THRIVE, CYN ST. JOHN'S, INC.

Financial Statements

Year Ended March 31, 2024

THRIVE, CYN ST. JOHN'S, INC.
Index to Financial Statements
Year Ended March 31, 2024

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Revenues and Expenditures	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 12
SUPPORTIVE LIVING PROGRAM Statement of Revenues and Expenditures *(Schedule 1)*	13

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of THRIVE, CYN ST. JOHN'S, INC. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) 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 Internal Committee. The Internal 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 Internal 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 member, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the member by Pinsent & Associates, in accordance with Canadian generally accepted auditing standards.

Ms. Angela Crockwell, Executive Director

St. John's, NL
June 27, 2024

PINSENT & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS
CPA Professional Corporation

P.O. Box 8411, Station A
21 Pippy Place, Suite 209
St. John's, NL A1B 3N7

Tel: (709) 738-5300
Fax: (709) 738-5301
email: info@pinsent.ca

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, 2024, 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, 2024, 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 (ASNPO).

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, 2024, current assets and net assets as at March 31, 2024. Our audit opinion on the financial statements for the year ended March 31, 2023 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.

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.

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

(continues)

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.

St. John's, Newfoundland and Labrador
June 27, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

THRIVE, CYN ST. JOHN'S, INC.
Statement of Financial Position
March 31, 2024

		2024		2023
ASSETS				
CURRENT				
Cash	**$**	**797,235**	$	719,115
Short-term investments *(Note 5)*		**392,060**		75,552
Accounts receivable		**74,481**		16,671
Harmonized sales tax recoverable		**12,546**		8,365
Prepaid expenditures		**11,466**		8,721
		1,287,788		828,424
CAPITAL ASSETS *(Note 6)*		**105,724**		143,874
	$	**1,393,512**	$	972,298
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	**$**	**181,171**	$	114,222
Employee deductions payable		**15,780**		14,695
Deferred revenues *(Note 7)*		**685,391**		357,341
Current portion of long term debt *(Note 8)*		**-**		20,400
		882,342		506,658
NET ASSETS		**511,170**		465,640
	$	**1,393,512**	$	972,298

LEASE COMMITMENTS *(Note 9)*

APPROVED BY THE DIRECTOR

Stephanie Hussey *Director*

The accompanying notes are an integral part of these financial statements

THRIVE, CYN ST. JOHN'S, INC.
Statement of Revenues and Expenditures
Year Ended March 31, 2024

	2024	2023
PROGRAM REVENUES *(Note 3)*	**$ 1,325,628**	$ 1,115,305
PROGRAM EXPENDITURES		
Street Reach	**382,084**	418,948
Learning Initiative	**317,906**	283,498
Blue Door	**218,025**	154,256
End Homelessness St. John's	**176,365**	134,995
Coalition Against the Sexual Exploitation of Youth	**132,305**	94,656
Special Projects	**99,596**	23,978
	1,326,281	1,110,331
EXCESS OF PROGRAM REVENUES OVER PROGRAM EXPENDITURES	**(653)**	4,974
ADMINISTRATIVE REVENUES		
Government of Newfoundland and Labrador	**234,019**	244,019
Donations	**86,684**	-
Registration fees and other income	**64,371**	24,075
Fundraising revenue	**9,746**	11,226
Loan forgiveness and other grants	**7,567**	3,996
	402,387	283,316
ADMINISTRATIVE EXPENSES		
Salaries and wages	**263,026**	201,474
Amortization	**38,150**	39,186
Office	**15,593**	8,325
Rent	**14,096**	22,787
Professional fees	**7,778**	11,003
Meetings and conferences	**5,116**	3,885
Printing, promotions and postage	**3,784**	3,196
Insurance	**2,843**	2,920
Interest and bank charges	**2,645**	2,956
Telephone and internet	**1,837**	1,306
Website development	**385**	390
Travel	**347**	163
Professional development	**300**	338
Memberships	**226**	518
Interest on long term debt	**78**	499
	356,204	298,946
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**$ 45,530**	$ (10,656)

The accompanying notes are an integral part of these financial statements

THRIVE, CYN ST. JOHN'S, INC.
Statement of Changes in Net Assets
Year Ended March 31, 2024

