



Financial Statements

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

March 31, 2016

Settlement Assistance and Family Support Services (SAFSS)
March 31, 2016

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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, 2016 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.



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, 2016 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.

SRCO Professional Corporation

Richmond Hill, Canada
May 30, 2016

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

Settlement Assistance and Family Support Services (SAFSS)

STATEMENT OF FINANCIAL POSITION

As at March 31, 2016

	2016	2015
	\$	\$
ASSETS		
Current		
Cash	26,508	27,697
Guaranteed investment certificates [note 3]	111,464	110,387
Accounts receivable - grants, no impaired amounts	274,635	264,967
Harmonized sales tax recoverable	78,715	79,460
	491,322	482,511
Security deposit	13,406	13,406
Equipment [note 4]	—	6,677
Total assets	504,728	502,594
LIABILITIES AND NET ASSETS		
Current		
Bank indebtedness [note 5]	271,641	289,534
Accounts payable and accrued liabilities	121,085	120,886
Deferred revenue [note 6]	20,000	665
	412,726	411,085
Deferred revenue - equipment [note 7]	—	680
Total liabilities	412,726	411,765
Net Assets		
Unrestricted	5,043	(2,127)
Invested in equipment	—	5,997
Internally restricted [note 8]	86,959	86,959
	92,002	90,829
Total liabilities and net assets	504,728	502,594

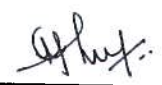
Commitments [note 11]

Contingency [note 12]

See accompanying notes

On behalf of the Board of Directors


 _____ Director
 Asghar Naqvi


 _____ Director
 Moin Ahmed

Settlement Assistance and Family Support Services (SAFSS)

STATEMENT OF OPERATIONS

Year ended March 31, 2016

	Unrestricted Fund	Grant Programs Fund	Total 2016	Total 2015
	\$	\$	\$	\$
REVENUE				
Operating grants				
Citizenship & Immigration Canada	—	2,751,452	2,751,452	2,751,829
City of Toronto	—	84,923	84,923	102,738
United Way	—	85,696	85,696	80,696
Ministry of Community & Social Services [note 9]	—	78,846	78,846	77,300
Ministry of Citizenship & Immigration [note 10]	—	78,196	78,196	86,970
Other income	49,418	—	49,418	17,095
Gala dinner admission fees	23,487	—	23,487	51,209
Bingo proceeds	47,413	—	47,413	42,015
Recognition of deferred revenue - equipment [note 7]	680	—	680	680
	120,998	3,079,113	3,200,111	3,210,532
EXPENDITURES				
Staffing	28,448	2,177,617	2,206,065	2,226,283
Occupancy	10,245	630,746	640,991	641,506
Direct program	—	157,726	157,726	152,383
Administration	9,710	92,467	102,177	106,958
Professional fee	2,116	24,683	26,799	25,359
Fundraising	19,288	—	19,288	19,905
Bingo program	39,215	—	39,215	31,740
	109,022	3,083,239	3,192,261	3,204,134
Excess of revenue over expenditures before undernoted item	11,976	(4,126)	7,850	6,398
Amortization	(6,677)	—	(6,677)	(6,684)
Excess (deficiency) of revenue over expenditures	5,299	(4,126)	1,173	(286)

See accompanying notes

Settlement Assistance and Family Support Services (SAFSS)

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31, 2016

	Unrestricted Fund		Grant Programs Fund		Total 2016	Total 2015
	Unrestricted	Invested in equipment	Internally restricted [note 8]	Total		
Balance, beginning of year	(2,127)	5,997	86,959	90,829	—	91,115
Excess (deficiency) of revenue over expenditures	11,296	(5,997)	—	5,299	(4,126)	(286)
Interfund transfer	(4,126)	—	—	(4,126)	4,126	—
Balance, end of year	5,043	—	86,959	92,002	—	90,829

See accompanying notes



Settlement Assistance and Family Support Services (SAFSS)

