

**THRIVE COUNSELLING SERVICES
HALTON INC.**

FINANCIAL STATEMENTS

AS AT

MARCH 31, 2022

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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, 2022, 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, 2022, 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, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1, 2021 and 2019, and March 31, 2022 and 2021. Our audit opinion on the financial statements for the year ended March 31, 2021 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.

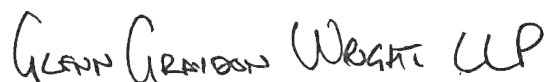
INDEPENDENT AUDITORS' REPORT, continued

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.



Chartered Professional Accountants
Licensed Public Accountants
Oakville, Ontario
June 7, 2022

THRIVE COUNSELLING SERVICES HALTON INC.**Statement of financial position****As at March 31, 2022**

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 506,488	613,012
Short-term investments	138,116	137,621
Accounts receivable (Note 4)	29,918	26,881
Government remittances receivable	18,153	19,776
Prepaid expenses	41,682	42,415
	734,357	839,705
Property, plant and equipment (Note 5)	5,258	8,778
	\$ 739,615	848,483
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 70,206	89,378
Deferred revenue	10,000	31,350
	80,206	120,728
Net assets		
Unrestricted	556,445	621,271
Investment in property, plant and equipment	5,258	8,778
Contingency fund	97,706	97,706
	659,409	727,755
	\$ 739,615	848,483

Approved by the Board

Director_____
Director

THRIVE COUNSELLING SERVICES HALTON INC.

Statement of changes in net assets For the year ended March 31, 2022

		Operating Fund	Contingency Fund	Total 2022	Total 2021
Net assets, beginning of year	\$	630,049	97,706	727,755	518,529
Excess of (expenditure over revenue) revenue over expenditure for year		(68,346)	-	(68,346)	209,226
Net assets, end of year	\$	561,703	97,706	659,409	727,755

THRIVE COUNSELLING SERVICES HALTON INC.

Statement of revenue and expenditure For the year ended March 31, 2022

	2022	2021
Revenue		
Counselling fees	\$ 272,714	183,967
Donations and fundraising	4,981	5,934
Employee assistance program	8,569	10,120
Government COVID-19 assistance (Note 9)	73,944	236,334
Investment income	495	2,452
Ministry of Children, Community and Social Services	863,724	863,602
Ministry of Children, Community and Social Services – HVPC	29,162	29,162
Ministry of Children, Community and Social Services – One time	50,302	50,421
Ministry of Children, Community and Social Services – Pay Equity	42,524	42,527
Ministry of the Attorney General	356,489	356,490
One-time COVID-19 assistance (Note 9)	31,350	45,392
Other grants	12,600	34,040
Rental and miscellaneous income	245	12,642
United Way of Halton and Hamilton	404,926	503,814
	2,152,025	2,376,897
Expenditure		
Advertising and promotion	756	224
Allocated central administration	80,175	93,836
Amortization	3,520	13,286
Assistance to clients	-	50
Bank charges and interest	9,949	9,424
Computer maintenance	40,208	46,189
COVID-19 expenses	34,957	86,932
Direct EAP service	-	199
Insurance	9,358	9,077
Membership and dues	14,012	13,599
Ministry of Children, Community and Social Services – HVPC	26,716	28,713
Miscellaneous	3,620	1,849
Occupancy	271,834	272,354
Office supplies	6,610	5,130
Professional fees	20,149	21,189
Program supplies	544	95
Repairs and maintenance	3,711	2,072
Salaries and benefits	1,676,649	1,549,098
Seminars and meetings	3,521	2,418
Telephone and internet	14,082	11,722
Travel	-	215
	2,220,371	2,167,671
Excess of (expenditure over revenue) revenue over expenditure for year	\$ (68,346)	209,226

THRIVE COUNSELLING SERVICES HALTON INC.**Statement of cash flows****For the year ended March 31, 2022**

