

Financial Statements
CultureLink Settlement and
Community Services

Toronto, Ontario

March 31, 2022

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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, 2022 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, 2022, 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 14, 2022

A handwritten signature in black ink that reads "Pruthi Yatho & Clark". The signature is written in a cursive, flowing style.

Chartered Professional Accountants, Licensed Public Accountants

CultureLink Settlement and Community Services

March 31, 2022

Statement of Financial Position - Assets	2022	2021
Current Assets		
Cash	\$ 1,776,690	\$ 1,348,630
Temporary investments	500,814	500,666
Grants receivable	91,268	65,006
HST receivable	63,465	56,458
Prepaid expenses	34,022	13,219
Total Current	2,466,259	1,983,979
Capital Assets, Note 3	64,856	48,436
	2,531,115	2,032,415

Statement of Financial Position- Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	278,317	286,967
Deferred revenue	968,631	589,738
Total Current	1,246,948	876,705
Deferred Contributions Related to Capital Assets, Note 4	64,856	48,436
Total Liabilities	1,311,804	925,141
Net Assets, per statement		
Unrestricted, Note 7	1,219,311	1,107,274
	2,531,115	2,032,415

Approved by The Board

Director: Jeffrey Roy 

Director: Helen Latimer 

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

CultureLink Settlement and Community Services

Year ended March 31, 2022

Statement of Changes in Net Assets

	2022		2021
	Unrestricted	Total	Total
Balance beginning	\$ 1,107,274	\$ 1,107,274	\$ 985,753
Add			
Surplus	112,037	112,037	121,521
Balance March 31	1,219,311	1,219,311	1,107,274

CultureLink Settlement and Community Services

Year ended March 31, 2022

Statement of Operations	2022	2021
Revenues		
Federal grants	\$ 3,796,980	\$ 3,568,059
Provincial grants	186,482	184,265
Municipal grants	444,338	462,897
Donations	24,729	27,726
Foundations	363,558	578,266
Fundraising	0	2,825
Productive enterprises	27,692	193,157
Amortization of deferred contributions, Note 4	33,191	25,839
Miscellaneous	8,064	27,258
Total Revenues	4,885,034	5,070,292
Expenses		
Salaries and benefits	3,879,149	4,102,415
Sponsorships	118,651	117,102
Rent	362,543	355,163
Promotion and publicity	19,060	7,664
Staff development	9,898	2,256
Repairs and maintenance	8,618	7,287
Amortization	33,191	25,839
Program	31,865	48,316
Insurance	12,382	11,845
Interest	636	1,366
Security	2,038	1,242
Office equipment	75,002	73,974
Office supplies	87,774	77,804
Telephone	39,053	38,382
Professional fees	37,380	18,268
HST	45,007	41,528
Travel	1,362	6,505
Membership fees	3,700	5,130
Bank charges	2,764	2,544
Postage	2,430	3,474
Police check	494	667
Total Expenses	4,772,997	4,948,771
Surplus	112,037	121,521

CultureLink Settlement and Community Services

Year ended March 31, 2022

Statement of Cash Flows	2022	2021
Operating Activities		
Surplus	\$ 112,037	\$ 121,521
Non-cash items		
Amortization of deferred contributions	(33,191)	(25,839)
Amortization of capital assets	33,191	25,839
	<u>112,037</u>	<u>121,521</u>
Net change in non-cash working capital	<u>316,171</u>	<u>358,089</u>
<i>Cash Provided By Operating Activities</i>	<u>428,208</u>	<u>479,610</u>
Investing Activities		
Capital expenditures	(49,611)	(34,515)
Decrease (increase) in investments	(148)	4,241
	<u>(49,759)</u>	<u>(30,274)</u>
<i>Cash Used In Investing Activities</i>	<u>(49,759)</u>	<u>(30,274)</u>
Financing Activities		
Contributions for purchase of capital assets	49,611	34,515
	<u>49,611</u>	<u>34,515</u>
<i>Cash Provided By Financing Activities</i>	<u>49,611</u>	<u>34,515</u>
Net cash increase during the year	428,060	483,851
Cash position beginning of year	1,348,630	864,779
<i>Cash Position End of Year</i>	<u>1,776,690</u>	<u>1,348,630</u>

CultureLink Settlement and Community Services

March 31, 2022

Notes to Financial Statements

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, 2022:

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 0.6% (2021, 0.5%).

CultureLink Settlement and Community Services

March 31, 2022

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 not exposed to significant liquidity risk because of available cash on hand.

Note 3 Capital Assets

			2022	2021
	Cost	Accumulated Amortization	Net Assets	Net Assets
Furniture and fixtures	\$ 21,808	\$ 0	\$ 21,808	\$ 0
Computer equipment	97,313	(54,265)	43,048	48,436
	119,121	(54,265)	64,856	48,436

Note 4 Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets includes the unamortized portion of restricted contributions relating to the purchase of capital assets, including furniture and computers. The deferred contributions are recognized as revenue on the same basis as the capital assets are being amortized.

The changes in the deferred contributions balance for the period are as follows:

		2022		2021
Beginning balance	\$	48,436	\$	39,760
Contributions received during the year		49,611		34,515
Amounts recognized as revenue during the year		(33,191)		(25,839)
		64,856		48,436

Note 5 Net Assets Invested in Capital Assets

Net assets invested in capital assets consist of the following:

		2022		2021
Capital assets	\$	64,856	\$	48,436
Deferred contributions related to capital assets		(64,856)		(48,436)
		0		0

CultureLink Settlement and Community Services

March 31, 2022

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:

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.