

ANNUAL REPORT 2015



NEWFOUNDLAND & LABRADOR
PHARMACY BOARD

Contents



Message from the Board
Chair and Registrar

Pg 1

About the Board

Pg 3

Board Members

Pg 5

Meet the New Board
Members

Pg 6

Board Committees

Pg 7

Quality Assurance Program

Pg 9



Ensuring Competent Registrants Pg 10

Investigating and Resolving Complaints Pg 11

Registration and Licensing Statistics Pg 13

Minutes of 2015 Annual General Meeting Pg 15

2015 Summarized Financial Statements Pg 19

Message from the Board Chair and Registrar

On behalf of the Newfoundland and Labrador Pharmacy Board members and staff, it is our pleasure to present the 2015 Annual Report. This report provides highlights of our achievements and celebrates the milestones completed in 2015 while working towards our vision of *Advancing Pharmacy Care for a Safe and Healthy Community*.

Guided by the Board's Goals and Objectives, 2015 saw much advancement in the scope of pharmacy practice. The launch of the Board's Expanded Practice Advisory Committee provided much needed multidisciplinary guidance to the Board in the development of the Standard of Practice for

Prescribing by Pharmacists. To align practice with the new Pharmacy Regulations, 2015, approximately 25% of the Board's Standards of Practice were reviewed and updated including the *Standards of Pharmacy Operation for Community Pharmacy*.

As we look ahead to 2016, the Board will continue to build on expanded scopes of practice and welcome pharmacy technicians as regulated health professional into pharmacy practice. In keeping with the Board's commitment to public safety, work is ongoing to expand the Board's Quality Assurance Program into hospital pharmacy practice.

This has been an eventful year for the Board and would not have been possible without the efforts and support of the Board members, staff and volunteer committee members. Thank you for your commitment to improving pharmacy practice in Newfoundland and Labrador. We look forward to continued collaboration with pharmacists, pharmacy technicians, other healthcare professions and our many stakeholders in the coming year.

Thank you for taking the time to read the 2015 Annual Report.



DON ANTHONY

A handwritten signature of Don Anthony in white ink, written in a cursive style.



MARGOT PRIDDLE

A handwritten signature of Margot Priddle in white ink, written in a cursive style.

About the Board

The Newfoundland and Labrador Pharmacy Board is the regulatory body for the profession of pharmacy in the province. We serve to protect the public and hold NL pharmacists and pharmacy technicians accountable to

the established Code of Ethics, Standards of Practice, legislation, policies and guidelines that are relevant to pharmacy practice. We also ensure that pharmacies within the province meet the required standards of operation.



OUR MISSION:

The Newfoundland and Labrador Pharmacy Board protects the people of the province by governing the profession of pharmacy to ensure quality and ethical care.



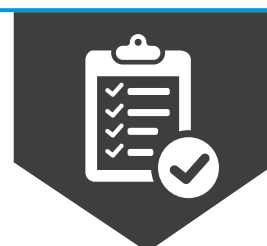
OUR VALUES:

Accountability
Collaboration
Integrity
Transparency



OUR VISION:

Advancing Pharmacy Care for a Safe and Healthy Community.



LEGAL POWERS AND AUTHORITY

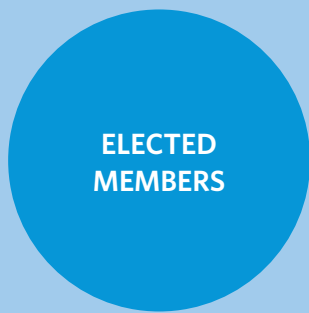
As a regulated healthcare profession, pharmacy is governed through a number of provincial and federal pieces of legislation. The legal powers and the duties of the Board are set out in the **Pharmacy Act, 2012**, and the accompanying Regulations.



Board Members

The Board is overseen by seven elected pharmacists, one pharmacy technician (vacant in 2015), two government appointed public representatives, two Board appointed public representatives, and the Dean of Memorial University School of Pharmacy.

The Board's primary goal is to ensure that the interests of the public are protected and maintained. The Board is the policy-making group, providing leadership and guidance for the profession in delivering pharmacy services to the public.



