

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

**Financial Statements**

**Year Ended March 31, 2016**



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

**Index to Financial Statements**

**Year Ended March 31, 2016**

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	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9
Expenses ( <i>Schedule 1</i> )	10

*Gail Friesen C.G.A.*  
*Professional Corporation*

238 St. Mary's Road  
Winnipeg, Manitoba  
R2H 1J3

Gail Friesen, BA, M Ed, CMA, C.G.A.

Telephone: (204) 233-3974  
Fax: (204) 233-4008 or (204) 231-3389  
E-mail: gailfr@mts.net

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**INDEPENDENT AUDITOR'S REPORT**

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

I have audited the accompanying financial statements of Immigrant and Refugee Community Organization of Manitoba Inc., which comprise the statement of financial position as at March 31, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Immigrant and Refugee Community Organization of Manitoba Inc. as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Gail Friesen C.G.A.*  
*Professional Corporation*

Winnipeg, Manitoba  
June 21, 2016

GAIL FRIESEN C.G.A.  
PROFESSIONAL CORPORATION

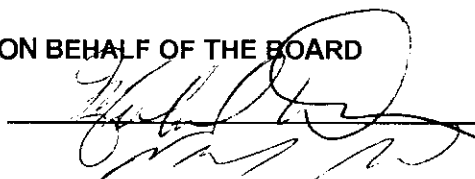
**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.**

**Statement of Financial Position**

**March 31, 2016**

	2016	2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 473,709	\$ 318,526
Accounts receivable (Note 5)	392,892	394,675
Accounts receivable, IRCOM House Inc. (Note 3)	39,000	-
Prepaid expenses	7,642	2,971
	<u>913,243</u>	716,172
<b>LONG TERM INVESTMENTS (Note 6)</b>	<u>74,795</u>	73,541
	<u><b>\$ 988,038</b></u>	<u>\$ 789,713</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable (Note 7)	\$ 78,903	\$ 67,829
Accounts payable, IRCOM House Inc. (Note 3)	5,314	8,785
Deferred revenue (Note 8)	798,569	610,088
	<u>882,786</u>	686,702
<b>NET ASSETS</b>		
General Fund	<u>105,252</u>	103,011
	<u><b>\$ 988,038</b></u>	<u>\$ 789,713</u>

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director  
 \_\_\_\_\_ Director

The accompanying notes form an integral part of these financial statements.

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

**Statement of Operations  
Year Ended March 31, 2016**

	2016	2015
<b>REVENUE</b>		
Government of Canada - CIC	\$ 969,244	\$ 944,889
Government of Canada - Service Canada	5,390	4,840
Government of Canada - Canadian Heritage	1,500	1,500
Manitoba Housing and Renewal Corporation	147,957	89,600
Province of Manitoba - Education, Adv. Learning	16,750	65,405
Province of Manitoba - Lighthouse	12,000	12,000
Province of Manitoba - Urban Green Team	11,175	12,431
Province of Manitoba - Other	46,650	2,000
City of Winnipeg	20,915	77,300
	91,000	193,469
United Way of Winnipeg	204,971	137,588
Winnipeg Foundation	21,635	44,540
Investors Group	16,760	41,781
MPI Grant	45,372	33,832
SEED Winnipeg	94,595	38,671
Other grants	37,390	31,561
Catherine Donnelly Foundation	35,000	-
Graham C. Lount Family Foundation	15,000	-
	25,000	-
Cardinal Foundation	7,500	-
	5,000	-
Canadian Women's Foundation	-	17,229
Jewish Foundation	-	8,488
RBC Foundation	-	31,000
	-	45,585
	<b>1,830,804</b>	<b>1,833,709</b>
<b>OTHER INCOME</b>		
Management fees - IRCOM II	-	22,500
Interest income	3,075	2,786
Donations	21,964	7,545
Recovery of overhead costs	67,165	65,868
Fundraising, other income	13,428	7,490
	<b>105,632</b>	<b>106,189</b>
	<b>1,936,436</b>	<b>1,939,898</b>
<b>EXPENSES (Schedule 1)</b>	<b>1,934,195</b>	<b>1,941,101</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 2,241</b>	<b>\$ (1,203)</b>

The accompanying notes form an integral part of these financial statements.

