

New Canadians Centre
Peterborough
Financial Statements
For the year ended March 31, 2020

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Independent Auditor's Report

To the Board of Directors of New Canadians Centre Peterborough

Qualified Opinion

We have audited the accompanying financial statements of New Canadians Centre Peterborough (the "Centre"), which comprise the statement of financial position as at March 31, 2020, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Centre derives certain of its revenues from the general public in the form of donations and fundraising the completeness of which are not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Centre. Therefore, we were not able to determine whether any adjustments might be necessary to revenues other than grants, excess of revenue over expense, and cash flows from operations for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 Centre 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 qualified audit opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 Centre'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 Centre'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 Centre 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.

Chartered Professional Accountants, Licensed Public Accountants

Peterborough, Ontario
May 15, 2020

**New Canadians Centre Peterborough
Statement of Financial Position**

March 31 2020 2019

Assets

Current

Cash and bank (Note 2)	\$ 298,635	\$ 267,750
Short term investments (Note 3)	103,293	98,198
Accounts receivable	135,820	166,688
Prepaid expenses	7,639	3,717
	545,387	536,353

Long term investments (Note 3) 208,291 205,101

Capital assets (Note 4) 190,434 229,602

\$ 944,112 **\$ 971,056**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 5)	\$ 76,862	\$ 35,941
Deferred revenue (Note 6)	268,111	316,923
	344,973	352,864

Deferred contributions related to capital assets (Note 7) 173,691 201,663

518,664 **554,527**

Commitments (Note 8)


Net Assets

Internally restricted net assets invested in capital assets	16,743	27,939
Internally restricted funds (Note 9)	404,894	369,894
Unrestricted net assets	3,811	18,696
	425,448	416,529

\$ 944,112 **\$ 971,056**

On behalf of the Board:

 _____ Director

 _____ Director

New Canadians Centre Peterborough
Statement of Changes in Net Assets

For the year ended March 31	Invested in capital assets	Internally restricted funds	Unrestricted	Total 2020	Total 2019
Net assets, beginning of year	\$ 27,939	\$ 369,894	\$ 18,696	\$ 416,529	\$ 415,301
Revenues over expenses (expenses over revenues)	(15,806)	-	24,725	8,919	1,227
Investment in capital assets	14,448	-	(14,448)	-	-
Funding received in the year related to capital assets	(9,838)	-	9,838	-	-
Internal transfers (Note 9)	-	35,000	(35,000)	-	-
Net assets, end of year	\$ 16,743	\$ 404,894	\$ 3,811	\$ 425,448	\$ 416,528

New Canadians Centre Peterborough Statement of Operations

For the year ended March 31	2020	2019
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Revenues (Page 6)		
Grants	\$ 1,786,520	\$ 1,797,062
Fundraising and donations	208,583	144,859
Interest and other miscellaneous revenues	7,314	5,761
Amortization of deferred contributions for capital assets	37,810	37,105
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	2,040,227	1,984,787
Expenses		
Amortization	53,616	49,589
Development and staff-related expenses	18,295	30,868
Endowment fund contribution (Note 10)	-	10,000
Fundraising	9,747	21,377
Insurance	4,313	4,228
Memberships	7,257	4,656
Miscellaneous and bank charges		
Office	63,542	57,556
Rent	57,049	56,201
Professional fees	53,033	43,598
Program costs:		
- general programming	133,622	150,876
- refugee programming	91,998	56,450
Promotion and outreach	27,497	41,269
Repairs and maintenance	30,218	32,467
Salaries and benefits	1,481,121	1,424,425
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	2,031,308	1,983,560
Excess of revenues over expenses	\$ 8,919	\$ 1,227
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New Canadians Centre Peterborough Schedule of Revenues

