

**IMMIGRANT AND REFUGEE  
COMMUNITY ORGANIZATION OF  
MANITOBA INC.**

**Non-consolidated Financial Statements**  
**For the year ended March 31, 2021**

# **IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.**

## **Non-consolidated Financial Statements** For the year ended March 31, 2021

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## Independent Auditor's Report

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To the Board of Directors of Immigrant and Refugee Community Organization of Manitoba Inc.

### Opinion

We have audited the non-consolidated financial statements of Immigrant and Refugee Community Organization of Manitoba Inc. (the "Organization") which comprise the non-consolidated statement of financial position as at March 31, 2021, and the non-consolidated statement of operations, the non-consolidated statement of changes in net assets and the non-consolidated statement of cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Organization as at March 31, 2021, and its non-consolidated results of operations and its non-consolidated cash flows for the year then ended, in accordance with the basis of accounting described in Note 2 (a).

### 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 Non-consolidated Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 (a) to the non-consolidated financial statements, which describes the basis of accounting. These non-consolidated financial statements are prepared to provide information to the Organization's funders and Board of Directors and may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated 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.



## Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

*BDO Canada LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
June 22, 2021

# IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.

## Non-consolidated Statement of Financial Position

<b>As at March 31</b>	<b>2021</b>	<b>2020</b>
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### Assets

#### Current Assets

Cash and bank	\$ 823,747	\$ -
Investments (Note 3)	54,349	-
Grants and accounts receivable (Note 4)	19,972	367,185
Prepaid expenses	13,178	9,777
	911,246	376,962

Investments (Note 3)	25,274	78,636
Due from IRCOM House Inc. (Note 9)	159,446	93,185
	284,720	171,821

	\$ 1,095,966	\$ 548,783
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### Liabilities and Net Assets

#### Current Liabilities

Bank indebtedness (Note 5)	\$ -	\$ 107,026
Accounts payable and accrued liabilities (Note 6)	125,645	69,075
Deferred contributions (Note 7)	256,304	200,131
	381,949	376,232

#### Net Assets

Unrestricted	714,017	172,551
	714,017	172,551
	\$ 1,095,966	\$ 548,783

Approved on behalf of the Board of Directors:

 \_\_\_\_\_ Director

 \_\_\_\_\_ Director

# IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.

## Non-consolidated Statement of Operations

For the year ended March 31	2021	2020
<b>Revenue</b>		
Grants and Subsidies		
Government of Canada		
Canada Emergency Wage Subsidy	\$ 449,499	\$ 82,352
Canada Mortgage and Housing Corporation	40,000	49,994
Immigration, Refugees and Citizenship Canada	1,400,702	1,750,050
Service Canada	7,330	3,130
Province of Manitoba		
Children and Youth Opportunities	91,300	91,300
Education and Training	85,597	171,513
Justice	12,000	12,000
Sport, Heritage and Culture	15,205	-
Urban Green Team	18,158	21,181
Other		
City of Winnipeg	71,429	73,810
Graham C. Lount Foundation	20,000	15,000
IG Wealth Management	40,000	81,180
Other grants	48,937	43,500
Rogers Communications	-	64,580
SEED Winnipeg	153,522	182,544
The Winnipeg Foundation	189,901	117,705
United Way of Winnipeg	284,609	296,068
Community Food Centres Canada	50,000	-
Donations	557,402	518,953
	<b>3,535,591</b>	<b>3,574,860</b>
Other Revenue		
Management fees and tenant association grant (Note 9)	172,090	177,200
Gain on disposal of capital assets	-	13,500
Interest	7,726	4,583
Other	1,188	3,014
	<b>3,716,595</b>	<b>3,773,157</b>
<b>Expenses</b>		
Program (Schedule 1)	2,596,962	3,253,465
Administration (Schedule 2)	573,772	610,666
Fundraising	4,395	14,176
	<b>3,175,129</b>	<b>3,878,307</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 541,466</b>	<b>\$ (105,150)</b>

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**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF  
MANITOBA INC.**

**Non-consolidated Statement of Changes in Net Assets**

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Net assets</b> , beginning of the year	<b>\$ 172,551</b>	<b>\$ 277,701</b>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>541,466</b>	<b>(105,150)</b>
<b>Net assets</b> , end of the year	<b>\$ 714,017</b>	<b>\$ 172,551</b>

# IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.

## Non-consolidated Statement of Cash Flows

For the year ended March 31	2021	2020
<b>Cash Flows from Operating Activities</b>		
Excess (deficiency) of revenue over expenses for the year	\$ 541,466	\$ (105,150)
Changes in non-cash working capital		
Grants and accounts receivable	347,213	303,204
Prepaid expenses	(3,401)	(5,430)
Due from IRCOM House Inc.	(66,261)	6,505
Accounts payable and accrued liabilities	56,570	(139,659)
Deferred revenue	56,173	(226,796)
	<u>931,760</u>	<u>(167,326)</u>
<b>Cash flows from financing activities</b>	<u>-</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>		
Investment redemption	(54,349)	24,174
Investment acquisition	53,362	(25,112)
	<u>(987)</u>	<u>(938)</u>
<b>Net increase (decrease) in cash and bank during the year</b>	<b>930,773</b>	<b>(168,264)</b>
<b>Cash and bank (bank indebtedness), beginning of year</b>	<u><b>(107,026)</b></u>	<u>61,238</u>
<b>Cash and bank (bank indebtedness), end of year</b>	<b>\$ 823,747</b>	<b>\$ (107,026)</b>