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

**Statement of Changes in Net Assets**

**Year Ended March 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 103,011</b>	<b>\$ 104,214</b>
Excess of revenue over expenses	<u>2,241</u>	<u>(1,203)</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 105,252</u></b>	<b><u>\$ 103,011</u></b>

The accompanying notes form an integral part of these financial statements.

**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.****Statement of Cash Flows  
Year Ended March 31, 2016**

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 2,241	\$ (1,203)
Changes in non-cash working capital:		
Accounts receivable	1,783	(147,227)
Accounts receivable, IRCOM House Inc.	(39,000)	8,055
Prepaid expenses	(4,671)	1,091
Accounts payable	11,074	9,456
Accounts payable, IRCOM House Inc.	(3,471)	8,785
Deferred revenue	188,481	108,540
	<u>154,196</u>	<u>(11,300)</u>
Cash flow from (used by) operating activities	<u>156,437</u>	<u>(12,503)</u>
<b>INVESTING ACTIVITY</b>		
Long term investments	<u>(1,254)</u>	<u>(1,216)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>155,183</b>	<b>(13,719)</b>
Cash - beginning of year	<u>318,526</u>	<u>332,245</u>
<b>CASH - END OF YEAR</b>	<b>\$ 473,709</b>	<b>\$ 318,526</b>

The accompanying notes form an integral part of these financial statements.

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# IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.

## Notes to Financial Statements

Year Ended March 31, 2016

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### 1. NATURE OF OPERATIONS

The Immigrant and Refugee Community Organization of Manitoba Inc. was incorporated in March 1984 under the laws of the Province of Manitoba. It operates as IRCOM Inc. It is a non profit organization without share capital, committed to empowering newcomer families through proactive, post-initial settlement services regarding development of recreational, cultural, educational, and social services. It is a registered Canadian charity for income tax purposes.

In previous years, the organization constructed an apartment building for the purpose of providing newcomers with low rental housing. Subsequently, the ownership of the apartment building was transferred to The Manitoba Housing and Renewal Corporation.

IRCOM Inc. has entered into an agreement with The Manitoba Housing and Renewal Corporation (MHRC) to operate, manage, and administer the public housing project through another non profit organization without share capital called IRCOM House Inc. The agreement with MHRC continues in force indefinitely unless terminated by either party.

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

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Revenue and grant contributions

The organization follows the deferred method of accounting for revenue. Restricted revenues are recognized as revenue in the year they are applied. Unrestricted revenues are recognized as income when received or receivable if the amount to be received can be reasonably estimated and collection reasonably certain.

Contributions received in advance are reported as deferred revenue.

#### Property and equipment

The organization follows the policy of expensing equipment and furnishings in the year of acquisition.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standard for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount 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.

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

**Notes to Financial Statements**

**Year Ended March 31, 2016**

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**3. DUE TO/FROM RELATED PARTIES**

During the year, the organization received \$89,600 from IRCOM House Inc. (██████). This was made up of management fees of \$87,100 and a tenant association grant of \$2,500 (2015 - \$89,600). In 2014, the organization deferred management fees of \$27,500 related to the construction of a second apartment complex at ██████. \$5,000 of this amount was receivable at year end, but the funder did not provide funds as anticipated. The remaining \$22,500 was taken into income in 2015. IRCOM House Inc. provided management fees of \$58,357 for the ██████ site in 2016. Because of delays in construction, an additional \$78,000 has been deferred.

The balance of advances owing to IRCOM House Inc. at March 31, 2016 was \$5,314. (In 2015, IRCOM Inc. was owed \$8,785 by IRCOM House.) At year end, \$39,000 was receivable from IRCOM House Inc. related to the ██████ project.

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**4. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments and is developing 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, 2016.

**Credit risk**

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. The organization is exposed to credit risk with respect to the accounts receivable. The organization assesses, on a continuous basis, accounts receivable, and provides for any amounts that are not collectible in the allowance for doubtful accounts. There has been no change to the risk exposure from 2015.

