

Financial Statements
**CultureLink Settlement and
Community Services**
Toronto, Ontario
March 31, 2016

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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, 2016 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, 2016 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 20, 2016



Chartered Professional Accountants, Licensed Public Accountants

CultureLink Settlement and Community Services

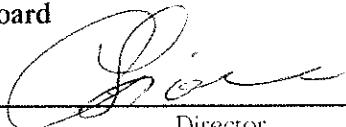
March 31, 2016

Statement of Financial Position - Assets	2016	2015
Current Assets		
Cash	\$ 892,901	\$ 626,942
Accounts receivable		
Grants	126,696	9,713
HST	36,060	48,435
Prepaid expenses	5,342	5,892
Total Current	1,060,999	690,982
Capital Assets, Note 3	2,502	7,235
	1,063,501	698,217

Statement of Financial Position- Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	62,275	45,211
Deferred contributions related to capital assets, Note 4	1,536	5,304
Deferred revenue	410,830	104,512
Total Liabilities	474,641	155,027
Net Assets, per statement		
Invested in capital assets, Note 5	966	1,931
Unrestricted, Note 7	587,894	541,259
	1,063,501	698,217

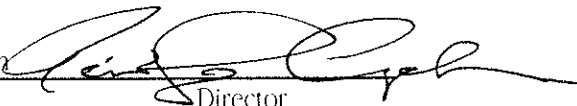
Approved by The Board

Tony Fiore



Director

Jessica Dargo Caplan



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, 2016

Statement of Changes in Net Assets	Invested in		2016	2015
	Capital Assets	Unrestricted	Total	Total
Balance beginning	\$ 1,931	\$ 541,259	\$ 543,190	\$ 501,093
Add (deduct)				
Surplus (deficit)	(965)	46,635	45,670	42,097
Balance March 31	966	587,894	588,860	543,190

CultureLink Settlement and Community Services

Year ended March 31, 2016

Statement of Operations	2016	2015
Revenues		
Federal grants	\$ 2,424,980	\$ 2,542,325
Provincial grants	283,485	269,942
Municipal grants	78,571	66,495
Donations	5,995	3,805
Foundations	297,145	320,365
Fundraising	1,938	1,773
Productive enterprises	28,105	18,969
Miscellaneous	7,492	3,104
Amortization of deferred contributions, Note 4	4,811	24,263
Total Revenues	3,132,522	3,251,041
Expenses		
Salaries and benefits	2,580,016	2,694,050
Sponsorships	18,290	11,432
Rent	262,693	259,072
Promotion and publicity	11,426	9,578
Staff development	7,361	8,295
Repairs and maintenance	2,096	750
Amortization	5,776	24,263
Member events	41,222	46,882
Insurance	8,303	8,147
Interest	183	275
Security	564	602
Office equipment	28,113	32,170
Office supplies	53,926	45,201
Telephone	14,036	9,822
Professional fees	8,771	12,408
HST	15,530	18,215
Travel	17,731	18,388
Membership fees	4,661	4,547
Bank charges	2,071	2,003
Postage	1,365	1,408
Other	2,718	1,436
Total Expenses	3,086,852	3,208,944
Surplus	45,670	42,097

CultureLink Settlement and Community Services

Year ended March 31, 2016

Statement of Cash Flows	2016	2015
Operating Activities		
Surplus	\$ 45,670	\$ 42,097
Non-cash items		
Amortization of deferred contributions	(4,811)	(24,263)
Amortization of capital assets	5,776	24,263
	<u>46,635</u>	<u>42,097</u>
Net change in non-cash working capital	<u>219,324</u>	<u>55,867</u>
<i>Cash Provided By Operating Activities</i>	<u>265,959</u>	<u>97,964</u>
Investing Activities		
Capital expenditures	(1,043)	(2,918)
<i>Cash Used In Investing Activities</i>	<u>(1,043)</u>	<u>(2,918)</u>
Financing Activities		
Contributions for purchase of capital assets	1,043	987
<i>Cash Provided By Financing Activities</i>	<u>1,043</u>	<u>987</u>
Net cash increase during the year	265,959	96,033
Cash position beginning of year	626,942	530,909
<i>Cash Position End Of Year</i>	<u>892,901</u>	<u>626,942</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 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, 2016:

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. 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, 2016

Note 3 Capital Assets

			2016	2015
	Cost	Accumulated Amortization	Net Assets	Net Assets
Furniture and fixtures	186,619	(186,619)	0	0
Computer equipment	229,856	(227,354)	2,502	7,235
	416,475	(413,973)	2,502	7,235

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:

		2016		2015
Beginning balance	\$	5,304	\$	28,580
Contributions received during the year		1,043		987
Amounts recognized as revenue during the year		(4,811)		(24,263)
		1,536		5,304

Note 5 Net Assets Invested in Capital Assets

Net assets invested in capital assets consist of the following:

		2016		2015
Capital assets	\$	2,502	\$	7,235
Deferred contributions related to capital assets		(1,536)		(5,304)
		966		1,931

CultureLink Settlement and Community Services

March 31, 2016

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:

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.