

IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.

Non-consolidated Financial Statements
For the year ended March 31, 2023

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Independent Auditor's Report

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, 2023, the non-consolidated statement of operations and 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, 2023, 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

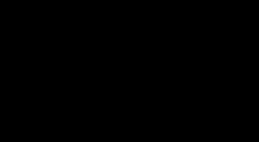
We draw attention to Note 2 (a) to the non-consolidated financial statements, which describes the basis of accounting. These non-consolidated financial statements are prepared to provide information to the Organization's funders and Board of Directors and may not be suitable for another purpose. Our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



Chartered Professional Accountants



**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF
MANITOBA INC.
Non-consolidated Statement of Financial Position**

As at March 31 **2023** **2022**

Assets

Current Assets

Cash and bank	\$	972,180	\$	894,487
Grants and accounts receivable (Note 4)		93,004		41,524
Investments (Note 3)		26,450		-
Prepaid expenses		27,670		31,183
		1,119,304		967,194

Investments (Note 3) 55,853 80,855

Due from IRCOM House Inc. (Note 10) 56,320 75,452

\$ 1,231,477 \$ 1,123,501

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued liabilities (Note 6)	\$	200,756	\$	171,764
Deferred contributions (Note 7)		499,923		420,939
		700,679		592,703

Net Assets

Unrestricted 530,798 530,798

\$ 1,231,477 \$ 1,123,501

Approved on behalf of the Board of Directors:



____ Director

____ Director

**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF
MANITOBA INC.**
**Non-consolidated Statement of Operations
and Changes in Net Assets**

For the year ended March 31	2023	2022
Revenue		
Grants and Subsidies		
Government of Canada		
Canada Emergency Wage Subsidy	\$ -	\$ 39,480
Canada Mortgage and Housing Corporation	104,304	16,839
Immigration, Refugees and Citizenship Canada	1,398,374	1,255,487
Ministry of Canadian Heritage	207,839	125,863
Service Canada	19,234	8,318
Province of Manitoba		
Advanced Education and Training	59,769	-
Children and Youth Opportunities	91,300	91,300
Economic Development, Investment and Trade	101,939	-
Education and Training	95,124	92,444
Healthy Hire Manitoba	-	40,693
Justice	12,000	12,000
Other	-	3,000
Urban Green Team	11,549	10,764
Other		
City of Winnipeg	44,367	66,487
SEED Winnipeg	143,552	157,000
The Winnipeg Foundation	128,500	149,400
████████████████████	104,819	15,230
United Way of Winnipeg	280,381	297,784
Other grants	148,753	131,013
Donations	457,719	496,134
	3,409,523	3,009,236
Other Revenue		
Management fees and tenant association grant (Note 10)	169,090	169,090
Interest	24,061	9,120
	3,602,674	3,187,446
Expenses		
Program (Schedule 1)	2,932,803	2,720,224
Administration (Schedule 2)	612,620	597,938
Fundraising	57,251	52,503
	3,602,674	3,370,665
Excess (deficiency) of revenue over expenses for the year	-	(183,219)
Net assets, beginning of the year	530,798	714,017
Net assets, end of the year	\$ 530,798	\$ 530,798

**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF
MANITOBA INC.
Non-consolidated Statement of Cash Flows**

For the year ended March 31	2023	2022
Cash Flows from Operating Activities		
Excess (deficiency) of revenue over expenses for the year	\$ -	\$ (183,219)
Changes in non-cash working capital		
Grants and accounts receivable	(51,480)	(21,552)
Prepaid expenses	3,513	(18,005)
Due from IRCOM House Inc.	19,132	83,994
Accounts payable and accrued liabilities	28,992	46,119
Deferred contributions	78,984	164,635
	<u>79,141</u>	<u>71,972</u>
Cash flows from financing activities	-	-
Cash Flows from Investing Activities		
Investment redemption	-	54,349
Investment acquisition	(1,448)	(55,581)
	<u>(1,448)</u>	<u>(1,232)</u>
Net increase in cash and bank during the year	77,693	70,740
Cash and bank, beginning of year	894,487	823,747
Cash and bank, end of year	\$ 972,180	\$ 894,487

IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF MANITOBA INC.

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2023

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 10.

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.

