

Newcomer Women's Services Toronto
Financial Statements
March 31, 2023

Newcomer Women's Services Toronto
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For the year ended March 31, 2023

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To the Members of Newcomer Women's Services Toronto:

Opinion

We have audited the financial statements of Newcomer Women's Services Toronto (the "Organization"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mississauga, Ontario

June 6, 2023

MNP LLP

Chartered Professional Accountants


Licensed Public Accountants

Newcomer Women's Services Toronto
Statement of Financial Position
As at March 31, 2023

	2023	2022
Assets		
Current		
Cash (Note 4)	250,640	208,272
Sales taxes recoverable	61,053	77,726
Grants receivable	204,418	146,871
Prepaid expenses	27,490	35,574
	543,601	468,443
Capital assets (Note 3)	50,134	41,795
	593,735	510,238
Liabilities		
Current		
Accounts payable and accrued liabilities	23,841	65,484
Deferred contributions (Note 5)	255,779	180,630
	279,620	246,114
Deferred contributions related to capital assets (Note 6)	7,193	13,563
	286,813	259,677
Commitments (Note 8)		
Net Assets		
Operating fund	250,160	208,507
Invested in capital assets	42,938	28,230
Reserve fund	13,824	13,824
	306,922	250,561
	593,735	510,238

Approved on behalf of the Board

Director 

Director 

Newcomer Women's Services Toronto
Statement of Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
Grants <i>(Note 10)</i>		
Ministry of Labour, Training and Skills Development	1,545,352	1,139,702
Citizenship & Immigration Canada	655,595	615,113
Labatt Better Together and Canada Women Foundation	141,569	39,075
Ministry of Citizenship, Immigration and International Trade	108,283	103,047
City of Toronto	51,934	43,588
Province of Ontario - Pay Equity	13,941	13,732
Service Canada	9,216	8,605
Other grants	2,371	42,445
Toronto Arts Council	1,673	-
Toronto Central Local Health Integration Network	-	500
United Way	-	(468)
Peter Gilgan Foundation	-	26,773
Fundraising	12,925	42,032
Donations	15,924	16,780
Other	22,186	-
Amortization of deferred contributions related to capital assets <i>(Note 6)</i>	6,370	17,177
Total revenue	2,587,339	2,108,101
Expenses		
Salaries and benefits	1,330,217	1,210,319
Program costs	671,313	528,573
Building occupancy	231,063	246,245
Office and general	188,896	83,936
Purchased services	66,043	36,163
Outreach and education	18,889	28,869
Amortization	24,557	32,942
	2,530,978	2,167,047
Excess (deficiency) of revenue over expenses	56,361	(58,946)

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, 2023

	<i>Unrestricted Net Assets</i>	<i>Investment in Capital Assets</i>	<i>Reserve Fund</i>	2023	2022
Net assets beginning of year	208,507	28,230	13,824	250,561	309,507
Excess (deficiency) of revenue over expenses	56,361	-	-	56,361	(58,946)
Amortization of deferred contributions related to capital assets	(6,370)	6,370	-	-	-
Amortization of capital assets	24,557	(24,557)	-	-	-
Purchase of capital assets	(32,895)	32,895	-	-	-
Net assets, end of year	250,160	42,938	13,824	306,922	250,561

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, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	56,361	(58,946)
Amortization of capital assets	24,557	32,942
Amortization of deferred contributions related to capital assets	(6,370)	(17,177)
	74,548	(43,181)
Changes in working capital accounts		
Sales taxes recoverable	16,673	(32,536)
Grants receivable	(57,547)	6,479
Prepaid expenses	8,083	(22,720)
Accounts payable and accrued liabilities	(41,643)	43,716
Deferred contributions	75,149	65,719
	75,263	17,477
Investing		
Purchase of capital assets	(32,895)	(10,694)
Increase in cash	42,368	6,783
Cash, beginning of year	208,272	201,489
Cash, end of year	250,640	208,272

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, 2023

1. Purpose of the Organization

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 reports the ongoing operations and transactions of the Organization.

The amount in Investment in Capital Assets represents the balance internally restricted through the investment of unrestricted funds in capital assets.

The Reserve fund is internally restricted as part of the Organization's risk management strategy.

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.

Deferred contributions represents grant revenue received that is externally restricted for future expenditures.

Contributions restricted for the acquisition of capital assets are deferred and amortized into revenue as the related capital assets are amortized.

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

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

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

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

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

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 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 revenue over expenses in the periods in which they become known.

Newcomer Women's Services Toronto
Notes to the Financial Statements
For the year ended March 31, 2023

3. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2023 Net book value</i>	<i>2022 Net book value</i>
Computer equipment	167,957	124,905	43,052	27,058
Computer software	16,866	16,866	-	-
Office equipment	67,367	60,285	7,082	14,737
Leasehold improvements	77,500	77,500	-	-
	329,690	279,556	50,134	41,795

4. Line of credit

The Organization has available a line of credit of \$200,000 (2022 - \$200,000). At March 31, 2023, the amount used from the line of credit was \$Nil (2022 - \$Nil). The Organization also has access to a \$10,000 (2022 - \$10,000) credit card facility of which \$Nil (2022 - \$Nil) has been utilized at year-end.

5. Deferred contributions

	<i>2023</i>	<i>2022</i>
Balance, beginning of year	180,630	114,911
Amount received during the year	2,475,651	2,078,202
Less: Amount recognized as revenue during the year	(2,400,502)	(2,012,483)
Balance, end of year	255,779	180,630

6. Deferred contributions related to capital assets

	<i>2023</i>	<i>2022</i>
Balance, beginning of year	13,563	30,740
Less: Amounts recognized as revenue during the year	(6,370)	(17,177)
Balance, end of year	7,193	13,563

7. Contributed services

Volunteer hours only represent verifiable hours of Board Members attending scheduled meetings for the year which were 125 (2022 - 160) and do not reflect all the additional hours contributed for other agency-related activities. The value related to this time is not reflected in the financial statements.

Newcomer Women's Services Toronto
Notes to the Financial Statements
For the year ended March 31, 2023

8. Commitments

The Organization has entered into three lease agreements at 128 Sterling Road, 355 Church Street, and 489 Queen Street, ending in October 2025, June 2026, and August 2031, respectively. The estimated minimum annual payments are as follows:

2024	282,325
2025	288,519
2026	276,169
2027	221,975
2028	212,820
Thereafter	743,297
	2,025,105

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 100% of total grants receivable as at March 31, 2023 (2022 - two account balances, representing 91%). 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.