

**WINNSERV INC.**

**Financial Statements**  
For the year ended March 31, 2025

# **WINNSERV INC.**

## **Financial Statements**

**For the year ended March 31, 2025**

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## Independent Auditor's Report

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To the Board of Directors of WinnServ Inc.

### Opinion

We have audited the financial statements of **WinnServ Inc.** (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statement of changes in fund balances, statement of operations, and statement of 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 **WinnServ Inc.** as at March 31, 2025, and its results of 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.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

*BDO Canada LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
August 29, 2025

**WINNSERV INC.**  
**Statement of Financial Position**

**As at March 31, 2025**

	Operating Fund	Fundraising Fund	Bequest Fund	2025 Total	2024 Total
<b>Assets</b>					
<b>Current Assets</b>					
Cash and bank	\$ 1,461,338	\$ 651,688	\$ 92,989	\$ 2,206,015	\$ 2,144,650
Grants, per diems and other receivables	865,761	-	-	865,761	803,774
Prepaid expenses	4,761	-	-	4,761	4,451
Interfund balance due	(152)	152	-	-	-
	<b>2,331,708</b>	<b>651,840</b>	<b>92,989</b>	<b>3,076,537</b>	2,952,875
<b>Capital assets (Note 3)</b>	<b>2,591,706</b>	-	-	<b>2,591,706</b>	2,662,841
	<b>\$ 4,923,414</b>	<b>\$ 651,840</b>	<b>\$ 92,989</b>	<b>\$ 5,668,243</b>	<b>\$ 5,615,716</b>

**Liabilities and Fund Balances**

<b>Current Liabilities</b>					
Accounts payable and accrued liabilities	\$ 709,416	\$ -	\$ -	\$ 709,416	\$ 681,218
Current portion of mortgages payable (Note 4)	229,494	-	-	229,494	101,589
	<b>938,910</b>	-	-	<b>938,910</b>	782,807
<b>Mortgages payable (Note 4)</b>	<b>998,185</b>	-	-	<b>998,185</b>	1,187,905
	<b>1,937,095</b>	-	-	<b>1,937,095</b>	1,970,712
<b>Commitments (Note 5)</b>					
<b>Fund Balances</b>					
Unrestricted	1,622,292	651,840	92,989	2,367,121	2,271,657
Invested in capital assets (Note 6)	1,364,027	-	-	1,364,027	1,373,347
	<b>2,986,319</b>	<b>651,840</b>	<b>92,989</b>	<b>3,731,148</b>	3,645,004
	<b>\$ 4,923,414</b>	<b>\$ 651,840</b>	<b>\$ 92,989</b>	<b>\$ 5,668,243</b>	<b>\$ 5,615,716</b>

Approved by the Board of Directors:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

The accompanying notes are an integral part of these financial statements.

**WINNSERV INC.**  
**Statement of Changes in Fund Balances**

**For the year ended March 31, 2025**

**Operating Fund**

	<u>Unrestricted</u>	<u>Invested in Capital Assets</u>	<u>2025 Total</u>	<u>2024 Total</u>
<b>Balance</b> , beginning of year	\$ 1,568,781	\$ 1,373,347	\$ 2,942,128	\$ 3,067,220
<b>Excess (deficiency) of revenue over expenses for the year</b>	115,326	(71,135)	44,191	(125,092)
<b>Interfund Transfers</b> Debt payments	(61,815)	61,815	-	-
<b>Balance</b> , end of year	\$ 1,622,292	\$ 1,364,027	\$ 2,986,319	\$ 2,942,128

**Fundraising Fund**

	<u>2025</u>	<u>2024</u>
<b>Balance</b> , beginning of year	\$ 612,206	\$ 566,717
<b>Excess of revenue over expenses for the year</b>	39,634	45,489
<b>Balance</b> , end of year	\$ 651,840	\$ 612,206

**Bequest Fund**

	<u>2025</u>	<u>2024</u>
<b>Balance</b> , beginning of year	\$ 90,670	\$ 87,727
<b>Excess of revenue over expenses for the year</b>	2,319	2,943
<b>Balance</b> , end of year	\$ 92,989	\$ 90,670

The accompanying notes are an integral part of these financial statements.

