

**Financial Statements**  
**CultureLink Settlement**  
**Services of Metropolitan Toronto**  
Toronto, Ontario  
*March 31, 2015*

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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, 2015 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, 2015 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  
July 6, 2015



Chartered Professional Accountants, Licensed Public Accountants

## CultureLink Settlement Services of Metropolitan Toronto

March 31, 2015

<b>Statement of Financial Position - Assets</b>	2015	2014
<b>Current Assets</b>		
Cash	\$ 626,942	\$ 530,909
Accounts receivable		
Grants	9,713	16,825
HST	48,435	58,945
Prepaid expenses	5,892	8,125
	690,982	614,804
<b>Total Current</b>	690,982	614,804
<b>Capital Assets, Note 3</b>	7,235	28,580
	698,217	643,384

<b>Statement of Financial Position- Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	45,211	37,135
Deferred contributions related to capital assets, Note 4	5,304	28,580
Deferred revenue	104,512	76,576
	155,027	142,291
<b>Total Liabilities</b>	155,027	142,291
<b>Net Assets, per statement</b>		
Invested in capital assets, Note 5	1,931	0
Unrestricted, Note 7	541,259	501,093
	698,217	643,384

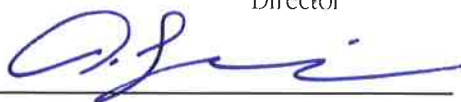
**Approved by The Board**

Hong Li Zhu



Director

Tony Fiore



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, 2015*

Statement of Changes in Net Assets	2015		2014	
	Invested in Capital Assets	Unrestricted	Total	Total
Balance beginning	0 \$	501,093 \$	501,093 \$	417,270
Add (deduct)				
Surplus	0	42,097	42,097	83,823
Investment in capital assets	1,931	(1,931)	0	0
<b>Balance March 31</b>	<b>1,931</b>	<b>541,259</b>	<b>543,190</b>	<b>501,093</b>

## CultureLink Settlement Services of Metropolitan Toronto

Year ended March 31, 2015

<b>Statement of Operations</b>	2015	2014
<b>Revenues</b>		
Federal grants	\$ 2,542,325	\$ 2,524,012
Provincial grants	269,942	261,806
Municipal grants	66,495	65,060
Donations	3,805	3,939
Foundations	320,365	315,966
Fundraising	1,773	88,520
Productive enterprises	18,969	26,393
Miscellaneous	3,104	3,471
Amortization of deferred contributions, Note 4	24,263	19,945
<b>Total Revenues</b>	<b>3,251,041</b>	<b>3,309,112</b>
<b>Expenses</b>		
Salaries and benefits	2,694,050	2,612,702
Sponsorships	11,432	15,539
Rent	259,072	254,544
Promotion and publicity	9,578	56,720
Staff development	8,295	2,930
Repairs and maintenance	750	2,555
Amortization	24,263	19,945
Member events	46,882	47,788
Insurance	8,147	8,969
Interest	275	441
Security	602	497
Office equipment	32,170	26,783
Office supplies	45,201	98,741
Telephone	9,822	16,315
Professional fees	12,408	6,893
HST	18,215	21,704
Travel	18,388	24,949
Membership fees	4,547	3,440
Bank charges	2,003	2,192
Postage	1,408	596
Other	1,436	1,046
<b>Total Expenses</b>	<b>3,208,944</b>	<b>3,225,289</b>
<b>Surplus</b>	<b>42,097</b>	<b>83,823</b>

## CultureLink Settlement Services of Metropolitan Toronto

*Year ended March 31, 2015*

<b>Statement of Cash Flows</b>	2015	2014
<b>Operating Activities</b>		
Cash receipts	\$ 3,244,400	\$ 3,547,101
Cash disbursements	(3,146,436)	(3,234,793)
	97,964	312,308
<b>Cash Provided By Operating Activities</b>		
<b>Investing Activities</b>		
Purchase of capital assets	(2,918)	(9,494)
Contribution for purchase of capital assets	987	9,494
	(1,931)	0
<b>Cash Provided By (Used in) Investing Activities</b>		
Net cash increase during the year	96,033	312,308
Cash position beginning of year	530,909	218,601
	626,942	530,909
<b>Cash Position End Of Year</b>		



# CultureLink Settlement Services of Metropolitan Toronto

March 31, 2015

## Notes to Financial Statements

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### 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.

## CultureLink Settlement Services of Metropolitan Toronto

March 31, 2015

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### 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, 2015.

#### **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 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, 2015

**Note 2      Financial Instruments - continued**

**(iii) Commodity Price Risk**

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

**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 considerable sums in the cash account.

**Note 3      Capital Assets**

			2015	2014
	Cost	Accumulated Amortization	Net Assets	Net Assets
Furniture and fixtures	186,619	(186,619)	0	0
Computer equipment	228,813	(221,578)	7,235	28,580
	415,432	(408,197)	7,235	28,580

**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:

			2015		2014
Beginning balance	\$	28,580	\$	39,032	
Contributions received during the year		987		9,493	
Amounts recognized as revenue during the year		(24,263)		(19,945)	
		5,304		28,580	

**CultureLink Settlement Services of Metropolitan Toronto**

*March 31, 2015*

**Note 5      Net Assets Invested in Capital Assets**

Net assets invested in capital assets consist of the following:

	2015	2014
Capital assets	\$ 7,235	\$ 28,580
Deferred contributions related to capital assets	(5,304)	(28,580)
	1,931	0

**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

Lease payments due in the future is approximately as follows:

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.