	2024	2023
NET ASSETS - BEGINNING OF YEAR	**$ 465,640**	$ 476,296
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**45,530**	(10,656)
NET ASSETS - END OF YEAR	**$ 511,170**	$ 465,640

The accompanying notes are an integral part of these financial statements

THRIVE, CYN ST. JOHN'S, INC.
Statement of Cash Flows
Year Ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess (Deficiency) of revenues over expenditures	**$ 45,530**	$ (10,656)
Item not affecting cash:		
Amortization of capital assets	**38,150**	39,186
	83,680	28,530
Changes in non-cash working capital:		
Accounts receivable	**(57,810)**	195,784
Accounts payable	**66,949**	(8,278)
Deferred revenues	**328,050**	141,786
Prepaid expenditures	**(2,745)**	(829)
Harmonized sales tax recoverable	**(4,181)**	1,204
Employee deductions payable	**1,085**	3,725
	331,348	333,392
Cash flow from (used by) operating activities	**415,028**	361,922
INVESTING ACTIVITY		
Purchase of capital assets	**-**	(4,975)
FINANCING ACTIVITY		
Repayment of long term debt	**(20,400)**	(34,452)
INCREASE IN CASH FLOW	**394,628**	322,495
Cash - beginning of year	**794,667**	472,172
CASH - END OF YEAR	**$ 1,189,295**	$ 794,667
CASH CONSISTS OF:		
Cash	**$ 797,235**	$ 719,115
Short-term investments	**392,060**	75,552
	$ 1,189,295	$ 794,667

The accompanying notes are an integral part of these financial statements

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 provide supports and programming to vulnerable individuals and increase the capacity of social service agencies.

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).

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;

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

(continues)

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

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. PROGRAM AND PROJECT REVENUES

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

	2024	2023
Newfoundland & Labrador Housing	**$ 222,141**	$ 184,851
Various other revenues	**197,904**	259,403
End Homelessness St. John's	**183,558**	142,188
Donations	**186,214**	164,177
NL Health Services (previously Eastern Health)	**150,000**	150,000
Department of Justice Canada	**149,758**	-
Advanced Education, Skills and Labour Employment and Training Division	**115,000**	115,000
Office of Women & Gender Equality	**105,295**	60,100
City of St. John's	**30,000**	30,000
Service Canada	**13,710**	12,379
Department of Education	**6,000**	6,000
Department of Health and Community Services	**-**	2,000
Less: Administrative revenue reallocation	**(33,952)**	(10,793)
	$ 1,325,628	$ 1,115,305

4. ALLOCATION OF EXPENDITURES

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

5. SHORT TERM INVESTMENTS

Short term investments consist of the following, plus accrued interest of $16,557:

- Bank of Montreal cashable GIC of $21,743 with a maturity date of January 12, 2026 at varying interest rates.
- Bank of Montreal cashable GIC of $53,760 with a maturity date of June 2, 2025 and an interest rate of 4.55%.

(continues)

5. SHORT TERM INVESTMENTS *(continued)*

- Royal Bank of Canada cashable GIC of $100,000 with a maturity date of April 18, 2024 and an interest rate of 4.66%.
- Royal Bank of Canada cashable GIC of $200,000 with a maturity date of April 18, 2024 and an interest rate of 5%.

6. CAPITAL ASSETS

	Cost	Accumulated amortization	**2024 Net book value**	2023 Net book value
Equipment	$ 107,715	$ 81,186	**$ 26,529**	$ 33,161
Leasehold improvements	220,625	141,430	**79,195**	110,713
	$ 328,340	$ 222,616	**$ 105,724**	$ 143,874

7. DEFERRED REVENUES

	2024	2023
Opening	**$ 357,341**	$ 215,555
Transferred to revenue	**(183,735)**	(131,087)
Additions in current year	**511,785**	272,873
	$ 685,391	$ 357,341

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.

8. LONG TERM DEBT

	2024	2023
Royal Bank of Canada loan bearing interest at 1.28% per annum, repayable in monthly blended payments of $2,913. The loan matured on November 13, 2023.	**$ -**	$ 20,400
Amounts payable within one year	**-**	(20,400)
	$ -	$ -

9. 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:

2025	**$ 117,842**
2026	**117,842**
2027	**39,281**
	$ 274,965

10. FORGIVABLE LOANS FROM NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

	2024	2023
Beginning balance	**$ 6,012**	$ 10,008
Forgiven during the year	**(3,996)**	(3,996)
	$ 2,016	$ 6,012

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 Newfoundland and Labrador Housing Corporation's (NLHC) consent prior to the sale of the property.

