



CHARTERED ACCOUNTANT

**Halton Family Services  
Financial Statements**

March 31, 2016

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CHARTERED ACCOUNTANT

## Independent Auditor's Report

To the Directors of  
Halton Family Services

### Report on the Financial Statements

I have audited the accompanying financial statements of Halton Family Services, which comprise the statement of financial position as at March 31, 2016, and the statements of changes in net assets, operations 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 of material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.



CHARTERED ACCOUNTANT

#### Basis for Qualified Opinion

In common with many non-profit organizations, the organization derives revenue from fees, fundraising and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to such revenues, excess of revenues over expenditures, assets and net assets.

#### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Halton Family Services as at March 31, 2016 and of its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The comparative figures presented were audited by a predecessor auditor. On the audit report, dated June 11, 2015 the auditor issued a qualified opinion on the 2015 financial statement figures. The qualification was on fundraising and donation revenue for the same reasons as described in the Basis for Qualified Opinion paragraph above.

A handwritten signature in black ink that reads "Charles Havill".

Oakville, Canada  
June 3, 2016

Chartered Professional Accountant  
Chartered Accountant  
Licensed Public Accountant

# Halton Family Services

## Statement of Operations

Year Ended March 31,	2016	2015
<b>Revenues</b>		
Bankruptcy counselling fees	\$ 14,425	\$ 21,234
Counselling fees	131,155	71,055
Creditor contributions	29,189	30,584
Debtor and administration fees	11,886	17,895
Employee assistance program	33,202	32,183
Fundraising and donations	25,538	15,985
Ministry of Community and Social Services	682,564	476,028
Ministry of Community and Social Services - HVPC	12,620	
Ministry of Community and Social Service - Pay Equity	37,946	
Ministry of the Attorney General	196,088	
Ontario Trillium Foundation grant revenue		63,507
Rental and miscellaneous income	3,326	2,585
United Way	504,412	480,070
	<u>1,682,351</u>	<u>1,211,126</u>
<b>Expenditures</b>		
Advertising and promotion	4,330	3,015
Allocated central administration	51,862	
Amortization	1,195	1,851
Assistance to clients	2,300	2,344
Bank charges	5,855	3,800
Direct EAP service	2,509	
Fundraising	7,297	
Insurance	8,705	6,598
Ministry of Community and Social Services - HVPC	12,620	
Miscellaneous	4,545	7,954
Occupancy	239,706	169,670
Office supplies	19,304	13,664
Ontario Trillium Foundation grant expenses		63,507
Parent organization dues	10,966	14,457
Professional fees	68,238	12,094
Program supplies	9,319	1,950
Repairs and maintenance	57,116	47,366
Salaries and benefits	933,949	722,652
Staff development	4,961	3,778
Subcontract fees	151,331	41,504
Telephone/internet	17,936	15,024
Travel	3,380	1,620
	<u>1,617,424</u>	<u>1,132,848</u>
Excess of revenues over expenditures	\$ 64,927	\$ 78,278

See accompanying notes to the financial statements.

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## Halton Family Services Statement of Changes in Net Assets

Year Ended March 31,	Operating 2016	Contingency 2016	Total 2016	Total 2015
Net assets, beginning of year	\$ 183,208	\$ Nil	\$ 183,208	\$ 104,930
Merger of Access Counselling Family Services net assets	<u>81,028</u>	<u>82,706</u>	<u>163,734</u>	
Net assets, restated	264,236	82,706	346,942	
Excess of revenues over expenditures	64,927		64,927	78,278
Interfund transfer	<u>(15,000)</u>	<u>15,000</u>	<u>          </u>	<u>          </u>
Net assets, end of year	<u>\$ 314,163</u>	<u>\$ 97,706</u>	<u>\$ 411,869</u>	<u>\$ 183,208</u>

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See accompanying notes to the financial statements.