## WINNSERV INC. Statement of Operations

**For the year ended March 31, 2025**

	Operating Fund	Fundraising Fund	Bequest Fund	2025 Total	2024 Total
<b>Revenue</b>					
Donations	\$ -	\$ 30,412	\$ -	\$ 30,412	\$ 32,754
Interest and other	48,491	16,813	2,319	67,623	50,601
Private per diems	23,800	-	-	23,800	26,400
Province of Manitoba Grants, per diems and other revenue (Note 7)	9,073,819	-	-	9,073,819	8,482,352
	<b>9,146,110</b>	<b>47,225</b>	<b>2,319</b>	<b>9,195,654</b>	<b>8,592,107</b>
<b>Expenses</b>					
Administration (see Schedule)	702,564	-	-	702,564	677,983
Amortization	71,135	-	-	71,135	71,135
Building maintenance	259,259	-	-	259,259	296,511
Food	187,266	-	-	187,266	178,499
Furniture and equipment	44,724	-	-	44,724	28,902
Household	41,221	-	-	41,221	47,355
Insurance	47,325	-	-	47,325	44,265
Interest on long-term debt	57,790	-	-	57,790	49,361
Medical supplies	12,842	-	-	12,842	18,036
Other	40,511	7,591	-	48,102	47,477
Property taxes	55,594	-	-	55,594	55,248
Rent	135,847	-	-	135,847	145,257
Salaries and benefits	7,248,722	-	-	7,248,722	6,811,327
Staff development	20,518	-	-	20,518	23,593
Telephone	14,003	-	-	14,003	13,981
Travel and parking	76,404	-	-	76,404	75,178
Utilities	86,194	-	-	86,194	84,659
	<b>9,101,919</b>	<b>7,591</b>	<b>-</b>	<b>9,109,510</b>	<b>8,668,767</b>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>\$ 44,191</b>	<b>\$ 39,634</b>	<b>\$ 2,319</b>	<b>\$ 86,144</b>	<b>\$ (76,660)</b>

The accompanying notes are an integral part of these financial statements.

**WINNSERV INC.**  
**Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2025</b>	<b>2024</b>
<b>Cash flows from (applied to) the following:</b>		
<b>Operating Activities</b>		
Excess (deficiency) of revenue over expenses for the year	\$ 86,144	\$ (76,660)
Adjustments for item not affecting cash		
Amortization of capital assets	71,135	71,135
	157,279	(5,525)
Changes in non-cash working capital balances		
Grants, per diems and other receivables	(61,987)	(185,498)
Prepaid expenses	(310)	140
Accounts payable and accrued liabilities	28,198	154,202
	123,180	(36,681)
<b>Financing and Investing Activities</b>		
Debt payments	(61,815)	(63,104)
<b>Net increase (decrease) in cash and bank during the year</b>	<b>61,365</b>	<b>(99,785)</b>
<b>Cash and bank, beginning of year</b>	<b>2,144,650</b>	<b>2,244,435</b>
<b>Cash and bank, end of year</b>	<b>\$ 2,206,015</b>	<b>\$ 2,144,650</b>

The accompanying notes are an integral part of these financial statements.

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# WINNSERV INC.

## Notes to Financial Statements

**For the year ended March 31, 2025**

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### 1. Nature of the Organization

WinnServ Inc. (the "organization") provides residential and supported independent living services so that adults with intellectual disabilities can live full and meaningful lives of their choosing. The organization operates in the City of Winnipeg.

WinnServ Inc. is incorporated under the laws of the Province of Manitoba as a not-for-profit organization and is a registered charity under the Income Tax Act.

### 2. Summary of Significant Accounting Policies

#### a. Basis of Accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### b. Fund Accounting

The organization reports balances and transactions by separate funds as follows:

The Operating Fund reports balances and transactions relating to the operation of community residences and supported independent living services, including capital assets. This fund reports unrestricted resources and restricted grants.

The Fundraising Fund reports balances and transactions relating to specific fundraising efforts by members of the organization and donations received from the public.

The Bequest Fund reports balances and unrestricted gifts received by the organization.

#### c. Revenue Recognition

The organization follows the restricted fund method of accounting for contributions. Restricted contributions including grants and donations are recognized as revenue of the appropriate fund in the year received where a separate fund is presented. Otherwise, restricted contributions are presented following the deferral method of accounting for contributions.

Per diems revenue are recognized as revenue in the period services are rendered.

Contributions restricted for the acquisition of capital assets and funding major repairs are recognized as revenue in the year acquired or incurred.

Unrestricted contributions including subsidies and donations 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.

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**WINNSERV INC.**  
**Notes to Financial Statements**

**For the year ended March 31, 2025**

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**2. Summary of Significant Accounting Policies (continued)**

c. Revenue Recognition (continued)

Interest revenue is recognized as revenue of the appropriate fund when earned.

d. Financial Instruments

Arm's length financial instruments are recorded at fair value at initial recognition. Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

e. Capital Assets

Capital assets used in operations including land and community residences are stated at cost less accumulated amortization in the Operating Fund. Contributed capital assets are recorded at fair value at the date of contribution and subsequently amortized. Amortization is recorded over the buildings' estimated useful lives of 40 years on a straight-line basis.

f. Contributed Services

Volunteers contribute countless hours per year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**WINNSERV INC.**  
**Notes to Financial Statements**

**For the year ended March 31, 2025**

**2. Summary of Significant Accounting Policies (continued)**

g. Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates applied in the preparation of these financial statements include the useful lives of capital assets. Actual results could differ from management's estimates as additional information becomes available in the future.

