

**The Excel Empowerment Centre Inc.**

**Financial Statements**

**For the Year Ended December 31, 2023**

**The Excel Empowerment Centre Inc.**  
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**For the Year Ended December 31, 2023**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Shareholders  
The Excel Empowerment Centre Inc.

We have reviewed the accompanying financial statements of The Excel Empowerment Centre Inc. that comprise the statement of financial position as at December 31, 2023, and statements of operations, statement of changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for Organization, 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.

### **Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of The Excel Empowerment Centre Inc. as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for Organization.



CHARTERED PROFESSIONAL ACCOUNTANTS  
COMPTABLES PROFESSIONNELS AGRÉÉS

### **Emphasis of matter**

We draw attention to Note 3 to the financial statements which describes that The Excel Empowerment Centre Inc. adopted Canadian accounting standards for not-for-profit organizations on January 1, 2023 with a transition date of January 1, 2022. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at December 31, 2023 and January 1, 2023, and the statements of operations, changes in net assets and cash flows for the year ended December 31, 2023 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

Talbot and Associates  
Chartered Professional Accountants

Winnipeg, Manitoba  
July 19, 2024

**The Excel Empowerment Centre Inc.**  
**Statement of Financial Position**  
**As At December 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
CURRENT		
Cash	\$ 40,391	\$ 234
Accounts receivable	3,150	586
Due from government agencies	996	-
	<hr/> <b>44,537</b>	<hr/> 820
PROPERTY, PLANT AND EQUIPMENT (Note 4)	<b>16,604</b>	17,812
	<hr/> <b>\$ 61,141</b>	<hr/> <b>\$ 18,632</b>
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities	\$ 15,768	\$ 10,101
Deferred revenue	35,966	-
	<hr/> <b>51,734</b>	<hr/> 10,101
<b>NET ASSETS</b>	<b>9,407</b>	8,531
	<hr/> <b>\$ 61,141</b>	<hr/> <b>\$ 18,632</b>

**Approved by the Board of Directors**

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The accompanying notes are an integral part of these financial statements.

# The Excel Empowerment Centre Inc.

## Statement of Changes in Net Assets

For the Year Ended December 31, 2023

	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 15,275	\$ 36,383
CHANGES AS A RESULT OF FIRST-TIME ADOPTION OF ASPE	<u>(6,744)</u>	(527)
RESTATED	8,531	35,856
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>876</u>	(27,325)
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 9,407</u></b>	<b><u>\$ 8,531</u></b>

The accompanying notes are an integral part of these financial statements.

**The Excel Empowerment Centre Inc.**  
**Statement of Operations**  
**For the Year Ended December 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
Donations	\$ 281,075	\$ 192,448
Grants	143,351	136,187
Provincial government grants	71,259	36,680
Federal government grants	6,686	35,243
Services	3,150	-
Rental revenue	-	1,456
Fundraising	5,895	1,760
	<b>511,416</b>	<b>403,774</b>
<b>EXPENSES</b>		
Advertising	1,631	2,491
Amortization of tangible assets	2,636	1,363
Donations	172,289	103,608
Equipment	1,387	5,175
Insurance	1,575	-
Interest and bank charges	2,122	2,163
Memberships and licenses	1,308	-
Office expenses	27,246	10,474
Other	-	20,077
Professional fees	8,700	1,644
Program	27,101	23,294
Salaries and wages	255,797	253,167
Training	550	-
Travel, meeting & staff support	1,911	-
Vehicle	6,287	7,643
	<b>510,540</b>	<b>431,099</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ 876</b>	<b>\$ (27,325)</b>

The accompanying notes are an integral part of these financial statements.

# The Excel Empowerment Centre Inc.

## Statement of Cash Flows

For the Year Ended December 31, 2023

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess (deficiency) of revenue over expenses	\$ 876	\$ (27,325)
Adjustments for non-cash items:		
Amortization	2,636	1,363
<b>Changes in non-cash working capital balances:</b>		
Accounts receivable	(2,564)	(586)
Due from government agencies	(996)	-
Accounts payable and accrued liabilities	5,668	10,100
Deferred revenue	<u>35,966</u>	-
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>41,586</b>	(16,448)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments to acquire property, plant, and equipment	<u>(1,429)</u>	(4,172)
<b>NET CASH INCREASE (DECREASE)</b>	<b>40,157</b>	(20,620)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>234</b>	20,854
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 40,391</b>	<b>\$ 234</b>

The accompanying notes are an integral part of these financial statements.

# The Excel Empowerment Centre Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2023

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### 1. DESCRIPTION OF OPERATIONS

The Excel Empowerment Centre Inc. (the "Organization") was incorporated May 12, 2021 under the laws of Manitoba with the objective to provide skills training and education for newcomer immigrants and refugees, providing a space for recreational and cultural activities to promote and enhance emotional and mental wellness. The Organization is a registered charity under the Income Tax Act of Canada and accordingly is exempt from income taxes. The business is incorporated under the provincial business corporations act.

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### 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Organization are in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant.

