



**MCLENEHAN AND ASSOCIATES**  
CHARTERED PROFESSIONAL ACCOUNTANTS  
CORPORATION

**IMMIGRANT CENTRE MANITOBA INC.**

**Financial Statements**

**Year Ended March 31, 2018**



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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, 2018 and the statements of revenues and expenditures, changes in 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 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 audit opinion.



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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Immigrant Centre Manitoba Inc. as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Winnipeg, Manitoba  
May 18, 2018

  
CHARTERED PROFESSIONAL ACCOUNTANT

**IMMIGRANT CENTRE MANITOBA INC.****Statement of Financial Position****March 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 312,485	\$ 333,224
Grants receivable (Note 3)	267,872	252,229
Accounts receivable (Note 4)	38,902	30,093
Prepaid expenses	9,761	9,090
	629,020	624,636
<b>CAPITAL ASSETS (Note 5)</b>	<b>308,629</b>	<b>403,219</b>
	<b>\$ 937,649</b>	<b>\$ 1,027,855</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 61,234	\$ 64,481
Government remittances payable	9,551	7,290
Deferred revenue (Note 7)	249,593	275,259
Current portion of long term debt (Note 8)	37,016	35,751
	357,394	382,781
<b>LONG TERM DEBT (Note 8)</b>	<b>113,341</b>	<b>149,864</b>
<b>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 9)</b>	<b>190,248</b>	<b>250,937</b>
	<b>660,983</b>	<b>783,582</b>
<b>NET ASSETS</b>		
Investment in capital assets	(31,973)	(33,334)
Internally restricted net assets (Note 10)	308,639	277,607
	276,666	244,273
	<b>\$ 937,649</b>	<b>\$ 1,027,855</b>

**ON BEHALF OF THE BOARD**

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

See Accompanying Notes



**IMMIGRANT CENTRE MANITOBA INC.****Statement of Revenues and Expenditures****Year Ended March 31, 2018**

	2018	2017
<b>REVENUE</b>		
Operating grants and donations ( <i>Note 11</i> )	\$ 2,636,292	\$ 2,413,994
Language Bank	208,827	164,956
Memberships	40	70
	<b>2,845,159</b>	<b>2,579,020</b>
<b>EXPENSES</b>		
Advertising and promotion	34,144	23,070
Board and staff meetings	553	640
Client resources	3,185	3,172
Computer supplies and support	21,976	19,832
Conferences and staff development	33,633	32,558
Equipment maintenance	4,552	3,488
GST expense - IRCC	8,680	7,987
Insurance	11,931	11,844
Interest and bank charges	8,724	7,521
Interest on long term debt	8,334	9,376
Office	25,998	26,455
Parking and transportation	5,470	3,256
Postage and delivery	3,092	3,116
Professional fees	15,805	20,180
Programs	180,769	133,423
Rent	267,279	270,502
Repairs and maintenance	39,724	35,648
Salaries and benefits	2,088,905	1,876,783
Sundry	1,343	1,022
Telephone	17,171	16,508
	<b>2,781,268</b>	<b>2,506,381</b>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>63,891</b>	<b>72,639</b>
<b>OTHER INCOME (EXPENSES)</b>		
Amortization of deferred contributions ( <i>Note 9</i> )	72,964	70,288
Interest and miscellaneous	3,021	2,877
Loss on disposal of capital assets	(129)	-
Amortization of capital assets	(107,354)	(104,679)
	<b>(31,498)</b>	<b>(31,514)</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 32,393</b>	<b>\$ 41,125</b>

**IMMIGRANT CENTRE MANITOBA INC.****Statement of Changes in Net Assets****Year Ended March 31, 2018**

	Capital Assets	Internally Restricted	Unrestricted	2018	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ (33,334)	\$ 277,607	\$ -	\$ 244,273	\$ 203,148
Excess (deficiency) of revenue over expenses	(34,517)	-	66,910	32,393	41,125
Repayment of long- term debt	35,258	-	(35,258)	-	-
Purchase of Capital Assets	12,895	-	(12,895)	-	-
Proceeds from Capital Grants	(12,275)	-	12,275	-	-
Internally imposed restrictions - (Note 10)	-	31,032	(31,032)	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ (31,973)	\$ 308,639	\$ -	\$ 276,666	\$ 244,273

