

PHARMACISTS MANITOBA INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2023

Table of Contents

	<u>Page</u>
Auditor's Report	1 - 2
Financial Information	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13
Supplemental Schedules	
Schedule 1 - Unrestricted Fund - Revenue and Expenditures	13
Schedule 2 - Smoking Cessation Social Impact Bond (SIB) - Revenue and Expenditures	15



INDEPENDENT AUDITOR'S REPORT

To the Members of
Pharmacists Manitoba Inc.

Opinion

We have audited the financial statements of Pharmacists Manitoba Inc., which comprise the statement of financial position as at December 31, 2023, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Pharmacists Manitoba Inc, as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 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 audit opinion.

Other Information

Management is responsible for the Other Information. The Other Information comprises materials from the Annual General Meeting ("AGM") package, other than the financial statements and our Auditor's report thereon. This information may include summary/highlights of the Corporation's financial performance and capital expenditures that have (will be) taken place.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As of the date of this report, the Other Information was not available, therefore we have not read, nor can we report on the other information.

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 controls 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.

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 Independent 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 judgement 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 controls.

Obtain an understanding of internal controls 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 controls.

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 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 Independent Auditor's 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.

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 controls that we identify during our audit.

Winnipeg, Manitoba
March 25, 2024




F. H. BLACK & COMPANY
Chartered Professional Accountants Inc.

**PHARMACISTS MANITOBA INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023**

December 31,	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 385,896	\$ 341,359
Cash - Smoking Cessation SIB	85,953	302,125
GIC's - Smoking Cessation SIB	1,350,000	750,000
Trust fund, note 4	1,905	2,459
Accounts receivable	32,014	4,063
Prepaid expenses	15,634	17,743
	1,871,402	1,417,749
INVESTMENTS, note 5	338,770	314,628
PROPERTY AND EQUIPMENT, note 6	3,741	2,360
	\$ 2,213,913	\$ 1,734,737
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities, note 7	\$ 21,684	\$ 13,740
Accounts payable and accrued liabilities - Smoking Cessation SIB, note 8	6,690	10,680
Deferred revenue, note 9	179,908	182,365
Deferred contributions - Public relations committee, note 10	8,248	9,395
Deferred revenue - Smoking Cessation SIB, notes 2c, 11	1,426,718	1,038,425
Trust fund, note 4	1,905	2,459
Federal Government Loan, note 12	-	40,000
	1,645,153	1,297,064
NET ASSETS		
Net investment in property and equipment	3,741	2,360
Unrestricted surplus	565,019	435,313
	568,760	437,673
	\$ 2,213,913	\$ 1,734,737

Approved by the Board:


Marilyn Sidhu (Mar 25, 2024 19:40 CDT)

BOD Treasurer


Darren Murphy (Mar 25, 2024 14:20 CDT)

BOD President

March 25 2024

Date

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**PHARMACISTS MANITOBA INC.
STATEMENT OF CHANGES IN NET ASSETS
AS AT DECEMBER 31, 2023**

	Net Investment in Property and Equipment	Internally Restricted Funds	Unrestricted Surplus	Total 2023	Total 2022
Beginning balance	\$ 2,360	\$ -	\$ 435,313	\$ 437,673	\$ 435,236
Excess of revenue over expenditures	-	-	131,087	131,087	2,437
Purchase of property and equipment	2,846	-	(2,846)	-	-
Amortization of property and equipment	(1,465)	-	1,465	-	-
Ending balance, note 13	\$ 3,741	\$ -	\$ 565,019	\$ 568,760	\$ 437,673

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**PHARMACISTS MANITOBA INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023 Budget (Unaudited)	2023 Actual	2022
REVENUE , schedule 1	\$ 536,500	\$ 737,826	\$ 495,160
SMOKING CESSATION SIB REVENUE , schedule 2	750,000	361,708	211,575
TOTAL REVENUE	1,286,500	1,099,534	706,735
EXPENDITURES , schedule 1	535,715	606,739	492,723
SMOKING CESSATION SIB EXPENDITURES , schedule 2	657,200	361,708	211,575
TOTAL EXPENDITURES	1,192,915	968,447	704,298
EXCESS REVENUE OVER EXPENDITURES	\$ 93,585	\$ 131,087	\$ 2,437