The Organization believes they are in compliance with these conditions as at March 31, 2024. The loan is forgiven at a rate of $333 per month over a 60 month term. The above balance of $2,016 is the balance of the unforgiven loan at the year end and as such is a contingent liability.

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, 2024.

(continues)

11. FINANCIAL INSTRUMENTS *(continued)*

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 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 **(Schedule 1)**
Year Ended March 31, 2024

		2024		2023
REVENUES	**$**	**187,351**	$	184,851
EXPENDITURES				
Salaries and wages		**128,019**		126,231
Office lease		**22,000**		21,750
Program supplies		**8,697**		3,661
Office equipment		**5,620**		3,229
Travel		**4,295**		6,131
Evaluation		**3,854**		5,000
Building cleaning		**2,690**		1,451
Office supplies		**2,044**		2,949
Communication		**1,931**		2,220
Audit fees		**1,800**		1,800
Training		**1,791**		4,359
Outreach		**1,683**		1,801
Advertising and promotion		**1,000**		1,974
Meetings and conventions		**929**		795
Insurance		**761**		1,500
Miscellaneous		**237**		-
		187,351		184,851
EXCESS OF REVENUES OVER EXPENDITURES	**$**	**-**	$	-

The accompanying notes are an integral part of these financial statements

THRIVE, CYN ST. JOHN'S, INC.

807 Water Street
St. John's, NL
A1E 1C4

June 27, 2024
Confidential

Pinsent & Associates
21 Pippy Place, Suite 209
P.O. Box 8411
St. John's Newfoundland and Labrador A1B 3N7

Dear Sir / Madam:

This representation letter is provided in connection with your audit of the financial statements of THRIVE, CYN ST. JOHN'S, INC. for the year ended March 31, 2024 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

Financial Statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated June 10, 2024 for:

a. Preparing and fairly presenting the financial statements in accordance with ASNPO;

b. Providing you with:

   i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:

      Accounting records, supporting data and other relevant documentation,

   B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and

   C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;

   ii. Additional information that you have requested from us for the purpose of the audit; and

   iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.

c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and

d. Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

Fraud and Non Compliance

We have disclosed to you:

a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:

   i. Management;

(continued)

ii. Employees who have significant roles in internal control; or

iii. Others where the fraud could have a material effect on the financial statements;

b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;

c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;

d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and

e. The results of our risk assessments regarding possible fraud or error in the financial statements.

Related Parties

We have disclosed to you the identity of all of the Organization's related-party relationships and transactions of which we are aware. All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of ASNPO.

Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with ASNPO. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the methods, significant assumptions and the data used by us in making accounting estimates and related financial statement disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with ASNPO.

Subsequent Events

All events subsequent to the date of the financial statements and for which ASNPO requires adjustment or disclosure have been adjusted or disclosed.

Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

Accounting policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

Contractual compliance

We have complied with the terms and conditions of all contractual agreements that could have a material effect, in the event of non-compliance, on the financial statements.

Journal entries

We have approved all journal entries and other adjustments proposed by you, and they have been included in our financial statements.

(continued)

Liabilities and contingencies

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

Marketable securities

All marketable securities owned by us are recorded in the accounts. The marketable securities are measured at fair value.

All income earned for the period ended March 31, 2024 on these securities has been recognized in earnings along with any transaction costs incurred and changes in fair value.

Property, plant and equipment

Property, plant and equipment are recorded at cost. We have good and valid title to all items of property and equipment reflected in the accounts relating thereto, and there are no liens or encumbrances on our assets. During the period ended March 31, 2024, no material amounts relating to additions or improvements of property, plant and equipment were charged to expense. The provision for amortization is based on the cost and expected economic useful lives of the property using the declining balance method.

The property, leasehold improvement and equipment accounts, and the related allowances for amortization have been adjusted for all important items of such assets that were idle, obsolete, sold, dismantled, abandoned or otherwise disposed of for the period ended March 31, 2024 and for all prior periods.

