

**New Canadians Centre
Peterborough
Financial Statements**
For the year ended March 31, 2014

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Independent Auditor's Report

To the Board of Directors of New Canadians Centre Peterborough

We have audited the accompanying financial statements of New Canadians Centre Peterborough, which comprise the statement of financial position as at March 31, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended and a summary of notes and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the New Canadians Centre Peterborough's preparation and fair presentation of the financial statements 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 New Canadians Centre Peterborough's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives certain of its revenues from the general public in the form of donations and fundraising which are not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenue over expenditures, assets and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of New Canadians Centre Peterborough as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for non-profit organizations.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Peterborough, Ontario
May 26, 2014

New Canadians Centre Peterborough Statement of Financial Position

March 31 2014 2013

Assets

Current

Cash and bank (Note 2)	\$ 107,556	\$ 71,701
Short term investments (Note 3)	151,685	35,155
Accounts receivable	49,375	121,972
Prepaid expenses	2,500	2,500

311,116 231,328

Capital assets (Note 4)

292,507 61,459

\$ 603,623 \$ 292,787

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 5)	\$ 39,214	\$ 5,671
Deferred revenue	49,101	30,948

88,315 36,619

Deferred contributions related to capital assets (Note 6)

263,033 16,879

351,348 53,498

Net Assets

Internally restricted net assets invested

in capital assets

29,471 44,579

Internally restricted reserves (Note 7)

186,366 151,366

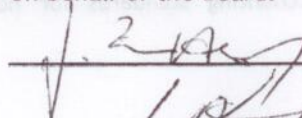
Unrestricted net assets

36,438 43,344

252,275 239,289

\$ 603,623 \$ 292,787

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 reserves	Unrestricted	Total 2014	Total 2013
Net assets, beginning of year	\$ 44,579	\$ 151,366	\$ 43,344	\$ 239,289	\$ 217,221
Revenues over expenses (expenses over revenues)	(19,271)	-	32,257	12,986	22,068
Investment in capital assets	275,998	-	(275,998)	-	-
Funding received in the year related to capital assets	(271,835)	-	271,835	-	-
Internal transfers (Note 7)	-	35,000	(35,000)	-	-
Net assets, end of year	\$ 29,471	\$ 186,366	\$ 36,438	\$ 252,275	\$ 239,289

New Canadians Centre Peterborough Statement of Operations

For the year ended March 31	2014	2013
Revenues (Page 6)		
Grants	\$ 960,796	\$ 900,426
Fundraising and donations	39,185	48,939
Program fees	2,950	1,638
Recovery of expenses	4,875	9,122
Lottery	3,926	5,659
Amortization of deferred contributions for capital assets	16,401	3,112
	<u>1,028,133</u>	<u>968,896</u>
Expenses		
Amortization	24,121	12,315
Fundraising	11,768	11,388
Insurance	3,773	3,687
Office equipment leases	-	4,243
Office and other	25,076	31,947
Premises		
- Rent	41,536	41,762
- Relocation costs (Note 9)	18,690	-
Professional development	3,978	1,708
Professional fees	19,578	25,594
Program costs	60,120	82,145
Repairs and maintenance	9,675	9,025
Salaries and benefits	764,985	701,919
Telephone	10,724	12,148
Travel	9,572	8,947
	<u>1,003,596</u>	<u>946,828</u>
Excess of revenues over expenses before other	24,537	22,068
Other		
Loss on disposal of assets	11,551	-
Excess of revenues over expenses	\$ 12,986	\$ 22,068

New Canadians Centre Peterborough Schedule of Revenues

For the year ended March 31

2014

2013

Grants:

Citizenship and Immigration Canada:

- Welcoming Communities	\$ 552,113	\$ 483,463
- Local Immigration Partnership (LIP)	142,107	142,105
- Coordinated Language Assessment and Referral System (CLARS)	10,588	-

Ministry of Citizenship and Immigration:

- Newcomer Settlement Program (NSP)	22,820	22,820
- Pay Equity	1,254	1,254
- Coordinated Language Assessment and Referral System (CLARS)	4,864	-

Maytree Foundation

	-	1,692
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Northern Lights

	5,333	-
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Human Resources and Skills Development Canada:

- Canada Summer Jobs Program	3,478	3,574
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Ministry of Tourism and Culture

	5,346	8,131
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Ministry of Canadian Heritage

	7,500	7,500
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Chamber of Commerce

	-	45,919
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United Way:

- Peterborough	17,746	17,865
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- Northumberland	6,422	4,000
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City of Peterborough

	46,684	53,740
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Community Foundation of Greater Peterborough

	2,957	1,508
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Community Futures Development Corporation

	50,000	42,415
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Ontario Trillium Foundation

	72,156	62,940
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Sogo Active

	-	1,500
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Fleming Youth Employment Fund

	814	-
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Victoria County Career Services - Employment Services

	1,396	-
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Workforce Development Board