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**PHARMACISTS MANITOBA INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023	2022
CASH PROVIDED BY (USED IN)		
OPERATIONS		
Excess of revenue over expenditures	\$ 131,087	\$ 2,437
Amortization of property and equipment	1,465	2,368
Gain on asset disposal	(2)	-
Unrealized (gain)/loss on investments	(19,180)	39,768
Changes in non-cash working capital items	(26,045)	40,670
CASH PROVIDED BY OPERATIONS	87,325	85,243
INVESTING		
Purchase of property and equipment	(2,846)	-
Investment (additions) disposals, net of management fees	(4,961)	(3,742)
Net proceeds from Smoking Cessation SIB project	388,293	538,425
CASH PROVIDED BY INVESTING	380,486	534,683
FINANCING		
Federal government loan repayment	(40,000)	-
CASH PROVIDED BY OPERATIONS, INVESTING AND FINANCING	427,811	619,926
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,395,943	776,017
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,823,754	\$ 1,395,943
CASH AND CASH EQUIVALENTS COMPRISED OF:		
Cash	385,896	341,359
Cash - Smoking Cessation SIB	85,953	302,125
GICs - Smoking Cessation SIB	1,350,000	750,000
Trust fund	\$ 1,905	\$ 2,459
	\$ 1,823,754	\$ 1,395,943

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**PHARMACISTS MANITOBA INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

1. PURPOSE AND LEGAL FORM OF THE ORGANIZATION

Pharmacists Manitoba Inc. is a professional organization incorporated without share capital to enhance the recognition and compensation of professional services while inspiring excellence in practice.

The Organization is a not-for-profit organization exempt from tax under paragraph 149(1)(l) of the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

(b) Financial Instruments

The Organization's financial instruments consist of cash, Guaranteed Investment Certificates ("GIC's"), funds held in trust, accounts receivable, investments, accounts payable and accrued liabilities and trust fund. The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all financial assets and liabilities at amortized cost, except for investments which are measured at fair value.

Unrealized gains or losses from investments are recognized in the statement of operations.

**PHARMACISTS MANITOBA INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

(c) Revenue Recognition and Reporting

The Organization follows the deferral method of accounting for contributions. As such, restricted contributions designated for specific periods or purposes are deferred and recorded as revenue in the designated period or when the applicable expenditures are incurred. 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.

Contributions restricted for the purchase of property and equipment are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related property and equipment.

The advertising fees and publication costs related to the Organization's published communication journal are recognized as revenue and expenditures in the period that the magazine is published and distributed to its members.

Membership revenues collected are recognized based on their period of membership coverage. Memberships collected which relate to subsequent periods are deferred and recognized as revenue in the respective membership periods.

The collection (revenue) and the disbursement (expense) of liability insurance fees are offset (netted) on the financial statements.

Smoking Cessation SIB contributions are externally restricted and are recognized following the deferral method of accounting for contributions. As such, restricted contributions designated for specific periods or purposes are deferred and recorded as revenue in the designated period or when the applicable expenditures are incurred.

(d) Property and Equipment

Property and equipment are stated at cost. Contributed property and equipment are recorded at fair value at the date of contribution. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives on a straight-line basis as follows:

Furniture and fixtures	5 and 10 years
Computer equipment	5 years
Computer software	5 years

(e) Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events 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. Actual results may differ significantly from those estimates.

**PHARMACISTS MANITOBA INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

3. FINANCIAL INSTRUMENTS

The Organization, through its financial assets and liabilities, is exposed to various risks in the normal course of operations. The following analysis provides a measurement of those risks at year end:

Credit risk is the risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument. The Organization's financial assets that are exposed to credit risk consist of cash, GIC's, funds held in trust, investments and accounts receivable. The Organization's cash, funds held in trust, and investments are maintained with a large federally regulated financial institution in Canada. The accounts receivable primarily includes accrued interest receivable on it's GIC's. The organization's exposure to credit risk is limited.

Market rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Organization has a diversified portfolio of investments, which mitigates its market rate risk.

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they become due. The Organization holds a cash balance with a value that exceeds the total liabilities reported at year end, therefore liquidity risk is limited.

There have been no changes in the Organization's risk exposures from the prior year.

4. TRUST FUND

The Organization administers the A. Langley Jones Leadership Award trust fund which awards scholarship money to selected University of Manitoba pharmacy students. The funds under administration are summarized as follows:

	2023	2022
Receipts		
Expenditures		
Scholarship	(500)	-
Bank charges	(54)	(11)
Expenditures in excess of receipts	(554)	(11)
Trust fund, beginning of year	2,459	2,470
Trust fund, end of year	\$ 1,905	\$ 2,459

PHARMACISTS MANITOBA INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

5. INVESTMENTS

The Organization has investments which consist of fixed income and equity securities. The percentage of fixed income investment to total investment based on fair market value as at December 31, 2023 is 30% (2022 - 23%). Investment income earned is considered unrestricted income, to be used for the general benefit of the Organization's members.