We have evaluated property, plant and equipment for recoverability in accordance with the provisions of the CPA Canada Handbook – Accounting, Part II, Section 3063 (Impairment of Long-Lived Assets). Impairment losses have been recognized in earnings when required.

Receivables

The accounts receivable reflected in the accounts constitute valid claims against customers and other debtors. They do not include amounts for goods shipped on consignment, approval or under repurchase commitments, or for goods shipped after March 31, 2024.

No abnormal returns have been made by customers since March 31, 2024 or are expected in respect of merchandise shipped prior to the close of business on March 31, 2024.

Receivables known to be uncollectible have been written off, and adequate provision has been made for anticipated adjustments or losses in connection with the collection of receivables.

Regulatory compliance

We are up to date with all corporate filings and annual returns. This includes all Canada Revenue Agency and HST/GST/PST returns.

Revenue recognition

We have recorded all revenue that met the following criteria:

a. Persuasive evidence of an arrangement exists;

b. Delivery has occurred, or services have been rendered;

c. Price is fixed or determinable; and

d. Collectability is reasonably assured.

Subsequent events

There have been no events between the balance sheet date and the date of this letter that would require recognition or disclosure in the financial statements.

There have been no events subsequent to the balance sheet date of the comparative financial statements that would require adjustment or disclosure in the current financial statements.

(continued)

Proceeds of Crime (Money Laundering) and Terrorist Financing Act

We hereby acknowledge that Pinsent & Associates have made us aware of your legal obligations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. We hereby acknowledge that we are aware of potential conflict of interest that may arise as a result of your legal obligations under this Act and authorize Pinsent & Associates to release and disclose information about THRIVE, CYN ST. JOHN'S, INC. as required by statute.

None of the members were in debt to the Organization

None of the members were in debt to the Organization, other than in the ordinary course of business at the period-end or at any time during the period.

Acknowledged and agreed on behalf of THRIVE, CYN ST. JOHN'S, INC. by:

Stephanie Hussey

Stephanie Hussey, Treasurer

June 27, 2024

Date signed

PINSENT & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS
CPA Professional Corporation

P.O. Box 8411, Station A
21 Pippy Place, Suite 209
St. John's, NL A1B 3N7
Tel: (709) 738-5300
Fax: (709) 738-5301
email: info@pinsent.ca

June 27, 2024
Confidential

THRIVE, CYN ST. JOHN'S, INC.
807 Water Street
St. John's NL A1E 1C4

Attention: Angela Crockwell, Executive Director

Dear Angela:

This letter has been prepared to assist you with your review of the financial statements of THRIVE, CYN ST. JOHN'S, INC. for the year ending March 31, 2024. We look forward to meeting with you and discussing the matters outlined below.

Audit Status

We have completed the audit of the financial statements, with the exception of the following items:

1. Receipt of a signed representation letter by management;
2. Obtaining evidence of the Board's approval of the financial statements;

Once these items have been completed, we will date and sign our auditor's report.

Significant Matters Arising

Comments on Accounting Practices

Accounting Policies

The significant accounting policies used by the entity are outlined in Note X to the financial statements.

a. There were no significant changes in accounting policies.
b. We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
c. We did not identify any significant accounting policies in controversial or emerging areas.

Significant Accounting Estimates

The following significant estimates/judgments are contained in the financial statements:

a. Accrued liabilities;
b. Deferred revenue;
c. Book value of capital assets; and

Based on audit work performed, we are satisfied with the estimates made by management.

Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention.

Other Audit Matters of Governance Interest

We did not identify any other matters to bring to your attention at this time.

Other Audit Matters of Governance Interest *(continued)*

We would like to thank management and staff for the assistance they provided to us during the audit.

We hope the information in this audit findings letter will be useful. We would be pleased to discuss them with you and respond to any questions you may have.

This letter was prepared for the sole use of TCWG of THRIVE, CYN ST. JOHN'S, INC. to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,

Stephen Pinsent, BBA, CPA

PINSENT & ASSOCIATES

Encl.

Agreed on behalf of the management of THRIVE, CYN ST. JOHN'S, INC. by:

Ms. Angela Crockwell, Executive Director

June 27, 2024
Date signed