

LETHBRIDGE PREGNANCY CARE CENTRE

Financial Statements

Year Ended December 31, 2024

LETHBRIDGE PREGNANCY CARE CENTRE
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Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Lethbridge Pregnancy Care Centre

Opinion

We have audited the financial statements of Lethbridge Pregnancy Care Centre (the "organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of changes in net assets, revenues and expenditures 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 December 31, 2024, and the results of its operations and 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 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 Matter

The financial statements for the year ended December 31, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on May 14, 2024.

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.

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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.

Shawn Cook
Professional Corporation

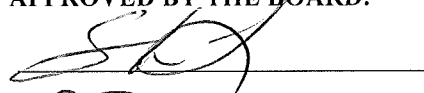
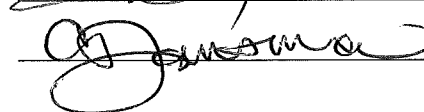
Lethbridge, Alberta
May 28, 2025

Chartered Professional Accountants

LETHBRIDGE PREGNANCY CARE CENTRE
Statement of Financial Position
December 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 238,159	\$ 233,282
Term deposits and guaranteed investments (Note 3)	723,411	548,726
Marketable securities (Note 4)	361,126	373,708
Accounts receivable	3,667	32,000
Inventory	580	1,260
Goods and services tax recoverable	1,772	1,818
Prepaid expenses	13,109	8,245
Restricted cash (Note 5)	-	5,000
	<u>1,341,824</u>	<u>1,204,039</u>
Capital assets (Note 6)	76,246	98,577
Intangible assets (Note 7)	-	1,364
Restricted cash (Note 5)	<u>250,000</u>	<u>250,000</u>
	<u>\$ 1,668,070</u>	<u>\$ 1,553,980</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 9,597	\$ 8,843
LEASE COMMITMENTS (Note 8)		
NET ASSETS		
Share capital (Note 9)	6	6
Unrestricted net assets	1,334,953	1,161,554
Internally restricted net assets	250,000	250,000
Investment in capital assets	76,246	98,577
Externally restricted net assets	<u>(2,732)</u>	<u>35,000</u>
	<u>1,658,473</u>	<u>1,545,137</u>
	<u>\$ 1,668,070</u>	<u>\$ 1,553,980</u>

APPROVED BY THE BOARD:

 Director
 Director

LETHBRIDGE PREGNANCY CARE CENTRE

Statement of Changes in Net Assets

Year Ended December 31, 2024

	Unrestricted net assets	Internally restricted net assets	Investment in capital assets	Externally restricted net assets	2024	2023
NET ASSETS, BEGINNING OF YEAR	\$ 1,161,554	\$ 250,000	\$ 98,577	\$ 35,000	\$ 1,545,131	\$ 1,357,014
Excess of revenues over expenditures (<i>Note 10</i>)	177,261	-	(26,193)	(37,732)	113,336	188,117
Purchase of capital assets	(4,762)	-	4,762	-	-	-
Proceeds from capital assets	900	-	(900)	-	-	-
NET ASSETS, END OF YEAR	\$ 1,334,953	\$ 250,000	\$ 76,246	\$ (2,732)	\$ 1,658,467	\$ 1,545,131

LETHBRIDGE PREGNANCY CARE CENTRE
Statement of Revenues and Expenditures
Year Ended December 31, 2024

	2024	2023
REVENUES		
Donations and fundraising	\$ 558,169	\$ 595,845
Interest and other income	26,487	24,337
Government assistance	3,225	20,000
	<u>587,881</u>	<u>640,182</u>
EXPENDITURES		
Salaries and benefits	294,876	280,694
Client engagement	65,883	45,944
Occupancy	56,380	56,192
Staff and volunteer development	30,887	23,093
Office	30,491	20,068
Professional fees	10,459	12,865
Fundraising	9,709	14,029
Unrecovered GST	5,029	4,501
Bank charges	170	68
Amortization of website	1,364	1,364
Amortization	26,155	33,133
	<u>531,403</u>	<u>491,951</u>
EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	<u>56,478</u>	<u>148,231</u>
OTHER INCOME (EXPENSES)		
Unrealized gain on investments	98,834	5,333
Restricted contributions - special purpose (Note 10)	-	70,550
Gain on sale of marketable securities	545	-
Restricted contributions - capital (Note 10)	-	4,000
Gain (loss) on disposal of capital assets (Note 10)	(38)	-
Brokerage fees	(4,751)	-
Expenditures from restricted funds (Note 10)	(37,732)	(39,997)
	<u>56,858</u>	<u>39,886</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 113,336</u>	<u>\$ 188,117</u>

