

**THRIVE COUNSELLING SERVICES  
HALTON INC.**

**FINANCIAL STATEMENTS**

**AS AT  
MARCH 31, 2018**

<b>Contents</b>	<b>Page</b>
Independent auditors' report	1
Statement of financial position	2
Statement of changes in net assets	3
Statement of revenue and expenditure	4
Statement of cash flows	5
Notes to financial statements	6 - 9
Schedules to statement of revenue and expenditure	11 - 15





GLENN • GRAYDON • WRIGHT LLP  
CHARTERED ACCOUNTANTS

1

## INDEPENDENT AUDITORS' REPORT

To the Directors  
Thrive Counselling Services Halton Inc.

We have audited the accompanying financial statements of Thrive Counselling Services Halton Inc. which comprise the statement of financial position as at March 31, 2018, and the statements of changes in net assets, revenue and expenditure 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

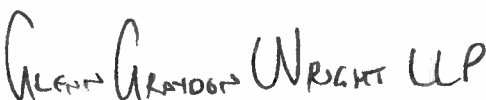
### *Basis for Qualified Opinion*

In common with many charitable organizations, the organization derives revenues from fees, donations and fundraising activities, the completeness of which are not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to fees, donations and fundraising revenue, operating surplus or cash and cash equivalents at year end.

In our opinion, except for the effect of the matters in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Thrive Counselling Services Halton Inc. as at March 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.

### *Other Matter*

The financial statements of Thrive Counselling Services Halton Inc. for the year ended March 31, 2017 were audited by another auditor who expressed a modified opinion on those financial statements on June 20, 2017.



Chartered Accountants  
Licensed Public Accountants  
Oakville, Ontario  
June 18, 2018

**THRIVE COUNSELLING SERVICES HALTON INC.****Statement of financial position****As at March 31, 2018**

	2018	2017
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 213,190	255,687
Short-term investments	114,180	126,529
Accounts receivable (Note 4)	30,431	19,785
Government remittances receivable	21,796	24,325
Prepaid expenses	48,458	33,840
	428,055	460,166
<b>Property, plant and equipment (Note 5)</b>	<b>48,301</b>	<b>38,398</b>
	\$ 476,356	498,564
<b>Liabilities and net assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 58,605	53,065
Deferred revenue	1,400	10,200
	60,005	63,265
<b>Net assets</b>		
Unrestricted	270,344	299,195
Investment in property, plant and equipment	48,301	38,398
Internally restricted	97,706	97,706
	416,351	435,299
	\$ 476,356	498,564

Approved by the Board

\_\_\_\_\_  
Director\_\_\_\_\_  
Director

**THRIVE COUNSELLING SERVICES HALTON INC.****Statement of changes in net assets****For the year ended March 31, 2018**

		Operating Fund	Contingency Fund	Total 2018	Total 2017
<b>Net assets</b> , beginning of year	\$	337,593	97,706	435,299	387,709
Excess of (expenditure over revenue) revenue over expenditure for year		(18,948)	-	(18,948)	47,590
<b>Net assets</b> , end of year	\$	318,645	97,706	416,351	435,299



**THRIVE COUNSELLING SERVICES HALTON INC.****Statement of revenue and expenditure****For the year ended March 31, 2018**

	2018	2017
<b>Revenue</b>		
Bankruptcy counselling fees	\$ 14,190	18,645
Counselling fees	204,768	178,135
Creditor contributions	17,035	19,785
Donations and fundraising	17,341	27,247
Debtor and administration fees	8,207	9,643
Employee assistance program	29,863	26,640
Investment income	4,147	-
Ministry of Community and Social Services	866,708	863,597
Ministry of Community and Social Services – HVPC	25,232	25,232
Ministry of Community and Social Services – Pay Equity	42,524	42,524
Ministry of Community and Social Services – One time	9,200	-
Ministry of the Attorney General	392,176	407,175
Other grants	-	9,565
Rental and miscellaneous income	17,819	33,553
United Way of Halton and Hamilton	559,793	564,661
	<b>2,209,003</b>	<b>2,226,402</b>
<b>Expenditure</b>		
Advertising and promotion	2,147	5,126
Allocated central administration	53,367	66,838
Amortization	17,860	9,403
Assistance to clients	1,309	990
Bank charges and interest	6,599	5,785
Computer maintenance	44,085	51,555
Direct EAP service	5,101	1,568
Fundraising	6,101	11,774
Insurance	9,351	10,165
Membership and dues	16,028	15,520
Ministry of Community and Social Services – HVPC	25,633	25,830
Ministry of Community and Social Services – One time	11,867	-
Miscellaneous	5,644	2,147
Occupancy	317,769	281,373
Office supplies	21,399	21,645
Professional fees	14,679	17,046
Program supplies	5,813	24,543
Repairs and maintenance	8,494	6,143
Repayment of prior year funding	9,570	-
Salaries and benefits	1,620,866	1,598,760
Seminars and meetings	7,097	4,194
Telephone and internet	14,086	12,840
Travel	3,086	5,567
	<b>2,227,951</b>	<b>2,178,812</b>
<b>Excess of (expenditure over revenue) revenue over expenditure for year</b>	<b>\$ (18,948)</b>	<b>47,590</b>



