

Financial Statements of

**CLINIQUE YOVILLE
CLINIC INC.**

Year ended March 31, 2021

CLINIQUE YOUVILLE CLINIC INC.

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Year ended March 31, 2021

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KPMG LLP
1900 - 360 Main Street
Winnipeg MB
R3C 3Z3

Telephone (204) 957-1770
Fax (204) 957-0808
www.kpmg.ca

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INDEPENDENT AUDITORS' REPORT

To the Member of Clinique Youville Clinic Inc.

Opinion

We have audited the financial statements of Clinique Youville Clinic Inc. (the "Entity"), which comprise the statement of financial position as at March 31, 2021 and the statement of operations and changes in fund balances and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

June 15, 2021

CLINIQUE YOVILLE CLINIC INC.

Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 720,025	\$ 624,829
Short-term investments	603,039	592,058
Accounts receivable	8,112	8,267
Receivable from Winnipeg Regional Health Authority (note 2)	119,153	21,510
Employee benefits recoverable from Winnipeg Regional Health Authority (note 3[a])	125,848	125,848
Prepaid expenses	46,895	49,426
	<u>1,623,072</u>	<u>1,421,938</u>
Capital assets (note 4)	68,515	60,307
Future employee pre-retirement and sick leave benefits recoverable from Winnipeg Regional Health Authority (notes 3[b] and 3[c])	168,933	198,312
	<u>\$ 1,860,520</u>	<u>\$ 1,680,557</u>

Liabilities, Deferred Contributions and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 3[a])	\$ 372,257	\$ 300,579
Future employee pre-retirement benefits payable (note 3[b])	179,218	202,407
Sick leave benefits payable (note 3[c])	27,856	34,046
	<u>579,331</u>	<u>537,032</u>
Deferred rent	37,016	25,366
Deferred contributions for (note 5):		
Future expense	359,862	234,685
Capital assets	38,509	44,392
	<u>398,371</u>	<u>279,077</u>
Fund balances:		
Unrestricted:		
Operations	201,922	208,087
Internally restricted	613,875	615,080
Capital fund	30,005	15,915
	<u>845,802</u>	<u>839,082</u>
Commitments (note 8)		
Subsequent events (note 10)		
	<u>\$ 1,860,520</u>	<u>\$ 1,680,557</u>

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:

Original Document SignedDate June 15, 2021

CLINIQUE YOUVILLE CLINIC INC.

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2021, with comparative information for 2020

	Unrestricted		Internally Restricted	Capital Fund	2021 Total	2020 Total
	Operations	Ancillary Programs				
Revenue:						
Winnipeg Regional Health Authority	\$ 3,017,230	\$ -	\$ -	\$ -	\$ 3,017,230	\$ 2,933,066
Other	60,138	2,838	-	-	62,976	74,016
Insurance recoveries	2,272	-	-	-	2,272	9,705
Amortization of deferred contributions related to capital assets (note 5[b])	-	-	-	12,404	12,404	12,308
Interest and donations	-	-	19,430	-	19,430	34,428
Donation - DER	-	8,696	-	-	8,696	9,895
Communication and Special Project	-	14,763	-	-	14,763	6,406
Diabetes Cardiac Initiative	-	-	-	-	-	2,500
Healthy Baby Program	-	34,754	-	-	34,754	38,021
Intergenerational Community Outreach	-	9,552	-	-	9,552	829
Mindfulness	-	2,635	-	-	2,635	52,444
Pathways	-	24	-	-	24	2,392
Nobody's Perfect Special Projects (note 7)	-	38,600	-	-	38,600	19,353
Nobody's Perfect Program	-	92,726	-	-	92,726	96,590
Nutrition Programs	-	-	-	-	-	233
Teen Clinic Volunteer Funding	-	-	-	-	-	3,019
Young Adult Type 1	-	-	-	-	-	18
	3,079,640	204,588	19,430	12,404	3,316,062	3,295,223
Expenses:						
Amortization of capital assets	-	-	-	18,949	18,949	16,239
Salaries and benefits (note 10)	2,464,920	151,405	-	-	2,616,325	2,592,601
Building, equipment and maintenance	488,544	1,476	-	-	490,020	452,383
Printing, stationery and telephone	51,784	3,784	-	-	55,568	44,270
Supplies and services	67,344	47,923	-	-	115,267	105,661
Clinical supplies	13,213	-	-	-	13,213	30,702
	3,085,805	204,588	-	18,949	3,309,342	3,241,856
Excess (deficiency) of revenue over expenses before the undernoted	(6,165)	-	19,430	(6,545)	6,720	53,367
Winnipeg Regional Health Authority income (expense):						
Future employee pre-retirement benefits	23,189	-	-	-	23,189	26,493
Future employee pre-retirement benefits income	(23,189)	-	-	-	(23,189)	(26,493)
Excess (deficiency) of revenue over expenses	(6,165)	-	19,430	(6,545)	6,720	53,367
Fund balances, beginning of year	208,087	-	615,080	15,915	839,082	785,715
Interfund transfer	-	-	(20,635)	20,635	-	-
Fund balances, end of year	\$ 201,922	\$ -	\$ 613,875	\$ 30,005	\$ 845,802	\$ 839,082

