

ANNUAL REPORT

2019 - 2020

Click [here](#) PPT with videos



MESSAGE FROM LEADERSHIP

This time last year IWC staff was mobilizing to respond to the urgent new reality of service delivery brought about by the pandemic. Within one week in March 2020, all IWC services had moved online. Our front-line settlement and employment services transitioned online overnight –the team made it happen without even one day of service lost. LINC to Work Instructors and Care for Newcomer Children Staff returned from March break to a new world of service delivery. Each and every one applied their ingenuity to make it work in those first days, and every day since to make it even better.

A few weeks later, in May 2020, we held our first virtual Annual General Meeting. Who would have thought then that, a year later, we'd be holding a second online AGM? We might then have been surprised to know that in spring 2021 we'd still be virtual and, rather than planning the return to normal, we'd be focused on building the “new normal” of service delivery that will blend the best of both worlds.

What the “new normal” looks like has yet to be fully seen. What we do know is that we are building on an innovative LINC to Work program with courses that are intensive and specialized; a full-suite of virtual Employment Services that are tailored to the needs of newcomers, responsive to the local labour market, and increasingly focused on employment in the virtual world; Front-Line Settlement Services that support newcomers to meet dynamic settlement needs and build stability at an unstable time; Community Connections activities that build essential skills while building essential connections; and the Care for Newcomer Children program that provides support, skills development and connections for parents and their pre- school children at risk of isolation. And, all of this enabled by our technology and communications program and the amazing team working every day to keep us connected.

We're building the new normal on a fresh mission and strategic plan, a robust results chain and foundational measurement and evaluation system –all with the support of LIFT Philanthropy Partners. In this report, you'll see a strengthened focus on impact, evidenced in the stories of four program participants who've made progress towards their goals despite the challenges and barriers brought on by the pandemic, and the new outcome-focused information gained through program evaluation activities and our annual survey.

To the staff of IWC, some of whom we've not seen in person for over a year now and all of whom we miss, thank you for your commitment, your resilience, your willingness to try new things and your ability to innovate. On a daily basis you find creative ways to adapt, connect, and collaborate to make remote services work, and to make them work well.

To the Board of Directors, thank you for your commitment. This year you've taken important steps in Board Development, responded quickly to change, and provided the support that IWC's staff needs as we navigate the pandemic as well as a leadership change. To the newest Board members -we welcome you and look forward to you contributing to a richness of perspectives in the governance of our organization.

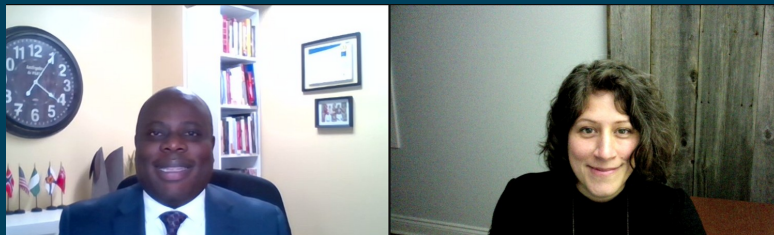
To Ines Rios, our founding ED who retired earlier this year, thank you for leading us through this challenging past year. And for the 33 years before that -those years during which you established the strong infrastructure that has sustained us; those years you provided the mentorship, opportunities and support that have enabled IWC's team of managers to take the reins; those years during which you built the foundation for the resilient and impactful organization we are part of today. Because of those years, we are agile, future- thinking, and prepared for whatever comes next.

And, to the newcomers who are essential partners in our work and in Hamilton's prosperity. Thank you for taking the plunge with us, for your patience and resilience through the technical glitches and lost connections, for your industriousness in learning the new technology alongside IWC, and for your trust over the last year and moving forward.

To everyone, we wish a year ahead of strong, healthy and steady connections!

John Ariyo - Board of Directors (Chair)

Elizabeth Webb - Acting Executive Director



OUR MISSION

To deliver innovative models of integrated employment-focused settlement and language programming to support immigrants' success in a just and supportive Hamilton.