ZONE 1	Jeremy Parsons Bioscript Pharmacy St. John's
ZONE 2	Ray Gulliver Baccalieu Trail Pharmacy Clarke's Beach
ZONE 3	David Cramm Shoppers Drug Mart Lewisporte
ZONE 4	Henry White Walmart Pharmacy Stephenville
AT LARGE	Taggart Norris Lawtons Drugs Topsail Road, St. John's Chad Parsons Shoppers Drug Mart Goulds Jody Pomeroy Central Health Grand Falls-Windsor
PHARMACY TECHNICIAN	Vacant



BOARD APPOINTED	Donald Anthony Shirlene Murphy
GOVERNMENT APPOINTED	Ruby Chaytor Gerri Thompson



DEAN, MUN SCHOOL OF PHARMACY	Carlo Marra
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Meet the New Board Members

JEREMY PARSONS

Since graduating from Memorial University (BSc. Pharm) in 2006, Jeremy Parsons has had the opportunity to work in a variety of practice settings. Jeremy began his practice in a community pharmacy in New Brunswick, which included practising in a long-term care setting. He returned to NL in 2008, where he continued his community practice and joined the NLPB Registration and Licensing Committee. In 2011, he became the Pharmacy Skills Coordinator at the School of Pharmacy, where he taught and mentored students. Then in 2013, while continuing to lecture at the university, he moved into a speciality practice with BioScript Pharmacy.

Jeremy is committed to incorporating the expanding scope of pharmacy into his own practice; both safely and ethically.



HENRY WHITE

Henry White graduated from Memorial University School of Pharmacy in 1994 and began practicing in Stephenville with Walmart at that time. In 2004, Henry became pharmacy manager and has been working in that role ever since. Henry says, "I think it's an exciting time to be on the board, as we are seeing lots of changes as pharmacy evolves in this province." Henry currently lives in Stephenville with his wife Georgina.



Board Committees

Statutory and standing committees support the work of the Board. Committees are comprised of elected members, public appointments and registrant volunteers.

THE EXECUTIVE COMMITTEE

The Executive Committee considers and takes action on all matters delegated to it by the Board and all matters requiring immediate attention between Board meetings.

- Don Anthony
Chair
- Chad Parsons
Vice-Chair
- Dave Cramm
Past Chair
- Ray Gulliver
Executive Member

COMPLAINTS AUTHORIZATION COMMITTEE

The Complaints Authorization Committee is responsible for considering allegations regarding professional practice referred to it by the Registrar. The Complaints Authorization Committee is convened when required and consists of no less than three board members, at least one of whom is appointed to represent the public interest.

- Current Board Members

DISCIPLINARY PANEL

The Disciplinary Panel is responsible for considering complaints referred to it by the Complaints Authorization Committee.

- Colleen Abbott-Hibbs
- Mike Batt
- Janice Chalker
- Barry Downey
- Walter Fleming
- Jeff Fost
- Stephen Gillingham
- Denise O'Brien
- Ron M. Pomeroy
- Jeremy Reid
- Heather Seeley
- Ron Sheppard
Public Representative
- Wanda Spurrell
- Robert Williams
Public Representative
- Jerry Young
- Yvonne Young
Public Representative

PROFESSIONAL DEVELOPMENT REVIEW COMMITTEE

The Professional Development Review Committee supports continued competency and encourages continuing professional development of registrants.

- Barbara Thomas
Chair
- Scott Dawe
- Jason Druken
- Debbie Kelly
- Jason Kielly
- Derek Long
- Jeremy Parsons
- Jody Pomeroy
- Jeremy Reid
- Jason Ryan
- Barbara Scaplen
- Christina Tulk

FINANCE AND AUDIT COMMITTEE

The Finance and Audit committee is responsible for overseeing, reviewing, and developing recommendations and advising the Board and Registrar on the financial operation of the NLPB.

- Ray Gulliver
Chair
- Don Anthony
- David Cramm
- Shirlene Murphy
- Taggart Norris

EXPANDED PRACTICE ADVISORY COMMITTEE

The Expanded Practice Advisory Committee is responsible for developing, reviewing and recommending the standards, for expanding pharmacist's practice, helping the Board meet its goals of protecting the public and optimizing the use of pharmacy professionals' skills.

