
KNOWLES CENTRE INC.

FINANCIAL STATEMENTS

MARCH 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Directors
Knowles Centre Inc.

Opinion

We have audited the accompanying financial statements of Knowles Centre Inc. ("the Centre"), which comprise the statement of financial position as at March 31, 2024, and the statements of revenue 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 our opinion, these financial statements which comprise the statement of financial position of Knowles Centre Inc. as at March 31, 2024, and its financial performance and its cash flows for the year then ended are prepared, in all material respects, 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 Knowles Centre Inc. 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 Knowles Centre Inc.'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 Knowles Centre Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Knowles Centre Inc.'s financial reporting process.

(continued.....)

Auditor's Responsibility 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.
- 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 Knowles Centre Inc.'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 Knowles Centre Inc.'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 Knowles Centre Inc. 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.

Baker Tilly HMA LLP

Chartered Professional Accountants

Winnipeg, Manitoba
September 25, 2024

KNOWLES CENTRE INC.

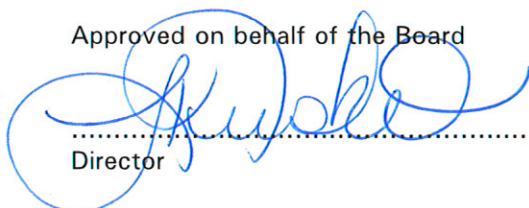
STATEMENT 1

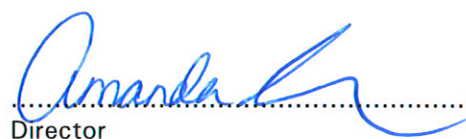
STATEMENT OF FINANCIAL POSITION

MARCH 31

	Operating Fund	Capital Fund	Scholarship Fund	TOTAL	
				2 0 2 4	2 0 2 3
A S S E T S					
CURRENT					
Cash	\$	\$ 44,206	\$	\$ 44,206	\$ 359,234
Accounts receivable	1,068,421			1,068,421	1,149,862
Prepaid expenses	28,306			28,306	9,936
Interfund balances (Note 3)	739,171	(739,171)	-		-
	<u>1,835,898</u>	<u>(694,965)</u>	<u>-</u>	<u>1,140,933</u>	<u>1,519,032</u>
INVESTMENTS			113,728	113,728	113,738
CAPITAL ASSETS (Note 5)	<u>-</u>	<u>6,745,630</u>	<u>-</u>	<u>6,745,630</u>	<u>6,664,587</u>
	<u>\$ 1,835,898</u>	<u>\$ 6,050,665</u>	<u>\$ 113,728</u>	<u>\$ 8,000,291</u>	<u>\$ 8,297,357</u>
L I A B I L I T I E S					
CURRENT					
Bank indebtedness (Note 4)	\$ 772,681	\$	\$	\$ 772,681	\$ 531,043
Accounts payable and accrued liabilities	1,215,773			1,215,773	1,197,829
Government remittances payable	39,507			39,507	70,618
Deferred revenue (Note 9)	215,070	338,543		553,613	395,421
Current portion of debt (Note 6)	-	4,722,975	-	4,722,975	4,901,757
	<u>2,243,031</u>	<u>5,061,518</u>	<u>-</u>	<u>7,304,549</u>	<u>7,096,668</u>
LONG TERM DEBT (Note 6)	<u>-</u>	<u>76,097</u>	<u>-</u>	<u>76,097</u>	<u>-</u>
	<u>2,243,031</u>	<u>5,137,615</u>	<u>-</u>	<u>7,380,646</u>	<u>7,096,668</u>
N E T A S S E T S					
OPERATING FUND (Statement 3)	(407,133)			(407,133)	(181,527)
CAPITAL FUND (Statement 3)		913,050		913,050	1,268,478
SCHOLARSHIP FUND (Statement 3)	<u>-</u>	<u>-</u>	<u>113,728</u>	<u>113,728</u>	<u>113,738</u>
	<u>(407,133)</u>	<u>913,050</u>	<u>113,728</u>	<u>619,645</u>	<u>1,200,689</u>
	<u>\$ 1,835,898</u>	<u>\$ 6,050,665</u>	<u>\$ 113,728</u>	<u>\$ 8,000,291</u>	<u>\$ 8,297,357</u>

Approved on behalf of the Board


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Director


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Director

KNOWLES CENTRE INC.

