

**Newcomer Women's Services Toronto**  
**Financial Statements**  
*March 31, 2014*

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, 2014, 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.

#### *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, 2014 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.

Markham, Ontario

September 8, 2014



Chartered Professional Accountants

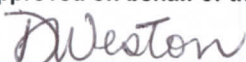
Licensed Public Accountants


**Newcomer Women's Services Toronto**  
**Statement of Financial Position**

*As at March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
<b>Current</b>		
Cash	181,675	69,960
Grants receivable	50,158	117,043
Sales taxes recoverable	33,205	29,407
Prepaid expenses	18,975	39,208
	<b>284,013</b>	<b>255,618</b>
<b>Capital assets (Note 5)</b>	<b>45,657</b>	<b>16,864</b>
	<b>329,670</b>	<b>272,482</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	44,172	37,292
Deferred revenue (Note 6)	116,812	120,934
	<b>160,984</b>	<b>158,226</b>
<b>Deferred capital contributions (Note 7)</b>	<b>45,657</b>	<b>16,864</b>
	<b>206,641</b>	<b>175,090</b>
<b>Commitments (Note 10)</b>		
<b>Net Assets</b>		
Unrestricted Net Assets	109,205	83,568
Internally Restricted Net Assets (Note 3)	13,824	13,824
	<b>123,029</b>	<b>97,392</b>
	<b>329,670</b>	<b>272,482</b>

Approved on behalf of the Board

  
 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, 2014*

	<b>2014</b>	2013
<b>Revenue</b>		
Grants <i>(Note 8), (Note 12)</i>	1,596,100	1,522,826
Donations	4,980	13,435
Sundry	11,357	3,779
Fundraising	1,976	2,155
Amortization of deferred capital contributions	9,868	10,983
	<b>1,624,281</b>	1,553,178
<b>Expenses</b>		
Salaries and benefits	1,030,481	1,056,538
Building occupancy	229,386	197,941
Program costs	224,836	145,403
Office and general	54,814	46,367
Purchased services	39,325	32,989
Outreach and education	9,934	22,421
Interest	-	80
Amortization	9,868	10,983
	<b>1,598,644</b>	1,512,722
 <b>Excess of revenue over expenses</b>	 <b>25,637</b>	 40,456

*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, 2014*

	<i>Unrestricted Net Assets</i>	<i>Invested in Capital Assets</i>	<i>Internally Restricted Net Assets</i>	<b>2014</b>	2013
Net assets, beginning of year	83,568	-	13,824	<b>97,392</b>	56,936
Excess of revenue over expenses	25,637	-	-	<b>25,637</b>	40,456
Amortization	9,868	(9,868)	-	-	-
Deferred capital contributions received	38,661	(38,661)	-	-	-
Amortization of deferred capital contributions received	(9,868)	9,868	-	-	-
Purchase of capital assets	(38,661)	38,661	-	-	-
<b>Net assets, end of year</b>	<b>109,205</b>	<b>-</b>	<b>13,824</b>	<b>123,029</b>	97,392

*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, 2014*

	<b>2014</b>	<b>2013</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	25,637	40,456
Amortization of capital assets	9,868	10,983
Amortization of deferred capital contributions	(9,868)	(10,983)
	<b>25,637</b>	<b>40,456</b>
Changes in working capital accounts		
Sales taxes recoverable	(3,798)	(536)
Grants receivable	66,885	23,178
Prepaid expenses	20,233	(17,485)
Accounts payable and accrued liabilities	6,880	(17,800)
Deferred revenue	(4,122)	11,601
	<b>111,715</b>	<b>39,414</b>
<b>Financing</b>		
Deferred capital contributions received	38,661	8,927
<b>Investing</b>		
Purchase of capital assets	(38,661)	(8,927)
<b>Increase in cash</b>	<b>111,715</b>	<b>39,414</b>
<b>Cash resources, beginning of year</b>	<b>69,960</b>	<b>30,546</b>
<b>Cash, end of year</b>	<b>181,675</b>	<b>69,960</b>

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



# Newcomer Women's Services Toronto

## Notes to the Financial Statements

For the year ended March 31, 2014

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### 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 accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

#### **Fund accounting**

The unrestricted net assets fund contains the ongoing operations and transactions of the Charity.

The internally restricted net assets fund is described in Note 3.

