



Financial Statements

**Settlement Assistance and Family Support Services
(SAFSS)**

March 31, 2015

Settlement Assistance and Family Support Services (SAFSS)
March 31, 2015

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SRCO
PROFESSIONAL CORPORATION
CHARTERED ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

To the Members of Settlement Assistance and Family Support Services (SAFSS)

We have audited the accompanying financial statements of Settlement Assistance and Family Support Services (SAFSS), which comprise the statement of financial position as at March 31, 2015 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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Independent Auditor's Report to the Members of Settlement Assistance and Family Support Services (SAFSS) (*continued*)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Settlement Assistance and Family Support Services (SAFSS) as at March 31, 2015 and the results of its of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of Settlement Assistance and Family Support Services (SAFSS) for the year ended March 31, 2014 were audited by another auditor who expressed an unmodified opinion on those statements on June 18, 2014.

SRCO Professional Corporation

Richmond Hill, Canada
August 19, 2015

CHARTERED ACCOUNTANT
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario



SRCO
PROFESSIONAL CORPORATION
CHARTERED ACCOUNTANT

Settlement Assistance and Family Support Services (SAFSS)

STATEMENT OF FINANCIAL POSITION

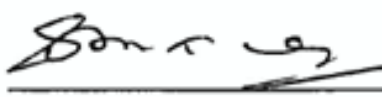
As at March 31

	2015	2014
	\$	\$
ASSETS		
Current		
Cash	27,697	19,807
Guaranteed investment certificates [note 3]	110,387	71,064
Accounts receivable - grants, no impaired amounts	264,967	52,349
Harmonized sales tax recoverable	79,460	78,805
	482,511	222,025
Security deposit	13,406	13,406
Equipment [note 4]	6,677	13,361
Total assets	502,594	248,792
LIABILITIES AND NET ASSETS		
Current		
Bank indebtedness [note 5]	289,534	62,022
Accounts payable and accrued liabilities	120,886	84,191
Deferred revenue [note 6]	665	10,104
	411,085	156,317
Deferred revenue - equipment [note 7]	680	1,360
Total liabilities	411,765	157,677
Net Assets		
Unrestricted	(2,127)	(7,845)
Invested in equipment	5,997	12,001
Internally restricted [note 8]	86,959	86,959
	90,829	91,115
Total liabilities and net assets	502,594	248,792

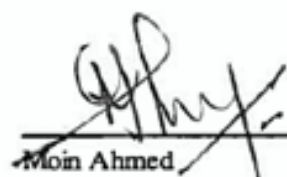
Commitments [note 11]

See accompanying notes

On behalf of the Board of Directors



Asghar Naqvi Director



Mo'in Ahmed Director

Settlement Assistance and Family Support Services (SAFSS)

STATEMENT OF OPERATIONS

Year ended March 31

	Unrestricted Fund \$	Grant Programs Fund \$	Total 2015 \$	Total 2014 \$
REVENUE				
Operating grants				
Citizenship & Immigration Canada	—	2,751,829	2,751,829	2,754,137
City of Toronto	—	102,738	102,738	113,356
United Way	—	80,696	80,696	85,696
Ministry of Community & Social Services [note 9]	—	77,300	77,300	82,784
Ministry of Citizenship & Immigration [note 10]	—	86,970	86,970	72,677
Other income	17,095	—	17,095	26,310
Gala dinner admission fees	51,209	—	51,209	31,160
Bingo proceeds	42,015	—	42,015	30,764
Recognition of deferred revenue - equipment [note 7]	680	—	680	5,621
	110,999	3,099,533	3,210,532	3,202,505
EXPENDITURES				
Staffing	22,161	2,204,122	2,226,283	2,244,108
Occupancy	8,424	633,082	641,506	636,543
Direct program	—	152,383	152,383	143,405
Administration	16,960	89,998	106,958	103,917
Professional fee	838	24,521	25,359	24,465
Fundraising	19,905	—	19,905	24,240
Bingo program	31,740	—	31,740	23,089
	100,028	3,104,106	3,204,134	3,199,767
Excess (deficiency) of revenue over expenditures before undernoted item	10,971	(4,573)	6,398	2,738
Amortization	(6,684)	—	(6,684)	(11,642)
Excess (deficiency) of revenue over expenditures	4,287	(4,573)	(286)	(8,904)

See accompanying notes

Settlement Assistance and Family Support Services (SAFSS)

