

**New Canadians Centre
Peterborough
Financial Statements
For the year ended March 31, 2021**

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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, 2021, 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, 2021, 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, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 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 13, 2021

New Canadians Centre Peterborough Statement of Financial Position

March 31	2021	2020
Assets		
Current		
Cash and bank (Note 2)	\$ 446,279	\$ 298,635
Short term investments (Note 3)	180,680	103,293
Accounts receivable	48,071	135,820
Prepaid expenses	12,709	7,639
	687,739	545,387
Long term investments (Note 3)	239,662	208,291
Capital assets (Note 4)	158,506	190,434
	\$ 1,085,907	\$ 944,112
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 130,450	\$ 76,862
Deferred revenue (Note 6)	335,854	268,111
	466,304	344,973
Deferred contributions related to capital assets (Note 7)	130,509	173,691
	596,813	518,664
Commitments (Note 8)		
Net Assets		
Internally restricted net assets invested in capital assets	27,997	16,743
Internally restricted funds (Note 9)	449,894	404,894
Unrestricted net assets	11,203	3,811
	489,094	425,448
	\$ 1,085,907	\$ 944,112

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 2021	Total 2020
Net assets, beginning of year	\$ 16,743	\$ 404,894	\$ 3,811	\$ 425,448	\$ 416,529
Revenues over expenses (expenses over revenues)	7,963	-	55,683	63,646	8,919
Investment in capital assets	24,602	-	(24,602)	-	-
Funding received in the year related to capital assets	(21,311)	-	21,311	-	-
Internal transfers (Note 9)	-	45,000	(45,000)	-	-
Net assets, end of year	\$ 27,997	\$ 449,894	\$ 11,203	\$ 489,094	\$ 425,448

New Canadians Centre Peterborough Statement of Operations

For the year ended March 31	2021	2020
Revenues (Page 6)		
Grants	\$ 1,968,486	\$ 1,786,520
Fundraising and donations	195,299	208,583
Interest and other miscellaneous revenues	11,079	7,314
Amortization of deferred contributions for capital assets	64,493	37,810
	2,239,357	2,040,227
Expenses		
Amortization	56,530	53,616
Development and staff-related expenses	17,139	18,295
Fundraising	11,522	9,747
Insurance	4,427	4,313
Memberships	8,147	7,257
Office	68,912	63,542
Rent	57,978	57,049
Professional fees	54,335	53,033
Program costs:		
- general programming	157,352	133,622
- refugee programming	41,665	91,998
Promotion and outreach	21,500	27,497
Repairs and maintenance	26,434	30,218
Salaries and benefits	1,649,770	1,481,121
	2,175,711	2,031,308
Excess of revenues over expenses	\$ 63,646	\$ 8,919

New Canadians Centre Peterborough Schedule of Revenues

For the year ended March 31	2021	2020
Grants:		
Federal:		
Immigration, Refugee and Citizenship Canada:		
- Welcoming Communities	\$ 1,235,709	\$ 994,240
- Local Immigration Partnership (LIP)	212,276	204,700
- Coordinated Language Assessment and Referral System (CLARS)	-	18,964
- Resettlement Assistance Program (RAP)	268,363	313,128
Canadian Heritage	8,790	8,792
Employment and Social Development	12,975	11,190
	1,738,113	1,551,014
Provincial:		
Ministry of Citizenship and Immigration:		
- Newcomer Settlement Program (NSP 1)	40,000	40,000
- Newcomer Settlement Program for Refugees EI (NSP 3)	-	-
- Pay Equity	1,254	1,254
- Coordinated Language Assessment and Referral System (CLARS)	12,198	12,198
	53,452	53,452
Municipal:		
City of Peterborough	65,581	90,622
Other:		
Canadian Council for Refugees	-	5,096
United Way Peterborough	67,116	55,112
Lloyd Carr Foundation	3,257	14,531
RBC Foundation	16,714	7,212
Community Foundation of Greater Peterborough	24,253	9,481
	111,340	91,432
	\$ 1,968,486	\$ 1,786,520
Fundraising and donations:		
Fundraising: - Canada Day	\$ -	\$ 15,866
- other	999	15,965
Donations	194,300	176,752
	\$ 195,299	\$ 208,583
Miscellaneous other revenues:	\$ 11,079	\$ 7,314