OUR VISION

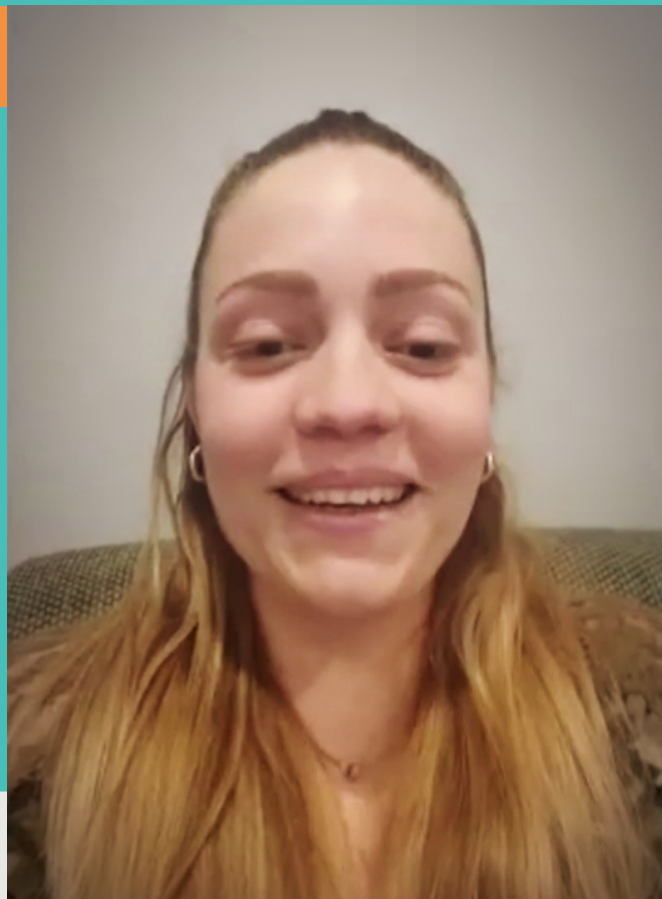
Immigrants achieve social and economic success as essential partners in Hamilton's prosperity.



SUSANNA'S STORY

When Susana first arrived in Canada from Cuba, language was a barrier that she was eager to overcome to find a job and be successful. She eventually found IWC English Language Classes and the Intensive Communications course, where the practical employment-focused language learning helped quickly elevate her professional and personal life. With a goal to attend University in Canada and a strong commitment to learning, Susanna is well on her way to success.

Click [here](#) to watch more!



“English class was really big help for me, It was my first step to get integrated into society and find a job

450 

newcomers participated in IWC's **specialized language training classes**

40% 

of IWC language learners have **progressed at least one Canadian Language Benchmark** so far this year



82%

of newcomers **feel better equipped to express what they need** in English since attending IWC classes

81%

of participants are **more confident to seek support and services independently**

73%

of newcomers reported **increased confidence in their English communication skills**

79%

of newcomers say that compared to last year, **they can better advocate for their needs**

73 

newcomers gained an **Ontario Secondary School Credit in English, ESL or Business** through the IWC Academy



W A E L ' S S T O R Y

Wael came to Canada with a clear vision for his future in Canada. In alignment with his goal to work as an AZ Truck Driver, Wael found IWC's AZ Driver WorkLINC course, a perfect fit to propel his new career forward. Despite graduating around the onset of COVID, with his preparation, perseverance, skills and certifications, one year later, Wael has accomplished all his goals. He works in his desired field, is a proud first-time homeowner in his neighborhood of choice and is proud to have made Canada a home for him and his family.



Click [here](#) to watch more!



75%

of newcomers
reported having
work-ready
English
language skills

74%

of newcomers feel hopeful
about **getting a job in Canada**



27



participants gained
occupation-specific
license or certificate
to work in their field
in Canada

138



participants **gained work-**
ready certifications, including
Globally Harmonized WHMIS
and Workers' Health & Safety

“

**I'm very proud to be
a member of the IWC
family — They gave
me the tools I needed
to succeed**

RICARDO'S STORY

Originally from Mexico, Ricardo came to Canada with significant professional experience, a clear professional goal and all of the initiative and drive to make it happen. Despite completing his Masters in Engineering from McMaster University and years of international experience working as an Engineer — like many newcomers, a lack of Canadian experience was a barrier to starting his professional career.

