

**SAINT JOHN MULTICULTURAL & NEWCOMERS RESOURCE CENTRE INC.**

(Incorporated under the laws of New Brunswick)

**FINANCIAL STATEMENTS**

**MARCH 31, 2020**

**SAINT JOHN MULTICULTURAL & NEWCOMERS RESOURCE CENTRE INC.**

**MARCH 31, 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Directors of Saint John Multicultural & Newcomers Resource Centre Inc.

### Opinion

We have audited the financial statements of Saint John Multicultural & Newcomers Resource Centre Inc. ("the Organization"), which comprise the statement of financial position as at March 31, 2020, and the statement of operations, statement of changes in net assets and statement of 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, 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 ("ASNPO").

### 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 ASNPO, 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.

### Auditors' 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 auditors' 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.
- ◆ Communicate with the Organization 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

Saint John, NB  
October 13, 2020

**SAINT JOHN MULTICULTURAL & NEWCOMERS RESOURCE CENTRE INC.**

**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 114,824	\$ 140,080
Accounts receivable	35,702	15,776
Prepaid expenses	<u>3,038</u>	<u>4,300</u>
	153,564	160,156
<b>CAPITAL ASSETS (Note 3)</b>	<u>129</u>	<u>258</u>
	<u>\$ 153,693</u>	<u>\$ 160,414</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 27,022	\$ 17,832
Government remittances	15,270	12,342
Deferred contributions (Note 4)	<u>7,376</u>	<u>25,774</u>
	<u>49,668</u>	<u>55,948</u>
<b>NET ASSETS</b>		
<b>NET ASSETS INVESTED IN CAPITAL ASSETS</b>	129	258
<b>UNRESTRICTED NET ASSETS</b>	<u>103,896</u>	<u>104,208</u>
	<u>104,025</u>	<u>104,466</u>
	<u>\$ 153,693</u>	<u>\$ 160,414</u>

See accompanying notes to financial statements.

**APPROVED ON BEHALF OF THE BOARD:**

*Jing Yang* Director  
*Emin Civi* Director

**SAINT JOHN MULTICULTURAL & NEWCOMERS RESOURCE CENTRE INC.**

**STATEMENT OF CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED MARCH 31, 2020**

	<b><u>Invested in Capital Assets</u></b>	<b><u>Unrestricted</u></b>	<b><u>Total 2020</u></b>	<b><u>Total 2019</u></b>
<b>BALANCE AT BEGINNING OF YEAR</b>	\$ 258	\$ 104,208	\$ 104,466	\$ 118,736
<b>DEFICIENCY OF REVENUE OVER EXPENDITURE</b>	<u>(129)</u>	<u>(312)</u>	<u>(441)</u>	<u>(14,270)</u>
<b>BALANCE AT END OF YEAR</b>	<b><u>\$ 129</u></b>	<b><u>\$ 103,896</u></b>	<b><u>\$ 104,025</u></b>	<b><u>\$ 104,466</u></b>

See accompanying notes to financial statements.

**SAINT JOHN MULTICULTURAL & NEWCOMERS RESOURCE CENTRE INC.**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>REVENUE</b>		
Province of New Brunswick	\$ 323,490	\$ 300,042
Government of Canada	253,877	222,457
City of Saint John	15,000	21,600
Other revenue	34,357	34,677
Interest	<u>1,165</u>	<u>1,260</u>
	<u>627,889</u>	<u>580,036</u>
<b>EXPENDITURE</b>		
Advertising and promotion	10,882	15,123
Communications	3,857	2,915
Insurance	5,487	4,249
Interest and bank charges	2,704	784
Office supplies	10,699	11,250
Professional development	5,431	6,325
Professional fees	19,197	6,270
Program expenses	62,513	104,324
Rent	16,800	16,800
Salaries and benefits	471,481	395,095
Scholarship	2,000	2,171
Travel	<u>17,150</u>	<u>28,743</u>
	<u>628,201</u>	<u>594,049</u>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURE BEFORE AMORTIZATION</b>	(312)	(14,013)
<b>AMORTIZATION</b>	<u>(129)</u>	<u>(257)</u>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURE</b>	<u>\$ (441)</u>	<u>\$ (14,270)</u>

See accompanying notes to financial statements.

**SAINT JOHN MULTICULTURAL & NEWCOMERS RESOURCE CENTRE INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>CASH PROVIDED BY (USED IN)</b>		
Operating activities		
Deficiency of revenue over expenditure	\$ (441)	\$ (14,270)
Items not involving cash		
Amortization	<u>129</u>	<u>257</u>
	(312)	(14,013)
Changes in non-cash working capital balances		
Accounts receivable	(19,925)	(11,601)
Prepaid expenses	1,262	2,941
Accounts payable and accrued liabilities	9,189	10,082
Government remittances	2,928	12,342
Deferred contributions	<u>(18,398)</u>	<u>(64,289)</u>
<b>DECREASE IN CASH</b>	(25,256)	(64,538)
<b>CASH AT BEGINNING OF YEAR</b>	<u>140,080</u>	<u>204,618</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 114,824</u>	<u>\$ 140,080</u>

See accompanying notes to financial statements.



NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

**1. PURPOSE OF THE ORGANIZATION**

Saint John Multicultural & Newcomers Resource Centre Inc. (the "organization"), is incorporated under the Companies Act of New Brunswick. The organization provides free services to newcomers including one-on-one employment counselling, language classes, and referral/placement services. The organization is a not-for-profit organization, and is therefore exempt from income taxes under section 149 of the Income Tax Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

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, including donations and grants, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other revenues, including interest, are recorded when earned.

Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand, bank balances and investments in guaranteed investment certificates having maturities of one year or less from date of purchase.

Capital Assets

Capital assets are recorded at their acquisition cost less accumulated amortization. Contributed capital assets are recorded at their fair value at the date of contribution where the fair value can be reasonably determined. Capital assets are amortized on the basis of their useful life using the following methods and rates:

Computer equipment	50% declining balance
Furnishings and equipment	20% straight line
Website	30% straight line

Donated Services

The organization receives the donated services of many volunteers in various functions, including administration. These donated services are not reflected in the financial statements because of the difficulty of determining their fair value.

Financial Instruments

*Measurement of Financial Instruments*

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenditure.

**SAINT JOHN MULTICULTURAL & NEWCOMERS RESOURCE CENTRE INC.**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

*Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenditure. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenditure.

*Transaction Costs*

The organization recognizes its transaction costs in excess of revenue over expenditure in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

*Use of Estimates*

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

**3. CAPITAL ASSETS**

	<u>2020</u>			<u>2019</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer equipment	\$ 9,145	\$ 9,016	\$ 129	\$ 258
Furnishings and equipment	7,683	7,683	-	-
Website	<u>5,500</u>	<u>5,500</u>	<u>-</u>	<u>-</u>
	<u>\$ 22,328</u>	<u>\$ 22,199</u>	<u>\$ 129</u>	<u>\$ 258</u>

**4. DEFERRED CONTRIBUTIONS**

	<u>2020</u>	<u>2019</u>
Province of New Brunswick	\$ 1,971	\$ 9,020
City of Saint John	-	16,754
Other deferred contributions	<u>5,405</u>	<u>-</u>
	<u>\$ 7,376</u>	<u>\$ 25,774</u>

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

**5. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at March 31, 2020.

*Liquidity risk*

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

*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's main credit risks relate to its accounts receivable. The organization assesses the collectability of its accounts receivable on a continuous basis.