

TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.

Financial Statements

March 31, 2023

June 19, 2023

INDEPENDENT AUDITOR'S REPORT

To the Directors of Taking Charge! Inc./Se Prendre En Main! Inc.

Opinion

I have audited the financial statements of Taking Charge! Inc./Se Prendre En Main! Inc. (the Organization), which comprise the statement of financial position as at March 31, 2023 and the statements of revenues and expenditures, 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, 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

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with those requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.



Chartered Professional Accountant
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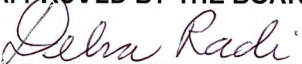
TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.


Statement of Financial Position

March 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 216,740	\$ 339,708
Accounts receivable (Note 3)	15,449	9,222
Goods and services tax receivable	7,054	6,656
Prepaid expenses	3,428	3,393
	242,671	358,979
CAPITAL ASSETS (Note 4)	117,180	130,058
	\$ 359,851	\$ 489,037
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	66,688	94,452
DEFERRED CONTRIBUTIONS (Note 7, 8):		
Expenses of future periods	163,980	258,810
Capital assets	117,420	130,298
	281,400	389,108
NET ASSETS		
Unrestricted	(188,729)	(207,893)
Invested in capital assets	200,492	213,370
	11,763	5,477
	\$ 359,851	\$ 489,037

APPROVED BY THE BOARD:

 Director

 Director

TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.

Statement of Operations

Year Ended March 31, 2023

	2023	2022
REVENUES		
Province of Manitoba - Families:		
Taking Charge! Employment Assistance Services	824,021	410,000
Taking Charge! of Academics	25,979	-
Pest control	2,000	2,000
Province of Manitoba - Education and Early Childhood Learning		
Taking Care! Daycare:		
Operating grant	516,217	440,200
Parent subsidies	355,572	297,683
Pandemic grant	-	28,000
Staff pension grant	21,478	19,557
Opportunities for Employment		
Taking Initiative!	45,269	283,787
Federal Government:		
Canadian Emergency Wage Subsidy	-	77,302
Women & Gender Equality	8,000	49,500
Canadian Emergency Rent Subsidy	-	19,042
Canada Summer Jobs Program	-	17,950
Emergency Community Support Fund	-	1,070
Parent fees	19,820	22,575
Other:		
Winnipeg Foundation	3,574	24,323
Donations and fundraising	31,792	16,004
Daycare placement fee	750	5,625
Thomas Sill Foundation	547	5,453
Harvest Manitoba	-	5,000
Interest and other revenue	15,405	44,237
Amortization of deferred contributions related to capital assets (note 7)	20,805	21,540
	1,891,229	1,790,848
EXPENSES		
Taking Charge!		
Taking Charge! Employment Assistance Services (Schedule 1)	824,021	555,884
Taking Charge! of Academics (Schedule 1)	26,526	25,487
Taking Initiative! (Schedule 1)		
Taking Initiative!	44,317	267,041
Taking Initiative! - participant pre-training	-	7,423
Taking Initiative! - participant support	952	9,323
Taking Care! - Daycare (Schedule 1)	932,681	818,449
Other:		
Capacity Building	8,000	49,500
Strategic plan	-	9,697
Participant Groceries	-	5,000
Pest control	2,000	2,000
Special events and fundraising expenses	25,641	19,487
Amortization	20,805	21,540
	1,884,943	1,790,831
EXCESS OF REVENUES OVER EXPENSES	\$ 6,286	\$ -

TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.**Statement of Changes in Net Assets****Year Ended March 31, 2023**

	Unrestricted	Invested in Capital Assets	2023 Total	2022 Total
BALANCE - BEGINNING OF YEAR	\$ (207,893)	\$ 213,370	\$ 5,477	\$ 5,477
Excess (deficiency) of revenues over expenses	27,091	(20,805)	6,286	-
Purchase of capital assets	(7,927)	7,927	-	-
BALANCE - END OF YEAR	\$ (188,729)	\$ 200,492	\$ 11,763	\$ 5,477

TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.**Statement of Cash Flow****Year Ended March 31, 2023**

