

**THRIVE COUNSELLING SERVICES  
HALTON INC.**

**FINANCIAL STATEMENTS**

**AS AT  
MARCH 31, 2019**

<b>Contents</b>	<b>Page</b>
Independent auditors' report	1 – 2
Statement of financial position	3
Statement of changes in net assets	4
Statement of revenue and expenditure	5
Statement of cash flows	6
Notes to financial statements	7 - 10
Schedules to statement of revenue and expenditure	11 - 17





GLENN • GRAYDON • WRIGHT LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Directors  
**Thrive Counselling Services Halton Inc.**

### *Qualified Opinion*

We have audited the financial statements of Thrive Counselling Services Halton Inc. (the "organization") which comprise the statement of financial position as at March 31, 2019, and the statements of changes in net assets, revenue and expenditure, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2019, and its results of 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 fees, donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. Consequently, we were not able to determine whether any adjustments might be necessary to fees, donations and fundraising revenue, excess of revenue over expenditure and cash flow from operations for the years ended March 31, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1, 2018 and 2017, and March 31, 2019 and 2018. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified 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 Auditors' 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 audit 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.

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.



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## INDEPENDENT AUDITORS' REPORT, continued

### *Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

GLENN GRAYDON WRIGHT LLP

Chartered Professional Accountants  
Licensed Public Accountants  
Oakville, Ontario  
June 14, 2019

**THRIVE COUNSELLING SERVICES HALTON INC.****Statement of financial position****As at March 31, 2019**

	2019	2018
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 319,059	213,190
Short-term investments	132,352	114,180
Accounts receivable (Note 4)	15,594	30,431
Government remittances receivable	19,344	21,796
Prepaid expenses	36,080	48,458
	522,429	428,055
<b>Property, plant and equipment (Note 5)</b>	39,739	48,301
	\$ 562,168	476,356
<b>Liabilities and net assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 55,463	58,605
Deferred revenue	2,765	1,400
	58,228	60,005
<b>Net assets</b>		
Unrestricted	366,495	270,344
Investment in property, plant and equipment	39,739	48,301
Internally restricted	97,706	97,706
	503,940	416,351
	\$ 562,168	476,356

Approved by the Board

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

**THRIVE COUNSELLING SERVICES HALTON INC.****Statement of changes in net assets****For the year ended March 31, 2019**

		Operating Fund	Contingency Fund	Total 2019	Total 2018
<b>Net assets, beginning of year</b>	\$	318,645	97,706	416,351	435,299
Excess of revenue over expenditure (expenditure over revenue) for year		87,589	-	87,589	(18,948)
<b>Net assets, end of year</b>	\$	406,234	97,706	503,940	416,351



## THRIVE COUNSELLING SERVICES HALTON INC.

### Statement of revenue and expenditure For the year ended March 31, 2019

	2019	2018
<b>Revenue</b>		
Bankruptcy counselling fees	\$ 3,400	14,190
Counselling fees	208,594	204,768
Creditor contributions	12,981	17,035
Donations and fundraising	5,614	17,341
Debtor and administration fees	4,940	8,207
Employee assistance program	32,059	29,863
Investment income	2,172	4,147
Ministry of Community and Social Services	927,616	866,708
Ministry of Community and Social Services – HVPC	29,170	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	392,176
Other grants	6,600	-
Rental and miscellaneous income	21,192	17,819
United Way of Halton and Hamilton	503,814	559,793
	2,192,852	2,209,003
<b>Expenditure</b>		
Advertising and promotion	3,113	2,147
Allocated central administration	58,837	53,367
Amortization	18,340	17,860
Assistance to clients	854	1,309
Bank charges and interest	7,992	6,599
Computer maintenance	56,346	44,085
Direct EAP service	165	5,101
Fundraising	-	6,101
Insurance	9,067	9,351
Membership and dues	19,162	16,028
Ministry of Community and Social Services – HVPC	34,176	25,633
Ministry of Community and Social Services – One time	-	11,867
Miscellaneous	1,289	5,644
Occupancy	292,506	317,769
Office supplies	24,396	21,399
Professional fees	21,281	14,679
Program supplies	5,233	5,813
Repairs and maintenance	5,989	8,494
Repayment of prior year funding	-	9,570
Salaries and benefits	1,526,263	1,620,866
Seminars and meetings	7,010	7,097
Telephone and internet	11,907	14,086
Travel	1,337	3,086
	2,105,263	2,227,951
<b>Excess of revenue over expenditure</b>		
<b>(expenditure over revenue) for year</b>	\$ 87,589	(18,948)



