

**THRIVE COUNSELLING SERVICES
HALTON INC.**

FINANCIAL STATEMENTS

**AS AT
MARCH 31, 2023**

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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, 2023, 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, 2023, 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, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1, 2022 and 2021, and March 31, 2023 and 2022. Our audit opinion on the financial statements for the year ended March 31, 2022 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 7, 2023

THRIVE COUNSELLING SERVICES HALTON INC.**Statement of financial position****As at March 31, 2023**

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 684,306	506,488
Short-term investments	139,103	138,116
Accounts receivable (Note 4)	24,305	29,918
Government remittances receivable	21,350	18,153
Prepaid expenses	45,755	41,682
	914,819	734,357
Property, plant and equipment (Note 5)	659	5,258
	\$ 915,478	739,615
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 80,792	70,206
Deferred revenue	67,000	10,000
	147,792	80,206
Net assets		
Unrestricted	669,321	556,445
Investment in property, plant and equipment	659	5,258
Contingency Fund	97,706	97,706
	767,686	659,409
	\$ 915,478	739,615

Approved by the Board

Director_____
Director

THRIVE COUNSELLING SERVICES HALTON INC.

Statement of changes in net assets For the year ended March 31, 2023

		Operating Fund	Contingency Fund	Total 2023	Total 2022
Net assets, beginning of year	\$	561,703	97,706	659,409	727,755
Excess of revenue over expenditure (expenditure over revenue) for year		108,277	-	108,277	(68,346)
Net assets, end of year	\$	669,980	97,706	767,686	659,409

THRIVE COUNSELLING SERVICES HALTON INC.

Statement of revenue and expenditure For the year ended March 31, 2023

	2023	2022
Revenue		
Canadian Women's Foundation grant	\$ 12,400	12,600
Counselling fees	238,442	272,714
Donations and fundraising	6,078	4,981
Employee assistance program	819	8,569
Government COVID-19 assistance	-	73,944
GBV grants	13,850	-
Halton Industry Education Council funding	22,700	-
Investment income	1,004	495
Ministry of Children, Community and Social Services	1,126,075	863,724
Ministry of Children, Community and Social Services – HVPC	29,161	29,162
Ministry of Children, Community and Social Services – One time	-	50,302
Ministry of Children, Community and Social Services – Pay Equity	42,524	42,524
Ministry of the Attorney General	231,263	356,489
One-time COVID-19 assistance	-	31,350
Ontario Trillium funding	52,500	-
Rental and miscellaneous income	6,617	245
United Way of Halton and Hamilton	360,000	404,926
	2,143,433	2,152,025
Expenditure		
Advertising and promotion	52	756
Allocated central administration	94,000	80,175
Amortization	4,599	3,520
Bank charges and interest	8,869	9,949
Computer maintenance	47,567	40,208
COVID-19	3,756	34,957
Direct service	4,659	-
Fundraising	1,039	-
Insurance	11,925	9,358
GBV grant	12,363	-
Membership and dues	14,239	14,012
Ministry of Children, Community and Social Services – HVPC	32,822	26,716
Miscellaneous	2,209	3,620
Occupancy	283,479	271,834
Office supplies	10,591	6,610
OTF grant	58,301	-
Professional fees	25,359	20,149
Program supplies	1,088	544
Repairs and maintenance	1,859	3,711
Salaries and benefits	1,395,766	1,676,649
Seminars and meetings	5,111	3,521
Telephone and internet	15,238	14,082
Travel	265	-
	2,035,156	2,220,371
Excess of revenue over expenditure (expenditure over revenue) for year	\$ 108,277	(68,346)

THRIVE COUNSELLING SERVICES HALTON INC.**Statement of cash flows****For the year ended March 31, 2023**

	2023	2022
Cash flows from (used in) operating activities		
Excess of revenue over expenditure (expenditure over revenue) for year	\$ 108,277	(68,346)
Adjustment for Amortization of property, plant and equipment	4,599	3,520
	112,876	(64,826)
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	5,613	(3,037)
(Increase) decrease in government remittances receivable	(3,197)	1,623
(Increase) decrease in prepaid expenses	(4,073)	733
Increase (decrease) in accounts payable and accrued liabilities	10,586	(19,172)
Increase (decrease) in deferred revenue	57,000	(21,350)
Cash flows from (used in) operating activities	178,805	(106,029)
Cash flows from (used in) investing activities		
Short-term investments, net	(987)	(495)
Cash flows used in investing activities	(987)	(495)
Net increase (decrease) in cash during year	177,818	(106,524)
Cash and cash equivalents, beginning of year	506,488	613,012
Cash and cash equivalents, end of year	\$ 684,306	506,488

THRIVE COUNSELLING SERVICES HALTON INC.

Notes to financial statements

As at March 31, 2023

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, 2023

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, 2023

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

	2023	2022
Accounts receivable	\$ 25,880	31,493
Less allowance for doubtful accounts	(1,575)	(1,575)
	<u>\$ 24,305</u>	<u>29,918</u>

THRIVE COUNSELLING SERVICES HALTON INC.**Notes to financial statements****As at March 31, 2023****5. Property, plant and equipment**

	2023		2022	
	Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$ 43,272	43,272	-	1,867
Computer equipment	235,784	235,784	-	1,713
Computer software	110,920	110,261	659	1,678
	<u>\$ 389,976</u>	<u>389,317</u>	<u>659</u>	<u>5,258</u>

Amortization recorded during the year amounted to \$4,599 (2022 - \$3,520).

