



Financial Statements

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

March 31, 2019

Settlement Assistance and Family Support Services (SAFSS)

March 31, 2019

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Settlement Assistance and Family Support Services (SAFSS) (the "Organization") as at March 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Settlement Assistance & Family Support Services (SAFSS) as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's 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 opinion.

Responsibilities of Management and Those Charged with Governance 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.

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.

Auditor's 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 auditor's 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.

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

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 auditor's 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 auditor's 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.

SRCO Professional Corporation

Richmond Hill, Canada
September 24, 2019

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, 2019

	2019	2018
	\$	\$
ASSETS		
CURRENT		
Cash	73,722	70,162
Guaranteed investment certificates <i>[Note 3]</i>	11,464	11,464
Accounts receivable - grants, no allowance	25,492	299,665
Harmonized sales tax recoverable	90,085	42,395
	200,763	423,686
SECURITY DEPOSIT	8,440	8,440
CAPITAL ASSETS <i>[Note 4]</i>	15,844	16,986
	225,047	449,112
LIABILITIES AND NET ASSETS		
CURRENT		
Bank indebtedness <i>[Note 5]</i>	—	200,126
Accounts payable and accrued liabilities	16,754	16,650
Deferred revenue <i>[Note 6]</i>	49,182	64,651
	65,936	281,427
Net assets		
Unrestricted	159,111	167,685
	225,047	449,112

Commitments *[Note 9]*

See accompanying notes

On behalf of the Board of Directors



Director



Director

Settlement Assistance and Family Support Services (SAFSS)

STATEMENT OF OPERATIONS

Year ended March 31, 2019

	Unrestricted Fund \$	Grant Programs Fund \$	Total 2019 \$	Total 2018 \$
REVENUE				
Operating grants				
Immigration, Refugees and Citizenship Canada	—	2,750,541	2,750,541	2,742,622
City of Toronto	—	114,759	114,759	107,110
Ministry of Community & Social Services [Note 7]	—	90,052	90,052	79,346
Ministry of Citizenship & Immigration [Note 8]	—	77,531	77,531	84,275
United Way Toronto & York Region	—	40,348	40,348	106,148
New Horizons for Seniors Program	—	16,393	16,393	1,887
Other income	47,652	—	47,652	185,181
Gala dinner admission fees	29,378	—	29,378	21,383
Bingo proceeds	88,137	—	88,137	79,174
	165,167	3,089,624	3,254,791	3,407,126
EXPENDITURES				
Staffing	16,749	2,114,397	2,131,146	2,195,703
Occupancy	41,970	673,524	715,494	677,988
Direct program	8,981	160,819	169,800	168,034
Administration	6,954	112,002	118,956	101,999
Bingo program	69,237	—	69,237	49,096
Professional fee	15,045	26,504	41,549	31,847
Fundraising	13,535	—	13,535	15,393
Amortization	—	3,648	3,648	1,887
	172,471	3,090,894	3,263,365	3,241,947
(Deficiency) excess of revenue over expenditures	(7,304)	(1,270)	(8,574)	165,179

See accompanying notes

Settlement Assistance and Family Support Services (SAFSS)

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31, 2019

	Unrestricted \$	Externally restricted \$	Total 2019 \$	Total 2018 \$
NET ASSETS - BEGINNING OF YEAR	167,685	—	167,685	2,506
(Deficiency) excess of revenue over expenditures	(7,304)	(1,270)	(8,574)	165,179
Interfund transfer	(1,270)	1,270	—	—
NET ASSETS - END OF YEAR	159,111	—	159,111	167,685

See accompanying notes



Settlement Assistance and Family Support Services (SAFSS)

STATEMENT OF CASH FLOWS

Year ended March 31, 2019

	2019	2018
	\$	\$
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenditures	(8,574)	165,179
Amortization	3,648	1,887
	(4,926)	167,066
Change in non-cash working capital items		
Accounts receivable	274,173	(131,933)
Security deposit	—	4,966
Accounts payable and accrued liabilities	104	(146,032)
Deferred revenue	(15,469)	38,341
Harmonized sales tax recoverable	(47,690)	41,084
Cash provided by (used in) operating activities	206,192	(26,508)
INVESTING ACTIVITIES		
Purchases of capital assets	(2,506)	(18,873)
Cash used in investing activities	(2,506)	(18,873)
FINANCING ACTIVITIES		
Bank indebtedness	(200,126)	64,155
Cash (used in) provided by financing activities	(200,126)	64,155
INCREASE IN CASH	3,560	18,774
CASH - BEGINNING OF YEAR	70,162	51,388
CASH - END OF YEAR	73,722	70,162

See accompanying notes

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

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 have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as contained in Part III of the Chartered Professional Accountant Canada (“CPAC”) Handbook. To the extent Part III of the CPAC Handbook does not address certain matters applicable to the Organization; it will use accounting standards for private enterprises contained in Part II of the CPAC Handbook. The significant accounting 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.

