

**IMMIGRANT CENTRE MANITOBA INC.**

**Financial Statements**

**Year Ended March 31, 2015**

**IMMIGRANT CENTRE MANITOBA INC.**  
**Index to Financial Statements**  
**Year Ended March 31, 2015**

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*Wieler & Wieler*

CERTIFIED GENERAL ACCOUNTANTS PROFESSIONAL CORPORATION

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Immigrant Centre Manitoba Inc.

We have audited the accompanying financial statements of Immigrant Centre Manitoba Inc., which comprise the statement of financial position as at March 31, 2015 and the statements of changes in net assets, revenue and expenditures and cash flows for the year then ended March 31, 2015, 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.

### 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 entity'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 entity'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 qualified audit opinion.

### Basis for Qualified Opinion

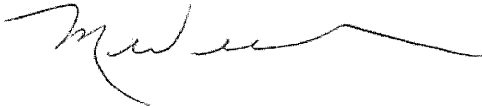
In common with many not for profit organizations, the Organization derives revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory audit verifications were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, assets or net assets.

*(continues)*

Independent Auditor's Report to the Members of Immigrant Centre Manitoba Inc. *(continued)*

Qualified Opinion

In our opinion, except for the effects of the adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donations referred to in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of Immigrant Centre Manitoba Inc., as at March 31, 2015 and its financial performance and the results of its operations and its cash flows for the year then ended March 31, 2015 in accordance with Canadian accounting standards for not-for-profit organizations.

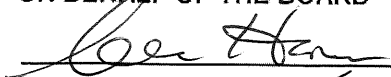



Wieler & Wieler Certified General Accountants Professional Corporation  
Winnipeg, Manitoba  
June 19, 2015

**IMMIGRANT CENTRE MANITOBA INC.**  
**Statement of Financial Position**  
**March 31, 2015**

	2015	2014
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 131,192	\$ 203,026
Grants receivable (Note 3)	316,855	158,173
Accounts receivable (Note 4)	32,186	14,436
Prepaid expenses	11,364	10,703
	491,597	386,338
Capital assets (Note 5)	564,254	639,326
	\$ 1,055,851	\$ 1,025,664
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 25,672	\$ 18,572
Due to government	2,958	2,809
Accrued vacation payable	52,747	99,802
Deferred revenue (Note 7)	227,448	117,426
Current portion on long-term debt (Note 8)	32,666	30,778
	341,491	269,387
Long-term debt (Note 8)	219,879	252,579
Deferred contributions related to capital assets (Note 9)	344,489	371,955
	905,859	893,921
<b>Net assets</b>		
Investments in capital assets	(32,778)	(15,985)
Internally restricted net assets (Note 10)	182,770	147,728
	149,992	131,743
	\$ 1,055,851	\$ 1,025,664

ON BEHALF OF THE BOARD

 Director  
 Director

The accompanying notes are an integral part of these financial statements

**IMMIGRANT CENTRE MANITOBA INC.**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2015**

	2015	2014
<b>Revenue</b>		
Operating grants and donations (Note 11)	\$ 2,006,664	\$ 2,149,848
Memberships	190	140
Language bank	139,620	140,140
Other income	2,250	2,138
Amortization of deferred contributions (Note 9)	72,590	82,374
	<b>2,221,314</b>	<b>2,374,640</b>
<b>Expenses</b>		
Advertising and promotion	18,769	19,094
Board and staff meetings	728	919
Client resources	2,742	3,021
Computer supplies and support	27,449	28,519
Conferences and staff development	12,872	15,927
GST expense - CIC	7,626	8,805
Insurance	10,983	11,553
Interest and bank charges	6,187	5,610
Interest on long term debt	13,140	14,693
Equipment maintenance	981	2,399
Office	21,623	27,159
Parking and transportation	2,939	3,878
Postage and delivery	3,219	3,510
Professional fees	22,320	12,798
Programs	79,462	144,369
Rent	243,541	254,400
Repairs and maintenance	36,191	38,079
Salaries and benefits	1,554,982	1,638,169
Sundry	3,909	872
Telephone	13,207	12,917
	<b>2,082,870</b>	<b>2,246,691</b>
<b>Excess of revenue over expenses from operations</b>	<b>138,444</b>	<b>127,949</b>
<b>Other expenses (income)</b>		
Loss on disposal of capital assets	145	-
Amortization of capital assets	120,050	133,519
	<b>120,195</b>	<b>133,519</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 18,249</b>	<b>\$ (5,570)</b>

