

IMMIGRANT CENTRE MANITOBA INC.

Financial Statements

Year Ended March 31, 2022

IMMIGRANT CENTRE MANITOBA INC.
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Year Ended March 31, 2022

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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, 2022, 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, 2022, 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.

(continues)

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 7, 2022

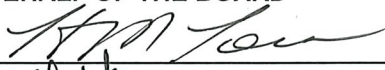


Rawluk & Robert Chartered Professional Accountants Inc.
Chartered Professional Accountants

IMMIGRANT CENTRE MANITOBA INC.
Statement of Financial Position
March 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 237,803	\$ 270,950
Grants receivable (Note 3)	292,748	273,877
Accounts receivable (Note 4)	32,742	33,098
Prepaid expenses	10,098	8,899
	<u>573,391</u>	<u>586,824</u>
PROPERTY, PLANT AND EQUIPMENT (Note 5)	<u>51,997</u>	<u>95,003</u>
	<u>\$ 625,388</u>	<u>\$ 681,827</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 99,658	\$ 106,078
Government remittances payable	5,812	8,457
Deferred revenue (Note 7)	195,307	212,862
Current portion of long term debt (Note 8)	-	32,019
	<u>300,777</u>	<u>359,416</u>
DEFERRED REVENUE RELATED TO CAPITAL ASSETS (Note 9)	<u>34,632</u>	<u>56,623</u>
	<u>335,409</u>	<u>416,039</u>
NET ASSETS (Note 10)	<u>289,979</u>	<u>265,788</u>
	<u>\$ 625,388</u>	<u>\$ 681,827</u>

LEASE COMMITMENTS (Note 14)

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

IMMIGRANT CENTRE MANITOBA INC.
Statement of Revenues and Expenditures
Year Ended March 31, 2022

	2022	2021
REVENUES		
Operating grants and donations <i>(Note 11)</i>	\$ 2,558,947	\$ 2,525,344
Language Bank	171,561	119,270
	<u>2,730,508</u>	<u>2,644,614</u>
EXPENSES		
Advertising and promotion	12,863	12,817
Client resources	2,097	1,202
Computer supplies and support	33,986	30,151
Conferences and staff development	13,168	10,800
Equipment maintenance	2,893	2,996
GST expense - IRCC	7,590	7,072
Insurance	16,440	15,610
Interest and bank charges	8,768	7,688
Interest on long term debt	481	2,238
Office	18,172	16,187
Parking and transportation	2,729	2,590
Postage and delivery	3,586	2,965
Professional fees	22,599	27,721
Programs	103,676	80,206
Rent	280,174	264,280
Repairs and maintenance	37,410	36,740
Salaries and wages	2,097,230	2,136,144
Sundry	927	420
Telephone	20,585	15,094
	<u>2,685,374</u>	<u>2,672,921</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>45,134</u>	<u>(28,307)</u>
OTHER INCOME (EXPENSES)		
Amortization of deferred contributions <i>(Note 9)</i>	36,580	61,205
Interest and miscellaneous	1,585	1,043
Amortization of capital assets	(59,108)	(103,962)
	<u>(20,943)</u>	<u>(41,714)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 24,191</u>	<u>\$ (70,021)</u>

See notes to financial statements

IMMIGRANT CENTRE MANITOBA INC.
Statement of Changes in Net Assets
Year Ended March 31, 2022

	Capital Assets	Internally Restricted	Unrestricted	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 6,361	\$ 259,427	\$ -	\$ 265,788	\$ 335,809
Excess/(Deficiency) of revenue over expenses	(22,528)	-	46,719	24,191	(70,021)
Repayment of long term debt	32,019	-	(32,019)	-	-
Purchase of capital assets	16,102	-	(16,102)	-	-
Proceeds from capital grants	(14,589)	-	14,589	-	-
Internally imposed restrictions (<i>Note 10</i>)	-	13,187	(13,187)	-	-
NET ASSETS - END OF YEAR	\$ 17,365	\$ 272,614	\$ -	\$ 289,979	\$ 265,788

See notes to financial statements

IMMIGRANT CENTRE MANITOBA INC.