**3. Capital Assets**

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 896,391	\$ -	\$ 896,391	\$ -
Buildings	2,902,587	1,207,272	2,902,587	1,136,137
	<b>\$ 3,798,978</b>	<b>\$ 1,207,272</b>	<b>\$ 3,798,978</b>	<b>\$ 1,136,137</b>
Net book value	<b><u>\$ 2,591,706</u></b>		<b><u>\$ 2,662,841</u></b>	

Details of cost of community residences by location as at March 31, 2025 are as follows:

	Land	Building	Total
146 Wordsworth Way	\$ 33,100	\$ 85,183	\$ 118,283
160 Brelade Street	37,865	152,111	189,976
251 Southall Drive	35,300	57,185	92,485
35 Twain Drive	34,000	93,147	127,147
482 Waverley Street	47,300	90,843	138,143
59 Dingle Street	22,500	69,314	91,814
67 Beechtree Crescent	39,200	107,942	147,142
75 Scotswood Drive	46,100	107,605	153,705
901 Consol Avenue	25,100	77,188	102,288
123 Thom Avenue	54,740	163,407	218,147
177 Augusta Drive	77,750	274,045	351,795
377 Belmont Avenue	73,720	266,577	340,297
8 Glencoe Avenue	120,000	357,597	477,597
32 Bronstone Boulevard	84,073	274,107	358,180
11 Scotswood Drive	82,500	331,769	414,269
172 Whitegates Crescent	83,143	394,567	477,710
	<b><u>\$ 896,391</u></b>	<b><u>\$ 2,902,587</u></b>	<b><u>\$ 3,798,978</u></b>

**WINNSERV INC.**  
**Notes to Financial Statements**

**For the year ended March 31, 2025**

**4. Credit Facilities**

The organization has the following mortgages payable at March 31:

	<b>2025</b>	<b>2024</b>
8 Glencoe Avenue - 5.90% fixed rate mortgage, due February 2029, monthly principal and interest payments of \$1,672.	<b>\$ 227,965</b>	234,592
172 Whitegates Crescent - 2.58% fixed rate mortgage, due February 2027, monthly principal and interest payments of \$1,195.	<b>196,131</b>	205,294
32 Bronstone Boulevard - 5.25% fixed rate mortgage, due September 2028, monthly principal and interest payments of \$1,490.	<b>180,624</b>	188,930
11 Scotswood Drive - 2.44% fixed rate mortgage, due July 2025, monthly principal and interest payments of \$1,177.	<b>175,704</b>	185,436
177 Augusta Drive - 5.35% fixed rate mortgage, due June 2028, monthly principal and interest payments of \$1,392.	<b>157,754</b>	165,912
377 Belmont Avenue - 5.80% fixed rate mortgage, due March 2029 monthly principal and interest payments of \$1,355.	<b>155,123</b>	162,307
123 Thom Avenue - 5.44% fixed rate mortgage, due February 2028, monthly principal and interest payments of \$1,014.	<b>92,350</b>	99,310
160 Brelade Street - 5.35% fixed rate mortgage, due June 2028, monthly principal and interest payments of \$672.	<b>42,028</b>	47,713
	<b>1,227,679</b>	1,289,494
Current portion of mortgages payable	<b>229,494</b>	101,589
	<b>\$ 998,185</b>	<b>\$ 1,187,905</b>

**WINNSERV INC.**  
**Notes to Financial Statements**

**For the year ended March 31, 2025**

**4. Credit Facilities (continued)**

All mortgages are secured by the related land and building, and assignment of insurance proceeds.

Principal payments due in each of the next four fiscal years based on scheduled payments and maturity dates are as follows:

2026	\$	229,494
2027		233,712
2028		118,927
2029		<u>645,546</u>
	\$	<u>1,227,679</u>

The organization has an authorized line of credit to a maximum of \$75,000 repayable on demand bearing interest at prime plus 0.25% with effective rate 5.20% at March 31, 2025. The line of credit is unutilized as at March 31, 2025.

Advances are secured by a registered first mortgage in the amount of \$500,000 over the Southall property, and assignment of leases and rents over the Bronstone, Glencoe, Scotswood and Southall properties.

