Klinic, Inc.
o/a Klinic Community Health
Financial Statements
March 31, 2025

To the Members of Klinic, Inc. o/a Klinic Community Health:

Opinion

We have audited the financial statements of Klinic, Inc. o/a Klinic Community Health (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and the results of its 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 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.

Other Information

Management is responsible for the other information. The other information comprises the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.

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 4, 2025

MNP LLP

Chartered Professional Accountants

Klinic, Inc.
o/a Klinic Community Health
Statement of Financial Position
As at March 31, 2025

	Operating Fund	*Capital Asset Fund*	*Donation Fund*	*2025*	*2024*
Assets					
Current					
Cash *(Note 3)*	1,576,464	-	-	**1,576,464**	1,910,475
Cash in trust - external projects *(Note 3), (Note 4)*	72,912	-	-	**72,912**	61,362
Accounts receivable *(Note 5)*	2,313,729	-	-	**2,313,729**	2,147,124
Prepaid expenses	59,295	-	-	**59,295**	58,647
	4,022,400	**-**	**-**	**4,022,400**	4,177,608
Pre-retirement leave receivable from Winnipeg Regional Health Authority	619,495	-	-	**619,495**	275,668
Capital assets *(Note 6)*	168,902	8,139,132	-	**8,308,034**	8,715,987
	4,810,797	**8,139,132**	**-**	**12,949,929**	13,169,263
Liabilities					
Current					
Accounts payable and accruals *(Note 7)*	3,223,581	-	-	**3,223,581**	2,483,932
Deferred revenue *(Note 8)*	336,166	-	-	**336,166**	1,562,051
Current portion of mortgage payable *(Note 9)*	-	189,882	-	**189,882**	184,997
Funds in trust - external projects *(Note 4)*	72,912	-	-	**72,912**	61,362
	3,632,659	**189,882**	**-**	**3,822,541**	4,292,342
Deferred revenue *(Note 8)*	-	578,522	-	**578,522**	582,602
Mortgage payable *(Note 9)*	-	3,599,509	-	**3,599,509**	3,789,391
Pre-retirement leave *(Note 10)*	1,155,152	-	-	**1,155,152**	747,489
	1,155,152	**4,178,031**	**-**	**5,333,183**	5,119,482
	4,787,811	**4,367,913**	**-**	**9,155,724**	9,411,824
Net Assets					
Invested in capital assets	-	3,771,219	-	**3,771,219**	4,375,012
Unrestricted - retainable	22,986	-	-	**22,986**	(617,573)
	22,986	**3,771,219**	**-**	**3,794,205**	3,757,439
	4,810,797	**8,139,132**	**-**	**12,949,929**	13,169,263

Approved on behalf of the Board

"Christie Roberts"
Director

"Kathy Majowski"
Director

The accompanying notes are an integral part of these financial statements

Klinic, Inc.
o/a Klinic Community Health
Statement of Operations
For the year ended March 31, 2025

