The Pharmacy Association of Saskatchewan

Financial Statements

June 30, 2025

Draft - For Management Only

Independent Auditor's Report

To the Members of The Pharmacy Association of Saskatchewan:

Opinion

We have audited the financial statements of The Pharmacy Association of Saskatchewan (the "Association"), which comprise the statement of financial position as at June 30, 2025, and 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 the Association as at June 30, 2025, 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.

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 the 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.

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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.

Regina, Saskatchewan

August 27, 2025

Chartered Professional Accountants

The Pharmacy Association of Saskatchewan
Statement of Financial Position
As at June 30, 2025

	2025	*2024*
Assets		
Current		
Cash	**2,811,949**	2,494,381
Restricted cash *(Note 5)*	**197,618**	250,432
Accounts receivable	**37,174**	42,149
Marketable securities *(Note 3)*	**654,111**	568,335
Prepaid expenses	**27,366**	23,722
	3,728,218	3,379,019
Capital assets *(Note 4)*	**5,415**	3,476
Long-term Investments *(Note 3)*	**-**	39,354
	3,733,633	3,421,849
Liabilities		
Current		
Accounts payable	**305,958**	318,384
Goods and services tax payable	**31,297**	32,475
Unearned membership fees	**493,825**	479,359
Deferred revenue - Safe Medication Disposal Fund *(Note 5)*	**197,618**	250,432
Deferred grant revenue	**8,714**	8,714
Deferred conference revenue	**62,445**	117,900
	1,099,857	1,207,264
Net Assets		
Invested in capital assets	**5,415**	3,476
Unrestricted net assets	**2,628,361**	2,211,109
	2,633,776	2,214,585
	3,733,633	3,421,849

Approved on behalf of the Board of Directors

Director **Director**

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The accompanying notes are an integral part of these financial statements

The Pharmacy Association of Saskatchewan
Statement of Operations
For the year ended June 30, 2025

	12 Months Ended 2025	*9 Months Ended 2024*
Revenue		
Prescription deductions	**795,108**	583,043
Membership fees	**500,249**	359,464
Conference	**134,385**	560
Insurance sponsorships	**93,057**	55,217
Other	**31,774**	11,351
	1,554,573	1,009,635
Operating expenses *(Schedule 1)*	**1,174,190**	726,622
	380,383	283,013
Board and Committee costs		
Board of directors	**43,757**	23,775
Chair	**4,038**	1,816
Economics committee	**-**	838
	47,795	26,429
Excess of revenue over expenses before other items	**332,588**	256,584
Other items		
Interest income	**59,897**	21,330
Unrealized gain on investments	**26,706**	33,586
Safe Medication Disposal Initiative revenue	**302,814**	149,568
Safe Medication Disposal Initiative expenses	**(302,814)**	(149,568)
	86,603	54,916
Excess of revenue over expenses	**419,191**	311,500

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The Pharmacy Association of Saskatchewan
Statement of Changes in Net Assets
For the year ended June 30, 2025

	Invested in capital assets	*Unrestricted net assets*	*2025*	*2024*
Net assets, beginning of the period	**3,476**	**2,211,109**	**2,214,585**	1,903,085
Excess of revenue over expenses	**-**	**419,191**	**419,191**	311,500
Amortization	**(2,327)**	**2,327**	**-**	-
Purchase of capital assets	**4,266**	**(4,266)**	**-**	-
Net assets, end of period	**5,415**	**2,628,361**	**2,633,776**	2,214,585

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The Pharmacy Association of Saskatchewan
Statement of Cash Flows
For the year ended June 30, 2025

	12 Months Ended 2025	*9 Months Ended 2024*
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**419,191**	311,500
Amortization	**2,327**	1,350
Unrealized gain on investments	**(26,706)**	(33,586)
	394,812	279,264
Changes in working capital accounts		
Accounts receivable	**4,975**	1,023
GST payable	**1,178**	25,367
Prepaid expenses	**(3,644)**	(13,165)
Accounts payable and accruals	**(12,425)**	276,876
Deferred revenue - Safe Medication Disposal Fund	**(52,814)**	(149,568)
Unearned membership fees	**14,466**	126,624
Deferred conference revenue	**(55,455)**	117,900
	291,093	664,321
Investing		
Purchase of capital assets	**(4,266)**	(2,025)
Net purchase of investments	**(22,073)**	(15,907)
	(26,339)	(17,932)
Increase in cash resources	**264,754**	646,389
Cash resources, beginning of year	**2,744,813**	2,098,424
Cash resources, end of year	**3,009,567**	2,744,813
Cash resources are composed of:		
Cash	**2,811,949**	2,494,381
Restricted cash	**197,618**	250,432
	3,009,567	2,744,813

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1. Incorporation and nature of the organization

The Pharmacy Association of Saskatchewan (the "Association"), formerly the Representative Board of Saskatchewan Pharmacists, was incorporated under The Non-Profit Corporations Act, 1995 on June 26, 2001. The Association is a non-profit, provincially based Association, governed by a volunteer Board of Directors and acts as an advocate for Saskatchewan Pharmacies and Pharmacists. Under present legislation, no income taxes are payable on the income of such corporations.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Purchased capital assets are recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives.

