

**Immigrant and Refugee Community
Organization of Manitoba Inc.
Financial Statements
Year Ended March 31, 2019**

Immigrant and Refugee Community Organization of Manitoba Inc.
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Year Ended March 31, 2019

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the financial statements of Immigrant and Refugee Community Organization of Manitoba Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2019, and the statement of operations, statement of changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects the financial position of Immigrant and Refugee Community Organization of Manitoba Inc. as at March 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in Note 2 to the financial statements.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the annual report, but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I 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 the basis of accounting described in Note 2 to the financial statements, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.



Ryan Merner Chartered Professional Accountant Ltd.
238 St. Mary's Road, Winnipeg, Manitoba, Canada R2H 1J3

June 14, 2019

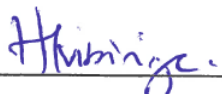
Immigrant and Refugee Community Organization of Manitoba Inc.
Statement of Financial Position
March 31, 2019

	2019	2018
ASSETS		
Current assets		
Cash	\$ 61,238	\$ 311,657
Accounts receivable (Note 5)	670,389	664,373
Accounts receivable, IRCOM House Inc. - 95 Ellen (Note 9)	11,060	-
Accounts receivable, IRCOM House Inc. - 215 Isabel (Note 9)	88,630	41,965
Prepaid expenses	4,347	4,665
Short-term investments (Note 6)	24,174	-
	859,838	1,022,660
Long-term investments (Note 6)	53,524	76,779
	\$ 913,362	\$ 1,099,439
LIABILITIES & NET ASSETS		
Current liabilities		
Accounts payable (Note 7)	\$ 208,734	\$ 175,910
Accounts payable, IRCOM House Inc. - 95 Ellen (Note 9)	-	141
Deferred revenue (Note 8)	592,027	810,818
	800,761	986,869
Net assets	112,601	112,570
	\$ 913,362	\$ 1,099,439

On behalf of the board

 Director

On behalf of the board

 Director

Immigrant and Refugee Community Organization of Manitoba Inc.
Statement of Operations
Year Ended March 31, 2019

	2019	2018
Revenue		
Government of Canada - IRCC	\$ 1,733,301	\$ 1,491,930
United Way of Winnipeg	272,932	205,284
Province of Manitoba - Education, Adv. Learning	219,743	245,529
Manitoba Housing and Renewal Corporation	165,539	167,854
SEED Winnipeg	145,961	62,364
Winnipeg Foundation	117,850	124,830
MPI	112,620	122,380
Other grants	96,025	56,305
City of Winnipeg	73,810	113,810
Investors Group	45,430	23,835
Graham C. Lount Foundation	45,000	-
Rogers Communications	44,420	-
Province of Manitoba - Urban Green Team	13,516	19,360
Great-West Life Assurance Company	12,500	-
Province of Manitoba - Lighthouse	12,000	12,000
Government of Canada - Service Canada	8,470	7,361
Province of Manitoba - Children & Youth Opportunities	2,540	26,330
Government of Canada - NCPC	2,993	247,483
Province of Manitoba - Other	-	40,000
Province of Manitoba - Sport, Culture & Heritage	-	10,000
Government of Canada - Canadian Heritage	-	8,884
Klinic	-	820
	3,124,650	2,986,359
Other Income		
Interest income	2,310	2,812
Charitable donations	49,204	25,033
Recovery of overhead costs	133,903	154,675
Other income/donations	210,953	161,587
	396,370	344,107
	3,521,020	3,330,466
Program Expenditures (Schedule 1)	2,963,731	2,844,407
Administration Expenditures (Schedule 2)	557,258	477,832
Excess of revenue over expenditures	\$ 31	\$ 8,227

Immigrant and Refugee Community Organization of Manitoba Inc.
Statement of Changes in Net Assets
Year Ended March 31, 2019

	2019		2018	
Beginning of year	\$	112,570	\$	104,343
Excess of revenue over expenditures		31		8,227
End of year	\$	112,601	\$	112,570