	Operating Fund	Capital Asset Fund	Donation Fund	2025	2024
Revenues					
Grants					
Winnipeg Regional Health Authority	**15,328,547**	**51,538**	**-**	**15,380,085**	13,888,872
Province of Manitoba	**2,028,154**	**-**	**-**	**2,028,154**	1,136,036
Centre for Addiction and Mental Health	**572,271**	**-**	**-**	**572,271**	232,114
Government of Canada	**264,422**	**-**	**-**	**264,422**	-
University of Winnipeg	**199,470**	**-**	**-**	**199,470**	170,725
Addictions Foundation of Manitoba	**90,650**	**-**	**-**	**90,650**	126,044
Workers Compensation Board	**69,365**	**-**	**-**	**69,365**	65,000
Shared Health	**-**	**-**	**-**	**-**	1,047,890
Winnipeg Foundation	**-**	**-**	**-**	**-**	9,617
United Way	**-**	**-**	**-**	**-**	3,750
University of Manitoba	**-**	**-**	**-**	**-**	19,266
Other	**198,738**	**-**	**-**	**198,738**	1,275,781
Rent	**-**	**176,650**	**-**	**176,650**	81,655
Amortization of deferred revenues *(Note 8)*	**-**	**132,570**	**-**	**132,570**	381,247
Donations	**16,946**	**-**	**67,696**	**84,642**	72,593
Workshops	**52,698**	**-**	**-**	**52,698**	45,576
Interest	**33,938**	**-**	**55**	**33,993**	26,690
	18,855,199	**360,758**	**67,751**	**19,283,708**	18,582,856
Expenses					
Amortization	**50,073**	**608,101**	**-**	**658,174**	570,096
Bad debts	**124,578**	**-**	**-**	**124,578**	186,521
Benefits and payroll tax *(Note 11)*	**2,779,302**	**-**	**-**	**2,779,302**	2,525,861
Insurance	**20,379**	**1,236**	**-**	**21,615**	27,963
Medical remuneration	**1,805,570**	**-**	**-**	**1,805,570**	1,676,422
Medical supplies	**164,643**	**-**	**-**	**164,643**	180,031
Membership and license fees	**271,760**	**-**	**-**	**271,760**	95,345
Mortgage interest	**-**	**101,242**	**-**	**101,242**	116,211
Office supplies	**246,789**	**-**	**-**	**246,789**	240,933
Other	**358,106**	**-**	**1,918**	**360,024**	438,830
Professional fees	**114,627**	**-**	**-**	**114,627**	116,188
Repairs and maintenance	**512,778**	**-**	**605**	**513,383**	553,108
Salaries	**11,830,482**	**-**	**-**	**11,830,482**	11,690,134
Travel and transportation	**67,479**	**-**	**-**	**67,479**	50,891
Utilities and property taxes	**118,881**	**-**	**-**	**118,881**	113,417
Volunteer services	**4,557**	**-**	**-**	**4,557**	5,446
	18,470,004	**710,579**	**2,523**	**19,183,106**	18,587,397
Excess (deficiency) of revenue over expenses before pre-retirement leave	**385,195**	**(349,821)**	**65,228**	**100,602**	(4,541)
Pre-retirement leave *(Note 10)*	**(63,836)**	**-**	**-**	**(63,836)**	10,208
Excess (deficiency) of revenue over expenses	**321,359**	**(349,821)**	**65,228**	**36,766**	5,667

The accompanying notes are an integral part of these financial statements

Statement of Changes in Net Assets

For the year ended March 31, 2025

	Operating Fund	*Capital Asset Fund*	*Donation Fund*	***2025***	*2024*
Net assets (deficit), beginning of year	**(1,533,766)**	**4,375,012**	**916,193**	**3,757,439**	3,751,772
Excess (deficiency) of revenue over expenses	**321,359**	**(349,821)**	**65,228**	**36,766**	5,667
Purchase of capital assets	**(288,016)**	**288,016**	**-**	**-**	-
Principal payments on mortgage payable	**(184,997)**	**184,997**	**-**	**-**	-
Deferred capital contributions received	**128,490**	**(128,490)**	**-**	**-**	-
Interfund transfer *(Note 12)*	**1,579,916**	**(598,495)**	**(981,421)**	**-**	-
Net assets, end of year	**22,986**	**3,771,219**	**-**	**3,794,205**	3,757,439

Statement of Cash Flows

For the year ended March 31, 2025

	2025	*2024*
Cash flows from operating activities		
Operating		
Excess (deficiency) of revenue over expenses	**36,766**	5,667
Bad debts	**124,578**	186,521
Writedown of computer equipment	**37,795**	-
Amortization of capital assets	**658,174**	570,096
Amortization of deferred contributions	**(132,570)**	(381,247)
	724,743	381,037
Changes in working capital accounts		
Cash in trust - external projects	**(11,550)**	665
Accounts receivable	**(291,183)**	120,309
Prepaid expenses	**(648)**	(40,849)
Accounts payable and accruals	**739,649**	(22,268)
Deferred revenue	**(1,225,885)**	1,073,972
Funds in trust	**11,550**	(665)
	(53,324)	1,512,201
Cash flows from financing activities		
Change in pre-retirement obligation	**63,836**	(10,207)
Capital contributions received	**128,490**	168,034
Payments on mortgage payable	**(184,997)**	(179,550)
	7,329	(21,723)
Cash flows from investing activities		
Purchase of capital assets	**(288,016)**	(301,313)
Increase (decrease) in cash resources	**(334,011)**	1,189,165
Cash, beginning of year	**1,910,475**	721,310
Cash, end of year	**1,576,464**	1,910,475

1. Incorporation and nature of the organization

Klinic, Inc. o/a Klinic Community Health (the “Organization”) is a Community Health Centre offering health and social services in part of the core area of Winnipeg as well as providing specialized crisis, sexual assault counselling, family abuse counselling, public education and training for the Province of Manitoba.

The Organization is an incorporated not-for-profit organization under the Income Tax Act and is a registered charity.

2. Significant accounting policies

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

Fund accounting

The Organization follows the deferral method of accounting for contributions and reports using fund accounting, and maintains three funds: the Operating Fund, the Capital Asset Fund and the Donation Fund.