See accompanying notes to financial statements.

CLINIQUE YOUVILLE CLINIC INC.

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Operating activities:		
Excess of revenue over expenses	\$ 6,720	\$ 53,367
Items not involving cash:		
Amortization of capital assets	18,949	16,239
Amortization of deferred contributions related to capital assets	(12,404)	(12,308)
Change in non-cash working capital balances:		
Accounts receivable	155	(1,266)
Receivable from Winnipeg Regional Health Authority	(97,643)	(7,125)
Prepaid expenses	2,531	(11,756)
Future employee pre-retirement and sick leave benefits recoverable from Winnipeg Regional Health Authority	29,379	32,673
Accounts payable and accrued liabilities	71,678	(59,351)
Future employee pre-retirement benefits payable	(23,189)	(26,493)
Sick leave benefits payable	(6,190)	(6,180)
Deferred rent	11,650	14,813
Deferred contributions received related to future expense	329,765	182,555
Deferred contributions recognized as revenue in the year	(204,588)	(236,675)
	126,813	(61,507)
Capital activities:		
Purchase of capital assets	(27,157)	(27,773)
Deferred contributions received or receivable related to capital assets	6,521	14,484
	(20,636)	(13,289)
Investing activities:		
Additions to short-term investments	(10,981)	(14,030)
Increase (decrease) in cash	95,196	(88,826)
Cash, beginning of year	624,829	713,655
Cash, end of year	\$ 720,025	\$ 624,829
Supplementary cash flow information:		
Interest received	\$ 15,327	\$ 29,155

See accompanying notes to financial statements.

CLINIQUE YOUVILLE CLINIC INC.

Notes to Financial Statements

Year ended March 31, 2021

General:

The corporation was established March 3, 1983 by the Grey Nuns of Manitoba, without share capital and operates under the name Centre Youville Centre. Effective October 5, 2000, the Catholic Health Corporation of Manitoba (now Reseau Compassion Network) assumed sponsorship. The corporation operates two health resource centres, a Community Health Resource Centre in St. Vital and a Diabetes Education Resource Centre in St. Boniface. The mandate of the corporation includes:

- The creation of a comprehensive community based resource for the promotion of healthy lifestyles by assisting people to assume responsibility for their own health and well-being, and to create an awareness of their own resources by offering education, direction and support.
- Nurse managed care and an expanded role outside of the traditional illness focused model of care for health professionals.
- Services for people across their life span with health care teams working together with the community to support programs that range from: maternal child health to chronic diseases; prenatal to parenting workshops; adolescent to women's health services; as well as a community health information line.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the PS 4200 standards for government not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition:

The corporation follows the deferral method of accounting for contributions, which include donations and government grants.

Operating grants are recorded as revenue in the period to which they relate.

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

Externally restricted contributions are recorded as deferred contributions and recognized as revenue in the year in which the related expenses are recognized.

CLINIQUE YOVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2021

1. Significant accounting policies (continued):

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Volunteers are an integral part of carrying out the activities of the corporation. These contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

(b) Operating deficits or surpluses:

The corporation is funded primarily by the Winnipeg Regional Health Authority (WRHA). The corporation's Service Purchase Agreement with the WRHA continues in effect until March 31, 2023 subject to certain provisions.

