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

Financial Statements

March 31, 2026

TONY GAUTHIER, CPA, CA

201- 990 LORIMER BLVD WPG, MB R3S 0A1
PHONE: (204) 956-9426
EMAIL: tony@tonygauthiercpa.ca

May 19, 2026

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, 2026 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, 2026, 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.

(*continues*)

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.

Tony Gauthier, CPA

Chartered Professional Accountant
Winnipeg, Manitoba

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

Statement of Financial Position

March 31, 2026

		2026		2025
				(Note 12)
ASSETS				
CURRENT				
Cash	$	**421,128**	$	403,761
Accounts receivable *(Note 3)*		**37,079**		35,970
Goods and services tax receivable		**7,921**		9,628
Prepaid expenses		**3,651**		4,377
		469,779		453,736
CAPITAL ASSETS *(Note 4)*		**69,786**		98,241
	$	**539,565**	$	551,977
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities *(Note 6)*		**100,682**		121,459
DEFERRED CONTRIBUTIONS *(Note 7, 8)*				
Expenses of future periods		**326,438**		295,431
Capital assets		**70,026**		98,481
		396,464		393,912
NET ASSETS				
Unrestricted		**(110,679)**		(144,947)
Invested in capital assets		**153,098**		181,553
		42,419		36,606
	$	**539,565**	$	551,977

APPROVED BY THE BOARD:

_________________________ *Director*

_________________________ *Director*

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

Statement of Operations

Year Ended March 31, 2026

	2026	2025
		(Note 12)
REVENUES		
Province of Manitoba - Families		
Taking Charge! Employment Assistance Services	**$ 828,278**	$ 809,311
Taking Charge! of Academics	**25,672**	27,362
Journey Independence	**-**	9,901
Province of Manitoba - Education and Early Childhood Learning		
Taking Care! Daycare		
Operating	**808,384**	658,192
Parent fees	**234,817**	229,764
Parent subsidies	**109,998**	84,144
Pension	**25,201**	24,237
Enhance diversity	**-**	6,761
Recruitment/Retention	**-**	2,060
Staff training	**1,181**	343
Federal Government		
Women & Gender Equality	**68,750**	56,250
Parent fees	**17,317**	15,279
Other		
Winnipeg Foundation	**3,419**	59,081
Red Cross CSRF	**-**	19,492
Interest and other revenue	**5,813**	10,148
Donations and fundraising	**4,798**	7,783
Amortization of deferred contributions related to capital assets *(note 7)*	**28,455**	26,889
	2,162,083	2,046,997
EXPENSES		
Taking Charge!		
Taking Charge! Employment Assistance Services *(Schedule 1)*	**838,278**	857,636
Taking Charge! of Academics *(Schedule 1)*	**25,672**	27,362
Taking Care! - Daycare *(Schedule 1)*	**1,197,144**	1,022,295
Other:		
Structural program review	**3,419**	49,710
Women & Gender Equality	**59,750**	47,249
Daycare placement	**40**	176
Technology	**572**	3,548
Special events and fundraising expenses	**2,940**	1,933
Amortization	**28,455**	26,889
	2,156,270	2,036,798
EXCESS OF REVENUES OVER EXPENSES	**$ 5,813**	$ 10,199

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

Statement of Changes in Net Assets

Year Ended March 31, 2026

	Unrestricted	**Invested in Capital Assets**	**2026 Total**	2025 Total
				(Note 12)
BALANCE - BEGINNING OF YEAR	**$ (144,947)**	**$ 181,553**	**$ 36,606**	$ 26,407
Excess (deficiency) of revenues over expenses	**34,268**	**(28,455)**	**5,813**	10,199
BALANCE - END OF YEAR	**$ (110,679)**	**$ 153,098**	**$ 42,419**	$ 36,606

