

BIOSCIENCE ASSOCIATION MANITOBA

Financial Statements
For the year ended March 31, 2023

BIOSCIENCE ASSOCIATION MANITOBA

Financial Statements For the year ended March 31, 2023

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Independent Auditor's Report

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, 2023, 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, 2023, 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 29, 2023

BIOSCIENCE ASSOCIATION MANITOBA
Statement of Financial Position

March 31	2023	2022
Assets		
Current Assets		
Cash and bank (Note 3)	\$ 556,273	\$ 591,948
Accounts receivable	138,880	64,073
Contributions receivable	77,000	75,000
Prepays	11,794	3,741
Investment in term deposit (Note 4)	50,048	50,000
	833,995	784,762
Capital and intangible assets (Note 5)	340	509
	\$ 834,335	\$ 785,271

Liabilities and Net Assets

Current Liabilities		
Accounts payable and accrued liabilities	\$ 298,017	\$ 186,067
Deferred revenue (Note 6)	93,784	75,751
	391,801	261,818
Commitment (Note 8)		
Net Assets		
Unrestricted	442,534	523,453
	\$ 834,335	\$ 785,271

Approved on behalf of the Board of Directors:


 _____ Director
Reuben Saba
 _____ Director

BIOSCIENCE ASSOCIATION MANITOBA

Statement of Operations and Changes in Net Assets

For the year ended March 31	2023	2022
Revenue		
Contributed rent (Note 7)	\$ 12,250	\$ 12,250
Course fees	122,929	172,080
Development grants	40,000	297,227
Contributions		
Projects	552,000	533,440
Other	-	12,044
Memberships	117,879	104,925
Other	4,613	7,781
Project administration fee	34,495	21,851
Sponsorships and events	108,106	61,727
	<u>992,272</u>	<u>1,223,325</u>
Expenses		
Administration and office	108,191	115,569
Advertising and promotion	8,259	26,532
Amortization	169	314
Foreign exchange (gain)	(13,502)	365
Rent (Note 7)	12,250	12,250
Salaries and benefits	576,192	496,288
Training, programs and events	381,632	512,399
	<u>1,073,191</u>	<u>1,163,717</u>
Excess (deficiency) of revenue over expenses for the year	(80,919)	59,608
Net assets, beginning of year	523,453	463,845
Net assets, end of year	\$ 442,534	\$ 523,453

BIOSCIENCE ASSOCIATION MANITOBA Statement of Cash Flows

For the year ended March 31	2023	2022
Cash Flows from Operating Activities		
Excess (deficiency) of revenue over expenses for the year	\$ (80,919)	\$ 59,608
Adjustments for items not affecting cash		
Amortization of capital and intangible assets	169	314
	<u>(80,750)</u>	59,922
Changes in non-cash operating working capital balances		
Accounts receivable	(74,807)	(32,172)
Contributions receivable	(2,000)	64,125
Prepays	(8,053)	3,812
Accounts payable and accrued liabilities	111,950	110,133
Deferred revenue	18,033	20,434
Deferred project funding	-	(141,075)
	<u>(35,627)</u>	85,179
Cash Flows from Investing Activities		
Investment in term deposit	(48)	600
Cash flows from financing activities		
	-	-
Net increase (decrease) in cash and bank during the year	(35,675)	85,779
Cash and bank, beginning of year	591,948	506,169
Cash and bank, end of year	\$ 556,273	\$ 591,948

BIOSCIENCE ASSOCIATION MANITOBA

Notes to Financial Statements

For the year ended March 31, 2023

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.

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

BIOSCIENCE ASSOCIATION MANITOBA

Notes to Financial Statements

For the year ended March 31, 2023

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, 2023

3. Cash and Bank

	2023	2022
Operating	\$ 380,519	\$ 417,469
Premium savings	110,610	109,479
Redeemable term deposit	65,144	65,000
	\$ 556,273	\$ 591,948

The operating account is non-interest bearing. The premium savings account bears interest at 0.20% (0.20% in 2022). The redeemable term deposit bears interest at 0.75% (0.15% in 2022) and matures in August 2023.

The Association has available a line of credit of \$100,000 (\$100,000 in 2022) which bears interest at the bank prime rate plus 2.75% with effective rate of 9.45% (5.45% in 2022), 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, 2023, the Association had not drawn on the line of credit.

4. Investment in Term Deposit

The non-redeemable term deposit bears interest at 4.00% and matures in August 2023.

5. Capital and Intangible Assets

	2023			2022		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 13,319	\$ 13,232	\$ 87	\$ 13,319	\$ 13,126	\$ 193
Computer software	4,132	4,132	-	4,132	4,132	-
Promotional equipment	4,971	4,718	253	4,971	4,655	316
	\$ 22,422	\$ 22,082	\$ 340	\$ 22,422	\$ 21,913	\$ 509

6. Deferred Revenue

	2023	2022
Memberships	\$ 31,713	\$ 38,525
Sponsorships	41,686	37,226
Training	20,385	-
	\$ 93,784	\$ 75,751

BIOSCIENCE ASSOCIATION MANITOBA

Notes to Financial Statements

For the year ended March 31, 2023

7. 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 \$12,250 (\$12,250 in 2022). This agreement end in July 2023.

8. Commitment

The Association has a lease agreement for its premises commencing July 2023 and expiring March 31, 2024 with monthly payments of \$3,088.

9. 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.

10. 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 contributions since they are substantially all due from governments in accordance with funding agreements and from accounts receivable due 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 is exposed to liquidity risk through accounts payable. The Association manages liquidity risk by monitoring working capital to ensure all its obligations can be met when they fall due.