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	Unrestricted Fund				Grant Programs Fund		Total 2015	Total 2014
	Unrestricted	Invested in equipment	Internally restricted [note 8]	Total	Externally restricted			
Balance, beginning of year	(7,845)	12,001	86,959	91,115	—	91,115	100,019	
Excess (deficiency) of revenue over expenditures	10,291	(6,004)	—	4,287	(4,573)	(286)	(8,904)	
Interfund transfer	(4,573)	—	—	(4,573)	4,573	—	—	
Balance, end of year	(2,127)	5,997	86,959	90,829	—	90,829	91,115	

See accompanying notes

Settlement Assistance and Family Support Services (SAFSS)

STATEMENT OF CASH FLOWS

Year ended March 31

	2015	2014
	\$	\$
OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	(286)	(8,904)
Items not affecting cash:		
Amortization	6,684	11,642
Recognition of deferred revenue - equipment [note 7]	(680)	(5,621)
	5,718	(2,883)
Change in non-cash working capital items		
Accounts receivable	(212,618)	213,633
Prepaid expenses	—	500
Accounts payable and accrued liabilities	36,695	(16,057)
Deferred revenue	(9,439)	10,104
Harmonized sales tax recoverable	(655)	—
Cash (used in) provided by operating activities	(180,299)	205,297
INVESTING ACTIVITIES		
Guaranteed investment certificates	(39,323)	(34,974)
Cash used in investing activities	(39,323)	(34,974)
FINANCING ACTIVITIES		
Bank indebtedness	227,512	(163,387)
Cash provided by (used in) financing activities	227,512	(163,387)
CHANGE IN CASH	7,890	6,936
CASH, BEGINNING OF YEAR	19,807	12,871
CASH, END OF YEAR	27,697	19,807

See accompanying notes

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

1. INCORPORATION AND PURPOSE

Settlement Assistance and Family Support Services (SAFSS) (“the Organization”) was incorporated without share capital, under the laws of the Province of Ontario on March 26, 1990. The Organization is a registered charity under the Income Tax Act and is not subjected to income tax. The objects of the organization are as follows:

- a. To assist immigrants to Canada in their integration into Canadian society through language training, job skills training and other support services and by providing information regarding other services available in the community;
- b. To prevent wife, child, youth and senior abuse through education, counseling, intervention and support services;
- c. To increase awareness in the community of issues relating to the integration of immigrants to Canada and issues relating to wife, child, youth and senior abuse through educational workshops and seminars; and
- d. To promote and develop active participation and peer support of community volunteers.

In accordance with its objectives, the Organization administers English language instruction programs, conducts workshops and provides advocacy and referral services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The significant policies are detailed as follows:

Fund accounting

All programs receive program specific government grants, the uses of which are restricted to specific programs. In order to ensure observance of the restrictions on the use of resources, the Organization has classified these activities for accounting and reporting purposes into funds as follows:

- Unrestricted revenue and expenses relating to non-program activities are reported in the unrestricted fund.
- Contributions restricted to programs, program revenues and program expenses are reported in the grant programs fund.

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund accounting (continued)

Interfund transfers comprise transfers of financial resources from the unrestricted fund to the grant programs fund in order to cover deficiencies resulting when expenses of programs exceed the programs specific revenues.

Internally restricted net assets

The salaries and benefits reserve is to be used, at the discretion of the Board of Directors (the "Board"), to pay salaries, benefits and employer payroll remittances in the event there are insufficient funds available from current operating revenue. According to the resolution of the Board, by which the reserve was established, it is to be adjusted annually, at the discretion of the Board to the amount estimate to be required to pay severance salaries, benefits and remittances.

The program deficits reserve is to be used to cover deficits that might arise in programs as a result of program expenses exceeding program specific revenues. According to the resolution of the Board, by which the reserve was established, it is to be adjusted annually at the discretion of the Board, by reference to the amount transferred from the unrestricted fund to the grant programs fund to cover program deficits of the previous year.

Revenue recognition

The Organization uses the deferral method for accounting for contributions for which there is no appropriate restricted fund.

Restricted contributions for expenses of future periods are deferred and recognized as revenue in the same period as the related expenses are incurred.

Contributions restricted for the purchase of equipment are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired equipment.

Unrestricted contributors, revenue from fundraising activities and other income are recognized as revenue of the unrestricted fund in the year received, or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated equipment

Donations of equipment are recorded at fair value when fair value can reasonably be estimated and when such value is significant.

Donated material and services

The value of donated materials and services are not recorded in these financial statements due to the difficulty in determining their fair value.

Equipment

The cost of equipment is capitalized and amortized at the rate of 20% each year using the straight-line method.

Financial instruments

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at cost or amortized cost consist of cash, guaranteed investment certificates, accounts receivable and security deposit.

Financial liabilities measured at cost or amortized cost consist of bank indebtedness and accounts payable and accrued liabilities.