**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 funders and other related sources, and accounts payable. There has been no change to the risk exposure from 2015.

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**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.****Notes to Financial Statements****Year Ended March 31, 2016****5. ACCOUNTS RECEIVABLE**

	<u>2016</u>	<u>2015</u>
Government of Canada - CIC	\$ 308,191	\$ 295,268
Province of Manitoba - Neighbourhoods Alive!	29,490	29,490
Winnipeg Foundation	1,950	35,800
GST recoverable	5,347	4,917
	5,000	15,000
	17,506	-
	2,000	-
Province of Manitoba - CYO (HEY and Sports)	10,996	-
Assiniboine Credit Union (accrued interest)	1,071	-
Manitoba Community Services Council (ASP)	4,940	-
Catherine Donnelly Foundation (ASP)	3,500	-
United Way (Administration - Org. Development)	2,900	-
Other	-	3,186
Province of Manitoba - WRHA	-	1,800
	-	5,464
United Way Enhancement Campaign	-	3,750
	<u>\$ 392,891</u>	<u>\$ 394,675</u>

**6. LONG TERM INVESTMENTS**

The long term investments consist of three GICs at the Assiniboine Credit Union. They vary from 48 to 60 months and carry interest rates of 2.20 to 3.40%.

**7. ACCOUNTS PAYABLE**

	<u>2016</u>	<u>2015</u>
Wages payable	\$ 43,581	\$ 37,108
Audit accrual	13,000	13,000
RRSPs payable	21,530	13,131
Other	792	2,379
Powerland Computers	-	2,211
	<u>\$ 78,903</u>	<u>\$ 67,829</u>

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

**Notes to Financial Statements**

**Year Ended March 31, 2016**

**8. DEFERRED REVENUE**

	<u>2016</u>	<u>2015</u>
Rogers Youth Fund	\$ 109,000	\$ 200,000
United Way of Winnipeg	87,151	178,008
Management fees, IRCOM Isabel transition	78,000	58,357
City of Winnipeg	80,860	27,965
Other	23,168	17,057
	23,863	15,476
	21,070	7,830
Winnipeg Foundation	38,365	4,100
	3,720	7,630
Charitable donations	6,985	11,800
	3,410	7,500
	5,950	9,865
	5,000	5,000
Province of Manitoba - After School Program	86,685	3,000
The Calgary Foundation	11,500	-
Anonymous Donor - Asset Builder Program	38,417	-
	40,000	-
Province of Manitoba, Early Childhood Hub	18,425	-
Province of Manitoba - Greening Program	5,000	-
	92,000	-
Donations for Syrian refugee resettlement	20,000	-
Catherine Donnelly Foundation	-	31,500
	-	5,500
	-	19,500
	<u>\$ 798,569</u>	<u>\$ 610,088</u>

**9. LINE OF CREDIT**

The organization has established a line of credit with Assiniboine Credit Union of \$15,000. No balance was outstanding at March 31, 2016 or 2015.

**10. PUBLIC SECTOR COMPENSATION DISCLOSURE ACT**

In accordance with the Public Sector Compensation Disclosure Act, it is reported that the following employees earned more than \$50,000 during the year:

██████████, Acting Executive Director	\$68,706
██████████, Director of Programming	\$53,623
██████████	\$56,581

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

**Expenses**

*(Schedule 1)*

**Year Ended March 31, 2016**

	2016	2015
Advertising and promotion	\$ 11,825	\$ 15,302
Equipment rental	4,198	4,835
Insurance	5,753	6,289
Interest and bank charges	3,674	3,388
Memberships	3,522	4,154
Office	54,851	55,538
IRCOM II expenses	4,718	6,570
Board of Directors expenses	1,510	1,729
Programming	357,183	398,919
Professional development	18,883	18,730
Professional fees	51,880	41,767
Salaries and wages	1,314,387	1,357,957
Sub-contracts	38,761	4,852
Supplies	17,202	13,291
Telephone	21,098	7,780
Van purchased	24,750	-
	<b>\$ 1,934,195</b>	<b>\$ 1,941,101</b>

The accompanying notes form an integral part of these financial statements.