In accordance with the terms and conditions of the Service Purchase Agreement between the corporation and the WRHA, annual operating deficits are the responsibility of the corporation. The corporation may retain the greater of 50 percent of the annual operating surplus related to insured services and 2 percent of the global budget as provided by the WRHA, in any fiscal year. Those surpluses that are retained by the corporation are subject to review by the WRHA and adjustments recorded in the period they are communicated to the corporation. Annual operating surpluses in excess of 2 percent of the net cost of insured services are repayable to the WRHA.

(c) Fund accounting:

The corporation reports the Operations and Ancillary Programs separately in the Unrestricted Fund.

Revenue and expenses related to patient care program delivery are reported within the Operations Program.

The Ancillary Program includes revenue and expenses related to grant and donation funding used for purposes as designated by the donor, grantor, or other contributor. The use of the funds includes support for research, education, and clinical program activities. Surplus from the Ancillary Program is transferred to the Internally Restricted Fund once the programs are complete.

CLINIQUE YOVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2021

1. Significant accounting policies (continued):

The Internally Restricted Fund represents funds received through donations and interest income. All expenditures from this fund require the approval of the Board of Directors.

The Capital Fund reports the revenue and expenses related to capital asset equipment and construction projects. Funding for capital assets purchased with internally designated funds is recorded as an inter-fund transfer.

(d) Financial instruments:

Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. The corporation has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

The corporation did not incur any remeasurement gains and losses during the year ended March 31, 2021 (2020 - nil) and therefore a statement of remeasurement gains and losses is not required to be included in these financial statements.

CLINIQUE YOVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2021

1. Significant accounting policies (continued):

All financial instruments recognized at fair value are classified using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

(e) Capital assets:

Capital assets are recorded at cost and are amortized over their estimated useful lives using the following annual rates and methods:

Asset	Basis	Rate
Furniture and fixtures	Declining balance	20%
Computer equipment	Declining balance	30%
Leasehold improvements	Straight-line	5 years

(f) Future employee benefits:

The cost of the corporation's employee retirement 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 accumulated non-vested sick leave liability is calculated annually utilizing an internally developed valuation method which takes into account the average usage of sick days used in excess of the annual sick days earned, average employee service time to date and average employee compensation per day.

CLINIQUE YOUVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2021

1. Significant accounting policies (continued):

(g) Employee benefits:

The cost of the corporation's vacation benefits is accrued when the benefits are earned by the employees and is reported in accounts payable and accrued liabilities on the statement of financial position. WRHA provides funding for a portion of vacation benefits payable, and this amount is reported as employee benefits recoverable from WRHA on the statement of financial position.

(h) Income taxes:

The corporation is a registered charity within the meaning of the *Income Tax Act* and therefore is exempt from income taxes under Section 149 (1) of the *Income Tax Act*.

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of accounts receivable, capital assets and obligations related to employee future benefits and amounts deferred for future program expenses. Actual results could differ from those estimates.

2. Receivable from Winnipeg Regional Health Authority:

The details of receivable from WRHA are as follows:

	2021	2020
Union increases	\$ 46,462	\$ 14,485
Healthcare spending account	7,907	7,025
Equipment reimbursement	6,521	–
COVID-19 reimbursement	13,523	–
Pre-retirement leave for fiscal 2021 retirees	44,740	–
	\$ 119,153	\$ 21,510

CLINIQUE YOVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2021

3. Employee benefit plans:

(a) Employee benefits:

The corporation records a provision for employee benefits including vacation and statutory holiday entitlements. At March 31, 2021, accounts payable and accrued liabilities includes employee benefits payable of \$187,099 (2020 - \$180,813).

During fiscal 2008, the WRHA confirmed that it will fund a portion of these employee benefits, which is limited to the amount estimated at March 31, 2004. Accordingly, the corporation has recorded a recoverable in the amount of \$125,848, representing amounts due from WRHA, and reflects the estimated liability for accumulated employee benefits at that date. Each year thereafter, the corporation is expected to fund the change in the liability from annual funding provided by the WRHA.

(b) Future employee pre-retirement benefits:

The corporation maintains an employee pre-retirement benefits plan for substantially all of its employees. The plan provides benefit payments to eligible retirees based on length of service and on career earnings from initial eligibility.