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

Statement of Cash Flow

Year Ended March 31, 2026

	2026	2025
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Excess of revenues over expenses	**$ 5,813**	$ 10,199
Items not involving cash:		
Amortization of deferred contributions related to capital assets	**(28,455)**	(26,889)
Amortization of capital assets	**28,455**	26,889
Change in non-cash operating working capital:		
Accounts receivable	**(1,109)**	(9,981)
Goods and services tax receivable	**1,707**	(308)
Prepaid expenses	**726**	(649)
Accounts payable and accrued liabilities	**(20,777)**	51,539
Net change in deferred contributions related to expenses of future periods	**31,007**	(17,828)
	17,367	32,972
INVESTING ACTIVITIES:		
Additions to capital assets	**-**	(21,442)
FINANCING ACTIVITIES:		
Additions to deferred contributions related to capital assets	**-**	21,442
INCREASE IN CASH	**17,367**	32,972
CASH - BEGINNING OF YEAR	**403,761**	370,789
CASH - END OF YEAR	**$ 421,128**	$ 403,761

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 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)(I) of the *Income Tax Act,* the Organization is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

<u>Basis of presentation</u>

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.

<u>Capital assets</u>

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.

(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

	2026	2025
Province of Manitoba		
Education and Early Childhood Learning		
Parent subsidy	**$ 29,096**	$ 10,240
Pension expense	**7,983**	7,490
Landlord Longboat Properties	**-**	18,240
	$ 37,079	$ 35,970

4. CAPITAL ASSETS

	Cost	2026 Accumulated Amortization	Net Book Value	2025 Net Book Value
Computers	**$ 60,883**	**$ 54,373**	**$ 6,510**	$ 14,465
Furniture and equipment	**229,057**	**215,800**	**13,257**	16,571
Leasehold improvements	**935,448**	**885,429**	**53,019**	67,205
	$ **1,225,388**	**$ 1,155,602**	**$ 69,786**	$ 98,241

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, 2026, the Organization had utilized $Nil (2025 - $Nil) of the operating line of credit.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
Trade payable and accrued	**$ 53,736**	$ 90,396
Vacation payable	**41,665**	26,343
Professional fees	**3,833**	3,833
Staff fund	**1,448**	887
	$ 100,682	$ 121,459

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.

	2026	2025
Balance – beginning of year	**$ 295,434**	$ 313,259
Add amount received related to future periods	**37,888**	112,441
Amounts recognized as revenue in the year	**(6,884)**	(130,269)
Balance – end of year	**$ 326,438**	$ 295,434

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.

	2026	2025
Balance – beginning of year	**$ 98,481**	$ 103,928
Contributions – Leasehold improvements	**-**	21,442
	98,481	125,370
Less amount amortized to revenue	**(28,455)**	(22,889)
Balance – end of year	$ **70,026**	$ 98,481

8. INVESTED IN CAPITAL ASSETS

a) Invested in capital assets is allocated as follows:

	2026	2025
Capital assets	**$ 69,786**	$ 98,241
Amounts financed by deferred contributions	**(70,026)**	(98,481)
	$ (240)	$ (240)

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

	2026	2025
Deficiency of revenue over expenses:		
Amortization of deferred contributions related to capital assets	**$ 28,455**	$ 26,889
Amortization of capital assets	**(28,455)**	(26,889)
	$ -	$ -

	2026	2025
Funds related to acquisition of capital assets:		
Purchase of capital assets	**$ -**	$ 21,442

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 $52,456 (2025 - $46,380).

10. 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.

2027	$ 220,573
2028	224,735
2029	226,122
2030	230,284

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, 2026 is the carrying value of these assets.

At March 31, 2026 and 2025, all accounts receivable were current; there were no amounts past due.

There have been no significant changes to the credit risk exposure from 2025.

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 2027.

There have been no significant changes to the liquidity risk exposure from 2025 to 2026 year-end.

Interest rate risk

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

12. PRIOR PERIOD ADJUSTMENTS

In the prior year, adjustments were made to correct errors in certain balances in the statement of financial position and the statement of operation related to revenues received and were recorded in the wrong period and deferral of certain revenues at year-end.