The accompanying notes are an integral part of these financial statements

**IMMIGRANT CENTRE MANITOBA INC.**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2015**

	Capital Assets	Internally Restricted	Unrestricted	2015	2014
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ (15,985)	\$ 147,728	\$ -	\$ 131,743	\$ 137,313
Excess (deficiency) of revenue over expenses	(47,605)	-	65,854	18,249	(5,570)
Repayment of long-term debt	30,812	-	(30,812)	-	-
Purchase of Capital Assets	45,124	-	(45,124)	-	-
Proceeds from Capital Grants	(45,124)	-	45,124	-	-
Internally imposed restrictions - (Note 10)	-	35,042	(35,042)	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ (32,778)	\$ 182,770	\$ -	\$ 149,992	\$ 131,743

The accompanying notes are an integral part of these financial statements

**IMMIGRANT CENTRE MANITOBA INC.**  
**Statement of Cash Flows**  
**Year Ended March 31, 2015**

	2015	2014
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ 18,249	\$ (5,570)
Items not affecting cash:		
Amortization of capital assets	120,050	133,519
Amortization of deferred contributions	(72,590)	(82,374)
Loss on disposal of assets	145	-
	<b>65,854</b>	<b>45,575</b>
Changes in non-cash working capital:		
Grants receivable	(158,682)	(78,939)
Accounts receivable	(17,750)	(3,198)
Prepaid expenses	(660)	472
Accounts payable and accrued liabilities	7,100	10,222
Employee deductions payable	149	2,809
Accrued vacation pay	(47,055)	11,861
Deferred revenue	110,022	(16,549)
	<b>(106,876)</b>	<b>(73,322)</b>
Cash flow used by operating activities	<b>(41,022)</b>	<b>(27,747)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(45,124)	(9,982)
Contributions received to fund purchase of capital assets	45,124	9,982
Cash flow from investing activities	-	-
<b>Financing activity</b>		
Repayment of long term debt	(30,812)	(29,296)
<b>Decrease in cash flow</b>	<b>(71,834)</b>	<b>(57,043)</b>
Cash - beginning of year	203,026	260,069
<b>Cash - end of year</b>	<b>\$ 131,192</b>	<b>\$ 203,026</b>

The accompanying notes are an integral part of these financial statements



# IMMIGRANT CENTRE MANITOBA INC.

## Notes to Financial Statements

Year Ended March 31, 2015

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### 1. Nature of activities

Founded in 1969, Immigrant Centre Manitoba Inc.'s (the Organization) mission is to deliver quality innovative immigrant and settlement services in Manitoba with the goal of empowering newcomers to connect, integrate and fully participate in Canadian society.

The Organization is a non-profit organization, incorporated under the Corporation Act of Manitoba, with registered chaitable status, operating under the auspices of a community-based volunteer Board of Directors.

The various levels of government, foundations and the United Way of Winnipeg fund the Organization's services and programs. In addition, support is also received from individual and group memberships as well as donations.

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### 2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### Revenue recognition

The Organization follows the deferral method of accounting for grants and donations. Restricted grants and donations are recognized as revenue in the year in which the related expenses are incurred. Restricted funds received for which the related expenses have not been incurred as at the Organization's year end are recorded as deferred revenue. Unrestricted grants and donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### Cash and short term investments

Cash and short-term investments consist of balances with banks and investments in bank savings accounts.

#### Grants receivable

Grants receivable represents amounts due under funding agreements for services, which have already been provided in compliance with these agreements.

#### Capital assets

Capital assets are recorded at cost, less accumulated amortization. Amortization is being provided for by the straight-line method or declining balance method over the following estimated useful lives:

Computer equipment	3 years	straight-line method
Furniture and fixtures	5 years	straight-line method
Leasehold improvements	12 years	declining balance method

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**IMMIGRANT CENTRE MANITOBA INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2015**

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2. Significant accounting policies *(continued)*

Contributed services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

Net assets internally restricted

These net assets are internally restricted for specific purposes as detailed in Note 10.

