

WOMEN'S HEALTH CLINIC INC.
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS
MARCH 31, 2025

WOMEN'S HEALTH CLINIC INC.

MARCH 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Women's Health Clinic Inc.:

Opinion

We have audited the accompanying financial statements of Women's Health Clinic Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets (deficit) and cash flow for the year then ended, and the notes to 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 Women's Health Clinic Inc. as at March 31, 2025, and the results of its operations and its cash flow 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 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
June 19, 2025**

Fort Group

**CHARTERED PROFESSIONAL
ACCOUNTANTS INC.**



**WOMEN'S HEALTH CLINIC INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2025**

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Accounts receivable (Note 4)	\$ 180,793	307,463
Due from Winnipeg Regional Health Authority (Note 5)	1,085,665	682,168
Inventory	150,918	100,350
Prepaid expenses	<u>35,173</u>	<u>32,726</u>
	1,452,549	1,122,707
PRE-RETIREMENT LEAVE RECEIVABLE (Note 10)	411,922	294,377
TANGIBLE CAPITAL ASSETS (Note 6)	<u>598,286</u>	<u>598,091</u>
	<u><u>\$ 2,462,757</u></u>	<u><u>2,015,175</u></u>
LIABILITIES AND NET ASSETS (DEFICIT)		
CURRENT LIABILITIES		
Bank indebtedness (Note 3)	\$ 391,351	156,554
Accounts payable and accrued liabilities (Note 7)	1,514,753	1,163,579
Government remittances payable	3,049	1,746
Deferred revenue (Note 8)	114,165	139,848
Current portion of deferred capital contributions (Note 9)	<u>19,931</u>	<u>18,251</u>
	2,043,249	1,479,978
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	154,297	114,678
PRE-RETIREMENT LEAVE (Note 10)	<u>516,009</u>	<u>354,932</u>
	<u><u>2,713,555</u></u>	<u><u>1,949,588</u></u>
NET ASSETS (DEFICIT)		
Operating Fund (deficit)	(1,006,777)	(793,065)
Donation Fund	647,554	579,460
Capital Fund	<u>108,425</u>	<u>279,192</u>
	<u>(250,798)</u>	<u>65,587</u>
	<u><u>\$ 2,462,757</u></u>	<u><u>2,015,175</u></u>

APPROVED BY THE BOARD:

_____ Director _____ Director

**WOMEN'S HEALTH CLINIC INC.
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2025**

	<u>OPERATING FUND</u>	<u>DONATION FUND</u>	<u>CAPITAL FUND</u>	<u>TOTAL 2025</u>	<u>TOTAL 2024</u>
REVENUE					
Winnipeg Regional Health Authority					
Fixed payments	\$ 7,873,987	-	-	7,873,987	7,270,524
Fee for service	400,231	-	-	400,231	376,759
Province of Manitoba (Note 11)	269,400	-	-	269,400	269,400
United Way of Winnipeg	239,687	-	-	239,687	251,112
Shared Health	200,000	-	-	200,000	249,327
Donations	5,522	161,175	-	166,697	156,152
Grants	96,861	-	-	96,861	110,431
Fundraising	-	93,778	-	93,778	91,235
Miscellaneous	31,698	-	-	31,698	59,627
Amortization of deferred capital contributions (Note 9)	-	-	19,911	19,911	21,966
The Winnipeg Foundation	17,354	-	-	17,354	93,666
Workshops and honorariums	12,430	-	-	12,430	17,081
Interest	-	16	-	16	1,856
	<u>9,147,170</u>	<u>254,969</u>	<u>19,911</u>	<u>9,422,050</u>	<u>8,969,136</u>
EXPENSES (Schedule)	<u>9,060,202</u>	<u>181,353</u>	<u>169,841</u>	<u>9,411,396</u>	<u>9,047,605</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE PRE-RETIREMENT LEAVE	86,968	73,616	(149,930)	10,654	(78,469)
Pre-retirement leave expenses	<u>(45,955)</u>	<u>-</u>	<u>-</u>	<u>(45,955)</u>	<u>(45,438)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 41,013</u>	<u>73,616</u>	<u>(149,930)</u>	<u>(35,301)</u>	<u>(123,907)</u>