- Sheldon Baines
- Richard Coombs
- Debbie Kelly
- Pamela King-Jesso
ARNNL
- H. Russell Lake
CPSNL
- Susanna O'Grady
- Gerri Thompson
Public Representative

JOINT COMMITTEE ON STRUCTURED PRACTICE EXPERIENCE

The committee makes recommendations to the Newfoundland and Labrador Pharmacy Board and the Council of the School of Pharmacy on all matters pertaining to the structured practice experience program including the placement of students, appointment and orientation of preceptors, educational materials and methods of evaluation to be used during the practice experience periods.

- Pamela Carter
- Ray Gulliver
- Evelena Verge

Quality Assurance Program

The Board's Quality Assurance framework has been guiding the program's development. The system-based approach is multi-dimensional and paves the way for an accountability model of excellence in pharmacy practice.

The framework is flexible, sustainable and forward-looking, covering all aspects of practice with the ultimate goal of medication and patient safety.

Quality Assurance Continuum



Since the inception of the Quality Assurance Program, approximately 25% of community pharmacy practice sites have been assessed.

IN 2015:

21 Community Pharmacy Practice Site Assessments



7 Independent



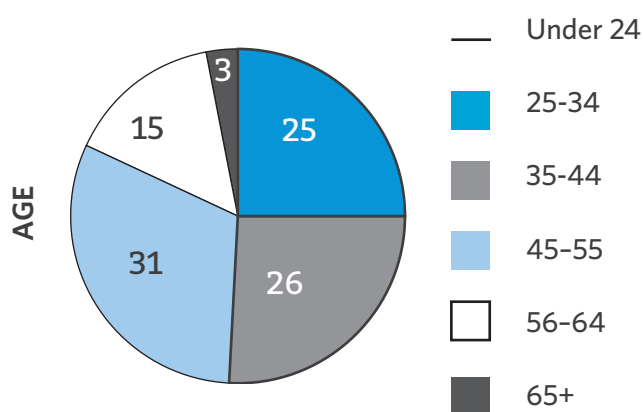
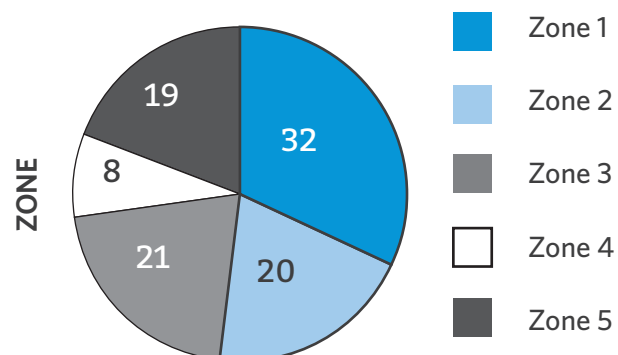
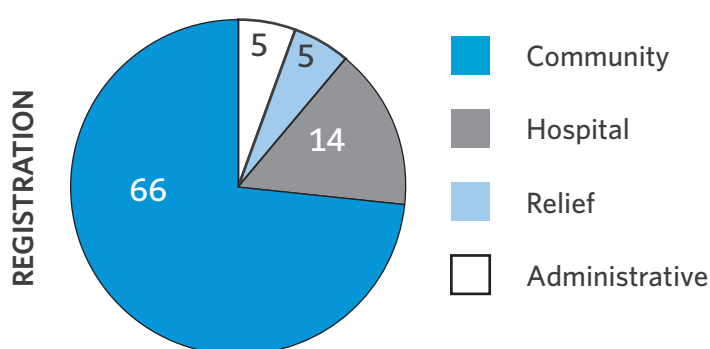
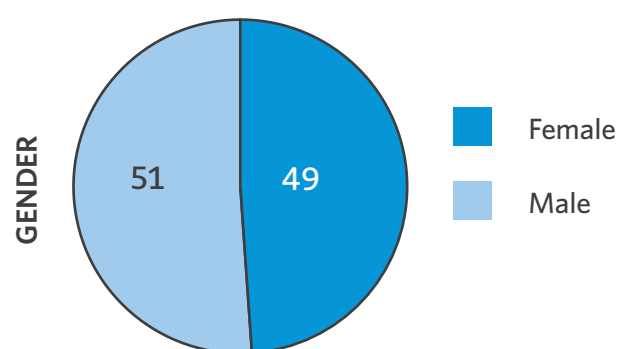
14 Chain

