

**BIOSCIENCE ASSOCIATION  
MANITOBA**

**Financial Statements  
For the year ended March 31, 2021**

# **BIOSCIENCE ASSOCIATION MANITOBA**

## **Financial Statements For the year ended March 31, 2021**

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## Independent Auditor's Report

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To the Members of Bioscience Association Manitoba

### Opinion

We have audited the financial statements of the Bioscience Association Manitoba (the "Association"), which comprise the statement of financial position as at March 31, 2021, and the statement of operations and changes in net assets, 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 the Association as at March 31, 2021, 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 Association 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association'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 Association 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  
June 23, 2021

**BIOSCIENCE ASSOCIATION MANITOBA**  
**Statement of Financial Position**

March 31	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and bank (Note 3)	\$ 506,169	\$ 255,065
Accounts receivable	171,025	251,760
Prepays	7,553	3,746
Investment in term deposit (Note 4)	50,600	-
	735,347	510,571
<b>Investment in term deposit (Note 4)</b>	-	50,600
<b>Capital and intangible assets (Note 5)</b>	824	1,444
	\$ 736,171	\$ 562,615

**Liabilities and Net Assets**

<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 75,934	\$ 153,166
Deferred revenue (Note 7)	55,317	57,947
Deferred project funding (Note 8)	141,075	-
	272,326	211,113
<b>Net Assets</b>		
Unrestricted	463,845	351,502
	\$ 736,171	\$ 562,615

Approved on behalf of the Board of Directors:

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

## BIOSCIENCE ASSOCIATION MANITOBA

### Statement of Operations and Changes in Net Assets

For the year ended March 31	2021	2020
<b>Revenue</b>		
Conference	\$ -	\$ 34,750
Contributed rent (Note 9)	11,670	36,120
Course fees	134,503	128,637
Development grants	166,011	749,899
Government funding		
Projects	624,060	506,583
Other	17,267	-
Memberships	77,808	102,166
Other	2,792	1,726
Project administration fee	33,600	26,318
Sponsorships	38,170	95,266
	<b>1,105,881</b>	<b>1,681,465</b>
<b>Expenses</b>		
Administration and office	96,176	165,386
Advertising and promotion	8,246	10,174
Amortization	620	1,285
Events and projects	3,560	366,931
Foreign exchange	7,170	-
Rent (Note 9)	11,670	36,120
Salaries and benefits	453,659	649,151
Training and program	412,437	399,554
	<b>993,538</b>	<b>1,628,601</b>
<b>Excess of revenue over expenses for the year</b>	<b>112,343</b>	<b>52,864</b>
<b>Net assets, beginning of year</b>	<b>351,502</b>	<b>298,638</b>
<b>Net assets, end of year</b>	<b>\$ 463,845</b>	<b>\$ 351,502</b>

## BIOSCIENCE ASSOCIATION MANITOBA Statement of Cash Flows

For the year ended March 31	2021	2020
<b>Cash Flows from Operating Activities</b>		
Excess of revenue over expenses for the year	\$ 112,343	\$ 52,864
Adjustments for items not affecting cash		
Amortization of capital and intangible assets	620	1,285
	<u>112,963</u>	54,149
Changes in non-cash operating working capital balances		
Accounts receivable	80,735	117,679
Prepays	(3,807)	10,205
Accounts payable and accrued liabilities	(77,232)	(2,286)
Deferred revenue	(2,630)	(35,715)
Deferred project funding	141,075	(36,913)
	<u>251,104</u>	107,119
<b>Cash Flows used in Investing Activities</b>		
Investment in term deposit	-	(50,600)
<b>Cash flows from financing activities</b>		
	-	-
<b>Net increase in cash and bank during the year</b>	<b>251,104</b>	<b>56,519</b>
<b>Cash and bank, beginning of year</b>	<b>255,065</b>	<b>198,546</b>
<b>Cash and bank, end of year</b>	<b>\$ 506,169</b>	<b>\$ 255,065</b>

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# BIOSCIENCE ASSOCIATION MANITOBA

## Notes to Financial Statements

For the year ended March 31, 2021

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### 1. Nature of the Association

Bioscience Association Manitoba ("Association") is a not-for-profit organization that operates to provide leadership and support for the prosperous and sustainable development of the bioscience industry in Manitoba. The bioscience industry includes organizations working in the area of pharmaceuticals, medical devices, functional food, nutraceuticals and clean biotech including industrial biotech.

The Association is incorporated under the laws of the Province of Manitoba without share capital and is exempt from tax under Section 149 (1) of the Income Tax Act.

### 2. Summary of Significant Accounting Policies

#### a. Basis of Accounting

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

#### b. Revenue Recognition

The Association follows the deferral method of accounting for contributions.

Restricted contributions including development grants and government funding are recognized as revenue in the year in which the related expenses 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.

Course fees are recognized as revenue in the period in which the courses are delivered.