WOMEN'S HEALTH CLINIC INC.
STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)
YEAR ENDED MARCH 31, 2025

	<u>OPERATING FUND</u>	<u>DONATION FUND</u>	<u>CAPITAL FUND</u>	<u>TOTAL 2025</u>	<u>TOTAL 2024</u>
NET ASSETS (DEFICIT), BEGINNING OF YEAR	\$ (793,065)	579,460	279,192	65,587	283,754
Excess (deficiency) of revenue over expenses	41,013	73,616	(149,930)	(35,301)	(123,907)
Purchase of tangible capital assets	(40,373)	-	40,373	-	-
Additions to deferred capital contributions	61,210	-	(61,210)	-	-
Transfer (Note 15)	5,522	(5,522)	-	-	-
Pre-retirement leave remeasurement (Note 10)	<u>(281,084)</u>	<u>-</u>	<u>-</u>	<u>(281,084)</u>	<u>(94,260)</u>
NET ASSETS (DEFICIT), END OF YEAR	<u>\$(1,006,777)</u>	<u>647,554</u>	<u>108,425</u>	<u>(250,798)</u>	<u>65,587</u>

**WOMEN'S HEALTH CLINIC INC.
STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2025**

	<u>2025</u>	<u>2024</u>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (35,301)	(123,907)
Add back (deduct) non-cash item(s):		
Amortization of tangible capital assets	40,178	42,796
Pre-retirement leave remeasurement	(281,084)	(94,260)
Amortization of deferred capital contributions	<u>(19,911)</u>	<u>(21,966)</u>
	(296,118)	(197,337)
Change in non-cash working capital items:		
Accounts receivable	126,670	43,643
Due from Winnipeg Regional Health Authority	(403,497)	280,368
Inventory	(50,568)	(9,593)
Prepaid expenses	(2,447)	(15,801)
Pre-retirement leave receivable	(117,545)	(30,477)
Accounts payable and accrued liabilities	351,174	(386,199)
Government remittances payable	1,303	(4,502)
Deferred revenue	(25,683)	(89,804)
Deferred project costs	-	47,635
Pre-retirement leave	<u>161,077</u>	<u>29,733</u>
	(255,634)	(332,334)
INVESTING ACTIVITIES		
Purchase of tangible capital assets	<u>(40,373)</u>	<u>(63,281)</u>
FINANCING ACTIVITIES		
Proceeds from deferred capital contributions	<u>61,210</u>	<u>9,419</u>
CHANGE IN CASH	(234,797)	(386,196)
CASH (BANK INDEBTEDNESS), BEGINNING OF YEAR	<u>(156,554)</u>	<u>229,642</u>
BANK INDEBTEDNESS, END OF YEAR	<u><u>\$ (391,351)</u></u>	<u><u>(156,554)</u></u>

**WOMEN'S HEALTH CLINIC INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2025**

1. ACCOUNTING ENTITY

Women's Health Clinic Inc. (WHC), (the "Organization") is an inclusive, feminist community health clinic dedicated to providing accessible and equitable health and wellness services. WHC's mission is to provide accessible woman-centred education and services, create strategic partnerships, and advocate for system change. The principal values that guide the Organization are choice, inclusion, social justice, innovation, and integrity. The Organization was formed in 1981, is an incorporated entity, and is a registered charity under the Income Tax Act, and as such is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

An underlying assumption of the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements include the following significant accounting policies

(a) Fund Accounting

The **Operating Fund** accounts for the revenues and expenses related to program delivery and administrative activities.

The **Donation Fund** accounts for all donations and fundraising activities except for donations for birth control supplies which are recorded in the Operating Fund. The resources of this fund are disbursed subject to the Board of Directors' approval or relevant restrictions.

The **Capital Fund** accounts for the assets and liabilities, revenue and expenses related to the Organization's capital assets and funds designated for future capital development.

(b) Inventory

Inventory consists of medical supplies and represents goods held for distribution at no charge. Inventory is valued at the lower of cost and replacement value and is determined using the first-in, first-out method.

(c) Tangible Capital Assets

Purchased tangible capital assets are recorded in the Capital Fund at cost. Contributed capital assets are recorded in the Capital Fund at the fair value at the date of contribution. Amortization is provided on the straight-line basis at the following rates:

Building and improvements	10 - 25 years
Computers, furniture and fixtures	5 - 10 years
Leasehold improvements	10 years
Security system	10 years
Medical equipment	5 years

Leasehold improvements are amortized over the term of the lease.

Additions are amortized at one-half of the above rates in the year of purchase.

Construction in progress is not amortized until put into use.

**WOMEN'S HEALTH CLINIC INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Revenue Recognition

The Organization follows the deferral method in accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable, and when collectibility is reasonably assured.

