

Financial Statements
CultureLink Settlement
Services of Metropolitan Toronto
Toronto, Ontario
March 31, 2014

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Independent Auditors' Report

To the Members of CultureLink Settlement Services of Metropolitan Toronto:

We have audited the accompanying financial statements of CultureLink Settlement Services of Metropolitan Toronto, which comprise the statement of financial position as at March 31, 2014 and the statements of changes in net assets, operations and cash flows for the year then ended and a summary of significant accounting policies 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 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.

Auditors' 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 Corporation'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 Corporation'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.

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Independent Auditors' Report - continued

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CultureLink Settlement Services of Metropolitan Toronto 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 not-for-profit organizations.

Toronto, Ontario
June 16, 2014

PRENTICE YATES & CLARK
Chartered Accountants, Licensed Public Accountants

CultureLink Settlement Services of Metropolitan Toronto

March 31, 2014

Statement of Financial Position - Assets	2014	2013
Current Assets		
Cash	\$ 530,909	\$ 218,601
Accounts receivable		
Grants	16,825	276,514
HST	58,945	57,190
Prepaid expenses	8,125	11,012
Total Current	614,804	563,317
Capital Assets , Note 3	28,580	39,032
	643,384	602,349

Statement of Financial Position- Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	37,135	43,197
Deferred contributions related to capital assets, Note 4	28,580	39,032
Deferred revenue	76,576	102,850
Total Liabilities	142,291	185,079
Net Assets , per statement		
Unrestricted, Note 7	501,093	417,270
	643,384	602,349

Approved by The Board

Wendy Horning


Director

Sarah Bukhari


Director

The notes on pages 9 through 12 form an integral part of these financial statements.

CultureLink Settlement Services of Metropolitan Toronto

Year ended March 31, 2014

Statement of Changes in Net Assets

	Invested in		2014		2013	
	Capital Assets	Unrestricted	Total	Total	Total	Total
\$	0	\$ 417,270	\$ 417,270	\$	425,272	
Balance beginning	0	83,823	83,823		(8,002)	
Add (deduct)						
Surplus	0	501,093	501,093		417,270	
Balance March 31						

CultureLink Settlement Services of Metropolitan Toronto

Year ended March 31, 2014

Statement of Operations	2014	2013
Revenues		
Federal grants	\$ 2,524,012	\$ 2,602,589
Provincial grants	261,806	179,223
Municipal grants	65,060	52,940
Donations	3,939	13,127
Foundations	315,966	270,259
Fundraising Income	88,520	0
Productive enterprises	26,393	24,766
Miscellaneous income	3,471	18,784
Amortization of deferred contributions, Note 4	19,945	3,466
Total Revenues	<u>3,309,112</u>	<u>3,165,154</u>
Expenses		
Salaries and benefits	2,612,702	2,600,454
Sponsorships	15,539	6,110
Rent	254,544	251,045
Promotion and publicity	78,762	35,582
Staff development	67,729	81,098
Repairs and maintenance	2,555	1,667
Amortization	19,945	3,466
Member events	25,747	25,610
Insurance	8,969	7,500
Interest	441	387
Security	497	602
Other expenses	557	1,855
Office equipment	26,783	40,372
Office supplies	33,941	40,931
Telephone	16,804	15,685
Professional fees	6,893	6,370
HST	21,704	20,078
Travel	24,949	26,933
Membership fees	3,440	3,570
Bank charges	2,192	2,263
Postage	596	1,578
Total Expenses	<u>3,225,289</u>	<u>3,173,156</u>
Surplus (Deficit)	<u>83,823</u>	<u>(8,002)</u>

CultureLink Settlement Services of Metropolitan Toronto

Year ended March 31, 2014

Statement of Cash Flows	2014	2013
Operating Activities		
Cash receipts	\$ 3,547,101	\$ 3,181,433
Cash disbursements	(3,234,793)	(3,172,716)
Cash Provided By Operating Activities	312,308	8,717
Investing and Financing Activities		
Purchase of capital assets	(9,494)	(39,032)
Contribution for purchase of capital assets	9,494	39,032
	0	0
Net cash increase during the year	312,308	8,717
Cash position beginning of year	218,601	209,884
Cash Position End Of Year	530,909	218,601

Notes to Financial Statements

Status and Nature of Activities

The Corporation is dedicated to facilitating the independence and full participation of newcomers in Toronto's diverse community through enhancing skills, promoting positive interaction and understanding and promoting well being for all participants.