**IMMIGRANT CENTRE MANITOBA INC.****Statement of Cash Flows****Year Ended March 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 32,393	\$ 41,125
Items not affecting cash:		
Amortization of capital assets	107,354	104,679
Amortization of deferred contributions	(72,964)	(70,288)
Loss on disposal of assets	129	-
	<b>66,912</b>	<b>75,516</b>
Changes in non-cash working capital:		
Grants receivable	(15,643)	7,783
Accounts receivable	(8,809)	1,582
Prepaid expenses	(671)	(1,180)
Accounts payable and accrued liabilities	(3,245)	(5,757)
Government remittances payable	2,261	2,371
Deferred revenue	(25,666)	(27,642)
	<b>(51,773)</b>	<b>(22,843)</b>
Cash flow from operating activities	<b>15,139</b>	<b>52,673</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(12,895)	(17,110)
Contributions received to fund purchase of capital assets	12,275	15,509
Cash flow used by investing activities	<b>(620)</b>	<b>(1,601)</b>
<b>FINANCING ACTIVITY</b>		
Repayment of long term debt	(35,258)	(34,047)
Cash flow used by financing activity	<b>(35,258)</b>	<b>(34,047)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(20,739)</b>	<b>17,025</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>333,224</b>	<b>316,199</b>
<b>CASH - END OF YEAR</b>	<b>\$ 312,485</b>	<b>\$ 333,224</b>

# IMMIGRANT CENTRE MANITOBA INC.

## Notes to Financial Statements

Year Ended March 31, 2018

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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 charitable 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.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### 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

#### 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.

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# IMMIGRANT CENTRE MANITOBA INC.

## Notes to Financial Statements

Year Ended March 31, 2018

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### 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.

#### Financial instruments policy

The Organization initially measures its financial assets and financial liabilities at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in marketable securities that are quoted in an active market which are measured at fair value. Changes in fair value are recognized in the statement of Revenues and Expenditures and statement of Changes in Net Assets.

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

Financial liabilities measured at amortized cost include accounts payable, accrued liabilities, current portion of long-term debt and long-term debt.

Financial assets are tested for impairment at the end of the reporting period if there are indications that the assets may be impaired.

### 3. GRANTS RECEIVABLE

	2018	2017
Government of Canada - Immigration, Refugees and Citizenship Canada	\$ 238,652	\$ 238,017
Province of Manitoba - Manitoba Jobs and the Economy	18,450	-
City of Winnipeg	-	6,750
Calgary Catholic Immigration Society	3,252	-
Investors Group	-	7,462
Winnipeg Foundation	7,518	-
	<b>\$ 267,872</b>	<b>\$ 252,229</b>

**IMMIGRANT CENTRE MANITOBA INC.****Notes to Financial Statements****Year Ended March 31, 2018****4. ACCOUNTS RECEIVABLE**

	<b>2018</b>	2017
GST Refund	\$ 13,076	\$ 12,149
Other receivables	25,826	17,944
	<b>\$ 38,902</b>	<b>\$ 30,093</b>

**5. CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2018 Net book value</b>	2017 Net book value
Furniture and fixtures	\$ 260,722	\$ 240,978	\$ 19,744	\$ 23,672
Computer equipment	92,129	76,892	15,237	25,806
Leasehold improvements	936,764	663,116	273,648	353,741
	<b>\$ 1,289,615</b>	<b>\$ 980,986</b>	<b>\$ 308,629</b>	<b>\$ 403,219</b>

**6. BANK OPERATING LINE OF CREDIT**

Organization possesses 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, 2018 (\$0 (Nil) at March 31, 2017).

