

## Financial Statements

Choices for Youth Inc.

March 31, 2025

## Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 15

## Independent Auditor's Report

To the Board of Directors of  
*Choices for Youth Inc.*

### **Qualified opinion**

We have audited the financial statements of Choices for Youth Inc., which comprise the statement of financial position as at March 31, 2025, statements of operations, 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 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, 2025, 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 donations and 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 and donation revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation in 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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.

# Independent Auditor's Report (continued)

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.

## **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, Canada  
November 20, 2025

*Doane Grant Thornton LLP*  
Chartered Professional Accountants

**Choices for Youth Inc.**  
**Statement of Operations**

Year Ended March 31

(Note 12)

**2025**

**2024**

Revenue		
Government of Newfoundland and Labrador	<b>\$ 3,140,798</b>	\$ 3,140,800
Employment and Social Development Canada	<b>1,223,605</b>	4,107,782
NL Integrated Youth Services	<b>1,205,440</b>	580,404
Donations, fundraising, and miscellaneous income	<b>1,167,587</b>	1,194,402
Upstream	<b>757,992</b>	443,679
Social enterprise (Note 9)	<b>477,913</b>	645,225
Amortization of deferred contributions	<b>461,445</b>	385,719
Employment stability program	<b>384,118</b>	137,614
Rental income – Youth	<b>322,920</b>	352,231
Bridging Futures	<b>295,753</b>	-
Health Canada – YMHF	<b>264,919</b>	-
NL Health Services	<b>233,954</b>	233,954
End Homelessness St. John's	<b>127,690</b>	131,276
Mama moments	<b>116,805</b>	-
Housing initiatives	<b>114,099</b>	257,949
Education & employment programming	<b>108,618</b>	16,130
Interest	<b>90,335</b>	136,323
Upstream expansion	<b>60,067</b>	281,013
Youth leadership council	<b>57,881</b>	67,826
YPRC operations	<b>38,998</b>	-
Janeway pilot program	<b>34,874</b>	40,126
Rental income – LeMarchant Road	<b>21,000</b>	-
	<b>10,706,811</b>	<b>12,152,453</b>
Program Expenses		
Social Enterprise and Employment Programming	<b>2,019,592</b>	3,074,414
NL Integrated Youth Services	<b>1,205,440</b>	580,404
The Lilly	<b>870,922</b>	828,686
Shelter operations	<b>860,665</b>	795,656
RallyForward	<b>817,791</b>	979,807
Upstream	<b>757,992</b>	443,679
Youth engagement and outreach	<b>693,269</b>	737,555
Employment stability program	<b>384,118</b>	137,614
Bridging Futures	<b>295,753</b>	-
Health Canada – YMHF	<b>264,919</b>	-
Family First Programming	<b>263,924</b>	524,940
Housing initiatives	<b>177,315</b>	264,157
End Homelessness St. John's	<b>127,689</b>	131,276
Soft Landing	<b>116,314</b>	281,046
Upstream expansion	<b>60,067</b>	281,013
Youth leadership council	<b>57,881</b>	67,826
Janeway pilot program	<b>34,874</b>	40,126
Education & employment programming	<b>18,690</b>	16,202
	<b>9,027,215</b>	<b>9,184,401</b>
Other Expenses		
Amortization of capital assets	<b>583,061</b>	493,109
Administration	<b>637,838</b>	1,409,609
Impact measurement and engagement	<b>31,193</b>	278,583
Fund development	<b>170,366</b>	249,097
YPRC operations	<b>90,433</b>	76,771
Communications	<b>30,661</b>	129,246
	<b>1,543,552</b>	<b>2,636,415</b>
Total expenses	<b>10,570,767</b>	<b>11,820,816</b>
Excess of revenue over expenses	<b>\$ 136,044</b>	<b>\$ 331,637</b>

**Choices for Youth Inc.**  
**Statement of Changes in Net Assets**

Year ended March 31

	<b>2025</b>		
	<b>General Fund</b>	<b>Restricted Fund</b>	<b>Total</b>
Balance, beginning of year	\$ 607,660	\$ 2,654,113	\$ 3,261,773
Excess of revenue over expenses	136,044	-	136,044
Transfer (to) from investment in capital assets internally restricted fund	(1,480,625)	1,480,625	-
Transfer to internally restricted comprehensive reserve fund	(136,044)	136,044	-
Balance, end of year	<u>\$ (872,965)</u>	<u>\$ 4,270,782</u>	<u>\$ 3,397,817</u>

  