Impairment of financial instruments

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the impairment, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

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Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of long-lived assets

The Organization reviews long-lived assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When indicators of impairment of the carrying value of the assets exist, and the carrying value is greater than the net recoverable value, an impairment loss is recognized to the extent that the fair value is below the carrying value. There were no significant indications of impairment of the carrying values of the Organization's long-lived assets at March 31, 2015.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include allowance for bad debts, useful lives of equipment and accruals and are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates

Economic dependence

The Organization is dependent on government funding to sustain its operations.

3. GUARANTEED INVESTMENT CERTIFICATES

The guaranteed investment certificates (GIC's) will mature in September 2015 and bear interest at 1.2% (2014 - 1.2%).

4. EQUIPMENT

			2015	2014
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Equipment	116,017	109,340	6,677	13,361

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

5. BANK INDEBTEDNESS

The Organization has a revolving line of credit, with a credit limit of \$225,000 (2014 - \$225,000), which bears interest at bank's prime lending rate plus 1.5% (2014 - 1.5%) per annum and is secured by a general security agreement. Interest expense incurred related to this indebtedness during the year was \$1,457 (2014 - \$675). The revolving line of credit agreement contains certain financial reporting covenants. As at March 31, 2015, the Organization is in compliance with the covenants.

6. DEFERRED REVENUE

	Newcomer Settlement Program Grants	
	2015	2014
	\$	\$
Deferred revenue, beginning of year	10,104	—
Funds received	77,531	10,104
Less: revenue recognized during the year	(86,970)	—
Deferred revenue, end of year	665	10,104

7. DEFERRED REVENUE - EQUIPMENT

	2015	2014
	\$	\$
Balance, beginning of year	1,360	6,981
Revenue recognized during the year	(680)	(5,621)
Balance, end of year	680	1,360

8. INTERNALLY RESTRICTED NET ASSETS

The unrestricted fund includes the following internally restricted net assets established by the Board.

	2015	2014
	\$	\$
Salaries and benefits reserve	57,284	57,284
Programs deficits reserve	29,675	29,675
	86,959	86,959

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

9. SERVICE CONTRACT WITH THE MINISTRY OF COMMUNITY & SOCIAL SERVICES

The organization receives funding from the Ministry of Community & Social Services for its Violence Against Women Project. The revenue and expenditures for this program are as follows:

	2015	2014
	\$	\$
Revenue	77,300	82,784
Expenditures		
Salaries	68,283	66,970
Program supplies	1,848	8,692
Rent	6,600	6,600
Administration	2,253	2,105
Professional fees	804	804
Equipment	391	499
	<hr/> 80,179	<hr/> 85,670
Deficiency of revenue over expenditures	(2,879)	(2,886)
Transfer from unrestricted fund	2,879	2,886
Unexpended grant, end of year	<hr/> —	<hr/> —

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

10. MINISTRY OF CITIZENSHIP & IMMIGRATION NEWCOMER SETTLEMENT PROGRAM

The revenue and expenditures of the Ministry of Citizenship & Immigration Program are as follows:

	2015	2014
	\$	\$
Revenue	86,970	72,677
Expenditures		
Salaries	64,848	64,140
Rent	4,500	4,500
Administration	10,740	2,448
Program supplies	7,377	2,333
Professional fees	1,083	1,045
	88,548	74,466
Deficiency of revenue over expenditures	(1,578)	(1,789)
Transfer from unrestricted fund	1,578	1,789
Unexpended grant, end of year	—	—

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

11. COMMITMENTS

The Organization is committed to leasing premises and equipment to 2019. Minimum annual payments are as follows:

	\$
2016	594,000
2017	304,000
2018	279,000
2019	4,000

12. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure at the balance sheet date, March 31, 2015:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligation. The Organization is exposed to credit risk through its cash and accounts receivable balances. The Organization reduces credit risk from its cash balance by maintaining its funds with credit worthy financial institutions. In order to reduce its credit risk from accounts receivable balances, the Organization provides credit to funders in the normal course of its operations. The Organization reduces its exposure to credit risk by performing credit assessments on a regular basis and creating an allowance for doubtful accounts when applicable. At March 31, 2015, the allowance for doubtful accounts is \$Nil (2014 - \$Nil). In the opinion of management, the credit risk exposure to the Organization is not significant.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of accounts payable and bank indebtedness. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains adequate cash reserves. In the opinion of management, the liquidity risk exposure to the Organization is not significant.

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Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

12. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating and financing activities.

In the opinion of management, the interest rate risk exposure to the Organization is not significant.

13. COMPARATIVE FIGURES

Certain figures in the 2014 financial statements have been reclassified to conform with the basis of presentation used in 2015.