

Newcomer Women's Services Toronto
Financial Statements
March 31, 2016

Newcomer Women's Services Toronto

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For the year ended March 31, 2016

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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, 2016, and the statements of operations and 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, 2016 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

July 25, 2016

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

Newcomer Women's Services Toronto
Statement of Financial Position
As at March 31, 2016

	2016	2015
Assets		
Current		
Cash	307,517	211,825
Grants receivable	173,470	55,793
Sales taxes recoverable	14,227	31,874
Prepaid expenses	9,120	9,787
	504,334	309,079
Capital assets (Note 4)	69,742	68,986
	574,076	376,045
Liabilities		
Current		
Accounts payable and accrued liabilities	52,085	51,183
Deferred revenue (Note 5)	327,568	126,227
	379,653	177,410
Deferred capital contributions (Note 6)	68,001	63,835
	447,654	241,245
Commitments (Note 8)		
Net Assets		
Operating fund	110,858	117,845
Invested in capital assets	1,740	3,131
Reserve fund	13,824	13,824
	126,422	134,800
	574,076	376,045

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, 2016

	2016	2015
Revenue		
Grants <i>(Note 10)</i>		
Ministry of Training, Colleges and Universities	971,237	971,489
Citizenship & Immigration Canada	557,614	558,148
City of Toronto	189,966	49,480
Ministry of Citizenship, Immigration and International Trade	103,915	104,675
Metcalf Foundation	31,446	7,398
Ontario Women's Directorate	26,743	72,339
Toronto Central Local Health Integration Network	24,984	12,550
Province of Ontario - Pay Equity	13,941	13,941
Toronto Arts Council	10,000	8,762
Service Canada	3,182	32,097
Other Grants	16,401	2,520
Donations	9,945	7,913
Sundry	9,462	1,284
Fundraising	42	3,472
Amortization of deferred capital contributions	28,525	23,734
Total revenue	1,997,403	1,869,802
Expenses		
Salaries and benefits	1,191,860	1,102,137
Program costs	414,764	380,439
Building occupancy	220,878	211,154
Purchased services	71,090	70,671
Office and general	65,942	51,361
Outreach and education	11,331	17,936
Amortization	29,916	24,332
	2,005,781	1,858,030
Excess (deficiency) of revenue over expenses	(8,378)	11,772

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, 2016

	<i>Operating Fund</i>	<i>Invested in Capital Assets</i>	<i>Reserve Fund</i>	2016	<i>2015</i>
Net assets beginning of year	117,845	3,131	13,824	134,800	123,028
Excess (deficiency) of revenue over expenses	(8,378)	-	-	(8,378)	11,772
Amortization	29,916	(29,916)	-	-	-
Deferred capital contributions received	32,691	(32,691)	-	-	-
Amortization of deferred capital contributions received	(28,525)	28,525	-	-	-
Purchase of capital assets	(32,691)	32,691	-	-	-
Net assets, end of year	110,858	1,740	13,824	126,422	134,800

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, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	(8,378)	11,772
Amortization of capital assets	29,916	24,332
Amortization of deferred capital contributions	(28,525)	(23,734)
	(6,987)	12,370
Changes in working capital accounts		
Deferred revenue	152,969	9,415
Accounts payable and accrued liabilities	902	7,010
Grants receivable	(69,306)	(5,635)
Sales taxes recoverable	17,647	1,331
Prepaid expenses	667	9,188
	95,892	33,679
Financing		
Deferred capital contributions received	32,691	41,912
Investing		
Purchase of capital assets	(32,691)	(45,641)
	95,892	29,950
Increase in cash	211,625	181,675
Cash, beginning of year		
	307,517	211,625
Cash, end of year		

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, 2016

1. Purpose of the Charity

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 contains the ongoing operations and transactions of the Organization.

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

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.

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.

Contributed services

Volunteers contribute a significant number of hours each year to assist the Organization in carrying out governance, management 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 over their estimated useful lives at the following rates and methods:

	Method	Rate
Office Equipment	straight-line	5 years
Computer equipment	straight-line	3 years
Computer software	straight-line	3 years
Leasehold improvements	straight-line	term of lease

Newcomer Women's Services Toronto
Notes to the Financial Statements
For the year ended March 31, 2016

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

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 Organization has not made such an election during the year.

The Organization's financial instruments include cash, grants receivable, sales tax recoverable 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.

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.

3. **Line of credit**

The Organization has available a line of credit of \$200,000 (2015 - \$200,000). At March 31, 2016, the amount used from the line of credit was \$ nil (2015 - \$ nil).

4. **Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2016 Net book value</i>	<i>2015 Net book value</i>
Office Equipment	28,221	17,210	11,011	8,819
Computer equipment	56,482	25,439	31,043	39,711
Computer software	18,874	7,988	10,886	3,967
Leasehold improvements	31,140	14,338	16,802	14,469
	134,717	64,975	69,742	66,966

Newcomer Women's Services Toronto
Notes to the Financial Statements

For the year ended March 31, 2016

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 revenues balance are as follows:

	2016	2015
Balance, beginning of year	126,227	116,812
Amount received during the year	2,150,770	1,842,812
Less: Amount recognized as revenue during the year	(1,949,429)	(1,833,397)
Balance, end of year	327,568	126,227

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 useful life of the related capital assets. The balance in deferred capital contributions at March 31, 2016 is summarized as follows:

	2016	2015
Balance, beginning of year	63,835	45,657
Amount received during the year	32,691	41,912
Less: Amounts recognized as revenue during the year	(28,525)	(23,734)
	68,001	63,835

7. Contributed services

Volunteer hours representing fundraising, special events, administrative and other activities for the year were approximately 450 hours (2015 - 2,236 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:

2017	214,715
2018	214,715
2019	53,678
	483,108

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 three account balances that represent 69% of total grants receivable as at March 31, 2016 (2015 - 89%). 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. Income taxes

The Organization is registered as a charitable organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

12. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.