



MCLENEHAN AND ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS
CORPORATION

IMMIGRANT CENTRE MANITOBA INC.

Financial Statements

Year Ended March 31, 2017



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS

UNIT 205 - 3657 ROBLIN BLVD.
WINNIPEG, MB, CANADA R3R 0E2
T: (204) 505-3113 F: (204) 505-3121
E: MIKE@MCLENEHAN.COM



INDEPENDENT AUDITOR'S REPORT

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, 2017 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, 2017 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
June 14, 2017


CHARTERED PROFESSIONAL ACCOUNTANT

IMMIGRANT CENTRE MANITOBA INC.**Statement of Financial Position****March 31, 2017**

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 333,224	\$ 316,199
Grants receivable (Note 3)	252,229	260,012
Accounts receivable (Note 4)	30,093	31,675
Prepaid expenses	9,090	7,910
	624,636	615,796
CAPITAL ASSETS (Note 5)	403,219	490,788
	\$ 1,027,855	\$ 1,106,584
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 64,481	\$ 70,238
Government remittances payable	7,290	4,919
Deferred revenue (Note 7)	275,259	302,901
Current portion of long term debt (Note 8)	35,751	34,047
	382,781	412,105
LONG TERM DEBT (Note 8)	149,864	185,615
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 9)	250,937	305,716
	783,582	903,436
NET ASSETS		
Investment in capital assets	(33,334)	(34,591)
Internally restricted net assets (Note 10)	277,607	237,739
	244,273	203,148
	\$ 1,027,855	\$ 1,106,584

ON BEHALF OF THE BOARD

 Director
 Director

See Accompanying Notes

IMMIGRANT CENTRE MANITOBA INC.**Statement of Revenues and Expenditures****Year Ended March 31, 2017**

	2017	2016
REVENUE		
Operating grants and donations (<i>Note 11</i>)	\$ 2,413,994	\$ 2,214,701
Memberships	70	105
Language bank	164,956	141,395
	2,579,020	2,356,201
EXPENSES		
Advertising and promotion	23,070	19,581
Board and staff meetings	640	629
Client resources	3,172	2,686
Computer supplies and support	19,832	39,959
Conferences and staff development	32,558	26,187
Equipment maintenance	3,488	4,493
GST expense - IRCC	7,987	9,139
Insurance	11,844	11,675
Interest and bank charges	7,521	6,846
Interest on long term debt	9,376	11,068
Office	26,455	28,164
Parking and transportation	3,256	3,097
Postage and delivery	3,116	2,974
Professional fees	20,180	14,233
Programs	133,423	142,116
Rent	270,502	260,744
Repairs and maintenance	35,648	36,437
Salaries and benefits	1,876,783	1,635,298
Sundry	1,022	1,549
Telephone	16,508	13,863
	2,506,381	2,270,738
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	72,639	85,463
OTHER INCOME (EXPENSES)		
Amortization of deferred contributions (<i>Note 9</i>)	70,288	70,341
Interest and miscellaneous	2,877	2,387
Amortization of capital assets	(104,679)	(105,035)
	(31,514)	(32,307)
EXCESS OF REVENUE OVER EXPENSES	\$ 41,125	\$ 53,156

IMMIGRANT CENTRE MANITOBA INC.**Statement of Changes in Net Assets****Year Ended March 31, 2017**

	Capital Assets	Internally Restricted	Unrestricted	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ (34,591)	\$ 237,739	\$ -	\$ 203,148	\$ 149,992
Excess (deficiency) of revenue over expenses	(34,391)	-	75,516	41,125	53,156
Repayment of long- term debt	34,047	-	(34,047)	-	-
Purchase of Capital Assets	17,110	-	(17,110)	-	-
Proceeds from Capital Grants	(15,509)	-	15,509	-	-
Internally imposed restrictions - (Note 10)	-	39,868	(39,868)	-	-
NET ASSETS - END OF YEAR	\$ (33,334)	\$ 277,607	\$ -	\$ 244,273	\$ 203,148

IMMIGRANT CENTRE MANITOBA INC.**Statement of Cash Flows****Year Ended March 31, 2017**

	2017	2016
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 41,125	\$ 53,156
Items not affecting cash:		
Amortization of capital assets	104,679	105,035
Amortization of deferred contributions	(70,288)	(70,341)
	75,516	87,850
Changes in non-cash working capital:		
Grants receivable	7,783	56,843
Accounts receivable	1,582	511
Prepaid expenses	(1,180)	3,454
Accounts payable and accrued liabilities	(5,757)	(8,182)
Government remittances payable	2,371	1,961
Deferred revenue	(27,642)	75,453
	(22,843)	130,040
Cash flow from operating activities	52,673	217,890
INVESTING ACTIVITIES		
Purchase of capital assets	(17,110)	(31,568)
Contributions received to fund purchase of capital assets	15,509	31,568
Cash flow used by investing activities	(1,601)	-
FINANCING ACTIVITY		
Repayment of long term debt	(34,047)	(32,883)
Cash flow used by financing activity	(34,047)	(32,883)
INCREASE IN CASH FLOW	17,025	185,007
CASH - BEGINNING OF YEAR	316,199	131,192
CASH - END OF YEAR	\$ 333,224	\$ 316,199

IMMIGRANT CENTRE MANITOBA INC.