The Operating Fund reports all revenues and expenses related to program delivery and administrative activities. The Operating Fund reports the assets (including computer equipment), liabilities, revenues and expenses related to the Organization’s activities.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the Organization’s capital assets (excluding computer equipment).

The Donation Fund reports assets, liabilities, receipts and disbursements related to all donations. The Donation Fund is used to support existing programs.

Revenue recognition

The Organization uses the deferral method of accounting for contributions and reports on a fund accounting basis. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions, consisting of grants, are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Workshops and fundraising revenue are recognized as revenue in the appropriate fund when the event is held.

Cash

Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Operating Fund	
Computer equipment	3-5 years
Capital Asset Fund	
Building	20 years
Furniture and equipment	3-20 years
Website	2-5 years

Construction in progress is not amortized until the asset is available for use. Upon completion, the cost will be added to the building and amortized using the rate noted above.

2. Significant accounting policies *(Continued from previous page)*

Long-lived assets

Long-lived assets consists of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Organization's ability to provide goods and services. The assets are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Organization determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

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% (2024 - 4.8%), a rate of salary increase of 2.75% and 2.75% plus 3.5% for MAHCP members per annum up to March 31, 2025 and 4.70% for CUPE members and 3.0% for other union members per annum thereafter (2024 - 2.0%) plus an age-related merit/promotion scale with provision for disability.

External projects

External projects are sponsored by the Organization and directed by third party organizations. The Organization provides administrative services to these projects including receipt of funding, disbursement of expenditures and financial reporting. Funding committed for the current fiscal year but received subsequent to the year-end is recorded as funding receivable for external projects. Funding received but not fully disbursed is included in cash in trust - external projects.

Measurement uncertainty (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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Pre-retirement leave benefits are based on estimated future obligations.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenues over expenses in the year in which they become known.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in a group. Management considers whether the issuer is having significant financial difficulty in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

Customer's accounting for cloud computing arrangement

The Organization has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Organization recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, expenses of $247,861 have been recognized in office supplies and membership and license fees.

3. Cash

The Organization has available an operating line of credit with an authorized limit of $500,000 (2024 - $500,000) bearing interest at prime. The line of credit was not in use at March 31, 2025 (2024 - $nil).

4. Cash in trust - external projects

Funds in trust for external projects are as follows:

	2025	*2024*
Benevolent fund	**9,899**	-
Communities 4 Families - Downtown Parent Coalition	**47,837**	45,243
Manitoba Network for Suicide Prevention	**3,433**	3,433
Manitoba Public Health Association	**4,032**	3,981
Take Back the Night	**636**	636
Trauma Forum	**7,979**	7,979
Wellness Committee	**(904)**	90
	72,912	61,362

5. Accounts receivable

	2025	*2024*
Winnipeg Regional Health Authority	**2,052,294**	1,024,784
Other	**261,435**	1,122,340
	2,313,729	2,147,124

6. Capital assets

	Cost	***Accumulated amortization***	***2025 Net book value***
Operating Fund			
Computer equipment	**667,990**	**499,088**	**168,902**
Capital Asset Fund			
Land	**763,130**	**-**	**763,130**
Building	**9,842,557**	**2,876,535**	**6,966,022**
Furniture and equipment	**921,619**	**587,322**	**334,297**
Website	**126,056**	**56,743**	**69,313**
Construction in progress	**6,370**	**-**	**6,370**
	12,327,722	**4,019,688**	**8,308,034**

	Cost	*Accumulated amortization*	*2024 Net book value*
Operating Fund			
Computer equipment	591,093	449,015	142,078
Capital Asset Fund			
Land	763,130	-	763,130
Building	9,833,383	2,382,470	7,450,913
Furniture and equipment	851,517	510,806	340,711
Website	50,977	31,822	19,155
	12,090,100	3,374,113	8,715,987

7. Accounts payable and accruals

	2025	*2024*
Trade payables and accruals	**3,209,757**	2,344,179
Winnipeg Regional Health Authority	**13,824**	139,753
	3,223,581	2,483,932

8. Deferred revenue

The deferred revenue reported in the Operating Fund represents restricted funding and unspent resources received in the current year and externally restricted funding that are related to the subsequent year.