STATEMENT 2

STATEMENT OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

	Operating Fund	Capital Fund	Scholarship Fund	2 0 2 4	2 0 2 3
REVENUE					
Foster care	\$ 3,113,818	\$	\$	\$ 3,113,818	\$ 3,055,348
Group care treatment	2,950,001			2,950,001	2,979,080
SAIL program	2,217,551			2,217,551	2,270,029
Province of Manitoba grant	713,800			713,800	713,800
Other income <i>(Schedule 1)</i>	1,213,389			1,213,389	1,123,894
Fundraising		13,458		13,458	9,429
John N. and Patricia D. Knowles Charitable Fund		9,240		9,240	8,710
Thomas and Beatrice Gilroy Trust		6,532		6,532	6,674
C.H. Bowie, C.A. Bowie, and A.W. Gibson Memorial Fund		5,513		5,513	5,632
A.R. McNichol Fund		2,570		2,570	2,653
Investment income		8,490		8,490	4,823
Dr. Michael Burdz Innovation Fund	-	5	-	5	-
	<u>10,208,559</u>	<u>45,808</u>	<u>-</u>	<u>10,254,367</u>	<u>10,180,072</u>
EXPENDITURES					
Staff remuneration <i>(Schedule 2)</i>	8,794,895			8,794,895	8,348,926
Maintenance and repairs <i>(Schedule 2)</i>	465,001			465,001	387,545
Administration and general <i>(Schedule 2)</i>	476,275			476,275	308,444
Food, clothing, welfare and activities <i>(Schedule 3)</i>	639,125			639,125	621,351
Amortization		200,868		200,868	183,579
Interest on long term debt	241,561			241,561	194,777
Miscellaneous	-	17,676	-	17,676	6,415
	<u>10,616,857</u>	<u>218,544</u>	<u>-</u>	<u>10,835,401</u>	<u>10,051,037</u>
INCREASE (DECREASE) IN NET ASSETS DURING THE YEAR	<u>\$ (408,298)</u>	<u>\$ (172,736)</u>	<u>\$ -</u>	<u>\$ (581,034)</u>	<u>\$ 129,035</u>

KNOWLES CENTRE INC.

STATEMENT 3

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31

	Operating Fund	Capital Fund	Scholarship Fund	2 0 2 4	2 0 2 3
<i>BALANCE, beginning of year</i>	\$ 1,165	\$ 1,085,786	\$ 113,738	\$ 1,200,689	\$ 1,071,654
Excess (deficiency) of revenue over expenditures (<i>Statement 2</i>)	(408,298)	(172,736)		(581,034)	129,035
Change in fair value of investments and gains realized during the year	-	-	(10)	(10)	-
<i>BALANCE, end of year</i>	<u>\$ (407,133)</u>	<u>\$ 913,050</u>	<u>\$ 113,728</u>	<u>\$ 619,645</u>	<u>\$ 1,200,689</u>

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	Operating Fund	Capital Fund	Scholarship Fund	2024	2023
CASH FLOWS FROM					
<i>OPERATING ACTIVITIES</i>					
Cash received from funding sources	\$ 10,323,206	\$ 170,794	\$	\$ 10,494,000	\$ 10,015,308
Cash paid to employees/suppliers	(10,406,833)	(17,676)		(10,424,509)	(9,522,210)
Interest paid on long term debt	(241,561)	-	-	(241,561)	(191,906)
	<u>(325,188)</u>	<u>153,118</u>	<u>-</u>	<u>(172,070)</u>	<u>301,192</u>
<i>FINANCING ACTIVITIES</i>					
Transfers from (to) other funds - net	83,550	(83,550)			
Proceeds from new financing		99,485		99,485	150,000
Repayment of long term debt and demand loans	<u>-</u>	<u>(202,170)</u>	<u>-</u>	<u>(202,170)</u>	<u>(227,365)</u>
	<u>83,550</u>	<u>(186,235)</u>	<u>-</u>	<u>(102,685)</u>	<u>(77,365)</u>
<i>INVESTING ACTIVITIES</i>					
Purchase of capital assets	<u>-</u>	<u>(281,911)</u>	<u>-</u>	<u>(281,911)</u>	<u>(155,450)</u>
NET CHANGE IN CASH POSITION DURING YEAR	(241,638)	(315,028)		(556,666)	68,377
CASH (BANK INDEBTEDNESS), beginning of year	(531,043)	359,234	-	(171,809)	(240,186)
CASH (BANK INDEBTEDNESS), end of year	<u>\$(772,681)</u>	<u>\$ 44,206</u>	<u>\$ -</u>	<u>\$(728,475)</u>	<u>\$(171,809)</u>

