

**Reaching E-Quality Employment Services Inc.**  
**Financial Statements**  
**Year Ended March 31, 2023**

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## Independent Auditor's Report

To the Board of Directors of Reaching E-quality Employment Services Inc.

### *Opinion*

We have audited the financial statements of Reaching E-Quality Employment Services Inc., which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in fund balances 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, 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*

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.

### *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 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.



## Independent Auditor's Report, continued

- ♦ 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.

Winnipeg, Manitoba  
August 31, 2023



**Chartered Professional Accountants**

**Reaching E-Quality Employment Services Inc.**  
**Statement of Financial Position**  
**March 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash (Note 3)	\$ 163,581	\$ 244,952
Accounts receivable	58,152	26,151
GST receivable	<u>1,886</u>	<u>1,880</u>
	223,619	272,983
<b>Capital Assets (Note 4)</b>	<u>19,815</u>	<u>27,475</u>
	<u><b>\$ 243,434</b></u>	<u><b>\$ 300,458</b></u>
<hr/>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 36,493	\$ 62,108
Deferred contributions (Note 5)	<u>942</u>	<u>45,884</u>
	<u>37,435</u>	<u>107,992</u>
<b>FUND BALANCES</b>		
General Fund	84,336	79,190
Program Fund	101,848	85,801
Capital Asset Fund	<u>19,815</u>	<u>27,475</u>
	205,999	192,466
	<u><b>\$ 243,434</b></u>	<u><b>\$ 300,458</b></u>

Approved by the Board of Directors

Michelle Norris Director  
Dean Whynne Director

See accompanying notes

# Reaching E-Quality Employment Services Inc.

## Statement of Operations Year Ended March 31, 2023

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
Employment Assistance Service, Schedule 1	\$ 398,828	\$ 427,578
RINT, Schedule 2	114,337	131,610
Co-op, Schedule 3	202,678	138,576
United Way, Schedule 4	40,964	40,879
Special project grants	12,599	4,782
Donations, fundraising and other	149	125
	<u>769,555</u>	<u>743,550</u>
<b>EXPENSES</b>		
Employment Assistance Service, Schedule 1	398,828	427,578
RINT, Schedule 2	114,337	131,184
Co-op, Schedule 3	202,996	138,576
United Way, Schedule 4	37,012	42,456
Administration	2,849	4,782
	<u>756,022</u>	<u>744,576</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 13,533</u>	<u>\$ (1,026)</u>

See accompanying notes



# Reaching E-Quality Employment Services Inc.

## Statement of Changes in Fund Balances

Year Ended March 31, 2023

	<u>General Fund</u>	<u>Program Fund</u>	<u>Capital Asset Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 79,190	\$ 85,801	\$ 27,475	\$ 192,466	\$ 193,492
Excess (deficiency) of revenue over expenses	<u>5,146</u>	<u>16,047</u>	<u>(7,660)</u>	<u>13,533</u>	<u>(1,026)</u>
<b>BALANCE, END OF YEAR</b>	<u>\$ 84,336</u>	<u>\$ 101,848</u>	<u>\$ 19,815</u>	<u>\$ 205,999</u>	<u>\$ 192,466</u>

See accompanying notes

# Reaching E-Quality Employment Services Inc.

## Statement of Cash Flows

Year Ended March 31, 2023

	<u>2023</u>	<u>2022</u>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 13,533	\$ (1,026)
Item not affecting cash:		
Amortization	<u>7,660</u>	<u>9,296</u>
	21,193	8,270
Change in non-cash working capital items		
Accounts receivable	(32,001)	11,530
Prepaid expenses	-	6,705
GST receivable	(6)	(111)
Accounts payable and accrued liabilities	(25,615)	43,802
Deferred contributions	<u>(44,942)</u>	<u>(38,898)</u>
	(81,371)	31,298
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<u>-</u>	<u>(5,869)</u>
<b>(DECREASE) INCREASE IN CASH</b>	<b>(81,371)</b>	<b>25,429</b>
<b>CASH, BEGINNING OF YEAR</b>	<b><u>244,952</u></b>	<b><u>219,523</u></b>
<b>CASH, END OF YEAR</b>	<b><u>\$ 163,581</u></b>	<b><u>\$ 244,952</u></b>

See accompanying notes



# Reaching E-Quality Employment Services Inc.

## Notes to the Financial Statements

March 31, 2023

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### 1. Nature of operations

Reaching E-Quality Employment Services Inc. is engaged in providing employment-related services to individuals with disabilities in Winnipeg, Manitoba. The organization is incorporated without share capital under the laws of Manitoba and, as a registered charity under the Canadian Income Tax Act, is not subject to income taxes.

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### 2. Accounting policies

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

The significant accounting policies used are as follows:

#### (a) Capital assets

Capital assets are recorded at cost and are being amortized over their estimated useful lives on a declining balance method. The annual amortization rates are as follows:

Equipment	20%
Leasehold improvements	20%
Computer equipment	55%
Signs	20%

#### (b) Government assistance

Government and other grants related to capital assets are accounted for as deferred government assistance and amortized on the same basis as the related capital assets.

#### (c) Fund accounting

The organization follows the deferral method of accounting for contributions.

The General Fund accounts for the organization's administrative, charitable and fundraising activities. This fund reports unrestricted contributions.

The Program Fund reports the organization's program delivery. This fund reports externally restricted contributions, such as program grants.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the organization's capital assets.

# Reaching E-Quality Employment Services Inc.

## Notes to the Financial Statements

March 31, 2023

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### 2. Accounting policies, continued

#### (d) 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.

Externally restricted contributions for the purchase of capital assets that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Externally restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

#### (e) Contributed services

Contributed materials used in the normal course of the organization's operations and would otherwise have been purchased are recorded in the statement of operations at fair value at the date of contribution if fair value can be reasonably estimated.

