

**THRIVE COUNSELLING SERVICES
HALTON INC.**

FINANCIAL STATEMENTS

**AS AT
MARCH 31, 2021**

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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, 2021, 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, 2021, 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, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1, 2020 and 2019, and March 31, 2021 and 2020. Our audit opinion on the financial statements for the year ended March 31, 2020 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.



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 18, 2021

THRIVE COUNSELLING SERVICES HALTON INC.**Statement of financial position****As at March 31, 2021**

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 613,012	395,237
Short-term investments	137,621	135,169
Accounts receivable (Note 4)	26,881	16,130
Government remittances receivable	19,776	18,838
Prepaid expenses	42,415	37,623
	839,705	602,997
Property, plant and equipment (Note 5)	8,778	20,304
	\$ 848,483	623,301
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 89,378	69,772
Deferred revenue	31,350	35,000
	120,728	104,772
Net assets		
Unrestricted	621,271	400,519
Investment in property, plant and equipment	8,778	20,304
Contingency fund	97,706	97,706
	727,755	518,529
	\$ 848,483	623,301

Approved by the Board

Director_____
Director

THRIVE COUNSELLING SERVICES HALTON INC.

Statement of changes in net assets

For the year ended March 31, 2021

		Operating Fund	Contingency Fund	Total 2021	Total 2020
Net assets, beginning of year	\$	420,823	97,706	518,529	503,940
Excess of revenue over expenditure for year		209,226	-	209,226	14,589
Net assets, end of year	\$	630,049	97,706	727,755	518,529



THRIVE COUNSELLING SERVICES HALTON INC.

Statement of revenue and expenditure

For the year ended March 31, 2021

	2021	2020
Revenue		
Cancode Project	\$ -	3,506
Counselling fees	183,967	240,998
Donations and fundraising	5,934	4,245
Employee assistance program	10,120	5,658
Government COVID assistance (Note 9)	236,334	-
Investment income	2,452	2,818
Ministry of Children, Community and Social Services	863,602	863,597
Ministry of Children, Community and Social Services – HVPC	29,162	28,182
Ministry of Children, Community and Social Services – One time	50,421	50,421
Ministry of Children, Community and Social Services – Pay Equity	42,527	42,524
Ministry of the Attorney General	356,490	356,490
One-time COVID assistance (Note 9)	45,392	-
Other grants	34,040	21,040
Rental and miscellaneous income	12,642	15,697
United Way of Halton and Hamilton	503,814	503,814
	2,376,897	2,138,990
Expenditure		
Advertising and promotion	224	4,138
Allocated central administration	93,836	53,367
Amortization	13,286	19,435
Assistance to clients	50	-
Bank charges and interest	9,424	8,286
Computer maintenance	46,189	39,019
COVID expenses	86,932	-
Direct EAP service	199	2,903
Insurance	9,077	9,383
Membership and dues	13,599	14,244
Ministry of Children, Community and Social Services – HVPC	28,713	27,362
Miscellaneous	1,849	(620)
Occupancy	272,354	284,651
Office supplies	5,130	17,235
One-time computer upgrades	-	13,150
Professional fees	21,189	19,089
Program supplies	95	1,971
Repairs and maintenance	2,072	3,881
Salaries and benefits	1,549,098	1,586,889
Seminars and meetings	2,418	8,124
Telephone and internet	11,722	10,042
Travel	215	1,852
	2,167,671	2,124,401
Excess of revenue over expenditure for year	\$ 209,226	14,589



THRIVE COUNSELLING SERVICES HALTON INC.**Statement of cash flows****For the year ended March 31, 2021**

	2021	2020
Cash flows from operating activities		
Excess of revenue over expenditure for year	\$ 209,226	14,589
Adjustment for		
Amortization of property, plant and equipment	13,286	19,435
	222,512	34,024
Changes in non-cash working capital		
Increase in accounts receivable	(10,751)	(536)
(Increase) decrease in government remittances receivable	(938)	506
Increase in prepaid expenses	(4,792)	(1,543)
Increase in accounts payable and accrued liabilities	19,606	14,309
(Decrease) increase in deferred revenue	(3,650)	32,235
Cash flows from operating activities	221,987	78,995
Cash flows used in investing activities		
Short-term investments, net	(2,452)	(2,817)
Acquisition of property, plant and equipment	(1,760)	-
Cash flows used in investing activities	(4,212)	(2,817)
Net increase in cash during year	217,775	76,178
Cash and cash equivalents, beginning of year	395,237	319,059
Cash and cash equivalents, end of year	\$ 613,012	395,237



THRIVE COUNSELLING SERVICES HALTON INC.

