Newcomer Women's Services Toronto
Financial Statements
March 31, 2022

Contents

For the year ended March 31, 2022

To the Members of Newcomer Women's Services Toronto:

Opinion

We have audited the financial statements of Newcomer Women's Services Toronto (the "Organization"), which comprise the statement of financial position as at March 31, 2022, 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 the Organization as at March 31, 2022, 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 the 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.

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.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

June 27, 2022 — Licensed Public Accountants

MNP

Newcomer Women's Services Toronto
Statement of Financial Position
As at March 31, 2022

	2022	2021
Assets		
Current		
Cash *(Note 4)*	**208,272**	201,489
Sales taxes recoverable	**77,726**	45,190
Grants receivable	**146,871**	153,350
Prepaid expenses	**35,574**	12,854
	468,443	412,883
Capital assets *(Note 3)*	**41,795**	64,042
	510,238	476,925
Liabilities		
Current		
Accounts payable and accrued liabilities	**65,484**	21,767
Deferred contributions *(Note 5)*	**180,630**	114,911
	246,114	136,678
Deferred contributions related to capital assets *(Note 6)*	**13,563**	30,740
	259,677	167,418
Commitments *(Note 8)*		
Net Assets		
Operating fund	**208,507**	262,382
Invested in capital assets	**28,230**	33,301
Reserve fund	**13,824**	13,824
	250,561	309,507
	510,238	476,925

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, 2022

	2022	*2021*
Revenue		
Grants *(Note 10)*		
Ministry of Labour, Training and Skills Development	**1,139,702**	1,233,680
Citizenship & Immigration Canada	**615,113**	611,655
Ministry of Citizenship, Immigration and International Trade	**103,047**	101,269
City of Toronto	**43,588**	50,304
Other grants	**42,445**	11,300
Labatt Better Together and Canada Women Foundation	**39,075**	-
Peter Gilgan Foundation	**26,773**	23,238
Province of Ontario - Pay Equity	**13,732**	-
Service Canada	**8,605**	11,263
Toronto Central Local Health Integration Network	**500**	10,502
United Way	**(468)**	34,452
Fundraising	**42,032**	27,715
Donations	**16,780**	5,855
Interest	**-**	25
Amortization of deferred contributions related to capital assets *(Note 6)*	**17,177**	18,732
Total revenue	**2,108,101**	2,139,990
Expenses		
Salaries and benefits	**1,210,319**	1,209,429
Program costs	**528,573**	504,336
Building occupancy	**246,245**	284,316
Office and general	**83,936**	66,574
Purchased services	**36,163**	26,025
Outreach and education	**28,869**	17,459
Amortization	**32,942**	27,909
	2,167,047	2,136,048
(Deficiency) excess of revenue over expenses	**(58,946)**	3,942

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, 2022

	Unrestricted Net Assets	*Investment in Capital Assets*	*Reserve Fund*	***2022***	*2021*
Net assets beginning of year	262,382	33,301	13,824	309,507	305,565
(Deficiency) excess of revenue over expenses	(58,946)	-	-	(58,946)	3,942
Amortization of deferred contributions related to capital assets	(17,177)	17,177	-	-	-
Amortization of capital assets	32,942	(32,942)	-	-	-
Purchase of capital assets	(10,694)	10,694	-	-	-
Net assets, end of year	208,507	28,230	13,824	250,561	309,507

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows

For the year ended March 31, 2022

	2022	*2021*
Cash provided by (used for) the following activities		
Operating		
(Deficiency) excess of revenue over expenses	**(58,946)**	3,942
Amortization of capital assets	**32,942**	27,909
Amortization of deferred contributions related to capital assets	**(17,177)**	(18,732)
	(43,181)	13,119
Changes in working capital accounts		
Sales taxes recoverable	**(32,536)**	(11,124)
Grants receivable	**6,479**	40,940
Prepaid expenses	**(22,720)**	3,521
Accounts payable and accrued liabilities	**43,716**	(28,771)
Deferred contributions	**65,719**	64,964
	17,477	82,649
Investing		
Purchase of capital assets	**(10,694)**	(33,474)
Increase in cash	**6,783**	49,175
Cash, beginning of year	**201,489**	152,314
Cash, end of year	**208,272**	201,489