The estimation of the future pre-retirement benefits obligation has been performed using the projected unit credit service pro-rated on service actuarial cost method. The significant actuarial assumptions adopted in measuring the corporation's pre-retirement benefit plan obligations include mortality and withdrawal rates, a discount rate of 2.65 percent (2020 - 2.60 percent) and a rate of salary increase of 0.75 percent to March 2021, 1.00 percent to March 2022 and 3.50 percent thereafter (2020 - 0.75 percent to March 2021, 1.00 percent to March 2022 and 3.50 percent thereafter) plus an age related merit/promotion scale. Information about the corporation's pre-retirement benefit plan obligations is as follows:

	2021	2020
Benefit plan obligations:		
Balance, beginning of year	\$ 202,407	\$ 228,900
Current service cost	18,610	17,352
Interest cost	6,091	7,763
Benefits paid	(44,740)	(48,602)
Balance, end of year	182,368	205,413
Unamortized actuarial loss	(3,150)	(3,006)
Benefit plan obligations, end of year	\$ 179,218	\$ 202,407

CLINIQUE YOVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2021

3. Employee benefit plans (continued):

The amount of funding which will be provided by the WRHA for pre-retirement benefits was initially determined based on the pre-retirement liability at March 31, 2004 and was recorded as a long-term receivable on the statement of financial position.

In addition, during fiscal 2007, the WRHA approved partial funding of the incremental increases in the future employee pre-retirement benefits liability for fiscal 2005 and 2006 of \$22,708.

The amount recoverable has been adjusted, based on direction from WRHA, to include the incremental increases in the related liability since 2007, which include an interest component. The decrease in fiscal 2021 was \$23,189 (2020 - \$26,493 decrease) and is recorded as revenue in the statement of operations.

The future employee pre-retirement benefits recoverable from WRHA at March 31, 2021 aggregates \$144,077 (2020 - \$164,266) and has no specified terms of repayment.

Beginning April 1, 2005, the WRHA established a policy of providing additional funding for approximately 70 percent of actual pre-retirement benefits paid. Cash funding provided by the WRHA for 2021 was 100 percent (2020 - 100 percent) of actual pre-retirement benefits paid, if any.

(c) Accrued sick-leave entitlement:

The corporation provides accumulating sick leave benefits to certain employee groups. These benefits accumulate with employee service and benefit amounts are determined with reference to employees' final earnings at the time they are paid out. The significant assumptions adopted in measuring the corporation's accumulated non-vested sick leave benefits include a discount rate of 2.65% percent (2020 - 2.60 percent) and a rate of salary increase of 0.75 percent (2020 - 3.50 percent).

A recoverable amount from the WRHA of \$27,856 (2020 - \$34,046) for the accumulated non-vested sick leave benefits has been recorded on the statement of financial position and has no specified terms of repayment. The recoverable amount has been adjusted, based on direction from WRHA, for the incremental change in the accumulated non-vested sick leave benefits. The decrease recorded in 2021 was \$6,190 (2020 - \$6,180 decrease) and is recorded in the statement of operations.

CLINIQUE YOVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2021

4. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 209,320	\$ 197,826	\$ 11,494	\$ 11,335
Computer equipment	383,100	358,279	24,821	30,811
Leasehold improvements	473,692	441,492	32,200	18,161
	<u>\$ 1,066,112</u>	<u>\$ 997,597</u>	<u>\$ 68,515</u>	<u>\$ 60,307</u>

5. Deferred contributions:

(a) Future expense:

Deferred contributions related to future expense represent unspent externally restricted grants and donations for research, education and programs.

	2021	2020
Balance, beginning of year	\$ 234,685	\$ 288,805
Add amount received related to future periods	329,765	182,555
Less amount recognized as revenue in the year	(204,588)	(236,675)
<u>Balance, end of year</u>	<u>\$ 359,862</u>	<u>\$ 234,685</u>

The amount of deferred contributions recognized as revenue during the year is recorded in the statement of operations in ancillary programs.

(b) Capital assets:

Deferred capital contributions related to capital assets represent the unamortized amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the Capital Fund in the statement of operations.