	7,218	-
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\$ 960,796	\$ 900,426
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Fundraising and donations:

Fundraising: - Canada Day

	\$ 8,235	\$ 7,419
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- other	25,617	28,362
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Donations	5,333	13,158
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\$ 39,185	\$ 48,939
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Program fees:

Translation / Interpretation

	\$ 900	\$ 1,338
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Training	2,050	300
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\$ 2,950	\$ 1,638
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Recovery of expenses:

Community and Race Relations Committee - Rent

	\$ -	\$ 5,000
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Other	4,875	4,122
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\$ 4,875	\$ 9,122
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Lottery:

Gross revenues	\$ 12,233	\$ 14,363
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Less direct costs	(8,307)	(8,704)
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\$ 3,926	\$ 5,659
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New Canadians Centre Peterborough Statement of Cash Flows

For the year ended March 31

2014

2013

Cash provided by (used in)

Operating activities

Net excess of revenue over expenses for the year \$ 12,986 \$ 22,068

Items not involving cash

Amortization of capital assets 24,121 12,315

Amortization of deferred contributions for capital assets (16,401) (3,112)

Loss on disposal of assets 11,551 -

32,257 31,271

Changes in non-cash working capital balances

Accounts receivable 72,597 57,387

Accounts payable 33,541 (2,378)

Deferred revenue 18,153 (4,532)

156,548 81,748

Investing activities

Purchase of capital assets (275,998) (13,301)

Purchase of short term investments (116,530) (25,079)

(392,528) (38,380)

Financing activities

Deferred contributions received 271,835 6,553

Increase in cash during the year

35,855 49,921

Cash and bank, beginning of year

71,701 21,780

Cash and bank, end of year

\$ 107,556 \$ 71,701

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2014

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	10 years
Furniture and fixtures	10 years
Computer equipment	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, 2014

2. Cash and Bank

The organization's bank accounts are held at one chartered bank. The bank accounts earn interest at a nominal rate.

3. Short Term Investments

Short-term investments consist of cash and guaranteed investment certificates held at one chartered bank carrying interest from 0.90% to 1.35% and maturing May - December 2014.

4. Capital Assets

	2014			2013		
	Cost	Accumulated Amortization		Cost	Accumulated Amortization	
Leasehold improvements	\$ 251,364	\$ 12,568	\$	33,130	\$ 12,299	\$
Furniture and fixtures	56,602	15,073		32,102	10,638	
Computer equipment	41,137	28,955		35,147	21,838	
Assets under construction	-	-		5,855	-	
	<u>\$ 349,103</u>	<u>\$ 56,596</u>	\$	<u>106,234</u>	<u>\$ 44,775</u>	\$
		<u>\$ 292,507</u>			<u>\$ 61,459</u>	

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$15,303.

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2014

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:

	2014	2013
Balance, beginning of year	\$ 16,879	\$ 13,438
Disposals in the year related to capital assets	(9,280)	-
Funding received in the year related to capital assets		
Citizenship and Immigration Canada	152,553	6,553
Ontario Trillium Foundation	118,065	-
Coordinated Language Assessment and Referral System	1,217	-
Revenue recognized in the year related to capital assets	(16,401)	(3,112)
Balance, end of year	<u>\$ 263,033</u>	<u>\$ 16,879</u>

7. Internally Restricted Reserves

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 (2013 - \$30,000) was transferred into this reserve.

8. Commitments

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

The organization also has an office lease for their Cobourg location expiring in March 2015.

The minimum lease commitments for both locations over the next five are as follows:

2015	\$ 33,700
2016	30,385
2017	31,270
2018	32,208
2019	33,146

New Canadians Centre Peterborough Notes to the Financial Statements

March 31, 2014

9. Relocation Costs

The organization has relocated its Peterborough Location to a new office space in the year. As part of the relocation there were many costs incurred for renovations and associated with the move. The following grants were received to assist with moving and renovating and details of how the grant funds were used is noted below:

	Citizenship and Immigration Canada	Ontario Trillium Foundation	Total 2014	Total 2013
Grant Funding Received	\$ 160,661	\$ 150,000	\$ 310,661	\$ 6,553
Grant Funding Used				
Leasehold improvements	146,000	101,951	247,951	3,600
Furniture and Fixtures	4,000	16,115	20,115	-
Computers	2,553	-	2,553	2,953
Relocation expenses	8,108	10,582	18,690	-
	160,661	128,648	289,309	6,553
Deferred Revenue	\$ -	\$ 21,352	\$ 21,352	\$ -

In 2013, 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 \$22,000 (2012 - \$28,000) was transferred into this reserve.

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

The organization also has an office lease for their Cobourg location expiring in March 2015.

The minimum lease commitments for both locations over the next five are as follows:

2015	2016	2017	2018	2019
\$ 13,700	\$ 10,188	\$ 11,570	\$ 12,501	\$ 13,148