

IMMIGRANT CENTRE MANITOBA INC.

Financial Statements

Year Ended March 31, 2021

IMMIGRANT CENTRE MANITOBA INC.
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Year Ended March 31, 2021

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Rawluk & Robert

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Immigrant Centre Manitoba Inc.

Opinion

We have audited the financial statements of Immigrant Centre Manitoba Inc. (the Organization), which comprise the statement of financial position as at March 31, 2021, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

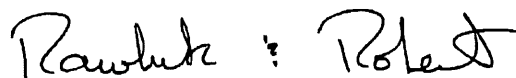
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Winnipeg, MB
June 11, 2021



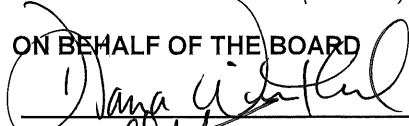
Rawluk & Robert Chartered Professional Accountants Inc.
Chartered Professional Accountants

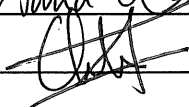
IMMIGRANT CENTRE MANITOBA INC.
Statement of Financial Position
March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 270,950	\$ 313,792
Grants receivable (Note 3)	273,877	247,125
Accounts receivable (Note 4)	33,098	35,859
Prepaid expenses	8,898	10,079
	586,823	606,855
PROPERTY, PLANT AND EQUIPMENT (Note 5)	95,003	168,187
	\$ 681,826	\$ 775,042
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 106,077	\$ 98,968
Government remittances payable	8,457	11,011
Deferred revenue (Note 7)	212,862	167,098
Current portion of long term debt (Note 8)	32,019	41,557
	359,415	318,634
LONG TERM DEBT (Note 8)	-	32,806
DEFERRED REVENUE RELATED TO CAPITAL ASSETS (Note 9)	56,623	87,793
	416,038	439,233
NET ASSETS	265,788	335,809
	\$ 681,826	\$ 775,042

LEASE COMMITMENTS (Note 14)

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

IMMIGRANT CENTRE MANITOBA INC.
Statement of Revenues and Expenditures
Year Ended March 31, 2021

	2021	2020
REVENUES		
Operating grants and donations <i>(Note 11)</i>	\$ 2,525,345	\$ 2,737,797
Language Bank	119,270	234,724
	<u>2,644,615</u>	<u>2,972,521</u>
EXPENSES		
Advertising and promotion	12,817	23,468
Client resources	1,202	3,450
Computer supplies and support	30,151	35,415
Conferences and staff development	10,800	25,693
Equipment maintenance	2,996	4,136
GST expense - IRCC	7,072	7,267
Insurance	15,611	15,299
Interest and bank charges	7,687	9,348
Interest on long term debt	2,238	5,457
Office	16,188	26,741
Parking and transportation	2,590	4,879
Postage and delivery	2,965	3,424
Professional fees	27,721	13,769
Programs	80,206	149,943
Rent	264,280	267,753
Repairs and maintenance	36,740	40,498
Salaries and wages	2,136,144	2,241,471
Sundry	420	240
Telephone	15,094	16,028
	<u>2,672,922</u>	<u>2,894,279</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(28,307)</u>	<u>78,242</u>
OTHER INCOME (EXPENSES)		
Amortization of deferred contributions <i>(Note 9)</i>	61,205	61,759
Interest and miscellaneous	1,042	3,408
Amortization of capital assets	(103,961)	(99,948)
	<u>(41,714)</u>	<u>(34,781)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (70,021)</u>	<u>\$ 43,461</u>

See notes to financial statements

IMMIGRANT CENTRE MANITOBA INC.
Statement of Changes in Net Assets
Year Ended March 31, 2021

	Capital Assets	Internally Restricted	Unrestricted	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 6,030	\$ 329,779	\$ -	\$ 335,809	\$ 292,348
(Deficiency)/excess of revenue over expenses	(42,756)	-	(27,265)	(70,021)	43,461
Repayment of long term debt	42,344	-	(42,344)	-	-
Purchase of capital assets	30,778	-	(30,778)	-	-
Proceeds from capital grants	(30,035)	-	30,035	-	-
Internally imposed restrictions (<i>Note 10</i>)	-	(70,352)	70,352	-	-
NET ASSETS - END OF YEAR	\$ 6,361	\$ 259,427	\$ -	\$ 265,788	\$ 335,809

