

**M.O.S.A.I.C.**  
**Multi-Lingual Orientation Service**  
**Association for Immigrant Communities**  
**Financial Statements**  
**For the year ended March 31, 1999**

**M.O.S.A.I.C.  
Multi-Lingual Orientation Service  
Association  
for Immigrant Communities  
Financial Statements  
For the year ended March 31, 1999**

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## **Auditors' Report**

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**To the Members of  
M.O.S.A.I.C.  
Multi-Lingual Orientation Service Association  
For Immigrant Communities**

We have audited the Statement of Financial Position of M.O.S.A.I.C. Multi-Lingual Orientation Service Association for Immigrant Communities as at March 31, 1999 and the Statements of Operations, Changes in Net Assets and Cash Flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 1999 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles. As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

**Chartered Accountants**

Vancouver, British Columbia  
June 21, 1999

**M.O.S.A.I.C.**  
**Multi-Lingual Orientation Service Association**  
**for Immigrant Communities**  
**Statement of Financial Position**

<b>March 31</b>	<b>1999</b>	<b>1998</b>
<b>Assets</b>		
<b>Current</b>		
Cash and term deposits (Note 2)	\$ 227,788	\$ 154,337
Grants receivable	177,758	96,510
Accounts receivable	338,721	359,016
Prepaid expenses	47,148	57,493
	<b>791,415</b>	<b>667,356</b>
<b>Prepaid rent</b>	<b>22,978</b>	<b>8,632</b>
<b>Capital assets</b> (Note 3)	<b>120,579</b>	<b>57,018</b>
	<b>\$ 934,972</b>	<b>\$ 733,006</b>

**Liabilities and Net Assets**

**Liabilities**

**Current**

Accounts payable and accrued liabilities	281,913	206,718
Deferred grants	276,186	171,489
	<b>558,099</b>	<b>378,207</b>

**Net assets**

Program Development Fund (Note 4)	-	33,661
Multi-Lingual Guide Fund (Note 4)	2,607	5,606
Income Stabilization Fund (Note 5)	126,648	100,000
Dr. Kes Chetty M.O.S.A.I.C. Scholarship Fund (Note 6)	10,476	10,245
Translation Access Fund (Note 7)	10,000	9,535
Net investment in capital assets	120,579	57,018
Net assets available (Note 8)	106,563	138,734
	<b>376,873</b>	<b>354,799</b>
	<b>\$ 934,972</b>	<b>\$ 733,006</b>

Approved on behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**M.O.S.A.I.C.**  
**Multi-Lingual Orientation Service Association**  
**for Immigrant Communities**  
**Statement of Operations**

<b>For the year ended March 31</b>	<b>1999</b>	<b>1998</b>
<b>Revenue</b>		
Fees for services	\$ 1,743,204	\$ 1,528,822
Fundraising		
Donations and memberships	10,985	10,290
Gaming	23,452	33,214
B.C. Government Grants		
Ministry Responsible for Human Rights, Multiculturalism and Immigration		
Settlement Grants	285,947	239,475
Multiculturalism Directorate	-	15,834
Ministry of Attorney General	92,622	120,268
Ministry of Children and Families	186,319	79,400
Ministry of Human Resources	160,445	162,339
Ministry of Advanced Education, Training Technology	254,417	265,635
Miscellaneous Provincial Grants	40,325	-
City of Vancouver Grants	129,143	127,645
Federal Government Grants		
Human Resources Development Canada	1,246,878	1,086,683
Health Canada Health Promotion	101,014	115,460
Immigration and Citizenship		
Language Instruction for Newcomers to Canada	770,228	776,590
Immigrant Settlement and Adaptation Program		
Settlement Programs	173,726	174,842
Canadian Heritage	55,995	44,791
Miscellaneous	-	6,272
Grants, other		
Law Foundation	69,965	79,553
Vancouver Foundation	25,841	10,083
VanCity Credit Union	-	20,000
Vancouver/Richmond Health Board	153,806	2,662
United Way	69,970	75,062
Miscellaneous	4,583	17,201
Interest	16,237	4,933
	<b>5,615,102</b>	<b>4,997,054</b>
<b>Expenses (Schedule)</b>	<b>5,593,028</b>	<b>4,947,233</b>
<b>Revenue over expenses for the year</b>	<b>\$ 22,074</b>	<b>\$ 49,821</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**M.O.S.A.I.C.**  
**Multi-Lingual Orientation Service Association**  
**for Immigrant Communities**  
**Statement of Changes in Net Assets**