Ensuring Competent Registrants

To ensure they maintain their competency and skills, all pharmacy professionals in Newfoundland and Labrador are mandated to engage in professional development. Pharmacists are required by legislation to participate in and keep records of their continuing education and professional development.

In 2015, 10% of registered practicing pharmacists were randomly selected to participate in the annual professional development audit.

BREAKDOWN OF THE 70 PHARMACISTS WHO WERE AUDITED IN 2015:



Investigating and Resolving Complaints

As the regulatory body for the profession of pharmacy, the Board is responsible for investigating issues related to practice. The Board conducts investigations into the conduct of pharmacists, pharmacy students, pharmacy interns and pharmacy technicians for reasons related to allegations of professional misconduct, incompetence and/or incapacity.

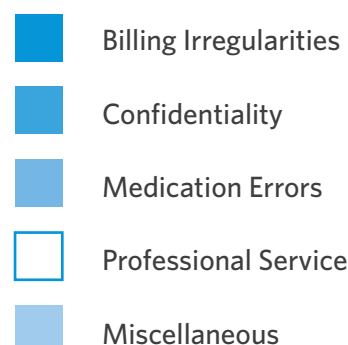
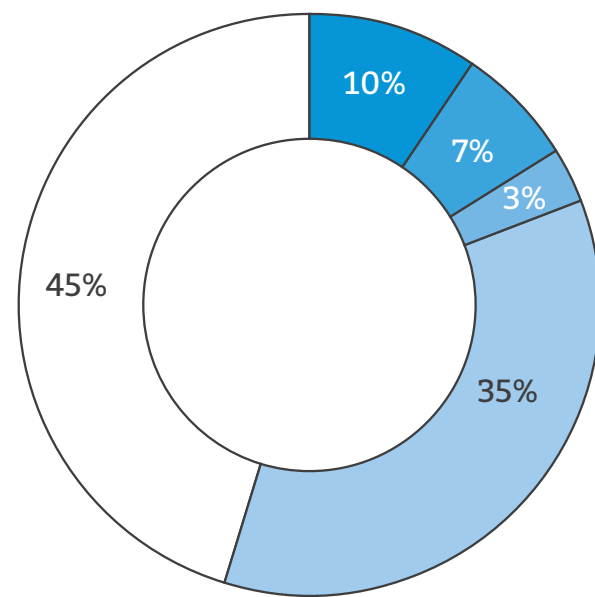
Any member of the public who is dissatisfied with the care or services provided by a registrant or a pharmacy may file a formal allegation or report the information to the Board. The Board investigates and resolves the allegations received to ensure registrants are providing safe and ethical care.

In addition, there are other ways the Board may be informed about a potential issue with a registrant or practice site. For example, employers, facility owners and other regulated healthcare professionals have a mandatory obligation to report certain concerns including professional misconduct, incapacity or incompetence.

During 2015, there were 31 issues received by the Board, with 29 that were resolved by the Office of the Registrar. One was resolved by the Complaints Authorization Committee, and one was referred to the Disciplinary Panel.

Of the issues investigated in 2015, 45% were related to perceived professional service issues and 3% were related to perceived medication errors.