Immigrant and Refugee Community Organization of Manitoba Inc.
Statement of Cash Flows
Year Ended March 31, 2019

	2019	2018
Operating activities		
Excess of revenue over expenditures	\$ 31	\$ 8,227
Changes in non-cash working capital:		
Accounts receivable	(6,016)	(77,181)
Accounts receivable, IRCOM House Inc. - 95 Ellen	(11,060)	7,092
Accounts receivable, IRCOM House Inc. - 215 Isabel	(46,665)	(39,813)
Prepaid expenses	318	1,574
Short-term investments	(24,174)	-
Accounts payable	32,824	22,290
Accounts payable, IRCOM House Inc.	(141)	141
Deferred revenue	(218,791)	(19,432)
	(273,705)	(105,329)
Net cash used by operations	(273,674)	(97,102)
Investing activities		
Increase in value of long-term investments	23,255	(900)
Net cash provide (used) by investing activities	23,255	(900)
Net decrease in cash flow	(250,419)	(98,002)
Cash - Beginning of year	311,657	409,659
Cash - End of year	\$ 61,238	\$ 311,657

Immigrant and Refugee Community Organization of Manitoba Inc.
Notes to Financial Statements
Year Ended March 31, 2019

1. PURPOSE OF THE ORGANIZATION

The Immigrant and Refugee Community Organization of Manitoba Inc. (operating as "IRCOM") was incorporated in March 1984 under the laws of the Province of Manitoba as a not-for-profit organization without share capital and is a registered charity. IRCOM is committed to empowering newcomer families through proactive, post-initial settlement services regarding development of recreational, cultural, educational, and social services.

IRCOM is exempt from income taxes under *Section 149(1)(f)* of the *Income Tax Act*.

In previous years, IRCOM constructed an apartment building for the purpose of providing newcomers with low rental housing. Subsequently, the ownership of the apartment building was transferred to Manitoba Housing Renewal Corporation ("MHRC"). IRCOM has entered into an agreement with MHRC to operate, manage, and administer the public housing project through IRCOM House Inc. which is another not-for-profit organization that was incorporated without share capital. The agreement with MHRC continues in force indefinitely unless terminated by either party.

These financial statements do not reflect the assets, liabilities, revenue, or expenditures of IRCOM House Inc.

2. BASIS OF ACCOUNTING

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations, except that:

Capital assets purchased are charged to operations in the year the expenditure is incurred rather than being capitalized on the Statement of Financial Position and amortized over their estimated useful lives.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

IRCOM uses the deferral method of accounting for contributions under which restricted contributions related to expenditures of future periods are deferred and recognized as revenue in the period in which the related expenditures are incurred. Currently there are no restricted contributions. All other contributions are reported as revenue of the current period.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the year. Actual results could differ from those estimates.

4. FINANCIAL INSTRUMENTS

IRCOM's financial instruments consist of receivables and payables. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant credit, interest rate, liquidity, or market (other price) risks arising from these financial instruments. Market risks result from changes in interest rates, exchange rates of foreign currencies and market prices of financial instruments.

Immigrant and Refugee Community Organization of Manitoba Inc.
Notes to Financial Statements
Year Ended March 31, 2019

5. ACCOUNTS RECEIVABLE

	2019		2018
Government of Canada - IRCC	\$ 592,470	\$	492,546
Manitoba Public Insurance	47,000		47,000
United Way	15,201		10,400
GST recoverable	11,558		4,950
SEED - Access to Benefits	2,700		5,000
Assiniboine Credit Union	860		850
Other	600		230
Government of Canada - NCPC	-		53,397
Winnipeg Foundation	-		50,000
	\$ 670,389	\$	664,373

6. SHORT-TERM AND LONG-TERM INVESTMENTS

Investments held at March 31, 2019 consist of three guaranteed investments certificates (GICs) at Assiniboine Credit Union. They vary from 48 to 60 months and carry interest rates of 2.20%.

