



MEYERS NORRIS PENNY LLP

**Newcomer Women's Services Toronto
Financial Statements**

March 31, 2009



CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
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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, 2009 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, 2009 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.

Meyer Norris Penny LLP

Toronto, Canada
June 2, 2009

Chartered Accountants
Licensed Public Accountants

Newcomer Women's Services Toronto
Statement of Financial Position

As at March 31, 2009

	2009	2008
Assets		
Current		
Cash (Note 3)	82,284	17,908
Grants receivable	44,936	99,865
Sundry receivable	12,976	6,987
Prepaid expenses	5,535	5,199
	145,731	129,959
Capital assets (Note 4)	63,734	128,414
	209,465	258,373
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	78,773	56,414
Deferred revenue	48,316	33,005
Current portion of loan payable (Note 5)	-	10,953
	127,090	100,372
Deferred capital contributions (Note 6)	63,058	121,573
	190,148	221,945
Net assets		
Unrestricted net assets	18,642	29,587
Invested in capital assets	675	6,841
	19,317	36,428
	209,465	258,373

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 Changes in Net Assets

As at March 31, 2009

	<i>Unrestricted Net Assets</i>	<i>Invested in Capital Assets</i>	2009	2008
Balance - Beginning of Year	29,587	6,841	36,428	79,685
Deficiency of revenue over expenses for the year	(17,111)	-	(17,111)	(43,257)
Amortization	80,896	(80,896)	-	-
Deferred capital contributions received	10,953	(10,953)	-	-
Amortization of deferred capital contributions received	(69,468)	69,468	-	-
Investment in capital assets	(16,215)	16,215	-	-
	18,642	675	19,317	36,428

The accompanying notes are an integral part of these financial statements

Newcomer Women's Services Toronto
Statement of Operations

As at March 31, 2009

	<i>2009</i>	<i>2008</i>
Revenue		
Grants (<i>Note 7</i>)	1,147,200	1,234,792
Donations	18,897	5,688
Sundry	1,000	-
Fundraising	934	4,446
Amortization of deferred capital contributions	85,681	59,528
	1,253,711	1,304,454
Expenses		
Salaries and benefits	866,981	901,721
Building occupancy	190,114	177,391
Program costs	60,345	99,632
Office and general	38,402	41,626
Outside services	21,258	24,148
Purchased services	6,441	10,390
Outreach and education	6,044	6,205
Interest on loan payable	343	1,527
Amortization	80,896	85,071
	1,270,822	1,347,711
Deficiency of revenues over expenses for the year	(17,111)	(43,257)

The accompanying notes are an integral part of these financial statements

Newcomer Women's Services Toronto
Statement of Cash Flows

As at March 31, 2009

	2009	2008
Operating activities		
Deficiency of revenue over expenses for the year	(17,111)	(43,257)
Items not affecting cash:		
Amortization of capital assets	80,896	85,071
Amortization of deferred capital contributions	(69,468)	(59,528)
	(5,683)	(17,714)
Changes in non-cash working capital:		
Grants receivable	54,929	(13,157)
Sundry receivable	(5,989)	4,591
Prepaid expenses	(336)	1,366
Accounts payable and accrued liabilities	22,359	(287)
Deferred revenue	15,311	(7,300)
	86,274	(14,787)
Cash flow from (used by) operating activities	80,592	(32,501)
Financing activities		
Deferred capital contributions received	10,953	14,058
Loan advances (repayments)	(10,953)	(14,830)
	-	(772)
Investing activity		
Purchase of capital assets	(16,216)	(18,317)
	(16,216)	(18,317)
Increase (decrease) in cash	64,376	(51,590)
Cash - beginning of year	17,908	69,498
Cash - end of year	82,284	17,908
Cash flow supplementary information		
Interest paid	343	1,527

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, 2009

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.

