

Newcomer Women's Services Toronto
Financial Statements
March 31, 2015

Independent Auditors' Report

To the Members of Newcomer Women's Services Toronto:

We have audited the accompanying financial statements of Newcomer Women's Services Toronto which comprise the statement of financial position as at March 31, 2015, 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, 2015 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.

Mississauga, Ontario

September 23, 2015

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

Newcomer Women's Services Toronto
Statement of Financial Position

As at March 31, 2015

	<i>2015</i>	<i>2014</i>
Assets		
Current		
Cash	211,625	181,675
Grants receivable	55,793	50,158
Sales taxes recoverable	31,874	33,205
Prepaid expenses	9,787	18,975
	309,079	284,013
Capital assets (Note 4)	66,966	45,657
	376,045	329,670
Liabilities		
Current		
Accounts payable and accrued liabilities	51,183	44,172
Deferred revenue (Note 5)	126,227	116,812
	177,410	160,984
Deferred capital contributions (Note 6)	63,835	45,657
	241,245	206,641
Commitments (Note 8)		
Net Assets		
Unrestricted Net Assets	117,845	109,205
Invested in Capital Assets	3,131	-
Reserve fund	13,824	13,824
	134,800	123,029
	376,045	329,670

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, 2015

	<i>2015</i>	<i>2014</i>
Revenue		
Grants (Note 10)		
Ministry of Training, Colleges and Universities	971,489	786,853
Citizenship & Immigration Canada	558,148	543,739
Ministry of Citizenship and Immigration	104,675	102,948
Ontario Women's Directorate	72,339	-
City of Toronto	48,221	51,291
Service Canada	32,097	25,233
Province of Ontario - Pay Equity	13,941	13,941
Toronto Central Local Health Integration Network	12,550	10,000
Toronto Arts Council	8,762	-
Metcalf Foundation	7,398	-
Other Grants	3,761	485
The Atkinson Foundation	17	57,975
Ontario Arts Council	-	3,835
Donations	7,913	4,980
Sundry	1,284	11,357
Fundraising	3,472	1,976
Amortization of deferred capital contributions	23,734	9,868
Total revenue	1,869,801	1,624,281
Expenses		
Salaries and benefits	1,102,137	1,030,481
Building occupancy	211,154	229,386
Program costs	380,439	224,836
Office and general	51,361	54,814
Purchased services	70,671	39,325
Outreach and education	17,936	9,934
Amortization	24,332	9,868
	1,858,030	1,598,644
Excess of revenue over expenses	11,771	25,637

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, 2015

	<i>Unrestricted Net Assets</i>	<i>Invested in Capital Assets</i>	<i>Reserve Fund</i>	<i>2015</i>	<i>2014</i>
Net assets, beginning of year	109,205	-	13,824	123,029	97,392
Excess of revenue over expenses	11,771	-	-	11,771	25,637
Amortization	24,332	(24,332)	-	-	-
Deferred capital contributions received (Note 6)	41,912	(41,912)	-	-	-
Amortization of deferred capital contributions received	(23,734)	23,734	-	-	-
Purchase of capital assets	(45,641)	45,641	-	-	-
Net assets, end of year	117,845	3,131	13,824	134,800	123,029

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, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	11,771	25,637
Amortization of capital assets	24,332	9,868
Amortization of deferred capital contributions	(23,734)	(9,868)
	12,369	25,637
Changes in working capital accounts		
Sales taxes recoverable	1,331	(3,798)
Grants receivable	(5,635)	66,885
Prepaid expenses	9,188	20,233
Accounts payable and accrued liabilities	7,011	6,880
Deferred revenue	9,415	(4,122)
	33,679	111,715
Financing		
Deferred capital contributions received	41,912	38,661
Investing		
Purchase of capital assets	(45,641)	(38,661)
Increase in cash	29,950	111,715
Cash, beginning of year	181,675	69,960
Cash, end of year	211,625	181,675

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, 2015

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 Reserve fund is internally restricted as part of the Charity's risk management strategy and maintained at a level that it can support at least one month's operating expenses.

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 grant revenue received that pertains to future expenditures.

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 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:

	<i>Method</i>	<i>Rate</i>
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 its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

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

Newcomer Women's Services Toronto
Notes to the Financial Statements
For the year ended March 31, 2015

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

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.

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. **Line of credit**

The Charity has available a line of credit of \$200,000 (2014 - \$200,000). At March 31, 2015, the amount used from the line of credit was \$ nil (2014 - \$ nil.)

4. **Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2015 Net book value</i>	<i>2014 Net book value</i>
Computer equipment	52,142	12,431	39,711	25,523
Computer software	6,051	2,084	3,967	5,269
Office equipment	22,803	13,984	8,819	7,427
Leasehold improvements	21,030	6,561	14,469	7,438
	102,026	35,060	66,966	45,657

5. **Deferred revenue**

Deferred revenue represents the balance at year-end of unearned revenues stemming from 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 revenue balance are as follows:

	<i>2015</i>	<i>2014</i>
Balance, beginning of year	116,812	120,934
Amount received during the year	1,842,812	1,596,322
Less: Amount recognized as revenue during the year	(1,833,397)	(1,600,444)
Balance, end of year	126,227	116,812

Newcomer Women's Services Toronto
Notes to the Financial Statements
For the year ended March 31, 2015

6. 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, 2015 is summarized as follows:

	2015	2014
Balance, beginning of year	45,657	16,864
Amount received during the year	41,912	38,661
Less: Amounts recognized as revenue during the year	(23,734)	(9,868)
	63,835	45,657

7. Contributed services

Volunteer hours representing fundraising, special events, administrative and other activities for the year were approximately 2,236 hours (2014 - 1,148 hours). The value related to this time is not reflected in the financial statements.

8. Commitments

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

2016	196,906
2017	196,906
2018	196,906
2019	49,226
	639,944

9. 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 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 three account balances that represent 89% of total grants receivable as at March 31, 2015 (2014 - three account balances represent 81% 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 Organization will encounter difficulty in meeting obligations associated 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 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.