The Institute for Canadian Citizenship
Financial Statements
March 31, 2021

To the Members of The Institute for Canadian Citizenship:

Opinion

We have audited the financial statements of The Institute for Canadian Citizenship (the "Organization"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021, 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.

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 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 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.

Other Matter

The financial statements of the Organization for the year ended March 31, 2020 were audited by another firm of Chartered Professional Accountants, who issued an unmodified audit opinion on October 1, 2020.

Responsibilities of Management 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 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 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 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

MNP LLP

Toronto, Ontario — Chartered Professional Accountants

October 28, 2021 — Licensed Public Accountants

The Institute for Canadian Citizenship
Statement of Financial Position
As at March 31, 2021

	2021	***2020***
Assets		
Current		
Cash	**513,740**	82,488
Accounts receivable	**249,353**	-
Grants receivable	**12,011**	154,813
HST rebate receivable	**59,353**	29,940
Prepaid expenses and deposits	**44,173**	29,396
Guaranteed investment certificates	**-**	434,797
	878,630	731,434
Capital assets *(Note 3)*	**30,211**	42,043
Investments *(Note 4)*	**445,611**	-
	1,354,452	773,477
Liabilities		
Current		
Accounts payable and accrued liabilities	**188,239**	187,998
Government remittances payable	**18,022**	45,391
Deferred contributions ***(Note 5)***	**660,842**	-
	867,103	233,389
Net Assets		
	487,349	540,088
	1,354,452	773,477

Approved on behalf of the Board of Directors

Director **Director**

The accompanying notes are an integral part of these financial statements

The Institute for Canadian Citizenship
Statement of Operations and Changes in Net Assets
For the year ended March 31, 2021

	2021	***2020***
Revenue		
Immigration, Refugee and Citizenship Canada grant	**1,334,397**	1,300,566
Other government grants ***(Note 11)***	**1,081,544**	539,517
Other contributions ***(Note 8)***	**375,425**	1,096,344
Interest	**10,814**	16,207
Ticket sales	**-**	24,771
Total revenue	**2,802,180**	2,977,405
Expenses		
6 Degrees ***(Note 8)***	**837,066**	1,308,646
Digital engagement programme	**729,637**	-
Building citizenship	**502,670**	1,180,455
Administration	**457,609**	506,110
Cultural Access Pass / Canoo	**327,937**	834,120
Ideas and insight	**-**	189,015
Total expenses	**2,854,919**	4,018,346
Deficiency of revenue over expenses	**(52,739)**	(1,040,941)
Net assets beginning of year	**540,088**	1,581,029
Net assets, end of year	**487,349**	540,088

The Institute for Canadian Citizenship
Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	**(52,739)**	(1,040,941)
Amortization	**15,105**	13,469
	(37,634)	(1,027,472)
Changes in working capital accounts		
Accounts receivable	**(249,353)**	-
Grants receivable	**142,802**	248,058
HST rebate receivable	**(29,413)**	65,521
Prepaid expenses and deposits	**(14,777)**	5,375
Accounts payable and accrued liabilities	**241**	(308,390)
Deferred contributions	**660,842**	(224,804)
Government remittances payable	**(27,369)**	15,409
	445,339	(1,226,303)
Investing		
Purchase of capital assets	**(3,273)**	-
Purchase of investments	**(445,611)**	-
Proceeds on disposal of guaranteed investment certificates	**434,797**	1,069,675
	(14,087)	1,069,675
Increase (decrease) in cash resources	**431,252**	(156,628)
Cash resources, beginning of year	**82,488**	239,116
Cash resources, end of year	**513,740**	82,488

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

The Institute for Canadian Citizenship (the “Organization”) was incorporated under the authority of the Income Tax Act ("the Act") and is a registered charity and thus is exempt from income taxes under section 149(1)(f) of the the Act. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Organization delivers programs and special projects that inspire inclusion, create opportunities to connect, and encourage active citizenship across Canada.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Revenue recognition

The Organization follows the deferral method of accounting for contributions. 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Ticket sales are recognized as revenue when the associated event occurs.