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# Halton Family Services

## Statement of Financial Position

March 31, 2016 2015

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### Assets

#### Current

Cash	\$ 323,947	\$ 193,753
Short term investments (Note 3)	126,529	16,496
Accounts receivable (Note 4)	75,769	26,701
Prepays	<u>10,290</u>	<u>7,315</u>
	536,535	244,265

#### Capital assets (Note 5)

5,966 3,969

\$ 542,501 \$ 248,234

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### Liabilities

#### Current

Payables and accruals	\$ 99,493	\$ 34,344
Deferred revenue	<u>31,139</u>	<u>30,682</u>
	130,632	65,026

### Net Assets

Unrestricted	308,197	179,239
Invested in capital assets	5,966	3,969
Internally restricted	<u>97,706</u>	<u>183,208</u>
	411,869	183,208

\$ 542,501 \$ 248,234

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Commitments (Note 6)

On behalf of the Board

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See accompanying notes to the financial statements.



# Halton Family Services

## Statement of Cash Flows

Year Ended March 31,

2016

2015

Cash derived from (applied to)

### Operating

Excess of revenues over expenditures	\$ 64,927	\$ 78,278
Amortization	<u>1,195</u>	<u>1,851</u>
	66,122	80,129
Changes in non-cash operating working capital (below)	<u>13,563</u>	<u>5,136</u>
	<u>79,685</u>	<u>85,265</u>

### Investing

Net assets acquired on merger	163,734	
Purchase of short term investments	(110,033)	
Purchase of capital assets	<u>(3,192)</u>	<u>(2,015)</u>
	50,509	(2,015)

Net increase in cash	130,194	83,250
Cash, beginning of year	<u>193,753</u>	<u>11,503</u>
Cash, end of year	<u>\$ 323,947</u>	<u>\$ 193,753</u>

### Change in non-cash operating working capital

Receivables	\$ (49,068)	\$ (6,121)
Prepays	(2,975)	3,990
Payables and accruals	65,149	3,301
Deferred revenue	457	3,966
Cash held in trust		(3,372)
Trust liability	<u>          </u>	<u>3,372</u>
	<u>\$ 13,563</u>	<u>\$ 5,136</u>

See accompanying notes to the financial statements.



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# Halton Family Services

## Notes to the Financial Statements

March 31, 2016

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### 1. Form of organization

Halton Family Services (the "Organization") is a non-profit organization which was incorporated without share capital under the laws of Ontario to operate exclusively for counselling and educational purposes. It is a registered charity under the Income Tax Act, and it therefore exempt from income taxes and is able to issue donation receipts for income tax purposes.

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### 2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

#### Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organization requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenditures and disclosure of contingent assets and liabilities. Significant areas requiring the use of judgement include rates and basis of depreciation of capital assets and the amounts included in receivables, prepaids, payables and accruals and deferred revenue. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

#### Accrual basis of accounting

Revenues and expenditures are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

#### Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances. All balances are held with Canadian financial institutions.

#### Capital assets

Capital assets additions are recorded at cost. Rates and bases applied to write off the cost of capital assets over their estimated useful lives is as follows:

Computer equipment	4 year straight line
Computer Software	4 year straight line
Furniture and fixtures	4 year straight line
Leasehold improvements	5 year straight line

#### Restricted fund

The Contingency Fund was established for the purpose of safeguarding the Organization against unexpected expenditures or loss in revenues. The transfer to the Contingency Fund is at the discretion of the Board of Directors.

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# Halton Family Services

## Notes to the Financial Statements

March 31, 2016

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### 2. Significant accounting policies (continued)

#### Contributions

The Organization follows the deferral method of accounting for contributions.

Contributions received and spent for capital assets are deferred in the accounts and amortized over the same terms and on the same basis as the related capital assets.

#### Revenue recognition

Revenue from counselling, Employee Assistance Program, and bankruptcy services are recognized when the service is provided. Amounts paid to the Organization in advance of the service being provided are deferred until such time that the service is completed and the fees are then recognized as revenue.

