

**New Canadians Centre
Peterborough
Financial Statements
For the year ended March 31, 2019**

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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, 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, 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, 2019, 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, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1 and March 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended March 31, 2018 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.

BDO Canada LLP

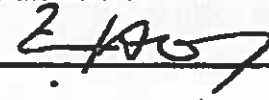
Chartered Professional Accountants, Licensed Public Accountants

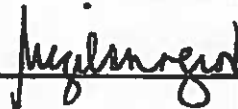
Peterborough, Ontario
May 13, 2019

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

| March 31 | 2019 | 2018 |
|---|------------|------------|
| Assets | | |
| Current | | |
| Cash and bank (Note 2) | \$ 267,750 | \$ 156,375 |
| Short term investments (Note 3) | 98,198 | 134,990 |
| Accounts receivable | 166,688 | 362,572 |
| Prepaid expenses | 3,717 | 4,426 |
| | 536,353 | 658,363 |
| Long term investments (Note 3) | 205,101 | 45,098 |
| Capital assets (Note 4) | 229,602 | 244,953 |
| | \$ 971,056 | \$ 948,414 |
| Liabilities and Net Assets | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 35,941 | \$ 37,533 |
| Deferred revenue (Note 5) | 316,923 | 266,100 |
| | 352,864 | 303,633 |
| Deferred contributions related to capital assets (Note 6) | 201,663 | 229,480 |
| | 554,527 | 533,113 |
| Commitments (Note 7) | | |
| Net Assets | | |
| Internally restricted net assets invested in capital assets | 27,939 | 15,473 |
| Internally restricted funds (Note 8) | 369,894 | 368,184 |
| Unrestricted net assets | 18,696 | 31,644 |
| | 416,529 | 415,301 |
| | \$ 971,056 | \$ 948,414 |

On behalf of the Board:


 _____ Director


 _____ Director

The accompanying notes are an integral part of these financial statements.

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 2019 | Total 2018 |
|---|----------------------------------|-----------------------------------|------------------|-------------------|-------------------|
| Net assets, beginning of year | \$ 15,473 | \$ 368,184 | \$ 31,644 | \$ 415,301 | \$ 360,231 |
| Revenues over expenses (expenses over revenues) | (12,484) | - | 13,712 | 1,228 | 55,070 |
| Investment in capital assets | 34,238 | - | (34,238) | - | - |
| Funding received in the year related to capital assets | (9,288) | - | 9,288 | - | - |
| Internal transfers (Note 8) | - | 1,710 | (1,710) | - | - |
| Net assets, end of year | \$ 27,939 | \$ 369,894 | \$ 18,696 | \$ 416,529 | \$ 415,301 |

New Canadians Centre Peterborough Statement of Operations

| For the year ended March 31 | 2019 | 2018 |
|---|------------------|------------------|
| Revenues (Page 6) | | |
| Grants | \$ 1,797,062 | \$ 1,713,018 |
| Fundraising and donations | 144,859 | 195,951 |
| Interest and other miscellaneous revenues | 5,761 | 4,208 |
| Amortization of deferred contributions for capital assets | 37,105 | 35,878 |
| | <u>1,984,787</u> | <u>1,949,055</u> |
| Expenses | | |
| Amortization | 49,589 | 46,289 |
| Development and staff-related expenses | 30,868 | 37,868 |
| Endowment fund contribution (Note 9) | 10,000 | - |
| Fundraising, promotion and outreach | 62,646 | 47,447 |
| Insurance | 4,228 | 3,949 |
| Memberships | 4,656 | 5,856 |
| Office | 39,013 | 40,215 |
| Rent | 56,201 | 57,173 |
| Professional fees | 43,598 | 61,992 |
| Program costs: | | |
| - general programming | 150,876 | 141,869 |
| - refugee programming | 56,450 | 49,230 |
| Repairs and maintenance | 32,467 | 31,079 |
| Salaries and benefits | 1,424,425 | 1,354,906 |
| Telephone | 18,542 | 16,112 |
| | <u>1,983,559</u> | <u>1,893,985</u> |
| Excess of revenues over expenses | \$ 1,228 | \$ 55,070 |

