

DRAFT - For Discussion Purposes Only

**Thrive Counselling  
Financial Statements**

March 31, 2017

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# Independent Auditor's Report

To the Directors of  
Thrive Counselling

## Report on the Financial Statements

I have audited the accompanying financial statements of Thrive Counselling, which comprise the statement of financial position as at March 31, 2017, 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.

#### 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. Therefore, I was not able to determine whether, as at and for the years ended March 31, 2017 and March 31, 2016, any adjustments might be necessary to revenues, excess of revenues over expenditures, cash flow from operations, current assets and net assets. This caused me to also qualify my audit opinion on the financial statements as at and for the year ended March 31, 2016.

#### 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 Thrive Counselling as at March 31, 2017 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.

Oakville, Canada  
June 20, 2017 except as to Note 10,  
which is as of the date June 27, 2017.

Chartered Professional Accountant  
Chartered Accountant  
Licensed Public Accountant

# Thrive Counselling

## Statement of Operations

Year Ended March 31,	2017	Restated 2016
<b>Revenues</b>		
Bankruptcy counselling fees	\$ 18,645	\$ 14,425
Counselling fees	178,135	131,155
Creditor contributions	19,785	29,189
Debtor and administration fees	9,643	11,886
Employee assistance program	26,640	33,202
Fundraising and donations	27,247	25,538
Ministry of Community and Social Services	863,597	682,564
Ministry of Community and Social Services - HVPC	25,232	12,620
Ministry of Community and Social Service - Pay Equity	42,524	37,946
Ministry of the Attorney General	407,175	171,928
Other grant	9,565	
Rental and miscellaneous income	33,553	3,326
United Way	564,661	504,412
	<u>2,226,402</u>	<u>1,658,191</u>
<b>Expenditures</b>		
Advertising and promotion	5,126	4,330
Allocated central administration	66,838	51,862
Amortization	9,403	1,195
Assistance to clients	990	2,300
Bank charges	5,785	5,855
Computer maintenance	51,555	
Direct EAP service	1,568	2,509
Fundraising	11,774	7,297
Insurance	10,165	8,705
Ministry of Community and Social Services - HVPC	25,830	12,620
Miscellaneous	2,147	4,545
Occupancy	281,373	239,706
Office supplies	21,645	19,304
Parent organization dues	15,520	10,966
Professional fees	17,046	68,238
Program supplies	24,543	9,319
Repairs and maintenance	6,143	57,116
Salaries and benefits	1,598,760	933,949
Seminars and meetings	4,194	4,961
Subcontract fees		151,331
Telephone/internet	12,840	17,936
Travel	5,567	3,380
	<u>2,178,812</u>	<u>1,617,424</u>
Excess of revenues over expenditures	<u>\$ 47,590</u>	<u>\$ 40,767</u>

See accompanying notes to the financial statements.

## Thrive Counselling Statement of Changes in Net Assets

Year Ended March 31,	Operating 2017	Contingency 2017	Total 2017	Restated Total 2016
Net assets, beginning of year	\$ 290,003	\$ 97,706	\$ 387,709	\$ 183,208
Merger of Access Counselling Family Services net assets				<u>163,734</u>
Net assets, restated				346,942
Excess of revenues over expenditures	<u>47,590</u>	<u>          </u>	<u>47,590</u>	<u>40,767</u>
Net assets, end of year	<u>\$ 337,593</u>	<u>\$ 97,706</u>	<u>\$ 435,299</u>	<u>\$ 387,709</u>

See accompanying notes to the financial statements.

# Thrive Counselling

## Statement of Financial Position

March 31, 2017 Restated 2016

### Assets

#### Current

Cash	\$ 255,687	\$ 323,947
Short term investments (Note 3)	126,529	126,529
Accounts receivable (Note 4)	44,110	75,769
Prepays	<u>33,840</u>	<u>10,290</u>
	460,166	536,535

Capital assets (Note 5) 38,398 5,966

\$ 498,564 \$ 542,501

### Liabilities

#### Current

Payables and accruals	\$ 53,065	\$ 99,493
Deferred revenue	<u>10,200</u>	<u>55,299</u>
	63,265	154,792

### Net Assets

Unrestricted	299,195	284,037
Invested in capital assets	38,398	5,966
Internally restricted	<u>97,706</u>	<u>97,706</u>
	435,299	387,709

\$ 498,564 \$ 542,501

Commitments (Note 6)

On behalf of the Board

Director

Director

See accompanying notes to the financial statements.