Revenue from grants are recognized as per the terms of the agreement established by the respective agency. Amounts received for the purchase of property and equipment are deferred and amortized to revenue over the assets' estimated useful life.

Fundraising proceeds and donations are recognized when received or receivable if the amount to be reported to be received can be reasonably estimated and collection reasonably assured.

#### Financial instruments

The Organization's financial instruments consist of cash, short-term investments, accounts receivable and accounts payable and accrued liabilities. All financial instruments are initially recognized at fair value and subsequently measured at amortized cost, adjusted by transaction costs, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.

#### Allocation of expenditures

The Organization incurs various general support expenditures which are common to the administration of the organization and each of its programs. As such these expenditures are allocated across each program. These expenditures include office and building, insurance and professional fees, equipment and maintenance, office administration, depreciation and some salaries and benefits. This allocation is done on a monthly basis and the allocation is based on the percentage of specific program funding to the organization's total expected funding for the upcoming year. The amounts allocated to the specific programs are presented in the schedules to the financial statements. Any expenditures that relate to a specific program are allocated only to that particular program.

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### 3. Short term investments

The short term investments consist of guaranteed investment certificates earning interest at varying rates between 0.5% and 1.85% (2015 – prime less 1.95%) and maturing at various dates up to May, 2017.

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# Halton Family Services

## Notes to the Financial Statements

March 31, 2016

### 4. Accounts receivable

	<u>2016</u>	<u>2015</u>
Accounts receivable	\$ 50,532	\$ 14,005
Less: allowance for doubtful accounts	<u>(1,575)</u>	<u>(1,575)</u>
	48,957	12,430
 HST receivable	 <u>26,812</u>	 <u>14,271</u>
	 <u>\$ 75,769</u>	 <u>\$ 26,701</u>

### 5. Capital assets

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2016 Net Book Value</u>	<u>2015 Net Book Value</u>
Computer equipment	\$ 235,237	\$ 230,718	\$ 4,519	\$ 2,499
Computer software	72,781	72,114	667	772
Furniture and fixtures	10,320	10,016	304	698
Leasehold improvements	<u>951</u>	<u>475</u>	<u>476</u>	<u>        </u>
	<u>\$ 319,289</u>	<u>\$ 313,323</u>	<u>\$ 5,966</u>	<u>\$ 3,969</u>

### 6. Commitments

The Organization has entered into leases for premises and equipment for various periods to April 2021. The annual rent of premises consists of minimum rent plus realty taxes, maintenance, utilities and certain other expenses.

Minimum rent payable and equipment lease payable over the next five years is as follows:

2017	\$ 273,128
2018	221,897
2019	52,016
2020	3,678
2021	<u>1,434</u>
	<u>\$ 552,153</u>

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# Halton Family Services

## Notes to the Financial Statements

March 31, 2016

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### 7. Pension Plan

The Organization provides pension benefits for salaried staff through participation in a contributory, defined contribution plan for eligible employees. The Organization matches employee contributions at a rate of 5% of gross salaries. Pension expense for the year ended March 31, 2016 of \$23,630 (2015 - \$23,584) has been recognized in the Statement of Operations.

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### 8. Financial instruments

#### 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 receivables are comprised of numerous small balances from clients and as such, the organization is exposed to credit risk on these receivables. The organization does not have significant exposure to any individual client or counterpart, due to the significant number of diverse customers. The receivables balance is comprised of amounts due from clients and other organizations.

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### 9. Business combination

As of October 1, 2015, Access Counselling and Family Services (ACFS) has merged with Halton Family Services (HFS) to form a new organization which will operate under the name Halton Family Services. The basis of this combination of these two organization was a merger agreement in which HFS agreed to assume from ACFS all of the transferred assets and assumed liabilities of ACFS as at the time of the merger. All commitments of ACFS were also assumed by HFS. There was no monetary exchange as a result of this combination.

The comparative figures presented reflect only the prior year activity of HFS and do not reflect any prior year activity of ACFS.

