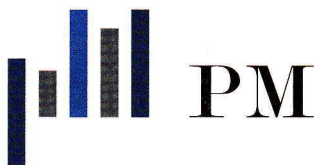


Immigrant Culture and Art Association

Financial Statements

March 31, 2012



July 28, 2012

Independent Auditors' Report

To the Directors of Immigrant Culture and Art Association

We have audited the accompanying financial statements of Immigrant Culture and Art Association, which comprise the statement of financial position as at March 31, 2012, and the statements of operations and accumulated net assets 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 generally accepted accounting principles, 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.

Auditor's 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 Organization'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 Organization'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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Immigrant Culture and Art Association as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

**Chartered Accountants
Licensed Public Accountants**

Hamilton, Ontario

Immigrant Culture and Art Association

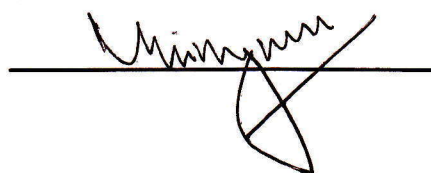
Statement of Financial Position

	March 31	
	2012	2011
Assets		
Current assets		
Cash	\$ 11,139	\$ 47,370
Accounts receivable	-	814
Prepaid expenses and deposits	<u>586</u>	<u>586</u>
	11,725	48,770
Equipment (Note 4)	<u>5,592</u>	<u>4,954</u>
	<u>\$ 17,317</u>	<u>\$ 53,724</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,933	\$ 3,741
Deferred contributions (Note 5)	<u>6,310</u>	<u>36,776</u>
	13,243	40,517
Accumulated net assets	<u>4,074</u>	<u>13,207</u>
	<u>\$ 17,317</u>	<u>\$ 53,724</u>

APPROVED BY THE BOARD:



Director



Director

Immigrant Culture and Art Association

Statement of Operations and Accumulated Net Assets

	Year ended March 31	
	2012	2011
Revenues		
Ministry of Citizenship and Immigration	\$ 33,544	\$ -
Ontario Arts Council	27,216	37,278
City of Hamilton	9,450	10,506
Hamilton Art Market	2,130	-
Art classes	1,544	1,556
Donations	-	1,221
	<u>73,884</u>	<u>50,561</u>
Expenses		
Wages and benefits	37,121	28,871
Projects	16,753	8,388
Professional fees	7,664	7,000
Rent	7,238	6,057
Advertising and promotion	5,000	364
Office and general	4,583	2,334
Utilities	1,847	1,931
Amortization	1,258	1,349
Insurance	1,128	1,128
Loss on disposal of equipment	157	-
Bank charges	156	627
Repairs and maintenance	112	-
	<u>83,017</u>	<u>58,049</u>
Deficiency of revenues over expenses for the year	(9,133)	(7,488)
Accumulated net assets at beginning of the year	<u>13,207</u>	<u>20,695</u>
Accumulated net assets at end of the year	<u>\$ 4,074</u>	<u>\$ 13,207</u>

Immigrant Culture and Art Association

Statement of Cash Flows

	Year ended March 31	
	2012	2011
Cash flows from (used in) operating activities		
Deficiency of revenues over expenses for the year	\$ (9,133)	\$ (7,488)
Items not involving cash		
Amortization	1,258	1,349
Loss on disposal of equipment	<u>157</u>	<u>-</u>
	<u>(7,718)</u>	<u>(6,139)</u>
Net change in non-cash working capital balances relating to operations		
Decrease in accounts receivable	814	1,046
Decrease in prepaid expenses and deposits	-	209
Increase (decrease) in accounts payable and accrued liabilities	3,192	(1,929)
Increase (decrease) in deferred contributions	<u>(30,466)</u>	<u>36,776</u>
	<u>(26,460)</u>	<u>36,102</u>
	(34,178)	29,963
Cash flows from (used in) investing activity		
Purchase of equipment	<u>(2,053)</u>	<u>-</u>
Net increase (decrease) in cash during the year	(36,231)	29,963
Cash at beginning of the year	<u>47,370</u>	<u>17,407</u>
Cash at end of the year	<u>\$ 11,139</u>	<u>\$ 47,370</u>

Immigrant Culture and Art Association

Notes to Financial Statements

March 31, 2012

1. Status statement

The Immigrant Culture and Art Association ("the Organization") is a not-for-profit organization that was incorporated without share capital on February 26, 2002 under the provisions of the Ontario Business Corporations Act.

The Organization provides programs and services in communities to introduce, promote and preserve the cultural and artistic expressions, experiences and abilities of immigrants to enrich Canadian Society.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant policies are detailed as follows:

Equipment

Equipment is recorded at cost. The Organization provides for amortization using the declining balance method at rates designed to amortize the cost of the equipment over its estimated useful life. The annual amortization rates are as follows:

Equipment	20%
Computer equipment	30%

In the year of acquisition, these assets are amortized at one-half their normal rate.

Expenditures for repairs and maintenance are charged to income as incurred.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donated materials and services

Donated materials and services are not recorded because their fair market value is not readily determinable. With the exception of volunteer time, such materials and services are not significant.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Immigrant Culture and Art Association

Notes to Financial Statements

March 31, 2012

2. Significant accounting policies, continued

Financial instruments

The Organization has elected to use the exemption provided by The Canadian Institute of Chartered Accountants ("CICA") permitting not-for-profit organizations not to apply the following sections of the CICA Handbook: Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation", which would otherwise be applied to the financial statements of the Organization for the year ended March 31, 2012. The Organization applied the requirements of Section 3861, "Financial Instruments – Disclosures and Presentation".

Financial instruments are classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other liabilities. All financial instruments are initially measured in the statement of financial position at fair value except for certain related party transactions. Subsequent measurement and changes in fair value will depend on their initial classification as follows: loans and receivables, held-to-maturity investments and other liabilities are measured at amortized cost using the effective interest method; held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is no longer recognized or impaired, at which time the amounts would be recorded in net income.

Cash is classified as held for trading and is measured at fair value.

Accounts receivable are classified as loans and receivables and are measured at amortized cost.

Accounts payable and accrued liabilities are classified as other financial liabilities and are measured at amortized cost.

It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

3. Future changes to significant accounting policies

During December 2010, the Accounting Standards Board issued a comprehensive set of new Canadian accounting standards for not-for-profit organizations (ASNPO) effective for fiscal periods beginning on or after January 1, 2012. When the end of a not-for-profit organization's annual reporting period does not coincide with the end of the calendar year, the mandatory date for first-time adoption of ASNPO is effective for fiscal periods beginning on or after December 31, 2011. Early adoption is permitted. The Organization is currently analyzing the effects of these changes on its financial statements.

Immigrant Culture and Art Association

Notes to Financial Statements

March 31, 2012

4. Equipment

			March 31	
	Cost	Accumulated Amortization	2012 Net Book Value	2011 Net Book Value
Equipment	\$ 16,856	\$ 12,387	\$ 4,469	\$ 4,334
Computer equipment	<u>2,155</u>	<u>1,032</u>	<u>1,123</u>	<u>620</u>
	<u>\$ 19,011</u>	<u>\$ 13,419</u>	<u>\$ 5,592</u>	<u>\$ 4,954</u>

5. Deferred contributions

\$6,310 was received from the Ontario Arts Council during January 2012 to carry on a project during the year ending March 31, 2013.

6. Lease commitment

The Organization has a commitment under an operating lease agreement for the rental of premises. The estimated future minimum annual payment requirements are as follows:

2013	<u>\$ 1,875</u>
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7. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.