

**Reaching E-Quality Employment Services Inc.**  
**Financial Statements**  
**Year Ended March 31, 2025**

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CHARTERED PROFESSIONAL ACCOUNTANTS

## 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, 2025, 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, 2025, 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 20, 2025



**Chartered Professional Accountants**



**Reaching E-Quality Employment Services Inc.**  
**Statement of Financial Position**  
**March 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash (Note 3)	\$ 258,547	\$ 323,750
Accounts receivable	-	25,552
GST receivable	<u>1,078</u>	<u>2,186</u>
	259,625	351,488
Capital Assets (Note 4)	<u>18,030</u>	<u>29,469</u>
	<u><u>\$ 277,655</u></u>	<u><u>\$ 380,957</u></u>
<hr/>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 32,018	\$ 24,129
Deferred contributions (Note 5)	<u>41,304</u>	<u>138,463</u>
	<u>73,322</u>	<u>162,592</u>
<b>FUND BALANCES</b>		
General Fund	84,574	89,431
Program Fund	101,729	99,465
Capital Asset Fund	<u>18,030</u>	<u>29,469</u>
	204,333	218,365
	<u><u>\$ 277,655</u></u>	<u><u>\$ 380,957</u></u>

Approved by the Board of Directors



Director

*Paul Debreuil*

Director

See accompanying notes

**Reaching E-Quality Employment Services Inc.****Statement of Operations****Year Ended March 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>REVENUE</b>		
Donations, fundraising and other	\$ 284	\$ 10,624
Special project grants	-	5,025
Employment Assistance Service, Schedule 1	175,041	401,566
RINT, Schedule 2	197,039	162,140
Co-op, Schedule 3	116,345	167,940
United Way, Schedule 4	51,578	58,398
	<u>540,287</u>	<u>805,693</u>
<b>EXPENSES</b>		
Administration	2,623	900
Employment Assistance Service, Schedule 1	175,041	401,566
RINT, Schedule 2	197,039	162,140
Co-op, Schedule 3	116,345	167,940
United Way, Schedule 4	63,271	60,781
	<u>554,319</u>	<u>793,327</u>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ (14,032)</u>	<u>\$ 12,366</u>

See accompanying notes

# Reaching E-Quality Employment Services Inc.

## Statement of Changes in Fund Balances

Year Ended March 31, 2025

	<u>General Fund</u>	<u>Program Fund</u>	<u>Capital Asset Fund</u>	<u>Total 2025</u>	<u>Total 2024</u>
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 89,431	\$ 99,465	\$ 29,469	\$ 218,365	\$ 205,999
(Deficiency) excess of revenue over expenses	<u>(4,857)</u>	<u>2,264</u>	<u>(11,439)</u>	<u>(14,032)</u>	<u>12,366</u>
<b>BALANCE, END OF YEAR</b>	<u>\$ 84,574</u>	<u>\$ 101,729</u>	<u>\$ 18,030</u>	<u>\$ 204,333</u>	<u>\$ 218,365</u>

See accompanying notes

**Reaching E-Quality Employment Services Inc.****Statement of Cash Flows****Year Ended March 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>OPERATING ACTIVITIES</b>		
(Deficiency) excess of revenue over expenses	\$ (14,032)	\$ 12,366
Item not affecting cash:		
Amortization	<u>11,439</u>	<u>10,473</u>
	(2,593)	22,839
Change in non-cash working capital items		
Accounts receivable	25,552	32,600
GST receivable	1,108	(300)
Accounts payable and accrued liabilities	7,889	(12,364)
Deferred contributions	<u>(97,159)</u>	<u>137,521</u>
	(65,203)	180,296
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<u>-</u>	<u>(20,127)</u>
<b>(DECREASE) INCREASE IN CASH</b>	<b>(65,203)</b>	<b>160,169</b>
<b>CASH, BEGINNING OF YEAR</b>	<b><u>323,750</u></b>	<b><u>163,581</u></b>
<b>CASH, END OF YEAR</b>	<b><u>\$ 258,547</u></b>	<b><u>\$ 323,750</u></b>

See accompanying notes



# Reaching E-Quality Employment Services Inc.

## Notes to the Financial Statements

March 31, 2025

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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. Operating grants are accounted for as a reduction of operating expenses.