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund accounting (continued)

- Contributions restricted to programs, program revenues and program expenses are reported in the grant programs fund.

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 program deficit reserve is to be used to cover deficit 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.

Donated equipment

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

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated material and services

Volunteers contribute extensive time and effort to assist the Organization in carrying out its activities. The value of donated materials and services are not recorded in these financial statements due to the difficulty in determining their fair value.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rate and methods:

Furniture and fixtures	20%	Straight-line method
Equipment	20%	Straight-line method

All additions made during the year are amortized at 50% of the above rates.

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. As at March 31, 2019, there were no significant indications of impairment.

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 cost or 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 accounts payable and accrued liabilities, and bank indebtedness.

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 improvement 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.

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 doubtful accounts, useful lives of capital assets 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 2019 and bear interest at 0.60% (2018 - 0.45%).

4. CAPITAL ASSETS

			2019	2018
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Furniture and fixtures	21,379	5,535	15,844	16,986
Equipment	116,017	116,017	—	—
	137,396	121,552	15,844	16,986

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

5. BANK INDEBTEDNESS

The Organization has a revolving line of credit facility, with a credit limit of \$225,000 (2018 - \$225,000), which bears interest at 5.45% (2018 - 4.5%) per annum and is secured by a general security agreement. Interest expense incurred related to this indebtedness during the year was \$4,535 (2018 - \$5,077). As at March 31, 2019, the facility remained unutilized. The revolving line of credit agreement contains certain financial reporting covenants. As at March 31, 2019, the Organization is in compliance with the covenants.

6. DEFERRED REVENUE

	Citizenship and immigration Canada (ISAP)	
	2019	2018
	\$	\$
Deferred revenue, beginning of year	—	—
Funds received	481,961	482,785
Less: revenue recognized during the year	(481,485)	(482,785)
Deferred revenue, end of year	476	—

	New Horizons for Seniors Program	
	2019	2018
	\$	\$
Deferred revenue, beginning of year	43,469	—
Funds received for capital expenditures	—	21,381
Funds received for project costs	—	23,975
Less: revenue recognized during the year	(16,393)	(1,887)
Deferred revenue, end of year	27,076	43,469

	Community Service Partnership (CSP)	
	2019	2018
	\$	\$
Deferred revenue, beginning of year	21,182	—
Funds received	54,518	74,137
Less: revenue recognized during the year	(54,070)	(52,955)
Deferred revenue, end of year	21,630	21,182

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

7. 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:

	2019	2018
	\$	\$
Revenue	90,052	79,346
Expenditures		
Salaries	74,254	68,066
Program supplies	2,987	2,111
Rent	8,100	7,200
Administration	3,142	2,842
Professional fees	1,020	1,025
Equipment	549	499
	90,052	81,743
Deficiency of revenue over expenditures	—	(2,397)
Transfer from unrestricted fund	—	2,397
Unexpended grant, end of year	—	—

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

8. MINISTRY OF CITIZENSHIP & IMMIGRATION NEWCOMER SETTLEMENT PROGRAM

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

	2019	2018
	\$	\$
Revenue	77,531	84,275
Expenditures		
Salaries	67,173	70,673
Rent	4,500	4,500
Administration	2,117	1,842
Program supplies	4,014	8,419
Professional fees	880	880
	78,684	86,314
Deficiency of revenue over expenditures	(1,153)	(2,039)
Transfer from unrestricted fund	1,153	2,039
Unexpended grant, end of year	—	—

9. COMMITMENTS

The Organization is committed to leasing premises and equipment to 2023. Minimum annual payments as at March 31, 2019 are as follows:

	\$
2020	520,935
2021	208,863
2022	208,863
2023	208,863

The Organization has paid rent amounting to \$36,749 (2017 – \$23,857) for a leased property, located on 5637 Finch Avenue East, Toronto, Ontario, which is currently vacant. The lease term will end November 30, 2019 and the Organization is committed to \$16,847 for the fiscal year ending March 31, 2020. The Organization is actively looking for various options including a possible sublease of the premise.

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

10. 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 date of financial position, March 31, 2019:

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, guaranteed investment certificates and accounts receivable balances. The Organization reduces credit risk from its cash and guaranteed investment certificates balances by maintaining its funds with credit worthy financial institutions. The Organization does not believe there is significant credit risk with respect to the accounts receivable as it relates to a government grant. 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 accrued liabilities. 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 on bank indebtedness and credit facilities. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities.

The interest rate risk exposure to the Organization is not significant.

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

11. CAPITAL MANAGEMENT

In managing capital, the Organization focuses on liquid resources available for operations. The Organization's objective is to have sufficient liquid resources to continue operating despite adverse financial events. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. As at March 31, 2019, the Organization has met its objective of having sufficient liquid resources to meet its current obligations.