LETHBRIDGE PREGNANCY CARE CENTRE**Statement of Cash Flows****Year Ended December 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 113,336	\$ 188,117
Items not affecting cash:		
Amortization	26,155	33,133
Amortization of website	1,364	1,364
Loss on disposal of property and equipment	38	-
Gain on disposal of investments	(545)	-
Unrealized gain on investments	(98,834)	(5,333)
Government assistance	-	(20,000)
	<u>41,514</u>	<u>197,281</u>
Changes in non-cash working capital:		
Accounts receivable	28,333	(28,319)
Inventory	680	423
Goods and services tax recoverable	46	2
Prepaid expenses	(4,864)	1,847
Restricted cash	5,000	(5,000)
Accounts payable and accrued liabilities	756	(7,143)
	<u>29,951</u>	<u>(38,190)</u>
	<u>71,465</u>	<u>159,091</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(4,762)	(7,566)
Proceeds on disposal of capital assets	900	-
Proceeds from sale of marketable securities	166,751	-
Purchase of marketable securities	(124,798)	(368,374)
Unrealized gain on term deposits and guaranteed investments	70,006	-
	<u>108,097</u>	<u>(375,940)</u>
FINANCING ACTIVITY		
Repayment of long term debt	-	(40,000)
INCREASE (DECREASE) IN CASH FLOW	<u>179,562</u>	<u>(256,849)</u>
CASH, BEGINNING OF YEAR	<u>782,008</u>	<u>1,038,857</u>
CASH, END OF YEAR	<u>\$ 961,570</u>	<u>\$ 782,008</u>
CASH CONSISTS OF:		
Cash	\$ 238,159	\$ 233,282
Term deposits and guaranteed investments (Note 3)	<u>723,411</u>	<u>548,726</u>
	<u>\$ 961,570</u>	<u>\$ 782,008</u>

LETHBRIDGE PREGNANCY CARE CENTRE

Notes to Financial Statements

Year Ended December 31, 2024

1. PURPOSE OF THE ORGANIZATION

Lethbridge Pregnancy Care Centre (the "organization") is a not-for-profit organization, incorporated with share capital under the Companies Act of Alberta. The organization's principal operations are to provide compassionate support and education to anyone experiencing unexpected pregnancy and pregnancy related losses, as well as programs encouraging healthy relationships. As the organization is a registered charity it is exempt from income tax under paragraph 149(1)(f) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and cash equivalents

Cash and cash equivalents includes cash and term deposits on deposit at a financial institution.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Leasehold improvements	5 - 10 years	straight-line method
Furniture and fixtures	20%	declining balance method
Computer equipment	50%	declining balance method

The organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Intangible assets

The organizations website is being amortized on a straight-line basis over its estimated useful life of five years.

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LETHBRIDGE PREGNANCY CARE CENTRE

Notes to Financial Statements

Year Ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fund accounting

Lethbridge Pregnancy Care Centre follows the restricted fund method of accounting for contributions.

Unrestricted net assets accounts for the organization's program delivery and administrative activities. This fund reports unrestricted net assets, liabilities, revenues and expenditures related to Lethbridge Pregnancy Care Centre's general operations.

Internally restricted net assets is the contingency reserve set aside by the board of directors to ensure future operations of the organization remain viable.

Investment in capital assets reports the assets, liabilities, revenues and expenditures related to Lethbridge Pregnancy Care Centre's capital assets and building project campaigns.

Externally restricted net assets consists of restricted contributions received towards special events or projects less expenditures incurred on these event or projects. Once the special event or project has been completed, the net surplus or deficit is transferred to unrestricted net assets.

Revenue recognition

Lethbridge Pregnancy Care Centre follows the restricted fund method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue of the general fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Gifts in kind are recorded at estimated fair market value on the date of their donation. If a fair market value cannot be reasonably determined the gifts are not recognized in the financial statements.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Related party transactions

Monetary and non - monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of operations, except when the transaction is an exchange of a product or property held-for-sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount. All other related party transactions are measured at the carrying amount.