	<b>2024</b>		
	<b>General Fund</b>	<b>Restricted Fund</b>	<b>Total</b>
Balance, beginning of year	\$ (276,924)	\$ 3,207,060	\$ 2,930,136
Excess of revenue over expenses	331,637	-	331,637
Transfer (to) from investment in capital assets internally restricted fund	884,584	(884,584)	-
Transfer to internally restricted comprehensive reserve fund	(331,637)	331,637	-
Balance, end of year	<u>\$ 607,660</u>	<u>\$ 2,654,113</u>	<u>\$ 3,261,773</u>

**Choices for Youth Inc.**  
**Statement of Financial Position**

March 31

2025

2024

<b>Assets</b>		
<b>Current</b>		
Cash	\$ 2,940,605	\$ 2,644,732
Accounts receivable	110,253	106,887
Harmonized sales tax receivable	340,815	475,241
Prepaid expenses	<u>45,540</u>	<u>32,104</u>
	3,437,213	3,258,964
<b>Long-term</b>		
Property and equipment (Note 3)	<u>13,413,857</u>	<u>12,385,880</u>
	<b>\$ 16,851,070</b>	<b>\$ 15,644,844</b>
<hr/>		
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 603,494	\$ 948,418
Deferred revenue (Note 5)	<u>2,962,898</u>	<u>1,095,145</u>
Current portion of long-term debt (Note 6)	<u>79,375</u>	<u>77,198</u>
	3,645,767	2,120,761
<b>Long-term</b>		
Long-term debt (Note 6)	1,000,743	1,079,889
Deferred contributions related to depreciable capital assets (Note 7)	<u>8,806,743</u>	<u>9,182,421</u>
	<b>13,453,253</b>	<b>12,383,071</b>
<hr/>		
<b>Fund balances</b>		
General Fund	(872,965)	607,660
Restricted Funds (Note 8)	<u>4,270,782</u>	<u>2,654,113</u>
	<b>3,397,817</b>	<b>3,261,773</b>
	<b>\$ 16,851,070</b>	<b>\$ 15,644,844</b>
<hr/>		

On behalf of the Board

 Member

Member

 Member

Member

# Choices for Youth Inc.

## Statement of Cash Flows

Year ended March 31

2025

2024

Increase (decrease) in cash

### Operating

Excess of revenue over expenses	\$ 136,044	\$ 331,637
Items not affecting cash		
Amortization	583,061	493,109
Amortization of deferred contributions related to depreciable capital assets	(461,445)	(385,719)
Gain on sale of property and equipment	(27,894)	-
	<u>229,766</u>	439,027
Change in non-cash working capital items		
Accounts receivable	(3,366)	448,400
Harmonized sales tax	134,426	(83,190)
Prepaid expenses	(13,436)	(5,567)
Accounts payable and accrued liabilities	(344,924)	(165,608)
Deferred revenue	1,867,753	(1,536,282)
	<u>1,870,219</u>	(903,220)

### Financing

Repayment of long-term debt	(76,969)	(65,541)
Proceeds of long-term debt	-	760,000
Deferred contributions related to depreciable capital assets	<u>85,768</u>	3,312,466
	<u>8,799</u>	4,006,925

### Investing

Purchase of property and equipment	(1,639,894)	(3,229,730)
Proceeds on disposal of property and equipment	<u>56,749</u>	-
	<u>(1,583,145)</u>	(3,229,730)

Increase (decrease) in cash

295,873

(126,025)

Cash

Beginning of year	<u>2,644,732</u>	2,770,757
End of year	<u>\$ 2,940,605</u>	<u>\$ 2,644,732</u>

---

# **Choices for Youth Inc.**

## **Notes to the Financial Statements**

March 31, 2025

---

### **1. Nature of operations**

Choices for Youth Inc. (the "Organization") is a corporation without share capital incorporated under the Corporation Act of Newfoundland and Labrador. Choices for Youth Inc. is a professional services, youth-focused, non-profit, charitable organization that creates spaces and conversations, and operates programs and social enterprises to help vulnerable youth secure stable housing, employment, and education while improving health and family stability.

The Organization is a registered charity under the Income Tax Act and, as such, is exempt from income tax under paragraph 149(1)(f).

---

### **2. Significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with original maturities of three months or less.

#### **Property and equipment**

Each class of property and equipment is carried at cost less, where applicable, any accumulated amortization and impairment losses.

Cost includes the purchase price and other acquisition costs such as brokers' commissions, installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges.

Where constructed by the Organization, the cost also includes direct construction or development costs, such as materials and labour, as well as overhead costs directly attributable to the construction or development activity.

The cost incurred to enhance the service potential of an item of property and equipment (betterment) is also included in the cost of an asset.

The amortization rates used for each class of property and equipment are:

Buildings	25 years Straight-line
Vehicles	30% Declining balance
Furniture and fixtures	25% Declining balance
Computer equipment	25% Declining balance

---

# **Choices for Youth Inc.**

## **Notes to the Financial Statements**

March 31, 2025

---

### **2. Significant accounting policies (continued)**

#### **Impairment of long-lived assets**

The Organization tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

#### **Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government assistance received or receivable to purchase non-depreciable capital assets is credited directly to net assets.

