

Financial Statements
CultureLink Settlement
Services of Metropolitan Toronto
Toronto, Ontario
March 31, 2012

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15 Toronto St., Suite 700
Toronto, Canada
M5C 2E3

(416) 366-9256
1 (800) 265-7818
Fax: (416) 366-9171
Web: www.pyc.net

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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, 2012, 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 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.

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.

continued...

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, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
July 30, 2012

Prentice Yates & Clark

Chartered Accountants, Licensed Public Accountants

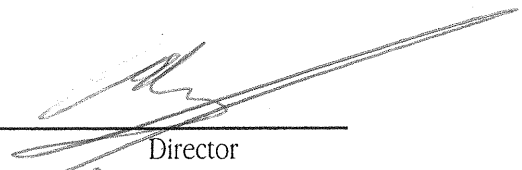
CultureLink Settlement Services of Metropolitan Toronto

March 31, 2012

Statement of Financial Position	2012	2011
Current Assets		
Cash	\$ 209,884	\$ 151,429
Accounts receivable		
Grants	341,361	312,767
GST/HST	51,120	44,083
Prepaid expenses	6,132	7,111
Total Current	608,497	515,390
Capital Assets, Note 4	3,466	43,658
	611,963	559,048

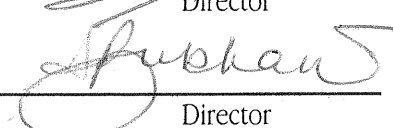
Approved by The Board

Wendy A. Horning



Director

Sarah Bukhari



Director

CultureLink Settlement Services of Metropolitan Toronto

March 31, 2012

Statement of Financial Position	2012	2011
Current Liabilities		
Accounts payable and accrued liabilities	\$ 69,696	\$ 109,452
Deferred contributions related to capital assets, Note 5	3,466	42,942
Deferred revenue	113,529	47,498
Total Current	186,691	199,892
Net Assets , per statement		
Invested in capital assets, Note 6	0	716
Unrestricted, Note 8	425,272	358,440
	425,272	359,156
	611,963	559,048

The notes on pages 11 through 14 form an integral part of these financial statements.

CultureLink Settlement Services of Metropolitan Toronto

Year ended March 31, 2012

Statement of Changes in Net Assets

	Invested in		2012		2011	
	Capital Assets	Unrestricted	Total	Total	Total	Total
Balance beginning	\$ 716	\$ 358,440	\$ 359,156	\$	\$ 346,971	\$ 346,971
Add (deduct)						
Surplus (deficit)	(716)	66,832	66,116			12,185
Balance March 31	0	425,272	425,272			359,156

CultureLink Settlement Services of Metropolitan Toronto

Year ended March 31, 2012

Statement of Operations	2012	2011
Revenues		
Federal grants	\$ 2,712,379	\$ 2,751,337
Provincial grants	206,873	174,916
Municipal grants	105,355	138,794
Donations	6,718	5,903
Foundations	268,358	265,201
Productive enterprises	37,284	31,495
Miscellaneous income	0	3,280
Amortization of deferred contributions, Note 5	39,476	108,568
Total Revenues	3,376,443	3,479,494
Expenses		
Salaries and benefits	2,676,973	2,732,052
Administrative, per schedule	182,326	193,865
Sponsorships	15,427	22,529
Rent	244,897	240,095
Promotion and publicity	38,123	69,747
Staff development	78,157	52,527
Repairs and maintenance	3,902	2,010
Amortization	40,192	125,050
Member events	19,431	18,686
Insurance	8,208	8,440
Interest	586	421
Security	655	719
Other expenses	1,450	1,168
Total Expenses	3,310,327	3,467,309
Surplus	66,116	12,185

CultureLink Settlement Services of Metropolitan Toronto

Year ended March 31, 2012

Schedule of Administrative Expenses	2012	2011
Office equipment	\$ 47,452	\$ 64,621
Office supplies	31,533	37,770
Telephone	28,892	28,048
Professional fees	21,694	15,920
GST/HST	19,860	17,114
Travel	27,399	21,957
Membership fees	1,870	4,663
Bank charges	2,342	2,194
Postage	1,284	1,578
	<u>182,326</u>	<u>193,865</u>

CultureLink Settlement Services of Metropolitan Toronto

Year ended March 31, 2012

Statement of Cash Flows	2012	2011
Operating Activities		
Cash receipts	\$ 3,367,367	\$ 3,340,234
Cash disbursements	(3,308,912)	(3,370,315)
	58,455	(30,081)
Investing and Financing Activities		
Purchase of capital assets	0	(6,933)
	0	(6,933)
Net cash increase (decrease) during the year	58,455	(37,014)
Cash position beginning of year	151,429	188,443
<i>Cash Position End Of Year</i>	209,884	151,429

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

(a) 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

(b) 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 has elected to use the exemption provided by The Canadian Institute of Chartered Accountants (CICA) permitting not-for-profit organizations to not apply the following sections of the CICA Handbook: Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation, which would otherwise have been applied to the financial statements of the Corporation for the year ended March 31, 2012. The Corporation applies the requirements of Section 3861, Financial Instruments - Disclosure and Presentation.

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 Recent Accounting Pronouncement

New accounting standards for non-profit organizations are effective with years beginning on or after January 1, 2012. The Corporation plans to implement these new standards. The Corporation is working to determine what impact, if any, the initial adoption of these standards will have on its financial statements. Significant changes are not anticipated.

Note 3 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, 2012.

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.

(iii) Commodity Price Risk

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

CultureLink Settlement Services of Metropolitan Toronto

March 31, 2012

Note 3 Financial Instruments - continued

Fair Value

The fair values of cash, accounts receivable and accounts payable are approximately equal to their carrying value due to their short term nature.

Note 4 Capital Assets

At cost	2012	2011
Furniture & fixtures	\$ 186,619	\$ 186,619
Computers and computer equipment	177,369	177,369
	363,988	363,988
Accumulated amortization	(360,522)	(320,330)
	3,466	43,658

Note 5 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:

	2012	2011
Beginning balance	\$ 42,942	\$ 144,577
Contributions received during the year	0	6,933
Amounts recognized as revenue during the year	(39,476)	(108,568)
	3,466	42,942

Note 6 Net Assets Invested in Capital Assets

Net assets invested in capital assets consist of the following:

	2012	2011
Capital assets	\$ 3,466	\$ 43,658
Deferred contributions related to capital assets	(3,466)	(42,942)
	0	716

CultureLink Settlement Services of Metropolitan Toronto

March 31, 2012

Note 7 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

Note 8 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.

Note 9 Capital Management

The Corporation's objective when managing capital is to ensure that enough funds are available to perform all necessary programme activities.

The Corporation defines its capital to include invested in capital assets and unrestricted net assets.

Capital is described as follows:

	<u>2012</u>	<u>2011</u>
Invested in capital assets	\$ 0	\$ 716
Unrestricted	425,272	358,440
Net assets	<u>425,272</u>	<u>359,156</u>

The funds earned by the Corporation must be expended in accordance with Canada Revenue Agency guideline for charities.