Interest income is recognized as revenue over the term of the guaranteed investment certificates.

Contributed materials

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

Allocation of expenses

The Organization engages in a variety of programs promoting inclusivity and engagement. The costs of each program include the costs of personnel, premises, professional fees, and other expenses that are directly related to providing the program.

The Organization allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year. General support expenses are allocated on the following bases:

Personnel costs	Proportionately on the time spent by personnel on the program.
Premises costs	Proportionately on the square footage of space utilized by the program.
Professional fees	Proportionately on the same percentage as the direct salaries and benefits of the program.

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, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 ***Related Party Transactions***.

2. Significant accounting policies (continued)

Financial Instruments (continued)

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the deficiency of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group, there are numerous assets affected by the same factors, or no asset is individually significant. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year deficiency of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the deficiency of revenues over expenses in the year the reversal occurs.

Investments

Investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Investments consist of Guaranteed Investment Certificates.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

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

Leasehold improvements are amortized on a straight-line basis, over the term of the lease.

2. Significant accounting policies (continued)

Measurement uncertainty (use of estimates)

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. Accrued liabilities includes amounts based on estimates. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in deficiency of revenues over expenses in the years in which they become known.

3. Capital assets

	Cost	*Accumulated amortization*	*2021 Net book value*	*2020 Net book value*
Leasehold improvements	**71,027**	**40,816**	**30,211**	42,043

4. Investments

Investments consist of guaranteed investment certificates, bearing interest at 1.00% per annum and maturing on January 8, 2023.

5. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for the delivery of various programs. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2021	*2020*
Balance, beginning of year	**-**	224,804
Amount received during the year	**2,912,018**	2,711,623
Less: Amount recognized as revenue during the year	**(2,251,176)**	(2,936,427)
Balance, end of year	**660,842**	-

6. Credit Facilities

The organization has a $250,000 revolving demand credit facility that is unsecured, is repayable on demand, and bears interest at the bank's prime rate. As at March 31, 2021, there was no balance outstanding on the credit facility (2020 - $nil). The Organization also has credit cards with a combined credit limit of $250,000.

7. Commitments

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

2022	154,656
2023	154,656
2024	38,664
	347,976

8. Contributed materials and services

Included in other contributions revenue and in 6 Degrees expenses in the statement of operations is $8,965 (2020 – $41,325) representing the estimated fair value of a contribution of research services (2020 - contributed travel vouchers).

9. 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.

10. Economic dependence

The Organization's primary source of revenue is federal government grants. The grant funding can be cancelled if the Organization does not observe certain established guidelines. The Organization's ability to continue viable operations is dependent upon maintaining its compliance with the criteria within the grant guidelines. As at the date of these financial statements the Organization believes that it is in compliance with these guidelines.

11. Government Assistance

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") program and the Canada Emergency Rent Subsidy ("CERS") program in September 2020. CEWS provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as result of COVID-19. CERS provides rent a subsidy on eligible rent paid, to eligible entities based on certain criteria, including demonstration of revenue declines as result of COVID-19. The CEWS subsidy is retroactive to March 15, 2020. Both the CEWS and CERS subsidies are currently scheduled to end on October 23, 2021. The qualification and application of the CEWS and CERS is being assessed over multiple four week application period segments.

The Organization has determined that it has qualified for the CEWS subsidy from March 15, 2020 effective date and has accordingly, applied for, and for certain periods received, the CEWS. The Organization's last period eligible for the CEWS was the period ending April 10, 2021

The Organization has recognized $462,522 (2020 - $nil) government assistance related to CEWS in other government grant revenue.

The Organization has determined that it has qualified for the CERS subsidy from September 27, 2020 effective date and has accordingly, applied for, and for certain periods received, the CERS. The Organization's last period eligible for the CERS was the period ending April 10, 2021

The Organization has recognized $77,668 (2020 - $nil) government assistance related to CEWS in other government grant revenue.

12. Impact on Operations Due to COVID-19

In March, 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, management anticipates this outbreak may cause program closures, staff shortages, fluctuations in funding, and increased government regulations, all of which may negatively impact the Organization’s business and financial condition.