

Newcomer Women's Services Toronto
Financial Statements
March 31, 2019

Newcomer Women's Services Toronto

Contents

For the year ended March 31, 2019

Page

Independent Auditor's Report

Financial Statements

Statement of Financial Position.....	1
Statement of Operations.....	2
Statement of Changes in Net Assets.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements.....	5

Independent Auditor's Report

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, 2019, 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, 2019, 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.

- 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

July 15, 2019

MNP LLP

Chartered Professional Accountants

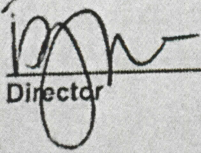
Licensed Public Accountants

MNP

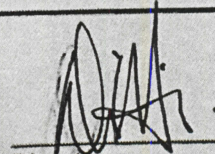
Newcomer Women's Services Toronto
Statement of Financial Position
As at March 31, 2019

	2019	2018
Assets		
Current		
Cash	70,991	490,143
Sales taxes recoverable	57,436	28,225
Grants receivable	195,907	144,415
Prepaid expenses	25,655	33,288
	349,989	696,071
Capital assets (Note 3)	79,722	40,835
	429,711	736,906
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 4)	31,246	94,253
Deferred contributions (Note 5)	84,476	504,856
	115,722	599,109
Deferred contributions related to capital assets (Note 6)	66,319	40,585
	182,041	639,694
Commitments (Note 8)		
Net Assets		
Operating fund	220,442	83,138
Invested in capital assets	13,404	250
Reserve fund	13,824	13,824
	247,670	97,212
	429,711	736,906

Approved on behalf of the Board



 Director



 Director

Newcomer Women's Services Toronto
Statement of Operations
For the year ended March 31, 2019

	2019	2018
Revenue		
Grants <i>(Note 10)</i>		
Ministry of Training, Colleges and Universities	1,166,661	1,287,415
Citizenship & Immigration Canada	552,368	571,143
City of Toronto	302,743	295,228
Ministry of Citizenship, Immigration and International Trade	99,424	103,047
Province of Ontario - Pay Equity	13,941	13,940
Toronto Central Local Health Integration Network	12,403	11,458
Other Grants	1,800	6,657
Service Canada	-	12,185
Insurance	178,666	-
Donations	12,415	3,573
Fundraising	2,296	5,893
Contributions	-	5,170
Amortization of deferred contributions related to capital assets <i>(Note 6)</i>	30,250	50,704
Total revenue	2,372,967	2,366,413
Expenses		
Salaries and benefits	1,203,475	1,269,408
Program costs	537,352	718,815
Building occupancy	262,148	235,785
Office and general	76,342	71,417
Outreach and education	75,091	20,045
Purchased services	37,168	38,021
Amortization	30,933	51,181
	2,222,509	2,404,672
Excess (deficiency) of revenue over expenses	150,458	(38,259)

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, 2019

	<i>Operating Fund</i>	<i>Invested in Capital Assets</i>	<i>Reserve Fund</i>	2019	2018
Net assets, beginning of year	83,138	250	13,824	97,212	135,471
Excess (deficiency) of revenue over expenses	150,458	-	-	150,458	(38,259)
Deferred contributions related to capital assets received	55,984	(55,984)	-	-	-
Amortization of deferred contributions related to capital assets	(30,250)	30,250	-	-	-
Amortization of capital assets	30,933	(30,933)	-	-	-
Purchase of capital assets	(69,821)	69,821	-	-	-
Net assets, end of year	220,442	13,404	13,824	247,670	97,212

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, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	150,458	(38,259)
Amortization of capital assets	30,933	51,181
Amortization of deferred contributions related to capital assets	(30,250)	(50,704)
	151,141	(37,782)
Changes in working capital accounts		
Sales taxes recoverable	(29,211)	3,370
Grants receivable	(51,492)	(83,137)
Prepaid expenses	7,633	(7,780)
Accounts payable and accrued liabilities	(63,006)	16,363
Deferred contributions	(420,380)	(44,399)
	(405,315)	(153,365)
Financing		
Deferred capital contributions received	55,984	11,813
Investing		
Purchase of capital assets	(69,821)	(11,813)
Decrease in cash	(419,152)	(153,365)
Cash, beginning of year	490,143	643,508
Cash, end of year	70,991	490,143

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, 2019

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 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.

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

Newcomer Women's Services Toronto
Notes to the Financial Statements
For the year ended March 31, 2019

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 which respect to its financial instruments.

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.

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

3. Capital assets

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Computer equipment	95,480	62,293	33,187	12,131
Computer software	16,866	16,709	157	2,307
Office equipment	59,311	23,661	35,650	16,905
Leasehold improvements	74,571	63,843	10,728	9,492
	246,228	166,506	79,722	40,835

4. Line of credit

The Organization has available a line of credit of \$200,000 (2018 - \$200,000). At March 31, 2019, the amount used from the line of credit was \$Nil (2018 - \$Nil). The Organization also has access to a \$10,000 (2018 - \$10,000) credit card facility of which \$Nil (2018 - \$9,808) has been utilized and is included on accounts payable and accrued liabilities at year end.

5. Deferred contributions

	2019	2018
Balance, beginning of year	504,856	549,255
Amount received during the year	1,915,729	2,256,674
Less: Amount recognized as revenue during the year	(2,336,109)	(2,301,073)
Balance, end of year	84,476	504,856

Newcomer Women's Services Toronto

Notes to the Financial Statements

For the year ended March 31, 2019

6. Deferred contributions related to capital assets

	2019	2018
Balance, beginning of year	40,585	79,476
Amount received during the year	55,984	11,813
Less: Amounts recognized as revenue during the year	(30,250)	(50,704)
	66,319	40,585

7. Contributed services

Volunteer hours representing fundraising, special events, administrative and other activities for the year were approximately 395 (2018 - 461). The value related to this time is not reflected in the financial statements.

8. Commitments

The Organization has entered into a lease agreement ending in June 2021 with estimated minimum payment for the next 3 fiscal years as follows:

2020	241,168
2021	260,461
2022	65,115

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 96% of total grants receivable as at March 31, 2019 (2018 - four account balances, representing 85%). 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.