Inclusion Winnipeg
Financial Statements
March 31, 2018
(Unaudited)

MNP

Independent Practitioner's Review Engagement Report

To the Members of Inclusion Winnipeg:

We have reviewed the accompanying financial statements of Inclusion Winnipeg that comprise the statement of financial position as at March 31, 2018, and the statements of operations and 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.

Practitioner's Responsibility
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Inclusion Winnipeg as at March 31, 2018, 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.

Winnipeg, Manitoba

August 20, 2018

MNP LLP

Chartered Professional Accountants

Inclusion Winnipeg
Statement of Financial Position
As at March 31, 2018
(Unaudited)

	2018	*2017*
Assets		
Current		
Cash	**27,259**	14,460
Accounts receivable *(Note 3)*	**35,864**	38,465
Marketable securities *(Note 4)*	**287,469**	280,501
Prepaid expenses and deposits	**6,901**	37,575
	357,493	371,001
Liabilities		
Current		
Accounts payable and accruals	**87,965**	45,568
Deferred contributions *(Note 6)*	**17,009**	73,913
	104,974	119,481
Net Assets		
Unrestricted - General Fund	**69,912**	75,826
Restricted *(Note 7)*	**182,607**	175,694
	252,519	251,520
	357,493	371,001

Approved on behalf of the Board

Director **Director**

The accompanying notes are an integral part of these financial statements

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Inclusion Winnipeg

Statement of Operations and Changes in Unrestricted Net Assets

For the year ended March 31, 2018
(Unaudited)

	2018	2017
Revenue		
Grants - United Way of Greater Winnipeg	**191,132**	196,220
Grants - Winnipeg Foundation	**33,261**	24,444
Grants - other	**568**	14,338
Investment income	**19,517**	15,397
Unrealized investment gain (loss)	**(6,577)**	5,320
Membership fees and miscellaneous	**760**	360
Fundraising and other income	**165,562**	70,432
Rental income	**67,248**	72,120
Ready, Willing, and Able	**60,508**	-
Workshops	**87,975**	56,372
	619,954	455,003
Expenses		
Accounting	**7,603**	12,748
Bad debts	**2,000**	-
Amortization	**-**	252
Board and membership meetings	**4,565**	4,512
Building maintenance and property taxes	**24,668**	60,029
Consulting fees - fundraising strategy	**11,531**	9,188
Emergency Card program	**55,437**	-
Fall for Fashion	**16,959**	21,227
Fundraising and public relations	**7,130**	-
Interest and bank charges	**9,176**	9,377
Licences and fees	**696**	9,549
Miscellaneous	**2,462**	894
Office and computer supplies	**12,083**	13,148
Office rent	**48,985**	47,985
Office support	**14,200**	3,187
Programming and supplies	**12,468**	3,798
Salaries, wages and benefits	**267,363**	202,846
Staff support and travel	**6,196**	3,917
Utilities	**10,900**	13,619
Wild Canoe Race	**38,379**	16,143
Workshops	**73,067**	33,221
	625,868	465,640
Deficiency of revenue over expenses	**(5,914)**	(10,637)
Unrestricted net assets, beginning of year	**75,826**	86,463
Unrestricted net assets, end of year	**69,912**	75,826

The accompanying notes are an integral part of these financial statements

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Inclusion Winnipeg
Statement of Cash Flows
For the year ended March 31, 2018
(Unaudited)

	2018	2017
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	**(5,914)**	(10,637)
Amortization	**-**	252
Increase in restricted net assets	**6,913**	43,161
Increase in market value of marketable securities	**(865)**	(11,714)
	134	21,062
Changes in working capital accounts		
Accounts receivable	**2,602**	(3,336)
Prepaid expenses and deposits	**30,674**	(31,652)
Accounts payable and accruals	**42,397**	(12,478)
Deferred contributions	**(56,904)**	64,176
	18,903	37,772
Financing		
Changes in bank indebtedness, net	**-**	(21,475)
Investing		
Purchase of marketable securities	**(31,889)**	(24,450)
Proceeds on disposal of marketable securities	**25,785**	21,161
	(6,104)	(3,289)
Increase in cash resources	**12,799**	13,008
Cash resources, beginning of year	**14,460**	1,452
Cash resources, end of year	**27,259**	14,460

The accompanying notes are an integral part of these financial statements

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1. Incorporation and nature of the organization

Inclusion Winnipeg (the "Association") is a non-profit corporation incorporated under the laws of the Province of Manitoba without share capital. The Association is designated as a charitable organization under the Income Tax Act, thus exempting it from Income Taxes under Section 149 (1)(f).

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Capital assets

Capital assets are recorded at cost. The cost for contributed capital assets is considered to be fair value at the date of contribution.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Computer equipment	3 years
Furniture and equipment	5 years
Leasehold improvements	5 years

Revenue recognition

The Association follows the restricted fund method of accounting for contributions. Contributions for the Vipond Fund are recognized as revenue in the restricted fund when the amounts are received or receivable. All other restricted contributions are recognized as revenue in the general fund 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.

Contributed services

The value of donated services is not recognized in these statements.

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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

2. **Significant accounting policies** *(Continued from previous page)*

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in operations for the year.

Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

An arrangement contains a lease where the arrangement conveys a right to use the underlying tangible asset, and whereby its fulfillment is dependent on the use of the specific tangible asset. After the inception of the arrangement, a reassessment of whether the arrangement contains a lease is made only in the event that:

- there is a change in contractual terms;
- a renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- there is a change in the determination of whether the fulfillment of the arrangement is dependent on the use of the specific tangible asset; or
- there is a substantial physical change to the specified tangible asset.

3. **Accounts receivable**

	2018	*2017*
Accounts receivable	**27,304**	31,453
Goods and services tax receivable	**10,560**	7,012
	37,864	38,465
Allowance for doubtful accounts	**(2,000)**	-
	35,864	38,465

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4. Marketable securities

	2018	2017
Cash and mutual funds (at fair value)	**287,469**	280,501

5. Bank indebtedness

The Association has available an operating line of credit with a limit of $100,000 (2017 - $100,000) bearing interest at prime plus 1.25% and is secured by the marketable securities.

6. Deferred contributions

	2018	2017
Balance, beginning of year	**73,913**	9,737
Contributions received	**68,709**	73,913
Deferred contributions recognized	**(125,613)**	(9,737)
	17,009	73,913

7. Restricted

Certain of the Association's assets consist of designated donations that may only be expended on approved expenditures.

	2018	2017
Balance, beginning of year	**175,694**	132,533
Operations		
Designated donations	**50,200**	57,500
Appropriations - other	**(43,287)**	(14,339)
	6,913	43,161
Balance, end of year	**182,607**	175,694

8. Commitments

The Organization has entered into various operating lease agreements with estimated minimum annual payments as follows:

2019	51,336
2020	51,336
2021	51,336
2022	49,985
2023	24,993
	228,986

9. Economic dependence

A significant portion of the Association's operating funds are received through grants from the United Way of Greater Winnipeg, and its ability to continue viable operations is dependent upon maintaining this funding.

10. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

11. Endowment fund

The Winnipeg Foundation holds an endowment fund on behalf of the Association. Interest earned on this fund is reinvested into the fund on an annual basis. The market value of the fund at March 31, 2018 is $178,425 (2017 - $168,124). The Association is only entitled to receive interest earned on these amounts in the amount of $7,545 (2017 - $6,688).