	2021	2020
Balance, beginning of year	\$ 44,392	\$ 42,216
Additional contributions received or receivable	6,521	14,484
Less amounts amortized to revenue	(12,404)	(12,308)
<u>Balance, end of year</u>	<u>\$ 38,509</u>	<u>\$ 44,392</u>

CLINIQUE YOUVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2021

6. Employee pension plan:

Eligible employees of the corporation are members of the Healthcare Employees' Pension Plan - Manitoba (HEPP), a multi-employer defined benefit pension plan. The plan specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The most recent actuarial valuation of the plan as at December 31, 2019, reported the plan had a surplus of actuarial value of net assets over actuarial present value of accrued pension obligations as well as a solvency deficiency. Based on a solvency exemption granted to HEPP, the plan is not required to fund on a solvency basis but is required to fund on a going concern basis. The going concern deficiency, if any, will be funded by special payments out of current contributions. Any contribution deficiencies in the plan would be addressed through pension benefit reductions or contribution rate increases from the participating members. In years between valuations, the Corporation utilizes extrapolations prepared by the actuary to estimate the accrued benefit obligations. The next required valuations will be as of December 31, 2020.

During the year, the Corporation contributed \$170,189 (2020 - \$170,092) on behalf of its employees. Contribution rates for the Corporation remain unchanged from the previous year at 8.9 percent (2020 - 8.9 percent) of pensionable earnings up to the yearly maximum pensionable earnings limit (YMPE) and 10.5 percent (2020 - 10.5 percent) on earnings in excess of the YMPE.

7. Related party transactions:

From Youville's inception in 1983 to March 31, 2020, the Regina Grey Nuns and the Grey Nuns of Manitoba Inc. have contributed \$1,499,026 to Clinique Youville Clinic Inc. The Grey Nuns did not make any contributions during the years ended March 31, 2021 and 2020.

During the year, Reseau Compassion Network contributed \$15,750 (2020 - \$2,250), which is recorded in interest and donations in the statement of operations.

During the year, Reseau Compassion Network and affiliated entities contributed \$58,000 (2020 - nil) for Nobody's Perfect Special Projects (My Tween and Me). The remaining unspent balance of \$16,240 is included in deferred contributions for future expenses (note 5[a]).

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

CLINIQUE YOVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2021

8. Commitments:

The corporation has committed to lease premises for the St. Boniface and St. Vital centres through August 2024 and January 2025 respectively, as per the following schedule:

Fiscal:

2022	\$ 248,898
2023	256,383
2024	263,775
2025	183,192

9. Financial risks:

The corporation has exposure to the following risks associated with its financial instruments:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The corporation is exposed to credit risk with respect to its accounts receivable, receivable from WRHA, cash and short-term investments.

The corporation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the corporation at March 31, 2021 is the carrying value of these assets.

At March 31, 2021, all accounts receivable were current. There were no amounts past due.

There have been no significant changes to the credit risk exposure from 2020.

b) Liquidity risk:

Liquidity risk is the risk that the corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The corporation manages liquidity risk by monitoring its operating requirements. The corporation prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

CLINIQUE YOVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2021

9. Financial risks (continued):

All accounts payable and accrued liabilities are due within fiscal 2022.

There have been no significant changes to the liquidity risk exposure from 2020.

10. COVID-19 implications:

In March 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization, and has had a significant financial, market and social dislocating impact around the world. The corporation has experienced disruption to its operations during fiscal 2021 and subsequent to year-end, with limited access to its facilities and clinics, and many services being providing through phone consultation or virtually where possible.

Financial statements are required to be adjusted for events occurring between the date of the financial statements and the date of the auditors' report which provide additional evidence relating to conditions that existed as at year end. Management completed this assessment as of the date of approval of these financial statements, and did not identify any such adjustments. The current events and conditions are expected to be temporary, however there is uncertainty around the length of the disruption and impact on future operations. As a result, an estimate of the financial effect of these items is not practicable at this time.

As of the date of issuance of the financial statements, the Company has accessed certain government aid programs to assist with the impact of COVID-19 on the Company's operations. During the year ended March 31, 2021, the Company received \$25,000 (2020 - nil) towards salaries and benefits expenditures under the federal government temporary wage subsidy program. This income has been recorded as a reduction of salaries and benefits expense on the statement of operations.