For the year ended March 31	2020	2019
Grants:		
Federal:		
Immigration, Refugee and Citizenship Canada:		
- Welcoming Communities	\$ 994,240	\$ 932,847
- Local Immigration Partnership (LIP)	204,700	199,920
- Coordinated Language Assessment and Referral System (CLARS)	18,964	18,220
- Resettlement Assistance Program (RAP)	313,128	293,062
Canadian Heritage	8,792	7,500
Employment and Social Development	11,190	7,464
	<u>1,551,014</u>	<u>1,459,013</u>
Provincial:		
Ministry of Citizenship and Immigration:		
- Newcomer Settlement Program (NSP 1)	40,000	39,790
- Newcomer Settlement Program for Refugees SI (NSP 2)	-	69,870
- Newcomer Settlement Program for Refugees EI (NSP 3)	-	70,000
- Pay Equity	1,254	1,254
- Coordinated Language Assessment and Referral System (CLARS)	12,198	12,163
- Multicultural Community Capacity Grant Program	-	7,022
	<u>53,452</u>	<u>200,099</u>
Municipal:		
City of Peterborough	<u>90,622</u>	<u>60,938</u>
Other:		
Canadian Council for Refugees	5,096	4,406
United Way Peterborough	55,112	55,112
Lloyd Carr Foundation	14,531	8,564
Luke Four Foundation	-	6,854
RBC Foundation	7,212	-
Community Foundation of Greater Peterborough	9,481	221
Peterborough Foundation	-	1,855
	<u>91,432</u>	<u>77,012</u>
	<u>\$ 1,786,520</u>	<u>\$ 1,797,062</u>
Fundraising and donations:		
Fundraising: - Canada Day	\$ 15,866	\$ 16,386
- other	15,965	39,617
Donations	176,752	88,856
	<u>\$ 208,583</u>	<u>\$ 144,859</u>
Miscellaneous other revenues:	<u>\$ 7,314</u>	<u>\$ 5,761</u>

New Canadians Centre Peterborough
Statement of Cash Flows

For the year ended March 31	2020	2019
Cash provided by (used in)		
Operating activities		
Net excess of revenue over expenses for the year	\$ 8,919	\$ 1,227
Items not involving cash		
Amortization of capital assets	53,616	49,589
Amortization of deferred contributions for capital assets	(37,810)	(37,105)
	24,725	13,711
Changes in non-cash working capital balances		
Accounts receivable	30,868	195,884
Prepaid expenses	(3,922)	709
Accounts payable	40,921	(1,592)
Deferred revenue	(48,812)	50,823
	43,780	259,535
Investing activities		
Purchase of capital assets	(14,448)	(34,238)
Purchase of investments - net	(8,284)	(123,211)
	(22,732)	(157,449)
Financing activities		
Deferred contributions received	9,838	9,288
Increase in cash during the year	30,886	111,374
Cash and bank, beginning of year	267,749	156,375
Cash and bank, end of year	\$ 298,635	\$ 267,749

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2020

1. Summary of Significant Accounting Policies

a) Nature of Business

The New Canadians Centre Peterborough provides services to new Canadians in their efforts to adjust and settle in a new country.

The New Canadians Centre Peterborough was incorporated without share capital on February 16, 1987 and as such is prohibited from distributing any of its funds to, or for the personal benefit of its members. New Canadians Centre Peterborough qualifies as a charitable organization as defined in the Federal and Ontario Income Tax Acts and, accordingly, is not subject to income taxes.

b) Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

c) Financial Instruments

Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

d) 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.

e) Capital Assets

Capital assets are recorded at cost. Amortization is based on the estimated useful life of the asset on a straight line basis as follows:

Leasehold improvements	the term of the lease
Furniture, fixtures and equipment	10 years
Computer and software	3 - 5 years

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2020

1. Summary of Significant Accounting Policies (Continued)

f) Contributed Materials and Services

Volunteers contribute significant hours each year to assist the organization in carrying out its activities. Because of the difficulty of determining their fair value, these services are not recognized in the financial statements.

Contributed materials and services which are used in the normal course of the organizations operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if the fair value can be reasonably estimated.

g) Employee Future Benefits

The organization has a defined contribution pension plan for eligible employees. The organization's pension costs are charged to operations as contributions are due. Contributions are a defined amount based upon individual employee contributions which are matched by the organization to a maximum of 3% of the individual's salary.

2. Cash and Bank

The organization's bank accounts are held at one chartered bank.