Types of Complaints/Allegations





Registration and Licensing Statistics

	2011	2012	2013	2014	2015
Pharmacy Technicians					3
TOTAL PRACTICING TECHNICIANS					3
Community Pharmacists	484	514	501	528	524
Hospital Pharmacists	98	99	112	111	107
Administrative Pharmacists	37	38	43	40	41
TOTAL PRACTICING PHARMACISTS	630	656	666	679	672
Community Pharmacies	194	190	190	196	192
Hospital Pharmacies	15	15	15	15	16
TOTAL PHARMACIES	209	205	205	211	208

NEW PHARMACY OPENINGS	PHARMACY CLOSURES	MEMEBERS, OR FORMER MEMBERS, DECEASED
White's Pharmacy, Stephenville The Medicine Shoppe, Grand Falls - Windsor	Parkside Guardian, St. John's	Patrick Leonard May 28, 2015



Minutes of 2015 Annual General Meeting

1.0 CALL TO ORDER AND ADOPTION OF AGENDA

The meeting was called to order at 9:10 a.m. The Board Chair, Dave Cramm, asked all registered pharmacists present to sign the attendance sheet. He then welcomed the observers who were present and asked them to stand and identify themselves.

PHARMACISTS REGISTERED WITH NLPB

Rick Abbott	Amanda Foley
Denise Parsons	Rebecca Tobin
Keith Bailey	Jeff Fost
Jeremy Parsons	Jenella Tucker
Sheldon Baines	Steve Gillingham
Angie Payne	Shawn Vallis
Cathy Balsom	Renee Hawe
Elizabeth Perchard	Craig Walters
Lisa Bishop	Vince Hogan
Elizabeth Reelis	Henry White
David Collins	Ford Jacobs
Shelley Roberts	Andrea Woodland
Richard Coombs	Bernadette Johnson
Pamela Rudkin	Jerry Young
Scott Dawe	Tom Lynch
Heather Ryan	Stephanie Young
Robert Doyle	Cindy Maloney
Jason Saunders	Sarah Fennell
Amit Negandhi	Heather Slaney

OBSERVERS

David Chown	Blair Davis
Brian Healy	Tom Healy
Don Rowe	

2.0 INTRODUCTION OF BOARD MEMBERS

Dave Cramm introduced the Board Members and staff present at the AGM.

BOARD MEMBERS

Zone 2

Ray Gulliver

Zone 3

Dave Cramm, Chair

Zone 4

Christina Tulk

At Large

Taggarty Norris, Chad Parsons, Jody Pomeroy

Dean, School of Pharmacy

Carlo Marra

Public Representatives

Don Anthony, Ruby Chaytor, Shirlene Murphy, Gerri Thompson

STAFF

Margot Priddle, Registrar

Melanie Healey, Associate Registrar, Professional Practice

Noelle Patten, Associate Registrar, Quality Assurance

Meghan Handrigan, Office Administrator

Aileen O'Keefe, Registration & Licensing Administrator

REGRETS

Don Anthony

Debbie Kelly

Shirlene Murphy

3.0 MINUTE OF SILENCE IN MEMORIAM

A minute of silence was observed in memory of pharmacists who were registered with the Board and have passed away since the last AGM. In particular:

[Kevin Walsh \(47-159\)](#)
December 4, 2014

[Fraser Day \(66-184\)](#)
December 19, 2014

[Patrick Leonard \(58-255\)](#)
May 28, 2015

4.0 HIGHLIGHTS OF 2014 ANNUAL REPORT

Copies of the Board's Annual Report for 2014 were placed at the entrance to the room.

Since the Pharmacy Act requires that the Annual Report be submitted to the Minister by July 1st each year, the Annual Report for 2014 was approved by the Board in June 2015. At that time the Annual Report was also posted to our website and pharmacists were made aware of that posting. The annual report presents information to reflect the Board's fiscal year of January 1 to December 31.

REGISTRATION & LICENSING HIGHLIGHTS:

- 679 practicing pharmacists
- 196 community pharmacies
- 15 hospital pharmacies

QUALITY ASSURANCE HIGHLIGHTS:

Continuing Professional Development

- 70 pharmacist learning portfolios reviewed
- First review: 84% compliance
- Second review: 82% compliance
- Third review: 100% compliance

QUALITY ASSURANCE HIGHLIGHTS:

Practice Site Assessments

- 23 Community Pharmacy
- 8 Independent
- 15 Chain

COMPLAINTS AND DISCIPLINE HIGHLIGHTS:

- Allegations from January 1 - December 31, 2013
- 29 Concerns/Allegations received
- 25 Resolved by the Registrar's office
- 4 Referred to Complaints Authorization Committee
- 4 Resolved by Complaints Authorization Committee

5.0 QUESTIONS ON ANNUAL REPORT

There were no questions at this time.

