

WOMEN'S HEALTH CLINIC INC.
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS
MARCH 31, 2024

WOMEN'S HEALTH CLINIC INC.

MARCH 31, 2024

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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, 2024, 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, 2024, 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 5, 2024**


**CHARTERED PROFESSIONAL
ACCOUNTANTS INC.**

**WOMEN'S HEALTH CLINIC INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2024**

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash (Note 3)	\$ -	229,642
Accounts receivable (Note 4)	307,463	351,106
Due from Winnipeg Regional Health Authority (Note 5)	682,168	962,536
Inventory	100,350	90,757
Prepaid expenses	<u>32,726</u>	<u>16,925</u>
	1,122,707	1,650,966
PRE-RETIREMENT LEAVE RECEIVABLE (Note 10)	294,377	263,900
DEFERRED PROJECT COSTS	-	47,635
TANGIBLE CAPITAL ASSETS (Note 6)	<u>598,091</u>	<u>577,606</u>
	<u>\$ 2,015,175</u>	<u>2,540,107</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Bank indebtedness (Note 3)	\$ 156,554	-
Accounts payable and accrued liabilities (Note 7)	1,163,579	1,549,778
Government remittances payable	1,746	6,248
Deferred revenue (Note 8)	139,848	229,652
Current portion of deferred capital contributions (Note 8)	<u>18,251</u>	<u>17,481</u>
	1,479,978	1,803,159
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	114,678	127,995
PRE-RETIREMENT LEAVE (Note 10)	<u>354,932</u>	<u>325,199</u>
	<u>1,949,588</u>	<u>2,256,353</u>
NET ASSETS (DEFICIT)		
Operating fund (deficit)	(793,065)	(658,727)
Donation fund	579,460	554,871
Capital fund	<u>279,192</u>	<u>387,610</u>
	<u>65,587</u>	<u>283,754</u>
	<u>\$ 2,015,175</u>	<u>2,540,107</u>

APPROVED BY THE BOARD:

_____ Director _____ Director

**WOMEN'S HEALTH CLINIC INC.
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2024**

	OPERATING FUND	DONATION FUND	CAPITAL FUND	TOTAL 2024	TOTAL 2023
REVENUE					
Winnipeg Regional Health Authority					
Fixed payments	\$ 7,270,524	-	-	7,270,524	6,975,200
COVID-19 reimbursements	-	-	-	-	222,123
Amortization of deferred capital contributions (Note 9)	-	-	21,966	21,966	18,897
Donations	12,999	143,153	-	156,152	195,001
Fee for service	376,759	-	-	376,759	390,408
Fundraising	-	91,235	-	91,235	52,624
Grants	110,431	-	-	110,431	84,725
Interest	-	1,856	-	1,856	3,802
Miscellaneous	59,627	-	-	59,627	22,667
Province of Manitoba (Note 11)	269,400	-	-	269,400	244,400
Shared Health	249,327	-	-	249,327	200,000
The Winnipeg Foundation	93,666	-	-	93,666	20,537
United Way of Winnipeg	251,112	-	-	251,112	234,684
Workshops and honorariums	17,081	-	-	17,081	64
	<u>8,710,926</u>	<u>236,244</u>	<u>21,966</u>	<u>8,969,136</u>	<u>8,665,132</u>
EXPENSES (Schedule)	<u>8,664,703</u>	<u>198,656</u>	<u>184,246</u>	<u>9,047,605</u>	<u>8,687,022</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE PRE-RETIREMENT LEAVE					
	46,223	37,588	(162,280)	(78,469)	(21,890)
Pre-retirement leave expenses	<u>(45,438)</u>	<u>-</u>	<u>-</u>	<u>(45,438)</u>	<u>(247,278)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES					
	<u>\$ 785</u>	<u>37,588</u>	<u>(162,280)</u>	<u>(123,907)</u>	<u>(269,168)</u>

**WOMEN'S HEALTH CLINIC INC.
STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)
YEAR ENDED MARCH 31, 2024**

	OPERATING FUND	DONATION FUND	CAPITAL FUND	TOTAL 2024	TOTAL 2023
NET ASSETS (DEFICIT), BEGINNING OF YEAR	\$ (658,727)	554,871	387,610	283,754	316,649
Excess (deficiency) of revenue over expenses	785	37,588	(162,280)	(123,907)	(269,168)
Purchase of tangible capital assets	(63,281)	-	63,281	-	-
Additions to deferred capital contributions	9,419	-	(9,419)	-	-
Transfer (Note 15)	12,999	(12,999)	-	-	-
Pre-retirement leave remeasurement (Note 10)	<u>(94,260)</u>	<u>-</u>	<u>-</u>	<u>(94,260)</u>	<u>236,273</u>
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ (793,065)</u>	<u>579,460</u>	<u>279,192</u>	<u>65,587</u>	<u>283,754</u>