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LETHBRIDGE PREGNANCY CARE CENTRE

Notes to Financial Statements

Year Ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial instruments measured at amortized cost include cash, accounts receivable, accounts payable and long term debt.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Significant areas requiring the use of estimates relate to the collectability of accounts receivable, the value of inventory and to the useful life of capital assets for amortization purposes.

3. TERM DEPOSITS AND GUARANTEED INVESTMENTS

	2024	2023
Term deposits and guaranteed investments	\$ 973,411	\$ 803,726
Restricted cash (Note 5)	(250,000)	(255,000)
	<u>\$ 723,411</u>	<u>\$ 548,726</u>

4. MARKETABLE SECURITIES

	2024	2023
Fidelity tactical high income fund	\$ 185,120	\$ 174,930
BNS corporate tiered investment savings account	113,520	162,490
Edgepoint global growth & income fund	21,822	20,763
Manulife global balanced fund	10,448	10,192
Book value of investments	<u>330,910</u>	<u>368,375</u>
Unrealized gain on investments	30,216	5,333
Market value of investments	<u>\$ 361,126</u>	<u>\$ 373,708</u>

LETHBRIDGE PREGNANCY CARE CENTRE

Notes to Financial Statements

Year Ended December 31, 2024

5. RESTRICTED CASH

	2024	2023
Contingency Reserve	\$ 250,000	\$ 250,000
Gala Dinner sponsorships received	-	5,000
	<u>250,000</u>	<u>255,000</u>
Long term portion relating to internally restricted net assets	<u>(250,000)</u>	<u>(250,000)</u>
	<u>\$ -</u>	<u>\$ 5,000</u>

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Leasehold improvements	\$ 237,251	\$ 178,663	\$ 58,588	\$ 79,054
Furniture and fixtures	38,473	24,160	14,313	14,453
Computer equipment	22,808	19,463	3,345	5,070
	<u>\$ 298,532</u>	<u>\$ 222,286</u>	<u>\$ 76,246</u>	<u>\$ 98,577</u>

7. INTANGIBLE ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Website	\$ 6,821	\$ 6,821	\$ -	\$ 1,364

8. LEASE COMMITMENTS

Effective December 1, 2021, the organization entered into a new five year lease as they expanded the occupied area in their current location. Under the terms of the lease, the organization is responsible for payment of certain triple net costs. The agreement allows for a five year renewal at the end of the current term at which time the base rent payment will be reviewed.

Contractual obligation repayment schedule:

2025	\$ 45,288
2026	<u>41,514</u>
	<u>\$ 86,802</u>

LETHBRIDGE PREGNANCY CARE CENTRE

Notes to Financial Statements

Year Ended December 31, 2024

9. SHARE CAPITAL

Issued	2024	2023
6 Common shares	\$ 6	\$ 6

10. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES - RESTRICTED FUNDS

	Internally restricted	Investment in capital assets	Externally restricted	2024	2023
Revenues					
Restricted					
Contributions	\$ -	\$ -	\$ -	\$ -	\$ 74,550
Loss on disposal of property and equipment	-	(38)	-	(38)	-
	-	(38)	-	(38)	74,550
Expenditures					
Special purpose expenditures	-	-	37,732	37,732	39,997
Amortization	-	26,155	-	26,155	33,133
	-	26,155	37,732	63,887	73,130
	\$ -	\$ (26,193)	\$ (37,732)	\$ (63,925)	\$ 1,420

11. RELATED PARTY TRANSACTIONS

The organization received donations and sponsorships of \$8,554 (2023 - \$10,454) from staff and members of its board of directors as well as from companies controlled by members of its board of directors.

These transactions were in the normal course of operations and are measured at their carrying amounts.

12. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2024.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk in respect of its accounts receivable.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable.

(continues)

LETHBRIDGE PREGNANCY CARE CENTRE

Notes to Financial Statements

Year Ended December 31, 2024

12. FINANCIAL INSTRUMENTS *(continued)*

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to other price risk.

(d) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investment in quoted shares.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. The changes do not affect prior year earnings.