

Financial Statements of

**AVENUE NB
COOPERATIVE LTD. /
COOPÉRATIVE AVENUE
NB LTÉE**

And Independent Auditor's Report thereon

Year ended March 31, 2025

**KPMG LLP**

Frederick Square
77 Westmorland Street, Suite 700
Fredericton, NB E3B 6Z3
Canada
Telephone 506 452 8000
Fax 506 450 0072

INDEPENDENT AUDITOR'S REPORT

To the Members of Avenue NB Cooperative Ltd. / Coopérative Avenue NB Ltée

Opinion

We have audited the financial statements of Avenue NB Cooperative Ltd. / Coopérative Avenue NB Ltée (the Entity), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025 and its results of 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 auditor's report.

We are independent of the Entity 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.



Other Matter - Comparative Information

The financial statements for the year ended end of March 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on August 30, 2024.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- 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 Entity'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 Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Fredericton, Canada

July 11, 2025

AVENUE NB COOPERATIVE LTD. / COOPÉRATIVE AVENUE NB LTÉE

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 719,072	\$ 1,467,807
Accounts receivable (note 2)	2,788,985	777,781
Harmonized sales tax recoverable	110,261	30,543
Investments and marketable securities	20,000	20,000
Prepaid expenses	1,107	1,107
	\$ 3,639,425	\$ 2,297,238
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 3)	\$ 1,838,679	\$ 2,238,102
Accrued payroll expenses	40,308	9,423
Deferred revenue	1,739,854	36,513
	3,618,841	2,284,038
Net assets	20,584	13,200
	\$ 3,639,425	\$ 2,297,238

See accompanying notes to financial statements.

AVENUE NB COOPERATIVE LTD. / COOPÉRATIVE AVENUE NB LTÉE

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Programs (note 5)	\$ 9,955,758	\$ 11,224,059
Administration (note 7)	845,049	581,884
Memberships (note 6)	6,600	6,600
Interest income	784	-
	10,808,191	11,812,543
Expenses:		
Administration:		
Salaries and benefits	513,555	356,257
IT	80,945	13,178
Education and training	77,271	61,064
Forum	47,424	49,798
Office and general	31,916	20,807
Travel	31,164	27,136
Professional fees	26,419	22,710
Interpretation and translation	14,938	11,717
Advertising	10,838	12,685
Insurance	4,765	4,192
Interest and bank charges	4,122	1,302
Membership fees	1,691	1,038
	845,048	581,884
Programs:		
Counselling services	4,240,519	4,470,739
Specialized services	3,207,360	3,540,123
Transition to employment	1,953,015	2,670,590
Consulting services	399,193	353,666
MentorAbility	105,505	18,563
Systems development	50,167	86,233
ReThink Ability	-	52,496
Website expenses	-	31,649
	9,955,759	11,224,059
	10,800,807	11,805,943
Excess of revenue over expenses	\$ 7,384	\$ 6,600

See accompanying notes to financial statements.

AVENUE NB COOPERATIVE LTD. / COOPÉRATIVE AVENUE NB LTÉE

Statement of Changes in Net Assets

Year ended March 31, 2025, with comparative information for 2024

		2025		2024
Net assets, beginning of year	\$	13,200	\$	6,600
Excess of revenue over expenses		7,384		6,600
Net assets, end of year	\$	20,584	\$	13,200

See accompanying notes to financial statements.

AVENUE NB COOPERATIVE LTD. / COOPÉRATIVE AVENUE NB LTÉE

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 7,384	\$ 6,600
Changes in non-cash operating working capital:		
Accounts receivable	(2,011,204)	(777,781)
Harmonized sales tax recoverable	(79,718)	(30,543)
Investments and marketable securities	-	(20,000)
Prepaid expenses	-	(200)
Accounts payable and accrued liabilities	(399,423)	1,394,589
Accrued payroll expenses	30,885	6,218
Deferred revenue	1,703,341	(3,400,591)
Decrease in cash	(748,735)	(2,821,708)
Cash, beginning of year	1,467,807	4,289,515
Cash, end of year	\$ 719,072	\$ 1,467,807

See accompanying notes to financial statements.

AVENUE NB COOPERATIVE LTD. / COOPÉRATIVE AVENUE NB LTÉE

Notes to Financial Statements

Year ended March 31, 2025

Nature of operations:

Avenue NB Cooperative Ltd. / Coopérative Avenue NB Ltée (the "Cooperative") is a not-for-profit organization of New Brunswick. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The cooperative operates to provide a collaborative approach to connect persons with a disability to the labour market through person-centered programs, transition planning, and increased employer engagement to create positive employment pathways throughout New-Brunswick. The Cooperative has core support from its Members and from the Government of Canada and the Province of New Brunswick through the Canada-New Brunswick Labour Market Agreements.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Cooperative's significant accounting policies are as follows:

(a) Cash and cash equivalents:

Cash includes cash and cash equivalents. Cash equivalents are amounts held in accounts on behalf of the organization of which there are no arrangements at this time.

