

Newcomer Women's Services Toronto
Financial Statements
March 31, 2010



Auditors' Report

To the Members of Newcomer Women's Services Toronto:

We have audited the statement of financial position of Newcomer Women's Services Toronto as at March 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the charity's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the charity derives revenue from cash donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the charity and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, current assets and net assets.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the charity as at March 31, 2010 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP

Toronto, Canada
June 25, 2010

Chartered Accountants
Licensed Public Accountants

Newcomer Women's Services Toronto
Statement of Financial Position

As at March 31, 2010

	<i>2010</i>	<i>2009</i>
Assets		
Current		
Cash (Note 3)	89,582	82,284
Grants receivable	95,914	44,936
Sundry receivable	6,856	5,629
Prepaid expenses	12,324	12,882
	204,676	145,731
Capital assets (Note 4)	31,740	63,734
	236,416	209,465
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	54,601	78,773
Deferred revenue	144,039	48,316
	198,640	127,090
Deferred capital contributions (Note 5)	30,257	63,058
	228,897	190,148
Net assets		
Unrestricted net assets	6,036	18,642
Invested in capital assets	1,483	675
	7,519	19,317
	236,416	209,465

Approved on behalf of the Board

 Director

 Director

Newcomer Women's Services Toronto
Statement of Changes in Net Assets
As at March 31, 2010

	<i>Unrestricted Net Assets</i>	<i>Invested in Capital Assets</i>	2010	2009
Balance - Beginning of Year	18,642	675	19,317	36,428
Deficiency of revenue over expenses for the year	(11,798)	-	(11,798)	(17,111)
Amortization	32,682	(32,682)	-	-
Deferred capital contributions received	1,039	(1,039)	-	-
Amortization of deferred capital contributions received	(33,790)	33,790	-	-
Investment in capital assets	(739)	739	-	-
	6,036	1,483	7,519	19,317

Newcomer Women's Services Toronto
Statement of Operations

As at March 31, 2010

	2010	2009
Revenue		
Grants (Note 6)	1,181,017	1,147,200
Donations	8,518	18,897
Fundraising	1,959	934
Sundry	1,850	1,000
Amortization of deferred capital contributions	33,790	85,681
	1,227,135	1,253,711
Expenses		
Salaries and benefits	837,829	866,981
Building occupancy	175,135	190,114
Program costs	78,102	60,345
Office and general	48,128	38,402
Outside services	42,220	21,258
Outreach and education	14,710	6,044
Purchased services	9,972	6,441
Interest	156	343
Amortization	32,682	80,896
	1,238,934	1,270,822
Deficiency of revenues over expenses for the year	(11,798)	(17,111)

Newcomer Women's Services Toronto
Statement of Cash Flows

As at March 31, 2010

	2010	2009
Operating activities		
Deficiency of revenue over expenses for the year	(11,798)	(17,111)
Items not affecting cash:		
Amortization of capital assets	32,682	80,896
Amortization of deferred capital contributions	(33,790)	(69,468)
	(12,906)	(5,683)
Changes in non-cash working capital:		
Deferred revenue	95,723	15,311
Prepaid expenses	558	(7,780)
Sundry receivable	(1,227)	1,456
Accounts payable and accrued liabilities	(24,170)	22,359
Grant receivable	(50,978)	54,929
	19,904	86,275
Cash flow from (used by) operating activities	6,998	80,593
Financing activities		
Deferred capital contributions received	1,039	10,953
Loan advances (repayments)	-	(10,953)
	1,039	-
Investing activity		
Purchase of capital assets	(1,039)	(16,216)
Proceeds of disposal of capital assets	300	-
	(739)	(16,216)
Increase (decrease) in cash	7,298	64,377
Cash - beginning of year	82,284	17,908
Cash - end of year	89,582	82,284
Cash flow supplementary information		
Interest paid	156	343

1. Purpose of the Charity

Newcomer Women's Services Toronto is a registered charity which 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 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

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:

Computer equipment	3 years	straight-line method
Computer software	3 years	straight-line method
Office equipment	5 years	straight-line method
Leasehold improvements	5 years	straight-line method

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.

Investment income is recognized as revenue as earned.

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. Actual results could differ from these estimates.

Financial Instruments

The Charity has classified its cash as financial assets held for trading which are subsequently recognized at fair value as determined on the basis of market value. Gains or losses are recognized in income in the period in which they occur. Grants receivable are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other liabilities.

2. Significant accounting policies (cont'd)

Donated Goods and Services

Volunteers contribute time to assist the agency in carrying out its activities. Because of the difficulty in determining the fair value of contributed services, the value of contributed services is not recognized in the Financial Statements.

Recent Accounting pronouncements

Financial instruments deferral of section 3862 and 3863

In December 2006, the Canadian Institute of Chartered Accountants (CICA) issued Section 3862 Financial Instruments – Disclosures and Section 3863 Financial Instruments – Presentation to replace Section 3861 Financial Instruments – Disclosure and Presentation. The effective date for these new Sections was for interim and annual financial statements with fiscal years beginning on or after October 1, 2007, with earlier adoption permitted. However, in light of the uncertainty regarding the future direction in setting standards for not-for-profit organizations, the CICA released a decision to allow deferral of Sections 3862 and 3863 for this sector. As such, not-for-profit organizations should continue to apply Section 3861.