Changes in the deferred revenue balances for the Operating Fund are as follows:

	2025	*2024*
Balance, beginning of year	**1,562,051**	488,079
Less: amounts recognized as revenue during the year	**(2,086,277)**	(2,486,152)
Add: amounts received related to next year	**860,392**	3,560,124
Balance, end of year	**336,166**	1,562,051

Changes in the deferred revenue balances for the Capital Asset Fund are as follows:

Balance, beginning of year	**582,602**	795,816
Less: amounts recognized as revenue during the year:		
Winnipeg Regional Health Authority	**(17,753)**	(307,193)
Winnipeg Foundation	**(20,981)**	(26,055)
Government of Manitoba - SACRHP	**(38,951)**	(13,043)
Centre for Addiction and Mental Health	**(11,613)**	(1,936)
Other	**(2,093)**	(1,843)
Tenant inducements	**(31,178)**	(31,178)
Add: contributions		
Winnipeg Regional Health Authority	**1,780**	32,863
Government of Manitoba - SACRHP	**116,709**	100,330
Centre for Addiction and Mental Health	**-**	34,841
Balance, end of year	**578,522**	582,602

Deferred revenue reported in the Capital Asset Fund includes the unamortized portion of funds to acquire and renovate the Organization's premises. Deferred revenue is amortized on the statement of operations.

9. Mortgage payable

	2025	*2024*
Assiniboine Credit Union - 167 Sherbrook Street Semi-monthly payments of $12,125, bearing interest at 2.75% secured by an assignment of fire and theft insurance, a registered general security agreement providing a first charge on all assets of the Organization, a registered first real property multi-purpose mortgage for $10,000,000 over 167 Sherbrook Street and a registered general assignment of rents and leases over 167 Sherbrook Street, maturing June 2026.	**3,789,391**	3,974,388
Less: current portion	**189,882**	184,997
	3,599,509	3,789,391

Principal repayments on the mortgage for the next two years, are estimated as follows:

	Principal
2026	189,882
2027	3,599,509

10. Pre-retirement leave benefits

The Organization has a contractual commitment for the pre-retirement benefits for the members of the pension plan based on years of service before retirement. During the year ended March 31, 2006, the Organization was instructed by the Winnipeg Regional Health Authority to record the full obligation. The Winnipeg Regional Health Authority 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 Winnipeg Regional Health Authority has instructed the Organization to set up a receivable for the percentage of the change in the pre-retirement leave obligation that belongs to Winnipeg Regional Health Authority programs. The change in the accrued pre-retirement leave benefits are recorded as an expense in the current year. Actual expenditures for pre-retirement payouts are recorded in operations.

	2025	*2024*
Change in obligation		
Opening balance	**747,489**	794,705
Increase in obligation	**407,663**	-
Decrease in obligation	**-**	(47,216)
	1,155,152	747,489
Pre-retirement leave		
Current year retirement benefits paid	**(157,703)**	(152,779)
Current year recovery		
WRHA	**157,703**	152,779
Decrease (increase) in obligation	**(407,663)**	47,216
Increase (decrease) in receivable	**265,169**	(37,009)
	(142,494)	10,207

11. Pension

Effective June 1, 2003, the Organization adopted a defined benefit pension plan under a participation agreement with Healthcare Employees Pension Plan - Manitoba (the "Plan"). As part of the agreement, the Organization's liability for pension benefits during the term of its participation in the Plan is limited to the contributions made to the Plan as required from time to time. As a result, contributions to the Plan are expensed as incurred and no liability or asset is recognized for any potential Plan funding shortfall or excess. During the year, $1,013,849 (2024 - $1,005,245) was expensed for the purpose of the Plan.

Prior to June 1, 2003, the Organization had a defined contribution pension plan.

Pension contributions are included in employee benefits expense of the applicable programs.

12. Interfund transactions

Effective March 31, 2025, the Board of Directors approved the transfer of the net assets held in the Donation Fund to the Operating Fund. The total net assets transferred from the Donation Fund to the Operating Fund was $981,421.

Effective March 31, 2025, the Board of Directors approved the transfer of $598,495 from the Capital Asset Fund to the Operating Fund to eliminate the due to/from account balances. The due to/from balances represented the net of funds received by one fund on behalf of the other and expenses paid by one fund on behalf of the other.

13. 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.

14. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument may be affected by a change in interest rate. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate price risk on its mortgage payable as it is at a fixed rate. The Organization’s mortgage payable with a fixed rate of 2.75% matures June 2026. The Organization has the option to renegotiate this mortgage at the end of the term.

The Organization is exposed to interest rate cash flow risk with respect to its line of credit which is subject to a floating interest rate of prime.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to settle financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset.

Credit concentration

As at March 31, 2025, one funding body (2024 - one) accounted for 80% (2024 - 78%) of revenues from operations and one funding bodies (2024 - three) accounted for 89% (2024 - 82%) of the accounts receivable. The Organization believes that there is no unusual exposure associated with the collection of these receivables. The Organization performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

15. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.