	Years
Computer equipment	5 years
Furniture and fixtures	5 years

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions 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.

Membership fees are recognized as revenue on a straight-line basis over the term of the membership, which runs from July 1 - June 30. Prescription deductions, insurance sponsorships and investment income are recognized as revenue when earned. Restricted government grants, mailing subscriptions, newsletters and seminars and conference revenues are recognized when the related expenditures are incurred.

Measurement uncertainty

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accouts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

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2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. Marketable securities/portfolio investments and long-term investments have been designated to be subsequently measured at their fair value. Fair value is determined by values quoted in an active market. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

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3. Marketable Securities

	2025	*2024*
Current		
Cash	**1,290**	1,288
Cash equivalent	**49,059**	55,551
Bond funds	**381,335**	331,293
Preferred share funds	**33,467**	22,879
Equity funds	**188,830**	157,238
Other funds	**130**	86
	654,111	568,335
Long term		
Canadian bank autocallable notes	**-**	25,354
Canadian bank GIC	**-**	14,000
	-	39,354
	654,111	607,689

4. Capital assets

	Cost	***Accumulated amortization***	***2025 Net book value***	*2024 Net book value*
Computer equipment	**10,949**	**7,380**	**3,569**	2,239
Furniture and fixtures	**2,308**	**462**	**1,846**	1,237
	13,257	**7,842**	**5,415**	3,476

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5. Safe Medication Disposal Fund/Restricted Cash

In May 2022, the Association entered into an agreement with the Ministry of Health to coordinate a campaign of action within the Province of Saskatchewan's Pillars for Life suicide prevention plan by providing pharmacies with the suport to safely dispose of expired medications to reduce the risk of overdose.

The Association is responsible for the payment of all expenses incurred in providing the services. All funds received under the program are restricted for the purpose of carrrying out the directives within the agreement. Any unspent funds will be repayable to the Ministry. Total funding expected to be received over the lifetime of the program is $800,000.

	12 Months Ended 2025	*9 Months Ended 2024*
Deferred revenue, beginning of year	**250,432**	400,000
Funding received during the year	**250,000**	-
Program expenses incurred during the year	**(302,814)**	(149,568)
Deferred revenue - Safe Medication Disposal Fund	**197,618**	250,432

6. Commitments

The Association, through the normal course of operations, has entered into a number of long term commitments including the rental of its office space, a printer, and phones. The total minimum lease payments for the next four years are as follows:

2026	23,187
2027	23,187
2028	21,773
2029	18,105
	86,252

7. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments.

Credit concentration

Accounts receivable from two organizations represent 57% (2024 - three organization representing 66%) of total accounts receivable as at June 30, 2025. The Association believes that there is minimal risk associated with the collection of these amounts. The balance of accounts receivable is widely distributed among the remainder of the Association's large customer base. The Association performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association enters into transactions to purchase goods and services on credit and lease office equipment from various creditors for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Association's future net cash flows for the possibility of a negative cash flow. The Association manages the liquidity risk resulting from its trade payables and accruals and leases by monitoring its cash and short term investments.

8. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

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9. Change in year end

During the prior year, the financial year-end of the Association was changed from September 30 to June 30 to coincide with the Associations membership year. As such, the statements of operations and cash flows for the comparative information represent nine months of operations, while the current year figures represent twelve months of operations.

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The Pharmacy Association of Saskatchewan
Schedule 1 - Schedule of Operating expenses
For the year ended June 30, 2025

	12 Months Ended	*9 Months Ended*
	2025	*2024*
Operating expenses		
Advertising	**114,638**	53,731
Amortization	**2,327**	1,350
Annual conference	**106,294**	1,385
Bank charges and interest	**7,742**	5,251
Building occupancy	**53,086**	33,490
Chief Executive Officer	**3,518**	3,201
Communication service expenses	**1,297**	1,547
Contracted services	**90,076**	62,983
Credit card charges	**25,618**	24,299
Director of Professional Practice	**7,205**	3,444
Manager of Professional Practice	**6,237**	5,000
Member assistance program	**43,896**	27,435
Member relations	**21,725**	4,836
Office	**47,123**	31,343
Professional fees	**57,304**	33,096
Salaries and benefits	**581,523**	430,622
Subscriptions	**4,581**	3,609
	1,174,190	726,622

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