

**COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
FINANCIAL STATEMENTS
(UNAUDITED)
AS AT DECEMBER 31, 2020**

COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
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AS AT DECEMBER 31, 2020

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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, 2020, 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, 2020, 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
March 3, 2021

Chartered Professional Accountants
Licensed Public Accountants

COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020
(UNAUDITED)

	2020	2019
	\$	\$
ASSETS		
CURRENT		
Cash	128,028	22,743
Short-term investments - Note	-	50,000
HST Receivable	3,449	3,212
Prepaid expenses and deposits	1,078	1,078
	132,555	77,033
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	7,744	5,957
LONG-TERM		
Canada Emergency Business Account - Note 3	40,000	-
	47,744	5,957
NET ASSETS	84,811	71,076
	132,555	77,033

GOING CONCERN - NOTICE OF IMPACT OF COVID 19 - Note 4

CONTINGENT GAIN - Note 5

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, 2020

	2020	2019
	\$	\$
REVENUE		
Membership and program fees	40	2,578
Donations and grants	121,303	154,879
Fundraising	563	9,728
Rental	-	1,580
Other	273	1,159
	122,179	169,924
EXPENSES		
Advertising	263	3,157
Bank and interest charges	454	355
Equipment	1,485	13,929
Food	2,039	4,266
Fundraising	445	2,541
Insurance	2,687	2,677
Office supplies	4,286	3,317
Professional fees	4,286	3,530
Program costs	11,644	6,161
Rent	3,000	12,000
Repairs and maintenance	6,450	8,290
Utilities	10,661	11,132
Wages and salaries	60,744	138,233
	108,444	209,588
EXCESS OF REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	13,735	(39,664)
NET ASSETS - BEGINNING OF YEAR	71,076	110,740
NET EARNINGS ASSETS - END OF YEAR	84,811	71,076

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, 2020

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenditures (expenditures over revenues)	13,735	(39,664)
Net change in non-cash working capital balances related to operations		
Prepaid expenses	-	(611)
Accounts payable and accrued liabilities	1,788	3,472
Deferred revenue	-	(8,525)
Accounts receivable	(238)	2,303
CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES	15,285	(43,025)
INVESTING ACTIVITIES		
Decrease in short-term investments	50,000	-
CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES	50,000	-
FINANCING ACTIVITIES		
Increase in long-term loan	40,000	-
CASH FLOWS PROVIDED FROM (USED IN) FINANCING ACTIVITIES	40,000	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR YEAR	105,285	(43,025)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	22,743	65,768
CASH AND CASH EQUIVALENTS - END OF YEAR	128,028	22,743
REPRESENTED BY:		
Cash	128,028	22,743

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, 2020

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. 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 accounting standards for not-for-profit organizations 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 \$1,830 of tangible capital assets.

(d) Government Assistance

Government assistance in the form of non-repayable subsidies and forgivable loans were accounted for using the cost reduction approach, whereby the cost of operating expense is reduced by the assistance received; if assistance received is not for a specific expenditure, the assistance is recorded as revenue. Government assistance is recognized in the period where all conditions of the non-repayable subsidies and forgivable loans are met.

COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

2. ACCOUNTING POLICIES - (Cont'd)

(e) 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.

(f) 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.

(g) 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.

(h) 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.

COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

3. GOVERNMENT ASSISTANCE

During the year, the Organization received government assistance in the form of the Canadian Employment Wage Subsidy (CEWS) and the Canada Emergency Business Account (CEBA). Both the CEWS and the CEBA were measures introduced by the government in response to the challenges faced by entities due to the global pandemic caused by COVID-19.

The CEWS was intended to subsidize employee wage costs for entities impacted by COVID-19. The Organization recognized \$14,486 as a reduction in wages.

The CEBA was intended to subsidize non-deferrable operating expenses for entities impacted by COVID-19. The Organization received \$40,000 from the government. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of \$10,000.

4. GOING CONCERN - NOTICE OF IMPACT OF COVID 19

Prior to the organization's year-end, the COVID-19 outbreak was declared a pandemic by the World Health Organization and, both globally and locally, has the potential to create financial stress on the organization. The organization is deemed a non-essential service and therefore has not operated for the majority of the duration of the crisis. At the time that these financial statements were approved, the amount of the financial impact of this could not be determined.

5. CONTINGENT GAIN

During the year, an employee was overpaid by approximately \$14,000. Based on legal advice, the Board of Directors issued a demand letter for repayment of \$10,000 by March 31, 2021. At year-end \$800 had been repaid and the balance is expected by the due date.

COMMITTEE FOR INNOVATIVE THINKING FOR YOUTH
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

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 GICs that are expected to be held to maturity.

(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.