Government revenues and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations and fundraising revenue are recognized when receivable and collection is reasonably assured.

Interest, miscellaneous, fee for service and workshops and honorariums revenue are recognized as revenue in the period in which they are earned.

Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue over the useful life of the tangible capital asset, at a rate corresponding with the amortization rate for the related tangible capital asset.

(e) Pre-retirement Leave Benefits

The cost of the Organization's employee pre-retirement leave benefits is accrued as earned based on an actuarial estimation.

The estimation of the future pre-retirement benefits has been performed using the projected unit credit service pro-rated on service actuarial cost method. The significant actuarial assumptions used in measuring the Organization's future employee benefit payable include retirement, termination and mortality rates, a discount rate of 4.40% (2024 - 4.80%), a rate of salary increase of 3.00% (2024 - 2.00%) plus an age-related merit/promotion scale with provision for disability.

(f) Accounting Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Estimates include amounts payable for services not billed yet at the time these financial statements were approved, useful life of tangible capital assets, and pre-retirement leave payable. Actual results may differ from estimates.

(g) Financial Instruments

Financial instruments held by the Organization include accounts receivable, due to/from Winnipeg Regional Health Authority receivable, bank indebtedness, accounts payable and accrued liabilities, pre-retirement leave payable and receivable. The organization initially measures its financial instruments at fair value when the asset or liability is first recognized. The Organization subsequently measures its financial instruments at amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition less principal repayments, plus or minus the cumulative of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

**WOMEN'S HEALTH CLINIC INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Contributed Materials and Services

The Organization receives a substantial amount of volunteer time and effort as well as donated materials and supplies to carry out its activities. Due to the difficulty in determining the fair value of the contributed goods and services, they have not been recognized in these financial statements.

3. LINE OF CREDIT

The Organization has a line of credit available in the amount of \$350,000 (2024 - \$350,000) at the prime interest rate plus 1.00% (2024 - prime plus 1%). As at March 31, 2025, the balance withdrawn is \$224,246 (2024 - \$57,990) excluding outstanding cheques.

4. ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Manitoba Health	\$ 60,907	38,626
GST	17,527	48,834
Other	53,044	20,003
Shared Health	<u>49,315</u>	<u>200,000</u>
	<u><u>\$ 180,793</u></u>	<u><u>307,463</u></u>

5. DUE FROM WINNIPEG REGIONAL HEALTH AUTHORITY

	<u>2025</u>	<u>2024</u>
2018/2019 funding adjustment	\$ 107,965	-
2019/2020 funding adjustment	906	906
2020/2021 funding adjustment	2,185	2,185
2021/2022 funding adjustment	1,496	9,045
2022/2023 funding adjustment	93,796	153,900
2023/2024 funding adjustment	130,296	516,132
2024/2025 funding adjustment	<u>749,021</u>	<u>-</u>
	<u><u>\$ 1,085,665</u></u>	<u><u>682,168</u></u>

6. TANGIBLE CAPITAL ASSETS

	<u>2025</u>	<u>2025</u>	<u>2024</u>	<u>2024</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Land	\$ 130,000	-	130,000	-
Building and improvements	1,035,733	913,376	1,035,733	882,410
Computers, furniture and fixtures	178,571	169,031	178,571	166,932
Construction in progress (i)	148,444	-	146,907	-
Leasehold improvements	7,536	6,303	7,536	6,105
Security system	63,608	52,216	63,443	50,544
Medical equipment	<u>375,995</u>	<u>200,675</u>	<u>337,324</u>	<u>195,432</u>
	<u><u>1,939,887</u></u>	<u><u>1,341,601</u></u>	<u><u>1,899,514</u></u>	<u><u>1,301,423</u></u>
Net book value	<u><u>\$ 598,286</u></u>		<u><u>598,091</u></u>	

(i) Construction in progress relates to the planning and redevelopment of the Women's Health Clinic Graham location which started in 2024. The project is expected to be completed in 2029.

