

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

Financial Statements

March 31, 2024

June 24, 2024

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, 2024 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, 2024, 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
Winnipeg, Manitoba

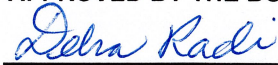
TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.

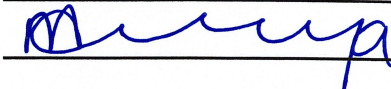
Statement of Financial Position

March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 370,789	\$ 216,740
Accounts receivable (Note 3)	25,989	15,449
Goods and services tax receivable	9,320	7,054
Prepaid expenses	3,728	3,428
	409,826	242,671
CAPITAL ASSETS (Note 4)	103,688	117,180
	\$ 513,514	\$ 359,851
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	69,920	66,688
DEFERRED CONTRIBUTIONS (Note 7, 8):		
Expenses of future periods	313,259	163,980
Capital assets	103,928	117,420
	417,187	281,400
NET ASSETS		
Unrestricted	(160,593)	(188,729)
Invested in capital assets	187,000	200,492
	26,407	11,763
	\$ 513,514	\$ 359,851

APPROVED BY THE BOARD:

 Director

 Director

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

Statement of Operations

Year Ended March 31, 2024

	2024	2023
REVENUES		
Province of Manitoba - Families:		
Taking Charge! Employment Assistance Services	\$ 805,833	\$ 824,021
Taking Charge! of Academics	28,348	25,979
Journey Independence	78,499	-
Pest control	3,113	2,000
Province of Manitoba - Education and Early Childhood Learning		
Taking Care! Daycare:		
Operating	595,412	516,217
Parent fees	208,546	-
Parent subsidies	111,216	355,572
Pension	19,038	21,478
Inclusion	15,450	-
Quality Early Learning	56,000	-
Enhance diversity	25,239	-
Recruitment/Retention	10,924	-
Opportunities for Employment		
Taking Initiative!	-	45,269
Federal Government:		
Women & Gender Equality	-	8,000
Summer placements	8,614	-
Parent fees	16,579	19,820
Other:		
Winnipeg Foundation	-	3,574
Donations and fundraising	82,451	31,792
Daycare placement fee	-	750
Thomas Sill Foundation	-	547
Interest and other revenue	21,842	15,405
Amortization of deferred contributions related to capital assets (note 7)	22,849	20,805
	2,109,953	1,891,229
EXPENSES		
Taking Charge!		
Taking Charge! Employment Assistance Services (Schedule 1)	910,107	824,021
Taking Charge! of Academics (Schedule 1)	28,348	26,526
Taking Initiative! (Schedule 1)		
Taking Initiative!	-	45,269
Taking Care! - Daycare (Schedule 1)	1,078,910	932,681
Other:		
Capacity Building	-	8,000
Daycare placement	128	-
Technology	954	-
Pest control	3,113	2,000
Special events and fundraising expenses	50,900	25,641
Amortization	22,849	20,805
	2,095,309	1,884,943
EXCESS OF REVENUES OVER EXPENSES	\$ 14,644	\$ 6,286

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

Statement of Changes in Net Assets

Year Ended March 31, 2024

	Unrestricted	Invested in Capital Assets	2024 Total	2023 Total
BALANCE - BEGINNING OF YEAR	\$ (188,729)	\$ 200,492	\$ 11,763	\$ 5,477
Excess (deficiency) of revenues over expenses	37,493	(22,849)	14,644	6,286
Purchase of capital assets	(9,357)	9,357	-	-
BALANCE - END OF YEAR	\$ (160,593)	\$ 187,000	\$ 26,407	\$ 11,763

TAKING CHARGE! INC./SE PRENDRE EN MAIN! INC.**Statement of Cash Flow****Year Ended March 31, 2024**

