

**IMMIGRANT CENTRE MANITOBA INC.**

**Financial Statements**

**Year Ended March 31, 2023**

**IMMIGRANT CENTRE MANITOBA INC.**  
**Index to Financial Statements**  
**Year Ended March 31, 2023**

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# Rawluk & Robert

## CHARTERED PROFESSIONAL ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REPORT

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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, 2023, 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, 2023, 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)

# Rawluk & Robert

## CHARTERED PROFESSIONAL ACCOUNTANTS

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

### *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  
May 30, 2023

  
Rawluk & Robert Chartered Professional Accountants Inc.  
Chartered Professional Accountants

**IMMIGRANT CENTRE MANITOBA INC.**

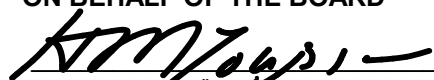
**Statement of Financial Position**

**March 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 178,373	\$ 237,803
Grants receivable (Note 3)	326,304	292,748
Accounts receivable (Note 4)	32,431	32,742
Prepaid expenses	15,109	10,098
	<b>552,217</b>	573,391
<b>CAPITAL ASSETS (Note 5)</b>	<b>51,403</b>	51,997
	<b>\$ 603,620</b>	\$ 625,388
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 32,918	\$ 99,658
Government remittances payable	1,598	5,812
Deferred revenue (Note 7)	216,941	195,307
	<b>251,457</b>	300,777
<b>DEFERRED REVENUE RELATED TO CAPITAL ASSETS (Note 8)</b>	<b>39,725</b>	34,632
	<b>291,182</b>	335,409
<b>NET ASSETS (Note 9)</b>	<b>312,438</b>	289,979
	<b>\$ 603,620</b>	\$ 625,388

LEASE COMMITMENTS (Note 13)

**ON BEHALF OF THE BOARD**

 Director

 Director

**IMMIGRANT CENTRE MANITOBA INC.**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2023**

	2023	2022
<b>REVENUES</b>		
Operating grants and donations <i>(Note 10)</i>	\$ 2,684,606	\$ 2,558,947
Language Bank	209,644	171,561
	<u>2,894,250</u>	<u>2,730,508</u>
<b>EXPENSES</b>		
Advertising and promotion	21,980	12,863
Client resources	2,428	2,097
Computer supplies and support	32,909	33,986
Conferences and staff development	12,146	13,168
Equipment maintenance	723	2,893
GST expense - IRCC	8,067	7,590
Insurance	17,616	16,440
Interest and bank charges	10,736	8,768
Interest on long term debt	-	481
Office	21,811	18,172
Parking and transportation	3,251	2,729
Postage and delivery	2,690	3,586
Professional fees	19,946	22,599
Programs	124,197	103,676
Rent	285,360	280,174
Repairs and maintenance	38,215	37,410
Salaries and wages	2,241,859	2,097,230
Sundry	847	927
Telephone	22,438	20,585
	<u>2,867,219</u>	<u>2,685,374</u>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<u>27,031</u>	<u>45,134</u>
<b>OTHER INCOME (EXPENSES)</b>		
Amortization of deferred contributions <i>(Note 8)</i>	18,237	36,580
Interest and Miscellaneous	2,353	1,585
Amortization of capital assets	(25,162)	(59,108)
	<u>(4,572)</u>	<u>(20,943)</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 22,459</u>	<u>\$ 24,191</u>

See notes to financial statements

**IMMIGRANT CENTRE MANITOBA INC.**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2023**

	Capital Assets	Internally Restricted	Unrestricted	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 17,365	\$ 272,614	\$ -	<b>\$ 289,979</b>	\$ 265,788
EXCESS OF REVENUES OVER EXPENSES	(6,925)	-	29,384	<b>22,459</b>	24,191
Purchase of capital assets	24,567	-	(24,567)	-	-
Proceeds from capital grants	(23,330)	-	23,330	-	-
Internally imposed restrictions ( <i>Note 9</i> )	-	28,147	(28,147)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 11,677</b>	<b>\$ 300,761</b>	<b>\$ -</b>	<b>\$ 312,438</b>	<b>\$ 289,979</b>