6.0 APPOINTMENT OF AUDITOR FOR 2015

The Pharmacy Act requires that an auditor be appointed at the Annual Meeting each year to audit the accounts of the Board for the coming year.

MOVED by Carlo Marra, seconded by Ray Gulliver that Harris Ryan Accountants be appointed as Board auditors for the coming year. **CARRIED**

7.0 NEW BUSINESS

No new business at this time.

8.0 ANNOUNCEMENT OF RESULTS OF ELECTION OF BOARD MEMBERS

The Registrar explained the Zone 1 election was online this year. 54 Pharmacists voted (~20% of membership) with 283 votes cast.

Jeremy Parsons was elected as the Zone 1 Representative and Henry White was elected in Zone 4 by acclamation.

The Registrar congratulated both Jeremy and Henry who were in attendance and welcomed them to the Board and then asked the elected Board members to stand and be recognized.

9.0 INSTALLATION OF NEW BOARD CHAIR

The Inauguration of the incoming Chair, Don Anthony took place on September 18, 2015 as he was unable to be present during the AGM. At that time, Dave Cramm read the Inauguration document to Mr. Anthony, congratulated him, and offered best wishes in the coming year.

10.0 RECOGNITION OF SERVICE

Dave Cramm, Chair recognized the outgoing Board members and thanked them for their service to the Board.

He made the following remarks:

Christina Tulk served on the Board from 2009-2015. She graduated from the School of Pharmacy, Memorial University in 2002 and she is currently completing her PharmD program. Christina began her career with Shoppers Drug Mart as a staff pharmacist on West Street in Corner Brook. In June 2006, she was given the opportunity to own and operate her own Shoppers Drug Mart in Wesleyville, NL. Ms. Tulk resided in Wesleyville until February 2008 upon which she returned to Corner Brook as Pharmacist/Owner at her original Shoppers Drug Mart.

Christina has been very active in provincial pharmacy organizations. She served as a board member and President-Elect of PANL in 2005. She currently sits on the Continuing Education Committee and has served as a CE Moderator. Christina is a preceptor for pharmacy students and has also served as an interviewer with the School of Pharmacy for their Admissions Process. Christina has served twice as Board Chair during her tenure, has served on the Finance Committee and represents the Board on MUN School of Pharmacy Pharm D Steering committee.

Dave then presented Christina with her NLPB Service Award.

Debbie Kelly served on the Board from 2009-2015. She graduated from the MUN School of Pharmacy in 1996. She is currently an associate professor at the School of Pharmacy, Memorial University, and has been the clinical pharmacist with the provincial HIV program under Eastern Health for the past 16 years.

She sat as the Chair of the NLPB from 2012-2013, Zone 1 representative to the Board, and Chair of the search committee for the Secretary-Registrar of the NLPB. She has been active with the NLPB as a member of the Advancing Practice Committee since 2009, the Registration and Licensing Committee since 2002, and was the provincial delegate to the Canadian Council of Continuing Education in Pharmacy (CCCEP) from 2000-05.

Debbie has recently served as the advocacy representative for the CSHP-NL branch, from 2009-12, and as a member of the Public and Professional Relations Committee of PANL from 2009-11. Debbie has held several leadership positions, including chair of the Canadian HIV/AIDS Pharmacists Network in 2005-06, and most recently served as the Acting Director of the School of Pharmacy at Memorial University in 2008. Debbie was unable to attend the AGM, her award will be presented at a later date.

Dave Cramm thanked each of the outgoing Board members for their hard work and dedication to professional self-regulation.

Margot Priddle also recognized Dave Cramm as outgoing chair.

David Cramm was elected to the Board in 2011, representing Zone 3, and served as Board Chair 2014 - 2015. He graduated from MUN in 1998. A community pharmacist with practice experience in NL and PEI, he eventually ended up in his home town of Lewisporte and since 2010 has been pharmacist/owner of SDM in Lewisporte. He is involved with the community through sports and with the Lewisporte Chamber of Commerce.