Investment	2023	2022
Cash	\$ 4,529	\$ 33,870
Asset Class		
Fixed Income	102,593	72,634
Equity	231,648	208,124
Total fair market value	\$ 338,770	\$ 314,628

Investment activity for the year is as follows:

	2023	2022
Beginning balance	\$ 314,628	\$ 350,653
Investment Income	10,570	9,577
Realized gain (loss)	2	-
Unrealized gain (loss)	19,180	(39,768)
Management fee (including GST)	(5,610)	(5,834)
Ending balance	\$ 338,770	\$ 314,628

6. PROPERTY AND EQUIPMENT

	2023			2022		
	Cost	Accumulated Amortization	Net Carrying Amount	Cost	Accumulated Amortization	Net Carrying Amount
Computer equipment	\$ 32,283	\$ 29,437	\$ 2,846	\$ 29,437	\$ 29,437	\$ -
Computer software	43,390	42,495	895	43,390	41,030	2,360
Total	\$ 75,673	\$ 71,932	\$ 3,741	\$ 72,827	\$ 70,467	\$ 2,360

**PHARMACISTS MANITOBA INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Audit fees payable	\$ 13,150	\$ 10,000
Goods and services tax	(195)	58
Trade	8,729	3,682
Total	\$ 21,684	\$ 13,740

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - SMOKING CESSATION SIB

	2023	2022
Audit fees payable	\$ 5,350	\$ 5,000
Service provision	1,340	5,680
	\$ 6,690	\$ 10,680

9. DEFERRED REVENUE

	2023	2022
Deferred Contributions - Sponsorship	\$ 3,000	\$ 4,000
Deferred conference income	2,500	2,500
Deferred membership revenue	174,408	175,565
Kaleigh Gregorash memorial	-	300
Total	\$ 179,908	\$ 182,365

**PHARMACISTS MANITOBA INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

10. DEFERRED CONTRIBUTIONS - PUBLIC RELATIONS COMMITTEE

The Organization created a Public Relations Committee for purposes of achieving the following objectives:

- To establish and maintain contact with the public, members, and stakeholders;
- To promote the interests and activities of Manitoba pharmacists using the media and other appropriate communication tools;
- To educate the public with respect to the services that pharmacists provide; and
- To inspire pharmacists to strive for excellence and promote safe, patient-centred care.

Deferred contributions from previous years totalling \$9,395 were recognized into income in 2023.

The current year surplus of \$4,423 and the contributions of \$3,825 have been designated for the following year and are reported as deferred contributions of \$8,248 on the statement of financial position.

	2023	2022
Revenue		
Voluntary contributions deferred from prior year	\$ 9,395	\$ 8,795
	9,395	8,795
Expenditures		
Advertising	4,972	1,780
Print media promotion	-	1,620
	4,972	3,400
Surplus	4,423	5,395
		-
Voluntary contributions collected in the current year and designated for following year	3,825	4,000
Total deferred contributions	\$ 8,248	\$ 9,395

**PHARMACISTS MANITOBA INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

11. DEFERRED REVENUE - SMOKING CESSATION SIB

On March 1, 2021, the Organization entered into an agreement with the Government of Manitoba to provide certain smoking cessation services to program participants pursuant to Social Impact Bond ("SIB") project, which is financed by an investor in accordance with the terms and conditions of an investment contract between the Organization and the investor on the same date.

In 2021, the Organization received funding of \$500k and incurred \$38k of start-up legal and consulting costs relating to SIB project. The project was postponed to 2022 to give priority to the COVID-19 related services provided by the Organization's members. The initial funding received was reported as deferred revenue and the start-up costs incurred were reported as part of the 2021 prepaid expenses.

On April 1, 2022, the Organization officially launched the Smoking Cessation Social Impact Bond project and started its operations. In 2022, the Organization received funding of \$750k for the project. The total expenditures incurred during the year, plus the prepaid start-up costs from prior year totalled \$211,575 (see Schedule 2).

In 2023, the Organization received funding of \$750k for the project. The total expenditures incurred during the year totalled \$361,707 (see Schedule 2). Any unexpended funding received to-date is reported as deferred revenue on the statement of financial position at year end.