See notes to financial statements

IMMIGRANT CENTRE MANITOBA INC.
Statement of Cash Flows
Year Ended March 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (70,021)	\$ 43,461
Items not affecting cash:		
Amortization of property, plant and equipment	103,961	99,948
Amortization of deferred contributions	<u>(61,205)</u>	<u>(61,759)</u>
	<u>(27,265)</u>	81,650
Changes in non-cash working capital:		
Grants receivable	(26,752)	26,780
Accounts receivable	2,762	8,334
Prepaid expenses	1,181	(419)
Accounts payable and accrued liabilities	7,109	7,095
Government remittances payable	(2,554)	1,077
Deferred revenue	<u>45,764</u>	<u>(35,447)</u>
	<u>27,510</u>	7,420
Cash flow from operating activities	<u>245</u>	<u>89,070</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(30,778)	(38,025)
Contributions received to fund the purchase of capital assets	<u>30,035</u>	<u>7,974</u>
Cash flow used by investing activities	<u>(743)</u>	<u>(30,051)</u>
FINANCING ACTIVITY		
Repayment of long term debt	<u>(42,344)</u>	<u>(39,284)</u>
INCREASE (DECREASE) IN CASH FLOW	(42,842)	19,735
Cash - beginning of year	<u>313,792</u>	<u>294,057</u>
CASH - END OF YEAR	\$ 270,950	\$ 313,792

See notes to financial statements

IMMIGRANT CENTRE MANITOBA INC.

Notes to Financial Statements

Year Ended March 31, 2021

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 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).

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.

Goods and services tax

Goods and services tax from purchased supplies and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

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

The Organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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IMMIGRANT CENTRE MANITOBA INC.
Notes to Financial Statements
Year Ended March 31, 2021

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

Revenue recognition

Immigrant Centre Manitoba Inc. 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.

Language bank revenue is recognized when the service has been provided and collection is reasonably assured.

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 conformity 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, disclosure of contingent assets and liabilities 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 period in which they become 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

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.

IMMIGRANT CENTRE MANITOBA INC.
Notes to Financial Statements
Year Ended March 31, 2021

3. GRANTS RECEIVABLE

	<u>2021</u>	<u>2020</u>
Government of Canada Immigration, Refugees and Citizenship of Canada	\$ 224,359	\$ 186,514
Government of Canada, Canada Emergency Wage Subsidy	1,834	-
Government of Canada, Canada Emergency Rent Subsidy	1,101	-
Province of Manitoba Economic Development and Training	40,508	54,460
City of Winnipeg	6,075	6,075
Canadian Union of Public Employees Local 2348	-	76
	<u>\$ 273,877</u>	<u>\$ 247,125</u>

4. ACCOUNTS RECEIVABLE

	<u>2021</u>	<u>2020</u>
G.S.T. Refund	\$ 11,093	\$ 12,167
Other receivables	22,005	23,692
	<u>\$ 33,098</u>	<u>\$ 35,859</u>

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value
Computer equipment	\$ 131,763	\$ 100,647	\$ 31,116
Furniture and fixtures	276,413	246,315	30,098
Leasehold improvements	939,869	906,080	33,789
	<u>\$ 1,348,045</u>	<u>\$ 1,253,042</u>	<u>\$ 95,003</u>

	Cost	Accumulated amortization	2020 Net book value
Computer equipment	\$ 103,685	\$ 92,109	\$ 11,576
Furniture and fixtures	275,099	233,370	41,729
Leasehold improvements	939,869	824,987	114,882
	<u>\$ 1,318,653</u>	<u>\$ 1,150,466</u>	<u>\$ 168,187</u>

IMMIGRANT CENTRE MANITOBA INC.

Notes to Financial Statements

Year Ended March 31, 2021

6. BANK OPERATING LINE OF CREDIT

The Organization has a line of credit with the Assiniboine Credit Union which includes an approved operating line that can be drawn upon to a maximum of \$300,000, which bears interest at prime plus 3% and is secured by a registered General Security Agreement and Commercial Line of Credit Agreement. At the statement of financial position date, the amount owing, which is due on demand, was \$nil (2020: \$nil).

7. DEFERRED REVENUE

	<u>2021</u>	<u>2020</u>
Government of Canada Immigration, Refugees and Citizenship of Canada	\$ 11,540	\$ 9,144
Province of Manitoba Economic Development and Training	2,084	1,671
Communities 4 Families	319	319
Community Connections	1,780	1,780
Manitoba Association of Newcomer Serving Agencies	-	1,100
Royal Bank of Canada	5,796	5,796
Share our Strength	19,936	42,285
United Way of Winnipeg	124,992	85,786
University of Winnipeg	3,579	-
Westoba Credit Union	16,656	10,060
Winnipeg Foundation	26,180	9,157
	<u>\$ 212,862</u>	<u>\$ 167,098</u>

8. LONG TERM DEBT

	<u>2021</u>	<u>2020</u>
I.D. Fashion Ltd. loan bearing interest at the Royal Bank of Canada's prime plus 2% per annum, repayable in monthly blended payments of \$3,645. The loan matures on December 1, 2021 .	\$ 32,019	\$ 74,363
Amounts payable within one year	<u>(32,019)</u>	<u>(41,557)</u>
	<u>\$ -</u>	<u>\$ 32,806</u>