Newcomer Women's Services Toronto Notes to the Financial Statements

For the year ended March 31, 2009

2. Significant accounting policies (cont'd)

Accounting pronouncements

Financial statement presentation by not-for-profit organizations

In September 2008, amendments were made to CICA Handbook Section 4400 - Financial Statement Presentation by Not-for-profit Organizations. Amendments to the section included 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.

These amendments apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The Charity does not expect the changes to the standard to have a material impact on its financial statements.

Capital assets held by not-for-profit organizations

CICA Handbook Section 4430 - Capital Assets Held by Not-for-profit Organizations 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.

This amendment applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The Charity does not expect the changes to the standard to have a material impact on its financial statements.

Disclosure of allocated expenses by not-for-profit organizations

In September 2008, the Canadian Institute of Chartered Accountants issued new recommendations for 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.

This new Section is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The Charity does not expect the changes to the standard to have a material impact on its financial statements.

Capital disclosures for not-for-profit organizations

In December 2006, the Canadian Institute of Chartered Accountants issued new recommendations for disclosures about capital. Section 1535 - Capital Disclosures 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.

This new section is effective for interim and annual financial statements relating to fiscal years beginning on or after August 1, 2008. The Charity does not expect the changes to the standard to have a material impact on its financial statements.

Newcomer Women's Services Toronto Notes to the Financial Statements

For the year ended March 31, 2009

3. Line of Credit

The Charity has available a line of credit of \$45,000. At March 31, 2009, the amount used from the line of credit is \$ nil.
(2008 - \$nil)

4. Capital assets

	Cost	Accumulated amortization	2009 Net Book Value	2008 Net Book Value
Office equipment	69,564	33,196	36,368	42,709
Computer equipment	55,480	39,048	16,432	24,710
Computer software	24,606	16,657	7,949	14,502
Leasehold improvements	125,768	122,784	2,984	46,493
	275,418	211,685	63,734	128,414

5. Loan payable

The Charity signed an agreement with its landlord to finance a portion of the leasehold improvements through a loan of \$40,004. The loan was paid off during the year.

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

	2009	2008
Balance, beginning of the year	121,573	167,043
Capital asset funding received in the year	10,953	14,058
Less: amortization	(69,468)	(59,528)
Balance, end of the year	63,058	121,573

7. Grants

	2009	2008
Citizenship & Immigration Canada	517,011	542,998
HRDC/Ministry of Training Colleges and Universities	451,725	486,807
Ministry of Citizenship, Culture & Recreation	101,399	95,282
City of Toronto	36,720	36,000
Trillium Foundation	23,558	24,875
Province of Ontario - Pay Equity	13,941	13,941
United Way	1,945	33,989
CHUM Foundation	900	900
	1,147,200	1,234,792

Newcomer Women's Services Toronto Notes to the Financial Statements

For the year ended March 31, 2009

8. Lease commitments

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

2010	143,221
2011	143,135
2012	146,636
2013	39,217
2014	779
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	472,988

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. Management has estimated the value of these services as follows:

	2009	2008
Contributed staff services	27,575	16,500
Contributed governance volunteers (excluding board meetings)	19,020	90,328
Other contributed services	73,304	53,142
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	119,899	159,970

Gifts in kind are recorded at the fair market value at the date of contribution.

10. Financial instruments

The Charity's financial instruments consist of cash, 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.

11. Contingent liability

During the year, Audit Services Canada performed an audit of the Charity's spending on funding received from Citizenship and Immigration Canada for the LINC program. Subsequent to the year end, the Charity was notified that the preliminary findings of the audit found that the Charity was liable to repay approximately \$107,000 of funds received but not spent according to the funding agreement. It is management's opinion, that only \$20,353 liability should be repaid. Included in accounts payable and accrued liabilities and grants revenue is the estimated accrual of \$16,328.

12. Comparative figures

The prior year comparative figures were audited by Horwath Orenstein LLP, the predecessor firm of Meyers Norris Penny LLP.