	2023	2022
Balance, beginning of year	\$ 1,038,425	\$ 500,000
Funding received, schedule 2	750,000	750,000
Expenditures incurred, schedule 2	(361,707)	(211,575)
Total	\$ 1,426,718	\$ 1,038,425

12. FEDERAL GOVERNMENT LOAN

During 2020 and 2021, the Organization received a total of \$60k Canada Emergency Business Account (CEBA) loan proceeds through the Government of Canada's COVID-19 Economic Response Plan. The loan is non-interest bearing to December 31, 2023.

The CEBA loan allows for the forgiveness of up to \$20k if \$40k of the loan is fully repaid by December 31, 2023. The total forgivable amount of \$20k has been recognized into income in prior years 2020 (\$10k) and 2021 (\$10k).

The \$40k loan was fully repaid on December 22, 2023.

13. NET ASSETS

The by-laws of the Organization provide that net assets cannot be divided among the members individually. Any surplus of the Organization must only be used in promoting the Organization's objectives. Should the Organization dissolve or wind up, the remaining assets of the Organization must be distributed to an association(s) with similar objectives to the Organization or to such charitable Organizations as may be determined by the Board of Directors of the Organization.

PHARMACISTS MANITOBA INC.
SCHEDULE 1 - UNRESTRICTED FUND - REVENUE AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Budget (Unaudited)	2023	2022
REVENUE			
Communication journal	\$ 25,000	\$ 24,819	\$ 24,957
Covid-19 rapid antigen tests reimbursement from Manitoba Health	-	109,002	-
Event sponsorship income	3,000	3,000	-
Friends of pharmacy	1,000	943	-
Interest income	-	34,800	7,896
Investment income, note 5	5,000	10,570	9,577
Membership fees	414,000	428,303	401,865
Miscellaneous	2,000	3,490	2,000
Public relations committee, note 10	4,000	4,972	3,400
Provincial conference	82,500	98,745	85,233
Realized gain on disposal of investments	-	2	-
Unrealized gain/(loss) on investments, note 5	-	19,180	(39,768)
	536,500	737,826	495,160
EXPENDITURES			
Accounting and legal	17,500	20,441	14,525
Amortization of property and equipment	3,000	1,465	2,368
Bank charges	300	284	258
Communication journal	10,000	8,364	10,812
Computer	16,000	6,592	15,889
Conferences and meetings	8,000	4,737	7,817
Covid-19 rapid antigen tests disbursement to Pharmacies	-	109,001	-
Credit card charges	17,000	16,193	16,321
Consulting fee	-	-	9,799
Donations	-	250	-
Honoraria	13,000	7,050	10,800
Insurance	3,600	3,528	3,192
Internet and website	3,000	3,515	3,044
Investment management fee	6,000	5,343	5,556
Members' benefit program	12,000	11,726	8,939
Memberships and dues	2,200	2,942	1,950
Miscellaneous	12,000	6,500	-
Office	1,200	1,837	1,056
Postage and delivery	1,000	1,187	819
Printing	4,200	2,395	3,796
Provincial conference expense	71,770	75,031	69,386
Public relations committee, note 10	9,395	4,972	3,400
Rent	2,800	2,817	2,715
Salaries, wages, and benefits	318,000	307,563	296,766
Telephone	3,500	2,824	3,293
Vehicle	250	182	222
	535,715	606,739	492,723
EXCESS OF REVENUE OVER EXPENDITURES	\$ 785	\$ 131,087	\$ 2,437

PHARMACISTS MANITOBA INC.
SCHEDULE 2 - SMOKING CESSATION SOCIAL IMPACT BOND (SIB) - REVENUE AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Budget (Unaudited)	2023	2022
REVENUE			
Funding received	\$ 750,000	\$ 750,000	\$ 750,000
Prior year funding taken into income in the current year	-	1,038,425	500,000
Unexpended funding deferred to subsequent year	-	(1,426,717)	(1,038,425)
	750,000	361,708	211,575
EXPENDITURES			
Administration fee	34,200	36,407	41,772
Advertising	12,000	7,501	13,668
Evaluation	30,000	32,900	9,400
Service delivery	574,000	284,900	107,142
Start up costs	7,000	-	39,593
	657,200	361,708	211,575
EXCESS OF REVENUE OVER EXPENDITURES	\$ 92,800	\$ -	\$ -