Financial Statements of

CLINIQUE YOUVILLE CLINIC INC.

Year ended March 31, 2020

CLINIQUE YOUVILLE CLINIC INC.

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Year ended March 31, 2020

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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, 2020 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, 2020, 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 16, 2020

CLINIQUE YOUVILLE CLINIC INC.

Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash	$ 624,829	$ 713,655
Short-term investments	592,058	578,028
Accounts receivable	8,267	7,001
Receivable from Winnipeg Regional Health Authority (note 2)	21,510	14,385
Employee benefits recoverable from Winnipeg Regional Health Authority (note 3[a])	125,848	125,848
Prepaid expenses	49,426	37,670
	1,421,938	1,476,587
Capital assets (note 4)	60,307	48,773
Future employee pre-retirement and sick leave benefits recoverable from Winnipeg Regional Health Authority (notes 3[b] and 3[c])	198,312	230,985
	$ 1,680,557	$ 1,756,345
Liabilities, Deferred Contributions and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities (note 3[a])	$ 300,579	$ 359,930
Future employee pre-retirement benefits payable (note 3[b])	202,407	228,900
Sick leave benefits payable (note 3[c])	34,046	40,226
	537,032	629,056
Deferred rent	25,366	10,553
Deferred contributions for (note 5):		
Future expense	234,685	288,805
Capital assets	44,392	42,216
	279,077	331,021
Fund balances:		
Unrestricted:		
Operations	208,087	185,217
Internally restricted	615,080	593,941
Capital fund	15,915	6,557
	839,082	785,715
Commitments (note 8)		
Subsequent events (note 10)		
	$ 1,680,557	$ 1,756,345

See accompanying notes

Approved on behalf of the Board of Dircertors

Original Document Signed

Date JUNE 16, 2020

CLINIQUE YOUVILLE CLINIC INC.

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2020, with comparative information for 2019

	Unrestricted					
	Operations	Ancillary Programs	Internally Restricted	Capital Fund	2020 Total	2019 Total
Revenue:						
Winnipeg Regional Health Authority	$ 2,933,066	$ –	$ –	$ –	$ 2,933,066	$ 2,874,395
Other	69,041	4,975	–	–	74,016	76,462
Insurance recoveries	9,705	–	–	–	9,705	9,997
Amortization of deferred contributions related to capital assets (note 5[b])	–	–	–	12,308	12,308	13,272
Interest and donations	–	–	34,428	–	34,428	33,835
Donation - DER	–	9,895	–	–	9,895	–
Communication and Special Project	–	6,406	–		6,406	–
Diabetes Cardiac Initiative	–	2,500	–	–	2,500	–
Healthy Baby Program	–	38,021	–	–	38,021	34,454
Intergenerational Community Outreach	–	829	–	–	829	2,484
Mindfulness	–	52,444	–	–	52,444	4,389
Mothers and Daughters in Touch	–	–	–	–	–	1,412
Pathways	–	2,392	–	–	2,392	3,859
Nobody’s Perfect Special Projects	–	19,353	–	–	19,353	25,188
Nobody’s Perfect Program	–	96,590	–	–	96,590	93,701
Nutrition Programs	–	233	–	–	233	676
Teen Clinic Volunteer Funding	–	3,019	–	–	3,019	2,054
Young Adult Type 1	–	18	–	–	18	453
	3,011,812	236,675	34,428	12,308	3,295,223	3,176,631
Expenses:						
Amortization of capital assets	–	–	–	16,239	16,239	15,665
Salaries and benefits	2,425,265	167,336	–	–	2,592,601	2,472,982
Building, equipment and maintenance	450,862	1,521	–	–	452,383	477,540
Printing, stationery and telephone	42,038	2,232	–	–	44,270	65,519
Supplies and services	55,359	50,302	–	–	105,661	75,704
Clinical supplies	15,418	15,284	–	–	30,702	22,375
	2,988,942	236,675	–	16,239	3,241,856	3,129,785
Excess (deficiency) of revenue over expenses before the undernoted	22,870	–	34,428	(3,931)	53,367	46,846
Winnipeg Regional Health Authority income (expense):						
Future employee pre-retirement benefits	26,493	–	–	–	26,493	(19,345)
Future employee pre-retirement benefits income	(26,493)	–	–	–	(26,493)	19,345
Excess (deficiency) of revenue over expenses	22,870	–	34,428	(3,931)	53,367	46,846
Fund balances, beginning of year	185,217	–	593,941	6,557	785,715	738,869
Interfund transfer	–	–	(13,289)	13,289	–	–
Fund balances, end of year	$ 208,087	$ –	$ 615,080	$ 15,915	$ 839,082	$ 785,715

See accompanying notes to financial statements.

CLINIQUE YOUVILLE CLINIC INC.