Ricardo came to IWC looking for employment support where he eventually matched with his employment counsellor, Thary. Her expertise working with professionals, her understanding of the Canadian job market and IWC's connections to local employers helped Ricardo find the work he was always looking for. Now, a full-time process engineer and a Hamilton home-owner with a well settled family, Ricardo is living proof of what happens when preparation meets opportunity.

Click [here](#) to watch more!



“

I will always remember the day I got my job, It was very special to me

3,600



individualized employment services were delivered to newcomers in 2020

representing a

104%

increase in employment services compared to last year



74%



of newcomers know more about job search such as occupational mapping and navigating job markets

78%



of newcomers participants reported knowing more about applying to jobs in Ontario

10

virtual job fairs were delivered to

129

newcomer job seekers





SIMI'S STORY

As a newcomer to Canada, Simi came to IWC looking for guidance and found all the support she needed to find work, navigate settlement and build long-lasting friendships. Full of gratitude and with a strong desire to help others, Simi's IWC journey came full circle when she decided to volunteer with our Community Connections programming.

Once an attendee of IWC's citizenship preparation class and now the facilitator, she understands newcomer struggles, the testing process and appreciates what it means to be a Canadian. We are elated to have Simi be a part of our team.



Click [here](#) to watch more!

“ Being successful and productive person...that is
how I make Canada my home

6,000

Needs Assessment and
Information and Orientation
Services were delivered

50%

Over half of
newcomers reported
that **IWC services**
helped them feel less
isolated during the
pandemic



81%

of participants have
helped **others access**
settlement supports
and services

117

newcomers participated in

20

Community Connections
sessions hosted by IWC staff
and **community volunteers**

28%

of program participants
have started
volunteering in
Hamilton

1,161



volunteer hours
completed by 20 volunteers
in program and
administrative support

Care for Newcomer Children

In 2020 IWC initiated the EduBox project which brought hands-on activities for virtual learning into the homes of newcomer families. Each week, participating families receive their EduBox delivered to their home. Children open each box during their virtual learning session with an IWC Early Childhood Educator. Every weekly box includes supplies for the learning activity, a nutritional component, and resources for parents.



77

children from **66**
newcomer families
participated in the **virtual**
Edubox program in 2020

392

EduBoxes were
delivered to newcomer
families in 2020

Over

2,400

virtual services were
delivered to children in 2020

80%

of parents reported that
their children **learned**
new skills as a result of
the EduBox program

90%

of parents reported that
their children **practiced and**
improved their English

90%

of parents reported
feeling less isolated during
the pandemic, as a result
of the EduBox program

OUR PARTNERS AND COLLABORATORS

ACCESS Employment
Adult Basic Education
Advanced Welding Techniques Inc
Canadian Education and Research Institute for
Counselling
ASCY
Care for Nurses
Centre de santé communautaire
Hamilton/Niagara
Central Health Institute
City of Hamilton
Community Legal Education Ontario
Commercial Heavy Equipment Training Ltd.
Community Action Program for Children
Community Midwives of Hamilton
College Boreal
Colombian Refugees Association
Compass Community Health Centre
Credit Counselling Society
Circle of Friends
Empowerment Squared
Five Save Life
Good Shepherd Centre
Halton Multicultural Council
Hamilton-Brantford Building Trades
Hamilton Community Legal Clinic
Hamilton Centre for Civic Inclusion
Hamilton Food Share