**WOMEN'S HEALTH CLINIC INC.
STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2024**

	<u>2024</u>	<u>2023</u>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (123,907)	(269,168)
Add back (deduct) non-cash item(s):		
Amortization of tangible capital assets	42,796	42,142
Pre-retirement leave remeasurement	(94,260)	236,273
Amortization of deferred capital contributions	<u>(21,966)</u>	<u>(18,897)</u>
	(197,337)	(9,650)
Change in non-cash working capital items:		
Accounts receivable	43,643	(189,828)
Due from Winnipeg Regional Health Authority	280,368	(11,069)
Pre-retirement leave receivable	(30,477)	-
Inventory	(9,593)	(10,286)
Prepaid expenses	(15,801)	38,233
Accounts payable and accrued liabilities	(386,199)	222,098
Government remittances payable	(4,502)	(52,968)
Deferred revenue	(89,804)	40,839
Deferred project costs	47,635	-
Pre-retirement leave	<u>29,733</u>	<u>(248,048)</u>
	(362,067)	27,369
INVESTING ACTIVITIES		
Purchase of tangible capital assets	<u>(63,281)</u>	<u>(98,600)</u>
FINANCING ACTIVITIES		
Proceeds from deferred capital contributions	<u>9,419</u>	<u>47,643</u>
CHANGE IN CASH	(386,196)	(271,636)
CASH, BEGINNING OF YEAR	<u>229,642</u>	<u>501,278</u>
CASH (BANK INDEBTEDNESS), END OF YEAR	<u>\$ (156,554)</u>	<u>229,642</u>

**WOMEN'S HEALTH CLINIC INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

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.

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 are valued at the lower of cost and replacement value. Inventory value 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 life 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, 2024

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, fee for service and workshop and honorarium are recognized as revenue in the period in which they are earned.

(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 4.80% (2023 - 4.80%), a rate of salary increase of 2.00% (2023 - 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 cash, accounts receivable, due from Winnipeg Regional Health Authority, bank indebtedness, accounts payable and accrued liabilities and pre-retirement leave. 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.

(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.

**WOMEN'S HEALTH CLINIC INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

3. LINE OF CREDIT

The Organization has a line of credit available in the amount of \$350,000 (2023 - \$25,000) at the prime interest rate plus 1.00% (2023 - prime). As at March 31, 2024 the balance withdrawn is \$156,554 (2023 - \$nil) including outstanding cheques.

4. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Manitoba Health	\$ 38,626	58,048
GST	48,834	16,692
Other	20,003	3,342
Shared Health	<u>200,000</u>	<u>273,024</u>
	<u>\$ 307,463</u>	<u>351,106</u>

5. DUE FROM WINNIPEG REGIONAL HEALTH AUTHORITY

	<u>2024</u>	<u>2023</u>
2017/2018 funding adjustment	\$ -	41,150
2018/2019 funding adjustment	-	41,110
2019/2020 funding adjustment	906	46,121
2020/2021 funding adjustment	2,185	19,356
2021/2022 funding adjustment	9,045	51,196
2022/2023 funding adjustment	153,900	763,603
2023/2024 funding adjustment	<u>516,132</u>	<u>-</u>
	<u>\$ 682,168</u>	<u>962,536</u>

6. TANGIBLE CAPITAL ASSETS

	<u>2024</u>		<u>2023</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	882,410	1,032,733	849,621
Computers, furniture and fixtures	178,571	166,932	172,429	164,834
Construction in progress	146,907	-	117,466	-
Leasehold improvements	7,536	6,105	5,995	5,351
Security system	63,443	50,544	50,135	49,537
Medical equipment	<u>337,324</u>	<u>195,432</u>	<u>327,475</u>	<u>189,284</u>
	<u>1,899,514</u>	<u>1,301,423</u>	<u>1,836,233</u>	<u>1,258,627</u>
Net book value	<u>\$ 598,091</u>		<u>577,606</u>	