Dave has been an invaluable resource especially to the profession during this last year. During his tenure as Board Chair, Dave has signed his name to three sets of regulations under *Pharmacy Act 2012*.

11.0 QUESTIONS

Don Rowe, past Secretary-Registrar of the NL Pharmacy Board, wanted to congratulate Margot Priddle and the NL Pharmacy Board for their amazing accomplishments over the last three years. He especially wanted to recognize Melanie Healey for the years and years of hard work she put in to developing the regulatory framework making all this possible.

The registrants in attendance had many questions regarding the expanded scopes for pharmacists which lead to a lengthy and interesting discussion between the pharmacists and NLPB staff.

12.0 ADJOURNMENT

The Registrar thanked all participants for coming and hoped to see everyone again next year.

This concluded the meeting. The meeting was adjourned at 9:40 a.m. by Jody Pomeroy.

2015
SUMMARIZED
FINANCIAL
STATEMENTS

HARRIS RYAN

INDEPENDENT AUDITOR'S REPORT

To the Directors of Newfoundland and Labrador Pharmacy Board

We have audited the accompanying financial statements of Newfoundland and Labrador Pharmacy Board, which comprise the statement of financial position as at December 31, 2015 and the statements of revenues and expenditures, changes in net assets and cash flow 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

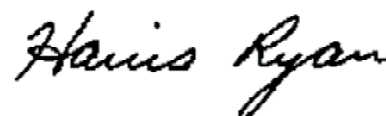
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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 control 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 control. 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 Newfoundland and Labrador Pharmacy Board as at December 31, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



St. John's, Newfoundland and Labrador
April 19, 2016

CHARTERED PROFESSIONAL ACCOUNTANTS

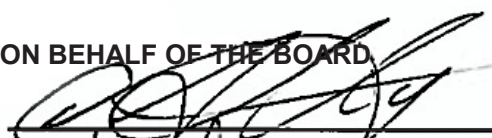
NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Statement of Financial Position

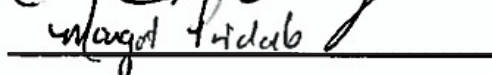
December 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 1,081,381	\$ 1,015,764
Guaranteed investment certificates	100,219	25,848
Accounts receivable	6,260	2,950
Prepaid expenses	5,926	4,156
	1,193,786	1,048,718
CAPITAL ASSETS (Note 3)	235,427	251,626
GUARANTEED INVESTMENT CERTIFICATES	253,576	252,635
	\$ 1,682,789	\$ 1,552,979
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable (Note 4)	\$ 68,349	\$ 46,448
Current portion of obligations under capital lease (Note 6)	1,628	1,628
Harmonized sales tax payable	94,514	85,679
Employee deductions payable	8,387	6,882
Fees and licenses collected in advance (Note 5)	692,560	681,044
	865,438	821,681
OBLIGATIONS UNDER CAPITAL LEASE (Note 6)	1,628	3,257
	867,066	824,938
NET ASSETS		
Invested in capital assets	235,428	251,627
Internally restricted discipline legal (note 8)	100,219	79,468
Unrestricted	480,076	396,946
	815,723	728,041
	\$ 1,682,789	\$ 1,552,979

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Statement of Changes in Net Assets

Year Ended December 31, 2015

	Invested in capital assets	Internally restricted discipline legal (Note 8)	Unrestricted	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 251,627	\$ 79,468	\$ 396,946	\$ 728,041	\$ 566,846
Excess of revenue over expenses	(20,792)	-	108,474	87,682	161,195
Capital assets purchased	4,593	-	(4,593)	-	-
Transfer to discipline legal	-	20,751	(20,751)	-	-
NET ASSETS - END OF YEAR	\$ 235,428	\$ 100,219	\$ 480,076	\$ 815,723	\$ 728,041

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Statement of Revenues and Expenditures