Hamilton Immigration Partnership Council
Hamilton Midwives
Hamilton Police Services
Hamilton Public Library
Hamilton Urban Core Community Health
Centre
Hamilton Wentworth District School Board
Holiday Helpers
Housing Help Centre
International Brotherhood of Electrical
Workers
Iron Workers Local 736
IMDS International Medical Doctors
Interval House/Women's Centre of Hamilton LIFT
Philanthropic Partners
LiUNA Local 837
Legal Aid Clinic
LUSO Community Services
McMaster University
Mohawk College Neighbour
2 Neighbour
Ontario Council of Agencies Serving
Immigrants
Ontario Energy Support Program
International Brotherhood of Electrical Workers
Iron Workers Local 736
IMDS International Medical Doctors

Interval House/Women's Centre of Hamilton
LIFT Philanthropic Partners
LiUNA Local 837
Legal Aid Clinic
LUSO Community Services
McMaster University
Mohawk College Neighbour
2 Neighbour
Ontario Council of Agencies Serving
Immigrants
Ontario Energy Support Program
Ontario Works, Hamilton
Ontario Works, Halton
Refuge Centre for Newcomer Health
Skills For Change
Social Planning and Research Council of
Hamilton
St. Charles Adult Education Centre St.
Matthew's House
Stoney Creek Community Food Bank
United Way Simcoe Muskoka
VPI
Welcome Inn
Wesley Urban Ministries
Workers Health and Safety Centre
Workforce Planning Hamilton
YMCA of Hamilton, Burlington, Brantford
YWCA of Hamilton

OUR PARTNERS AND COLLABORATORS

Partner Highlight:

Since 2019, IWC has been part of LIFT Philanthropy Partners' Better Beginnings, Bigger Impact (BBBI) project. Through BBBI, LIFT brought together a cohort of ten social purpose organizations working with immigrants and refugees to engage in peer-to-peer collaborative learning and capacity building.

Both IWC's senior management team and the board have experienced a shift towards increased engagement and capacity in support of IWCs organizational growth and long-term success. IWC is a more resilient organization as senior management has taken on the role of strategic planning and implementation, with an emphasis on collaboration. As well, the board has moved into a new chapter of engagement, with a stronger partnership with management that will help IWC achieve its strategic goals. These efforts have strengthened a renewed focus around IWCs mission of "integrated employment-focused settlement and language programming."

We move into the next year with clear strategic objectives, and new tools, strengthened systems and essential connections to support our work and increase our impact.



THANK YOU

Our Donors

Canada Helps
Ekrem Kolcuoglu
Gentiana Rezhda
Daniela Prado
Laura Fenwick-Sehl
Miekela Singh
Lauren Fenwick-Sehl
Lauren Dayes
Courtney Earl
Allan Yee
Nisha Fernandes
Patricia Strachan
Helene Carating
Janet O'Sullivan
Kerry Mahoney
Lien Wojtczuk and classmates
Matthew Nelson
Sarah Kam
Teresa Szalay
Amanda Wright
Yanyan Xu
Justin Manning
Sweet Gale Gardens
Fellowship Canadian Reformed Church

