Newcomer Women's Services Toronto
Financial Statements
March 31, 2012

To the Members of Newcomer Women's Services Toronto:

We have audited the accompanying financial statements of Newcomer Women's Services Toronto (the "Charity"), which comprise the statement of financial position as at March 31, 2012, 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 generally accepted accounting principles, 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.

Auditors' 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 auditors' 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Newcomer Women's Services Toronto as at March 31, 2012 and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

MNP LLP

Toronto, Ontario

August 20, 2012

Chartered Accountants

Licensed Public Accountants

Newcomer Women's Services Toronto
Statement of Financial Position
As at March 31, 2012

	2012	*2011*
Assets		
Current		
Cash	**30,546**	75,473
Grants receivable	**140,221**	93,017
Sundry receivable	**28,871**	30,673
Prepaid expenses	**21,723**	22,815
	221,361	221,978
Capital assets *(Note 4)*	**18,920**	43,894
	240,281	265,872
Liabilities		
Current		
Accounts payable and accrued liabilities	**55,092**	42,350
Deferred revenue *(Note 5)*	**109,333**	136,029
	164,425	178,379
Deferred capital contributions *(Note 6)*	**18,920**	43,723
	183,345	222,102
Net Assets		
Unrestricted net assets	**43,112**	29,969
Invested in capital assets	**-**	171
Internally restricted net assets *(Note 7)*	**13,824**	13,630
	56,936	43,770
	240,281	265,872

Approved on behalf of the Board of Directors

Director **Director**

The accompanying notes are an integral part of these financial statements

Newcomer Women's Services Toronto
Statement of Operations
For the year ended March 31, 2012

	2012	*2011*
Revenue		
Grants *(Note 8)*	**1,536,219**	1,441,313
Donations	**6,260**	6,056
Sundry	**4,481**	13,929
Fundraising	**1,605**	1,104
Amortization of deferred capital contributions	**26,599**	25,688
	1,575,164	1,488,090
Expenses		
Salaries and benefits	**1,101,392**	995,393
Building occupancy	**193,236**	189,679
Program costs	**114,686**	119,126
Office and general	**62,209**	57,927
Purchased services	**33,804**	32,761
Outreach and education	**29,864**	24,934
Interest	**37**	230
Outside services	**-**	4,789
Amortization	**26,770**	27,000
	1,561,998	1,451,839
Excess of revenues over expenses	**13,166**	36,251

The accompanying notes are an integral part of these financial statements

Newcomer Women's Services Toronto
Statement of Changes in Net Assets
For the year ended March 31, 2012

	Unrestricted Net Assets	*Invested in Capital Assets*	*Internally Restricted Net Assets*	***2012***	*2011*
Balance - beginning of year	**29,969**	**171**	**13,630**	**43,770**	7,519
Excess of revenues over expenses for the year	**12,972**	**-**	**194**	**13,166**	36,251
Amortization	**26,770**	**(26,770)**	**-**	**-**	-
Deferred capital contributions received	**1,796**	**(1,796)**	**-**	**-**	-
Amortization of deferred capital contributions received	**(26,599)**	**26,599**	**-**	**-**	-
Investment in capital assets	**(1,796)**	**1,796**	**-**	**-**	-
Net assets, end of year	**43,112**	**-**	**13,824**	**56,936**	43,770

The accompanying notes are an integral part of these financial statements

Newcomer Women's Services Toronto
Statement of Cash Flows
For the year ended March 31, 2012

	2012	*2011*
Operating activities		
Excess of revenues over expenses	**13,166**	36,251
Amortization of capital assets	**26,770**	27,000
Amortization of deferred capital contributions	**(26,599)**	(25,688)
	13,337	37,563
Changes in non-cash working capital accounts		
Grants receivable	**(47,204)**	2,898
Sundry receivable	**1,802**	(23,816)
Prepaid expenses	**1,092**	(10,491)
Accounts payable and accrued liabilities	**12,742**	(12,253)
Deferred revenue	**(26,696)**	(8,010)
Cash flow from (used by) operating activities	**(44,927)**	(14,109)
Financing activities		
Deferred capital contributions received	**1,796**	39,154
Cash flow from financing activities	**1,796**	39,154
Investing activities		
Purchase of capital assets	**(1,796)**	(39,154)
Cash flow used by investing activities	**(1,796)**	(39,154)
Increase (decrease) in cash resources	**(44,927)**	(14,109)
Cash resources, beginning of year	**75,473**	89,582
Cash resources, end of year	**30,546**	75,473
Supplementary cash flow information		
Interest Paid	**37**	230

The accompanying notes are an integral part of these financial statements

1. Purpose of the Charity

Newcomer Women's Services Toronto (the "Charity") exists to promote the social, economic and cultural integration and well being of women of ethno-cultural communities and their families into Canadian society.

The Charity, which was established without share capital, is a registered charity under the Income Tax Act (Canada) and as such, is exempt from income taxes and is able to issue tax deductible receipts for donations received.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Capital assets

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

	Method	***Rate***
Office equipment	straight line	5 years
Leasehold improvements	straight line	5 years
Computer equipment	straight line	3 years
Computer software	straight-line	3 years

The Charity regularly reviews its capital assets to eliminate obsolete items. For assets acquired or brought into use during the year, amortization is calculated from the month following that in which additions came into operation.

Revenue recognition

The Charity follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions related to capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Deferred revenue represents revenue received which is recognized over the funding period.

Financial instruments

Held for trading:

The Charity has classified the following financial assets and liabilities as held for trading: cash.

Held for trading financial instruments are initially and subsequently measured at their fair value. Gains and losses arising from changes in fair value are recognized immediately in the statement of operations.

