



Financial Statements

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

March 31, 2020



Settlement Assistance and Family Support Services (SAFSS)

March 31, 2020

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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, 2020, 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, 2020, 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

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

Richmond Hill, Canada
September 15, 2020

Settlement Assistance and Family Support Services (SAFSS)

STATEMENT OF FINANCIAL POSITION

As at March 31, 2020


	2020	2019
	\$	\$
ASSETS		
CURRENT		
Cash	—	73,722
Guaranteed investment certificates <i>[Note 3]</i>	11,920	11,464
Accounts receivable - <i>grants, no allowance</i>	178,396	21,356
Other receivable	45,743	4,136
Harmonized sales tax recoverable	48,722	90,085
	284,781	200,763
SECURITY DEPOSIT	8,440	8,440
CAPITAL ASSETS <i>[Note 4]</i>	12,675	15,844
	305,896	225,047
LIABILITIES AND NET ASSETS		
CURRENT		
Bank overdraft <i>[Note 5]</i>	56,786	—
Accounts payable and accrued liabilities	25,097	16,754
Deferred revenue <i>[Note 6]</i>	43,188	49,182
	125,071	65,936
Net assets		
Unrestricted	139,324	159,111
Internally restricted	41,501	—
	180,825	159,111
	305,896	225,047

Commitments *[Note 9]*

Subsequent events *[Note 12]*

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, 2020

	Unrestricted Fund \$	Grant Programs Fund \$	Total 2020 \$	Total 2019 \$
REVENUE				
Operating grants				
Immigration, Refugees and Citizenship Canada	—	2,751,003	2,751,003	2,750,541
City of Toronto	—	130,444	130,444	114,759
Ministry of Children, Community and Social Services - VAW [Note 7]	—	94,246	94,246	90,052
Ministry of Children, Community and Social Services - NSP [Note 8]	—	77,531	77,531	77,531
United Way Toronto & York Region	—	—	—	40,348
New Horizons for Seniors Program	—	6,759	6,759	16,393
Other income	8,705	—	8,705	13,121
Gala dinner admission fees	37,573	—	37,573	29,378
Bingo proceeds	83,758	—	83,758	88,137
	130,036	3,059,983	3,190,019	3,220,260
EXPENDITURES				
Staffing	11,613	2,074,495	2,086,108	2,131,146
Occupancy	—	626,613	626,613	662,063
Direct program	—	171,078	171,078	169,800
Administration	30,524	115,361	145,885	118,956
Bingo program	83,758	—	83,758	88,137
Professional fee	10,539	27,766	38,305	41,549
Fundraising	13,389	—	13,389	13,535
Amortization	—	3,169	3,169	3,648
	149,823	3,018,482	3,168,305	3,228,834
Excess (deficiency) of revenue over expenditures	(19,787)	41,501	21,714	(8,574)

See accompanying notes

Settlement Assistance and Family Support Services (SAFSS)

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31, 2020

	Unrestricted \$	Internally restricted \$	Total 2020 \$	Total 2019 \$
NET ASSETS - BEGINNING OF YEAR	159,111	—	159,111	167,685
Excess (deficiency) of revenue over expenditures	(19,787)	41,501	21,714	(8,574)
NET ASSETS - END OF YEAR	139,324	41,501	180,825	159,111

See accompanying notes



Settlement Assistance and Family Support Services (SAFSS)

STATEMENT OF CASH FLOWS

Year ended March 31, 2020

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	21,714	(8,574)
Amortization	3,169	3,648
	24,883	(4,926)
Change in non-cash working capital items		
Accounts receivable	(157,040)	273,173
Other receivable	(41,607)	1,000
Accounts payable and accrued liabilities	8,343	104
Deferred revenue	(5,994)	(15,469)
Harmonized sales tax recoverable	41,363	(47,690)
Cash (used in) provided by operating activities	(130,052)	206,192
INVESTING ACTIVITIES		
Purchases of capital assets	—	(2,506)
Guaranteed investment certificates	(456)	—
Cash used in investing activities	(456)	(2,506)
FINANCING ACTIVITIES		
Bank overdraft	56,786	(200,126)
Cash provided by (used in) financing activities	56,786	(200,126)
(DECREASE) INCREASE IN CASH	(73,722)	3,560
CASH - BEGINNING OF YEAR	73,722	70,162
CASH - END OF YEAR	—	73,722

See accompanying notes

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

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, 2020

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.