#### **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.

#### **Use of estimates**

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

#### **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:

	<b>Method</b>	<b>Rate</b>
Computer equipment	straight-line	3 years
Computer software	straight-line	3 years
Office equipment	straight-line	5 years
Leasehold improvements	straight-line	term of lease

#### **Financial instruments**

The Charity recognizes its financial instruments when the Charity becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Charity may irrevocably elect to subsequently measure any financial instrument at fair value. The Charity has not made such an election during the year.

The Charity's financial instruments include cash, grants receivable and accounts payable and accrued liabilities. Cash is subsequently measured at fair value, while the other financial instruments are subsequently measured at amortized cost.

The carrying value of the financial instruments approximates their fair value due to the relatively short periods to maturity of these items.

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# Newcomer Women's Services Toronto

## Notes to the Financial Statements

*For the year ended March 31, 2014*

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

**Contributed services**

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.

**3. Internally restricted net assets**

The Board of Directors approved a policy to create a reserve fund in 2011. The Charity intends to maintain this fund balance at a level that can support one month's worth of operations as part of its risk management strategy. Any unrestricted funds or donations received but not used have been transferred into this internally restricted net assets fund as required, with all transfers approved by a Board resolution.

**4. Line of credit**

The Charity has available a line of credit of \$200,000 (2013 - \$200,000). At March 31, 2014, the amount used from the line of credit was \$ nil (2013 - \$ nil.)

**5. Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2014 Net book value</i>	<i>2013 Net book value</i>
Computer equipment	34,392	8,869	25,523	3,882
Computer software	10,857	5,588	5,269	2,954
Office equipment	26,190	18,763	7,427	9,646
Leasehold improvements	30,128	22,690	7,438	382
	101,567	55,910	45,657	16,864

**6. 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:

	<i>2014</i>	<i>2013</i>
Balance, beginning of year	120,934	109,333
Amount received during the year	1,596,322	974,029
Less: Amount recognized as revenue during the year	(1,600,444)	(962,428)
Balance, end of year	116,812	120,934



# Newcomer Women's Services Toronto

## Notes to the Financial Statements

*For the year ended March 31, 2014*

### 7. Deferred contributions related to capital assets

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, 2014 is summarized as follows:

	<b>2014</b>	2013
Balance, beginning of year	<b>16,864</b>	18,920
Amount received during the year	<b>38,661</b>	8,927
Less: Amounts recognized as revenue during the year	<b>(9,868)</b>	(10,983)
	<b>45,657</b>	16,864

### 8. Grants

	<b>2014</b>	2013
Ministry of Training, Colleges and Universities	<b>786,653</b>	701,880
Citizenship & Immigration Canada	<b>543,739</b>	550,511
Ministry of Citizenship and Immigration	<b>102,948</b>	103,031
City of Toronto - Investing in Neighbourhoods	-	23,256
City of Toronto	<b>51,291</b>	46,499
Ministry of Citizenship and Immigration - Youth Opportunities Program	-	7,586
Province of Ontario - Pay Equity	<b>13,941</b>	13,941
Toronto Central Local Health Integration Network	<b>10,000</b>	9,114
Service Canada	<b>25,233</b>	25,745
Ontario Arts Council	<b>3,835</b>	4,614
CHUM Foundation	<b>485</b>	405
The Atkinson Foundation	<b>57,975</b>	36,244
	<b>1,596,100</b>	1,522,826

### 9. Donated property and services

Volunteer hours representing fundraising, special events, administrative and other activities for the year were approximately 1,148 hours (2013 - 1,158 hours).

### 10. Commitments

The Charity has entered into various lease agreements with estimated minimum annual payments as follows:

2015	205,013
2016	196,906
2017	196,906
2018	196,906
2019	49,226
	844,957

**11. Financial instruments**

The Charity, as part of its operations, carries a number of financial instruments. It is management's opinion that the Charity is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Credit risk***

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Charity is exposed to credit risk in the event of non-performance by counterparties in connection with its grants receivable. Included in grants receivable are three account balances that represent 81% of total grants receivable as at March 31, 2014 (2013 - three account balances represent 88% of total grants receivable). The Charity believes there is minimal risk associated with the collection of these amounts.

***Liquidity risk***

Liquidity risk is the risk that the Charity will encounter difficulty in meeting obligations associated with financial liabilities. The Charity's exposure to liquidity risk is dependent on the collection of grants receivable and its ability to raise funds to meet commitments and sustain operations.

**12. Economic dependence**

The Charity 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 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.