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, 2023 is \$40,204 (2022 - \$45,448) 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:

2024	\$ 301,878
2025	302,093
2026	302,845
2027	299,962
2028	198,821
Thereafter	<u>37,411</u>
	<u>\$ 1,443,010</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.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2023**

Schedule 1 – Individual Couple Family	2023	2022
Revenue		
Canadian Women’s Foundation grant	\$ 12,400	12,600
Counselling fees	143,765	182,562
Donations and fundraising	6,078	4,981
Employee assistance program	557	-
Government COVID-19 assistance	-	52,642
Investment income	1,004	495
GBV grants	13,850	-
Ontario Trillium Foundation	52,500	-
Rental and miscellaneous income	6	-
United Way of Halton and Hamilton	360,000	404,926
	590,160	658,206
Expenditure		
Advertising and promotion	52	293
Amortization	4,599	3,520
Bank charges and interest	3,228	6,199
Computer maintenance	9,742	9,593
COVID-19	227	-
Fundraising expenses	1,039	-
GBV grant	12,363	-
Insurance	4,270	3,978
Membership and dues	6,338	8,367
Miscellaneous	1,441	1,296
Occupancy	30,900	63,798
Office supplies	4,035	3,009
OTF grant	58,301	-
Professional fees	7,122	14,827
Repairs and maintenance	929	406
Salaries and benefits	361,349	610,659
Seminars and meetings	860	1,878
Telephone and internet	4,452	8,176
Travel	169	-
	511,416	735,999
Excess of revenue over expenditure		
(expenditure over revenue) for year	\$ 78,744	(77,793)

THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2023**

Schedule 2 – Violence Against Women	2023	2022
Revenue		
Ministry of Children, Community and Social Services	\$ 787,150	736,848
Ministry of Children, Community and Social Services – HVPC	29,161	29,162
Ministry of Children, Community and Social Services – One Time	-	50,302
Ministry of Children, Community and Social Services – Pay Equity	42,524	42,524
	858,835	858,836
Expenditure		
Advertising and promotion	-	89
Allocated central administration	84,000	80,175
Bank charges and interest	3,072	1,868
Computer maintenance	22,558	19,877
COVID-19	751	3,416
Insurance	3,481	2,165
Membership and dues	3,622	2,543
Ministry of Children, Community and Social Services – HVPC	32,822	26,716
Miscellaneous	329	277
Occupancy	120,593	93,954
Office supplies	2,553	1,764
Professional fees	8,437	2,756
Repairs and maintenance	465	2,351
Salaries and benefits	570,941	618,864
Seminars and meetings	394	476
Telephone and internet	4,802	2,346
Travel	48	-
	858,868	859,637
Excess of expenditure over revenue for year	\$ (33)	(801)

THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2023**

Schedule 3 – Child Witness	2023	2022
Revenue		
Ministry of Children, Community and Social Services	\$ 126,876	126,876
Expenditure		
Advertising and promotion	-	38
Bank charges and interest	347	299
Computer maintenance	5,568	5,175
COVID-19	376	147
Insurance	596	368
Membership and dues	691	489
Miscellaneous	241	9
Occupancy	32,191	34,011
Office supplies	522	88
Professional fees	1,313	510
Program supplies	268	-
Repairs and maintenance	37	36
Salaries and benefits	83,971	84,380
Seminars and meetings	86	294
Telephone and internet	741	477
Travel	10	-
	126,958	126,321
Excess of (expenditure over revenue)		
revenue over expenditure for year	\$ (82)	555

THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2023**

Schedule 4 – Partner Abuse Response Program	2023	2022
Revenue		
Counselling fees	\$ 31,122	29,529
Ministry of the Attorney General	231,263	178,432
One-time COVID-19 assistance	-	12,100
	262,385	220,061
Expenditure		
Advertising and promotion	-	211
Bank charges and interest	1,108	768
Computer maintenance	3,492	2,212
COVID-19	1,201	12,113
Insurance	2,147	1,664
Membership and dues	1,481	1,279
Miscellaneous	198	234
Occupancy	37,227	29,761
Office supplies	1,504	532
Professional fees	4,953	1,219
Repairs and maintenance	223	518
Salaries and benefits	203,848	170,760
Seminars and meetings	2,212	144
Telephone and internet	2,825	1,633
Travel	19	-
	262,438	223,048
Excess of expenditure over revenue for year	\$ (53)	(2,987)

THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2023**

Schedule 5 - Supervised Access Program	2023	2022
Revenue		
Counselling fees	\$ 8,490	4,370
Ministry of Children, Community and Social Services	212,049	-
Ministry of the Attorney General	-	178,057
One-time COVID-19 assistance	-	19,250
	220,539	201,677
Expenditure		
Advertising and promotion	-	125
Allocated central administration	10,000	-
Bank charges and interest	1,114	815
Computer maintenance	6,207	3,351
COVID-19	1,201	19,281
Direct service	4,659	-
Insurance	1,431	1,183
Membership and dues	2,107	1,334
Occupancy	44,960	36,590
Office supplies	1,513	683
Professional fees	3,534	837
Program supplies	820	544
Repairs and maintenance	205	400
Salaries and benefits	138,857	134,972
Seminars and meetings	1,559	729
Telephone and internet	2,418	1,450
Travel	19	-
	220,604	202,294
Excess of expenditure over revenue for year	\$ (65)	(617)

THRIVE COUNSELLING SERVICES HALTON INC.**Schedule to statement of revenue and expenditure****For the year ended March 31, 2023**

Schedule 6 – Family Life		2023	2022
Revenue			
Counselling fees	\$	55,065	56,253
Employee assistance program		262	8,569
Government COVID-19 assistance		-	21,302
Halton Industry Education Council funding		22,700	-
Rental and miscellaneous income		6,611	245
		84,638	86,369
Expenditure			
Miscellaneous		-	1,804
Occupancy		17,608	13,720
Office supplies		464	534
Salaries and benefits		36,800	57,014
		54,872	73,072
Excess of revenue over expenditure for year	\$	29,766	13,297