**THRIVE COUNSELLING SERVICES HALTON INC.****Statement of cash flows****For the year ended March 31, 2018**

	2018	2017
<b>Cash flows from (used in) operating activities</b>		
Excess of (expenditure over revenue)		
revenue over expenditure for year	\$ (18,948)	47,590
Adjustment for		
Amortization of property, plant and equipment	17,860	9,403
	(1,088)	56,993
Changes in non-cash working capital		
(Increase) decrease in accounts receivable	(10,646)	31,659
Decrease in government remittances receivable	2,529	-
Increase in prepaid expenses	(14,618)	(23,550)
Increase (decrease) in accounts payable and accrued liabilities	5,540	(46,428)
Decrease deferred revenue	(8,800)	(45,099)
<b>Cash flows used in operating activities</b>	<b>(27,083)</b>	<b>(26,425)</b>
<b>Cash flows from (used in) investing activities</b>		
Short-term investments, net	12,349	-
Acquisition of property, plant and equipment	(27,763)	(41,835)
<b>Cash flows used in investing activities</b>	<b>(15,414)</b>	<b>(41,835)</b>
<b>Net decrease in cash during year</b>	<b>(42,497)</b>	<b>(68,260)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>255,687</b>	<b>323,947</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 213,190</b>	<b>255,687</b>



# THRIVE COUNSELLING SERVICES HALTON INC.

## Notes to financial statements

As at March 31, 2018

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### 1. Purpose of the organization

Thrive Counselling Services Halton Inc. (the "organization") was incorporated without share capital under the laws of the Province of Ontario as a not-for-profit organization and is a registered charity under the Income Tax Act.

Thrive Counselling Services Halton Inc. operates exclusively for counselling and educational purposes.

### 2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies where alternatives are available:

#### a) Management estimates

The preparation of the 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. 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.

#### b) Basis of accounting

The organization follows the deferral method of accounting for contributions.

#### c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts and highly liquid temporary money market instruments with original maturities of three months or less.

#### d) Short-term investments

Short-term investments are recorded at cost.

#### e) Property, plant and equipment

Property, plant and equipment are recorded at acquisition cost. Amortization is recorded in the accounts at rates intended to write off the cost of the assets over their estimated useful life. Methods and rates used are:

Furniture and fixtures  
4 years straight-line basis

Computer software  
4 years straight-line basis

Computer equipment  
4 years straight-line basis

Leasehold improvements  
5 years straight-line basis



## THRIVE COUNSELLING SERVICES HALTON INC.

### Notes to financial statements

As at March 31, 2018

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#### 2. Significant accounting policies – continued

##### f) 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.

##### g) Allocation of expenses

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, amortization and some salaries and benefits. This allocation is done on a monthly basis and the allocation is based on the percent 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.

##### h) Revenue recognition

Revenue from counselling, Employees 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.

Grant revenue is recognized in accordance with the terms of the individual grants. Amounts received for the purchase of property, plant and equipment are deferred and amortized to revenue over the assets estimated useful life.

Revenue received from donations and fundraising and all other sources is recognized when received.

##### i) Contributed materials and services

The organization recognizes contributed materials and services if the determination of fair value is readily available. The value of volunteer time is not reflected in these financial statements.

#### 3. Financial instruments

##### a) Fair value

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.





## THRIVE COUNSELLING SERVICES HALTON INC.

### Notes to financial statements

As at March 31, 2018

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#### 3. Financial instruments - continued

##### b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in underlying market factors. The organization is exposed to interest rate risk and credit risk.

##### 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's short-term investments earn interest at fixed rates. Consequently, the cash flow risks are not significant.

##### ii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation.

The organization is subject to credit risk. To mitigate this, the organization actively manages and monitors its receivables. Bad debt experience has not been significant.