New Canadians Centre Peterborough Schedule of Revenues

| For the year ended March 31 | 2019 | 2018 |
|---|---------------------|---------------------|
| Grants: | | |
| Federal: | | |
| Immigration, Refugee and Citizenship Canada: | | |
| - Welcoming Communities | \$ 932,847 | \$ 924,856 |
| - Local Immigration Partnership (LIP) | 199,920 | 199,879 |
| - Coordinated Language Assessment and Referral System (CLARS) | 18,220 | 18,296 |
| - Resettlement Assistance Program (RAP) | 293,062 | 299,043 |
| Canadian Heritage | 7,500 | 7,500 |
| Employment and Social Development | 7,464 | 7,886 |
| | 1,459,013 | 1,457,460 |
| Provincial: | | |
| Ministry of Citizenship and Immigration: | | |
| - Newcomer Settlement Program (NSP 1) | 39,790 | 41,702 |
| - Newcomer Settlement Program for Refugees SI (NSP 2) | 69,870 | 60,347 |
| - Newcomer Settlement Program for Refugees EI (NSP 3) | 70,000 | - |
| - Pay Equity | 1,254 | 1,254 |
| - Coordinated Language Assessment and Referral System (CLARS) | 12,163 | 9,402 |
| - Multicultural Community Capacity Grant Program | 7,022 | - |
| - Ministry of Tourism, Culture and Sport | - | 8,250 |
| | 200,099 | 120,955 |
| Municipal: | | |
| City of Peterborough | 60,938 | 50,706 |
| Other: | | |
| Canadian Council for Refugees | 4,406 | 498 |
| United Way Peterborough | 55,112 | 55,112 |
| Lloyd Carr Foundation | 8,564 | 6,344 |
| Luke Four Foundation | 6,854 | 7,225 |
| Community Foundation of Greater Peterborough | 221 | 6,819 |
| COSTI Immigrant Services | - | 2,754 |
| Peterborough Foundation | 1,855 | 5,145 |
| | 77,012 | 83,897 |
| | \$ 1,797,062 | \$ 1,713,018 |
| Fundraising and donations: | | |
| Fundraising: - Canada Day | \$ 16,386 | \$ 20,654 |
| - other | 39,617 | 50,297 |
| Donations | 88,856 | 125,000 |
| | \$ 144,859 | \$ 195,951 |
| Miscellaneous other revenues: | | |
| | \$ 5,761 | \$ 4,208 |

The accompanying notes are an integral part of these financial statements

New Canadians Centre Peterborough Statement of Cash Flows

| For the year ended March 31 | 2019 | 2018 |
|---|-------------------|-------------------|
| Cash provided by (used in) | | |
| Operating activities | | |
| Net excess of revenue over expenses for the year | \$ 1,228 | \$ 55,070 |
| Items not involving cash | | |
| Amortization of capital assets | 49,589 | 46,289 |
| Amortization of deferred contributions for capital assets | (37,105) | (35,878) |
| | 13,712 | 65,481 |
| Changes in non-cash working capital balances | | |
| Accounts receivable | 195,884 | (152,029) |
| Prepaid expenses | 709 | 12,254 |
| Accounts payable | (1,592) | 21,893 |
| Deferred revenue | 50,823 | 96,885 |
| | 259,536 | 44,484 |
| Investing activities | | |
| Purchase of capital assets | (34,238) | (5,116) |
| Purchase of investments - net | (123,211) | (2,198) |
| | (157,449) | (7,314) |
| Financing activities | | |
| Deferred contributions received | 9,288 | 3,816 |
| Increase in cash during the year | 111,375 | 40,986 |
| Cash and bank, beginning of year | 156,375 | 115,389 |
| Cash and bank, end of year | \$ 267,750 | \$ 156,375 |

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2019

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

The company's financial assets consisting of cash, investments and accounts receivable are recorded at fair value when acquired or issued. In subsequent periods they are reported at fair value, cost or amortized cost less impairment, if applicable. Unless otherwise noted, management does not believe the organization is subject to significant credit, liquidity or interest rate risks.

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 |

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.

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2019

1. Summary of Significant Accounting Policies (Continued)

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.

