

Newcomer Women's Services Toronto
Financial Statements

March 31, 2017

Newcomer Women's Services Toronto

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For the year ended March 31, 2017

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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, 2017, 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, 2017 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 11, 2017

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

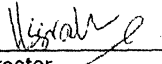
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Newcomer Women's Services Toronto
Statement of Financial Position


As at March 31, 2017

	2017	2016
Assets		
Current		
Cash	643,508	307,517
Sales taxes recoverable	31,595	14,227
Grants receivable	61,278	173,470
Prepaid expenses	25,508	9,120
	761,889	504,334
Capital assets (Note 4)	80,203	69,742
	842,092	574,076
Liabilities		
Current		
Accounts payable and accrued liabilities	77,890	52,085
Deferred contributions (Note 5)	549,255	327,568
	627,145	379,653
Deferred contributions related to capital assets (Note 6)	79,476	68,001
	706,621	447,654
Commitments (Note 8)		
Net Assets		
Operating fund	120,920	110,858
Invested in capital assets	727	1,740
Reserve fund	13,824	13,824
	135,471	126,422
	842,092	574,076

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, 2017

	2017	2016
Revenue		
Grants (Note 10)		
Ministry of Training, Colleges and Universities	1,169,358	971,237
Citizenship & Immigration Canada	570,334	557,614
City of Toronto	243,699	189,966
Ministry of Citizenship, Immigration and International Trade	103,047	103,915
Ontario Women's Directorate	33,333	26,743
Service Canada	32,010	3,182
Toronto Central Local Health Integration Network	25,313	24,984
Other Grants	14,644	16,401
Province of Ontario - Pay Equity	13,941	13,941
Metcalf Foundation	3,156	31,446
Toronto Arts Council	-	10,000
Donations	2,385	9,945
Fundraising	1,415	42
Sundry	289	9,462
Amortization of deferred contributions related to capital assets (Note 6)	35,480	28,525
Total revenue	2,248,404	1,997,403
Expenses		
Salaries and benefits	1,228,895	1,191,860
Program costs	539,724	414,764
Building occupancy	243,317	220,878
Office and general	89,735	65,942
Purchased services	70,298	71,090
Outreach and education	30,893	11,331
Amortization	36,493	29,916
	2,239,355	2,005,781
Excess (deficiency) of revenue over expenses	9,049	(8,378)

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, 2017

	<i>Operating Fund</i>	<i>Invested in Capital Assets</i>	<i>Reserve Fund</i>	2017	2016
Net assets beginning of year	110,858	1,740	13,824	126,422	134,800
Excess (deficiency) of revenue over expenses	9,049	-	-	9,049	(8,378)
Deferred contributions related to capital assets received	46,955	(46,955)	-	-	-
Amortization of deferred contributions related to capital assets	(35,480)	35,480	-	-	-
Amortization of capital assets	36,493	(36,493)	-	-	-
Purchase of capital assets	(46,955)	46,955	-	-	-
Net assets, end of year	120,920	727	13,824	135,471	126,422

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, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	9,049	(8,378)
Amortization of capital assets	36,493	29,916
Amortization of deferred contributions related to capital assets	(35,480)	(28,525)
	10,062	(6,987)
Changes in working capital accounts		
Deferred contributions	221,687	152,969
Accounts payable and accrued liabilities	25,806	902
Sales taxes recoverable	(17,368)	66,018
Grants receivable	112,192	(117,677)
Prepaid expenses	(16,388)	667
	335,991	95,892
Financing		
Deferred capital contributions received	46,955	32,691
Investing		
Purchase of capital assets	(46,955)	(32,691)
Increase in cash	335,991	95,892
Cash, beginning of year	307,517	211,625
Cash, end of year	643,508	307,517

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, 2017

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 contributions represents grant revenue received that pertains to future expenditures.

Contributed services

Contributions of services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably established and when the services are used in the normal course of business and would otherwise have been purchases.

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 at the following rates and methods intended to amortize the assets over their estimated useful lives:

	Method	Rate
Computer equipment	straight-line	5 years
Computer software	straight-line	5 years
Office equipment	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, 2017

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. Financial assets and liabilities 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 (2016 - \$200,000). At March 31, 2016, the amount used from the line of credit was \$Nil (2015 - \$Nil). The organization also has access to a \$5,000 (2016 - \$Nil) credit card facility of which \$1,727 (2016 - \$Nil) has been utilized at year end.

4. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2017 Net book value</i>	<i>2016 Net book value</i>
Computer equipment	63,770	38,849	24,921	31,043
Computer software	16,866	10,875	5,991	10,886
Office equipment	28,026	10,283	17,743	11,011
Leasehold improvements	56,447	24,899	31,548	16,802
	165,109	84,906	80,203	69,742

Newcomer Women's Services Toronto
Notes to the Financial Statements
For the year ended March 31, 2017

5. Deferred contributions

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:

	2017	2016
Balance, beginning of year	327,568	126,227
Amount received during the year	2,430,522	2,150,770
Less: Amount recognized as revenue during the year	(2,208,835)	(1,949,429)
Balance, end of year	549,255	327,568

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

	2017	2016
Balance, beginning of year	68,001	63,835
Amount received during the year	46,955	32,691
Less: Amounts recognized as revenue during the year	(35,480)	(28,525)
	79,476	68,001

7. Contributed services

Volunteer hours representing fundraising, special events, administrative and other activities for the year were approximately 1,270 hours (2016 - 450 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:

2018	214,715
2019	53,678
	268,393

Newcomer Women's Services Toronto

Notes to the Financial Statements

For the year ended March 31, 2017

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 88% of total grants receivable as at March 31, 2017 (2016 - three account balances, representing 69%). 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.