	2022	2021
Cash flows from operating activities		
Excess of (expenditure over revenue) revenue over expenditure for year	\$ (68,346)	209,226
Adjustment for		
Amortization of property, plant and equipment	3,520	13,286
	(64,826)	222,512
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	(3,037)	(10,751)
Decrease (increase) in government remittances receivable	1,623	(938)
Decrease (increase) in prepaid expenses	733	(4,792)
Increase (decrease) in accounts payable and accrued liabilities	(19,172)	19,606
Increase (decrease) in deferred revenue	(21,350)	(3,650)
Cash flows from (used in) operating activities	(106,029)	221,987
Cash flows used in investing activities		
Short-term investments, net	(495)	(2,452)
Acquisition of property, plant and equipment	-	(1,760)
Cash flows from (used in) investing activities	(495)	(4,212)
Net increase in cash during year	(106,524)	217,775
Cash and cash equivalents, beginning of year	613,012	395,237
Cash and cash equivalents, end of year	\$ 506,488	613,012

THRIVE COUNSELLING SERVICES HALTON INC.

Notes to financial statements

As at March 31, 2022

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

THRIVE COUNSELLING SERVICES HALTON INC.

Notes to financial statements

As at March 31, 2022

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, 2022

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

	2022	2021
Accounts receivable	\$ 31,493	28,456
Less allowance for doubtful accounts	(1,575)	(1,575)
	<u>\$ 29,918</u>	<u>26,881</u>

THRIVE COUNSELLING SERVICES HALTON INC.**Notes to financial statements****As at March 31, 2022****5. Property, plant and equipment**

	2022		2021	
	Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$ 43,272	41,405	1,867	2,864
Computer equipment	235,784	234,071	1,713	3,699
Computer software	110,920	109,242	1,678	2,215
	<u>\$ 389,976</u>	<u>384,718</u>	<u>5,258</u>	<u>8,778</u>

Amortization recorded during the year amounted to \$3,520 (2021 - \$13,286).

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, 2022 is \$45,448 (2021 - \$47,190) 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:

2023	\$ 295,926
2024	301,878
2025	302,093
2026	302,845
2027	299,962
Thereafter	<u>236,233</u>
	<u>\$ 1,738,937</u>

8. Income tax

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, 2022**

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 \$73,944 for the Canada Emergency Wage Subsidy and the Canada Emergency Rent Subsidy. These subsidies were introduced by the Government of Canada as a result of COVID-19 to provide assistance to cover a portion of eligible salaries and wages, and rent expenses.

The organization also received additional one-time COVID-19 assistance from its various funders in the amount of \$15,000.

THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2022**

Schedule 1 – Individual Couple Family	2022	2021
Revenue		
Counselling fees	\$ 182,562	124,869
Donations and fundraising	4,981	5,934
Employee assistance program	-	1,366
Government COVID-19 assistance (Note 9)	52,642	169,290
Investment income	495	2,452
One-time COVID-19 assistance	-	5,500
Other grants	12,600	-
Rental and miscellaneous income	-	8,827
United Way of Halton and Hamilton	404,926	503,814
	658,206	822,052
Expenditure		
Advertising and promotion	293	112
Amortization	3,520	13,286
Bank charges and interest	6,199	5,272
Computer maintenance	9,593	15,301
COVID-19 expenses	-	10,024
Insurance	3,978	3,631
Membership and dues	8,367	7,280
Miscellaneous	1,296	1,202
Occupancy	63,798	78,358
Office supplies	3,009	2,088
Professional fees	14,827	11,453
Repairs and maintenance	406	1,036
Salaries and benefits	610,659	502,968
Seminars and meetings	1,878	1,300
Telephone and internet	8,176	5,801
Travel	-	129
	735,999	659,241
Excess of (expenditure over revenue)		
revenue over expenditure for year	\$ (77,793)	162,811

THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2022**

Schedule 2 – Violence Against Women	2022	2021
Revenue		
Ministry of Children, Community and Social Services	\$ 736,848	736,726
Ministry of Children, Community and Social Services – HVPC	29,162	29,162
Ministry of Children, Community and Social Services – One Time	50,302	50,421
Ministry of Children, Community and Social Services – Pay Equity	42,524	42,527
One-time COVID-19 assistance	-	6,950
Other grants	-	34,040
	858,836	899,826
Expenditure		
Advertising and promotion	89	56
Allocated central administration	80,175	93,836
Assistance to clients	-	50
Bank charges and interest	1,868	2,562
Computer maintenance	19,877	18,554
COVID-19 expenses	3,416	42,469
Insurance	2,165	2,269
Membership and dues	2,543	3,101
Ministry of Children, Community and Social Services – HVPC	26,716	28,713
Miscellaneous	277	277
Occupancy	93,954	94,908
Office supplies	1,764	1,450
Professional fees	2,756	5,469
Repairs and maintenance	2,351	518
Salaries and benefits	618,864	613,078
Seminars and meetings	476	643
Telephone and internet	2,346	2,901
Travel	-	43
	859,637	910,897
Excess of expenditure over revenue for year	\$ (801)	(11,071)

THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2022**

Schedule 3 – Child Witness	2022	2021
Revenue		
Ministry of Children, Community and Social Services	\$ 126,876	126,876
	126,876	126,876
Expenditure		
Advertising and promotion	38	11
Bank charges and interest	299	259
Computer maintenance	5,175	4,982
COVID-19 expenses	147	1,508
Insurance	368	454
Membership and dues	489	519
Miscellaneous	9	203
Occupancy	34,011	31,779
Office supplies	88	325
Professional fees	510	694
Repairs and maintenance	36	41
Salaries and benefits	84,380	85,760
Seminars and meetings	294	151
Telephone and internet	477	609
Travel	-	9
	126,321	127,304
Excess of revenue over expenditure		
(expenditure over revenue) for year	\$ 555	(428)

THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2022**

Schedule 4 – Partner Abuse Response Program	2022	2021
Revenue		
Counselling fees	\$ 29,529	19,909
Ministry of the Attorney General	178,432	178,433
One-time COVID-19 assistance	12,100	18,200
	220,061	216,542
Expenditure		
Advertising and promotion	211	27
Bank charges and interest	768	756
Computer maintenance	2,212	2,838
COVID-19 expenses	12,113	18,198
Insurance	1,664	1,634
Membership and dues	1,279	1,337
Miscellaneous	234	167
Occupancy	29,761	28,117
Office supplies	532	543
Professional fees	1,219	1,786
Repairs and maintenance	518	249
Salaries and benefits	170,760	166,356
Seminars and meetings	144	190
Telephone and internet	1,633	971
Travel	-	17
	223,048	223,186
Excess of expenditure over revenue for year	\$ (2,987)	(6,644)

THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2022**

Schedule 5 - Supervised Access Program	2022	2021
Revenue		
Counselling fees	\$ 4,370	2,900
Ministry of the Attorney General	178,057	178,057
One-time COVID-19 assistance	19,250	14,742
	201,677	195,699
Expenditure		
Advertising and promotion	125	18
Bank charges and interest	815	575
Computer maintenance	3,351	4,514
COVID-19 expense	19,281	14,733
Direct EAP service	-	199
Insurance	1,183	1,089
Membership and dues	1,334	1,362
Occupancy	36,590	36,788
Office supplies	683	507
Professional fees	837	1,787
Program supplies	544	95
Repairs and maintenance	400	228
Salaries and benefits	134,972	132,936
Seminars and meetings	729	134
Telephone and internet	1,450	1,440
Travel	-	17
	202,294	196,422
Excess of expenditure over revenue for year	\$ (617)	(723)

THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2022**

Schedule 6 – Family Life		2022	2021
Revenue			
Counselling fees	\$	56,253	36,289
Employee assistance program		8,569	8,754
Government COVID-19 assistance (Note 9)		21,302	67,044
Rental and miscellaneous income		245	3,815
		86,369	115,902
Expenditure			
Miscellaneous		1,804	-
Occupancy		13,720	2,404
Office supplies		534	217
Salaries and benefits		57,014	48,000
		73,072	50,621
Excess of revenue over expenditure for year	\$	13,297	65,281