	2023	2022
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Excess of revenues over expenses	\$ 6,286	\$ -
Items not involving cash:		
Amortization of deferred contributions related to capital assets	(20,805)	(21,540)
Amortization of capital assets	20,805	21,540
Change in non-cash operating working capital:		
Accounts receivable	(6,227)	41,745
Goods and services tax receivable	(398)	(342)
Prepaid expenses	(35)	(697)
Accounts payable and accrued liabilities	(27,764)	(13,386)
Net change in deferred contributions related to expenses of future periods	(94,830)	56,481
	(122,968)	83,801
INVESTING ACTIVITIES:		
Additions to capital assets	(7,927)	(18,000)
FINANCING ACTIVITIES:		
Additions to deferred contributions related to capital assets	7,927	18,000
(DECREASE) INCREASE IN CASH	(122,968)	83,801
CASH - BEGINNING OF YEAR	339,708	255,907
CASH - END OF YEAR	\$ 216,740	\$ 339,708

TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.

Notes to Financial Statements

Year Ended March 31, 2023

1. NATURE OF OPERATIONS

Taking Charge! Inc./Se Prendre En Main! Inc. (the "Organization") is a not-for-profit organization incorporated under the Manitoba Corporations Act on April 5, 1995. Taking Care! Daycare is funded by the Province of Manitoba Department of Education and Early Childhood Learning and Taking Charge! Employment Assistance Services and Taking Charge! of Academics are funded by the Province of Manitoba Department of Families. Taking Charge! provides supportive services to single parents and women so they can break the cycle of poverty and dependency to become self-sufficient and empowered.

Families funding not fully expended or committed under \$10,000 is retained by the Organization; funds in excess of \$10,000 may be retainable with the approval of Families. Retained funds are deferred to be utilized in future periods; future use of these funds must be approved by the Organization's Board. Any deficit resulting at the end of the Organization's fiscal year will not be funded by the Government.

Education and Early Childhood Learning funding not fully expended is retained and deferred by the Organization to be utilized in future periods. Future use of these funds must be approved by the Organization's Board. Any deficit resulting at the end of the Organization's fiscal year will not be funded by the Government.

A pilot program, Taking Initiative! is funded by Opportunities for Employment as part of their Single Parent Employment Program. Taking Initiative! started January 1, 2021 and ended May 31, 2022.

Under Section 149 (1)(l) of the *Income Tax Act*, the Organization is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at date of contribution. Repairs and maintenance are charged to expense. Betterments, which extend the estimated useful life of an asset are capitalized. Capital assets are amortized using the declining balance method at the following rates which are sufficient to amortize the costs over the estimated useful lives of the assets:

Computers	55%
Furniture and equipment	20%

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

When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.

Notes to Financial Statements

Year Ended March 31, 2023

(continues)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Organization follows the deferral method of accounting for contributions. 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 at a rate corresponding with the amortization rate for the related capital assets.

Financial instrument measurement

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash and accounts receivable and Goods and services tax receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period that they become known. Actual results could differ from these estimates.

3. ACCOUNTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Province of Manitoba		
Education and Early Childhood Learning		
Pension expense	\$ 5,376	\$ 5,376
Pest control grant	2,000	-
Opportunities for Employment	-	1,010
Landlord Longboat Properties	7,927	-
Miscellaneous - Sunlife	-	336
Harvest Manitoba	-	2,500
	<u>\$ 15,449</u>	<u>\$ 9,222</u>

TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.

Notes to Financial Statements

Year Ended March 31, 2023

4. CAPITAL ASSETS

	Cost	2023 Accumulated Amortization	Net Book Value	2022 Net Book Value
Computers	\$ 41,466	\$ 39,548	\$ 1,918	\$ 4,263
Furniture and equipment	227,032	203,987	23,045	28,806
Leasehold improvements	926,091	833,874	92,217	96,989
	\$ 1,194,589	\$ 1,077,409	\$ 117,180	\$ 130,058

5. BANK INDEBTEDNESS AND DEMAND BANK LOAN

The Organization has an operating line of credit to bridge operating government funding. The Line of Credit maximum limit is \$25,000. The operating line of credit is due on demand, bears interest at bank prime plus 2.00 percent and is unsecured. At March 31, 2023, the Organization had utilized \$Nil (2022 - \$Nil) of the operating line of credit.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade payable and accrued	\$ 25,214	\$ 51,526
Vacation payable	31,854	32,647
Professional fees	3,868	3,868
Staff fund	2,013	2,472
Student awards fund	3,739	3,939
	\$ 66,688	\$ 94,452

TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.