WOMEN'S HEALTH CLINIC INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2025

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2025</u>	<u>2024</u>
Accrued liabilities	\$ 202,197	178,575
Group pension payable	77,777	70,743
Salaries and benefits payable	292,246	312,814
Trade accounts payable	452,228	156,059
Vacation pay payable	482,674	439,617
Other	7,631	5,771
	<u>\$ 1,514,753</u>	<u>1,163,579</u>

8. DEFERRED REVENUE

	<u>2024</u>	<u>Contributions received 2025</u>	<u>Revenue recognized 2025</u>	<u>2025</u>
The Winnipeg Foundation	\$ -	2,000	-	2,000
WRHA - Insurance	18,230	792	-	19,022
Client emergency fund	11,261	2,224	(161)	13,324
Capital contribution fund	697	-	-	697
Mothers Program	7,208	-	-	7,208
United Way Winnipeg	-	18,750	-	18,750
Provincial Eating Disorder Prevention and Recovery program	12,411	-	-	12,411
Building redevelopment	9,406	-	(9,406)	-
Reproductive rights	1,143	-	-	1,143
Ode'imin Birth Centre	22,630	16,980	-	39,610
Healthcare Excellence Canada	56,862	40,000	(96,862)	-
	<u>\$ 139,848</u>	<u>80,746</u>	<u>(106,429)</u>	<u>114,165</u>

	<u>2023</u>	<u>Contributions received 2024</u>	<u>Revenue recognized 2024</u>	<u>2024</u>
Government of Manitoba	\$ 13,184	-	(13,184)	-
The Winnipeg Foundation	61,416	32,250	(93,666)	-
WRHA - Insurance	17,438	792	-	18,230
Client emergency fund	8,628	2,758	(125)	11,261
Capital contribution fund	322	375	-	697
Mothers Program	7,208	-	-	7,208
United Way Winnipeg	25,006	-	(25,006)	-
Provincial Eating Disorder Prevention and Recovery program	8,138	4,323	(50)	12,411
Building redevelopment	23,961	-	(14,555)	9,406
Reproductive rights	1,143	-	-	1,143
Other	23,492	-	(23,492)	-
Ode'imin Birth Centre	2,788	19,842	-	22,630
Healthcare Excellence Canada	36,928	78,438	(58,504)	56,862
	<u>\$ 229,652</u>	<u>138,778</u>	<u>(228,582)</u>	<u>139,848</u>

**WOMEN'S HEALTH CLINIC INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2025**

9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent funding received from private donors and the Winnipeg Regional Health Authority for the purchase of capital assets. Changes in deferred capital contributions are as follows:

	<u>2024</u>	<u>Contribution received 2025</u>	<u>Revenue recognized 2025</u>	<u>2025</u>
WRHA	\$ 46,152	35,471	8,939	72,684
Non-WRHA	<u>86,777</u>	<u>25,739</u>	<u>10,972</u>	<u>101,544</u>
	<u>132,929</u>	<u>61,210</u>	<u>19,911</u>	174,228
Less: Current portion				<u>(19,931)</u>
				<u>\$ 154,297</u>

	<u>2023</u>	<u>Contributions received 2024</u>	<u>Revenue recognized 2024</u>	<u>2024</u>
WRHA	\$ 48,694	9,419	11,961	46,152
Non-WRHA	<u>96,782</u>	<u>-</u>	<u>10,005</u>	<u>86,777</u>
	<u>145,476</u>	<u>9,419</u>	<u>21,966</u>	132,929
Less: Current portion				<u>(18,251)</u>
				<u>\$ 114,678</u>

10. PRE-RETIREMENT LEAVE BENEFIT

Based upon collective agreements and/or non-union policy, employees of the Organization are entitled to a pre-retirement leave benefit if they are retiring in accordance with the provisions of the applicable Group Pension Plan. The Organization's contractual commitment is to pay based upon the following:

Four days (pro-rated) of salary per year of service upon retirement if the employee complies with one of the following conditions:

- a) has 10 years of service and has reached the age of 55
- b) qualifies for the "eighty" rule which is calculated by adding the number of years of service to the age of the employee
- c) retires at or after age 65
- d) terminates employment at any time due to permanent disability

The Organization undertook an actuarial valuation of the pre-retirement leave benefit for accounting purposes as at March 31, 2025. The significant actuarial assumptions adopted in measuring The Organization's accrued retirement entitlements include retirement, termination, and mortality rates, a discount rate of 4.40% (2024 - 4.80%) and a rate of salary increase of 3.00% (2024 - 2.00%) plus age related merit/promotion scale with a provision for disability.