Notes to Financial Statements

Year Ended March 31, 2017

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.

(continues)

IMMIGRANT CENTRE MANITOBA INC.

Notes to Financial Statements

Year Ended March 31, 2017

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

	2017	2016
Government of Canada - Immigration, Refugees and Citizenship Canada	\$ 238,017	\$ 221,312
Province of Manitoba - Manitoba Jobs and the Economy	-	12,850
City of Winnipeg	6,750	6,750
Investors Group	7,462	-
Winnipeg Foundation	-	19,100
	\$ 252,229	\$ 260,012

IMMIGRANT CENTRE MANITOBA INC.**Notes to Financial Statements****Year Ended March 31, 2017****4. ACCOUNTS RECEIVABLE**

	2017	2016
GST Refund	\$ 12,149	\$ 13,084
Other receivables	17,944	18,591
	\$ 30,093	\$ 31,675

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Furniture and fixtures	\$ 257,914	\$ 234,242	\$ 23,672	\$ 19,355
Computer equipment	85,906	60,100	25,806	37,600
Leasehold improvements	936,764	583,023	353,741	433,833
	\$ 1,280,584	\$ 877,365	\$ 403,219	\$ 490,788

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, 2017 (\$0 (Nil) at March 31, 2016).

7. DEFERRED REVENUE

	2017	2016
Government of Canada - Immigration, Refugees and Citizenship Canada	\$ 11,292	\$ 9,391
Province of Manitoba - Manitoba Jobs and the Economy	7,514	1,809
Assiniboine Credit Union	4,000	-
Communities 4 Families	319	319
Community Connections	1,780	1,780
Investors Group	-	24,540
Manitoba Community Service Council Inc.	-	5,503
Membership	70	60
Royal Bank of Canada	20,150	27,355
Share our Strength	62,202	56,057
United Way of Winnipeg	158,069	173,087
Winnipeg Foundation	9,863	3,000
	\$ 275,259	\$ 302,901

IMMIGRANT CENTRE MANITOBA INC.**Notes to Financial Statements****Year Ended March 31, 2017****8. LONG TERM DEBT**

	2017	2016
I. D. Fashions loan payable with monthly installments of \$3,636 bearing interest at the Royal Bank of Canada's prime plus 2% per annum. The loan matures on December 1, 2021.	\$ 185,615	\$ 219,662
Amounts payable within one year	(35,751)	(34,047)
	<u>\$ 149,864</u>	<u>\$ 185,615</u>

Principal repayment terms are approximately:

2018	\$ 35,751
2019	37,451
2020	39,221
2021	41,094
2022	32,098
	<u>\$ 185,615</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:

	2017	2016
Balance - beginning of the year	\$ 305,716	\$ 344,489
Funding for capital assets	15,509	31,568
Amounts amortized to revenue	(70,288)	(70,341)
	<u>250,937</u>	<u>305,716</u>

Funding was received from the following organizations to acquire capital assets

Government of Canada		
- Immigration, Refugees and Citizenship Canada	5,871	31,568
Province of Manitoba		
- Manitoba Jobs and the Economy	2,429	-
United Way	7,209	-
	<u>15,509</u>	<u>31,568</u>

IMMIGRANT CENTRE MANITOBA INC.**Notes to Financial Statements****Year Ended March 31, 2017****10. INTERNALLY RESTRICTED NET ASSETS**

The Board has restricted the following amounts:

	2017	2016
Outreach and Communications Fund	\$ 25,000	\$ 25,000
Future purchase of equipment and improvements to facilities	97,607	90,739
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	8,000	5,000
Program Transition Funding Support	30,000	15,000
Program Salary and Benefit Shortfall Support	40,000	40,000
Human Resources Fund	15,000	-
	\$ 277,607	\$ 237,739

11. OPERATING GRANTS AND DONATIONS

	2017	2016
Government of Canada -		
Immigration, Refugees and Citizenship Canada	\$ 1,767,137	\$ 1,647,999
Province of Manitoba -		
Manitoba Jobs and the Economy	265,736	255,936
City of Winnipeg	27,000	27,000
Assiniboine Credit Union	-	3,650
Donations	8,346	16,623
Equitas	750	-
Investors Group	35,000	35,000
Manitoba Community Services Council Inc.	9,503	20,997
Royal Bank of Canada Foundation	32,206	21,102
Share our Strength	58,855	58,399
Toastmasters Downtown Winnipeg	300	-
United Way of Winnipeg	171,104	89,780
University of Western Ontario	-	1,300
Winnipeg Foundation	38,057	36,915
	\$ 2,413,994	\$ 2,214,701

IMMIGRANT CENTRE MANITOBA INC.

Notes to Financial Statements

Year Ended March 31, 2017

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 2017, the organization recognized an expense of \$100,286 (2016 - \$82,217) for employee current service pension.

b) The most recent actuarial valuation of the pension plan prepared at December 31, 2015 by Ellement & Ellement Consulting Actuaries reported the solvency ratio at the end of December 31, 2015 to be at 83.9% 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:

2018	\$	166,294
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:

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