

MANITOBA SOCIETY OF PHARMACISTS INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2013

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INDEPENDENT AUDITORS' REPORT

To the Members of
Manitoba Society of Pharmacists Inc.

We have audited the accompanying financial statements of Manitoba Society of Pharmacists Inc., which comprise the statement of financial position as at December 31, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Manitoba Society of Pharmacists Inc. at December 31, 2013, 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.



Winnipeg, Manitoba
March 05, 2014

Certified Management Accountants

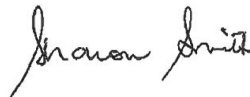
**MANITOBA SOCIETY OF PHARMACISTS INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

<i>December 31,</i>	2013	2012
ASSETS		
CURRENT ASSETS		
Cash	\$ 240,918	\$ 172,678
Trust fund, note 3	6,539	7,039
Accounts receivable	26,156	4,177
Funding receivable, note 4	30,000	-
Prepaid expenses	100,148	89,160
	403,761	273,054
INVESTMENTS, note 5	211,266	199,630
PROPERTY AND EQUIPMENT, note 6	5,133	8,054
	\$ 620,160	\$ 480,738
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities, note 7	\$ 26,699	\$ 15,653
Deferred revenue, note 8	348,092	267,481
Deferred contributions, note 9	19,616	19,963
Trust fund, note 3	6,539	7,039
Donations received	300	300
	401,246	310,436
NET ASSETS		
Net investment in property and equipment, note 11	6,419	9,340
Internally restricted funds, notes 10 & 11	6,314	6,314
Unrestricted surplus, note 11	206,181	154,648
	218,914	170,302
	\$ 620,160	\$ 480,738

Approved on behalf of the Board:



Executive Officer



Executive Officer

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

**MANITOBA SOCIETY OF PHARMACISTS INC.
STATEMENT OF CHANGES IN NET ASSETS
AS AT DECEMBER 31, 2013**

	Net Investment in Property and Equipment	Internally Restricted Funds	Unrestricted Surplus	Total 2013	Total 2012
Beginning balance	\$ 9,340	\$ 6,314	\$ 154,648	\$ 170,302	\$ 242,948
Revenue in excess of expenditures	-	-	48,612	48,612	(72,646)
Amortization of property and equipment	(2,921)	-	2,921	-	-
Ending balance	\$ 6,419	\$ 6,314	\$ 206,181	\$ 218,914	\$ 170,302

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

**MANITOBA SOCIETY OF PHARMACISTS INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 Budget (Unaudited)	2013 Actual	2012
REVENUE, PAGE 13	\$ 644,400	\$ 688,344	\$ 603,027
EXPENDITURES			
Accounting and legal	11,000	11,089	15,147
Amortization of property and equipment	3,000	2,921	3,361
Bad debt	-	-	1,327
Bank charges	2,000	1,903	2,272
Communication journal	25,000	23,597	29,557
Computer	2,000	-	1,161
Conferences and meetings	18,000	18,700	22,655
Credit card charges	13,000	13,372	12,700
Donations	1,000	1,917	1,479
Economics committee	3,500	290	2,492
Government relations	3,500	1,420	1,350
Honoraria	19,000	13,423	11,425
Human resource and compensation committee	3,500	4,247	20,948
Insurance	2,600	2,557	1,904
Investment management fees	3,000	3,014	3,174
Members' benefit program	2,000	-	2,156
Memberships and dues	3,250	3,889	1,855
Members' malpractice insurance	175,000	177,451	158,828
Office	12,000	14,156	12,358
Postage and delivery	5,000	4,087	6,701
Printing	8,000	7,725	7,628
Public relations committee, note 9	40,000	41,878	38,916
Rent and occupancy, note 13	23,000	21,814	23,688
Salaries, wages, and benefits, note 14	248,032	255,321	279,665
Telephone	7,000	6,519	6,901
Vehicle	2,500	2,620	2,559
Website	7,000	5,822	3,466
	642,882	639,732	675,673
REVENUE IN EXCESS OF EXPENDITURES	\$ 1,518	\$ 48,612	\$ (72,646)

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

**MANITOBA SOCIETY OF PHARMACISTS INC.
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013	2012
CASH PROVIDED BY (USED IN)		
OPERATIONS		
Revenue in excess of expenditures	\$ 48,612	\$ (72,646)
Amortization of property and equipment	2,921	3,361
Realized loss on investments	1,626	-
Unrealized gain on investments	(9,998)	(9,601)
Changes in non-cash working capital items	27,843	41,456
CASH PROVIDED BY (USED IN) OPERATIONS	71,004	(37,430)
INVESTING		
Long term investment net (additions) disposals	(3,264)	112,402
FINANCING		
INCREASE (DECREASE) IN CASH	67,740	74,972
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	179,717	104,745
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 247,457	\$ 179,717
CASH AND CASH EQUIVALENTS COMPRISED OF:		
Cash	240,918	172,678
Trust fund	\$ 6,539	\$ 7,039
	\$ 247,457	\$ 179,717