See notes to financial statements

**IMMIGRANT CENTRE MANITOBA INC.****Statement of Cash Flows****Year Ended March 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 22,459	\$ 24,191
Items not affecting cash:		
Amortization of capital assets	25,162	59,108
Amortization of deferred contributions	(18,237)	(36,580)
	<u>29,384</u>	<u>46,719</u>
Changes in non-cash working capital:		
Grants receivable	(33,556)	(18,871)
Accounts receivable	311	356
Prepaid expenses	(5,011)	(1,199)
Accounts payable and accrued liabilities	(66,741)	(6,420)
Government remittances payable	(4,214)	(2,645)
Deferred revenue	21,634	(17,555)
	<u>(87,577)</u>	<u>(46,334)</u>
Cash flow from (used by) operating activities	<u>(58,193)</u>	<u>385</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(24,567)	(16,102)
Contributions received to fund the purchase of capital assets	23,330	14,589
Cash flow used by investing activities	<u>(1,237)</u>	<u>(1,513)</u>
<b>FINANCING ACTIVITY</b>		
Repayment of long term debt	-	(32,019)
<b>DECREASE IN CASH FLOW</b>	<u>(59,430)</u>	<u>(33,147)</u>
Cash - beginning of year	<u>237,803</u>	<u>270,950</u>
<b>CASH - END OF YEAR</b>	<u>\$ 178,373</u>	<u>\$ 237,803</u>
<b>CASH CONSISTS OF:</b>		
Cash	<u>\$ 178,373</u>	<u>\$ 237,803</u>

See notes to financial statements



# IMMIGRANT CENTRE MANITOBA INC.

## Notes to Financial Statements

Year Ended March 31, 2023

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### 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.

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### 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). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

#### 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, 2023

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#### 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.

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**IMMIGRANT CENTRE MANITOBA INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2023**

**3. GRANTS RECEIVABLE**

	<b>2023</b>	2022
Government of Canada Immigration, Refugees and Citizenship Canada	\$ 264,326	\$ 219,227
Province of Manitoba Economic Development Investment and Trade	26,624	27,998
Province of Manitoba, Manitoba Advanced Education, Skills and Immigration	28,594	39,448
City of Winnipeg	6,075	6,075
Canadian Union of Public Employees Local 2348	685	-
	<b>\$ 326,304</b>	<b>\$ 292,748</b>

**4. ACCOUNTS RECEIVABLE**

	<b>2023</b>	2022
G.S.T. Refund	\$ 12,448	\$ 11,541
Other receivables	19,983	21,201
	<b>\$ 32,431</b>	<b>\$ 32,742</b>

**5. CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2023 Net book value</b>
Computer equipment	\$ 167,035	\$ 131,264	\$ 35,771
Furniture and fixtures	280,727	265,095	15,632
Leasehold improvements	939,869	939,869	-
	<b>\$ 1,387,631</b>	<b>\$ 1,336,228</b>	<b>\$ 51,403</b>

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

**IMMIGRANT CENTRE MANITOBA INC.****Notes to Financial Statements****Year Ended March 31, 2023**

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**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 (2022: \$Nil).

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**7. DEFERRED REVENUE**

	<b>2023</b>	<b>2022</b>
Government of Canada Immigration, Refugees and Citizenship Canada	<b>\$ 8,016</b>	<b>\$ 7,006</b>
Province of Manitoba, Economic Development Investment and Trade	<b>1,458</b>	<b>1,265</b>
Assiniboine Credit Union	<b>1,841</b>	<b>-</b>
Communities 4 Families	<b>319</b>	<b>319</b>
Community Connections	<b>1,780</b>	<b>1,780</b>
Royal Bank of Canada	<b>30,838</b>	<b>14,092</b>
United Way of Winnipeg	<b>168,729</b>	<b>167,160</b>
University of Winnipeg	<b>1,524</b>	<b>1,524</b>
Winnipeg Foundation	<b>2,436</b>	<b>2,161</b>
	<b>\$ 216,941</b>	<b>\$ 195,307</b>