Volunteers contribute several hours per year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

#### (f) Financial instruments

The organization's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

#### (g) Accounting estimates

The preparation of financial statements in accordance 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 amount of revenues and expenses during the reported period. Actual results could differ from these estimates.

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### 3. Cash

The organization has an operating facility with the Royal Bank of Canada which has an aggregate limit of \$55,000, with interest payable at the rate of prime plus 1%. This facility was not used at year end.

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# Reaching E-Quality Employment Services Inc.

## Notes to the Financial Statements

March 31, 2023

### 4. Capital assets

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Equipment	\$ 189,356	\$ 172,325	\$ 189,356	\$ 168,067
Leasehold improvements	110,919	110,919	110,919	110,919
Computer equipment	11,787	9,003	11,787	5,601
Signs	7,011	7,011	7,011	7,011
	<u>319,073</u>	<u>299,258</u>	<u>319,073</u>	<u>291,598</u>
Net book value	<u>\$ 19,815</u>		<u>\$ 27,475</u>	

### 5. Deferred contributions

Deferred contributions reported in the Program Fund represent restricted program funding received in the current year that is related to expenses to be incurred in subsequent years.

	<u>2023</u>	<u>2022</u>
Special projects	\$ 942	\$ 942
RINT	-	44,942
	<u>\$ 942</u>	<u>\$ 45,884</u>

### 6. Lease commitment

The organization leases its premises under an agreement that expires July 31, 2027. The monthly minimum rent was \$4,113 from April 1, 2022 to July 31, 2022 and then increased to \$4,308 from August 1, 2022 to March 31, 2023. Future minimum lease payments, exclusive of operating costs, property taxes and GST, are as follows:

2024	\$ 51,700
2025	53,267
2026	54,050
2027	55,617
2028	18,800
	<u>\$ 233,434</u>

The organization leases equipment under an agreement that expires July 31, 2023. The quarterly payment is \$297, plus applicable taxes.

# Reaching E-Quality Employment Services Inc.

## Notes to the Financial Statements

March 31, 2023

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### 7. Endowment Fund

During 2003, the organization established the REES Endowment Fund ("The Fund") with an initial contribution of \$14,800. The funds are held in perpetuity with, and managed by, The Winnipeg Foundation, with the organization being the only beneficiary of the Fund. Investment income earned on the Fund may be used by the organization at its discretion.

The approximate fair market value of the Fund as at March 31, 2023 was \$92,297 (\$92,412 at March 31, 2022).

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### 8. Economic dependence

Reaching E-Quality Employment Services Inc. is economically dependent upon the Province of Manitoba and Government of Canada for funding its continued operations and programs.

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### 9. Administration Allocation

The organization allocates administration expenses amongst its projects based on usage.

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### 10. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

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**Reaching E-Quality Employment Services Inc.**

Schedule of Employment Assistance Service

Year Ended March 31, 2023

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
Province of Manitoba	<u>\$ 398,828</u>	<u>\$ 427,578</u>
<b>EXPENSES</b>		
Client wages, benefits and related supports	1,662	-
Equipment	417	558
Insurance	7,247	6,098
Materials	7,157	4,000
Professional fees	14,542	14,949
Rent	51,765	64,768
Salaries and benefits	308,894	330,391
Staff accommodations	1,610	359
Telephone	<u>5,534</u>	<u>6,455</u>
	<u>398,828</u>	<u>427,578</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**Reaching E-Quality Employment Services Inc.**

Schedule of RINT

Year Ended March 31, 2023

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
Government of Canada	<u>\$ 114,337</u>	<u>\$ 131,610</u>
<b>EXPENSES</b>		
Advertising & promotion	1,370	410
Amortization	-	1,614
Client related supports	5,821	12,259
Insurance	1,144	2,345
Interest & bank charges	13	-
Materials	4,502	7,232
Professional development	276	-
Rent	8,323	11,986
Salaries and benefits	71,550	71,425
Telephone and office	1,620	2,329
Wage subsidy	<u>19,718</u>	<u>21,584</u>
	<u>114,337</u>	<u>131,184</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ 426</u>

**Reaching E-Quality Employment Services Inc.**  
**Schedule of Co-op**  
**Year Ended March 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
Province of Manitoba	<u>\$ 202,678</u>	<u>\$ 138,576</u>
<b>EXPENSES</b>		
Advertising & promotion	1,437	2,029
Bank charges and interest	143	131
Client wages, benefits and supports - REES Hiring Incentive Project	86,941	19,411
Insurance	1,144	938
Materials and supplies	2,641	1,593
Memberships and dues	160	40
Office and rental	24,127	28,602
Professional development	105	284
Professional fees	11,943	10,153
Salaries and benefits	71,664	73,553
Staff accommodation	597	-
Telephone and internet	2,005	1,783
Travel	89	59
	<u>202,996</u>	<u>138,576</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<u>\$ (318)</u>	<u>\$ -</u>

**Reaching E-Quality Employment Services Inc.**Schedule of United Way  
Year Ended March 31, 2023

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
United Way	\$ 40,846	\$ 40,854
Donations	<u>118</u>	<u>25</u>
	<u>40,964</u>	<u>40,879</u>
<b>EXPENSES</b>		
Advertising & promotion	5,325	8,965
Amortization	7,660	7,682
Client wages, benefits and related supports	3,820	2,268
Memberships and dues	-	317
Office	-	29
Repairs & maintenance	2,053	-
Salaries and benefits	15,570	22,785
Staff accommodations	2,496	410
Travel expenses	<u>88</u>	<u>-</u>
	<u>37,012</u>	<u>42,456</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u><u>\$ 3,952</u></u>	<u><u>\$ (1,577)</u></u>