The Corporation is incorporated under the Ontario Corporations Act as a corporation without share capital.

The Corporation is a charitable organization within the meaning of the Income Tax Act.

Note 1

Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Capital Assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Computer and computer equipment	- 2 years straight line
Furniture and fixtures	- 2 years straight line

Revenue Recognition

Revenue is recognized on an accrual basis. The organization follows the deferral method of accounting for contributions and grants.

Revenue from Productive Enterprises is recognized when service is rendered.

Donation revenue is recognized when received or receivable.

Financial Instruments

The Corporation initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income.

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

Note 1 Significant Accounting Policies - continued

Financial liabilities measured at amortized cost include accounts payable.

Use of Estimates

The preparation of financial statements in accordance with Canadian Generally Accepted Accounting Principles requires management to make assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Note 2 Financial Instruments

Risk Management Policy

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at March 31, 2014.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a loss.

The Corporation is subject to concentrations of credit risk through its cash accounts. The Corporation maintains all of its cash at a single major Canadian financial institution. The maximum credit risk is equivalent to the carrying value.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant. The methods and assumptions management uses when assessing market risks have not changed substantially from the prior period and are summarized below:

(i) Interest Rate Risk

The Corporation does not have any interest bearing investments.

(ii) Foreign Currency Risk

The Corporation's functional currency is the Canadian dollar. The Corporation does not engage in any activities in foreign currency and as a result it is the opinion of management that the Corporation is not exposed to significant foreign currency risk.

CultureLink Settlement Services of Metropolitan Toronto

March 31, 2014

Note 2 Financial Instruments - continued

(iii) Commodity Price Risk

The Corporation is subject to normal price risk associated with consumer products.

Note 3 Capital Assets

At cost	2014	2013
Furniture & fixtures	\$ 186,619	\$ 186,619
Computers and computer equipment	225,895	216,401
	412,514	403,020
Accumulated amortization	(383,934)	(363,988)
	28,580	39,032

Note 4 Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets include the unamortized portion of the restricted contributions relating to the purchase of capital assets. The deferred contributions will be recognized as revenue on the same basis the capital assets are being amortized.

The changes in the deferred contributions balance for the period are as follows:

	2014	2013
Beginning balance	\$ 39,032	\$ 3,466
Contributions received during the year	9,493	39,032
Amounts recognized as revenue during the year	(19,945)	(3,466)
	28,580	39,032

Note 5 Net Assets Invested in Capital Assets

Net assets invested in capital assets consist of the following:

	2014	2013
Capital assets	\$ 28,580	\$ 39,032
Deferred contributions related to capital assets	(28,580)	(39,032)
	0	0

CultureLink Settlement Services of Metropolitan Toronto

March 31, 2014

Note 6 Rental Agreement

The Corporation entered into a 10-year lease with 690981 Ontario Limited to rent the 3rd floor of 2340 Dundas Street West. The terms of the contract are as follows:

<u>Term</u>	<u>Amounts</u>
April 1, 2010 - March 31, 2019	\$19,654 per month plus increases by the change in the Consumer Price Index from the preceding year plus taxes

Lease payments due in the next five years are approximately as follows:

2015	\$	21,753
2016		22,188
2017		22,632
2018		23,084
2019		23,546

Note 7 Unrestricted Net Assets

Unrestricted net assets represent the excess of assets over liabilities. Generally, the balance of unrestricted net assets is an accumulation of all surpluses and deficits of current and all prior years since inception.