Statement of Cash Flows
Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 24,191	\$ (70,021)
Items not affecting cash:		
Amortization of property, plant and equipment	59,108	103,962
Amortization of deferred contributions	(36,580)	(61,205)
	<u>46,719</u>	<u>(27,264)</u>
Changes in non-cash working capital:		
Grants receivable	(18,871)	(26,752)
Accounts receivable	356	2,761
Prepaid expenses	(1,199)	1,180
Accounts payable and accrued liabilities	(6,420)	7,110
Government remittances payable	(2,645)	(2,554)
Deferred revenue	(17,555)	45,764
	<u>(46,334)</u>	<u>27,509</u>
Cash flow from operating activities	<u>385</u>	<u>245</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(16,102)	(30,778)
Contributions received to fund the purchase of capital assets	14,589	30,035
Cash flow used by investing activities	<u>(1,513)</u>	<u>(743)</u>
FINANCING ACTIVITY		
Repayment of long term debt	(32,019)	(42,344)
DECREASE IN CASH FLOW	<u>(33,147)</u>	<u>(42,842)</u>
Cash - beginning of year	270,950	313,792
CASH - END OF YEAR	<u>\$ 237,803</u>	<u>\$ 270,950</u>

See notes to financial statements

IMMIGRANT CENTRE MANITOBA INC.

Notes to Financial Statements

Year Ended March 31, 2022

1. PURPOSE OF THE ORGANIZATION

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 (ASNFPPO).

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.

(continues)

IMMIGRANT CENTRE MANITOBA INC.

Notes to Financial Statements

Year Ended March 31, 2022

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, 2022

3. GRANTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
Government of Canada Immigration, Refugees and Citizenship Canada	\$ 219,227	\$ 224,359
Government of Canada, Canada Emergency Wage Subsidy	-	1,834
Government of Canada, Canada Emergency Rent Subsidy	-	1,101
Province of Manitoba Economic Development and Jobs	27,998	30,867
Province of Manitoba, Manitoba Advanced Education, Skills and Immigration	39,448	9,641
City of Winnipeg	6,075	6,075
	<u>\$ 292,748</u>	<u>\$ 273,877</u>

4. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
G.S.T. Refund	\$ 11,541	\$ 11,093
Other receivables	21,201	22,005
	<u>\$ 32,742</u>	<u>\$ 33,098</u>

5. PROPERTY, PLANT AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2022 Net book value</u>
Computer equipment	\$ 145,675	\$ 116,027	\$ 29,648
Furniture and fixtures	278,603	256,254	22,349
Leasehold improvements	939,869	939,869	-
	<u>\$ 1,364,147</u>	<u>\$ 1,312,150</u>	<u>\$ 51,997</u>

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2021 Net book value</u>
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>

IMMIGRANT CENTRE MANITOBA INC.**Notes to Financial Statements****Year Ended March 31, 2022**

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 (2021: \$Nil).

7. DEFERRED REVENUE

	2022	2021
Government of Canada Immigration, Refugees and Citizenship Canada	\$ 7,006	\$ 11,540
Province of Manitoba Economic Development and Jobs	1,265	2,084
Communities 4 Families	319	319
Community Connections	1,780	1,780
Royal Bank of Canada	14,092	5,796
Share our Strength	-	19,936
United Way of Winnipeg	167,160	124,992
University of Winnipeg	1,524	3,579
Westoba Credit Union	-	16,656
Winnipeg Foundation	2,161	26,180
	<u>\$ 195,307</u>	<u>\$ 212,862</u>

8. LONG TERM DEBT

	2022	2021
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 matured on December 1, 2021.	\$ -	\$ 32,019
Amounts payable within one year	-	(32,019)
	<u>\$ -</u>	<u>\$ -</u>