7. ACCOUNTS PAYABLE

	2019		2018
Wages payable	\$ 112,138	\$	98,621
Audit	18,000		18,000
RRSP payable	47,584		45,257
Trade payables	16,019		4,898
Vacation payable	11,675		-
Other	3,318		9,134
	\$ 208,734	\$	175,910

Immigrant and Refugee Community Organization of Manitoba Inc.
Notes to Financial Statements
Year Ended March 31, 2019

8. DEFERRED REVENUE

	2019	2018
Management fees, IRCOM Isabel (Note 8)	\$ 165,100	\$ 156,000
IDA Match Funds	96,964	87,000
SEED Winnipeg	81,320	96,075
Rogers Youth Fund	64,580	109,000
Province of Manitoba	56,328	-
Investors Group	41,180	41,610
Winnipeg Foundation	40,055	44,400
United Way	29,500	76,575
Bell MTS Communications	10,000	20,000
Assiniboine Credit Union	7,000	-
Province of Manitoba	-	44,213
Lount Foundation	-	30,000
Winnipeg Foundation- Wawanesa	-	25,000
Telus Communications	-	20,000
MPI	-	18,620
Great-West Life	-	12,500
Blue Jays	-	10,000
The Calgary Foundation	-	7,450
MHRC	-	4,800
University of Winnipeg	-	4,500
Jewish Foundation	-	3,075
	\$ 592,027	\$ 810,818

9. DUE TO/FROM RELATED PARTIES

During the current year, IRCOM charged administration fees to IRCOM House Inc. totalling \$165,100 (2018: \$165,100). The charges to IRCOM House Inc. are \$87,100 for 95 Ellen Street and \$78,000 for 215 Isabel Street. IRCOM was also paid the annual tenant association grants of \$4,739 (2018: \$4,739) from IRCOM House Inc. Due to delays in construction to 215 Isabel Street, administration fees totalling \$165,100 have been deferred.

10. LINE OF CREDIT

IRCOM has established a line of credit with Assiniboine Credit Union of \$15,000 with an interest rate of prime + 1%. In March 2019 the limit was temporarily increased to \$500,000 with an interest rate of 3.950%. After year end, the limit reverted back to \$15,000. No balance was outstanding at March 31, 2019.

Immigrant and Refugee Community Organization of Manitoba Inc.
Notes to Financial Statements
Year Ended March 31, 2019

11. CREDIT FACILITY

IRCOM has credit cards with Assiniboine Credit Union with a total credit limit of \$20,000 and an interest rate of 19.90%.

IRCOM has a credit facility with Staples/Desjardins with a total credit limit of \$2,500 and an interest rate of 19.90%.

12. PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

A separate letter was issued to report employees who earned more than \$75,000 during the year.

**Immigrant and Refugee Community Organization of Manitoba Inc.
 Schedule of Program Expenditures
 Year Ended March 31, 2019**

(Schedule 1)

	2019	2018
Office	\$ 117,415	\$ 64,450
Professional development	22,379	16,198
Programming	696,130	729,723
Salaries and wages	2,114,391	2,019,204
Telephone	13,416	14,832
	\$ 2,963,731	\$ 2,844,407

**Immigrant and Refugee Community Organization of Manitoba Inc.
 Schedule of Administration Expenditures
 Year Ended March 31, 2019**

(Schedule 2)

	2019	2018
Advertising	\$ 31,110	\$ 11,688
Bank charges and interest	5,888	4,655
Board of Directors expenditures	1,476	2,115
Dues, fees, and memberships	11,145	20,520
Equipment rental	10,439	3,007
Insurance	5,053	8,361
Office	29,354	16,113
Professional development	5,595	4,049
Professional fees	60,502	35,922
Salaries and wages	302,057	288,208
Subcontracting	91,286	79,486
Telephone	3,354	3,708
	\$ 557,258	\$ 477,832