Income taxes

The Organization is a not-for-profit entity without capital stock and, as such, is exempt from income taxes.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the statement of revenue over expenses in the period in which they are known. Actual results could differ from these estimates. Significant estimates include the useful lives of capital assets which is used to calculate amortization.

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**IMMIGRANT CENTRE MANITOBA INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2015**

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2. Significant accounting policies *(continued)*

Financial instruments policy

Certain assets and liabilities of the Organization are considered to be financial instruments. The recorded value of these financial instruments depends upon their classification.

Financial assets classified as held for trading are measured at fair value and any changes in those fair values are recognized in income. Financial assets classified as held to maturity or loans and receivable are measured at amortized cost using the effective interest method of amortization. Financial liabilities are also measured at amortized cost using the effective interest method of amortization.

The Organization has classified its financial assets and liabilities as follows:

1. Held for trading - cash and short-term investments
2. Loans and receivable - grants and accounts receivable
3. Other financial liabilities - accounts payable, accrued liabilities, accrued vacation pay, current portion of long-term debt, long-term debt, and deferred revenues.

At March 31st of each year, the Organization assesses whether a financial asset is permanently impaired. If there is objective evidence that an impairment loss exists, the amount of the loss is measured as the difference between the carrying amount of the asset and its fair value. The carrying amount of the asset is reduced and the amount of the loss is recognized in income.

It is management's opinion that the Organization is not exposed to significant interest, currency, or credit risks arising from these financial statements. Unless otherwise stated, the fair values of the Organization's financial assets and liabilities approximate their carrying value.

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3. **Grants receivable**

	2015	2014
Government of Canada - Citizenship and Immigration Canada	\$ 285,885	\$ 137,058
Province of Manitoba - Training and Employment Services Jobs and the Economy	14,928	4,650
City of Winnipeg	6,750	6,750
Investors Group	9,292	7,610
Winnipeg Foundation	-	2,105
	<b>\$ 316,855</b>	<b>\$ 158,173</b>

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**IMMIGRANT CENTRE MANITOBA INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2015**

**4. Accounts receivable**

	2015	2014
G.S.T. Refund	\$ 11,196	\$ 10,791
Other receivables	20,990	3,645
	<b>\$ 32,186</b>	<b>\$ 14,436</b>

**5. Capital assets**

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Furniture and fixtures	\$ 232,802	\$ 227,271	\$ 5,531	\$ 38,225
Computer equipment	135,635	86,642	48,993	11,932
Leasehold improvements	932,896	423,166	509,730	589,169
	<b>\$ 1,301,333</b>	<b>\$ 737,079</b>	<b>\$ 564,254</b>	<b>\$ 639,326</b>

**6. Bank operating line of credit**

The Organization previously held a revolving operating line of credit up to a maximum of \$50,000 with the Royal Bank of Canada, which bore interest at prime plus 1/2% per annum and was repayable upon demand. The Organization has pledged as collateral a registered General Security Agreement and a registered Priority Agreement. The Royal Bank revolving operating line of credit was discharged on March 26, 2014. The unused Royal Bank revolving operating line of credit as at March 31, 2014 was \$50,000.

On April 3, 2014, the Organization obtained a line of credit up to a maximum of \$300,000 with the Assiniboine Credit Union, which bears interest at prime plus 3.00% per annum. The Organization has pledged as collateral a registered General Security Agreement and Commercial Line of Credit Agreement. The Organization's liability to the Assiniboine Credit Union with respect to this line of credit was \$0 (Nil) at March 31, 2015.

**IMMIGRANT CENTRE MANITOBA INC.**  
**Notes to Financial Statements**  
**Year Ended March 31, 2015**

**7. Deferred revenue**

	2015	2014
Government of Canada -		
Citizenship and Immigration Canada	\$ 11,212	\$ -
Province of Manitoba -		
Training and Employment Jobs and the Economy	2,159	-
Assiniboine Credit Union	3,500	-
Communities 4 Families	319	5,232
Manitoba Community Service Council Inc.	28,280	17,780
Membership	55	115
Royal Bank of Canada	23,458	17,239
Share our Strength	49,456	29,303
United Way of Winnipeg	96,193	42,362
Western Union	-	5,395
Winnipeg Foundation	12,816	-
	<b>\$ 227,448</b>	<b>\$ 117,426</b>