Management fees are recognized as revenue in the year the services are rendered. Interest is recognized as revenue when earned. Tenant association grants are recognized in the year to which they relate. Other revenue is recognized when received or receivable.

**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF
MANITOBA INC.**
Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2023

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 and Changes in Net Assets.

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, 2023

3. Investments

Investments consist of Guaranteed Investments Certificates with interest ranging between 1.55% and 2.30% and maturity in December 2023 and September 2025. Investments with maturities beyond 12 months of the Statement of Financial Position date are presented as non current assets.

4. Grants and Accounts Receivable

	2023	2022
Grants and subsidies	\$ 86,017	\$ 34,366
Goods & Services Tax rebate	6,804	6,352
Other	183	806
	\$ 93,004	\$ 41,524

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 9.70%. The line of credit balance was unutilized as at March 31, 2023.

The Organization also has corporate credit cards with a combined limit of \$20,000 and an interest rate of 19.99%.

6. Accounts Payable and Accrued Liabilities

	2023	2022
Government remittances	\$ 3,687	\$ 2,614
Salaries payable	44,793	33,037
Trade payables	117,160	88,409
Vacation payable	29,787	36,408
Other	5,329	11,296
	\$ 200,756	\$ 171,764

**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF
MANITOBA INC.**
Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2023

7. Deferred Contributions

	2023	2022
Grants		
Government of Canada		
Canada Revenue Agency	\$ 4,645	\$ 2,000
Employment and Social Development Canada	27,975	55,919
Ministry of Canadian Heritage	2,096	-
Province of Manitoba		
Education and Training	49,835	50,959
Other		
City of Winnipeg	30,654	4,942
Other grants	30,084	77,568
████████████████████	204,952	134,770
The Winnipeg Foundation	60,212	8,500
United Way of Winnipeg	89,470	86,281
	\$ 499,923	\$ 420,939

8. Capital Assets

The Organization expensed the renovation of office space during the year with a total cost of \$27,944 (\$Nil in 2022).

9. Lease Commitment

The Organization entered into a lease agreement for real property relating to one of its programs with minimum annual rent and operating costs of \$54,568. The lease expires in November 2027.

**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF
MANITOBA INC.
Notes to the Non-consolidated Financial Statements**

