year Ended March 31, 2019

	2019	2018
PROGRAM REVENUES		
Program and project revenue <i>(Note 4)</i>	\$ 1,100,977	\$ 1,088,786
PROGRAM EXPENSES		
Blue Door Program	441,049	473,785
Street Reach	326,414	357,498
Learning Initiative	191,244	196,015
Youth Development	81,976	55,150
Other	48,265	1,222
CASEY	12,593	21,650
	1,101,541	1,105,320
DEFICIENCY OF REVENUES OVER PROGRAM EXPENSES	(564)	(16,534)
ADMINISTRATIVE REVENUES		
Core funding - Office of Public Engagement	229,645	229,645
Donations	67,726	30,503
Registration fees and other income	10,812	14,515
Fundraising revenue	2,011	5,143
	310,194	279,806
ADMINISTRATIVE EXPENSES		
Salaries and wages	211,126	209,428
Occupancy costs	29,785	28,274
Office	13,906	9,970
Professional fees	6,838	4,000
Amortization	6,284	7,458
Insurance	4,285	2,841
Printing, promotions and postage	3,306	6,403
Telephone and internet	1,862	2,935
Interest and bank charges	1,842	1,832
Evaluation	1,811	-
Meetings and conferences	1,486	1,867
Travel	715	500
Professional development	342	1,038
Website development	261	865
	283,849	277,411
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 25,781	\$ (14,139)

See notes to financial statements

THRIVE, CYN ST. JOHN'S, INC.
Statement of Changes in Net Assets
Year Ended March 31, 2019

	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 261,622	\$ 275,761
EXCESS OF REVENUES OVER EXPENSES	25,781	(14,139)
NET ASSETS - END OF YEAR	\$ 287,403	\$ 261,622

See notes to financial statements

THRIVE, CYN ST. JOHN'S, INC.
Statement of Financial Position
March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 63,503	\$ 202,187
Short-term investment	72,398	21,545
Accounts receivable	253,262	63,607
Harmonized sales tax recoverable	8,449	10,530
Prepaid expenses	7,903	8,754
	405,515	306,623
CAPITAL ASSETS (Note 3)	25,137	31,421
LONG TERM INVESTMENTS	-	50,000
	\$ 430,652	\$ 388,044
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 27,056	\$ 25,178
Employee deductions payable	31,240	35,070
Deferred income	84,953	66,174
	143,249	126,422
NET ASSETS	287,403	261,622
	\$ 430,652	\$ 388,044

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

THRIVE, CYN ST. JOHN'S, INC.**Statement of Cash Flows****Year Ended March 31, 2019**

	2019	2018
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 25,781	\$ (14,139)
Item not affecting cash:		
Amortization of capital assets	6,284	7,458
	32,065	(6,681)
Changes in non-cash working capital:		
Accounts receivable	(189,655)	(5,807)
Accounts payable	1,878	(14,110)
Deferred income	18,779	8,277
Prepaid expenses	851	(91)
Harmonized sales tax payable	2,081	4,335
Employee deductions payable	(3,830)	10,424
	(169,896)	3,028
Cash flow used by operating activities	(137,831)	(3,653)
INVESTING ACTIVITIES		
Purchase of capital assets	-	(3,182)
Redemption (purchase) of long term investments	50,000	(50,000)
Cash flow from (used by) investing activities	50,000	(53,182)
DECREASE IN CASH FLOW	(87,831)	(56,835)
Cash - beginning of year	223,732	280,567
CASH - END OF YEAR	\$ 135,901	\$ 223,732
CASH CONSISTS OF:		
Cash	\$ 63,503	\$ 202,187
Short-term investment	72,398	21,545
	\$ 135,901	\$ 223,732

See notes to financial statements

1. NATURE OF OPERATIONS

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 of \$21,113.68 with a maturity date of January 10, 2020 and a GIC of \$50,675 with a maturity of May 31, 2019. At March 31, 2019, plus accrued interest, the interest rate was 0.85% and 1.35% respectively.

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, 2019

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Equipment	\$ 66,650	\$ 41,513	\$ 25,137	\$ 31,421

4. PROGRAM AND PROJECT REVENUE

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

	2019	2018
Advanced Education, Skills and Labour Employment and Training Division	\$ 112,619	\$ 123,778
City of St. John's	15,000	15,000
Eastern Health	150,000	155,674
Donations	36,741	58,861
Department of Education	6,000	6,000
Other program revenue	109,125	53,448
Service Canada	5,972	3,356
Newfoundland and Labrador Housing	184,851	185,639
Children, Seniors and Social Development	7,078	-
Crime Prevention Action Fund	453,805	487,030
Department of Health and Community Services	19,786	-
	\$ 1,100,977	\$ 1,088,786

5. ALLOCATION OF EXPENSES

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

6. 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, 2019.

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.

7. COMPARATIVE FIGURES

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