1. Purpose of the Organization

Newcomer Women's Services Toronto (the “Organization”) 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 Organization was founded as a corporation without share capital and is a registered charity under the Income Tax Act (Canada). As such, it 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 of Canada and include the following significant accounting policies:

Fund accounting

The Organization follows the deferral method of accounting for contributions and reports using fund accounting, and maintains two funds.

The Operating fund reports the ongoing operations and transactions of the Organization.

The amount Invested in Capital Assets represent the balance internally restricted through the investment of unrestricted funds in capital assets.

The Reserve fund is internally restricted as part of the Organization's risk management strategy.

Revenue recognition

The Organization 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.

Deferred contributions represents grant revenue received that is externally restricted for future expenditures.

Contributions restricted for the acquisition of capital assets are deferred and amortized into revenue as the related capital assets are amortized.

Contributed services

Contributions of services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably established and when the services are used in the normal course of business and would otherwise have been purchases.

Volunteers contribute a significant number of hours each year to assist the Organization in carrying out governance and service delivery activities. Due to difficulty in determining fair value, these contributed services are not recognized in the financial statements.

Capital assets

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

	Method	**Rate**
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 Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

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

Financial instruments *(Continued from previous page)*

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

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

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in (deficiency) excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; and no asset is individually significant. Management considers whether the issuer is having significant financial difficulty and whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year (deficiency) excess of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in (deficiency) excess of revenue over expenses in the year the reversal occurs.

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

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.

Grants receivable and sales tax recoverable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

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

3. Capital assets

	Cost	*Accumulated amortization*	*2022 Net book value*	*2021 Net book value*
Computer equipment	**135,062**	**108,004**	**27,058**	40,168
Computer software	**16,866**	**16,866**	**-**	-
Office equipment	**67,367**	**52,630**	**14,737**	19,753
Leasehold improvements	**77,500**	**77,500**	**-**	4,121
	296,795	**255,000**	**41,795**	64,042

4. Line of credit

The Organization has available a line of credit of $200,000 (2021 - $200,000). At March 31, 2022, the amount used from the line of credit was $Nil (2021 - $Nil). The Organization also has access to a $10,000 (2021 - $10,000) credit card facility of which $Nil (2021 - $Nil) has been utilized at year-end.

5. Deferred contributions

	2022	*2021*
Balance, beginning of year	**114,911**	49,947
Amount received during the year	**2,078,202**	2,220,080
Less: Amount recognized as revenue during the year	**(2,012,483)**	(2,155,116)
Balance, end of year	**180,630**	114,911

6. Deferred contributions related to capital assets

	2022	*2021*
Balance, beginning of year	**30,740**	49,472
Less: Amounts recognized as revenue during the year	**(17,177)**	(18,732)
	13,563	30,740

7. Contributed services

Volunteer hours representing fundraising, special events, administrative and other activities for the year were 160 (2021 - 99). The value related to this time is not reflected in the financial statements.

8. Commitments

The Organization has entered into two lease agreements at 355 Church Street and 489 Queen Street ending in June 2022 and August 2031, respectively. The estimated minimum annual payments are as follows:

2023	216,192
2024	205,187
2025	207,432
2026	207,432
2027	210,575
Thereafter	956,117

9. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization 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 Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its grants receivable. Included in grants receivable are two account balances that represent 91% of total grants receivable as at March 31, 2022 (2021 - four account balances, representing 99%). The Organization believes there is minimal risk associated with the collection of these amounts.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associate with financial liabilities. The Organization'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.

10. Economic dependence

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

11. Environmental risk

The global outbreak of COVID-19, which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.