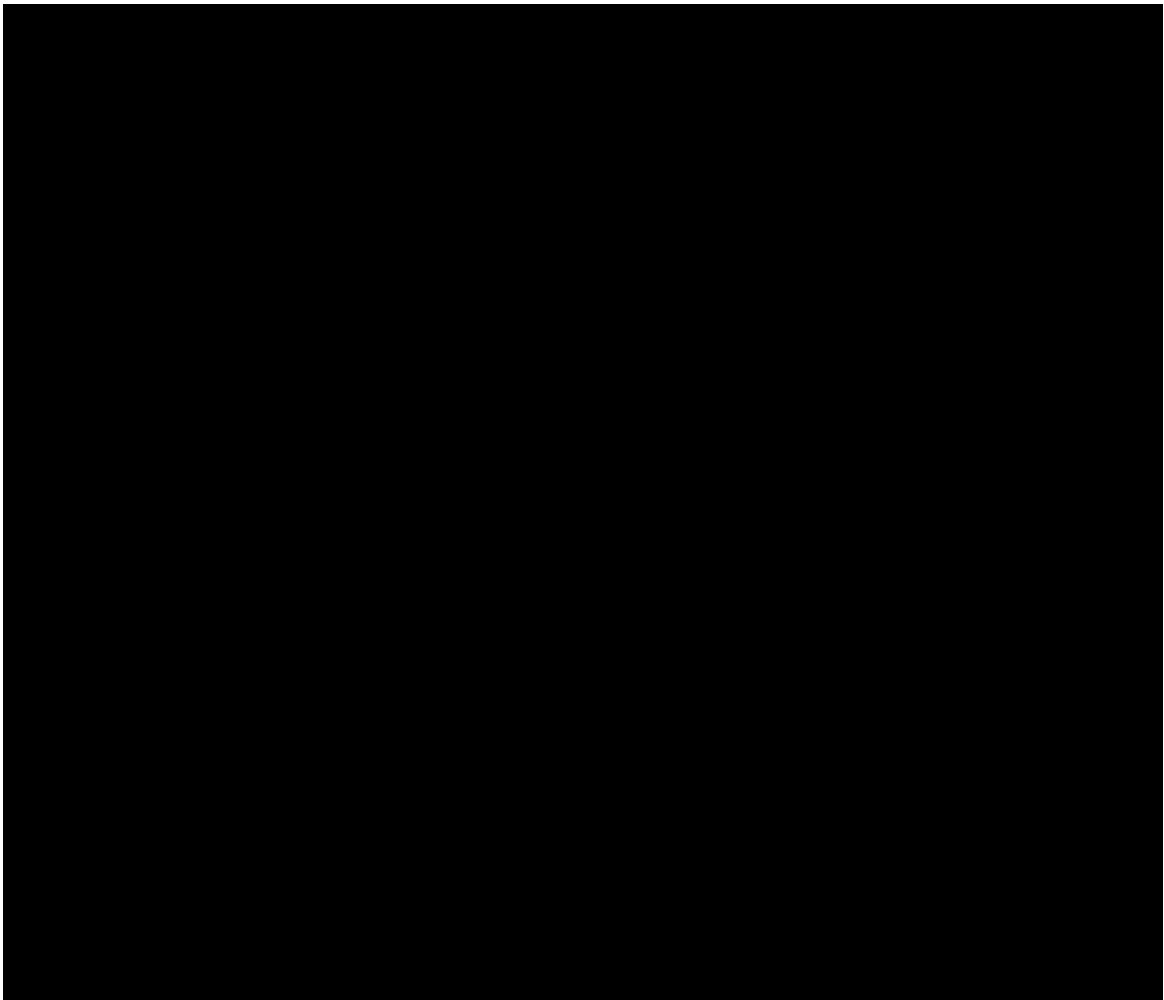
For the year ended March 31, 2023

10. 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, 2023 and March 31, 2022 are disclosed as following.



**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF
MANITOBA INC.**
Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2023

10. Controlled Not-For-Profit Organization and Related Party Transactions (continued)

As at March 31, 2023, the Organization has an amount due from IRCOM House Inc. of \$56,320 (\$75,452 in 2022). 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 \$167,090 (\$167,090 in 2022) and tenant association grants of \$2,000 (\$2,000 in 2022) 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.

11. Financial Instrument Risk Management

The Organization is exposed to different types of risk in the normal course of operations, including credit risk and liquidity risk. The Organization's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the Organization's activities.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Organization to credit risk consist principally of cash and bank, investments and grants and accounts receivable. The Organization is not exposed to credit risk from holding its cash and bank and investments since deposits are held with a credit union where deposits are guaranteed. The Organization is not exposed to significant credit risk from grants and accounts receivable since they are substantially all due from governments in accordance with funding agreements.

Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet its obligations as they fall due. Financial instruments which potentially subject the Organization to liquidity risk consist of accounts payable. The Organization manages its working capital to ensure all its obligations can be met when they fall due.

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

As at March 31	2023	2022
Asset Building Program matched disbursements	\$ 102,096	\$ 142,203
Capital assets (Note 8)	27,944	-
Client transportation	53,515	32,165
COVID-19 response	238	17,024
Interpreters and translators	44,994	44,040
Occupancy	48,421	30,542
Office	20,860	22,562
Organizational development	13,006	-
Office and minor equipment	16,259	19,237
Professional development	16,561	8,455
Program supplies and materials	217,677	228,406
Research and evaluation	43,124	7,390
Salaries and benefits	2,210,941	2,096,166
Subcontractor fees and honoraria	61,155	53,739
Technology	56,012	18,295
	\$ 2,932,803	\$ 2,720,224

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**IMMIGRANT AND REFUGEE COMMUNITY ORGANIZATION OF
MANITOBA INC.
Schedule 2 - Administration Expenses**

As at March 31	2023	2022
Bank charges and interest	\$ 8,677	\$ 8,528
Board of Directors	2,107	3,447
Communications and public relations	16,462	18,007
Insurance	17,425	14,450
Membership fees	7,686	6,551
Office	64,089	34,583
Professional development	2,922	1,492
Professional fees	45,984	147,363
Salaries and benefits	420,400	342,095
Subcontractor fees	8,466	8,820
Sundry	8,518	9,373
Technology	9,884	3,229
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	\$ 612,620	\$ 597,938

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