##### c) Liquidity risk

Liquidity risk is the risk that the organization cannot meet a demand for cash or fund its obligations as they come due. Unless otherwise noted, the organization is not subject to significant liquidity risk. The organization manages liquidity risk by:

- maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements.
- investing in liquid fixed income securities and cash equivalents that, if necessary, can be sold to generate cash flow.

#### 4. Accounts receivable

	2018	2017
Accounts receivable	\$ 32,006	21,360
Less allowance for doubtful accounts	(1,575)	(1,575)
	\$ 30,431	19,785



## THRIVE COUNSELLING SERVICES HALTON INC.

### Notes to financial statements

As at March 31, 2018

#### 5. Property, plant and equipment

		2018		2017
	Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$ 42,560	21,575	20,985	18,019
Computer equipment	234,620	232,639	1,981	2,993
Computer software	142,999	117,664	25,335	17,386
Leasehold improvements	23,119	23,119	-	-
	<u>\$ 443,298</u>	<u>394,997</u>	<u>48,301</u>	<u>38,398</u>

Amortization recorded during the year amounted to \$17,860.

During the year, property, plant and equipment were acquired for cash at an aggregate cost of \$27,763.

#### 6. 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. The current service cost for the year ended March 31, 2018 is \$48,799 (2017 - \$40,150) and has been recognized in the statement of revenue and expenditure under salaries and benefits.

#### 7. Operating lease commitments

Future minimum rental payments required under operating leases that have remaining terms in excess of one year are:

2019	\$ 260,105
2020	230,383
2021	227,783
2022	225,064
2023	209,680
Thereafter	<u>1,036,437</u>
	<u>\$ 2,189,452</u>

#### 8. Income tax status

The organization is a registered charity and is therefore exempt from income taxes under Section 149(1)(f) of the Income Tax Act.



**THRIVE COUNSELLING SERVICES HALTON INC.****Schedule to statement of revenue and expenditure****For the year ended March 31, 2018**

<b>Schedule 1 – Individual Couple Family</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Counselling fees	\$ 166,724	135,313
Donations and fundraising	17,165	26,847
Employee Assistance Program	29,863	31,325
Investment income	4,147	-
Other grants	-	9,565
Rental and miscellaneous income	14,419	29,162
United Way of Halton and Hamilton	559,793	564,661
	<b>792,111</b>	<b>796,873</b>
<b>Expenditure</b>		
Advertising and promotion	531	1,129
Amortization	17,639	9,173
Bank charges and interest	3,831	3,530
Computer maintenance	22,617	34,629
Direct EAP service	5,101	1,568
Fundraising	6,101	11,774
Insurance	1,581	4,069
Membership and dues	5,565	5,937
Miscellaneous	4,120	1,568
Occupancy	124,422	103,116
Office supplies	9,766	9,889
Professional fees	3,900	6,855
Program supplies	334	1,860
Repairs and maintenance	4,952	3,932
Salaries and benefits	532,298	547,287
Seminars and meetings	3,622	1,641
Telephone and internet	6,282	6,124
Travel	817	1,401
	<b>753,479</b>	<b>755,482</b>
<b>Excess of revenue over expenditure for year</b>	<b>\$ 38,632</b>	<b>41,391</b>



**THRIVE COUNSELLING SERVICES HALTON INC.****Schedule to statement of revenue and expenditure****For the year ended March 31, 2018**

<b>Schedule 2 – Credit Counselling Service</b>	2018	2017
<b>Revenue</b>		
Bankruptcy counselling fees	\$ 14,190	18,645
Counselling fees	945	1,505
Creditor contributions	17,035	19,785
Debtor and administration fees	8,207	9,643
Donations and fundraising	-	400
Rental and miscellaneous income	3,400	4,282
	<b>43,777</b>	<b>54,260</b>
<b>Expenditure</b>		
Advertising and promotion	238	694
Amortization	133	133
Bank charges and interest	365	418
Computer maintenance	1,643	1,092
Insurance	965	653
Membership and dues	6,494	6,561
Miscellaneous	2	107
Occupancy	3,815	1,892
Office supplies	953	1,381
Professional fees	394	392
Program supplies	3,431	4,085
Repairs and maintenance	172	184
Salaries and benefits	41,623	42,582
Seminars and meetings	566	922
Telephone and internet	445	485
Travel	59	-
	<b>61,298</b>	<b>61,581</b>
<b>Excess of expenditure over revenue for year</b>	<b>\$ (17,521)</b>	<b>(7,321)</b>



**THRIVE COUNSELLING SERVICES HALTON INC.****Schedule to statement of revenue and expenditure****For the year ended March 31, 2018**