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

**MANITOBA SOCIETY OF PHARMACISTS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

1. PURPOSE AND LEGAL FORM OF THE ORGANIZATION

Manitoba Society of Pharmacists Inc. (herein after referred to as the "Society") is a professional society incorporated to enhance the recognition and compensation of professional services while inspiring excellence in practice.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Instruments

The Society's financial instruments consist of cash, funds held in trust, investments, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Interest Rate Risk

The Society is exposed to interest rate risk arising from fluctuations in interest rates on its cash and investments. The Society has considered, but does not use, derivative instruments to reduce its exposure to risk.

Credit Risk

The Society is exposed to credit risk on the accounts receivable from its customers. The Society does not have significant exposure to any individual customer.

(b) Revenue Recognition

The Society 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 Society's published magazine are recognized as revenue and expenditures in the period that the magazine is published and distributed to its members.

**MANITOBA SOCIETY OF PHARMACISTS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

(c) Investments

The Society recognizes its investments at fair value. Unrealized gains or losses are recognized in the statement of operations.

(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
Leasehold improvements	5 years

(e) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit enterprises, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities at the date of the financial statements and sales, direct costs and operating expenses for the period reported. Actual results could differ from those estimates.

(f) Income Taxes

No provision for income taxes has been recorded in the accounts as the Society is exempt from tax under section 149(1)(l) of the Income Tax Act.

**MANITOBA SOCIETY OF PHARMACISTS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

3. TRUST FUND

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

	2013	2012
Receipts		
Other	\$ -	\$ 4
Expenditures		
Scholarship	(500)	(500)
Bank charges	-	(32)
	\$ (500)	\$ (532)
Expenditures in excess of receipts	(500)	(528)
Trust fund, beginning of year	7,039	7,567
Trust fund, end of year	\$ 6,539	\$ 7,039

4. FUNDING RECEIVABLE

The Society entered into an agreement with the Government of Manitoba for funding of the special project - Smoking Cessation. The agreement that was entered into in 2013, outlined funding to the organization for 2013 and 2014 and was signed in January 2014.

5. INVESTMENTS

The Society has investments which consist of fixed income and equity securities. The percentage of fixed income investment to total investment based on cost as at December 31, 2013 is 57% (2012 - 60%). Investment income earned is considered unrestricted income, to be used for the general benefit of the Society's members.

Under the new Canadian accounting standards for not-for-profit organizations, investments are recognized at fair value.

During the year, unrealized gains were recorded in the amount of approximately \$9,998 (2012 - \$9,601). This gain has been included in investment income as reported on the schedule of revenue (see page 13).

**MANITOBA SOCIETY OF PHARMACISTS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

5. INVESTMENTS (Continued)

Investment	2013	2012
Cash	\$ 4,616	\$ 1,511
Asset Class		
Fixed Income	119,807	119,472
Equity	86,843	78,647
Total	\$ 211,266	\$ 199,630

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2013	2012
			Net Carrying Amount	Net Carrying Amount
Furniture and fixtures	\$ 25,037	\$ 22,649	\$ 2,388	\$ 2,974
Computer equipment	22,307	19,802	2,505	4,600
Leasehold improvements	1,200	960	240	480
Total	\$ 48,544	\$ 43,411	\$ 5,133	\$ 8,054

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012
Accrued professional fees	\$ 11,300	\$ 11,200
Federal sales tax	621	(434)
Trade payable	14,778	4,887
Total	\$ 26,699	\$ 15,653

8. DEFERRED REVENUE

	2013	2012
Deferred continuing education revenue	\$ 5,000	\$ -
Deferred membership revenue	289,592	267,481
Deferred special projects revenue- Smoking Cessation Project	53,500	-
Total	\$ 348,092	\$ 267,481

**MANITOBA SOCIETY OF PHARMACISTS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

9. DEFERRED CONTRIBUTIONS - PUBLIC RELATIONS COMMITTEE

The Society has 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.