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

		2020		2019
Operating activities:				
Excess of revenue over expenses	$	53,367	$	46,846
Items not involving cash:				
Amortization of capital assets		16,239		15,665
Amortization of deferred contributions related to capital assets		(12,308)		(13,272)
Change in non-cash working capital balances:				
Accounts receivable		(1,266)		414
Receivable from Winnipeg Regional Health Authority		(7,125)		14,295
Prepaid expenses		(11,756)		(226)
Future employee pre-retirement and sick leave benefits recoverable from Winnipeg Regional Health Authority		32,673		21,099
Accounts payable and accrued liabilities		(59,351)		35,319
Future employee pre-retirement benefits payable		(26,493)		(19,345)
Sick leave benefits payable		(6,180)		(1,754)
Deferred rent		14,813		10,553
Deferred contributions received related to future expense		182,555		171,198
Deferred contributions recognized as revenue in the year		(236,675)		(173,460)
		(61,507)		107,332
Capital activities:				
Purchase of capital assets		(27,773)		(11,161)
Deferred contributions received or receivable related to capital assets		14,484		10,000
		(13,289)		(1,161)
Investing activities:				
Additions to short-term investments		(14,030)		(12,012)
Increase (decrease) in cash		(88,826)		94,159
Cash, beginning of year		713,655		619,496
Cash, end of year	$	624,829	$	713,655
Supplementary cash flow information:				
Interest received	$	29,155	$	25,958

See accompanying notes to financial statements.

CLINIQUE YOUVILLE CLINIC INC.

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 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 YOUVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

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 YOUVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

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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, 2019 (2018 - nil) and therefore a statement of remeasurement gains and losses is not required to be included in these financial statements.

CLINIQUE YOUVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

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, 2020

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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:

	2020	2019
Union increases	$ 14,485	$ 9,718
Healthcare spending account	7,025	4,667
	$ 21,510	$ 14,385

CLINIQUE YOUVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

3. Employee benefit plans:

(a) Employee benefits:

The corporation records a provision for employee benefits including vacation and statutory holiday entitlements. At March 31, 2020, accounts payable and accrued liabilities includes employee benefits payable of $180,813 (2019 - $187,645).

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 2.60 percent (2019 - 3.10 percent) and a rate of salary increase of nil percent to March 2020, 0.75 percent to March 2021, 1.00 percent to March 2022 and 3.50 percent thereafter (2019 - nil percent to March 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 are as follows:

	2020	2019
Benefit plan obligations:		
Balance, beginning of year	$ 228,900	$ 248,245
Current service cost	17,352	8,461
Interest cost	7,763	2,121
Benefits paid	(48,602)	(28,912)
Balance, end of year	205,413	229,915
Unamortized actuarial loss	(3,006)	(1,015)
Benefit plan obligations, end of year	$ 202,407	$ 228,900

CLINIQUE YOUVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

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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 2020 was $26,493 (2019 - $19,345 decrease) and is recorded as revenue in the statement of operations.

The future employee pre-retirement benefits recoverable from WRHA at March 31, 2020 aggregates $164,266 (2019 - $190,759) 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 2020 was 100 percent (2019 - 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 2.60 percent (2019 - 3.10 percent) and a rate of salary increase of 3.50 percent (2019 - 3.50 percent).

A recoverable amount from the WRHA of $34,046 (2019 - $40,226) 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 2020 was $6,180 (2019 - $1,754 decrease) and is recorded in the statement of operations.

CLINIQUE YOUVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

4. Capital assets:

		Cost		Accumulated amortization		2020 Net book value		2019 Net book value
Furniture and fixtures	$	206,625	$	195,290	$	11,335	$	14,170
Computer equipment		379,272		348,461		30,811		24,252
Leasehold improvements		453,057		434,896		18,161		10,351
	$	1,038,954	$	978,647	$	60,307	$	48,773

5. Deferred contributions:

(a) Future expense:

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

		2020		2019
Balance, beginning of year	$	288,805	$	291,067
Add amount received related to future periods		182,555		171,198
Less amount recognized as revenue in the year		(236,675)		(173,460)
Balance, end of year	$	234,685	$	288,805

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.

		2020		2019
Balance, beginning of year	$	42,216	$	45,488
Additional contributions received or receivable		14,484		10,000
Less amounts amortized to revenue		(12,308)		(13,272)
Balance, end of year	$	44,392	$	42,216

CLINIQUE YOUVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

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, 2018, 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, 2021.

During the year, the Corporation contributed $170,092 (2019 - $167,750) on behalf of its employees. Contribution rates for the Corporation remain unchanged from the previous year at 8.9 percent (2019 - 8.9 percent) of pensionable earnings up to the yearly maximum pensionable earnings limit (YMPE) and 10.5 percent (2019 - 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, 2020 and 2019.

During the year, the Catholic Health Corporation of Manitoba contributed $2,250 (2019 - $6,475) which is recorded in interest and donations in the statement of operations.

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 YOUVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

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:	
2021	$ 241,735
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, 2020 is the carrying value of these assets.

At March 31, 2020, all accounts receivable were current. There were no amounts past due.

There have been no significant changes to the credit risk exposure from 2019.

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 YOUVILLE CLINIC INC.

Notes to Financial Statements (continued)

Year ended March 31, 2020

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9. Financial risks (continued):

All accounts payable and accrued liabilities are due within fiscal 2020.

There have been no significant changes to the liquidity risk exposure from 2019.

10. Subsequent events:

In the month of 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. Beginning in March, the corporation experienced disruption to its operations 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.