<b>Schedule 3 – Violence Against Women</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Donations and fundraising	\$ 176	-
Ministry of Community and Social Services	739,384	736,717
Ministry of Community and Social Services – HVPC	25,232	25,232
Ministry of Community and Social Services – Pay Equity	42,524	42,524
Ministry of Community and Social Services – One Time	9,200	-
	<b>816,516</b>	<b>804,473</b>
<b>Expenditure</b>		
Advertising and promotion	780	1,765
Allocated central administration	53,367	66,838
Amortization	88	96
Assistance to clients	1,309	990
Bank charges and interest	1,417	1,106
Computer maintenance	10,524	8,664
Insurance	2,054	1,619
Membership and dues	1,430	1,005
Ministry of Community and Social Services – HVPC	25,633	25,830
Ministry of Community and Social Services – One Time	11,867	-
Miscellaneous	621	236
Occupancy	101,842	94,808
Office supplies	5,030	4,457
Professional fees	1,490	1,377
Program supplies	42	1,420
Repairs and maintenance	2,045	1,474
Salaries and benefits	627,786	591,846
Seminars and meetings	1,545	470
Telephone and internet	3,808	3,461
Travel	519	662
	<b>853,197</b>	<b>808,124</b>
<b>Excess of expenditure over revenue for year</b>	<b>\$ (36,681)</b>	<b>(3,651)</b>



**THRIVE COUNSELLING SERVICES HALTON INC.**

Schedule to statement of revenue and expenditure

For the year ended March 31, 2018

<b>Schedule 4 – Child Witness</b>	2018	2017
<b>Revenue</b>		
Ministry of Community and Social Services	\$ 127,324	126,880
<b>Expenditure</b>		
Advertising and promotion	204	685
Bank charges and interest	167	158
Computer maintenance	3,885	4,626
Insurance	411	324
Membership and dues	470	358
Miscellaneous	621	236
Occupancy	30,450	26,845
Office supplies	1,927	2,265
Professional fees	566	74
Program supplies	1,031	2,177
Repairs and maintenance	535	553
Salaries and benefits	73,145	85,635
Seminars and meetings	222	218
Telephone and internet	754	509
Travel	304	478
	114,692	125,141
<b>Excess of revenue over expenditure for year</b>	<b>\$ 12,632</b>	<b>1,739</b>

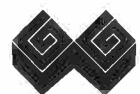


**THRIVE COUNSELLING SERVICES HALTON INC.**

Schedule to statement of revenue and expenditure

For the year ended March 31, 2018

<b>Schedule 5 – Partner Abuse Response Program</b>	2018	2017
<b>Revenue</b>		
Counselling fees	\$ 30,658	28,348
Ministry of the Attorney General	214,119	214,119
Rental and miscellaneous income	-	110
	<b>244,777</b>	<b>242,577</b>
<b>Expenditure</b>		
Advertising and promotion	194	487
Bank charges and interest	404	361
Computer maintenance	2,364	2,461
Insurance	1,972	3,500
Membership and dues	1,072	1,389
Miscellaneous	280	-
Occupancy	26,711	20,146
Office supplies	2,949	3,069
Professional fees	7,227	7,648
Repairs and maintenance	395	-
Repayment of prior year funding	9,570	-
Salaries and benefits	204,793	184,537
Seminars and meetings	416	305
Telephone and internet	2,058	2,126
Travel	479	1,030
	<b>260,884</b>	<b>227,059</b>
<b>Excess of (expenditure over revenue)</b>		
<b>revenue over expenditure for year</b>	<b>\$ (16,107)</b>	<b>15,518</b>



**THRIVE COUNSELLING SERVICES HALTON INC.****Schedule to statement of revenue and expenditure****For the year ended March 31, 2018**

<b>Schedule 6 - Supervised Access Program</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Counselling fees	\$ 6,441	8,283
Ministry of the Attorney General	178,057	178,057
Ministry of the Attorney General – One Time	-	15,000
	<b>184,498</b>	<b>201,340</b>
<b>Expenditure</b>		
Advertising and promotion	200	366
Bank charges and interest	415	212
Computer maintenance	3,052	83
Insurance	2,368	-
Membership and dues	997	270
Occupancy	30,529	34,566
Office supplies	774	586
Professional fees	1,102	700
Program expense	975	15,000
Repairs and maintenance	395	-
Salaries and benefits	141,221	146,871
Seminars and meetings	726	640
Telephone and internet	739	135
Travel	908	1,995
	<b>184,401</b>	<b>201,424</b>
<b>Excess of revenue over expenditure (expenditure over revenue) for year</b>	\$ 97	(84)