The Charity does not expect the adoption of these amendments to have a material impact on its financial statements.

Change in accounting principles

Capital assets held by not-for-profit organizations

Effective April 1, 2009, the Charity adopted the amendments to CICA Handbook Section 4430 - Capital Assets Held by Not-for-profit Organizations. The section has been amended to provide additional guidance with respect to the appropriate use of the scope exemption for smaller entities that expense their capital assets. It was clarified that the exemption does not allow not-for-profit organizations to capitalize but not amortize their capital assets, nor does it allow different methods of accounting for various types of capital assets.

The adoption of this amendment did not have a material impact on the Charity's financial statements.

Disclosure of allocated expenses by not-for-profit organizations

Effective April 1, 2009, the Charity adopted the Canadian Institute of Chartered Accountants' new recommendations for the disclosures regarding allocated expenses by not-for-profit organizations. CICA Handbook Section 4470 - Disclosure of Allocated Expenses by Not-for-profit Organizations requires not-for-profit organizations that allocate fundraising and general support expenses to other functions to disclose the policies adopted for the allocation of such expenses among functions, the nature of the allocated expenses, and the basis on which allocations are made. The section also requires disclosure of the amounts allocated from each of its fundraising and general support functions and the amounts and functions to which they have been allocated.

The adoption of Section 4470 did not have a material impact on the Charity's financial statements.

Newcomer Women's Services Toronto
Notes to the Financial Statements
For the year ended March 31, 2010

2. Significant accounting policies (cont'd)

Capital disclosures for not-for-profit organizations

Effective April 1, 2009, the Charity adopted Section 1535 - Capital Disclosures. This section establishes standards for disclosing the nature of externally imposed capital requirements, whether the entity has complied with those externally imposed capital requirements and any consequences of non-compliance.

The adoption of Section 1535 did not have a material impact on the Charity's financial statements.

Financial statement presentation by not-for-profit organizations

Effective April 1, 2009, the Charity adopted the amendments made to CICA Handbook Section 4400 - Financial Statement Presentation by Not-for-profit Organizations. The amendments to the section included the removal of the requirement to treat net assets invested in capital assets as a separate component of net assets, and, instead, permitting such an amount to be presented as a category of internally restricted net assets. In addition, the requirement to recognize and present revenues and expenses on a gross basis when a not-for-profit organization is acting as a principal in the transaction was clarified. Finally, guidance was included to reflect that Section 1540 - Cash Flow Statements and Section 1751 - Interim Financial Statements are applicable to not-for-profit organizations.

The adoption of these amendments did not have a material impact on the Charity's financial statements.

3. Line of Credit

The Charity has available a line of credit of \$200,000 (2009 - \$45,000). At March 31, 2010, the amount used from the line of credit is \$nil (2009 - \$nil).

4. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2010 Net Book Value</i>	<i>2009 Net Book Value</i>
Office equipment	70,253	46,203	24,050	36,368
Computer equipment	55,480	50,364	5,116	16,432
Computer software	24,606	22,032	2,574	7,949
Leasehold improvements	125,768	125,768	-	2,984
	276,107	244,367	31,740	63,734

5. 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 assets. The balance in deferred capital contributions at March 31, 2009 is summarized as follows:

	<i>2010</i>	<i>2009</i>
Balance, beginning of the year	63,058	121,573
Capital asset funding received in the year	1,039	10,953
Less: amortization	(33,840)	(69,468)
Balance, end of the year	30,257	63,058

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6. Grants

	2010	2009
Citizenship & Immigration Canada	513,828	517,011
Ministry of Training Colleges and Universities	468,784	451,725
Ministry of Citizenship, Culture & Recreation	101,856	101,399
City of Toronto	24,973	36,720
City of Toronto - Investing in Neighborhoods	19,050	-
Province of Ontario - Pay Equity	17,426	13,941
Province of Ontario - Ontario Community Builders	15,097	-
United Way	10,456	1,945
HRSD - Canada Summer Jobs	8,882	-
CHUM Foundation	665	900
Trillium Foundation	-	23,558
	1,181,017	1,147,200

7. Lease commitments

The Charity is obligated to make operating lease payments for rental of premises and equipment as follows:

2011	163,475
2012	173,756
2013	45,997
2014	779
	384,007

8. 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 730 hours (2009 - 5,850 hours).

9. Financial instruments

The Charity's financial instruments consist of cash, sundry receivable, grants 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.

Newcomer Women's Services Toronto
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10. Contingent liability

Prior to the 2010 fiscal year, Audit Services Canada performed an audit of the Charity's spending on funding received from Citizenship and Immigration Canada for the LINC program. During the year, Audit Services Canada concluded their assessment and determined that \$47,318 of provided funding is repayable from their initial assessment of \$107,000. \$20,353 of this amount has been repaid during the year. Management has accrued \$26,965 (2009 - \$20,353) at year-end with \$15,167 payable in August 2010 and the remaining balance of \$11,798 being reduced from future funding, starting in August 2010.

11. Comparative figures

Certain prior year figures were reclassified to conform with current year groupings.