Notes to financial statements

As at March 31, 2021

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, 2021

2. Significant accounting policies – continued

f) Contingency fund

The Contingency Fund was established for the purpose of safeguarding the organization against unexpected expenditures or loss in revenues. Transfers to the Contingency Fund are 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 and the Employees Assistance Program 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, 2021

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

	2021	2020
Accounts receivable	\$ 28,456	17,705
Less allowance for doubtful accounts	(1,575)	(1,575)
	<u>\$ 26,881</u>	<u>16,130</u>



THRIVE COUNSELLING SERVICES HALTON INC.

Notes to financial statements

As at March 31, 2021

5. Property, plant and equipment

		2021		2020	
		Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$	44,395	41,531	2,864	7,257
Computer equipment		242,562	238,863	3,699	5,910
Computer software		144,759	142,544	2,215	7,137
Leasehold improvements		23,119	23,119	-	-
	\$	454,835	446,057	8,778	20,304

Amortization recorded during the year amounted to \$13,286.

During the year, property, plant and equipment were acquired for cash at an aggregate cost of \$1,760.

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, 2021 is \$47,190 (2020 - \$46,746) 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:

2022	\$	289,486
2023		256,007
2024		261,207
2025		260,670
2026		260,670
Thereafter		496,902
	\$	<u>1,824,942</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.

Notes to financial statements

As at March 31, 2021

9. Impact of COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the company in future periods.

Government assistance includes \$236,334 for the Canada Emergency Wage Subsidy. This subsidy was introduced by the Government of Canada as a result of COVID-19 to provide assistance to cover a portion of eligible salaries and wages.

The organization also received additional one-time COVID-19 assistance from its various funders in the amount of \$76,742, of which \$31,350 has been deferred until the next fiscal year.



THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2021**

Schedule 1 – Individual Couple Family	2021	2020
Revenue		
Counselling fees	\$ 124,869	185,062
Donations and fundraising	5,934	4,245
Employee assistance program	1,366	1,354
Government COVID assistance (Note 9)	169,290	-
Investment income	2,452	2,818
One-time COVID assistance (Note 9)	5,500	-
Rental and miscellaneous income	8,827	8,465
United Way of Halton and Hamilton	503,814	503,814
	822,052	705,758
Expenditure		
Advertising and promotion	112	1,233
Amortization	13,286	19,435
Bank charges and interest	5,272	4,289
Computer maintenance	15,301	12,242
COVID expenses	10,024	-
Direct EAP service	-	1,125
Insurance	3,631	3,753
Membership and dues	7,280	8,961
Miscellaneous	1,202	(671)
Occupancy	78,358	71,924
Office supplies	2,088	8,556
One-time computer upgrades	-	2,186
Professional fees	11,453	10,220
Program supplies	-	86
Repairs and maintenance	1,036	1,940
Salaries and benefits	502,968	559,861
Seminars and meetings	1,300	5,839
Telephone and internet	5,801	5,092
Travel	129	748
	659,241	716,819
Excess of revenue over expenditure		
(expenditure over revenue) for year	\$ 162,811	(11,061)



THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2021**

Schedule 2 – Violence Against Women	2021	2020
Revenue		
Ministry of Children, Community and Social Services	\$ 736,726	736,717
Ministry of Children, Community and Social Services – HVPC	29,162	28,182
Ministry of Children, Community and Social Services – One Time	50,421	44,077
Ministry of Children, Community and Social Services – Pay Equity	42,527	42,524
One-time COVID assistance (Note 9)	6,950	-
Other grants	34,040	-
	899,826	851,500
Expenditure		
Advertising and promotion	56	965
Allocated central administration	93,836	53,367
Assistance to clients	50	-
Bank charges and interest	2,562	2,408
Computer maintenance	18,554	16,865
COVID expenses	42,469	-
Insurance	2,269	2,346
Membership and dues	3,101	2,103
Ministry of Children, Community and Social Services – HVPC	28,713	27,362
Miscellaneous	277	150
Occupancy	94,908	104,186
Office supplies	1,450	4,405
One-time computer upgrades	-	10,000
Professional fees	5,469	3,532
Program supplies	-	363
Repairs and maintenance	518	970
Salaries and benefits	613,078	620,286
Seminars and meetings	643	1,242
Telephone and internet	2,901	2,560
Travel	43	309
	910,897	853,419
Excess of expenditure over revenue for year	\$ (11,071)	(1,919)



THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2021**

Schedule 3 – Child Witness	2021	2020
Revenue		
Ministry of Children, Community and Social Services	\$ 126,876	126,880
Ministry of Children, Community and Social Services – One Time	-	6,344
	126,876	133,224
Expenditure		
Advertising and promotion	11	214
Bank charges and interest	259	225
Computer maintenance	4,982	4,055
COVID expenses	1,508	-
Insurance	454	469
Membership and dues	519	701
Miscellaneous	203	100
Occupancy	31,779	32,118
Office supplies	325	940
Professional fees	694	706
Program supplies	-	855
Repairs and maintenance	41	78
Salaries and benefits	85,760	91,920
Seminars and meetings	151	190
Telephone and internet	609	513
Travel	9	66
	127,304	133,150
Excess of (expenditure over revenue) revenue over expenditure for year	\$ (428)	74



THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2021**

Schedule 4 – Partner Abuse Response Program	2021	2020
Revenue		
Counselling fees	\$ 19,909	26,121
Ministry of the Attorney General	178,433	178,433
One-time COVID-19 assistance (Note 9)	30,300	-
Revenue before deferred item	228,642	204,554
Deferred one-time COVID-19 assistance	(12,100)	-
	216,542	204,554
Expenditure		
Advertising and promotion	27	466
Bank charges and interest	756	747
Computer maintenance	2,838	2,252
COVID expenses	18,198	-
Insurance	1,634	1,689
Membership and dues	1,337	1,402
Miscellaneous	167	(199)
Occupancy	28,117	31,152
Office supplies	543	1,409
Professional fees	1,786	3,182
Repairs and maintenance	249	466
Salaries and benefits	166,356	158,853
Seminars and meetings	190	288
Telephone and internet	971	809
Travel	17	234
	223,186	202,750
Excess of (expenditure over revenue)		
revenue over expenditure for year	\$ (6,644)	1,804



THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2021**

Schedule 5 - Supervised Access Program	2021	2020
Revenue		
Counselling fees	\$ 2,900	6,910
Ministry of the Attorney General	178,057	178,057
One-time COVID-19 assistance (Note 9)	33,992	-
Revenue before deferred item	214,949	184,967
Deferred one-time COVID-19 assistance	(19,250)	-
	195,699	184,967
Expenditure		
Advertising and promotion	18	460
Bank charges and interest	575	617
Computer maintenance	4,514	3,605
COVID expense	14,733	-
Direct EAP service	199	586
Insurance	1,089	1,126
Membership and dues	1,362	1,077
Occupancy	36,788	35,046
Office supplies	507	1,133
Professional fees	1,787	1,449
Program supplies	95	130
Repairs and maintenance	228	427
Salaries and benefits	132,936	137,721
Seminars and meetings	134	565
Telephone and internet	1,440	1,068
Travel	17	495
	196,422	185,505
Excess of expenditure over revenue for year	\$ (723)	(538)



THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2021**

Schedule 6 – Family Life	2021	2020
Revenue		
Cancode project	\$ -	3,506
Counselling fees	36,289	22,905
Employee assistance program	8,754	4,304
Government COVID assistance (Note 9)	67,044	-
Other grants	-	21,040
Rental and miscellaneous income	3,815	7,232
	115,902	58,987
Expenditure		
Advertising and promotion	-	800
Direct EAP service	-	1,192
Occupancy	2,404	10,225
Office supplies	217	792
One-time computer upgrades	-	964
Program supplies	-	537
Salaries and benefits	48,000	18,248
	50,621	32,758
Excess of revenue over expenditure for year	\$ 65,281	26,229