# Thrive Counselling

## Statement of Cash Flows

Year Ended March 31,	2017	Restated 2016
Cash derived from (applied to)		
<b>Operating</b>		
Excess of revenues over expenditures	\$ 47,590	\$ 40,767
Amortization	9,403	1,195
	<u>56,993</u>	<u>41,962</u>
Changes in non-cash operating working capital (below)	<u>(83,418)</u>	<u>37,723</u>
	<u>(26,425)</u>	<u>79,685</u>
<b>Investing</b>		
Net assets acquired on merger		163,734
Purchase of short term investments		(110,033)
Purchase of capital assets	(41,835)	(3,192)
	<u>(41,835)</u>	<u>50,509</u>
Net (decrease) increase in cash	(68,260)	130,194
Cash, beginning of year	<u>323,947</u>	<u>193,753</u>
Cash, end of year	<u>\$ 255,687</u>	<u>\$ 323,947</u>
Change in non-cash operating working capital		
Receivables	\$ 31,659	\$ (49,068)
Prepays	(23,550)	(2,975)
Payables and accruals	(46,428)	65,149
Deferred revenue	<u>(45,099)</u>	<u>24,617</u>
	<u>\$ (83,418)</u>	<u>\$ 37,723</u>

See accompanying notes to the financial statements.



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# Thrive Counselling

## Notes to the Financial Statements

March 31, 2017

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### 1. Form of organization

Thrive Counselling (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.

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

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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

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# Thrive Counselling

## Notes to the Financial Statements

March 31, 2017

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### 2. Significant accounting policies (continued)

#### 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.

#### 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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# Thrive Counselling

## Notes to the Financial Statements

March 31, 2017

### 3. Short term investments

The short term investments consist of guaranteed investment certificates earning interest at varying rates between 0.6% and 1.35% (2016 – 0.5% - 1.85%) and maturing at various dates up to February 2018.

### 4. Accounts receivable

	<u>2017</u>	<u>2016</u>
Accounts receivable	\$ 21,360	\$ 50,532
Less: allowance for doubtful accounts	<u>(1,575)</u>	<u>(1,575)</u>
	19,785	48,957
HST receivable	<u>24,325</u>	<u>26,812</u>
	<u>\$ 44,110</u>	<u>\$ 75,769</u>

### 5. Capital assets

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2017 Net Book Value</u>	<u>2016 Net Book Value</u>
Computer equipment	\$ 237,338	\$ 234,345	\$ 2,993	\$ 4,519
Computer software	125,849	108,463	17,386	667
Furniture and fixtures	31,946	13,927	18,019	304
Leasehold improvements	<u>24,070</u>	<u>24,070</u>		<u>476</u>
	<u>\$ 419,203</u>	<u>\$ 380,805</u>	<u>\$ 38,398</u>	<u>\$ 5,966</u>

### 6. Commitments

The Organization has entered into leases for premises and equipment for various periods to October 2027. 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:

2018	294,378
2019	224,512
2020	177,120
2021	174,393
2022	<u>171,674</u>
	<u>\$ 1,042,077</u>

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# Thrive Counselling

## Notes to the Financial Statements

March 31, 2017

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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, 2017 of \$40,150 (2016 - \$23,630) 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. Prior period adjustment

During the year the Ministry of the Attorney General demanded repayment of funds for the Partner Abuse Response Program which had not been conducted by Thrive during the 2016 year. Thrive had previously recognized this amount as revenue. As a result, the comparative figures have been restated as follows:

	2016 Original	2016 Restated
Ministry of Attorney General	\$ 196,088	\$ 171,928
Excess of revenues over expenditures	\$ 64,927	\$ 40,767
Net assets, end of year	\$ 411,869	\$ 387,709
Deferred revenue	\$ 31,139	\$ 55,299
Schedule 6 Revenue – Ministry of Attorney General	\$ 107,060	\$ 82,900

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### 10. Subsequent event

The financial statements of the Organization have been amended subsequent to year-end as management became aware that Schedule 6 Partner Abuse Response Program had a mislabelled expenditure line. The line was previously titled Seminars and meetings and should have been titled Salaries and benefits. There has been no change to the figure reported.