(b) Financial instruments:

Initial and subsequent measurement

The Cooperative 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 Cooperative subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

(c) Tangible capital assets:

The Cooperative has decided at this time that all computer equipment will be expensed as they do not have a physical office presence and therefore at March 31, 2025 there are no tangible capital assets.

AVENUE NB COOPERATIVE LTD. / COOPÉRATIVE AVENUE NB LTÉE

Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Significant accounting policies (continued):

(d) Revenue recognition:

The Cooperative 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.

(e) Government grants and funding:

Government grants and funding are recorded when there is a reasonable assurance that the Cooperative had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

(f) Use of estimates:

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 revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

2. Accounts receivable:

	2025	2024
Funding receivable	\$ 2,788,985	\$ 718,938
MentorAbility receivable	-	55,076
Trade accounts receivable	-	3,767
	\$ 2,788,985	\$ 777,781

AVENUE NB COOPERATIVE LTD. / COOPÉRATIVE AVENUE NB LTÉE

Notes to Financial Statements (continued)

Year ended March 31, 2025

3. Accounts payable and accrued liabilities:

	2025	2024
Member claims payable	\$ 1,828,679	\$ 2,228,102
Accrued expenses	10,000	10,000
	\$ 1,838,679	\$ 2,238,102

4. Contingent liabilities:

The Cooperative is potentially subject to claims by third parties arising out of the normal course and conduct of its business including, but not limited to, labour and employment (including unused vacation entitlement), and bid and performance related claims associated with various contracts. Although such matters cannot be predicted with certainty, management currently considers exposure to such claims, to the extent not covered by insurance policies, not to be material to these financial statements.

5. Economic dependence:

The Cooperative is funded in part by the Department of Post-Secondary, Training, and Labour (DPETL) through the Canada-New Brunswick Labour Market Agreements and in part by contributions of the Cooperative Members. The Cooperative has entered into an agreement with DPETL and its Members that will provide a five year funding and operational plan expiring March 31, 2027. The total project amount is up to \$60,000,000 with DPETL contributing up to \$12,000,000 per year over the five year period. The agreement was signed April 26, 2022. The agreement was amended on March 12, 2024 and funding is now on a claim basis.

6. Memberships:

The Cooperative offers membership to New Brunswick based third-party specialized organizations who can help to manage the delivery of employment services for persons with a disability in the province. The cost of membership is \$300 for the year. For the fiscal period ended March 31, 2025, the Cooperative had 22 members and collected a total of \$6,600 in membership fees (2024 - \$6,600). During the fiscal period, the Cooperative paid out a total of \$9,955,758 (2024 - \$11,224,059) through various programs to members, as funded by the agreement referenced in note 5.

AVENUE NB COOPERATIVE LTD. / COOPÉRATIVE AVENUE NB LTÉE

Notes to Financial Statements (continued)

Year ended March 31, 2025

7. Reconciliation of funding and amounts deferred:

Deferred funding components:

	2025	2024
Direct program funding	\$ 824,852	\$ -
Administration funding	911,833	-
MentorAbility	3,169	36,513
	\$ 1,739,854	\$ 36,513

The current funding agreement that the Cooperative has with the DPETL is for the period of April 4, 2022 to March 31, 2027. The agreement states that any unapplied funds at the end of the fiscal period may be deferred. Membership fees are paid and reflect the fiscal period of April 1, 2024 to March 31, 2025. In the current period, no membership fees were received in advance of the next fiscal period.

For the fiscal year ending March 31, 2025, the Cooperative received \$12,019,624 in primary funding from the DPETL for funding approved member programs and administration. The funding agreement was broken down as \$10,262,742 for direct program expenses and \$1,756,882 for administration. In addition to the funding received in the current year, the deferred funding of \$394,371 from the year-ended March 31, 2024 was recognized in the current fiscal. This amount was previously classified as accounts payable in the prior year. Total DPETL funding as recognized below therefore being \$12,413,995.

Reconciliation of DPETL funding:

	2025	2024
Direct program funding	\$ 9,832,861	\$ 11,018,000
GNB admin	845,049	581,884
	10,677,910	11,599,884
Deferred direct program funding	824,252	-
Deferred administration funding	911,833	-
	\$ 12,413,995	\$ 11,599,884

AVENUE NB COOPERATIVE LTD. / COOPÉRATIVE AVENUE NB LTÉE

Notes to Financial Statements (continued)

Year ended March 31, 2025

7. Reconciliation of funding and amounts deferred (continued):

An additional one time grant was paid to the Cooperative this year by the DEPTL in the amount of \$nil (2024 - \$168,770) which is classified in programs for the purposes of these financial statements, as the expenses incurred related to direct program expenses. As well in the current year there is \$17,393 (2024 - \$18,727) for the ReThink Ability program and \$105,505 (2024 - \$18,563) for the MentorAbility program recognized in programs, for a total programs funding amount of \$9,955,758 recognized in program revenues in the current fiscal year.

8. Financial risks and concentration of risk:

The Cooperative's financial instruments consist of cash, short term investments, accounts receivable, accounts payable and accrued liabilities, and deferred funding. Unless otherwise noted, it is management's opinion that the Cooperative is not exposed to significant interest rate, currency or credit risks. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.