**WOMEN'S HEALTH CLINIC INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2025**

10. PRE-RETIREMENT LEAVE BENEFIT (continued)

During the year ended March 31, 2006, the Organization was instructed by the Winnipeg Regional Health Authority (WRHA) to record the full obligation. The WRHA calculated and advised the Organization of the amount of the obligation. Pre-retirement leave benefits are considered an out-of-globe funding item, of which the WRHA has instructed the Organization to set up a receivable for the percentage of the change in the pre-retirement obligation that belongs to WRHA programs. The annual pre-retirement leave benefits are recorded as an expense in the statement of operations with the remeasurement being recorded directly in the statement of changes in net assets.

The pre-retirement leave obligation is as follows:

	<u>2025</u>	<u>2024</u>
WRHA funded employees	\$ 411,922	294,377
Non-WRHA funded employees	99,197	51,166
Shared Health funded employees	<u>4,890</u>	<u>9,389</u>
	<u>\$ 516,009</u>	<u>354,932</u>

11. PROVINCE OF MANITOBA

	<u>2025</u>	<u>2024</u>
Healthy Child Manitoba - Families Connecting, Healthy Baby Program	<u>\$ 269,400</u>	<u>269,400</u>

12. ENDOWMENT FUND

In 2002, the Organization established an Endowment Fund to held in perpetuity at The Winnipeg Foundation. Interest revenue earned by this fund is available to the Organization annually. As of March 31, 2025, contributions to the Endowment Fund totaled \$252,386 (2024 - \$252,386), including those from third parties. The market value of the Endowment Fund at March 31, 2025 is \$367,097 (2024 - \$352,923).

13. COMMITMENT

The Organization has entered into a lease agreement for office space at 346 Portage Avenue, Winnipeg, Manitoba expiring on June 30, 2026, with an aggregate minimum annual rental of approximately \$120,000, exclusive of certain incremental occupancy costs.

2026	\$ 120,000
2027	30,000

14. PENSION

Substantially all of the employees of the Organization are members of the Healthcare Employees' Pension Plan - Manitoba (the "Plan" or "HEPP") which is a multi-employer defined benefit, highest consecutive average earnings, contributory pension plan available to all eligible employees of the participating health care facility members of the Plan. The Organization accounts for contributions to this Plan on a defined contribution basis as accounting for the Plan on a defined benefit basis is not reasonably practical.

Pension assets consist of investment grade securities. Market, credit and foreign currency risk on these securities are managed by the Plan adhering to specific investment policies outlined in its Statement of Investment Policies and Procedures, which is reviewed annually by the Plan.

WOMEN'S HEALTH CLINIC INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2025

14. PENSION (continued)

The primary risk the Plan faces is that its asset growth and contribution rates will be insufficient to cover its liabilities (funding risk) resulting in an unfunded liability (funding deficiency). If a funding deficiency reaches a certain level or persists, it may need to be eliminated through contribution rate increases, pension benefit reductions or a combination of the two.

The most recent actuarial valuation of the Plan as at December 31, 2023, indicates that the plan's assets exceed its estimated liabilities, and therefore, the Plan is in a surplus position. Furthermore, the valuation also indicates that a solvency surplus exists for the Plan.

In November of 2010, the Plan received confirmation of solvency exemption from the Manitoba Pension Commission. Based on this exemption, the Plan is not required to fund on a solvency basis but must still undertake a solvency valuation and disclose the current deficit, if any. The Plan is still required to apply the going concern test and fund on a going concern basis.

The Organization has fully met its obligations and has fully paid the required premiums. Contributions to the plan made during the year by the Organization on behalf of its employees amounted to \$471,141 (2024 - \$471,830) and are included in the statement of operations.

15. TRANSFER

A transfer from the Donation Fund to the Operating Fund in the amount of \$5,522 (2024 - \$12,999) was made to help offset the cost of the Birth Control Program.

16. ECONOMIC DEPENDENCE

The Organization is economically dependent on the Winnipeg Regional Health Authority for operational financial support. The volume of financial activity undertaken by the Organization with its main funding bodies is of sufficient magnitude that the discontinuance of their funding would endanger the ability of the Organization to continue as a going concern.

17. RISK MANAGEMENT

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It is management's opinion that the Organization is exposed to interest rate risk due to its line of credit if drawn upon.

(b) Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they come due. Financial liabilities consist of accounts payable and accrued liabilities. Financial liabilities are paid in the normal course of business.

The Organization's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet liabilities when due. At March 31, 2025, the Organization has current assets of \$1,452,549 (2024 - \$1,122,707) which is insufficient to cover current liabilities. As a result, management is dependent on the Winnipeg Regional Health Authority as disclosed in note 16 to address this risk.