**WOMEN'S HEALTH CLINIC INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Accrued liabilities	\$ 178,575	242,969
Group pension payable	70,743	18,009
Salaries and benefits payable	312,814	538,728
Trade accounts payable	156,059	304,546
Vacation pay payable	439,617	440,846
Other	5,771	4,680
	<u>\$ 1,163,579</u>	<u>1,549,778</u>

8. DEFERRED REVENUE

	<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)	-
Insurance	17,438	792	-	18,230
Client emergency fund	8,628	2,758	(125)	11,261
Capital contribution fund	322	375	-	697
Mothers Program - Transcona	7,208	-	-	7,208
United Way	25,006	-	(25,006)	-
PEDPRP	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	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>

	<u>2022</u>	<u>Contributions received 2023</u>	<u>Revenue recognized 2023</u>	<u>2023</u>
Government of Manitoba	\$ 13,184	-	-	13,184
The Winnipeg Foundation	46,303	35,000	(19,887)	61,416
Insurance	16,646	792	-	17,438
Client emergency fund	8,899	962	(1,233)	8,628
Capital contribution fund	28,222	50,000	(77,900)	322
Mothers Program - Transcona	7,208	-	-	7,208
United Way	10,422	14,584	-	25,006
PEDPRP	8,138	-	-	8,138
Building redevelopment	23,961	-	-	23,961
Reproductive rights	1,143	-	-	1,143
Other	-	61,517	(38,025)	23,492
Ode'imin	24,687	2,917	(24,816)	2,788
Healthcare Excellence Canada	-	46,875	(9,947)	36,928
	<u>\$ 188,813</u>	<u>212,647</u>	<u>(171,808)</u>	<u>229,652</u>

**WOMEN'S HEALTH CLINIC INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

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>2023</u>	<u>Contribution 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>

	<u>2022</u>	<u>Contributions received 2023</u>	<u>Revenue recognized 2023</u>	<u>2023</u>
WRHA	\$ 48,508	9,135	8,949	48,694
Non-WRHA	<u>68,222</u>	<u>38,508</u>	<u>9,948</u>	<u>96,782</u>
	<u>\$ 116,730</u>	<u>47,643</u>	<u>18,897</u>	145,476
Less: Current portion				<u>(17,481)</u>
				<u>\$ 127,995</u>

10. PRE-RETIREMENT LEAVE BENEFIT

Accrued Pre-Retirement Entitlement

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 Home 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, 2024. The significant actuarial assumptions adopted in measuring The Organization's accrued retirement entitlements include retirement, termination, and mortality rates, a discount rate of 4.80% (2023 - 4.80%) and a rate of salary increase of 2.00% (2023 - 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, 2024**

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>2024</u>	<u>2023</u>
WRHA funded employees	\$ 294,377	263,901
Non-WRHA funded employees	<u>60,555</u>	<u>61,298</u>
	<u>\$ 354,932</u>	<u>325,199</u>

11. PROVINCE OF MANITOBA

	<u>2024</u>	<u>2023</u>
Healthy Child Manitoba - Families Connecting, Healthy Baby Program	<u>\$ 269,400</u>	<u>244,400</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, 2024 contributions to the Endowment Fund totaled \$252,386 (2023 - \$252,356), including those from third parties. The market value of the Endowment Fund at March 31, 2024 is \$352,923 (2023 - \$352,614).

13. COMMITMENT

The Organization has entered into a lease agreement for office space at 346 Portage Avenue, Winnipeg, Manitoba expiring on May 1, 2026, with an aggregate minimum annual rental of approximately \$120,000, exclusive of certain incremental occupancy costs.

2025	\$	120,000
2026		10,000

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, 2024

14. PENSION (continued)

The primary risk the Plan faces is that its asset growth and contribution rates will be insufficient to cover the 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, 2022, indicates that the plan's assets exceed its estimated liabilities, and therefore, the Plan is in a surplus position. However, the valuation also indicates that a solvency deficiency does exist for the Plan. The Office of the Superintendent of the Manitoba Pension Commission confirmed that the Plan does not have to fund the solvency deficiency but has to monitor and disclose this deficiency as well as continue to perform solvency valuations. The HEPP board continues to monitor the Plan's financial progress to align the assets and liabilities based on Plan experience and investment returns over the long term/

The Organization has fully met its obligations and has fully paid the required premiums. During the year, \$471,830 (2023 - \$443,839) was expensed for the purpose of the Plan. Pension contributions are included in employee benefits expense in the statement of operations.