IMMIGRANT CENTRE MANITOBA INC.**Notes to Financial Statements****Year Ended March 31, 2022****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:

	2022	2021
Balance - beginning of year	\$ 56,623	\$ 87,793
Funding for capital assets	14,589	30,035
Amounts amortized to revenue	(36,580)	(61,205)
	<u>34,632</u>	<u>56,623</u>

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

Government of Canada - Immigration, Refugees and Citizenship Canada	12,781	30,035
Province of Manitoba - Economic Development and Jobs	1,808	-
	<u>14,589</u>	<u>30,035</u>

10. INTERNALLY RESTRICTED NET ASSETS

The Board has restricted the following amounts:

	2022	2021
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	38,614	35,427
Short-term Disability Fund	30,000	25,000
Immigrant Centre Client Emergency Fund	3,000	3,000
Management Succession Fund	40,000	40,000
Professional Development	14,000	10,000
Program Transition Funding Support	40,000	40,000
Program Salary and Benefit Shortfall Support	41,000	40,000
Human Resources Fund	26,000	26,000
	<u>272,614</u>	<u>259,427</u>
Internally Restricted Net Assets invested in Capital Assets		
Unamortized portion of capital assets purchased with unrestricted resources	17,365	38,380
Less related debt	-	(32,019)
	<u>17,365</u>	<u>6,361</u>
Internally Restricted Net Assets	<u>\$ 289,979</u>	<u>\$ 265,788</u>

IMMIGRANT CENTRE MANITOBA INC.**Notes to Financial Statements****Year Ended March 31, 2022****11. OPERATING GRANTS AND DONATIONS**

	<u>2022</u>	<u>2021</u>
Government of Canada - Immigration, Refugees and Citizenship Canada	\$ 1,839,774	\$ 1,850,452
Government of Canada, Canada Emergency Wage Subsidy	2,542	14,883
Government of Canada, Canada Emergency Rent Subsidy	508	1,102
Province of Manitoba - Economic Development and Jobs	280,072	272,684
Province of Manitoba, Manitoba Advanced Education, Skills and Immigration	82,317	90,573
Province of Manitoba, Protect Manitoba	20,000	-
City of Winnipeg	24,300	24,300
Canadian Union of Public Employees Local 2348	2,028	158
Donations	22,185	11,933
Manitoba Association of Newcomer Serving Agencies	-	1,100
Royal Bank of Canada Foundation	51,704	-
Second Harvest Food Support Committee	-	10,000
Share our Strength	19,936	22,349
United Way of Winnipeg	120,850	124,846
University of Winnipeg	2,056	2,220
Westoba Credit Union	16,656	18,405
Winnipeg Foundation	74,019	80,340
	<u>\$ 2,558,947</u>	<u>\$ 2,525,345</u>

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 2022, the Organization recognized an expense of \$114,582 (2021 - \$117,307) for employee current service pension.
- b) The most recent actuarial valuation of the pension plan prepared at December 31, 2020 by Ellement Consulting Group reported the solvency ratio at the end of December 31, 2020 to be at 83.7% 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:

2023	\$ 7,167
2024	7,167
2025	5,375
	<u>\$ 19,709</u>

IMMIGRANT CENTRE MANITOBA INC.

Notes to Financial Statements

Year Ended March 31, 2022

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 proportionate share of certain operating costs of the building is currently estimated at \$7.50 per square foot (\$10,000 per month plus taxes), and \$2,240 per month plus taxes for parking. Future minimum lease payments as at March 31, 2022, are as follows:

2023	\$	183,094
2024		183,094
2025		183,094
2026		183,094
2027		76,289
		<hr/>
	\$	808,665

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, 2022.

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 its receipt of funds from its customers and other related sources, contributions to the pension plan, and accounts payable.

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 risks arising from these financial instruments.

16. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