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**Thrive Counselling**  
**Schedule 1**  
**Individual Couple Family**  
**Statement of Revenues and Expenditures**

Year Ended March 31,	2017	2016
<b>Revenues</b>		
United Way	\$ 564,661	\$ 504,412
Employee Assistance Program	31,325	37,595
Counselling fees	135,313	100,933
Donations and fundraising	26,847	25,538
Other grants	9,565	
Other income	29,162	1,358
	<u>796,873</u>	<u>669,836</u>
<b>Expenditures</b>		
Advertising and promotion	1,129	218
Amortization	9,173	919
Assistance to clients		775
Bank charges	3,530	2,782
Computer maintenance	34,629	27,639
Direct EAP service	1,568	2,509
Fundraising	11,774	7,297
Insurance	4,069	789
Membership and dues	5,937	1,494
Miscellaneous	1,568	(101)
Occupancy	103,116	106,018
Office supplies	9,889	1,359
Professional fees	6,855	51,267
Program expense	1,860	1,254
Repairs and maintenance	3,932	491
Salaries and benefits	547,287	322,260
Seminars and meetings	1,641	493
Subcontract fees		95,200
Telephone/internet	6,124	8,820
Travel	1,401	664
	<u>755,482</u>	<u>632,147</u>
Excess of revenues over expenditures	\$ 41,391	\$ 37,689

See accompanying notes to the financial statements.

**Thrive Counselling**  
**Schedule 2**  
**Credit Counselling Service**  
**Statement of Revenues and Expenditures**

Year Ended March 31,	2017	2016
<b>Revenues</b>		
Creditor contributions	\$ 19,785	\$ 28,944
Bankruptcy fees	18,645	14,425
Debtor and administration fees	9,643	11,886
Counselling fees	1,505	760
Rental and miscellaneous income	4,282	2,213
Fundraising and donations	400	
	<u>54,260</u>	<u>58,228</u>
<b>Expenditures</b>		
Advertising and promotion	694	160
Amortization	133	133
Bank charges	418	302
Computer maintenance	1,092	2,424
Insurance	653	877
Membership and dues	6,561	6,137
Miscellaneous	107	195
Occupancy	1,892	4,890
Office supplies	1,381	703
Professional fees	392	1,082
Program expense	4,085	537
Repairs and maintenance	184	102
Salaries and benefits	42,582	29,652
Seminars and meetings	922	511
Telephone/internet	485	500
	<u>61,581</u>	<u>48,205</u>
Excess (expenditures over revenues)		
revenues over expenditures	\$ (7,321)	\$ 10,023

See accompanying notes to the financial statements.

**Thrive Counselling**  
**Schedule 3**  
**Violence Against Women**  
**Statement of Revenues and Expenditures**

Year Ended March 31,	2017	2016
<b>Revenues</b>		
Ministry of Community and Social Services	\$ 736,717	\$ 555,846
Ministry of Community and Social Services – HVPC	25,232	12,620
Ministry of Community and Social Services – Pay Equity	42,524	37,946
Ministry of Community and Social Services – One time		25,000
	<u>804,473</u>	<u>631,412</u>
<b>Expenditures</b>		
Advertising and promotion	1,765	2,306
Allocated central administration	66,838	47,383
Amortization	96	143
Assistance to clients	990	1,525
Bank charges	1,106	1,675
Computer maintenance	8,664	16,625
Insurance	1,619	2,559
Membership and dues	1,005	537
Ministry of Community and Social Services - HVPC	25,830	12,620
Miscellaneous	236	2,650
Occupancy	94,808	82,228
Office supplies	4,457	7,116
Professional fees	1,377	7,371
Program supplies	1,420	3,550
Repairs and maintenance	1,474	2,400
Salaries and benefits	591,846	393,662
Seminars and meetings	470	889
Subcontract fees		40,757
Telephone/internet	3,461	5,166
Travel	662	216
	<u>808,124</u>	<u>631,378</u>
Excess of (expenditures over revenues) revenues over expenditures	\$ (3,651)	\$ 34

See accompanying notes to the financial statements.