Contributions, including Government assistance, received to construct or purchase depreciable capital assets are amortized on the same basis as the related capital asset. This also includes forgivable loans received to purchase depreciable capital assets.

All other earned revenue is recognized when services are performed and collection is reasonably assured. Interest revenue is recognized when received.

#### **Use of estimates**

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include allowance for doubtful accounts and useful lives of property and equipment.

#### **Financial instruments**

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- cash
- accounts receivable
- accounts payable
- long-term debt

---

# Choices for Youth Inc.

## Notes to the Financial Statements

March 31, 2025

---

### 2. Significant accounting policies (continued)

#### Financial instruments (continued)

##### Financial instruments in arm's length transactions

###### *Initial measurement*

The Organization initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm's length transactions at fair value.

###### *Subsequent measurement*

The Organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment.

###### *Derecognition*

The Organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

###### *Impairment*

Financial assets measured at cost or amortized cost are tested for impairment when indicators of impairment exist at the end of the reporting period. Previously recognized impairment losses are reversed to the extent of the improvement provided the financial asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

##### Financial instruments in related party transactions

###### *Initial measurement*

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Organization does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

###### *Subsequent measurement*

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Organization initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Organization has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

---

---

## **Choices for Youth Inc.**

### **Notes to the Financial Statements**

March 31, 2025

---

#### **3. Property and equipment**

			<b>2025</b>	<b>2024</b>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 2,008,206	\$ -	\$ 2,008,206	\$ 2,008,206
Buildings	15,945,663	4,620,069	11,325,594	10,231,355
Vehicles	15,616	11,433	4,183	43,625
Furniture and fixtures	433,677	371,193	62,484	82,264
Computer equipment	149,295	135,905	13,390	20,430
	<b>\$ 18,552,457</b>	<b>\$ 5,138,600</b>	<b>\$ 13,413,857</b>	<b>\$ 12,385,880</b>

---

#### **4. Bank indebtedness**

The Organization has a line of credit of \$150,000 from TD Canada Trust Bank which bears interest at prime plus 2.0% per annum and is secured by a general security agreement. The balance on this credit line as of March 31, 2025 is \$Nil (2024 - \$Nil).

---

#### **5. Deferred revenue**

Deferred revenue consists of unspent contributions externally restricted for delivery of youth service programs. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred revenue balance are as follows:

---

**Choices for Youth Inc.**  
**Notes to the Financial Statements**  
March 31, 2025

---

**5. Deferred revenue (continued)**

	Opening balance	Recognized in revenue in the year	Received in the year	2025	2024
City of St. John's	\$ 100,000	\$ (38,998)	\$ -	\$ 61,002	\$ 100,000
Government of Newfoundland and Labrador Department of Education (MM)	-	(116,805)	260,500	143,695	-
Employment and Social Development Canada (SI)	92,915	(71,883)	-	21,033	92,915
Employment and Social Development Canada SSLP	14,344	(757,872)	908,450	164,922	14,344
Employment and Social Development Canada YESS	-	(1,151,722)	1,700,000	548,278	-
Newfoundland and Labrador Integrated Service Delivery	293,437	(1,205,440)	2,140,612	1,228,609	293,437
Community Housing Transformation Centre	57,881	(57,881)	-	-	57,881
End Homelessness St. John's	31,133	(127,690)	134,535	37,978	31,133
Home Depot	200,000	(450,000)	600,000	350,000	200,000
Government of Newfoundland and Labrador (ESSP)	210,494	(384,118)	173,624	-	210,494
Making the Shift	60,067	(60,067)	-	-	60,067
Bridging Futures	-	(295,753)	306,460	10,707	-
Basil Dobbin Foundation and Ecclesiastical Insurance	34,874	(34,874)	-	-	34,874
Health Canada	-	(264,916)	593,507	328,591	-
Community Housing Transformation Centre - Empire Ave	-	(14,482)	35,000	20,518	-

---

## Choices for Youth Inc. Notes to the Financial Statements

March 31, 2025

---

### 5. Deferred revenue (continued)

A Way Home Canada	-	(4,695)	32,260	27,565	-
Other	-	-	20,000	20,000	-
		<b>\$ 1,095,145</b>	<b>\$ (5,037,196)</b>	<b>\$ 6,904,948</b>	<b>\$ 2,962,898</b>
					<b>\$ 1,095,145</b>

Government of Newfoundland and Labrador deferred revenue is unrelated to the Multi-year Agreement. City of St. John's deferred revenue is externally restricted for the operational costs of the Young Parents' Resource Centre building.