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### 10. Subsequent event

On May 10, 2016 the Board of Directors of Halton Family Services voted to change the name of the organization from Halton Family Services to Thrive Counselling Services Halton. The Organization is still in the process of legally changing the name.

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**Halton Family Services**  
**Schedule 1**  
**Individual Couple Family**  
**Statement of Revenues and Expenditures**

Year Ended March 31,	2016	2015
<b>Revenues</b>		
United Way	\$ 504,412	\$ 480,070
Ministry of Community and Social Services – Pay Equity		33,357
Employee Assistance Program	37,595	32,183
Counselling fees	100,933	71,055
Donations and fundraising	25,538	15,955
Other income	1,358	110
	<u>669,836</u>	<u>632,730</u>
<b>Expenditures</b>		
Advertising and promotion	218	1,154
Amortization	919	1,502
Assistance to clients	775	600
Bank charges	2,782	2,044
Computer maintenance	27,639	25,419
Central allocated administration expenses		39,508
Direct EAP service	2,509	
Fundraising	7,297	
Insurance	789	3,302
Miscellaneous	(101)	1,170
Occupancy	106,018	96,013
Office supplies	1,359	6,211
Parent organization dues	1,494	5,790
Professional fees	51,267	9,034
Program expense	1,254	
Repairs and maintenance	491	4,807
Salaries and benefits	322,260	309,209
Seminars and meetings	493	
Staff development		2,808
Subcontract fees	95,200	16,785
Telephone/internet	8,820	9,240
Travel	664	1,494
	<u>632,147</u>	<u>536,090</u>
Excess of revenues over expenditures	<u>\$ 37,689</u>	<u>\$ 96,640</u>

See accompanying notes to the financial statements.

**Halton Family Services**  
**Schedule 2**  
**Credit Counselling Service**  
**Statement of Revenues and Expenditures**

Year Ended March 31,	2016	2015
<b>Revenues</b>		
Creditor contributions	\$ 28,944	\$ 30,584
Bankruptcy fees	14,425	21,235
Debtor and administration fees	11,886	17,895
Counselling fees	760	
Rental and miscellaneous income	2,213	2,475
Fundraising and donations		30
	<u>58,228</u>	<u>72,219</u>
<b>Expenditures</b>		
Advertising and promotion	160	687
Amortization	133	122
Bank charges	302	1,357
Computer maintenance	2,424	9,288
Insurance	877	1,540
Miscellaneous	195	6,448
Occupancy	4,890	10,249
Office supplies	703	3,611
Parent organization dues	6,137	7,493
Professional fees	1,082	951
Program expense	537	
Repairs and maintenance	102	401
Salaries and benefits	29,652	43,499
Staff development	511	563
Telephone/internet	500	1,021
Travel		14
	<u>48,205</u>	<u>87,244</u>
<b>Excess of revenues over expenditures</b>		
(expenditures over revenues)	<u>\$ 10,023</u>	<u>\$ (15,025)</u>

See accompanying notes to the financial statements.



**Halton Family Services**  
**Schedule 3**  
**Violence Against Women**  
**Statement of Revenues and Expenditures**

Year Ended March 31,	2016	2015
<b>Revenues</b>		
Ministry of Community and Social Services	\$ 555,846	\$ 367,625
Ministry of Community and Social Services – HVPC	12,620	
Ministry of Community and Social Services – Pay Equity	37,946	
Ministry of Community and Social Services – One time	<u>25,000</u>	
	<u>631,412</u>	<u>367,625</u>
<b>Expenditures</b>		
Advertising and promotion	2,306	954
Allocated central administration	47,383	
Amortization	143	227
Assistance to clients	1,525	1,744
Bank charges	1,675	321
Computer maintenance	16,625	4,149
Computer upgrades		6,187
Insurance	2,559	1,421
Ministry of Community and Social Services - HVPC	12,620	
Miscellaneous	2,650	168
Occupancy	82,228	42,357
Office supplies	7,116	2,547
Parent organization dues	537	744
Professional fees	7,371	1,262
Program supplies	3,550	485
Repairs and maintenance	2,400	1,068
Salaries and benefits	393,662	305,426
Staff development	889	305
Subcontract fees	40,757	
Telephone/internet	5,166	4,117
Travel	<u>216</u>	
	<u>631,378</u>	<u>373,482</u>
Excess of revenues over expenditures (expenditures over revenues)	<u>\$ 34</u>	<u>\$ (5,857)</u>

