

**Financial Statements**  
**CultureLink Settlement and**  
**Community Services**  
Toronto, Ontario  
*March 31, 2018*

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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, 2018 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 and Community Services as at March 31, 2018 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 8, 2018



Chartered Professional Accountants, Licensed Public Accountants

## CultureLink Settlement and Community Services

March 31, 2018

<b>Statement of Financial Position - Assets</b>	2018	2017
<b>Current Assets</b>		
Cash	\$ 1,184,215	\$ 1,032,790
Accounts receivable		
Grants	281,447	155,238
HST	77,571	51,970
Prepaid expenses	45,344	7,537
<b>Total Current</b>	1,588,577	1,247,535
<b>Capital Assets, Note 3</b>	171,597	10,719
	1,760,174	1,258,254

### Statement of Financial Position- Liabilities

<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	114,038	115,316
Deferred revenue	762,164	488,930
<b>Total Current</b>	876,202	604,246
<b>Deferred Contributions Related to Capital Assets, Note 4</b>	171,597	10,719
<b>Total Liabilities</b>	1,047,799	614,965
<b>Net Assets, per statement</b>		
Unrestricted, Note 7	712,375	643,289
	1,760,174	1,258,254

**Approved by The Board**

Claudia Serraino

  
Director

Tony Fiore

  
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, 2018*

<b>Statement of Changes in Net Assets</b>	2018		2017
	Invested in Capital Assets	Unrestricted	Total
Balance beginning	\$ 0	\$ 643,289	\$ 643,289
Add (deduct)			
Surplus	(97,873)	166,959	69,086
Investment in capital assets	97,873	(97,873)	0
<b>Balance March 31</b>	<b>0</b>	<b>712,375</b>	<b>712,375</b>
			<b>588,860</b>
			<b>54,429</b>
			<b>0</b>
			<b>643,289</b>

## CultureLink Settlement and Community Services

Year ended March 31, 2018

<b>Statement of Operations</b>	2018	2017
<b>Revenues</b>		
Federal grants	\$ 3,084,621	\$ 2,450,774
Provincial grants	236,569	232,624
Municipal grants	103,296	130,198
Donations	17,918	24,314
Foundations	783,200	674,713
Fundraising	1,563	1,253
Productive enterprises	54,941	69,955
Miscellaneous	65,590	31,987
Amortization of deferred contributions, Note 4	28,870	1,301
<b>Total Revenues</b>	<b>4,376,568</b>	<b>3,617,119</b>
<b>Expenses</b>		
Salaries and benefits	3,357,390	2,808,509
Sponsorships	143,786	135,634
Rent	316,721	268,817
Promotion and publicity	22,797	12,610
Staff development	6,877	4,803
Repairs and maintenance	1,028	1,151
Amortization	28,870	2,267
Program expenses	80,281	75,525
Insurance	10,321	8,698
Interest	225	417
Security	932	562
Office equipment	51,717	43,910
Office supplies	125,126	99,610
Telephone	40,170	20,715
Professional fees	13,995	12,765
HST	40,468	23,208
Travel	51,918	30,573
Membership fees	7,257	5,289
Bank charges	2,927	2,488
Postage	2,442	2,914
Police check	2,234	2,225
<b>Total Expenses</b>	<b>4,307,482</b>	<b>3,562,690</b>
<b>Surplus</b>	<b>69,086</b>	<b>54,429</b>

## CultureLink Settlement and Community Services

*Year ended March 31, 2018*

<b>Statement of Cash Flows</b>	2018	2017
<b>Operating Activities</b>		
Surplus	\$ 69,086	\$ 54,429
Non-cash items		
Amortization of deferred contributions	(28,870)	(1,301)
Amortization of capital assets	28,870	2,267
	<u>69,086</u>	<u>55,395</u>
Net change in non-cash working capital	<u>82,339</u>	<u>84,494</u>
<b><i>Cash Provided By Operating Activities</i></b>	<u>151,425</u>	<u>139,889</u>
<b>Investing Activities</b>		
Capital expenditures	(189,748)	(10,484)
<b><i>Cash Used In Investing Activities</i></b>	<u>(189,748)</u>	<u>(10,484)</u>
<b>Financing Activities</b>		
Contributions for purchase of capital assets	189,748	10,484
<b><i>Cash Provided By Financing Activities</i></b>	<u>189,748</u>	<u>10,484</u>
Net cash increase during the year	151,425	139,889
Cash position beginning of year	1,032,790	892,901
<b><i>Cash Position End of Year</i></b>	<u>1,184,215</u>	<u>1,032,790</u>



**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 and Community Services

March 31, 2018

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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 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, 2018:

#### **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, 2018

### Note 3 Capital Assets

			2018	2017
	Cost	Accumulated Amortization	Net Assets	Net Assets
Furniture and fixtures	\$ 279,079	\$ (197,688)	\$ 81,391	\$ 0
Computer equipment	337,628	(247,422)	90,206	10,719
	616,707	(445,110)	171,597	10,719

### 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:

	2018	2017
Beginning balance	\$ 10,719	\$ 1,536
Contributions received during the year	189,748	10,484
Amounts recognized as revenue during the year	(28,870)	(1,301)
	171,597	10,719

### Note 5 Net Assets Invested in Capital Assets

Net assets invested in capital assets consist of the following:

	2018	2017
Capital assets	\$ 171,597	\$ 10,719
Deferred contributions related to capital assets	(171,597)	(10,719)
	0	0

### Note 6 Lease Commitments

The Corporation is committed to a lease for premises at 2340 Dundas Street West until March 31, 2024. The Corporation is also committed to a lease for premises at 3535 Dundas Street West until July 31, 2022.

Annual lease payments are approximately as follows for the years ended March 31:

2019	\$	340,308
2020		345,492
2021		351,252
2022		357,096
2023		324,532

## CultureLink Settlement and Community Services

*March 31, 2018*

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### **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.