Notes to Financial Statements

Year Ended March 31, 2023

7. DEFERRED CONTRIBUTIONS

Expenses of future periods

Deferred contributions related to expenses of future periods will be recognized as income in the year when the related expenditures are incurred.

	<u>2023</u>	<u>2022</u>
Balance – beginning of year	\$ 258,810	\$ 202,329
Add amount received related to future periods	121,603	523,690
Amounts recognized as revenue in the year	(214,907)	(467,209)
Repaid to OFE	(1,526)	-
	<hr/>	<hr/>
Balance – end of year	\$ 163,980	\$ 258,810

Capital assets

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

	<u>2023</u>	<u>2022</u>
Balance – beginning of year	\$ 130,298	\$ 133,838
Contributions – Leasehold improvements	7,927	-
Contributions – Other assets	-	18,000
	<hr/>	<hr/>
	138,225	151,838
Less amount amortized to revenue	(20,805)	(51,540)
	<hr/>	<hr/>
Balance – end of year	\$ 117,420	\$ 130,298

TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.

Notes to Financial Statements

Year Ended March 31, 2023

8. INVESTED IN CAPITAL ASSETS

a) Invested in capital assets is allocated as follows:

	<u>2023</u>	<u>2022</u>
Capital assets	\$ 117,180	\$ 130,058
Amounts financed by deferred contributions	<u>(117,420)</u>	<u>(130,298)</u>
	<u>\$ (240)</u>	<u>\$ (240)</u>

b) Change in net assets invested in capital assets is calculated as follows:

	<u>2023</u>	<u>2022</u>
Deficiency of revenue over expenses:		
Amortization of deferred contributions related to capital assets	\$ 20,805	\$ 21,540
Amortization of capital assets	<u>(20,805)</u>	<u>(21,540)</u>
	<u>\$ -</u>	<u>\$ -</u>

	<u>2023</u>	<u>2022</u>
Funds related to acquisition of capital assets:		
Purchase of capital assets	<u>\$ 7,927</u>	<u>\$ 18,000</u>

9. EMPLOYEE PENSION PLAN

The employees of the Organization are members of a defined contribution pension plan administered by Manulife.

Employer contributions made to the Plan during the year amounted to \$45,732 (2022 - \$48,988).

TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.

Notes to Financial Statements

Year Ended March 31, 2023

10. PROVINCE OF MANITOBA FUNDING RECONCILIATION

	<u>2023</u>
Funding received from the Province of Manitoba – Department of Families:	
Per confirmation:	\$ 850,000
Add: Pest control funding not in confirmation	<u>2,000</u>
	<u>852,000</u>
Revenue recorded in the financial statements:	
TCA	\$ 25,979
EAS	824,021
Pest control	<u>2,000</u>
	<u>\$ 852,000</u>

11. COMMITMENTS

The Organization rents a premise under a long-term operating lease. The previous lease expired on December 31, 2020. The Board of Directors approved the renewal of the operating lease until December 31, 2030. The following is a schedule by fiscal year of base rent payments (excluding CAMs) required under the new lease for the next five years.

2024	\$ 218,977
2025	220,399
2026	224,665
2027	226,087
2028	230,353

12. FINANCIAL RISKS

The Organization has exposure to the following risks associated with its financial instruments:

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. The Organization is exposed to credit risk with respect to the accounts receivable.

The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in an allowance for doubtful accounts. The maximum exposure to credit risk of the Organization at March 31, 2023 is the carrying value of these assets.

At March 31, 2023 and 2022, all accounts receivable were current; there were no amounts past due.

There have been no significant changes to the credit risk exposure from 2022.

TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.

Notes to Financial Statements

Year Ended March 31, 2023

12. FINANCIAL RISKS (continued)

Liquidity risk

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages liquidity risk by monitoring its operating requirements. The Organization prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

All accounts payable and accrued liabilities are due within fiscal 2024.