#### a. Cash

Cash includes cash on hand and bank balances such as chequing accounts.

#### b. Tangible Capital Assets

Depreciation is provided for using the declining balance method over the estimated useful lives as follows for the major classes of assets:

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Asset	Rates
Furniture and fixture	10%
Computer and electronic equipment	15%'
Vehicle	15%

The amortization of the property, plant and equipment is calculated half of the above-mentioned rates for the year of purchase and no amortization is recorded in the year of disposal.

#### c. 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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Miscellaneous revenue includes donations, fundraising and interest revenue. Fundraising revenue is recognized as revenue in the period the event occurs. Interest revenue is

# The Excel Empowerment Centre Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2023

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## 2. SIGNIFICANT ACCOUNTING POLICIES

### c. Revenue recognition

recognized as revenue in the period it is earned. Donations revenue follows the revenue recognition policy for contributions.

### d. Financial instruments

#### Initial and subsequent measurement

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

Financial assets measured at amortized cost on a straight-line basis include cash, term deposits, trade and other accounts receivable. Financial assets measured at fair value include quoted shares.

Financial liabilities measured at amortized cost on a straight-line basis include the accounts payable and accrued liabilities, reported as financial liabilities.

#### Impairments

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss shall be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

#### Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in income over the life of the instrument using the straight-line method.

# **The Excel Empowerment Centre Inc.**

## **Notes to the Financial Statements**

**For the Year Ended December 31, 2023**

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## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **e. Use of estimates**

When preparing financial statements, we make estimates and assumptions relating to:

- Reported amounts of revenue and expenses
- Reported amounts of assets and liabilities
- Disclosure of contingent assets and liabilities

The Organization bases assumptions on a number of factors including historical experience, current events, actions that the Organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. The Organization uses estimates when accounting for certain items such as useful lives of capital assets, impairment of long-lived assets, allowance for doubtful accounts, Approved by the Board of Directors and estimated lives of deferred contributions.

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### **f. Contributed services**

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

# **The Excel Empowerment Centre Inc.**

## **Notes to the Financial Statements**

**For the Year Ended December 31, 2023**

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### **3. IMPACT OF FIRST-TIME ADOPTION OF CANADIAN ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

These financial statements are the first financial statements prepared in accordance with Canadian accounting standards for not-for profit ("ASNPO").

The financial statements for the year ended December 31, 2023, were prepared in accordance with the accounting principles and the provisions set out in First-time Adoption by Not-for-Profit Organizations, Section 1501, for first-time Adopters of this basis of accounting.

The impact of adopting these standards was accounted for in net assets at the date of transition, i.e. January 1, 2022 (beginning of the year for which comparative information is presented).

# The Excel Empowerment Centre Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2023

### 3. IMPACT OF FIRST-TIME ADOPTION OF CANADIAN ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

	Statement of financial position as at January 1, 2023 based on previous financial statements	Changes on adoption ASNPO	Statement of financial position as at January 1, 2023 in accordance with ASPNO
Accumulated amortization	\$ -	\$ (1,363)	\$ (1,363)
Accounts payable and accrued liabilities	(10,936)	836	(10,100)
	<b>\$ (10,936)</b>	<b>\$ (527)</b>	<b>\$ (11,463)</b>
	Statement of operations for the year ended December 31, 2022 based on previous financial statements	Changes on adoption of ASNPO	Statement of operations for the year ended December 31, 2022 in accordance with ASNPO
<b>Revenues</b>			
Donations	\$ -	\$ 11,392	\$ 11,392
Interest income	-	20	20
Other income	-	1,456	1,456
	<b>-</b>	<b>12,868</b>	<b>12,868</b>
<b>Expenses</b>			
Amortization	-	1,363	1,363
Bank charges and interests	356	1,807	2,163
Office	13,117	(2,642)	10,475
Other	-	19,084	19,084
	<b>13,473</b>	<b>19,612</b>	<b>33,085</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ (13,473)</b>	<b>\$ (6,744)</b>	<b>\$ (20,217)</b>

# The Excel Empowerment Centre Inc.

## Notes to the Financial Statements

For the Year Ended December 31, 2023

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### 4. TANGIBLE CAPITAL ASSETS

				2023	2022
	Cost	Accum. Amort.	Net Book Value	Net Book Value	Net Book Value
Motor vehicles	\$ 11,000	\$ 2,351	\$ 8,649	\$ 10,175	
Computer equipment	6,604	1,213	5,391	4,787	
Furniture and fixtures	3,000	435	2,565	2,850	
<b>Total</b>	<b>\$ 20,604</b>	<b>\$ 3,999</b>	<b>\$ 16,605</b>	<b>\$ 17,812</b>	

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### 5. FINANCIAL RISKS

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The main risks are broken down below.

#### *Credit risk*

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Organization by failing to discharge an obligation. The Organization's credit risk is mainly related to accounts receivable and notes receivable. The Organization provides credit to its clients in the normal course of its operations.

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### 6. COMPARATIVE FIGURES

Some figures have been reclassified to conform to the current year's presentation.

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