Membership revenue is recognized as revenue on a straight-line basis over the term of the membership.

Sponsorship revenue is recognized as revenue in the period to which the sponsorship relates.

Contributed rent is recognized as revenue in the period the related rent expense is incurred.

Conference fees are recognized as revenue in the period the conference occurs.

Project administration fee is recognized as revenue in the period the project occurs based on the percentage the project is completed.

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# BIOSCIENCE ASSOCIATION MANITOBA

## Notes to Financial Statements

**For the year ended March 31, 2021**

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

c. Capital and Intangible Assets

Capital and intangible assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated on a declining balance basis applying one-half the rate in the year of acquisition as follows:

Computer equipment	30 to 55%
Computer software	100%
Promotional equipment	20%

d. Contributed Services

Contributions of services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated, and when the services are used in the normal course of the Association's operations and would otherwise have been purchased.

e. 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 cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs from the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

f. 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 include the estimated useful lives of capital and intangible assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

## BIOSCIENCE ASSOCIATION MANITOBA Notes to Financial Statements

For the year ended March 31, 2021

### 3. Cash and Bank

	2021	2020
Operating	\$ 381,908	\$ 131,097
Premium savings	109,261	108,968
Redeemable term deposit	15,000	15,000
	\$ 506,169	\$ 255,065

The operating account is non-interest bearing. The premium savings account bears interest at 0.20% (1.20% in 2020). The redeemable term deposit bears interest at 0.10% (0.50% in 2020) and matures in December 2021.

The Association has available a line of credit of \$100,000 (\$100,000 in 2020) which bears interest at the bank prime rate plus 2.75% with effective rate of 5.20% (5.20% in 2020), and a credit card facility of \$40,000. The credit facility is due on demand and is secured by a general security agreement constituting a first ranking security interest on all property of the Association. As at March 31, 2021, the Association had not drawn on the line of credit.

### 4. Investment in Term Deposit

The non-redeemable term deposit bears interest at 1.75% and matures in August 2021.

### 5. Capital and Intangible Assets

	2021			2020		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 13,319	\$ 12,891	\$ 428	\$ 13,319	\$ 12,369	\$ 950
Computer software	4,132	4,132	-	4,132	4,132	-
Promotional equipment	4,971	4,575	396	4,971	4,477	494
	\$ 22,422	\$ 21,598	\$ 824	\$ 22,422	\$ 20,978	\$ 1,444

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## BIOSCIENCE ASSOCIATION MANITOBA Notes to Financial Statements

**For the year ended March 31, 2021**

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### 6. Accounts Payable and Accrued Liabilities

	<u>2021</u>	<u>2020</u>
Bonus payable	\$ -	\$ 54,667
Trade accounts payable	71,700	88,686
Vacation payable	4,234	9,813
	<u>\$ 75,934</u>	<u>\$ 153,166</u>

### 7. Deferred Revenue

	<u>2021</u>	<u>2020</u>
Memberships	\$ 34,449	\$ 17,775
Sponsorships	20,868	40,172
	<u>\$ 55,317</u>	<u>\$ 57,947</u>

### 8. Deferred Project Funding

The deferred project funding has been received from the Province of Manitoba Economic Development and Training and other sources.

### 9. Contributed Rent

The Association occupies leased premises. During the year, the Association received a non-monetary contribution for rent from Workplace Education Manitoba with a fair value of \$11,670 (\$36,120 in 2020).

### 10. Economic Dependence

A significant portion of the Association's revenue is derived from the Government of Canada or the Province of Manitoba. The Association's ability to continue certain core programs would be significantly impaired by the loss of government funding.

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# BIOSCIENCE ASSOCIATION MANITOBA

## Notes to Financial Statements

**For the year ended March 31, 2021**

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### **11. Financial Instrument Risk Management**

The Association is exposed to different types of risk in the normal course of operations, including credit risk and liquidity risk. The Association'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 Association's activities.

**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 Association to credit risk consist principally of cash and bank, investments in term deposits and accounts receivable. Cash and investments are held with one financial institution with balances typically in excess of insured limit. The Association is not exposed to significant credit risk from grants and accounts receivable since they are substantially all due from governments in accordance with funding agreements and from members who typically pay within terms.

**Liquidity Risk** - Liquidity risk is the risk that the Association will not be able to meet its obligations as they fall due. The Association manages liquidity risk by monitoring working capital to ensure all its obligations can be met when they fall due.

### **12. Uncertainty Related to COVID-19 Issue**

On March 13, 2020, the World Health Organization declared COVID-19 a global pandemic. This has had adverse impacts in Canada and on the global economy. As this continues, there could be further impact on the Association. The Association waived membership fees for smaller member companies for the current year. In addition, the Association received the Government of Canada Temporary Wage Subsidy. Management is actively monitoring the effect on the Association's liquidity, financial position and operations. Given the daily evolution of the pandemic and global responses to curb its spread, the Association is not able to estimate fully the effects at this time.