Our Volunteers

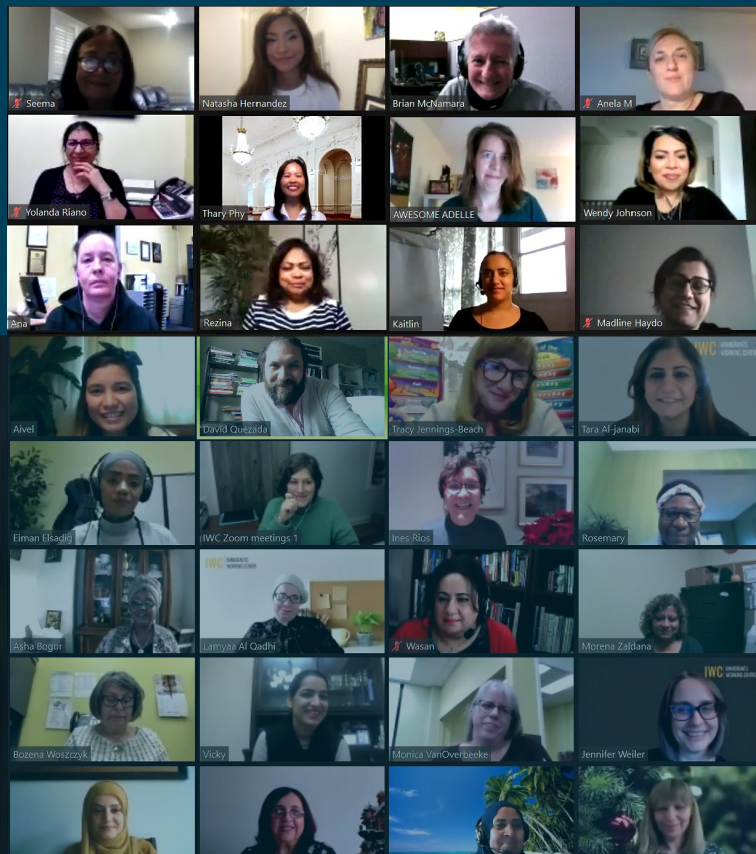
Ana Cruz Valladares
Asha Didir
Asma Jumaa
Cesar Mejia
Emma Reilly
Fiza Ahmed
Hadsen Mohamed
Hang La (Lucy)
Jamal Bain
Luis Orlando Nope Garzon
Nagia Seher Rashid
Najia Rashid
Noor Mahmod
Samaer Gill
Sister Carla
Sister Francis Rossignoli
Sister Gabriela
Sister Rosanne Logel
Tawakalit Amuda
Tracey Jennings-Beach

Board of Directors

John Ariyo (Chair)
Erin Hallock (Secretary)
Maria Antelo
Gentiana Collaku
Miekela Singh
Krista D'Aoust
Serah Jacob
Rebecca Smyth
Luc Bonaventure Amoussou
Kim Zarzuela
Blake McCall
Nidhi Nagori

2020 Board Members:
Graham (Ekrem) Kolcuoglu
Martha Tamayo
Gentiana Rezhda
Patti McNaney
Ralph Wilson

To Our Staff



OUR FUNDERS



Immigration, Refugees
and Citizenship Canada

Immigration, Réfugiés
et Citoyenneté Canada



IWC FINANCIAL STATEMENT

Financial Statements of

**IMMIGRANTS WORKING
CENTRE (HAMILTON)**

And Independent Auditors' Report thereon

Year ended August 31, 2020



KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton Ontario L8P 4W7
Canada
Telephone (905) 523-8200
Fax (905) 523-2222

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Immigrants Working Centre (Hamilton)

Opinion

We have audited the accompanying financial statements of Immigrants Working Centre (Hamilton) (the "Centre"), which comprise:

- the statement of financial position as at August 31, 2020
- the statements of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at August 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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.

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 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.



In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our 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 auditors' 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 the 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 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



Page 3

- 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

November 12, 2020

IMMIGRANTS WORKING CENTRE (HAMILTON)

Statement of Financial Position

August 31, 2020, with comparative information for 2019


	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,419,688	\$ 1,261,042
Accounts receivable (note 2)	37,947	36,179
Prepaid expenses	21,895	22,106
	1,479,530	1,319,327
Investments (note 3)	64,710	56,628
Capital assets (note 4)	106,022	134,206
	\$ 1,650,262	\$ 1,510,161

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 102,301	\$ 68,689
Deferred revenue (note 6)	1,101,203	989,884
	1,203,504	1,058,573
Deferred capital contributions (note 7)	97,090	128,051
Net assets	349,668	323,537
Commitments (note 8)		
COVID-19 (note 10)		
	\$ 1,650,262	\$ 1,510,161

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

IMMIGRANTS WORKING CENTRE (HAMILTON)