**7. DEFERRED REVENUE**

	<b>2018</b>	2017
Government of Canada - Immigration, Refugees and Citizenship Canada	\$ 10,524	\$ 11,292
Province of Manitoba - Manitoba Jobs and the Economy	1,936	7,514
City of Winnipeg	20,250	-
Assiniboine Credit Union	-	4,000
Communities 4 Families	319	319
Community Connections	1,780	1,780
Membership	30	70
Royal Bank of Canada	17,199	20,150
Share our Strength	59,295	62,202
United Way of Winnipeg	137,399	158,069
Winnipeg Foundation	861	9,863
	<b>\$ 249,593</b>	<b>\$ 275,259</b>

**IMMIGRANT CENTRE MANITOBA INC.****Notes to Financial Statements****Year Ended March 31, 2018****8. LONG TERM DEBT**

	<b>2018</b>	2017
I.D. Fashions loan payable with monthly installments of \$3,679 bearing interest at the Royal Bank of Canada's prime plus 2% per annum. The loan matures on December 1, 2021.	\$ 150,357	\$ 185,615
Amounts payable within one year	(37,016)	(35,751)
	<b>\$ 113,341</b>	<b>\$ 149,864</b>

Principal repayment terms are approximately:

2019	\$ 37,016
2020	39,308
2021	41,450
2022	32,583
	<u>\$ 150,357</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:

	<b>2018</b>	2017
Balance - beginning of the year	\$ 250,937	\$ 305,716
Funding for capital assets	12,275	15,509
Amounts amortized to revenue	(72,964)	(70,288)
	<b>190,248</b>	<b>250,937</b>

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

Government of Canada		
- Immigration, Refugees and Citizenship Canada	5,956	5,871
Province of Manitoba		
- Manitoba Jobs and the Economy	6,319	2,429
United Way of Winnipeg	-	7,209
	<b>12,275</b>	<b>15,509</b>

**IMMIGRANT CENTRE MANITOBA INC.****Notes to Financial Statements****Year Ended March 31, 2018****10. INTERNALLY RESTRICTED NET ASSETS**

The Board has restricted the following amounts:

	2018	2017
Outreach and Communications Fund	\$ 30,000	\$ 25,000
Future purchase of telecommunication equipment	60,000	-
Future purchase of other equipment and improvements to facilities	40,639	97,607
Short-term Disability Fund	25,000	20,000
Immigrant Centre Client Emergency Fund	3,000	2,000
Management Succession Fund	40,000	40,000
Professional Development	10,000	8,000
Program Transition Funding Support	40,000	30,000
Program Salary and Benefit Shortfall Support	40,000	40,000
Human Resources Fund	20,000	15,000
	<b>\$ 308,639</b>	<b>\$ 277,607</b>

**11. OPERATING GRANTS AND DONATIONS**

	2018	2017
Government of Canada -		
Immigration, Refugees and Citizenship Canada	\$ 2,012,469	\$ 1,767,137
Province of Manitoba -		
Manitoba Jobs and the Economy	264,531	265,736
City of Winnipeg	27,000	27,000
Assiniboine Credit Union	4,000	-
Calgary Catholic Immigration Society	3,252	-
Canadian Union of Public Employees Local 2348	173	-
Donations	9,537	8,346
Equitas	-	750
Investors Group	27,538	35,000
Manitoba Community Services Council Inc.	-	9,503
Royal Bank of Canada Foundation	15,451	32,206
Share our Strength	67,906	58,855
Toastmasters Downtown Winnipeg	-	300
United Way of Winnipeg	183,135	171,104
Winnipeg Foundation	21,300	38,057
	<b>\$ 2,636,292</b>	<b>\$ 2,413,994</b>



# IMMIGRANT CENTRE MANITOBA INC.

## Notes to Financial Statements

Year Ended March 31, 2018

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### 12. PENSION PLAN

a) 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 2018, the organization recognized an expense of \$104,937 (2017 - \$100,286) for employee current service pension.

b) The most recent actuarial valuation of the pension plan prepared at December 31, 2016 by Ellement Consulting Group reported the solvency ratio at the end of December 31, 2016 to be at 87.6% of being fully funded.

### 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 \$13,198 plus GST for years seven to twelve.

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

2019	\$	166,294
2020		166,294
2021		166,294
2022		69,289

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 \$2,080 per month plus GST for parking.

b) 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:

2019	\$	8,823
2020		6,617