	2024	2023
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Excess of revenues over expenses	\$ 14,644	\$ 6,286
Items not involving cash:		
Amortization of deferred contributions related to capital assets	(22,849)	(20,805)
Amortization of capital assets	22,849	20,805
Change in non-cash operating working capital:		
Accounts receivable	(10,540)	(6,227)
Goods and services tax receivable	(2,266)	(398)
Prepaid expenses	(300)	(35)
Accounts payable and accrued liabilities	3,232	(27,764)
Net change in deferred contributions related to expenses of future periods	149,279	(94,830)
	154,049	(122,968)
INVESTING ACTIVITIES:		
Additions to capital assets	(9,357)	(7,927)
FINANCING ACTIVITIES:		
Additions to deferred contributions related to capital assets	9,357	7,927
(DECREASE) INCREASE IN CASH	154,049	(122,968)
CASH - BEGINNING OF YEAR	216,740	339,708
CASH - END OF YEAR	\$ 370,789	\$ 216,740

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

Notes to Financial Statements

Year Ended March 31, 2024

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 or committed under 2% of total Families is retained by the Organization; funds in excess of 2% 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.

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.

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

Notes to Financial Statements

Year Ended March 31, 2024

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>2024</u>	<u>2023</u>
Province of Manitoba		
Education and Early Childhood Learning		
Parent subsidy	\$ 10,240	\$ -
Pension expense	5,279	5,522
Pest control grant	1,113	2,000
Landlord Longboat Properties	9,357	7,927
	<u>\$ 25,989</u>	<u>\$ 15,449</u>

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

Notes to Financial Statements

Year Ended March 31, 2024

4. CAPITAL ASSETS

	Cost	2024 Accumulated Amortization	Net Book Value	2023 Net Book Value
Computers	\$ 41,466	\$ 40,603	\$ 863	\$ 1,918
Furniture and equipment	227,032	208,596	18,436	23,045
Leasehold improvements	935,448	851,059	84,389	92,217
	<u>\$ 1,203,946</u>	<u>\$ 1,100,258</u>	<u>\$ 103,688</u>	<u>\$ 117,180</u>

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, 2024, the Organization had utilized \$Nil (2023 - \$Nil) of the operating line of credit.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade payable and accrued	\$ 20,660	\$ 25,214
Vacation payable	40,299	31,854
Professional fees	3,833	3,868
Staff fund	1,591	2,013
Student awards fund	3,539	3,739
	<u>\$ 69,920</u>	<u>\$ 66,688</u>

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

Notes to Financial Statements

Year Ended March 31, 2024

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>2024</u>	<u>2023</u>
Balance – beginning of year	\$ 163,980	\$ 258,810
Add amount received related to future periods	386,786	121,603
Amounts recognized as revenue in the year	(237,507)	(214,907)
Repaid to OFE	-	(1,526)
	<hr/>	<hr/>
Balance – end of year	\$ 313,259	\$ 163,980

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>2024</u>	<u>2023</u>
Balance – beginning of year	\$ 117,420	\$ 133,838
Contributions – Leasehold improvements	9,357	7,927
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Less amount amortized to revenue	126,777 (22,849)	138,225 (20,805)
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Balance – end of year	\$ 103,928	\$ 117,420

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

Notes to Financial Statements

Year Ended March 31, 2024

8. INVESTED IN CAPITAL ASSETS

a) Invested in capital assets is allocated as follows:

	<u>2024</u>	<u>2023</u>
Capital assets	\$ 103,688	\$ 117,180
Amounts financed by deferred contributions	(103,928)	(117,420)
	<u>\$ (240)</u>	<u>\$ (240)</u>

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

	<u>2024</u>	<u>2023</u>
Deficiency of revenue over expenses:		
Amortization of deferred contributions related to capital assets	\$ 22,849	\$ 20,805
Amortization of capital assets	(22,849)	(20,805)
	<u>\$ -</u>	<u>\$ -</u>

	<u>2024</u>	<u>2023</u>
Funds related to acquisition of capital assets:		
Purchase of capital assets	\$ 9,357	\$ 7,927

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 \$42,263 (2023 - \$45,732).

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

Notes to Financial Statements

Year Ended March 31, 2024

10. COMMITMENTS

The Organization rents a premise under a long-term operating lease. The current 10-year lease expires on 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.