Statement of Operations and Changes in Net Assets

Year ended August 31, 2020 with comparative information for 2019

	2020	2019
Revenues:		
Citizenship and Immigration Canada	\$ 3,726,869	\$ 3,654,402
Other	269,022	254,861
CIC Service Delivery Improvements	100,396	124,359
City of Hamilton / Ontario Works	21,415	39,808
Social Planning & Research Council	11,135	10,625
Ministry of Citizenship and Immigration	10,569	414,902
Social & Enterprise Development	3,951	—
Ministry of Citizenship and Immigration and Tourism	3,368	—
United Way of Halton & Hamilton	2,996	—
Ministry of Training, Colleges and Universities	—	125
Operating revenue from fundraising	—	5
	4,149,721	4,499,087
Expenses:		
Salaries and benefits	3,235,932	3,208,361
Rent	493,295	491,006
Repairs and maintenance	57,705	66,633
Amortization of capital assets	50,272	45,778
Office and general	43,907	63,777
Property taxes	39,026	36,341
Travel	35,575	90,425
Utilities	31,251	22,074
Professional fees	29,803	302,732
Other	29,082	31,208
Telephone	26,117	22,255
Materials and supplies	19,519	25,643
Insurance	14,749	14,831
Interest and bank charges	7,091	6,964
Child minding	5,233	7,496
Advertising	3,533	2,436
Board	800	932
Donations	700	400
	4,123,590	4,439,292
Excess of revenues over expenses	26,131	59,795
Net assets, beginning of year	323,537	263,742
Net assets, end of year	\$ 349,668	\$ 323,537

IMMIGRANTS WORKING CENTRE (HAMILTON)

Statement of Cash Flows

Year ended August 31, 2020 with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ 26,131	\$ 59,795
Items not involving cash:		
Amortization of capital assets	50,272	45,778
Amortization of deferred capital contributions	(48,271)	(44,246)
Change in non-cash operating working capital items:		
Accounts receivable	(1,768)	4,910
Prepaid expenses	212	13,523
Accounts payable and accrued liabilities	33,612	(9,425)
Deferred revenue	111,318	486,680
	171,506	557,015
Financing activity:		
Increase in deferred capital contributions	17,310	40,237
Investing activities:		
Purchase of capital assets	(22,088)	(40,827)
Purchase of investments	(8,082)	(56,628)
	(30,170)	(97,455)
Net increase in cash and cash equivalents	158,646	499,797
Cash and cash equivalents, beginning of year	1,261,042	761,245
Cash and cash equivalents, end of year	\$ 1,419,688	\$ 1,261,042

See accompanying notes to financial statements.

IMMIGRANTS WORKING CENTRE (HAMILTON)

Notes to Financial Statements

Year ended August 31, 2020

Immigrants Working Centre (Hamilton) (the "Centre") is incorporated without share capital under the laws of Ontario.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-profit Organizations in Part III of the CPA Canada Handbook.

(a) Revenue recognition:

The Centre follows the deferral method of accounting for contributions which includes government contribution agreements, grants and donations.

The Centre is funded primarily by the Government of Canada in accordance with budget arrangements established by the Ministry of Citizenship and Immigration Canada. Operating funding is recorded as revenue in the period to which they relate. Funding approved but not received at the end of an accounting period is accrued. Where a portion of funding relates to a future period, it is deferred and recognized in that subsequent period. These financial statements reflect agreed arrangements approved by the funding bodies with respect to the year ended August 31, 2020.

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

(c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Centre's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

	Rate
Computer equipment	20%
Furniture and equipment	20%
Leasehold improvements	over term of lease (5 years)

IMMIGRANTS WORKING CENTRE (HAMILTON)

Notes to Financial Statements (continued)

Year ended August 31, 2020

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Centre has elected to carry its investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Centre determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Centre expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements. The Centre recognizes the very significant value of this contribution and states so here.

(f) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and accrued liabilities. Actual results could differ from those estimates.

IMMIGRANTS WORKING CENTRE (HAMILTON)

Notes to Financial Statements (continued)

Year ended August 31, 2020

1. Significant accounting policies (continued):

(g) Change in accounting policies:

In March 2018, the Accounting Standards Board issued "Basis for Conclusions – Accounting Standards Improvements for Not for Profit Organizations" resulting in the introductions of three new handbook sections in the Accounting Standards for not-for-profits Part III of the Handbook as follows:

- (i) Section 4433, Tangible capital assets held by not-for-profit organizations, which directs organizations to apply the accounting guidance of Section 3061, Property Plant and Equipment in Part II of the Handbook. In so doing, the new section requires that organizations annually assess for partial impairment of tangible capital assets, to be recorded where applicable, as non-reversible impairment expense. In addition, where practical, to componentize capital assets when estimates can be made of the useful lives of the separate components.