**5. Commitments**

The organization has negotiated a lease for office space with base rent of \$30,525 annually to September 2025. Subsequent to year end, the organization signed a lease agreement for the period October 1, 2025 to September 30, 2030 under similar terms and conditions as the lease in effect at March 31, 2025.

**6. Fund Balance Invested in Capital Assets**

The fund balance invested in capital assets is calculated as follows:

	<u>2025</u>	<u>2024</u>
Capital assets, net book value	<b>\$ 2,591,706</b>	\$ 2,662,841
Less amounts financed by mortgages payable	<b>1,227,679</b>	1,289,494
Fund balance invested in capital assets	<b><u>\$ 1,364,027</u></b>	<u>\$ 1,373,347</u>

**WINNSERV INC.**  
**Notes to Financial Statements**

**For the year ended March 31, 2025**

**7. Province of Manitoba Grants, Per Diems and Other Revenue**

Grants, per diems and other revenue from the Province of Manitoba recognized in the financial statements are as follows for the years ended March 31:

	<u>2025</u>	<u>2024</u>
Grants		
Pension and benefits	\$ 224,633	\$ 220,974
Payroll tax refund	147,370	135,510
Per Diems and Other		
Rent subsidy	121,406	132,421
Residential	7,643,633	7,235,392
Supported Independent Living	936,777	758,055
	<u>\$ 9,073,819</u>	<u>\$ 8,482,352</u>

Under article 6.2(a)(iii) of the Province of Manitoba Department of Families Financial Reporting Requirements, the organization is required to provide a reconciliation of the cash receipts to revenue recognized in its financial statements for grants, per diems and other revenue. The reconciliation is as follows for the years ended March 31:

	<u>2025</u>	<u>2024</u>
Cash receipts and revenue confirmed by the Province of Manitoba for the year	\$ 9,071,636	\$ 8,522,691
Add: Revenue recognized by the organization during the year not included in the above	2,183	10,105
Less: Cash receipts and revenue confirmed by the Province of Manitoba for the year recognized as revenue by the organization in the prior year	-	(50,444)
Province of Manitoba grants, per diems and other revenue recognized in these financial statements for the year	<u>\$ 9,073,819</u>	<u>\$ 8,482,352</u>

**8. Pension Plan**

The organization has a defined contribution pension plan for certain employees who have completed two years of continuous employment. The contributions are held in a trust by a third party administrator. The organization matches employee contributions at a rate of 3% of the employee earnings excluding overtime. As a defined contribution pension plan, the organization has no further liability or obligation for future contributions to fund future benefits to plan members. Total pension expenses for the year are \$28,006 (\$27,477 in 2024).

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# WINNSERV INC.

## Notes to Financial Statements

**For the year ended March 31, 2025**

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### **9. Economic Dependence**

The organization is dependent upon the Government of Manitoba for funding services in accordance with its service purchase agreement.

### **10. Financial Instrument Risk Management**

The organization, through its financial assets and liabilities, is exposed to various types of risk in the normal course of operations. The organization's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the organization's activities. The following analysis provides a measurement of those risks at year end.

#### Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the organization to credit risk consist principally of cash bank, and grants, per diems and other receivables. The organization is not exposed to significant credit risk from grants, per diems other receivables since they are substantially due from the Province of Manitoba in accordance with a signed service purchase agreement and payment in full is typically collected when it is due. There have not been any changes in credit risk from the prior year.

#### Liquidity Risk

Liquidity risk is the risk that the organization will not be able to meet its obligations as they fall due. Financial instruments which potentially subject the organization to liquidity risk include accounts payable and mortgages payable. The organization manages its liquidity to maintain adequate levels of working capital to ensure all its obligations can be met when they fall due. There have not been any changes in liquidity risk from the prior year.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk upon maturity of its fixed rate mortgages payable. There have not been any changes in interest rate risk from the prior year.

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**WINNSERV INC.**  
**Schedule of Administration Expenses**

<b>For the year ended March 31</b>	<b>2025</b>	<b>2024</b>
Bank charges	\$ 549	\$ 618
Computer equipment and software	35,523	25,964
Office equipment purchased	735	1,571
Office equipment repairs	860	745
Office insurance	13,798	7,133
Office rent	36,642	35,935
Office supplies	7,366	7,866
Other	43,553	39,671
Payroll service fees	34,114	34,137
Postage and courier	1,493	2,106
Professional fees	54,040	57,544
Salaries and benefits	446,738	455,406
Staff recruitment	17,427	923
Telephone	3,744	3,691
Travel and parking	5,982	4,673
	<b>\$ 702,564</b>	<b>\$ 677,983</b>

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