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2020

3. Investments

Investments consist of cash and short term and long term guaranteed investment certificates:

	2020	2019
Short term:		
GIC, annual, interest at 1.18%, matures April 2019	\$ -	\$ 50,543
GIC, annual, interest at 2.59%, matures December 2019	-	28,633
GIC, non-redeemable, interest at 2.15%, matures March 2020, restricted for Nevada	-	19,022
GIC, annual, interest at 1.21%, matures April 2020	51,155	-
GIC, non-redeemable, interest at 2.20%, matures December 2020	52,138	-
	103,293	98,198
Long term:		
GIC, non-redeemable, interest at 2.20%, matures December 2020	-	51,013
GIC, non-redeemable, interest at 2.34%, matures December 2021	26,138	25,539
GIC, non-redeemable, interest at 2.00%, matures January 2022	27,547	27,005
GIC, non-redeemable, interest at 2.43%, matures December 2022	52,364	51,118
GIC, non-redeemable, interest at 2.96%, matures December 2023	51,922	50,426
GIC, non-redeemable, interest at 2.18%, matures December 2024	50,320	-
	208,291	205,101
Total	\$ 311,584	\$ 303,299

4. Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ 371,150	\$ 213,892	\$ 360,382	\$ 170,656
Furniture, fixtures and equipment	79,603	58,976	79,603	52,292
Computer and software	48,357	35,808	44,677	32,112
	\$ 499,110	\$ 308,676	\$ 484,662	\$ 255,060
		\$ 190,434		\$ 229,602

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2020

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$23,016 (2019 - \$Nil)

6. Deferred Revenue

Deferred revenue represents grants and donations received subject to specific spending restrictions. The balance of deferred revenue at March 31 is comprised of:

	2020	2019
Canadian Council for Refugees	\$ -	\$ 5,096
City of Peterborough	102,529	132,926
Community Foundation of Greater Peterborough	15,414	14,295
Lloyd Carr Foundation	4,061	7,592
RBC Foundation	5,788	-
Nevada Lottery	20,115	31,410
Externally restricted:		
Anonymous donation restricted for use in 2020-21	50,000	-
Refugee resettlement donations	63,304	63,104
Youth program	-	62,500
Gala ticket sales	6,900	-
	\$ 268,111	\$ 316,923

7. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets include the unamortized portions of restricted contributions with which various capital assets have been purchased. The changes for the year in the deferred contributions balance reported are as follows:

	2020	2019
Balance, beginning of year	\$ 201,663	\$ 229,480
Funding received in the year related to capital assets		
Immigration, Refugee and Citizenship Canada:		
Welcoming Communities	5,191	768
Resettlement Assistance Program	4,210	8,520
City of Peterborough	437	-
Revenue recognized in the year related to capital assets	(37,810)	(37,105)
Balance, end of year	\$ 173,691	\$ 201,663

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2020

8. Commitments

The organization has a building lease for their Peterborough location expiring in September 2023.

The minimum lease commitment over the next four years is as follows:

2021	35,135
2022	36,189
2023	37,243
2024	18,621

The organization also has leases that are on month-to-month terms, including their Cobourg office location and temporary housing provided as part of the Resettlement Assistance Program.

9. Internally Restricted Funds

In 2010, the board approved the creation of an internally restricted reserve for the purpose of maintaining an emergency fund to cover unexpected costs or funding shortfalls. During the year \$35,000 (2019 - \$7,000) was transferred into this reserve.

In 2018 the Board of Directors established the Community Integration Fund. Monies deposited to the Community Integration Fund are to be used solely for the payment of expenses related to the Community Integration work of the New Canadians Centre and/or to enhance programs and activities of the Peterborough Immigration Partnership (PIP). During the year \$- (2019 - \$(5,290)) was transferred out of this fund.

	Community Integration Fund	Emergency Operational Reserve Fund	2020 Total	2019 Total
Beginning balance	\$ 19,894	\$ 350,000	\$ 369,894	\$ 368,184
Transfers	-	35,000	35,000	1,710
Ending balance	<u>\$ 19,894</u>	<u>\$ 385,000</u>	<u>\$ 404,894</u>	<u>\$ 369,894</u>

10. Endowment Fund Contribution

The Centre contributed \$Nil (2019 - \$10,000) to the Welcome Fund held by the Community Foundation of Greater Peterborough. The fund is expected to provide unrestricted operating revenues in the form of an annual grant.

11. Defined Contribution Pension Plan

Total pension expense for the year was \$32,045 (2019 - \$25,994).

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2020

12. Uncertainty Related to COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus, the "COVID-19 outbreak". In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve throughout the world including Canada. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the impact on the Centre will not be known with certainty for months to come. Specifically, the Centre may see a decrease in their self-generated revenue, including fundraising events and donations. The potential decrease in revenues could impact the Centre's ability to run certain programs, however, the Centre does not expect to see a significant impact on their operations.

Although the Centre cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Centre's future operations, financial position, and liquidity in fiscal year 2020.