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**IMMIGRANT CENTRE MANITOBA INC.****Notes to Financial Statements****Year Ended March 31, 2023****8. 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:

	<b>2023</b>	<b>2022</b>
Balance - beginning of year	\$ 34,632	\$ 56,623
Funding for capital assets	23,330	14,589
Amounts amortized to revenue	(18,237)	(36,580)
	<b>39,725</b>	<b>34,632</b>

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

Government of Canada - Immigration, Refugees and Citizenship Canada	19,981	12,781
Province of Manitoba, Economic Development Investment and Trade	3,349	1,808
	<b>23,330</b>	<b>14,589</b>

**9. INTERNALLY RESTRICTED NET ASSETS**

The Board has restricted the following amounts:

	<b>2023</b>	<b>2022</b>
Outreach and Communications Fund	\$ 30,000	\$ 30,000
Future purchase of telecommunication equipment	10,000	5,000
Multimedia Development Fund	5,000	-
Website Development Fund	5,000	5,000
Future purchase of other equipment and improvement to facilities	40,761	38,614
Short-term Disability Fund	40,000	30,000
Immigrant Centre Client Emergency Fund	3,000	3,000
Management Succession Fund	40,000	40,000
Professional Development	20,000	14,000
Program Transition Funding Support	40,000	40,000
Program Salary and Benefit Shortfall Support	41,000	41,000
Human Resources Fund	26,000	26,000
	<b>300,761</b>	<b>272,614</b>
Internally Restricted Net Assets invested in Capital Assets		
Unamortized portion of capital assets purchased with unrestricted resources	11,677	17,365
Less related debt	-	-
	<b>11,677</b>	<b>17,365</b>
Internally Restricted Net Assets	<b>\$ 312,438</b>	<b>\$ 289,979</b>

**IMMIGRANT CENTRE MANITOBA INC.****Notes to Financial Statements****Year Ended March 31, 2023****10. OPERATING GRANTS AND DONATIONS**

	<b>2023</b>	<b>2022</b>
Government of Canada - Immigration, Refugees and Citizenship Canada	<b>\$ 1,930,389</b>	\$ 1,839,774
Government of Canada, Canada Emergency Wage Subsidy	-	2,542
Government of Canada, Canada Emergency Rent Subsidy	-	508
Province of Manitoba, Economic Development Investment and Trade	<b>330,044</b>	280,072
Province of Manitoba, Manitoba Advanced Education, Skills and Immigration	<b>100,564</b>	82,317
Province of Manitoba, Protect Manitoba	-	20,000
City of Winnipeg	<b>24,300</b>	24,300
Assiniboine Credit Union	<b>11,250</b>	-
Canadian Union of Public Employees Local 2348	<b>2,165</b>	2,028
Donations	<b>23,846</b>	22,185
Royal Bank of Canada Foundation	<b>43,254</b>	51,704
Share our Strength	-	19,936
United Way of Winnipeg	<b>175,369</b>	120,850
University of Winnipeg	-	2,056
Westoba Credit Union	-	16,656
Winnipeg Foundation	<b>43,425</b>	74,019
	<b>\$ 2,684,606</b>	\$ 2,558,947

**11. 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 2023, the Organization recognized an expense of \$116,131 (2022 - \$114,582) for employee current service pension.
- b) The most recent actuarial valuation of the pension plan prepared at December 31, 2021 by Ellement Consulting Group reported the solvency ratio at the end of December 31, 2021 to be at 96.8% at being fully funded.

**12. 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:

2024	\$ 7,167
2025	5,375
	<b>\$ 12,542</b>

# IMMIGRANT CENTRE MANITOBA INC.

## Notes to Financial Statements

Year Ended March 31, 2023

### 13. 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, 2023, are as follows:

2024	\$ 183,094
2025	183,094
2026	183,094
2027	<u>76,289</u>
	<u>\$ 625,571</u>

### 14. 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, 2023.

#### 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, long term debt, obligations under capital leases, 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.