See accompanying notes to the financial statements.



**Halton Family Services**  
**Schedule 4**  
**Child Witness**  
**Statement of Revenues and Expenditures**

Year Ended March 31,	2016	2015
Revenues		
Ministry of Community and Social Services	<u>\$ 101,718</u>	<u>\$ 75,046</u>
Expenditures		
Advertising and promotion	498	220
Allocated central administration	4,479	
Amortization		
Assistance to clients		
Bank charges		78
Computer maintenance	5,591	843
Insurance	328	334
Miscellaneous	180	168
Occupancy	24,170	21,051
Office supplies	2,501	1,294
Parent organization dues	268	431
Professional fees	2,797	848
Program supplies	1,678	1,465
Repairs and maintenance	906	1,391
Salaries and benefits	40,419	25,011
Staff development	1,317	102
Subcontract fees	15,374	18,532
Telephone/internet	1,550	646
Travel	249	112
	<u>102,305</u>	<u>72,526</u>
Excess of (expenditures over revenues) revenues over expenditures	<u>\$ (587)</u>	<u>\$ 2,520</u>

See accompanying notes to the financial statements.

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**Halton Family Services**  
**Schedule 5**  
**Family Life Education**  
**Statement of Revenues and Expenditures**

Year Ended March 31,	2016	2015
Revenues		
Counselling fees	\$ 6,868	
Expenditures		
Office supplies	673	
Parent organization dues	930	
Program supplies	2,000	
Staff development	450	
	<u>4,053</u>	
Excess of revenues over expenditures	\$ 2,815	\$ Nil

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See accompanying notes to the financial statements.

**Halton Family Services**  
**Schedule 6**  
**Partner Abuse Response Program**  
**Statement of Revenues and Expenditures**

Year Ended March 31,	2016	2015
<b>Revenues</b>		
Ministry of the Attorney General	\$ 107,060	
Fees	<u>14,625</u>	
	<u>121,685</u>	
<b>Expenditures</b>		
Advertising and promotion	150	
Bank charges	755	
Computer maintenance	939	
Insurance	1,767	
Miscellaneous	1,281	
Occupancy	9,350	
Office supplies	1,390	
Parent organization dues	1,000	
Professional fees	3,870	
Salaries and benefits	84,290	
Staff development	800	
Telephone/internet	825	
Travel	<u>250</u>	
	<u>106,667</u>	
Excess of revenues over expenditures	<u>\$ 15,018</u>	<u>\$ Nil</u>

See accompanying notes to the financial statements.

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**Halton Family Services**  
**Schedule 7**  
**Supervised Access Program**  
**Statement of Revenues and Expenditures**

Year Ended March 31,	2016	2015
Revenues		
Ministry of the Attorney General	\$ 89,029	
Counselling fees	<u>3,576</u>	
	<u>92,605</u>	
Expenditures		
Advertising and promotion	998	
Bank charges	342	
Insurance	2,385	
Miscellaneous	340	
Occupancy	13,050	
Office supplies	5,564	
Parent organization dues	600	
Professional fees	1,851	
Program expense	300	
Salaries and benefits	63,666	
Staff development	500	
Telephone/internet	1,074	
Travel	<u>2,000</u>	
	<u>92,670</u>	
Excess of expenditures over revenues	\$ <u>(65)</u>	\$ <u>Nil</u>

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See accompanying notes to the financial statements.