New Canadians Centre Peterborough Statement of Cash Flows

For the year ended March 31	2021	2020
Cash provided by (used in)		
Operating activities		
Net excess of revenue over expenses for the year	\$ 63,646	\$ 8,919
Items not involving cash		
Amortization of capital assets	56,530	53,616
Amortization of deferred contributions for capital assets	<u>(64,493)</u>	<u>(37,810)</u>
	55,683	24,725
Changes in non-cash working capital balances		
Accounts receivable	87,749	30,868
Prepaid expenses	(5,070)	(3,922)
Accounts payable	53,588	40,921
Deferred revenue	<u>67,743</u>	<u>(48,812)</u>
	<u>259,693</u>	<u>43,780</u>
Investing activities		
Purchase of capital assets	(24,602)	(14,448)
Purchase of investments - net	<u>(108,758)</u>	<u>(8,284)</u>
	<u>(133,360)</u>	<u>(22,732)</u>
Financing activities		
Deferred contributions received	<u>21,311</u>	<u>9,838</u>
Increase in cash during the year	147,644	30,886
Cash and bank, beginning of year	<u>298,635</u>	<u>267,749</u>
Cash and bank, end of year	\$ 446,279	\$ 298,635

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2021

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, 2021

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, 2021

3. Investments

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

	2021	2020
Short term:		
GIC, annual, interest at 1.21%, matures April 2020	\$ -	\$ 51,155
GIC, non-redeemable, interest at 2.20%, matures December 2020	-	52,138
GIC, annual, interest at 0.53%, matures April 2021	51,454	-
GIC, non-redeemable, interest at 3.00%, matures June 2021	102,477	-
GIC, non-redeemable, interest at 2.34%, matures December 2021	26,749	-
	180,680	103,293
Long term:		
GIC, non-redeemable, interest at 2.34%, matures December 2021	-	26,138
GIC, non-redeemable, interest at 0.51%, matures January 2022	53,052	-
GIC, non-redeemable, interest at 2.00%, matures January 2022	28,098	27,547
GIC, non-redeemable, interest at 2.43%, matures December 2022	53,637	52,364
GIC, non-redeemable, interest at 2.96%, matures December 2023	53,459	51,922
GIC, non-redeemable, interest at 2.18%, matures December 2024	51,416	50,320
	239,662	208,291
Total	\$ 420,342	\$ 311,584

4. Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ 384,682	\$ 260,166	\$ 371,150	\$ 213,892
Furniture, fixtures and equipment	83,754	62,716	79,603	58,976
Computer and software	55,276	42,324	48,357	35,808
	\$ 523,712	\$ 365,206	\$ 499,110	\$ 308,676
		\$ 158,506		\$ 190,434

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2021

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$65,642 (2020 - \$23,016)

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:

	2021	2020
City of Peterborough	98,676	102,529
Community Foundation of Greater Peterborough	49,319	15,414
Employment & Social Development Canada	23,678	-
Immigration, Refugee and Citizenship Canada	6,197	-
Lloyd Carr Foundation	11,804	4,061
RBC Foundation	9,074	5,788
Nevada Lottery	19,686	20,115
United Way	3,500	-
Externally restricted:		
Anonymous donation restricted for use in 2020-21	-	50,000
Refugee resettlement donations	58,895	63,304
Youth and employment program	50,000	-
Gala ticket sales	5,025	6,900
	\$ 335,854	\$ 268,111

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:

	2021	2020
Balance, beginning of year	\$ 173,691	\$ 201,663
Funding received in the year related to capital assets		
Immigration, Refugee and Citizenship Canada:		
Welcoming Communities	7,689	5,191
Resettlement Assistance Program	2,500	4,210
City of Peterborough	-	437
Employment & Social Development Canada	7,000	-
Community Foundation of Greater Peterborough	4,122	-
Revenue recognized in the year related to capital assets	(64,493)	(37,810)
Balance, end of year	\$ 130,509	\$ 173,691

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2021

8. Commitments

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

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

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 \$45,000 (2020 - \$35,000) 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 \$- (2020 - \$Nil) was transferred out of this fund.

	Community Integration Fund	Emergency Operational Reserve Fund	2021 Total	2020 Total
Beginning balance	\$ 19,894	\$ 385,000	\$ 404,894	\$ 369,894
Transfers	-	45,000	45,000	35,000
Ending balance	<u>\$ 19,894</u>	<u>\$ 430,000</u>	<u>\$ 449,894</u>	<u>\$ 404,894</u>

10. Defined Contribution Pension Plan

Total pension expense for the year was \$36,593 (2020 - \$32,045).

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2021

11. 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 2022.
