

**COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
FINANCIAL STATEMENTS
(UNAUDITED)
AS AT DECEMBER 31, 2018**

COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
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AS AT DECEMBER 31, 2018

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of
Committee for Innovative Thinking for Youth

We have reviewed the accompanying financial statements of Committee for Innovative Thinking for Youth that comprise the statement of financial position as at December 31, 2018, and the statements of operations and changes in net assets and cash flows 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualification

In common with many not-for-profit organizations, Committee for Innovative Thinking for Youth derives revenue from donations, the completeness of which is not susceptible to satisfactory review verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Committee for Innovative Thinking for Youth. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, excess of expenditures over revenues, assets and net asset balances.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Committee for Innovative Thinking for Youth as at December 31, 2018, 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.

Wilkinson + Company LLP

TRENTON, Canada
June 5, 2019

Chartered Professional Accountants
Licensed Public Accountants

**COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018
(UNAUDITED)**

	2018	2017
	\$	\$
		(Note 2)
ASSETS		
CURRENT		
Cash	65,768	71,106
Short-term investments - Note 4	50,000	50,000
HST Receivable	5,515	3,400
Prepaid expenses and deposits	467	467
	121,750	124,973
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	2,485	4,040
Deferred revenue - Note 5	8,525	34,000
	11,010	38,040
NET ASSETS	110,740	86,933
	121,750	124,973

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

The accompanying notes form an integral part of these financial statements

**COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018 \$	2017 \$ (Note 2)
REVENUE		
Membership and Program Fees	563	2,918
Donations and Grants	160,827	162,052
Fundraising	31,148	1,677
Rental	4,290	11,850
Other	821	36
	197,649	178,533
EXPENSES		
Advertising	2,903	7,439
Bank and interest charges	745	733
Equipment	19,475	-
Food	3,538	3,253
Fundraising	4,921	1,772
Insurance	2,696	2,705
Office supplies	3,686	4,229
Professional fees	4,135	5,395
Program costs	1,988	19,898
Rent	12,000	12,000
Repairs and maintenance	3,061	2,639
Utilities	11,738	11,636
Wages and salaries	102,956	122,040
	173,842	193,739
EXCESS OF REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	23,807	(15,206)
NET ASSETS - BEGINNING OF YEAR	86,933	102,139
NET EARNINGS ASSETS - END OF YEAR	110,740	86,933

The accompanying notes form an integral part of these financial statements

COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
STATEMENT OF CASH FLOWS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Excess of expenditures over revenues	23,807	(15,206)
Net change in non-cash working capital balances related to operations		
Prepaid expenses	-	1,600
Accounts payable and accrued liabilities	(1,556)	(2,552)
Deferred revenue	(25,475)	(16,416)
Accounts receivable	(2,114)	(907)
CASH FLOWS USED IN OPERATING ACTIVITIES	(5,338)	(33,481)
INVESTING ACTIVITIES		
Increase in short-term investments	-	(50,000)
CASH FLOWS USED IN INVESTING ACTIVITIES	-	(50,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS FOR YEAR	(5,338)	(83,481)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	71,106	154,587
CASH AND CASH EQUIVALENTS - END OF YEAR	65,768	71,106
REPRESENTED BY:		
Cash	65,768	71,106

The accompanying notes form an integral part of these financial statements

**COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. NATURE OF BUSINESS

Committee for Innovative Thinking for Youth ("the Organization") is a charitable organization incorporated under the laws of Ontario, for the purpose of providing a youth centre for Quinte West area.

2. CHANGE OF ACCOUNTING POLICY - TANGIBLE CAPITAL ASSETS

Previously, the Organization capitalized all tangible capital assets. During the year, the Organization adopted a new accounting policy under which it expenses all tangible capital assets at it meets the requirements to make this accounting policy choice under Section 4433 of the CPA Handbook.

This accounting policy has been applied retrospectively which results in the following changes to the comparative information:

Tangible capital assets	\$
Previously stated as at December 31, 2017	2,270
Less: Tangible capital assets purchased prior to 2017	(2,270)
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Restated as at December 31, 2017	-
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Excess of expenditures over revenues	\$
Previously stated for the year ended December 31, 2017	(16,313)
Add: Amortization of tangible capital assets previously expensed	1,107
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Restated for the year ended December 31, 2017	(15,206)
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Net assets - beginning of year	\$
Previously stated as at January 1, 2017	105,516
Less: Tangible capital assets purchased prior to 2017	(3,377)
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Restated as at December 31, 2017	102,139
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COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018

3. ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the Organization that are considered to be particularly significant:

(a) Basis of Accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation of accounts receivable, and the estimated useful life of equipment. Actual results could differ from those estimates.

(c) Tangible Capital Assets

The cost of tangible capital assets are expensed in the year they are incurred. Tangible capital assets consist of equipment, office furniture and computer hardware and software. During the year, the Organization expensed \$19,475 of tangible capital assets.

(d) Revenue Recognition

Membership and program fees are recognized in income as they are received.

Donations and grants are deferred and recognized as the related expenses are incurred.

Rental fees are recognized as the rental revenue is earned.

(e) Income Taxes

The Organization has been registered with Canada Revenue Agency Taxation as a charitable organization and accordingly is not subject to federal and provincial income taxes.

(f) Cash and Equivalents

Cash and equivalents consist of cash on deposit and bank term deposits in money market instruments with maturity dates of less than three months from the date they are acquired.

COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018

3. ACCOUNTING POLICIES - (Cont'd)

(g) Financial Instruments

(i) Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of financial instruments that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost except for equities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in income.

Financial assets measured at amortized cost include cash, short term investments, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recorded in net income. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the impairment amount previously recognized.

4. SHORT-TERM INVESTMENTS

Short-term investments consist of one guaranteed investment certificate with an interest rate of 1.8% and maturity date of April 2019. The cost plus accrued interest of the investments approximates the fair market value.

**COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

5. DEFERRED REVENUE

Deferred revenue represents the unspent portion of the grants and donations restricted for the purpose of expenditures on wages.

As of December 31, deferred revenue relating to wages is comprised of the following:

	2018	2017
	\$	\$
Mini Golf Donations	8,525	34,000

6. FINANCIAL RISKS AND CONCENTRATIONS OF RISK

In the normal course of business, the Organization is exposed to a number of risks that can affect its operational performance. The Organization is only exposed to interest rate risk as follows:

(a) Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Organization is exposed to interest rate risk in its short-term investments. This risk is mitigated as investments are in GIC's.

(b) Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet all cash outflow obligations as they come due. The Organization is exposed to liquidity risk due to reliance on donations and grants.