STATEMENT OF CASH FLOWS

Year ended March 31, 2016

	2016	2015
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	1,173	(286)
Items not affecting cash:		
Amortization	6,677	6,684
Recognition of deferred revenue - equipment <i>[note 7]</i>	(680)	(680)
	7,170	5,718
Change in non-cash working capital items		
Accounts receivable	(9,668)	(212,618)
Accounts payable and accrued liabilities	199	36,695
Deferred revenue	19,335	(9,439)
Harmonized sales tax recoverable	745	(655)
Cash provided by (used in) operating activities	17,781	(180,299)
INVESTING ACTIVITIES		
Guaranteed investment certificates	(1,077)	(39,323)
Cash used in investing activities	(1,077)	(39,323)
FINANCING ACTIVITIES		
Bank indebtedness	(17,893)	227,512
Cash (used in) provided by financing activities	(17,893)	227,512
CHANGE IN CASH	(1,189)	7,890
CASH, BEGINNING OF YEAR	27,697	19,807
CASH, END OF YEAR	26,508	27,697

See accompanying notes

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

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, 2016

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 restricted fund method of accounting for contributions for programs which are reported in the grant programs fund. Restricted contributions are recognized as revenue of the restricted grant programs fund in the year received, or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributions for which no corresponding programs fund is presented are recognized in the unrestricted fund in accordance with the deferral method. 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, 2016

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.

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

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.

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 2016 and bear interest at 1.0% (2015 - 1.0%).

4. EQUIPMENT

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Equipment	116,017	116,017	—	6,677

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

5. BANK INDEBTEDNESS

The Organization has a revolving line of credit, with a credit limit of \$225,000 (2015 - \$225,000), which bears interest at bank's prime lending rate plus 1.5% (2015 - 1.5%) per annum and is secured by a general security agreement. Interest expense incurred related to this indebtedness during the year was \$1,126 (2015 - \$1,457). The revolving line of credit agreement contains certain financial reporting covenants. As at March 31, 2016, the Organization is in compliance with the covenants.

6. DEFERRED REVENUE

Newcomer Settlement Program Grants		
	2016	2015
	\$	\$
Deferred revenue, beginning of year	665	10,104
Funds received	77,531	77,531
Less: revenue recognized during the year	(78,196)	(86,970)
Deferred revenue, end of year	—	665

Newcomer Support Services - RBC Foundation		
	2016	2015
	\$	\$
Deferred revenue, beginning of year	—	—
Funds received	20,000	—
Less: revenue recognized during the year	—	—
Deferred revenue, end of year	20,000	—

7. DEFERRED REVENUE - EQUIPMENT

	2016	2015
	\$	\$
Balance, beginning of year	680	1,360
Revenue recognized during the year	(680)	(680)
Balance, end of year	—	680

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

8. INTERNALLY RESTRICTED NET ASSETS

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

	2016	2015
	\$	\$
Salaries and benefits reserve	57,284	57,284
Programs deficits reserve	29,675	29,675
	86,959	86,959

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:

	2016	2015
	\$	\$
Revenue	78,846	77,300
Expenditures		
Salaries	68,079	68,283
Program supplies	2,369	1,848
Rent	6,800	6,600
Administration	2,663	2,253
Professional fees	986	804
Equipment	499	391
	81,396	80,179
Deficiency of revenue over expenditures	(2,550)	(2,879)
Transfer from unrestricted fund	2,550	2,879
Unexpended grant, end of year	—	—

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

10. MINISTRY OF CITIZENSHIP & IMMIGRATION NEWCOMER SETTLEMENT PROGRAM

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

	2016	2015
	\$	\$
Revenue	78,196	86,970
Expenditures		
Salaries	68,993	64,848
Rent	4,500	4,500
Administration	2,500	10,740
Program supplies	2,608	7,377
Professional fees	1,070	1,083
	79,671	88,548
Deficiency of revenue over expenditures	(1,475)	(1,578)
Transfer from unrestricted fund	1,475	1,578
Unexpended grant, end of year	—	—

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

11. COMMITMENTS

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

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

12. CONTINGENCY

During the year, a former employee of the Organization commenced legal proceedings against SAFSS. The Organization has contested this claim and in management's opinion the lawsuit has no merit. As the outcome of this action is uncertain, no amount has been provided in the financial statements in respect of this contingency.

13. 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, 2016:

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, 2016, the allowance for doubtful accounts is \$Nil (2015 - \$Nil). In the opinion of management, the credit risk exposure to the Organization is not significant.

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

13. FINANCIAL INSTRUMENTS (continued)

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.

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.