KNOWLES CENTRE INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

1. NATURE OF OPERATIONS

Knowles Centre Inc. ("the Centre") is a private, not-for-profit agency established in 1907 and incorporated in 1910. The Centre is a registered charity under the provisions of the Income Tax Act, Canada.

The Centre serves as a community resource for children and families in Manitoba and Northwestern Ontario who require intensive therapeutic intervention to reach their personal and social potential.

The set of criteria applied by management in preparing these financial statements is outlined in the paragraph below.

2. SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

Knowles Centre Inc. follows the deferral method of accounting for contributions from government and other funding agencies.

Contributions from government and other funding agencies restricted for particular purposes are deferred and recognized as revenue within the Operating Fund when the related eligible expenditures are incurred.

Unrestricted contributions, contributions restricted for expenses of the current period, fundraising and donations within the Capital Fund are recognized as revenue when received. Restricted contributions can be deferred and recognized as revenue when the related eligible expenditures are incurred, if permissible by the conditions of the contributions. Restricted contributions for the purchase of capital assets that will be amortized will be deferred and recognized as revenue on the same basis as the amortization expense of the acquired capital asset.

Interest and investment income within both the Capital Fund and the Arthur Prior Estate Scholarship Fund are recorded on the accrual basis.

FUND ACCOUNTING

In order to ensure observance of limitations and restrictions placed on the use of resources available to Knowles Centre Inc., the accounts are maintained on a fund accounting basis. Fund accounting is a concept whereby a self-balancing group of accounts is used for each fund established by the Centre. These funds are held in accordance with the objectives specified by the members or in accordance with the directives issued by the Board of Directors.

Accordingly, resources are classified for accounting and financial reporting purposes into the following funds. The activities carried out by each fund are as follows:

Operating Fund - reports the assets, liabilities, net assets, revenue and expenditures related to the Centre's program delivery and administration activities. This Operating Fund reports unrestricted resources and operating grants.

Capital Fund - reports the assets, liabilities, net assets, revenue and expenditures related to the Centre's capital assets. All expenditures of a capital nature, including facility construction and expansion and vehicle purchases are funded through the Capital Fund. The Capital fund reports restricted revenues and capital grants, as well as Board of Director expenses.

Scholarship Fund - reports the assets, liabilities, net assets, revenue and expenditures related to the Centre's provision of scholarships. The Arthur Prior Estate Scholarship Fund was established as a result

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

of a bequest to provide scholarships for the further education of The Centre's graduates or students, and is restricted by the bequest.

CAPITAL ASSETS

Replacement of furnishings and equipment and ground improvements are recognized as operating expenses. New additions of fixed assets are capitalized and are funded by the capital fund at cost less government assistance.

Capital assets are amortized annually and charged to operations with a corresponding reduction in net assets of the Capital Fund. Assets are amortized on a declining balance basis at the following rates:

Buildings	2-1/2%	declining balance method
Ground improvements	2-1/2%	declining balance method
Campsite conservation	10%	declining balance method
Furniture and equipment	20%	declining balance method
Vehicles	20%	declining balance method
Camp equipment	20%	declining balance method

FINANCIAL INSTRUMENTS

Knowles Centre Inc. initially measures assets and liabilities at fair value, except for certain non-arm's length transactions. Subsequent measurement of assets and liabilities is dependent upon their classification as described below which is further dependent on the purpose for which the financial instruments were acquired or issued and the characteristics and the Centre's designation of such instruments. Settlement date accounting is used.