Property tax rebate

The property tax rebates from the City of Toronto recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. During the year, the Organization recognized rent rebates amounting to \$91,999 (2019 - \$34,531). These rebates were recorded as a reduction in the associated occupancy costs which the Organization incurred, and were recognized in occupancy expenditures.

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

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

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.

Cash (bank overdraft)

The Organization's policy is to present bank balances, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, under cash or bank overdraft.

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, 2020, 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.

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets measured at cost or amortized cost consist of cash, guaranteed investment certificates, accounts receivable, other receivable and security deposit. Financial liabilities measured at cost or amortized cost consist of bank overdraft 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 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, impairment of financial 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 11, 2020 and bear interest at 1.60% (2019 – 0.60%).

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

4. CAPITAL ASSETS

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Furniture and fixtures	21,379	8,704	12,675	15,844
Equipment	116,017	116,017	—	—
	137,396	124,721	12,675	15,844

5. LINE OF CREDIT

The Organization has a revolving line of credit facility, with a credit limit of \$225,000 (2019 - \$225,000), which bears interest at 5.45% (2019 - 5.45%) per annum and is secured by a general security agreement. As at March 31, 2020, \$56,786 (2019 - \$nil) of the available credit was utilized. The revolving line of credit agreement contains certain financial reporting covenants. As at March 31, 2020, the Organization is in compliance with the covenants.

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

6. DEFERRED REVENUE

Immigration, Refugees and Citizenship Canada - Settlement Program		
	2020	2019
	\$	\$
Deferred revenue, beginning of year	476	—
Funds received or receivable	481,414	481,961
Less: revenue recognized during the year	(481,890)	(481,485)
Deferred revenue, end of year	—	476

Employment and Social development - New Horizons for Seniors Program		
	2020	2019
	\$	\$
Deferred revenue, beginning of year	27,076	43,469
Funds received for capital expenditures	—	—
Funds received for project costs	—	—
Less: revenue recognized during the year	(6,759)	(16,393)
Deferred revenue, end of year	20,317	27,076

City of Toronto - Community Service Partnerships (CSP)		
	2020	2019
	\$	\$
Deferred revenue, beginning of year	21,630	21,182
Funds received or receivable	56,180	54,518
Less: revenue recognized during the year	(54,939)	(54,070)
Deferred revenue, end of year	22,871	21,630

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

7. SERVICE CONTRACT WITH THE MINISTRY OF CHILDREN, COMMUNITY & SOCIAL SERVICES - VAW

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

	2020	2019
	\$	\$
Revenue	94,246	90,052
Expenditures		
Salaries	66,441	74,254
Program supplies	11,033	2,987
Rent	9,600	8,100
Administration	5,635	3,142
Professional fees	1,203	1,020
Equipment	499	549
	94,411	90,052
Excess of revenue over expenditures	(165)	—
Transfer from unrestricted fund	165	—
Unexpended grant, end of year	—	—

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

8. SERVICE CONTRACT WITH THE MINISTRY OF CHILDREN, COMMUNITY & SOCIAL SERVICES - NSP

The revenue and expenditures of the Ministry of Children, Community & Social Services are as follows:

	2020	2019
	\$	\$
Revenue	77,531	77,531
Expenditures		
Salaries	66,799	67,173
Rent	4,800	4,500
Program supplies	3,002	4,014
Administration	2,010	2,117
Professional fees	920	880
	77,531	78,684
Excess of revenue over expenditures	—	(1,153)
Transfer from unrestricted fund	—	1,153
Unexpended grant, end of year	—	—

9. COMMITMENTS

The Organization is committed to leasing premises until 2025. Minimum annual payments as at March 31, 2020 are as follows:

	\$
2021	546,047
2022	552,734
2023	559,593
2024	141,822
2025	94,500

Settlement Assistance and Family Support Services (SAFSS)

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

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, 2020:

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 guaranteed investment certificates and accounts receivable balances. The Organization reduces credit risk from its 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 through its facility agreement. 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 its 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, 2020

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, 2020, the Organization has met its objective of having sufficient liquid resources to meet its current obligations.

12. SUBSEQUENT EVENTS

Due to the disruption of the COVID-19 crisis, the Organization's operations will be affected in a variety of ways and extents. Up to the date of issuance of these financial statements, the Organization is still assessing such impacts on its operations and net assets and will account for and disclose them as soon as reliable estimates become available.

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.