

**SOMALI CENTRE FOR FAMILY SERVICES**

**FINANCIAL STATEMENTS**

**FOR YEAR ENDED MARCH 31, 2016**

**The accompanying notes are an integral part of these financial statements.**

**Wilfred J. Lamb  
CPA, CA**

**Wilfred J. Lamb**  
CHARTERED PROFESSIONAL ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors and Members of

Somali Centre for Family Services

I have audited the accompanying financial statements of Somali Centre for Family Services, which comprise the statement of financial position as at March 31, 2016 and the statements of operations and 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**

My Responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 judgement, 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Somali Centre for Family Services as at March 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Kanata, Ontario

  
Wilfred Lamb  
CPA, CA, LPA

**SOMALI CENTRE FOR FAMILY SERVICES**

**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2016**

	2016	2015
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 120,073	\$ 148,036
Accounts receivable	38,086	32,036
HST receivable	26,338	13,520
Prepaid expenses	<u>13,844</u>	<u>38,289</u>
	198,341	231,881
CAPITAL ASSETS - note 2(a) and 6	<u>4,372</u>	<u>6,280</u>
	<u>\$ 202,713</u>	<u>\$ 238,161</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 42,149	\$ 61,931
Deferred revenue - note 7	<u>38,253</u>	<u>59,839</u>
	80,402	121,770
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS - note 8	<u>3,318</u>	<u>5,212</u>
	83,720	126,982
NET ASSETS		
Unrestricted	<u>118,993</u>	<u>111,179</u>
	<u>\$ 202,713</u>	<u>\$ 238,161</u>

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements.

Wilfred J. Lamb  
CPA, CA

**SOMALI CENTRE FOR FAMILY SERVICES**

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

**FOR YEAR ENDED MARCH 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>		
Citizenship and Immigration Canada	\$ 425,152	\$ 431,884
City of Ottawa	145,044	142,789
Ontario Ministry of Citizenship	52,516	57,271
Trillium grant	73,732	31,108
Other organizations	107,560	138,484
Other	14,369	24,084
	<u>818,373</u>	<u>825,620</u>
<b>EXPENSES</b>		
Salaries and benefits	612,529	614,727
Advertising and promotion	8,542	5,233
Amortization	2,688	4,366
General program operations	32,247	36,012
Insurance	7,349	7,251
Office and miscellaneous	24,037	22,121
Printing and photocopying	4,034	4,317
Professional and technical	50,076	56,243
Rent	52,333	52,210
Telephone and internet	10,231	8,282
Training and workshops	6,493	7,112
	<u>810,559</u>	<u>817,874</u>
Net revenue for year	7,814	7,746
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR	<u>111,179</u>	<u>103,433</u>
UNRESTRICTED NET ASSETS AT END OF YEAR	<u>\$ 118,993</u>	<u>\$ 111,179</u>

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Wilfred J. Lamb  
CPA, CA

**SOMALI CENTRE FOR FAMILY SERVICES**

**STATEMENT OF CASH FLOWS**

**FOR YEAR ENDED MARCH 31, 2016**

	<u>2016</u>	<u>2015</u>
Net revenue for year	\$ 7,814	\$ 7,746
Add charges against income for amortization that do not require a current outlay of funds	<u>2,688</u>	<u>4,366</u>
Funds provided by operations	<u>10,502</u>	<u>12,112</u>
Net change in non-cash working capital items		
Accounts receivable	(6,050)	624
HST Receivable	(12,818)	(660)
Prepaid expenses	24,445	(24,496)
Accounts payable and accrued liabilities	(19,782)	(4,151)
Deferred revenue	<u>(21,586)</u>	<u>40,511</u>
	<u>(35,791)</u>	<u>11,828</u>
Cash provided by operating activities	<u>(25,289)</u>	<u>23,940</u>
INVESTING ACTIVITIES		
Purchases of capital assets	<u>(780)</u>	<u>(7,862)</u>
FINANCING ACTIVITIES		
Deferred contributions related to capital assets	<u>(1,894)</u>	<u>2,977</u>
Net (decrease) increase in cash in year	(27,963)	19,055
Cash at beginning of year	<u>148,036</u>	<u>128,981</u>
Cash at end of year	<u>\$ 120,073</u>	<u>\$ 148,036</u>

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**SOMALI CENTRE FOR FAMILY SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**FOR YEAR ENDED MARCH 31, 2016**

**Note 1 Purpose of organization**

The Somali Centre for Family Services was incorporated on June 20, 1994 without share capital under the Canada Corporations Act for purposes of serving the Somali community in Ottawa with assistance to refugees and immigrants in need of settlement support, integration services and other related services. The Somali Centre for Family Services was registered as a charity on December 20, 2004 and as a not-for-profit organization the Centre is exempt from income taxes on reported incomes provided certain conditions are met.

Prior to April 1, 2009, the Centre operated as a program under the Jewish Family Services of Ottawa. Accumulated unrestricted net assets generated in prior years from this program were transferred over to the Centre on that date.