2025	\$ 214,712
2026	218,977
2027	220,399
2028	224,665
2029	228,087

11. 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, 2024 is the carrying value of these assets.

At March 31, 2024 and 2023, all accounts receivable were current; there were no amounts past due.

There have been no significant changes to the credit risk exposure from 2023.

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 2025.

There have been no significant changes to the liquidity risk exposure from 2023.

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, 2024**

	2024	2023
TAKING CHARGE! - EMPLOYMENT ASSISTANCE SERVICES		
Revenue:		
Province of Manitoba - Families	\$ 884,332	\$ 824,021
Other Revenue	25,775	-
	<u>910,107</u>	<u>824,021</u>
Expenses:		
Salaries	479,509	499,759
Professional fees	134,304	51,051
Rent	130,211	125,348
Employee benefits	91,243	92,215
Janitorial and supplies	22,049	16,935
Program materials	14,531	7,657
Telephone	11,854	4,636
Repairs and maintenance	9,906	10,623
Office	5,598	5,190
Insurance	5,108	5,084
Equipment lease	3,156	3,268
Staff development	1,421	930
Communication	939	1,110
Mileage	278	134
Pandemic supplies	-	81
	<u>910,107</u>	<u>824,021</u>
	<u>\$ -</u>	<u>\$ -</u>

TAKING CHARGE! OF ACADEMICS

Revenue:		
Province of Manitoba - Families	\$ 28,348	\$ 25,979
Thomas Sill Foundation donation	-	547
	<u>28,348</u>	<u>26,526</u>
Expenses:		
Rent	18,685	18,104
Janitorial and supplies	4,044	2,911
Program materials	3,200	2,725
Professional fees	789	1,042
Repairs and maintenance	702	961
Office	327	201
Insurance	227	206
Telephone	192	196
Equipment lease	140	133
Communication	42	44
Pandemic supplies	-	3
	<u>28,348</u>	<u>26,526</u>
	<u>\$ -</u>	<u>\$ -</u>

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

Schedule of Program Revenue and Expenses

Schedule 1

Page 2

Year Ended March 31, 2024

	2024	2023
TAKING INITIATIVE!		
Revenue:		
Opportunities for Employment	\$ -	\$ 45,269
Expenses:		
Participant Pre-training - On-site Programs	-	-
Salaries	-	28,050
Professional fees	-	8,733
Employee benefits	-	4,018
Rent	-	1,489
Participant Support - Childcare	-	952
Groceries	-	538
Repairs and maintenance	-	339
Janitorial and supplies	-	299
Insurance	-	225
Telephone	-	203
Group insurance	-	-
Equipment lease	-	176
Office	-	150
Communication	-	97
	-	45,269
	\$ -	\$ -

TAKING CARE! - DAYCARE

Revenue:		
Province of Manitoba - Education and Early Childhood Learning		
Operating	\$ 595,412	\$ 516,217
Parent fees	208,546	-
Parent subsidy	111,216	355,572
Pension	19,038	21,478
Inclusion	15,450	-
Quality Early Learning	56,000	-
Enhance Diversity	25,239	-
Recruitment/Retention	10,924	-
Federal Government - Summer Student Grant	8,614	-
Parent fees	16,579	19,820
Donations and other revenue	11,892	19,594
	1,078,910	932,681
Expenses:		
Salaries	618,700	572,495
Rent	130,905	125,787
Employee benefits	122,196	115,483
Professional fees	24,955	30,507
Janitorial and supplies	21,543	21,485
Food	20,486	9,225
Repairs and maintenance	14,880	11,422
Events and Enhanced Learning	9,885	8,276
Office	8,669	7,900
Insurance	6,017	4,781
Staff development	5,070	5,197
Telephone	5,023	4,386
Equipment lease and maintenance	4,365	13,726
Program materials	1,359	655
Communication	1,106	1,005
Mileage	481	273
Pandemic supplies	-	78
Quality early learning	51,587	-
Enhance diversity	22,039	-
Recruit/retention	9,644	-
	1,078,910	932,681
	\$ -	\$ -