<b>For the year ended March 31</b>	Translation Access Fund	Dr. Kes Chetty M.O.S.A.I.C. Scholarship Fund	Program Development Fund	Multi-Lingual Guide Fund	Income Stabilization Fund	Invested in Capital Assets	Available	<b>1999</b>	1998
<b>Beginning of year</b>	\$ 9,535	\$ 10,245	\$ 33,661	\$ 5,606	\$ 100,000	\$ 57,018	\$ 138,734	<b>\$ 354,799</b>	\$ 304,978
Revenue over expenses	(6,548)	231	-	(2,999)	-	(38,869)	70,259	<b>22,074</b>	49,821
Interfund transfers	7,013	-	(33,661)	-	26,648	102,430	(102,430)	-	-
<b>End of year</b>	<b>\$ 10,000</b>	<b>\$ 10,476</b>	<b>\$ -</b>	<b>\$ 2,607</b>	<b>\$ 126,648</b>	<b>\$ 120,579</b>	<b>\$ 106,563</b>	<b>\$ 376,873</b>	<b>\$ 354,799</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**M.O.S.A.I.C.**  
**Multi-Lingual Orientation Service Association**  
**for Immigrant Communities**  
**Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>1999</b>	<b>1998</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Revenue over expenses for the year	\$ 22,074	\$ 49,821
Item not requiring cash - amortization	<u>38,869</u>	<u>29,736</u>
	<b>60,943</b>	<b>79,557</b>
Changes in non-cash working capital balances		
Grants receivable	(81,248)	(3,355)
Accounts receivable	20,295	(74,922)
Prepaid expenses	10,345	(8,043)
Accounts payable and accrued liabilities	75,195	52,592
Deferred grants	<u>104,697</u>	<u>169,382</u>
	<u>190,227</u>	<u>215,211</u>
<b>Investing activities</b>		
Purchase of capital assets	(102,430)	(27,088)
Prepaid rent	<u>(14,346)</u>	<u>6,770</u>
	<u>(116,776)</u>	<u>(20,318)</u>
<b>Increase in cash during the year</b>	<b>73,451</b>	<b>194,893</b>
<b>Cash (bank indebtedness), beginning of year</b>	<u>154,337</u>	<u>(40,556)</u>
<b>Cash, end of year</b>	<u>\$ 227,788</u>	<u>\$ 154,337</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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**M.O.S.A.I.C.**  
**Multi-Lingual Orientation Service Association**  
**for Immigrant Communities**  
**Summary of Significant Accounting Policies**

**March 31, 1999**

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**Capital Assets** Capital assets are recorded at cost with amortization provided on the straight line basis over three years.

The use of certain capital assets subsequent to completion of funded programs is determined by the funders. Such assets are not capitalized.

**Revenue Recognition** The Society 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.

Unrestricted investment income is recognized as revenue when earned.

**Financial Instruments** The Society's financial instruments consist of cash and short term deposits, grants receivable, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.



**M.O.S.A.I.C.**  
**Multi-Lingual Orientation Service Association**  
**for Immigrant Communities**  
**Notes to Financial Statements**

**March 31, 1999**

**1. Organization and Income Tax Status**

The mission of the Society, as adopted by the Board of Directors, is as follows:

M.O.S.A.I.C. is a multilingual, non-profit agency dedicated to empowering immigrants and refugees who have settlement and integration needs. Through a variety of services, M.O.S.A.I.C. enables clients to fully participate in Canadian society. M.O.S.A.I.C. promotes respect for people of different cultures, beliefs and abilities, and advocates for social justice and equality for all.

The Memorandum of Association of M.O.S.A.I.C. does not permit the distribution of funds to the members. In the event of winding-up, the Society's assets shall be distributed to a recognized charitable organization in the province of British Columbia with similar objects or to a suitable level of local government.

The Society, as a result of its not-for-profit aim, is not subject to income taxes.

**2. Restricted Assets**

The Society maintains a cash reserve of \$80,000 (1998- \$72,000) to secure a letter of credit issued to Ceridian Canada Ltd. Payroll Services which is maintained on a demand basis.

