

Inclusion Winnipeg Inc.
Financial Statements
March 31, 2019
(Unaudited)

Independent Practitioner's Review Engagement Report

To the Members of Inclusion Winnipeg Inc.:

We have reviewed the accompanying financial statements of Inclusion Winnipeg Inc. that comprise the statement of financial position as at March 31, 2019, and the statements of operations and changes in unrestricted 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 Inc. as at March 31, 2019, 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

June 25, 2019

MNP LLP

Chartered Professional Accountants

Inclusion Winnipeg Inc.
Statement of Financial Position
As at March 31, 2019
(Unaudited)

	2019	2018
Assets		
Current		
Cash	8,970	27,259
Accounts receivable (Note 3)	17,336	35,864
Marketable securities (Note 4)	294,657	287,469
Prepaid expenses and deposits	4,308	6,901
	325,271	357,493
Liabilities		
Current		
Bank indebtedness (Note 5)	44,443	-
Accounts payable and accruals	93,250	87,965
Deferred contributions (Note 6)	16,299	17,009
	153,992	104,974
Net Assets		
Unrestricted - General Fund	9,810	69,912
Restricted (Note 7)	161,469	182,607
	171,279	252,519
	325,271	357,493

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

Inclusion Winnipeg Inc.
Statement of Operations and Changes in Unrestricted Net Assets
For the year ended March 31, 2019
(Unaudited)

	2019	2018
Revenue		
Grants - United Way of Greater Winnipeg	191,797	191,132
Grants - Winnipeg Foundation	23,840	33,261
Grants - other	10,501	568
Membership fees and miscellaneous	2,425	760
Fundraising and other income	89,911	122,275
Rental income	64,235	67,248
Ready, Willing, and Able	19,058	60,508
Workshops	87,933	87,975
Investment income	12,941	19,517
Unrealized investment loss	(23)	(6,577)
	502,618	576,667
Expenses		
Accounting	7,461	7,603
Bad debts	4,763	2,000
Board and membership meetings	1,913	4,565
Building maintenance and property taxes	27,731	24,668
Consulting fees - fundraising strategy	-	11,531
Emergency card program	-	44,869
Fall for Fashion	43,011	16,959
Fundraising and public relations	450	4,220
Interest and bank charges	10,578	9,176
Licences and fees	5,398	696
Miscellaneous	2,713	2,462
Office and computer supplies	13,922	12,083
Office rent	49,985	48,985
Office support	19,628	14,200
Programming and supplies	42,856	13,412
Salaries, wages and benefits	223,064	234,644
Staff support and travel	4,850	6,196
Utilities	11,779	10,900
Wild Canoe Race	-	38,379
Workshops	92,618	75,033
	562,720	582,581
Deficiency of revenue over expenses	(60,102)	(5,914)
Unrestricted net assets, beginning of year	69,912	75,826
Unrestricted net assets, end of year	9,810	69,912

The accompanying notes are an integral part of these financial statements

Inclusion Winnipeg Inc.
Statement of Cash Flows
For the year ended March 31, 2019
(Unaudited)

	2019	2018
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(60,102)	(5,914)
Increase (decrease) in restricted net assets	(21,138)	6,913
Change in market value of marketable securities	525	(865)
	(80,715)	134
Changes in working capital accounts		
Accounts receivable	18,528	2,602
Prepaid expenses and deposits	2,593	30,674
Accounts payable and accruals	5,285	42,397
Deferred contributions	(710)	(56,904)
	(55,019)	18,903
Investing		
Purchase of marketable securities	(13,442)	(31,889)
Proceeds on disposal of marketable securities	5,729	25,785
	(7,713)	(6,104)
Increase (decrease) in cash resources (deficiency)	(62,732)	12,799
Cash resources, beginning of year	27,259	14,460
Cash resources (deficiency), end of year	(35,473)	27,259
Cash resources are composed of:		
Cash	8,970	27,259
Bank indebtedness	(44,443)	-
	(35,473)	27,259

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Inclusion Winnipeg Inc. (the "Organization") is a non-profit corporation incorporated under the laws of the Province of Manitoba without share capital. The Organization 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:

Cash

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Marketable securities

Marketable securities with prices quoted in an active market are measured at fair value.

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.

	<i>Rate</i>
Computer equipment	3 years
Furniture and equipment	5 years
Leasehold improvements	5 years

Revenue recognition

The Organization follows the restricted fund method of accounting for contributions and grants. Contributions and grants 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 and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recognized when earned. Rental income is recognized as revenue based on the rental period. Programming and workshop revenue is recognized when received or receivable. Revenue is deferred until the programming or workshop is complete. Fundraising and other income is recognized when received.

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 Organization 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.

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. 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.

Financial instruments

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

The Organization 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.

3. **Accounts receivable**

	2019	2018
Accounts receivable	19,381	27,304
Goods and services tax receivable	2,715	10,560
	22,096	37,864
Allowance for doubtful accounts	(4,760)	(2,000)
	17,336	35,864

Inclusion Winnipeg Inc.
Notes to the Financial Statements
For the year ended March 31, 2019
(Unaudited)

4. **Marketable securities**

	2019	2018
Cash and mutual funds (at fair value)	294,657	287,469

5. **Bank indebtedness**

The Organization has available an operating line of credit with a limit of \$100,000 (2018 - \$100,000) bearing interest at prime plus 1.25% and is secured by the marketable securities.

6. **Deferred contributions**

	2019	2018
Balance, beginning of year	17,009	73,913
Contributions received	12,799	68,709
Deferred contributions recognized	(13,509)	(125,613)
	16,299	17,009

7. **Restricted net assets**

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

	2019	2018
Balance, beginning of year	182,607	175,694
Revenue		
Designated donations	50,000	50,200
Expense		
Board and membership meetings	(5,000)	-
Emergency card program	-	(10,569)
Office support	(8,000)	-
Salaries, wages and benefits	(58,138)	(32,718)
	(71,138)	(43,287)
Balance, end of year	161,469	182,607

8. Commitments

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

2020	51,336
2021	51,336
2022	49,985
2023	24,993
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	177,650

9. Economic dependence

A significant portion of the Organization'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.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Organization is exposed to interest rate risk on its line of credit which is at a variable rate.

Other price risk

Other price risk is the risk that the value of a financial instruments might be adversely affected by market conditions. The Organization is exposed to price risk on its marketable securities which are measured at fair market value and are subject to market fluctuations.

11. Endowment fund

The Winnipeg Foundation holds an endowment fund on behalf of the Organization. Interest earned on this fund is reinvested into the fund on an annual basis. The market value of the fund at March 31, 2019 is \$196,884 (2018 - \$178,425). The Organization is only entitled to receive interest earned on these amounts in the amount of \$8,459 (2018 - \$7,545).

12. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.