

Newcomer Women's Services Toronto
Financial Statements
March 31, 2011

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, 2011, 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 generally accepted accounting principles, 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, 2011 and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario

July 18, 2011



Chartered Accountants

Licensed Public Accountants

Newcomer Women's Services Toronto

Statement of Financial Position

As at March 31, 2011

	2011	2010
Assets		
Current		
Cash	75,473	89,582
Grants receivable	93,017	95,914
Sundry receivable	30,673	6,856
Prepaid expenses	22,815	12,324
	221,978	204,676
Capital assets (Note 4)	43,894	31,740
	265,872	236,416
Liabilities		
Current		
Accounts payable and accrued liabilities	42,350	54,601
Deferred revenue	136,029	144,039
	178,379	198,640
Deferred capital contributions (Note 5)	43,723	30,257
	222,102	228,897
Net Assets		
Unrestricted Net Assets	29,969	6,036
Invested in Capital Assets	171	1,483
Internally Restricted Net Assets (Note 7)	13,630	-
	43,770	7,519
	265,872	236,416

Approved on behalf of the Board of Directors

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, 2011

	<i>2011</i>	<i>2010</i>
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Revenue		
Grants (Note 8)	1,441,313	1,181,017
Sundry	13,929	1,850
Donations (Note 9)	6,056	8,518
Fundraising	1,104	1,959
Amortization of deferred contributions	25,688	33,790
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	1,488,090	1,227,134
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Expenses		
Salaries and benefits	995,393	837,829
Building occupancy	189,679	175,135
Program costs	119,126	78,102
Office and general	57,927	48,128
Purchased services	32,761	9,972
Outreach and education	24,934	14,710
Outside services	4,789	42,220
Interest	230	156
Amortization	27,000	32,682
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	1,451,839	1,238,934
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Total expenses	1,451,839	1,238,934
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Excess (deficiency) of revenues over expenses	36,251	(11,800)
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Newcomer Women's Services Toronto
Statement of Changes in Net Assets

For the year ended March 31, 2011

	<i>Unrestricted Net Assets</i>	<i>Invested in Capital Assets</i>	<i>Internally Restricted Net Assets</i>	2011	2010
Balance - beginning of year	6,036	1,483	-	7,519	19,317
Excess (deficiency) of revenues over expenses for the year	36,251	-	-	36,251	(11,800)
Amortization	27,000	(27,000)	-	-	-
Deferred capital contributions received	39,154	(39,154)	-	-	-
Amortization of deferred capital contributions received	(25,688)	25,688	-	-	-
Investment in capital assets	(39,154)	39,154	-	-	-
Funds internally restricted	(13,630)	-	13,630	-	-
Net assets, end of year	29,969	171	13,630	43,770	7,517

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, 2011

	2011	2010
Operating activities		
Excess (deficiency) of revenues over expenses	36,251	(11,800)
Amortization of capital assets	27,000	32,682
Amortization of deferred capital contribution	(25,688)	(33,790)
	37,563	(12,908)
Changes in non-cash working capital accounts		
Grants receivable	2,898	(50,978)
Sundry receivable	(23,816)	(1,227)
Prepaid expenses	(10,491)	558
Accounts payable and accrued liabilities	(12,253)	(24,172)
Deferred revenue	(8,010)	95,723
Cash flow from (used by) operating activities	(14,109)	6,996
Financing activities		
Deferred capital contributions received	39,154	1,039
Cash flow from financing activities	39,154	1,039
Investing activities		
Proceeds from disposal of capital assets	-	300
Purchase of capital assets	(39,154)	(1,037)
Cash flow used by investing activities	(39,154)	(737)
Increase (decrease) in cash resources	(14,109)	7,298
Cash resources, beginning of year	89,582	82,284
Cash resources, end of year	75,473	89,582
Supplementary cash flow information		
Interest Paid	230	156

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, 2011

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

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following 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:

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

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.

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 and deferred capital contributions. Actual results could differ from these estimates.

Recent Accounting Pronouncements

Canadian accounting standards for not-for-profit organizations

In October 2010, the Accounting Standards Board (AcSB) approved the accounting standards for private sector not-for-profit organizations (NFPOs) to be included in Part III of the CICA Handbook-Accounting ("Handbook"). Part III will comprise:

Newcomer Women's Services Toronto Notes to the Financial Statements

For the year ended March 31, 2011

- The existing "4400 series" of standards dealing with the unique circumstances of NFPOs, currently in Part V of the Handbook; and
- The new accounting standards for private enterprises in Part II of the Handbook, to the extent that they would apply to NFPOs.

Effective for fiscal years beginning on or after January 1, 2012, private sector NFPOs will have the option to adopt either Part III of the Handbook or International Financial Reporting Standards (IFRS). Earlier adoption is permitted. The Charity expects to adopt Part III of the Handbook as its new financial reporting standards for its financial statements dated March 31, 2013. The Charity has not yet determined the impact of the adoption of Part III of the Handbook on its financial statements.

3. Line of Credit

The Charity has available a line of credit of \$200,000 (2010 - \$200,000). At March 31, 2011, the amount used from the line of credit is \$ nil (2010 - \$ nil.)

4. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2011 Net book value</i>	<i>2010 Net book value</i>
Office equipment	64,763	48,227	16,536	24,050
Leasehold improvements	21,258	6,542	14,716	-
Computer equipment	16,494	7,924	8,570	5,116
Computer software	7,075	3,003	4,072	2,574
	109,590	65,696	43,894	31,740

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 capital assets. The balance in deferred capital contributions at March 31, 2011 is summarized as follows:

	<i>2011</i>	<i>2010</i>
Balance, beginning of the year	30,257	63,058
Capital asset funding received in the year	39,154	1,039
Less: Amortization	(25,688)	(33,840)
Balance, end of the year	43,723	30,257

Newcomer Women's Services Toronto

Notes to the Financial Statements

For the year ended March 31, 2011

6. Lease commitments

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

2012	200,906
2013	50,475
	251,381

7. Internally restricted net assets

A reserve account was approved by the Finance Committee and created in 2011. Any unrestricted funds or donations received but not used are transferred into internally restricted net assets account at year end.

The Charity intends to maintain this account balance at a level that can support one month's worth of operations as part of its risk management strategy.

8. Grants

	<i>2011</i>	<i>2010</i>
Ministry of Training Colleges and Universities	597,896	468,784
Citizenship & Immigration Canada	582,551	513,828
Ministry of Citizenship, Culture & Recreation	97,194	101,856
City of Toronto - Investing in Neighbourhoods	68,862	19,050
City of Toronto	40,578	24,973
Service Canada	24,780	8,882
Province of Ontario - Pay Equity	13,941	17,426
Toronto Central Local Health Integration Network	4,714	-
Heart and Stroke Foundation	4,672	-
United Way	2,599	10,456
Arts Reach	2,500	-
CHUM Foundation	1,026	665
Province of Ontario - Ontario Community Builders	-	15,097
	1,441,313	1,181,017

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. 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 1,336 hours (2010 - 730 hours).

Newcomer Women's Services Toronto

Notes to the Financial Statements

For the year ended March 31, 2011

10. Financial instruments

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

The Charity's 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 right to follow the criteria within the government guidelines. As at the date of these financial statements the Charity believes that it is in compliance with the guidelines.