Principal repayment terms are approximately:

2022	<u>\$ 32,019</u>
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IMMIGRANT CENTRE MANITOBA INC.
Notes to Financial Statements
Year Ended March 31, 2021

9. DEFERRED REVENUE RELATED TO CAPITAL ASSETS

Deferred revenue 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 deferred revenue balances are as follows:

	2021	2020
Balance - beginning of year	\$ 87,793	\$ 141,579
Funding for capital assets	30,035	7,973
Amounts amortized to revenue	(61,205)	(61,759)
	56,623	87,793

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

Government of Canada - Immigration, Refugees and Citizenship Canada	30,035	1,501
Province of Manitoba - Economic Development and Training	-	6,473
	30,035	7,974

10. INTERNALLY RESTRICTED NET ASSETS

The Board has restricted the following amounts:

	2021	2020
Outreach and Communications Fund	\$ 30,000	\$ 30,000
Future purchase of telecommunication equipment	5,000	5,000
Website Development Fund	5,000	5,000
Future purchase of other equipment and improvement to facilities	35,427	35,779
Short-term Disability Fund	25,000	25,000
Immigrant Centre Client Emergency Fund	3,000	3,000
Management Succession Fund	40,000	40,000
Professional Development	10,000	10,000
Program Transition Funding Support	40,000	110,000
Program Salary and Benefit Shortfall Support	40,000	40,000
Human Resources Fund	26,000	26,000
	259,427	329,779
Internally Restricted Net Assets invested in Capital Assets		
Unamortized portion of capital assets purchased with unrestricted resources	38,380	80,393
Less related debt	(32,019)	(74,363)
	6,361	6,030
Internally Restricted Net Assets	\$ 265,788	\$ 335,809

IMMIGRANT CENTRE MANITOBA INC.
Notes to Financial Statements
Year Ended March 31, 2021

11. OPERATING GRANTS AND DONATIONS

	2021	2020
Government of Canada - Immigration, Refugees and Citizenship Canada	\$ 1,850,452	\$ 1,854,550
Government of Canada, Canada Emergency Wage Subsidy	14,883	-
Government of Canada, Canada Emergency Rent Subsidy	1,102	-
Province of Manitoba - Economic Development and Training	363,257	520,384
City of Winnipeg	24,300	26,325
Assiniboine Credit Union	-	5,000
Canadian Union of Public Employees Local 2348	158	254
CERIC	-	500
Donations	11,933	24,230
Manitoba Association of Newcomer Serving Agencies	1,100	-
Second Harvest Food Support Committee	10,000	-
Share our Strength	22,349	69,263
United Way of Winnipeg	124,846	182,443
University of Winnipeg	2,220	-
Westoba Credit Union	18,405	14,482
Winnipeg Foundation	80,340	40,366
	\$ 2,525,345	\$ 2,737,797

12. PENSION PLAN

- a) Organization is a member of the Community Agencies Retirement Plan which covers substantially all of its employees. The Organization accounts for its contributions to the Plan as a defined contribution plan, as this is a multi-employer plan. In 2021, the Organization recognized an expense of \$117,307 (2020 - \$130,765) for employee current service pension.
- b) The most recent actuarial valuation of the pension plan prepared at December 31, 2019 by Ellement Consulting Group reported the solvency ratio at the end of December 31, 2019 to be at 85.1% at being fully funded.

13. CONTRACTUAL OBLIGATIONS

The Organization has entered into a 60 month lease agreement for photocopiers which expires January 2025. The annual payment is \$6,400 plus taxes. The required lease payments over the life of the lease is as follows:

Contractual obligation repayment schedule:

2022	\$ 7,167
2023	7,167
2024	7,167
2025	5,375
	\$ 26,876

IMMIGRANT CENTRE MANITOBA INC.

Notes to Financial Statements

Year Ended March 31, 2021

14. LEASE COMMITMENTS

The Organization has entered into a 12 year lease agreement with respect to its premises. The lease expires August 31, 2021. The monthly base rent is \$13,198 plus taxes. 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 taxes), and \$2,240 per month plus taxes for parking. On January 21, 2021 the Organization exercised its right to renew the lease agreement for an additional 5 years starting on September 1, 2021 and expiring on August 31, 2026. The monthly based rent for the renewal term is \$14,531 plus taxes. The renewal term also requires the Organization to pay its proportionate share of certain operating costs of the building and parking under the same terms and conditions as the original lease agreement. Future minimum lease payments as at March 31, 2021, are as follows:

2022	\$ 176,094
2023	183,094
2024	183,094
2025	183,094
2026	183,094
Thereafter	<u>76,289</u>
	<u>\$ 984,759</u>

15. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2021.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of funds from its customers and other related sources, long-term debt, contributions to the pension plan, and accounts payable.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risk arising from these financial instruments.