3. Investments

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

| | 2019 | 2018 |
|---|-------------------|-------------------|
| Short term: | | |
| Cash and bank | \$ - | \$ 79,349 |
| GIC, annual, interest at 2.39%, matures December 2018 | - | 27,731 |
| GIC, annual, interest at 1.18%, matures April 2019 | 50,543 | - |
| GIC, annual, interest at 2.59%, matures December 2019 | 28,633 | 27,910 |
| GIC, non-redeemable, interest at 2.15%, matures March 2020, restricted for Nevada | 19,022 | - |
| | 98,198 | 134,990 |
| Long term: | | |
| GIC, non-redeemable, interest at 2.15%, matures March 2020, restricted for Nevada | - | 18,622 |
| GIC, non-redeemable, interest at 2.20%, matures December 2020 | 51,013 | - |
| GIC, non-redeemable, interest at 2.34%, matures December 2021 | 25,539 | - |
| GIC, non-redeemable, interest at 2.15%, matures January 2022 | 27,005 | 26,476 |
| GIC, non-redeemable, interest at 2.34%, matures December 2022 | 51,118 | - |
| GIC, non-redeemable, interest at 2.96%, matures December 2023 | 50,426 | - |
| | 205,101 | 45,098 |
| Total | \$ 303,299 | \$ 180,088 |

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2019

4. Capital Assets

| | 2019 | | 2018 | |
|--------------------------------------|-------------------|-----------------------------|-------------------|-----------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Leasehold improvements | \$ 360,382 | \$ 170,656 | \$ 331,914 | \$ 131,612 |
| Furniture, fixtures and equipment | 79,603 | 52,292 | 79,603 | 45,088 |
| Computer and software | 44,677 | 32,112 | 38,907 | 28,771 |
| | \$ 484,662 | \$ 255,060 | \$ 450,424 | \$ 205,471 |
| | | \$ 229,602 | | \$ 244,953 |

5. 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:

| | 2019 | 2018 |
|---|-------------------|-------------------|
| Ministry of Citizenship and Immigration: | | |
| Newcomer Settlement Program | \$ - | \$ 36,050 |
| Coordinated Language Assessment and Referral System | - | 5,540 |
| Canadian Council for Refugees | 5,096 | 9,502 |
| City of Peterborough | 132,926 | 125,369 |
| Community Foundation of Greater Peterborough | 14,295 | 14,516 |
| Lloyd Carr Foundation | 7,592 | 5,156 |
| Luke Four Foundation | - | 6,854 |
| Peterborough Foundation | - | 1,855 |
| Nevada Lottery | 31,410 | - |
| Externally restricted: | | |
| Donations - special projects | - | 2,346 |
| Refugee resettlement donations | 63,104 | 58,912 |
| Youth program | 62,500 | - |
| | \$ 316,923 | \$ 266,100 |

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2019

6. 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:

| | 2019 | 2018 |
|--|------------|------------|
| Balance, beginning of year | \$ 229,480 | \$ 261,542 |
| Funding received in the year related to capital assets | | |
| Immigration, Refugee and Citizenship Canada: | | |
| Welcoming Communities | 768 | 2,125 |
| Resettlement Assistance Program | 8,520 | 1,691 |
| Revenue recognized in the year related to capital assets | (37,105) | (35,878) |
| Balance, end of year | \$ 201,663 | \$ 229,480 |

7. Commitments

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

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

| | | |
|------|----|--------|
| 2020 | \$ | 34,144 |
| 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.

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2019

8. 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 \$7,000 (2018 - \$50,000) was transferred into this reserve.

During the prior year, 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 \$(5,290) (2018 - \$Nil) was transferred out of this fund.

| | Community Integration Fund | Emergency Operational Reserve Fund | 2019 Total | 2018 Total |
|-------------------|----------------------------------|--|-------------------|-------------------|
| Beginning balance | \$ 25,184 | \$ 343,000 | \$ 368,184 | \$ 318,184 |
| Transfers | (5,290) | 7,000 | 1,710 | 50,000 |
| Ending balance | <u>\$ 19,894</u> | <u>\$ 350,000</u> | <u>\$ 369,894</u> | <u>\$ 368,184</u> |

9. Endowment Fund Contribution

During the year, the Centre contributed \$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.

10. Defined Contribution Pension Plan

Total pension expense for the year was \$25,994 (2018 - \$18,473).

11. Comparative Figures

Comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