Classification

Cash	Held for trading
Investment in money market funds	Available-for-sale
Investment in bonds	Available-for-sale
Accounts receivable	Loans and receivables
Bank indebtedness	Other liabilities
Accounts payable and accrued liabilities	Other liabilities

Held for trading

Assets held for trading are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in investment income.

Available-for-sale

Assets available for sale are carried at fair value with unrealized gains and losses recorded directly in the Statement of Changes in Net Assets until realized when the cumulative gain or loss is transferred to investment income.

The effective interest method is used for interest-bearing assets available for sale.

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

NOTES TO FINANCIAL STATEMENTS**MARCH 31, 2024**

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all liabilities, other than derivative instruments.

USE OF ESTIMATES

The preparation of financial statements in accordance with the Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenditures during the reporting year.

Accounts receivable are stated after estimates as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of capital assets.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of revenue and expenditures in the year in which they become known.

CONTRIBUTED MATERIALS AND SERVICES

Knowles Centre Inc. acknowledges the substantial amount of materials and services provided by volunteers in assisting the organization with carrying out its activities. Due to the difficulty in determining their value, contributed materials and services are not reported in these financial statements.

ACCRUED VACATION PAYABLE

The Centre accrues vacation pay which are calculated based on the vacation days earned by an employee during a fiscal year. These accrued vacation pay will be granted to the employee at the end of that fiscal year. The accrued vacation payable as at year end was \$404,887 (March 31, 2023 - \$514,133).

3. INTERFUND BALANCES

The interfund balances due are unsecured, non-interest bearing, and have no specific terms of repayment. Interfund balances arose in the normal course of operations.

4. BANK INDEBTEDNESS

The Centre has a maximum credit facility of \$800,000 (March 31, 2023 - \$800,000) available for use which bears interest at 8.20% (March 31, 2023 - 7.70%).

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value	
			2 0 2 4	2 0 2 3
Land	\$ 17,719	\$	\$ 17,719	\$ 17,719
Buildings	8,995,881	2,476,157	6,519,724	6,504,209
Ground improvements	125,262	45,494	79,768	81,813
Campsite conservation	179,869	176,600	3,269	3,632
Furniture and equipment	503,490	458,638	44,852	46,326
Camp equipment	64,100	61,492	2,608	3,260
Vehicles	<u>297,905</u>	<u>220,215</u>	<u>77,690</u>	<u>7,628</u>
	<u>\$10,184,226</u>	<u>\$ 3,438,596</u>	<u>\$ 6,745,630</u>	<u>\$ 6,664,587</u>

Land was revalued by directors' resolution in 1955. The stated amount of \$17,719 consists of \$7,650 cost and \$10,069 appraisal increase.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

6. LONG TERM DEBT AND DEMAND LOANS PAYABLE

	2 0 2 4	2 0 2 3
Commercial mortgage, 7.200%, repayable in monthly installments of \$2,416, secured by a promissory note in the amount of \$435,650 and a first charge on the property located at 2065 Henderson Highway, due on demand.	\$ 90,312	\$ 112,100
Commercial mortgage, 4.056%, repayable in monthly installments of \$1,235, secured by a promissory note in the amount of \$200,000 and a first charge on the property located at 2065 Henderson Highway, due on demand.	167,963	175,778
Commercial loan, 3.475%, repayable in monthly installments of \$15,636, secured by a fixed rate term promissory note in the amount of \$2,695,000, maturing on December 1, 2036 and due on demand.	1,922,292	2,040,695
Commercial mortgage, 6.706%, repayable in monthly installments of \$17,330, secured by a promissory note in the amount of \$2,675,000, renews December 1, 2022, matures December 1, 2040 and due on demand.	2,387,500	2,438,301
Demand promissory note of 8.200%, repayable in monthly installments of \$1,000, secured by a promissory note in the amount of \$200,000 and a first charge on the property located at 2065 Henderson Highway, due on demand.	144,268	134,883
Vehicle loan, 6.49%, repayable in bi-weekly installments of \$318, secured by a vehicle with a cost of \$46,312, maturing on December 14, 2030.	45,050	
Vehicle loan, 6.49%, repayable in bi-weekly installments of \$295, secured by a vehicle with a cost of \$42,842, maturing on December 14, 2030.	<u>41,687</u>	<u>-</u>
	4,799,072	4,901,757
Less: current and on-demand portion	<u>(4,722,975)</u>	<u>(4,901,757)</u>
LONG TERM DEBT	\$ <u>76,097</u>	\$ <u>-</u>

7. PENSION PLAN

The employees of Knowles Centre Inc. are members of the Community Agencies Benefit Plan, a multi-employer, defined benefit pension plan, which is accounted for as a defined benefit plan.