#### (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, 2025

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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, 2025

### 4. Capital assets

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Equipment	\$ 189,356	\$ 178,456	\$ 189,356	\$ 175,731
Leasehold improvements	110,919	110,919	110,919	110,919
Computer equipment	31,914	24,784	31,914	16,070
Signs	7,011	7,011	7,011	7,011
	<u>339,200</u>	<u>321,170</u>	<u>339,200</u>	<u>309,731</u>
Net book value	<u>\$ 18,030</u>		<u>\$ 29,469</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>2025</u>	<u>2024</u>
Special projects	\$ 482	\$ 603
RINT	<u>40,822</u>	<u>137,860</u>
	<u>\$ 41,304</u>	<u>\$ 138,463</u>

### 6. Lease commitment

The organization leases its premises under an agreement that expires July 31, 2027. The monthly minimum rent was \$4,308 from April 1, 2024 to July 31, 2024. For the months of August and September, 2024, the minimum rent was \$4,504. Effective October 1, 2024 the rent was reduced and is a gross rent of \$4,486 per month including GST.

2026	\$ 53,832
2027	53,832
2028	17,944

The organization leases equipment under an agreement that expires May 19, 2026. The quarterly payment is \$237, plus applicable taxes.

2026	<u>\$ 948</u>
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# **Reaching E-Quality Employment Services Inc.**

## **Notes to the Financial Statements**

**March 31, 2025**

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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, 2025 was \$98,024 (\$93,858 at March 31, 2024).

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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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**Reaching E-Quality Employment Services Inc.**  
**Schedule of Employment Assistance Service**  
**Year Ended March 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>REVENUE</b>		
Province of Manitoba	<u>\$ 175,041</u>	<u>\$ 401,566</u>
<b>EXPENSES</b>		
Advertising & Promotion	248	1,834
Client wages, benefits and related supports	343	2,479
Equipment	127	495
Insurance	412	6,304
Materials	2,464	5,044
Memberships & Dues	272	40
Professional fees	9,318	15,502
Rent	25,408	51,082
Salaries and benefits	133,140	311,552
Staff accommodations	911	2,198
Telephone	2,347	5,036
Office	<u>51</u>	<u>-</u>
	<u>175,041</u>	<u>401,566</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>

**Reaching E-Quality Employment Services Inc.****Schedule of RINT****Year Ended March 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>REVENUE</b>		
Government of Canada	<u>\$ 197,039</u>	<u>\$ 162,140</u>
<b>EXPENSES</b>		
Advertising & promotion	1,204	1,616
Client related supports	718	458
Insurance	2,370	1,947
Interest & bank charges	90	674
Materials	8,538	10,184
Memberships	598	464
Professional development	2,671	774
Professional fees	1,022	841
Rent	26,717	21,878
Salaries and benefits	123,444	107,181
Telephone and office	2,817	2,235
Tuition fees	1,462	1,299
Wage subsidy	<u>25,388</u>	<u>12,589</u>
	<u>197,039</u>	<u>162,140</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>

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

Schedule of Co-op

Year Ended March 31, 2025

	<u>2025</u>	<u>2024</u>
<b>REVENUE</b>		
Province of Manitoba	<u>\$ 116,345</u>	<u>\$ 167,940</u>
<b>EXPENSES</b>		
Advertising & promotion	804	1,482
Bank charges and interest	195	118
Client wages, benefits and supports - REES Hiring Incentive Project	1,930	49,853
Insurance	2,370	1,020
Materials and supplies	2,640	2,406
Memberships and dues	483	60
Office and rental	26,225	26,815
Postage and courier	114	-
Professional development	225	80
Professional fees	12,459	12,480
Salaries and benefits	66,250	71,506
Staff accommodation	-	77
Telephone and internet	2,542	2,043
Travel	108	-
	<u>116,345</u>	<u>167,940</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**Reaching E-Quality Employment Services Inc.**  
**Schedule of United Way**  
**Year Ended March 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>REVENUE</b>		
United Way	\$ 51,550	\$ 57,963
Donations	28	100
Fundraising	<u>-</u>	<u>335</u>
	<u>51,578</u>	<u>58,398</u>
<b>EXPENSES</b>		
Advertising & promotion	1,337	4,762
Amortization	11,439	10,473
Client wages, benefits and related supports	-	5,339
Essential Needs	-	614
Insurance	4,328	-
Interest and bank charges	24	36
Professional fees	9,146	17,681
Repairs & maintenance	-	347
Salaries and benefits	33,490	16,355
Staff accommodations	2,534	4,115
Telephone	830	822
Travel expenses	<u>143</u>	<u>237</u>
	<u>63,271</u>	<u>60,781</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<u>\$ (11,693)</u>	<u>\$ (2,383)</u>