## THRIVE COUNSELLING SERVICES HALTON INC.

### Statement of cash flows

For the year ended March 31, 2019

	2019	2018
<b>Cash flows from (used in) operating activities</b>		
Excess of revenue over expenditure (expenditure over revenue) for year	\$ 87,589	(18,948)
Adjustment for Amortization of property, plant and equipment	18,340	17,860
	105,929	(1,088)
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	14,837	(10,646)
Decrease in government remittances receivable	2,452	2,529
Decrease (increase) in prepaid expenses	12,378	(14,618)
(Decrease) increase in accounts payable and accrued liabilities	(3,142)	5,540
Increase (decrease) deferred revenue	1,365	(8,800)
<b>Cash flows from (used in) operating activities</b>	<b>133,819</b>	<b>(27,083)</b>
<b>Cash flows from (used in) investing activities</b>		
Short-term investments, net	(18,172)	12,349
Acquisition of property, plant and equipment	(9,778)	(27,763)
<b>Cash flows used in in investing activities</b>	<b>(27,950)</b>	<b>(15,414)</b>
<b>Net increase (decrease) in cash during year</b>	<b>105,869</b>	<b>(42,497)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>213,190</b>	<b>255,687</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 319,059</b>	<b>213,190</b>



## THRIVE COUNSELLING SERVICES HALTON INC.

### Notes to financial statements

As at March 31, 2019

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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, 2019

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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, 2019

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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

	2019	2018
Accounts receivable	\$ 17,169	32,006
Less allowance for doubtful accounts	(1,575)	(1,575)
	\$ 15,594	30,431



## THRIVE COUNSELLING SERVICES HALTON INC.

### Notes to financial statements

As at March 31, 2019

#### 5. Property, plant and equipment

	2019		2018	
	Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$ 44,395	29,318	15,077	20,985
Computer equipment	246,231	237,810	8,421	1,981
Computer software	142,999	126,758	16,241	25,335
Leasehold improvements	23,119	23,119	-	-
	<u>\$ 456,744</u>	<u>417,005</u>	<u>39,739</u>	<u>48,301</u>

Amortization recorded during the year amounted to \$18,340.

During the year, property, plant and equipment were acquired for cash at an aggregate cost of \$9,778.

#### 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, 2019 is \$46,519 (2018 - \$48,799) 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:

2020	\$ 288,476
2021	285,875
2022	281,715
2023	250,103
2024	255,677
Thereafter	<u>1,003,159</u>
	<u>\$ 2,365,005</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, 2019**

<b>Schedule 1 – Individual Couple Family</b>	2019	2018
<b>Revenue</b>		
Counselling fees	\$ 112,996	166,724
Donations and fundraising	4,614	17,165
Employee Assistance Program	-	29,863
Investment income	2,172	4,147
Other grants	1,600	-
Rental and miscellaneous income	3,289	14,419
United Way of Halton and Hamilton	503,814	559,793
	628,485	792,111
<b>Expenditure</b>		
Advertising and promotion	845	531
Amortization	18,329	17,639
Bank charges and interest	4,112	3,831
Computer maintenance	26,611	22,617
Direct EAP service	-	5,101
Fundraising	-	6,101
Insurance	3,597	1,581
Membership and dues	8,566	5,565
Miscellaneous	504	4,120
Occupancy	77,068	124,422
Office supplies	11,465	9,766
Professional fees	11,492	3,900
Program supplies	131	334
Repairs and maintenance	2,744	4,952
Salaries and benefits	406,231	532,298
Seminars and meetings	3,134	3,622
Telephone and internet	5,909	6,282
Travel (recovered)	(134)	817
	580,604	753,479
<b>Excess of revenue over expenditure for year</b>	\$ 47,881	38,632



**THRIVE COUNSELLING SERVICES HALTON INC.****Schedule to statement of revenue and expenditure****For the year ended March 31, 2019**

<b>Schedule 2 – Credit Counselling Service</b>	2019	2018
<b>Revenue</b>		
Bankruptcy counselling fees	\$ 3,400	14,190
Counselling fees	3,915	945
Creditor contributions	12,981	17,035
Debtor and administration fees	4,940	8,207
Donations and fundraising	1,000	-
Rental and miscellaneous income	35	3,400
	<b>26,271</b>	<b>43,777</b>
<b>Expenditure</b>		
Advertising and promotion	37	238
Amortization	11	133
Bank charges and interest	321	365
Computer maintenance	89	1,643
Insurance	517	965
Membership and dues	4,459	6,494
Miscellaneous	20	2
Occupancy	1,421	3,815
Office supplies	319	953
Professional fees	663	394
Program supplies	2,858	3,431
Repairs and maintenance	180	172
Salaries and benefits	23,396	41,623
Seminars and meetings	88	566
Telephone and internet	234	445
Travel	40	59
	<b>34,653</b>	<b>61,298</b>
<b>Excess of expenditure over revenue for year</b>	<b>\$ (8,382)</b>	<b>(17,521)</b>



**THRIVE COUNSELLING SERVICES HALTON INC.**  
**Schedule to statement of revenue and expenditure**  
**For the year ended March 31, 2019**