The plan is registered under the Pension Benefits Act of Manitoba and is funded by employee and agency matching contributions. The contributions are based on each employee's salary. An actuarial valuation is performed every year to determine if the contributions are adequate to finance the benefits accruing under the Plan and finance the amortization of any unfunded liabilities.

The matching contributions by Knowles Centre Inc. for the year were \$319,382 (March 31, 2023 - \$276,691) and have been expensed.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

8. FINANCIAL INSTRUMENTS

The financial instruments of Knowles Centre Inc. consist of cash, short term investments, accounts receivable, investments, bank indebtedness, accounts payable and accrued liabilities, deferred revenue and both current and non-current portions of long term debt. Short term investments and investments are recorded at fair value. The fair values of cash, accounts receivable, bank indebtedness, accounts payable and deferred revenue approximate their carrying values due to their short term nature.

The Centre is exposed to interest rate risk, credit risk, and liquidity risk and the impact of these risks is as follows:

Interest rate risk

Interest rate risk is the risk to the Centre's earnings that arise from fluctuations in interest rates and the degree of volatility of those rates. The Centre does not use derivative instruments to reduce its exposure to interest rate risk.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. However, due to the nature of its accounts receivables and the composition of its investment portfolio, this risk is minimized.

Liquidity risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting financial obligations as they become due, and arises from the Centre's management of working capital. The Centre's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due.

9. DEFERRED REVENUE

	2 0 2 4	2 0 2 3
Operating Fund		
River East Transcona School Division - Day Treatment Program	\$ 165,382	\$ 124,799
Miscellaneous	<u>49,688</u>	<u>57,065</u>
	<u>215,070</u>	<u>181,864</u>
Capital Fund		
Annual Croquet Fund	\$	\$ 20,113
Bell Lets Talk Funding	11,634	11,634
Cardinal Foundation Grant	32,000	
Donation - Recreation Program	4,026	4,315
Donation - SAIL	2,800	4,000
End Homelessness Grant	178,119	
Miscellaneous	18,129	13,877
Professional Development Grant	69,630	69,630
Winnipeg Foundation - Walking Together	389	2,709
Winnipeg Foundation - Adapt Grant	17,178	49,779
Winnipeg Foundation - Support Mentorship	2,093	7,500
Winnipeg Foundation - Community Grant		30,000
Winnipeg Foundation - Camp and Summer Program	<u>2,545</u>	<u>-</u>
	<u>338,543</u>	<u>213,557</u>
	<u>\$ 553,613</u>	<u>\$ 395,421</u>

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

10. ECONOMIC DEPENDENCE

Knowles Centre Inc. receives a major portion of its program revenue pursuant to arrangements with the Province of Manitoba and other funding agencies.

The ability of the Centre to continue operations is dependent upon the continued financial commitments as guaranteed by their funding agreements.

11. COMPARATIVE FIGURES

Certain figures for comparison have been reclassified to conform with current financial statement presentation.

COMPILATION ENGAGEMENT REPORT

To Management of Knowles Centre Inc.,

On the basis of information provided by management, we have compiled the Schedules of Revenue and Expenditures of Knowles Centre Inc. as at March 31, 2024 and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Baker Tilly HMA LLP

Chartered Professional Accountants

Winnipeg, Manitoba
September 25, 2024

KNOWLES CENTRE INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

1. BASIS OF PRESENTATION

The basis of accounting applied in the preparation of the financial information is on the accrual basis, reflecting cash transactions with the addition of:

- Revenue is accounted for in the year in which the transactions or events occur giving rise to the revenues for monetary transactions.
- Expenses are accounted for in the year in which the goods and services are acquired, and a liability is incurred, or transfers are due for monetary transactions, but do not include non-monetary transactions, such as amortization expense.
- Where applicable, prior year unexpended funding has been presented as revenue.