**3. Capital Assets**

	<b>1999</b>		1998	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	Net Book Value
Furniture	\$ 42,296	\$ 32,800	\$ 9,496	\$ 23,594
Telefax machine	9,038	3,759	5,279	2,253
Computer	21,450	12,249	9,201	16,351
Telephone equipment	13,493	11,478	2,015	6,357
Leasehold Improvements	112,792	18,204	94,588	8,463
	<b>\$ 199,069</b>	<b>\$ 78,490</b>	<b>\$ 120,579</b>	<b>\$ 57,018</b>

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**M.O.S.A.I.C.**  
**Multi-Lingual Orientation Service Association**  
**for Immigrant Communities**  
**Notes to Financial Statements**

**March 31, 1999**

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**4. Funds**

The Society places an internal restriction on certain net assets. Such amounts are classified as funds and are accounted for and disclosed separately. In the fiscal year ended March 31, 1999, the Program Development Fund was collapsed with the balance allocated to the Translation Access Fund and the Income Stabilization Fund.

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**5. Income Stabilization Fund**

The Income Stabilization Fund is an internally restricted fund to be used to stabilize net assets during these uncertain times for not-for-profit organizations. In years with above average results, additions will be made to the fund. Conversely, the Fund will be drawn upon to fund operations in years with poor income results.

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**6. Dr. Kes Chetty M.O.S.A.I.C. Scholarship Fund**

In the fiscal year ended March 31, 1992, the Board of Directors voted to establish a scholarship fund in memory of a deceased Board Member. An annual award is given from the fund to a M.O.S.A.I.C. client, an immigrant or refugee who wants to pursue academic or vocational studies.

The Society also transferred funds to Capilano College Foundation and Vancouver Community College Education Foundation in 1996 to establish a Kes Chetty award at each institution. The Province of British Columbia has provided matching funds.

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**7. Translation Access Fund**

The balance in this fund is internally restricted to be used only to fund translations for persons or groups lacking access for financial reasons.

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**8. Net Assets**

The Society maintains net assets for contingency purposes.

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**M.O.S.A.I.C.**  
**Multi-Lingual Orientation Service Association**  
**for Immigrant Communities**  
**Notes to Financial Statements**

**March 31, 1999**

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**9. Economic Dependence and Future Operations**

The Society received 41% (1998 - 44%) of its funding from Federal Government Agencies. Due to downloading of federal responsibility for immigration and employment training to the provinces, MOSAIC will experience a shift in economic dependence from the federal government to the provincial government. The future impact of this on the agency is unclear at this time.

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**10. Commitments**

The Society is party to lease agreements for equipment and office and classroom space for which minimum lease payments over the duration of the leases are approximately as follows:

	1720 Grant	2555 Commercial	2730 Commercial	Total
Year ended March 31, 2000	217,995	33,283	114,254	365,532
Year ended March 31, 2001	216,067	-	114,254	330,321
Year ended March 31, 2002	218,092	-	114,254	332,346
Year ended March 31, 2003	198,842	-	114,254	313,096
Year ended March 31, 2004	200,334	-	95,004	295,338
				<u>\$ 1,636,633</u>

The lease for 2555 Commercial Drive provides for a 60 day termination clause in the event that government funding for programs at this location is cancelled or not renewed. On May 31, 1999, the Society gave notice of its intention to terminate a portion of the lease.

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**11. M.O.S.A.I.C. Foundation Fund**

The M.O.S.A.I.C. Foundation Fund which totals approximately \$10,000 is invested with the Vancouver Foundation. M.O.S.A.I.C. does not have access to the capital of this fund and therefore does not record this fund as an asset in its financial statements. However, the income from the fund is paid to M.O.S.A.I.C. and is included in interest income in these financial statements. Interest received in the current year amounted to \$1,259 (1998 - \$565).

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**M.O.S.A.I.C.**  
**Multi-Lingual Orientation Service Association**  
**for Immigrant Communities**  
**Notes to Financial Statements**

**March 31, 1999**

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**12. Uncertainty Due to the Year 2000**

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the Society's ability to conduct normal business operations.

It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Society, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

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**M.O.S.A.I.C.**  
**Multi-Lingual Orientation Service Association**  
**for Immigrant Communities**  
**Schedule - Expenses**

<b>For the year ended March 31</b>	<b>1999</b>	<b>1998</b>
<b>Expenses</b>		
Amortization	\$ 38,869	\$ 29,736
Building occupancy	529,219	447,031
Multi-Lingual Guide Fund expenses	2,999	2,030
Office and program equipment	174,506	185,117
Office	194,676	176,089
Promotion and publicity	34,237	48,965
Purchased services	1,205,705	1,042,934
Salaries, wages and benefits	3,288,357	2,895,954
Scholarships and expenses of Scholarship fund	-	500
Training - staff and board	24,369	23,572
Training allowances	27,768	32,117
Translation Access Fund expenses	6,548	465
Transportation	65,775	62,723
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	<b>\$ 5,593,028</b>	<b>\$ 4,947,233</b>

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