This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairments of tangible assets that existed as at September 1, 2019.

- (ii) Section 4434, Intangible assets held by not-for-profit organizations, which directs organizations to annually assess intangible assets, and where applicable to record an impairment expense should the net carrying value be higher than the asset's fair value or replacement cost.

This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairment of intangible assets that existed as at September 1, 2019.

2. Accounts receivable:

	2020	2019
Trade	\$ 3,951	\$ 2,199
Other	33,996	33,980
	<u>\$ 37,947</u>	<u>\$ 36,179</u>

3. Investments:

	2020	2019
Market Linked GICs	\$ 30,878	\$ 30,665
Mutual Funds & Others	32,043	24,238
Exchange Traded Fund	1,789	1,725
	<u>\$ 64,710</u>	<u>\$ 56,628</u>

The investments are recorded at fair value which also includes the interest earned for the year 2020 \$2,049 (2019 \$1,279).

IMMIGRANTS WORKING CENTRE (HAMILTON)

Notes to Financial Statements (continued)

Year ended August 31, 2020

4. Capital assets:

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 355,259	\$ 299,949	\$ 55,310	\$ 61,508
Furniture and equipment	205,333	190,145	15,188	19,712
Leasehold improvements	558,080	522,556	35,524	52,986
	\$ 1,118,672	\$ 1,012,650	\$ 106,022	\$ 134,206

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$10,174 (2019 - \$6,414), which includes amounts payable for payroll related taxes.

6. Deferred revenue:

Deferred revenue related to expenses of future periods is comprised of unspent externally restricted funding for specific programs.

	2020	2019
Balance, beginning of year	\$ 989,884	\$ 503,204
Additional funding received	3,944,424	4,199,902
Less funds used for operations	(3,833,105)	(3,713,222)
	\$ 1,101,203	\$ 989,884

7. Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unamortized amount of the government contribution agreement and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2020	2019
Balance, beginning of year	\$ 128,051	\$ 132,060
Additional contributions received	17,310	40,237
Less amortization of deferred capital contributions	(48,271)	(44,246)
	\$ 97,090	\$ 128,051

IMMIGRANTS WORKING CENTRE (HAMILTON)

Notes to Financial Statements (continued)

Year ended August 31, 2020

8. Commitments:

- (a) The Centre is committed to payments under operating leases for office space requiring minimum annual payments as follows:

Year ending August 31		
2021	\$	509,376
2022		148,524
2023		80,548
Total minimum lease payments	\$	738,448

- (b) The Centre has a line of credit with its banker up to a maximum of \$350,000, bearing interest at the rate of prime plus 1.00%. The Centre has drawn \$nil on this line of credit.

9. Financial risks and concentration of credit risk:

- (a) Liquidity risk:

Liquidity risk is the risk that the Centre will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Centre manages its liquidity risk by monitoring its operating requirements. The Centre prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2019.

10. Impacts of COVID-19:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus.

At the time of approval of these financial statements, the Centre has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- closure of the offices to the general public and accessible by appointment only;
- transition of services to online platforms in order to limit the potential for transmission within the Centre and the community; and
- implementation of working from home requirements and virtual appointments for certain programs.

These factors might present uncertainty over future cash flows and the timing of future cash flows which may cause changes to the assets or liabilities and may have a significant impact on future operations. Management determined that such financial and economic market uncertainty has continued subsequent to the financial statement date and the assets and liabilities of the Centre as at August 31, 2020 were not adjusted to reflect the potential future impact of COVID-19. Given the outcome and timeframe to a recovery from the current pandemic is highly unpredictable, it is not practicable to estimate and disclose its financial effect at this time.