**Thrive Counselling**  
**Schedule 4**  
**Child Witness**  
**Statement of Revenues and Expenditures**

Year Ended March 31,	2017	2016
Revenues		
Ministry of Community and Social Services	\$ <u>126,880</u>	\$ <u>101,718</u>
Expenditures		
Advertising and promotion	685	498
Allocated central administration		4,479
Bank charges	158	
Computer maintenance	4,626	5,591
Insurance	324	328
Membership and dues	358	268
Miscellaneous	236	180
Occupancy	26,845	24,170
Office supplies	2,265	2,501
Professional fees	74	2,797
Program supplies	2,177	1,678
Repairs and maintenance	553	906
Salaries and benefits	85,635	40,419
Seminars and meetings	218	1,317
Subcontract fees		15,374
Telephone/internet	509	1,550
Travel	478	249
	<u>125,141</u>	<u>102,305</u>
Excess of revenues over expenditures (expenditures over revenues)	\$ <u>1,739</u>	\$ <u>(587)</u>

See accompanying notes to the financial statements.



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**Thrive Counselling**  
**Schedule 5**  
**Family Life Education**  
**Statement of Revenues and Expenditures**

Year Ended March 31,	2017	2016
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	\$ Nil	\$ 2,815

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See accompanying notes to the financial statements.

**Thrive Counselling**  
**Schedule 6**  
**Partner Abuse Response Program**  
**Statement of Revenues and Expenditures**

Year Ended March 31,	2017	Restated 2016
<b>Revenues</b>		
Ministry of the Attorney General	\$ 214,119	\$ 82,900
Fees	28,348	14,625
Miscellaneous	110	
	<u>242,577</u>	<u>97,525</u>
<b>Expenditures</b>		
Advertising and promotion	487	150
Bank charges	361	755
Computer maintenance	2,461	939
Insurance	3,500	1,767
Membership and dues	1,389	1,000
Miscellaneous		1,281
Occupancy	20,146	9,350
Office supplies	3,069	1,390
Professional fees	7,648	3,870
Salaries and benefits	184,537	84,290
Staff development	305	800
Telephone/internet	2,126	825
Travel	1,030	250
	<u>227,059</u>	<u>106,667</u>
Excess of revenues over expenditures (expenditures over revenues)	<u>\$ 15,518</u>	<u>\$ (9,142)</u>

See accompanying notes to the financial statements.

**Thrive Counselling**  
**Schedule 7**  
**Supervised Access Program**  
**Statement of Revenues and Expenditures**

Year Ended March 31,	2017	2016
<b>Revenues</b>		
Ministry of the Attorney General	\$ 178,057	\$ 89,029
Ministry of the Attorney General – one time	15,000	
Counselling fees	<u>8,283</u>	<u>3,576</u>
	<u>201,340</u>	<u>92,605</u>
<b>Expenditures</b>		
Advertising and promotion	366	998
Bank charges	212	342
Computer maintenance	83	
Insurance		2,385
Membership and dues	270	600
Miscellaneous		340
Occupancy	34,566	13,050
Office supplies	586	5,564
Professional fees	700	1,851
Program expense	15,000	300
Salaries and benefits	146,871	63,666
Seminars and meetings	640	500
Telephone/internet	135	1,074
Travel	<u>1,995</u>	<u>2,000</u>
	<u>201,424</u>	<u>92,670</u>
Excess of expenditures over revenues	<u>\$ (84)</u>	<u>\$ (65)</u>

See accompanying notes to the financial statements.