In 2013, deferred contributions from 2012 of \$19,963 were recognized into income. In addition, the committee reported designated funds of \$10,000 and contributions totalling \$17,250 which were offset against expenses incurred totalling \$41,877, resulting in a surplus of \$5,336. This surplus has been deferred to 2014, thus reducing revenue recognized in 2013 respecting the Public Relations Committee from \$37,213 to \$31,877 as reported on the schedule of revenue (see page 13)

	2013	2012
Revenue		
Corporate contributions deferred from prior year	\$ 6,000	\$ -
Voluntary contributions deferred from prior year	10,260	10,828
Surplus deferred from prior year	3,703	-
Corporate contributions designated for current year	17,000	16,791
Voluntary contributions designated for current year	250	-
	37,213	27,619
Expenditures		
Miscellaneous	471	306
Office expense	878	528
Print media promotion	10,820	10,167
Public relations coordinator salary	3,000	1,850
Radio promotion	12,872	13,300
Transit promotion	13,836	12,765
	41,877	38,916
Committee expenditures in excess of revenue	(4,664)	(11,297)
Funds designated to committee in current year	10,000	15,000
Surplus deferred to following year	5,336	3,703
Voluntary contributions designated for following year	14,280	10,260
Corporate contributions designated for following year	-	6,000
Total deferred contributions	\$ 19,616	\$ 19,963

**MANITOBA SOCIETY OF PHARMACISTS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

10. INTERNALLY RESTRICTED FUNDS

The Board of Directors of the Society has set aside general surplus funds for the development and operations of the Professional Relations Committee. The role of the committee is to foster greater awareness and acceptance of pharmacists as fundamental contributors to public health. During the year, the committee did not use internally restricted funds (2012 - nil).

11. NET ASSETS

The by-laws of the Society provide that net assets of the Society cannot be divided among the members individually. Any surplus (revenue in excess of expenditures) of the Society must only be used in promoting the Society's objectives.

Should the Society dissolve or wind up, the remaining assets of the Society must be distributed to an association or associations with similar objectives to the Society or to such charitable organizations as may be determined by the Board of Directors of the Society.

12. PROFESSIONAL RELATIONS COMMITTEE

The Society has created a Professional Relations Committee for purposes of fostering greater awareness and acceptance of pharmacists as fundamental contributors to public health. Revenues are shown within the schedule of revenues (page 13) net of expenses. The results of the Professional Relations Committee are summarized as follows:

	2013	2012
Continuing education revenue	\$ 15,431	\$ 4,200
Continuing education expenditures	(6,490)	(2,828)
Total	\$ 8,941	\$ 1,372

13. LEASE COMMITMENTS

The Society entered into a five year lease agreement on the premises for which it leases office space. This lease expired February 28, 2010. The Society subsequently exercised its option to renew this lease for an additional five years. Annual base rent is \$8,300. Additional rent on common area costs, parking, storage rental and certain utilities approximates \$950 per month and is payable on a monthly basis. This lease renewal expires February 28, 2015.

**MANITOBA SOCIETY OF PHARMACISTS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

14. SALARIES, WAGES, AND BENEFITS

Salaries, wages, and benefits includes severance pay related to a decision made by the Board of Directors to terminate employment of the Executive Director in the 2012 fiscal year. Severance was paid out in accordance with the Executive Director's employment contract. Current year wages reflect the final payout of accrued vacation pay owed to the director.

15. PROVINCIAL CONFERENCE

The results of the Society's Provincial Conference are summarized as follows:

	2013 Budget (Unaudited)	2013	2012
Revenue			
Sponsorship revenue	\$ 61,000	\$ 61,400	\$ 58,900
Ticket sales revenue	32,000	39,008	40,085
Displays revenue	13,000	15,800	13,935
	106,000	116,208	112,920
Expenditures			
Awards and gifts	700	1,184	918
Conference auction	2,600	2,063	2,508
Entertainment	3,300	3,822	3,743
Facility	52,000	47,824	48,748
Photographer	1,000	1,756	947
Printing and postage	10,100	12,815	10,824
Salaries and benefits	13,955	13,955	13,547
Speakers and recorders	17,000	13,477	19,535
Supplies	4,500	5,786	6,397
Website	750	1,145	753
	105,905	103,827	107,920
Conference revenue in excess of expenditures (expenditures in excess of revenue)	\$ 95	\$ 12,381	\$ 5,000

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified consistent with the current year's presentation.

**MANITOBA SOCIETY OF PHARMACISTS INC.
SCHEDULE OF REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 Budget (Unaudited)	2013	2012
Communication journal	\$ 22,000	\$ 29,173	\$ 22,160
Friends of pharmacy	1,000	1,595	1,103
Investment income	3,200	15,845	11,408
Membership fees	583,700	587,403	538,068
Miscellaneous	-	1,129	-
Public relations committee, note 9	30,000	31,877	23,916
Professional relations committee (net), note 12	4,400	8,941	1,372
Provincial conference (net), note 15	100	12,381	5,000
	\$ 644,400	\$ 688,344	\$ 603,027