**Note 2 Significant accounting policies**

**(a) Capital assets**

Capital assets are recorded at cost. Amortization has been provided using the straight line method over their useful lives and where applicable, to amortize to revenue the value of capital assets purchased with funding agencies funds as follows:

Computer equipment	3 years
Office furniture and equipment	5 years
Leasehold improvements	4 years

**(b) Revenue recognition**

The Centre follows the deferral method of accounting for revenue. Under this method, revenue restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**(c) Accrual basis of accounting**

Revenues and expenses are recorded on the accrual basis, whereby they are reflected in the period in which they are earned and incurred respectively, whether or not such transactions have been finally settled by receipt or payment of money.

**(d) Allocation of expenses**

The Centre engages in programs that are consistent with its organizational mission. The cost of these programs include the costs of personnel, premises, travel and other related expenses that are directly related to program delivery.

The Centre also incurs funding development and administrative expenses, including corporate governance, general management and general support. These expenses are allocated accordingly as part of salaries and benefits and administrative expenses on an appropriate and consistent basis each year.

**SOMALI CENTRE FOR FAMILY SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**FOR YEAR ENDED MARCH 31, 2016**

**Note 2 (Cont)**

**(e) Volunteer services**

The Centre receives volunteer services, the value of which cannot be reasonably estimated. Therefore, no representation of these costs are reflected in the financial statements.

**(f) Accounting estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Centre may undertake in the future. Actual results may differ from these estimates.

**Note 3** Cash and cash equivalents is made up of cash on hand and in general bank account and investments due no greater than three months from the date of acquisition or that are cashable on demand.

**Note 4 FINANCIAL INSTRUMENTS**

Where not disclosed, the carrying amount of the Centre's financial instruments, being cash, accounts receivable HST Receivables and accounts payable and accrued liabilities approximate their fair value, except where fair values are not readily obtainable. Unless otherwise noted, it is management's opinion that the Centre is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

**Risks and concentrations:**

The following analysis provides a measure of the Centre's risk exposure as at March 31, 2016.

**Liquidity risk:**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with their financial liabilities. The enterprise is exposed to this risk mainly in respect of accounts payable and accrued liabilities

**Credit risk:**

Credit risk is the risk that one party to a financial instrument will cause the financial loss for the other party by failing to discharge an obligation. The Centre's main credit risks relate to its accounts receivables.

**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 market prices. Market risk comprises three types of risk, currency risk, interest rate risk and other price risk. The Centre is not exposed to any significant market risks.

**SOMALI CENTRE FOR FAMILY SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**FOR YEAR ENDED MARCH 31, 2016**

**Note 5 Capital disclosures**

The Centre defines the capital that it manages as unrestricted net assets.

The capital management objectives of the Centre include ensuring the ability to continue as a going concern and maintaining sufficient liquidity to meet its obligations as they become due.

The Centre is not subject to any externally imposed capital requirements.

There were no changes to the Centre's approach to capital management during the year ended March 31, 2016.

**Note 6 Capital assets**

	Cost	Accumulated Amortization	2016 Net	2015 Net
Computer equipment	\$ 6,063	\$ 4,610	\$ 1,454	\$ 1,868
Office furniture and equipment	8,023	7,105	918	1,412
Leasehold improvements	4,000	2,000	2,000	3,000
	<u>\$ 18,086</u>	<u>\$ 13,715</u>	<u>\$ 4,372</u>	<u>\$ 6,280</u>

**Note 7 Deferred revenue consists of the following**

	2016	2015
Trillium Foundation	\$ 4,297	\$ 6,192
City of Ottawa - Crime Prevention Program	11,525	
Youth Program	1,838	24,917
SYBL	6,500	
Multicultural Senior Citizens		16,856
Other	3,818	
EHT refund to be applied against future grants	10,274	11,874
	<u>\$ 38,253</u>	<u>\$ 59,839</u>

**Note 8 Deferred Contributions Related to capital Assets**

Contributions from Citizenship and Immigration, the Trillium Foundation and HRSDC Senior Project for the purchase of capital assets have been deferred and are being amortized to revenue over the same period used to amortize the capital assets.



**SOMALI CENTRE FOR FAMILY SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**FOR YEAR ENDED MARCH 31, 2016**

**Note 9 Economic Dependence**

The Centre is economically dependent on the funding provided by Citizenship and Immigration Canada and other key funders to provide its current level of service.

- Note 10** The Centre equipment lease for terms that expire December 31, 2017 . Future minimum lease payments will \$ 7,959 over the term of the lease. Per year 2017 \$4,548, 2018 \$3,411  
Office lease is operating as a month to month and Management believes long term lease will signed in due course.

**Note 11 Government Grants**

Grants received from government departments may be subject to audit under the terms and conditions of the contribution agreements. Should these audits reveal that any of the expenditures on the projects are not in accordance with the funding guidelines, the funders may require the Centre to reimburse a portion of the funds advanced. No claim for reimbursement has been made to date and management is of the opinion that the amount of any possible claim cannot be anticipated at this time. No provision for reimbursement of funds has been made these financial statements. In the event for any sum that has to be reimbursed , it will be treated as a current period expense.

**Note 12 Comparative Figures**

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.