There have been no significant changes to the liquidity risk exposure from 2022.

Interest rate risk

The Organization was exposed to interest rate risk on its floating interest rate financial instruments.

TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.**Schedule of Program Revenue and Expenses****Schedule 1****Page 1****Year Ended March 31, 2023**

	2023	2022
TAKING CHARGE! - EMPLOYMENT ASSISTANCE SERVICES		
Revenue:		
Province of Manitoba - Families	\$ 824,021	\$ 410,000
Federal Government - CEWS/CERS	-	96,344
Federal Government - Summer Student Grant	-	7,516
Other Revenue	-	42,024
	<u>824,021</u>	<u>555,884</u>
Expenses:		
Salaries	499,759	344,685
Rent	125,348	107,758
Employee benefits	92,215	51,658
Professional fees	51,051	22,055
Janitorial and supplies	16,935	9,291
Repairs and maintenance	10,623	4,591
Program materials	7,657	586
Office	5,190	2,903
Insurance	5,084	4,270
Telephone	4,636	4,327
Equipment lease	3,268	2,040
Communication	1,110	171
Staff development	930	958
Mileage	134	-
Pandemic supplies	81	591
	<u>824,021</u>	<u>555,884</u>
	<u>\$ -</u>	<u>\$ -</u>

TAKING CHARGE! OF ACADEMICS

Revenue:		
Province of Manitoba - Families	\$ 25,979	\$ 25,487
Thomas Sill Foundation donation	547	-
	<u>26,526</u>	<u>25,487</u>
Expenses:		
Rent	18,104	16,542
Janitorial and supplies	2,911	1,726
Program materials	2,725	5,060
Professional fees	1,042	740
Repairs and maintenance	961	687
Insurance	206	186
Office	201	226
Telephone	196	188
Equipment lease	133	132
Communication	44	-
Pandemic supplies	3	-
	<u>26,526</u>	<u>25,487</u>
	<u>\$ -</u>	<u>\$ -</u>

TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.

Schedule of Program Revenue and Expenses

Schedule 1

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Year Ended March 31, 2023

	2023	2022
TAKING INITIATIVE!		
Revenue:		
Opportunities for Employment	\$ 45,269	\$ 283,787
Expenses:		
Participant Support - Childcare	952	9,323
Participant Pre-training - On-site Programs	-	7,423
Salaries	28,050	176,347
Professional fees	8,733	39,748
Employee benefits	4,018	25,469
Rent	1,489	9,286
Groceries	538	3,537
Repairs and maintenance	339	3,666
Janitorial and supplies	299	3,284
Insurance	225	1,299
Telephone	203	1,307
Equipment lease	176	925
Office	150	2,015
Communication	97	52
Staff development	-	106
	<u>44,317</u>	<u>267,041</u>
	\$ -	\$ -

TAKING CARE! - DAYCARE

Revenue:		
Province of Manitoba - Education and Early Childhood Learning	\$ -	\$ -
Operating grant	516,217	-
Pension grant	21,478	-
Parent subsidy	355,572	-
Province of Manitoba - Families	-	-
Operating grant	-	440,200
Pension grant	-	19,557
Parent subsidy	-	297,683
Pandemic grant	-	28,000
Federal Government - Summer Student Grant	-	10,434
Parent fees	19,820	22,575
Donations and other revenue	19,594	-
	<u>932,681</u>	<u>818,449</u>
Expenses:		
Salaries	572,495	514,827
Rent	125,787	116,644
Employee benefits	115,483	98,423
Professional fees	30,507	19,774
Janitorial and supplies	21,485	18,241
Equipment lease and maintenance	13,726	3,821
Repairs and maintenance	11,422	12,481
Food	9,225	9,255
Events and Enhanced Learning	8,276	1,548
Office	7,900	4,603
Staff development	5,197	2,361
Insurance	4,781	3,542
Telephone	4,386	3,575
Communication	1,005	271
Program materials	655	2,203
Mileage	273	296
Pandemic supplies	78	6,584
	<u>932,681</u>	<u>818,449</u>
	\$ -	\$ -