The adjustments are as followed:

	As previously reported	Adjustments	As restated
Accounts receivable	$ 7,490	$ 28,480	$ 35,970
Expenses of future periods	237,328	58,103	295,431
Unrestricted net assets	(115,324)	(29,623)	(144,947)
Province of Manitoba -EAS revenue	822,638	(13,327)	809,311
Daycare revenue - Parent fees	211,524	18,240	229,764
Daycare revenue – Parent subsidies	118,680	(34,536)	84,144
Excess of revenues over expenses	39,822	(29,623)	10,199

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

Schedule of Program Revenue and Expenses ***Schedule 1***

Year Ended March 31, 2026

		2026		2025
				(Note 12)

TAKING CHARGE! - EMPLOYMENT ASSISTANCE SERVICES

Revenue:				
Province of Manitoba - Families	**$**	**828,278**	$	819,212
Other revenue		**1,000**		29,424
Federal Government - Women & Gender Equality		**9,000**		9,000
		838,278		857,636
Expenses:				
Salaries		**491,098**		444,235
Rent		**133,353**		128,809
Professional fees		**36,962**		91,385
Employee benefits		**96,360**		69,230
Repairs and maintenance		**14,996**		29,467
Program materials		**8,663**		27,787
Staff development		**12,674**		24,438
Janitorial and supplies		**18,662**		18,375
Telephone		**3,624**		7,583
Insurance		**5,967**		5,700
Office		**6,669**		4,405
Equipment lease		**3,473**		2,944
Communications		**4,420**		1,785
Bank charges		**1,229**		1,103
Fundraising		**-**		300
Mileage		**128**		90
		838,278		857,636
	$	**-**	$	-

TAKING CHARGE! OF ACADEMICS

Revenue:				
Province of Manitoba - Families	**$**	**25,672**	$	27,362
Expenses:				
Rent		**19,268**		18,531
Janitorial and supplies		**2,689**		3,040
Program materials		**926**		2,520
Repairs and maintenance		**1,238**		1,539
Professional fees		**374**		818
Office		**402**		307
Insurance		**265**		253
Telephone		**173**		152
Equipment lease		**154**		131
Communication		**183**		71
		25,672		27,362
	$	**-**	$	-

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

Schedule of Program Revenue and Expenses ***Schedule 1***

Page 2

Year Ended March 31, 2026

		2026		2025
				(Note 12)

TAKING CARE! - DAYCARE

Revenue:				
Province of Manitoba - Education and Early				
Operating	**$**	**808,384**	$	658,192
Parent fees		**234,817**		229,764
Parent subsidy		**109,998**		84,144
Pension		**25,201**		24,237
Enhance Diversity		**-**		6,761
Recruitment/retention		**-**		2,060
Staff training		**1,181**		343
Parent fees		**17,317**		15,279
Donations and other revenue		**246**		1,515
		1,197,144		1,022,295
Expenses:				
Salaries		**738,524**		615,686
Rent		**135,054**		129,934
Employee benefits		**146,472**		122,095
Professional fees		**17,365**		33,221
Repairs and maintenance		**38,437**		23,867
Janitorial and supplies		**23,072**		21,538
Food		**20,125**		17,117
Staff development		**19,233**		9,025
Equipment lease and maintenance		**12,229**		8,731
Enhance diversity		**-**		6,761
Insurance		**7,028**		6,712
Office		**10,790**		6,206
Program materials		**9,991**		5,513
Telephone		**4,546**		4,344
Communications		**4,829**		2,429
Memberships		**2,336**		2,092
Recruitment/retention		**239**		2,060
Events and enhanced learning		**4,517**		2,039
Bank fees		**2,085**		1,940
Fundraising		**-**		759
Mileage		**272**		226
		1,197,144		1,022,295
	$	**-**	$	-