Loans and receivables:

The Charity has classified the following financial assets as loans and receivables: grants receivable and sundry receivable. These assets are initially recognized at their fair value.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Gains and losses arising from changes in fair value are recognized in excess of revenues over expenses upon derecognition or impairment.

2. Significant accounting policies *(Continued from previous page)*

Other financial liabilities:

The Charity has classified the following financial liabilities as other financial liabilities: accounts payable and accrued liabilities. These liabilities are initially recognized at their fair value.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carrying value. Gains and losses arising from changes in fair value are recognized in excess of revenues over expenses upon derecognition or impairment.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 providing for amortization of capital assets and deferred capital contributions. Actual results could differ from these estimates.

Recent Accounting Pronouncements

Canadian accounting standards for not-for-profit organizations

In October 2010, the Accounting Standards Board (AcSB) approved the accounting standards for private sector not-for-profit organizations (NFPOs) to be included in Part III of the CICA Handbook-Accounting ("Handbook"). Part III will comprise:

- The existing "4400 series" of standards dealing with the unique circumstances of NFPOs, currently in Part V of the Handbook; and
- The new accounting standards for private enterprises in Part II of the Handbook, to the extent that they would apply to NFPOs.

Effective for fiscal years beginning on or after January 1, 2012, private sector NFPOs will have the option to adopt either Part III of the Handbook or International Financial Reporting Standards (IFRS). Earlier adoption is permitted. The Charity expects to adopt Part III of the Handbook as its new financial reporting standards for its financial statements dated March 31, 2013. The Charity has not yet determined the impact of the adoption of Part III of the Handbook on its financial statements.

3. Line of Credit

The Charity has available a line of credit of $200,000 (2011 - $200,000). At March 31, 2012, the amount used from the line of credit is $ nil (2011 - $ nil.)

4. Capital assets

	Cost	***Accumulated amortization***	***2012 Net book value***	*2011 Net book value*
Office equipment	**20,301**	**11,630**	**8,671**	16,536
Leasehold improvements	**21,258**	**18,314**	**2,944**	14,716
Computer equipment	**8,210**	**3,319**	**4,891**	8,570
Computer software	**4,207**	**1,793**	**2,414**	4,072
	53,976	**35,056**	**18,920**	43,894

5. Deferred revenue

Deferred revenue represents the balance at year-end of unearned revenues stemming from government grants. Revenue is recognized in the period that the expenditures are incurred or services are rendered in line with the purposes for which the grants were received. Changes in the deferred contribution balance are as follows:

	2012	*2011*
Balance, beginning of year	**136,029**	144,039
Received during the year	**845,357**	806,558
Recognized as revenue during the year	**(872,053)**	(814,568)
Balance, end of year	**109,333**	136,029

6. Deferred capital contributions

Pursuant to various funding agreements, a portion of the grant money received relates to capital assets purchased. This portion of the grant has been deferred and is being amortized over the same term as the amortization of the related capital assets. The balance in deferred capital contributions at March 31, 2012 is summarized as follows:

	2012	*2011*
Balance, beginning of the year	**43,723**	30,257
Capital asset funding received in the year	**1,796**	39,154
Less: Amortization	**(26,599)**	(25,688)
Balance, end of the year	**18,920**	43,723

7. Internally restricted net assets

A reserve account was approved by the Board of Directors and created in 2011. Any unrestricted funds or donations received but not used are transferred into internally restricted net assets account at year end.

The Charity intends to maintain this account balance at a level that can support one month's worth of operations as part of its risk management strategy.

8. Grants

	2012	*2011*
Ministry of Training Colleges and Universities	**681,691**	597,896
Citizenship & Immigration Canada	**595,445**	582,551
Ministry of Citizenship and Immigration	**102,823**	97,194
City of Toronto - Investing in Neighbourhoods	**51,325**	68,862
City of Toronto	**42,483**	40,578
Ministry of Citizenship and Immigration - Youth Opportunities Program	**21,785**	-
Province of Ontario - Pay Equity	**13,941**	13,941
Toronto Central Local Health Integration Network	**10,495**	4,714
Service Canada	**8,217**	24,780
Ontario Arts Council	**6,997**	-
CHUM Foundation	**1,017**	1,026
Heart and Stroke Foundation	**-**	4,672
United Way	**-**	2,599
Arts Reach	**-**	2,500
	1,536,219	1,441,313

9. Donated property and services

During the year, voluntary services used in the normal course of the Charity's operations were provided, but not recorded in the financial statements. Because of the difficulty in determining the fair value of contributed services, the value of contributed services is not recognized in the Financial Statements.

Volunteer hours representing fundraising, special events, administrative and other activities for the year were approximately 1,293 hours (2011 - 1,336 hours).

10. Lease commitments

The Charity's obligations under operating leases for rental of premises and equipment for the next five years are as follows:

2013	50,475
	50,475

Although the terms per the lease agreements expire on June 30, 2012 the Charity has verbal agreements with the landlords to remain in the space. A cost of $2.10 per square foot, on a monthly basis, has been verbally agreed to by both parties for 705 Danforth Avenue. A cost of $1.92 per square foot, on a monthly basis, has been verbally agreed to by both parties for 745 Danforth Avenue.

11. Financial instruments

The Charity's financial instruments consist of cash, grants receivable, sundry receivable and accounts payable and accrued liabilities. The fair value of these financial instruments approximate their carrying values due to the relatively short periods to maturity of these items.

It is management's opinion that the Charity is not exposed to significant interest, currency or credit risks arising from these financial instruments.

12. Economic dependence

The Charity's primary source of revenue is government grants. The grant funding can be cancelled if the Charity does not observe certain established guidelines. The Charity's ability to continue viable operations is dependent upon the Charity maintaining its compliance with government guidelines. As at the date of these financial statements the Charity believes that it is in compliance with the guidelines.