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# **IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.**

## **Notes to the Non-consolidated Financial Statements**

**For the year ended March 31, 2021**

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### **1. Purpose of the Organization**

Immigrant and Refugee Community Organization of Manitoba Inc. (the "Organization") strives to empower newcomer families to integrate into the wider community through affordable transitional housing, programs, and services.

The Organization is incorporated under the laws of the Province of Manitoba as a not-for-profit organization without share capital. The Organization is a registered charity and is exempt from income taxes.

The Organization is economically dependent on the Government of Canada and other agencies for funding its operations.

### **2. Summary of Significant Accounting Policies**

#### **a. Basis of Accounting**

The non-consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations except that capital assets are expensed when acquired (Note 2 (d)) and contributions received to acquire capital assets are recognized as revenue when acquired (Note 2 (c)).

#### **b. Basis of Accounting for Controlled Entity**

The Organization has not consolidated the financial statements of its controlled entity, IRCOM House Inc. The summary financial statements of the controlled entity are disclosed in Note 9.

#### **c. Revenue Recognition**

The Organization follows the deferral method of accounting for contributions that include contributions, grants and donations. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions received to fund the acquisition of capital assets are recognized as revenue when the underlying capital assets are acquired.

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# IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.

## Notes to the Non-consolidated Financial Statements

**For the year ended March 31, 2021**

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### 2. Summary of Significant Accounting Policies (continued)

#### d. Capital Assets

Purchased capital assets are expensed when acquired. Contributed capital assets are expensed when acquired at the fair value on date of contribution.

#### e. Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are recorded at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

#### f. Contributed Services

The work of the Organization benefits from a substantial number of volunteers that have made significant contributions of their time to the Organization and its purpose. Since these services are not normally purchased by the Organization and because of the difficulty of determining their fair value, the value of this contributed time is not reflected in these non-consolidated financial statements.

#### g. Program Costs

Program costs include all expenses, including salaries and benefits, for the various programs carried out by the Organization.

#### h. Allocation of Expenses

The Organization allocates staff costs and office expenses to Program and Administration expenses. Allocations of staff costs are based on time spent by the employee on each function. Allocation of office expenses are based on the estimated usage of the specific office expense for program delivery. The allocated expenses are included in statement of operations.

#### i. Use of Estimates

The preparation of non-consolidated 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 at the date of the non-consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

# IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.

## Notes to the Non-consolidated Financial Statements

**For the year ended March 31, 2021**

### 3. Investments

Investments consist of Guaranteed Investments Certificates with interest ranging between 2.20% and 2.30% and maturity between August 2021 and December 2023. Investments with maturities beyond 12 months of the Statement of Financial Position are presented as non current assets.

### 4. Grants and Accounts Receivable

	2021	2020
Grants and Subsidies		
Government of Canada		
Canada Emergency Wage Subsidy	\$ -	\$ 82,352
Canada Mortgage and Housing Corporation	-	19,998
Immigration, Refugees and Citizenship Canada	-	173,408
Province of Manitoba		
Education and Training	-	67,435
Other		
SEED Winnipeg	12,113	1,050
Other Revenue		
Goods & Services Tax rebate	5,337	22,942
Other	2,522	-
	<b>\$ 19,972</b>	<b>\$ 367,185</b>

### 5. Credit Facilities

The Organization has an approved line of credit with a limit of \$15,000 and an interest rate of prime plus 3.00% with effective rate of 5.45%. The line of credit balance was unutilized as at March 31, 2021.

The Organization also has corporate credit cards with a combined limit of \$20,000 and an interest rate of 19.90%.

### 6. Accounts Payable and Accrued Liabilities

	2021	2020
Government remittances	\$ 16,090	\$ -
Salaries payable	24,025	17,782
Trade payables	70,159	21,176
Vacation payable	15,371	22,360
Other	-	7,757
	<b>\$ 125,645</b>	<b>\$ 69,075</b>

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**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF  
MANITOBA INC.**

**Notes to the Non-consolidated Financial Statements**

**For the year ended March 31, 2021**

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**7. Deferred Contributions**

	<u>2021</u>	<u>2020</u>
Grants		
Province of Manitoba		
Education and Training	\$ 49,403	\$ 45,000
Other		
Bell MTS Communications	13,094	-
City of Winnipeg	5,000	5,000
SEED Winnipeg	20,000	-
The Winnipeg Foundation	53,500	69,555
United Way of Winnipeg	115,147	61,380
Other grants	160	19,196
	<u>\$ 256,304</u>	<u>\$ 200,131</u>

**8. Capital Assets**

There were no capital assets acquired during the year ended March 31, 2021. During year ended March 31, 2020, the Organization expensed the acquisition of two vans with a total cost of \$92,071.

# IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.

## Notes to the Non-consolidated Financial Statements

**For the year ended March 31, 2021**

### 9. Controlled Not-For-Profit Organization and Related Party Transactions

Immigrant and Refugee Community Organization of Manitoba Inc. controls IRCOM House Inc., a not-for-profit organization that operates, manages, and administers two housing projects under agreement with Manitoba Housing and Renewal Corporation ("MHRC"). IRCOM House Inc. is incorporated without share capital under the laws of the Province of Manitoba and is exempt from income taxes under the Income Tax Act.

The Organization exercises control of IRCOM House Inc. by virtue of the fact that the majority of the members of the Board of Directors are common to the Organization and IRCOM House Inc.

The financial position, results of operations and cash flows of IRCOM House Inc. are not included in the non-consolidated financial statements of the Organization. The summary financial statements of IRCOM House Inc. for the year ended March 31, 2021 and March 31, 2020 are disclosed as following.

	<u>2021</u>	<u>2020</u>
<u>Statement of Financial Position</u>		
Total assets	<b>\$ 398,568</b>	\$ 188,435
Total liabilities	<b>\$ 398,568</b>	\$ 188,435
Total net assets	<b>-</b>	-
Total liabilities and net assets	<b>\$ 398,568</b>	\$ 188,435
	<u>2021</u>	<u>2020</u>
<u>Statement of Operations</u>		
Total revenue	<b>\$ 1,150,430</b>	\$ 1,170,005
Total expenses	<b>1,150,430</b>	1,170,005
Excess of revenue over expenses	<b>\$ -</b>	\$ -
	<u>2021</u>	<u>2020</u>
<u>Statement of Cash Flows</u>		
Cash from operating activities	<b>\$ 41,069</b>	\$ 108,559
Cash from/used in financing activities	<b>-</b>	-
Cash from/used in investing activities	<b>-</b>	-
Net increase in cash and bank for the year	<b>\$ 41,069</b>	\$ 108,559

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# **IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.**

## **Notes to the Non-consolidated Financial Statements**

**For the year ended March 31, 2021**

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### **9. Controlled Not-For-Profit Organization and Related Party Transactions (continued)**

As at March 31, 2021, the Organization has an amount due from IRCOM House Inc. of \$159,446 (\$93,185 in 2020). The amount due is unsecured, interest-free, due on demand and bears no specific terms of repayment.

During the year, the Organization received management fees of \$166,890 (\$172,000 in 2020) and tenant association grants of \$5,200 (\$5,200 in 2020) from IRCOM House Inc. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### **10. Uncertainty Due to COVID-19 Issue**

As a result of the pandemic, the Organization has altered its programming to continue delivering services to its community of service. The Organization has the Canada Emergency Wage Subsidy from the Government of Canada as disclosed in the Non-consolidated Statement of Financial Position. The Organization continues to monitor its liquidity, its financial position and its results of operations. Given the dynamic nature of these circumstances the duration of the business disruption and its financial impacts cannot be reasonably estimated at this time.

### **11. Comparative Figures**

Certain comparative figures presented in these non-consolidated financial statements have revised to conform to the current year's presentation.

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**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF  
MANITOBA INC.  
Schedule 1 - Program Expenses**

<b>As at March 31</b>	<b>2021</b>	<b>2020</b>
Asset Building Program matched disbursements	\$ 97,350	\$ 126,766
Capital assets (Note 8)	-	92,071
Client transportation	5,245	32,234
COVID-19 response	130,649	-
Interpreters and translators	76,975	38,375
Occupancy	27,368	61,055
Office	14,282	16,182
Organizational development	31,847	5,160
Office and minor equipment	16,043	26,571
Professional development	12,382	29,428
Program supplies and materials	102,623	201,508
Research and evaluation	30,000	42,744
Salaries and benefits	1,914,656	2,502,063
Subcontractor fees and honoraria	60,959	66,686
Technology	76,583	12,622
	<b>\$ 2,596,962</b>	<b>\$ 3,253,465</b>

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**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF  
MANITOBA INC.**

**Schedule 2 - Administration Expenses**

<b>As at March 31</b>	<b>2021</b>	<b>2020</b>
Bank charges and interest	\$ 7,695	\$ 7,561
Board of Directors	871	3,636
Communications and public relations	16,639	47,401
Insurance	13,883	13,151
Membership fees	6,727	10,327
Office	22,875	39,137
Professional development	2,670	7,357
Professional fees	50,733	41,412
Salaries and benefits	424,324	430,724
Subcontractor fees	11,491	7,733
Sundry	2,349	-
Technology	13,515	2,227
	<b>\$ 573,772</b>	<b>\$ 610,666</b>