KNOWLES CENTRE INC.

SCHEDULE 1

SCHEDULE OF OTHER INCOME

YEAR ENDED MARCH 31

	2024	2023
OTHER INCOME		
River East Transcona School Division - Day Treatment Program	\$ 253,229	\$ 244,781
Sexual Abuse Treatment Program - United Way	76,191	79,277
Streetreach Program	71,200	71,200
Lount Foundation Donation - Cultural	10,597	
Professional Development Grant		50,022
Province of Manitoba	206,830	256,613
Clinical Workshops	24,792	22,342
Clinical Education and Development Donation	75,400	47,665
Croquet Tournament Fundraising	30,091	
Donations	148,893	22,779
Miscellaneous	1,670	55,816
MREA Shelter Grant	5,000	
Meals	4,027	822
Moving Forward Therapy Program	70,188	78,559
Rentals	5,350	5,625
Pembina Trails School Division - In School Therapy Program	3,800	
River East Transcona School Division - In School Therapy Program	157,981	68,638
River East Transcona School Division - Community Connector		75,603
Home Depot Grant		10,000
Winnipeg Foundation - Adapt Grant	31,695	
Winnipeg Foundation - Camp and Summer Program	6,455	2,793
Winnipeg Foundation - Walking Together		1,359
Winnipeg Foundation - One Time Community Grant	30,000	
Digital Manitoba Initiative	-	30,000
	<u>\$ 1,213,389</u>	<u>\$ 1,123,894</u>

KNOWLES CENTRE INC.

SCHEDULE 2

SCHEDULE OF OPERATING FUND EXPENSES

YEAR ENDED MARCH 31

	2024	2023
STAFF REMUNERATION		
Canada Pension Plan	\$ 341,660	\$ 276,021
Community Agencies Benefit Plan	319,382	276,691
Employee group insurance benefits	182,857	175,306
Employment insurance	126,402	104,731
Foster care	2,025,900	2,009,213
Manitoba payroll tax	135,342	116,615
Salaries	5,614,656	5,363,191
Workers compensation	<u>48,696</u>	<u>27,158</u>
	<u>\$ 8,794,895</u>	<u>\$ 8,348,926</u>
MAINTENANCE AND REPAIRS		
Autopac and insurance	\$ 148,301	\$ 155,071
Municipal taxes	46,761	47,475
Project expenses	86,814	
Repairs and maintenance	117,410	112,216
Utilities	<u>65,715</u>	<u>72,783</u>
	<u>\$ 465,001</u>	<u>\$ 387,545</u>
ADMINISTRATION AND GENERAL		
Accreditation	\$ 1,439	\$
Advertising and miscellaneous	9,614	10,633
Bank charges and interest	50,171	23,492
Croquet tournament fundraiser	14,311	
Donation spending	17,076	21,952
Dues and subscriptions	10,653	5,141
IT - services and purchases	104,688	74,155
Meetings	1,591	2,273
Miscellaneous	20,644	14,432
Office supplies	38,044	57,993
Payroll service charge	985	1,720
Postage	2,651	2,966
Professional fees	139,908	30,188
Public relations		1,366
Staff development	12,317	10,850
Telephone/cable	<u>52,183</u>	<u>51,283</u>
	<u>\$ 476,275</u>	<u>\$ 308,444</u>

KNOWLES CENTRE INC.

SCHEDULE 3

SCHEDULE OF OPERATING FUND EXPENSES

YEAR ENDED MARCH 31

	2024	2023
FOOD, CLOTHING, WELFARE AND ACTIVITIES		
Bedding and clothing	\$ 19,078	\$ 19,067
Food	137,893	129,536
Foster parent mileage	26,780	20,532
Medical, dental and optical	2,135	1,547
Program activities	42,203	75,470
Program supplies	26,038	20,079
Residents' transportation	27,928	26,311
SAIL Stage 2 - client living expenses	303,234	274,237
Spending allowances	14,451	14,762
Transportation - general	<u>39,385</u>	<u>39,810</u>
	<u>\$ 639,125</u>	<u>\$ 621,351</u>