**8. Long-term debt**

	2015	2014
I. D. Fashions loan payable with monthly installments of \$3,676 bearing interest at the Royal Bank of Canada's prime plus 2% per annum. The loan matures on December 1, 2022.	252,545	283,357
Current portion	(32,666)	(30,778)
	<b>\$ 219,879</b>	<b>\$ 252,579</b>

Principal repayment terms are approximately:

2016	\$ 32,666
2017	34,026
2018	35,695
2019	37,446
2020	39,273
	<u>\$ 179,106</u>

**9. Deferred contributions related to capital assets**

Deferred contributions related to capital assets represent restricted funding from the various funders with which furniture and fixtures, computers, and leasehold improvements were acquired. These contributions are recognized as revenue on the same basis as the amortization of the related capital assets. Changes in the deferred contribution balances are as follows:

*(continues)*

**IMMIGRANT CENTRE MANITOBA INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2015**

**9. Deferred contributions related to capital assets (continued)**

	2015	2014
Balance - beginning of the year	\$ 371,955	\$ 444,347
Funding for capital assets	45,124	9,982
Amounts amortized to revenue	(72,590)	(82,374)
Balance - end of the year	344,489	371,955

**Funding was received from the following organizations to acquire capital assets**

Government of Canada - Citizenship and Immigration		
Canada	35,607	9,982
United Way	9,517	-
	45,124	9,982

**10. Internally restricted net assets**

The Board has restricted the following amounts:

	2015	2014
Outreach and Communications Fund	\$ 25,000	\$ 25,000
Future purchase of equipment and improvements to facilities	35,770	20,728
Short-term Disability Fund	20,000	20,000
Immigrant Centre Client Emergency Fund	2,000	2,000
Management Succession Fund	40,000	40,000
Professional Development	5,000	5,000
Program Transition Funding Support	15,000	15,000
Program Salary and Benefit Shortfall Support	40,000	20,000
	\$ 182,770	\$ 147,728

**IMMIGRANT CENTRE MANITOBA INC.****Notes to Financial Statements****Year Ended March 31, 2015****11. Operating grants and donations**

	2015	2014
Government of Canada -		
Citizenship and Immigration Canada	\$ 1,457,570	\$ 1,453,530
Youth Employment Strategy	-	75,053
Province of Manitoba -		
Training and Employment Jobs and the Economy	251,555	247,122
City of Winnipeg	27,000	27,000
Child Nutrition Council	150	-
Communities 4 Families	4,913	-
Donations	7,120	3,805
Investors Group	35,000	35,036
Royal Bank of Canada Foundation	23,780	34,840
Share our Strength	49,848	64,853
United Way of Winnipeg	105,260	204,399
Western Union	5,395	2,105
Winnipeg Chamber of Commerce	550	-
Winnipeg Foundation	38,523	2,105
	<b>\$ 2,006,664</b>	<b>\$ 2,149,848</b>

**12. Pension Plan**

- a) The Organization is a member of the Community Agencies Retirement Plan which covers substantially all its employees. The Organization accounts for its contributions to the Plan as a defined contribution plan, as this is a multi-employer plan.

In 2015, the Organization recognized an expense of \$87,674 (2014 - \$78,304) for employee current service pension.

- b) The most recent actuarial valuation of the pension plan prepared as at December 31, 2013 by Ellement & Ellement Consulting Actuaries reported the solvency ratio at the end of December 31, 2013 to be at 93.3% at being fully funded.

**IMMIGRANT CENTRE MANITOBA INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2015**

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**13. Commitments**

- a) The Organization has entered into a 12 year lease agreement for its premises which expires August 31, 2021. The monthly base rent for years one to six is \$11,864 plus GST and \$13,197 plus GST for years seven to twelve.

The minimum lease payments required over the next five years for its new premises are as follows:

	<u>2015</u>
2016	\$ 159,284
2017	166,294
2018	166,294
2019	166,294
2020	166,294

The lease also requires the Organization to pay its proportionate share of certain operating costs of the building, currently estimated at \$7.50 per square foot (\$10,000 per month plus GST), and \$1,360 per month plus GST for parking.

The organization has entered into three 60 month lease agreements on the photocopiers which expire in February, 2020. The total quarterly payment is \$1,952 plus taxes.

The required lease payments over the life of the leases are as follows:

2016	\$ 8,823
2017	8,823
2018	8,823
2019	8,823
2020	6,617

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