

Financial Statements
CultureLink Settlement and
Community Services

Toronto, Ontario

March 31, 2017

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Independent Auditors' Report

To the Members of CultureLink Settlement and Community Services:

We have audited the accompanying financial statements of CultureLink Settlement and Community Services, which comprise the statement of financial position as at March 31, 2017 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.

continued...

Independent Auditors' Report - continued

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CultureLink Settlement and Community Services as at March 31, 2017 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 12, 2017



Chartered Professional Accountants, Licensed Public Accountants

CultureLink Settlement and Community Services

March 31, 2017

Statement of Financial Position - Assets	2017	2016
Current Assets		
Cash	\$ 1,032,790	\$ 892,901
Accounts receivable		
Grants	155,238	126,696
HST	51,970	36,060
Prepaid expenses	7,537	5,342
Total Current	1,247,535	1,060,999
Capital Assets, Note 3	10,719	2,502
	1,258,254	1,063,501

Statement of Financial Position- Liabilities

Current Liabilities		
Accounts payable and accrued liabilities	115,316	62,275
Deferred contributions related to capital assets, Note 4	10,719	1,536
Deferred revenue	488,930	410,830
Total Liabilities	614,965	474,641
Net Assets, per statement		
Invested in capital assets, Note 5	0	966
Unrestricted, Note 7	643,289	587,894
	1,258,254	1,063,501

Approved by The Board

Jessica Dargo Caplan


Director

Wendy Ann Horning


Director

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

CultureLink Settlement and Community Services

Year ended March 31, 2017

Statement of Changes in Net Assets	2017		2016
	Invested in Capital Assets	Unrestricted	Total
Balance beginning	\$ 966	\$ 587,894	\$ 588,860
Add (deduct)			
Surplus	(966)	55,395	54,429
Balance March 31	0	643,289	643,289
			543,190
			45,670
			588,860

CultureLink Settlement and Community Services

Year ended March 31, 2017

Statement of Operations	2017	2016
Revenues		
Federal grants	\$ 2,450,774	\$ 2,424,980
Provincial grants	232,624	283,485
Municipal grants	130,198	78,571
Donations	24,314	5,995
Foundations	674,713	297,145
Fundraising	1,253	1,938
Productive enterprises	69,955	28,105
Miscellaneous	31,987	7,492
Amortization of deferred contributions, Note 4	1,301	4,811
Total Revenues	3,617,119	3,132,522
Expenses		
Salaries and benefits	2,808,509	2,580,016
Sponsorships	135,634	18,290
Rent	268,817	262,693
Promotion and publicity	12,610	11,426
Staff development	4,803	7,361
Repairs and maintenance	1,151	2,096
Amortization	2,267	5,776
Member events	75,525	41,222
Insurance	8,698	8,303
Interest	417	183
Security	562	564
Office equipment	43,910	28,113
Office supplies	99,610	53,926
Telephone	20,715	14,036
Professional fees	12,765	8,771
HST	23,208	15,530
Travel	30,573	17,731
Membership fees	5,289	4,661
Bank charges	2,488	2,071
Postage	2,914	1,365
Police check	2,225	2,718
Total Expenses	3,562,690	3,086,852
Surplus	54,429	45,670

CultureLink Settlement and Community Services

Year ended March 31, 2017

Statement of Cash Flows	2017	2016
Operating Activities		
Surplus	\$ 54,429	\$ 45,670
Non-cash items		
Amortization of deferred contributions	(1,301)	(4,811)
Amortization of capital assets	2,267	5,776
	<u>55,395</u>	<u>46,635</u>
Net change in non-cash working capital	<u>84,494</u>	<u>219,324</u>
<i>Cash Provided By Operating Activities</i>	<u>139,889</u>	<u>265,959</u>
Investing Activities		
Capital expenditures	<u>(10,484)</u>	<u>(1,043)</u>
<i>Cash Used In Investing Activities</i>	<u>(10,484)</u>	<u>(1,043)</u>
Financing Activities		
Contributions for purchase of capital assets	<u>10,484</u>	<u>1,043</u>
<i>Cash Provided By Financing Activities</i>	<u>10,484</u>	<u>1,043</u>
Net cash increase during the year	139,889	265,959
Cash position beginning of year	892,901	626,942
<i>Cash Position End of Year</i>	<u>1,032,790</u>	<u>892,901</u>

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:

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

Donation revenue is recognized when received or receivable.

Revenue from Productive enterprises is recognized when service is rendered.

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 accounting standards for non-profit organizations 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, 2017:

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. There is some risk to cash balances in excess of the \$100,000 amount guaranteed by the Canadian Deposit Insurance Corporation.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates. The methods and assumptions management uses when assessing market risks have not changed substantially from the prior period. The Corporation is not exposed to significant market risk.

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its long-term debt. This risk is reduced because of available cash on hand.

CultureLink Settlement and Community Services

March 31, 2017

Note 3 Capital Assets

			2017	2016
	Cost	Accumulated Amortization	Net Assets	Net Assets
Furniture and fixtures	\$ 186,619	\$ (186,619)	\$ 0	\$ 0
Computer equipment	240,340	(229,621)	10,719	2,502
	426,959	(416,240)	10,719	2,502

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:

	2017	2016
Beginning balance	\$ 1,536	\$ 5,304
Contributions received during the year	10,484	1,043
Amounts recognized as revenue during the year	(1,301)	(4,811)
	10,719	1,536

Note 5 Net Assets Invested in Capital Assets

Net assets invested in capital assets consist of the following:

	2017	2016
Capital assets	\$ 10,719	\$ 2,502
Deferred contributions related to capital assets	(10,719)	(1,536)
	0	966

CultureLink Settlement and Community Services

March 31, 2017

Note 6 **Rental Agreement**

The Corporation entered into a 9 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

Monthly lease payments due in the future are approximately as follows:

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.