<b>Schedule 3 – Violence Against Women</b>	2019	2018
<b>Revenue</b>		
Donations and fundraising	\$ -	176
Other grants	5,000	-
Ministry of Community and Social Services	792,451	739,384
Ministry of Community and Social Services – HVPC	29,170	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>869,145</b>	<b>816,516</b>
<b>Expenditure</b>		
Advertising and promotion	1,185	780
Allocated central administration	58,837	53,367
Amortization	-	88
Assistance to clients	854	1,309
Bank charges and interest	2,060	1,417
Computer maintenance	16,948	10,524
Insurance	2,292	2,054
Membership and dues	2,264	1,430
Ministry of Community and Social Services – HVPC	34,176	25,633
Ministry of Community and Social Services – One Time	-	11,867
Miscellaneous	394	621
Occupancy	116,947	101,842
Office supplies	6,131	5,030
Professional fees	3,813	1,490
Program supplies	100	42
Repairs and maintenance	1,497	2,045
Salaries and benefits	661,133	627,786
Seminars and meetings	1,539	1,545
Telephone and internet	3,111	3,808
Travel	214	519
	<b>913,495</b>	<b>853,197</b>
<b>Excess of expenditure over revenue for year</b>	<b>\$ (44,350)</b>	<b>(36,681)</b>



**THRIVE COUNSELLING SERVICES HALTON INC.****Schedule to statement of revenue and expenditure****For the year ended March 31, 2019**

<b>Schedule 4 – Child Witness</b>		<b>2019</b>	<b>2018</b>
<b>Revenue</b>			
Ministry of Community and Social Services	\$	135,165	127,324
<b>Expenditure</b>			
Advertising and promotion		337	204
Bank charges and interest		191	167
Computer maintenance		4,281	3,885
Insurance		458	411
Membership and dues		730	470
Miscellaneous		44	621
Occupancy		37,530	30,450
Office supplies		2,206	1,927
Professional fees		663	566
Program supplies		1,462	1,031
Repairs and maintenance		370	535
Salaries and benefits		84,058	73,145
Seminars and meetings		430	222
Telephone and internet		634	754
Travel		40	304
		133,434	114,692
<b>Excess of revenue over expenditure for year</b>	\$	<b>1,731</b>	<b>12,632</b>



**THRIVE COUNSELLING SERVICES HALTON INC.****Schedule to statement of revenue and expenditure****For the year ended March 31, 2019**

<b>Schedule 5 – Partner Abuse Response Program</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Counselling fees	\$ 27,843	30,658
Ministry of the Attorney General	214,119	214,119
	<b>241,962</b>	<b>244,777</b>
<b>Expenditure</b>		
Advertising and promotion	274	194
Bank charges and interest	522	404
Computer maintenance	2,939	2,364
Insurance	1,470	1,972
Membership and dues	1,459	1,072
Miscellaneous	327	280
Occupancy	28,275	26,711
Office supplies	2,465	2,949
Professional fees	2,725	7,227
Repairs and maintenance	599	395
Repayment of prior year funding	-	9,570
Salaries and benefits	198,698	204,793
Seminars and meetings	825	416
Telephone and internet	934	2,058
Travel	450	479
	<b>241,962</b>	<b>260,884</b>
<b>Excess of revenue over expenditure (expenditure over revenue) for year</b>	<b>\$ Nil</b>	<b>(16,107)</b>



**THRIVE COUNSELLING SERVICES HALTON INC.**

Schedule to statement of revenue and expenditure

For the year ended March 31, 2019

<b>Schedule 6 - Supervised Access Program</b>			2019	2018
<b>Revenue</b>				
Counselling fees	\$		6,740	6,441
Ministry of the Attorney General			178,057	178,057
			184,797	184,498
<b>Expenditure</b>				
Advertising and promotion			435	200
Bank charges and interest			786	415
Computer maintenance			5,478	3,052
Insurance			733	2,368
Membership and dues			1,684	997
Occupancy			28,187	30,529
Office supplies			1,310	774
Professional fees			1,925	1,102
Program supplies			682	975
Repairs and maintenance			599	395
Salaries and benefits			140,162	141,221
Seminars and meetings			994	726
Telephone and internet			1,085	739
Travel			727	908
			184,787	184,401
<b>Excess of revenue over expenditure for year</b>	\$		10	97



**THRIVE COUNSELLING SERVICES HALTON INC.****Schedule to statement of revenue and expenditure****For the year ended March 31, 2019**

<b>Schedule 7 – Family Life</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Counselling fees	\$ 57,100	-
Employee Assistance Program	32,059	-
Rental and miscellaneous income	17,868	-
	107,027	-
<b>Expenditure</b>		
Direct services EAP	165	-
Occupancy	3,078	-
Office supplies	500	-
Salaries and benefits	12,585	-
	16,328	-
<b>Excess of revenue over expenditure for year</b>	<b>\$ 90,699</b>	<b>Nil</b>