(c) Credit Risk

Credit risk is the risk that a counterpart will default on its financial liabilities.

Financial instruments which potentially subject the organization to credit risk and concentrations of credit risk consist principally of accounts receivable. Management manages credit risk associated with accounts receivable by pursuing collections when they are due.

**WOMEN'S HEALTH CLINIC INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2025**

18. CAPITAL FUNDING

In February 2025, the Organization received confirmation from the Government of Canada - Green and Inclusive Community Buildings program that they would be awarded \$10 million towards upgrading the Graham location's mechanical, electrical and elevator systems. The Organization is working with the Government of Canada to define the terms of the agreement, which has not been finalized as of March 31, 2025.

19. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to reflect the financial statement presentation adopted for the current year.

WOMEN'S HEALTH CLINIC INC.
SCHEDULE OF EXPENSES
YEAR ENDED MARCH 31, 2025

	OPERATING FUND	DONATION FUND	CAPITAL FUND	TOTAL 2025	TOTAL 2024
Accounting and computer	\$ 9,695	-	-	9,695	2,044
Amortization of tangible capital assets	-	-	40,178	40,178	42,796
Association membership fees	14,484	5,574	-	20,058	16,102
Community relations	12,194	55,308	-	67,502	85,897
COVID-19 expenses	8,671	-	-	8,671	834
Employee benefits	1,221,892	17,619	-	1,239,511	1,233,624
Equipment leases	28,537	-	-	28,537	36,572
Insurance	17,692	-	-	17,692	81,715
Lectures and honorariums	15,774	-	-	15,774	24,825
Medical supplies and processing fees	316,933	-	-	316,933	412,574
Minor equipment	5,818	-	-	5,818	4,226
Occupancy costs	181,066	-	-	181,066	128,442
Office	203,857	4,963	-	208,820	188,988
Other supplies	121,694	278	-	121,972	110,415
Professional fees	72,733	-	-	72,733	75,001
Purchased services	447,464	-	-	447,464	370,197
Recruitment and hiring	3,004	-	-	3,004	689
Repairs and maintenance	339,051	-	129,663	468,714	366,858
Salaries	5,885,277	97,611	-	5,982,888	5,708,185
Staff training	10,839	-	-	10,839	9,901
Telephone	39,196	-	-	39,196	46,547
Travel	44,887	-	-	44,887	42,277
Utilities	59,054	-	-	59,054	58,896
Volunteer appreciation	390	-	-	390	-
	<u>\$ 9,060,202</u>	<u>181,353</u>	<u>169,841</u>	<u>9,411,396</u>	<u>9,047,605</u>

WOMEN'S HEALTH CLINIC INC.
SCHEDULE OF WRHA AND NON-WRHA FUNDED OPERATING COSTS
YEAR ENDED MARCH 31, 2025

	<u>WRHA</u> <u>FUNDED</u>	<u>NON-WRHA</u> <u>FUNDED</u>	<u>TOTAL</u> <u>2025</u>	<u>TOTAL</u> <u>2024</u>
Accounting and computer	\$ 9,570	125	9,695	2,037
Association membership fees	14,422	62	14,484	10,322
Community relations	7,302	4,892	12,194	22,293
COVID-19 expenses	-	8,671	8,671	834
Employee benefits	1,037,709	184,183	1,221,892	1,215,013
Equipment leases	28,537	-	28,537	36,572
Insurance	16,441	1,251	17,692	81,715
Lectures and honorariums	2,150	13,624	15,774	24,825
Medical supplies and processing fees	316,489	444	316,933	412,574
Minor equipment	5,818	-	5,818	4,226
Occupancy costs	161,356	19,710	181,066	128,442
Office	182,556	21,301	203,857	181,514
Other supplies	108,143	13,551	121,694	104,712
Professional fees	63,678	9,055	72,733	75,001
Purchased services	447,064	400	447,464	370,197
Recruitment and hiring	2,233	771	3,004	689
Repairs and maintenance	339,010	41	339,051	225,408
Salaries	5,062,593	822,684	5,885,277	5,610,744
Staff training	7,886	2,953	10,839	9,865
Telephone	38,746	450	39,196	46,547
Travel	37,306	7,581	44,887	42,277
Utilities	58,949	105	59,054	58,896
Volunteer appreciation	-	390	390	-
	<u>\$ 7,947,958</u>	<u>1,112,244</u>	<u>9,060,202</u>	<u>8,664,703</u>