---

### 6. Long-term debt

2025 2024

TD Canada Trust loan bearing interest at prime plus 1% per annum, repayable in monthly principal payments of \$1,249 plus interest. The loan matures on November 22, 2046 and is secured by the Cashin Avenue building with a net book value of \$432,971. **\$ 324,825** **\$ 339,817**

TD Canada Trust loan bearing interest at prime plus 1% per annum, repayable in monthly principal payments of \$2,507 plus interest. The loan matures on October 2, 2026 and is secured by the Duckworth Street building with a net book value of \$870,672. **47,641** **77,729**

R. Howard Webster Foundation loan bearing interest at prime less 0.2%, to a maximum of 6.5% per annum, repayable in quarterly blended payments of principal plus interest of \$19,859. The loan matures May 26, 2027 and is secured by a first ranking mortgage on the LeMarchant Road building and land, with a net book value of \$4,863,045, and on all revenues generated therefrom. **707,652** **739,541**

**1,080,118** **1,157,087**

Less current portion **79,375** **77,198**

Due beyond one year **\$ 1,000,743** **\$ 1,079,889**

Estimated principal repayments are as follows:

2026	\$ 79,375
2027	69,122
2028	651,771
2029	14,992
2030	14,992
Subsequent years	<b>249,866</b>
	<b>\$ 1,080,118</b>

---

# **Choices for Youth Inc.**

## **Notes to the Financial Statements**

March 31, 2025

---

### **7. Deferred contributions related to depreciable capital assets**

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 9,182,421	\$ 6,255,674
Amount received during the year	85,768	3,312,466
Less: Amounts recognized as revenue during the year	<u>(461,446)</u>	<u>(385,719)</u>
Balance, end of year	<u><b>\$ 8,806,743</b></u>	<u><b>\$ 9,182,421</b></u>

Included in deferred contributions related to depreciable capital assets are three forgivable loans.

The first loan has an unforgiven balance of \$547,733 (2024 - \$610,933) and is forgiven at the rate of \$63,200 per year as long as the Organization meets certain conditions. A building and land with a net book value of \$1,100,834 and \$310,710, respectively have been provided as security for this loan.

The second loan has an unforgiven balance of \$193,750 (2024 - \$231,250) and is forgiven at the rate of \$37,500 per year as long as the Organization meets certain conditions. A building and land with a net book value of \$659,547 and \$511,125, respectively have been provided as security for this loan.

The third loan has an unforgiven balance of \$435,000 (2024 - \$465,000) and is forgiven at the rate of \$30,000 per year as long as the Organization meets certain conditions. A building and land with a net book value of \$589,439 and \$117,678, respectively have been provided as security for this loan.

---

### **8. Restricted Funds**

Young Parents Resource Centre Capital Fund is funded by proceeds from the Annual Gala. Disbursements from this fund are subject to approval by the Board of Directors.

The Organization has internally restricted an amount related to its investment in capital assets.

The Organization has also internally restricted an amount for future unexpected expenses in its Comprehensive Reserve Fund. This fund is expected to encompass costs associated with repairs and maintenance, pandemic preparedness and response, technology upgrades, professional development and succession planning, innovation initiatives, wind-down preparation, emergency response, and adaptive resource allocation. Disbursements from this fund are subject to approval by the Board of Directors.

---

# **Choices for Youth Inc.**

## **Notes to the Financial Statements**

March 31, 2025

---

### **8. Restricted Funds (continued)**

	<b>2025</b>	<b>2024</b>
Young Parents Resource Centre Capital Fund (externally restricted)	\$ 276,105	\$ 276,105
Investment in Capital Assets (internally restricted)	3,526,996	2,046,371
Comprehensive Reserve Fund (internally restricted)	<u>467,681</u>	<u>331,637</u>
	<b>\$ 4,270,782</b>	<b>\$ 2,654,113</b>

---

### **9. Social Enterprise**

Social Enterprise revenue consists of earned revenues pertaining to the sales of goods and services, grants, and cost recovery revenues attributable to Social Enterprise activities.

---

### **10. Economic dependence**

The Organization receives a substantial amount of its revenue from the Government of Canada and the Government of Newfoundland and Labrador and is financially dependent on these governments for funding.

---

### **11. Financial instruments**

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposures and concentrations at March 31, 2025.

#### **(a) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable. The entity provides credit to its clients in the normal course of its operations. There was no significant change in exposure from the prior year.

#### **(b) Liquidity risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its long-term debt and accounts payable. There was no significant change in exposure from the prior year.

#### **(c) Market risk**

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk.

---

# **Choices for Youth Inc.**

## **Notes to the Financial Statements**

---

March 31, 2025

---

### **11. Financial instruments (continued)**

#### (c) Market risk (continued)

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its long-term debt. There was no significant change in exposure from the prior year.

---

### **12. Comparative figures**

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

---