15. TRANSFER

A transfer from the Donation Fund to the Operating Fund in the amount of \$12,999 (2023 \$49,665) was made to help offset the cost of the Birth Control Program.

16. ECONOMIC DEPENDENCE

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.

(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, 2024

18. CONTINGENT LIABILITIES

In respect of a claim from a former employee (the plaintiff), the Organization has been granted leave to file a motion for summary judgement and/or trial, which legal counsel believes will resolve most of the issues if successful. An offer to settle had been received from the plaintiff. However, per legal counsel, it was believed that the level of damages has not been reasonably achieved. Accordingly, no contingent liability is recognized in these financial statements as the settlement amount is not likely to be paid.

**WOMEN'S HEALTH CLINIC INC.
SCHEDULE OF EXPENSES
YEAR ENDED MARCH 31, 2024**

	OPERATING FUND	DONATION FUND	CAPITAL FUND	TOTAL 2024	TOTAL 2023
Accounting and computer	\$ 2,037	7	-	2,044	24,329
Amortization of tangible capital assets	-	-	42,796	42,796	42,142
Association membership fees	10,322	5,780	-	16,102	14,344
Community relations	22,293	63,604	-	85,897	38,198
COVID-19 expenses	834	-	-	834	41,619
Employee benefits	1,215,013	18,611	-	1,233,624	938,528
Equipment leases	36,572	-	-	36,572	42,986
Fundraising	-	-	-	-	9,906
Insurance	81,715	-	-	81,715	19,259
Lectures and honorariums	24,825	-	-	24,825	14,750
Medical supplies and processing fees	412,574	-	-	412,574	390,664
Minor equipment	4,226	-	-	4,226	39,519
Occupancy costs	128,442	-	-	128,442	158,113
Office	181,514	7,474	-	188,988	139,973
Other supplies	104,712	5,703	-	110,415	122,844
Professional fees	75,001	-	-	75,001	52,642
Purchased services	370,197	-	-	370,197	345,619
Recruitment and hiring	689	-	-	689	1,151
Repairs and maintenance	225,408	-	141,450	366,858	246,918
Salaries	5,610,744	97,441	-	5,708,185	5,852,564
Staff training	9,865	36	-	9,901	19,897
Telephone	46,547	-	-	46,547	45,161
Travel	42,277	-	-	42,277	24,357
Utilities	58,896	-	-	58,896	61,539
	<u>\$ 8,664,703</u>	<u>198,656</u>	<u>184,246</u>	<u>9,047,605</u>	<u>8,687,022</u>

WOMEN'S HEALTH CLINIC INC.
SCHEDULE OF WRHA AND NON-WRHA FUNDED OPERATING COSTS
YEAR ENDED MARCH 31, 2024

	<u>WRHA</u> <u>FUNDED</u>	<u>NON-WRHA</u> <u>FUNDED</u>	<u>TOTAL</u> <u>2024</u>	<u>TOTAL</u> <u>2023</u>
Accounting and computer	\$ 2,014	23	2,037	23,703
Association membership fees	10,322	-	10,322	10,331
Community relations	21,408	885	22,293	17,088
COVID-19 expenses	834	-	834	41,619
Employee benefits	1,058,147	156,866	1,215,013	933,687
Equipment leases	36,389	183	36,572	42,986
Insurance	80,474	1,241	81,715	19,259
Lectures and honorariums	9,375	15,450	24,825	14,750
Medical supplies and processing fees	412,370	204	412,574	390,664
Minor equipment	4,226	-	4,226	39,519
Occupancy costs	119,565	8,877	128,442	158,113
Office	169,463	12,051	181,514	132,720
Other supplies	84,148	20,564	104,712	122,619
Professional fees	75,001	-	75,001	52,642
Purchased services	369,537	660	370,197	345,619
Recruitment and hiring	489	200	689	496
Repairs and maintenance	225,381	27	225,408	246,918
Salaries	4,866,694	744,050	5,610,744	5,828,081
Staff training	7,610	2,255	9,865	19,897
Telephone	45,368	1,179	46,547	45,161
Travel	32,075	10,202	42,277	24,294
Utilities	58,742	154	58,896	61,539
	<u>7,689,632</u>	<u>975,071</u>	<u>8,664,703</u>	<u>8,571,705</u>