

**Financial Statements**  
**CultureLink Settlement and**  
**Community Services**  
Toronto, Ontario  
*March 31, 2021*

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## Independent Auditors' Report

**To the Members of CultureLink Settlement and Community Services:**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of CultureLink Settlement and Community Services, which comprise the statement of financial position as at March 31, 2021 and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of CultureLink Settlement and Community Services in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing CultureLink Settlement and Community Services's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CultureLink Settlement and Community Services's financial reporting process.

## **Independent Auditors' Report - continued**

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 CultureLink Settlement and Community Services's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CultureLink Settlement and Community Services's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## **Independent Auditors' Report - continued**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Ontario  
June 15, 2021

A handwritten signature in cursive script that reads "Preston Yates & Clark".

Chartered Professional Accountants, Licensed Public Accountants

## CultureLink Settlement and Community Services

March 31, 2021

<b>Statement of Financial Position - Assets</b>	2021	2020
<b>Current Assets</b>		
Cash	\$ 1,348,630	\$ 864,779
Temporary investments	500,666	504,907
Accounts receivable		
Grants	65,006	540,763
HST	56,458	62,469
Prepaid expenses	13,219	19,417
<b>Total Current</b>	1,983,979	1,992,335
<b>Capital Assets</b> , Note 3	48,436	39,760
	2,032,415	2,032,095

<b>Statement of Financial Position- Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	286,967	255,562
Deferred revenue	589,738	751,020
<b>Total Current</b>	876,705	1,006,582
<b>Deferred Contributions Related to Capital Assets</b> , Note 4	48,436	39,760
<b>Total Liabilities</b>	925,141	1,046,342
<b>Net Assets</b> , per statement		
Unrestricted, Note 7	1,107,274	985,753
	2,032,415	2,032,095

### Approved by The Board

Director: Ruba Bilal



Director: Golam Ahmed



The notes on pages 10 through 13 form an integral part of these financial statements.

**CultureLink Settlement and Community Services**

*Year ended March 31, 2021*

**Statement of Changes in Net Assets**

	Invested in		2021		2020	
	Capital Assets	Unrestricted	Total	Total	Total	Total
Balance beginning	0	985,753	985,753	\$	902,531	
Add						
Surplus	0	121,521	121,521		83,222	
<b>Balance March 31</b>	<b>0</b>	<b>1,107,274</b>	<b>1,107,274</b>		<b>985,753</b>	

## CultureLink Settlement and Community Services

*Year ended March 31, 2021*

<b>Statement of Operations</b>	2021	2020
<b>Revenues</b>		
Federal grants	\$ 3,568,059	\$ 3,411,136
Provincial grants	184,265	203,850
Municipal grants	462,897	309,723
Donations	27,726	49,021
Foundations	578,266	766,014
Fundraising	2,825	2,168
Productive enterprises	193,157	179,987
Amortization of deferred contributions, Note 4	25,839	79,813
Miscellaneous	27,258	26,858
<b>Total Revenues</b>	<b>5,070,292</b>	<b>5,028,570</b>
<b>Expenses</b>		
Salaries and benefits	4,102,415	3,956,878
Sponsorships	117,102	89,778
Rent	355,163	351,797
Promotion and publicity	7,664	22,290
Staff development	2,256	4,043
Repairs and maintenance	7,287	8,441
Amortization	25,839	79,813
Program expenses	48,316	85,274
Insurance	11,845	11,931
Interest	1,366	489
Security	1,242	1,317
Office equipment	73,974	55,404
Office supplies	77,804	120,147
Telephone	38,382	30,326
Professional fees	18,268	25,669
HST	41,528	42,706
Travel	6,505	44,389
Membership fees	5,130	6,275
Bank charges	2,544	3,511
Postage	3,474	3,907
Police check	667	963
<b>Total Expenses</b>	<b>4,948,771</b>	<b>4,945,348</b>
<b>Surplus</b>	<b>121,521</b>	<b>83,222</b>



## CultureLink Settlement and Community Services

*Year ended March 31, 2021*

<b>Statement of Cash Flows</b>	2021	2020
<b>Operating Activities</b>		
Surplus	\$ 121,521	\$ 83,222
Non-cash items		
Amortization of deferred contributions	(25,839)	(79,813)
Amortization of capital assets	25,839	79,813
	<u>121,521</u>	<u>83,222</u>
Net change in non-cash working capital	358,089	(308,760)
<b><i>Cash Provided By (Used In) Operating Activities</i></b>	<u>479,610</u>	<u>(225,538)</u>
<b>Investing Activities</b>		
Capital expenditures	(34,515)	(34,995)
Decrease in investments	4,241	98
	<u>(30,274)</u>	<u>(34,897)</u>
<b><i>Cash Used In Investing Activities</i></b>	<u>(30,274)</u>	<u>(34,897)</u>
<b>Financing Activities</b>		
Contributions for purchase of capital assets	34,515	34,995
	<u>34,515</u>	<u>34,995</u>
<b><i>Cash Provided By Financing Activities</i></b>	<u>34,515</u>	<u>34,995</u>
Net cash increase (decrease) during the year	483,851	(225,440)
Cash position beginning of year	864,779	1,090,219
<b><i>Cash Position End of Year</i></b>	<u>1,348,630</u>	<u>864,779</u>

## CultureLink Settlement and Community Services

March 31, 2021

### Notes to Financial Statements

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#### Status and Nature of Activities

CultureLink Settlement and Community Services (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 on a straight-line basis to amortize assets over their estimated useful lives as follows:

Furniture and fixtures	2 years
Computer equipment	2 years

##### Revenue Recognition

Revenue is recognized on an accrual basis. The Corporation 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.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

**Note 1      Significant Accounting Policies - continued**

**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, 2021:

**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.

**Interest Rate Risk**

The Corporation manages its investments based on its cash flow needs and with a view to optimizing its investment income. The Corporation has invested its excess cash in low risk interest bearing vehicles such as guaranteed investment certificates as the means for managing its interest rate risk.

The average interest rate of return during the year was 0.5% (2020, 1.8%).

## CultureLink Settlement and Community Services

March 31, 2021

**Note 2      Financial Instruments - continued**

**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.

**Note 3      Capital Assets**

			2021	2020
	Cost	Accumulated Amortization	Net Assets	Net Assets
Furniture and fixtures	\$ 284,783	\$ (284,783)	\$ 0	\$ 0
Computer equipment	461,052	(412,616)	48,436	39,760
	745,835	(697,399)	48,436	39,760

**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:

	2021	2020
Beginning balance	\$ 39,760	\$ 84,578
Contributions received during the year	34,515	34,995
Amounts recognized as revenue during the year	(25,839)	(79,813)
	48,436	39,760

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

Net assets invested in capital assets consist of the following:

	2021	2020
Capital assets	\$ 48,436	\$ 39,760
Deferred contributions related to capital assets	(48,436)	(39,760)
	0	0

## CultureLink Settlement and Community Services

March 31, 2021

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### 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 (before HST) are approximately as follows for the years ended March 31:

2022	\$	357,091
2023		324,534
2024		311,416

### 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.