For the Year Ended December 31, 2015

	2015	2014
REVENUE		
Pharmacist licenses	\$ 494,550	\$ 487,145
Business licenses	216,227	208,256
Prescribing for minor ailments	35,250	-
Other	31,456	16,463
Administering injections	17,600	10,600
Student registration	10,150	9,360
Grant revenue	5,000	-
Pharmacy technicians licenses	1,363	-
Discipline recoveries	-	5,500
	811,596	737,324
OTHER REVENUE		
Interest	9,530	10,308
EXPENSES		
Schedule of expenditures (<i>Schedule 1</i>)	195,558	161,657
Schedule of building expenditures (<i>Schedule 2</i>)	86,288	60,337
	281,846	221,994
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	539,280	525,638
ADMINISTRATIVE EXPENSES		
Board honorarium	1,500	1,500
Miscellaneous	6,063	4,142
Salaries and benefits	407,950	329,064
Salary replacement costs	2,550	2,877
Travel expenses	33,535	26,860
	451,598	364,443
EXCESS OF REVENUE OVER EXPENSES	\$ 87,682	\$ 161,195

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Statement of Cash Flow

Year Ended December 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 87,682	\$ 161,195
Item not affecting cash:		
Amortization of property, plant and equipment	20,792	24,003
	108,474	185,198
Changes in non-cash working capital:		
Accounts receivable	(3,310)	(2,018)
Accounts payable	21,902	(24,803)
Fees and licenses collected in advance	11,516	3,939
Prepaid expenses	(1,770)	31,767
Harmonized sales tax payable	8,835	5,500
Employee deductions payable	1,505	628
	38,678	15,013
Cash flow from operating activities	147,152	200,211
INVESTING ACTIVITIES		
Proceeds on disposal of short term investments	-	40,150
Changes in long term investments	(942)	(50,604)
Purchase of property, plant and equipment	(4,593)	(10,429)
Purchase of short term investments	(74,372)	-
Cash flow used by investing activities	(79,907)	(20,883)
FINANCING ACTIVITY		
Repayment of obligations under capital lease	(1,628)	(1,628)
Cash flow used by financing activity	(1,628)	(1,628)
INCREASE IN CASH FLOW	65,617	177,700
Cash - beginning of year	1,015,764	838,064
CASH - END OF YEAR	\$ 1,081,381	\$ 1,015,764
CASH CONSISTS OF:		
Scotia Bank - Current	\$ 57,528	\$ 56,346
Petty Cash	100	100
Scotia Bank Savings	1,023,753	959,318
	\$ 1,081,381	\$ 1,015,764

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD**Notes to Financial Statements****Year Ended December 31, 2015**

1. PURPOSE OF THE BOARD

The Newfoundland and Labrador Pharmacy Board (the "board") is the statutory governing and self-regulatory body for the pharmacy profession in Newfoundland and Labrador. It supports and protects the health and well-being of the public and promotes excellence in the practice of pharmacy by setting and enforcing high standards of practice, competency and ethical conduct. The board is a not-for-profit organization and as such, is not subject to either federal or provincial income taxes

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost less accumulated amortization. Property, plant and equipment are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Land		non-depreciable
Buildings	4%	declining balance method
Telephone equipment	20%	declining balance method
Computer equipment	30%	declining balance method
Furniture and fixtures	20%	declining balance method

The organization regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Long term investments

Long term investments consist of non-redeemable guaranteed investment certificates which are recorded at their fair value.

(continues)

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Notes to Financial Statements

Year Ended December 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Financial assets measured at amortized cost included cash, guaranteed investment certificates and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and obligations under capital lease.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the impairment, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Revenue recognition

Fees and licenses are due in advance at November 30th of each year for the following calendar year. Fees and licenses are recognized as revenue in the year to which they apply. Student and intern registration fees as well as revenue associated with initial registration, examinations, administering injections, prescribing for minor ailments, late fees, letters of good standing and accreditation fees are recognized when received. Interest revenue is recognized as earned. Cost recoveries resulting from Discipline Committee orders are recognized only when there is an established payment agreement in place with the member and the agreement terms are current, or if, in the opinion of the Board, there is a high probability that the cost will be recovered.

Contributed services

The board and its members benefit from contributed services in the form of volunteer time for various committees. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Notes to Financial Statements

Year Ended December 31, 2015

3. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Land	\$ 26,000	\$ -	\$ 26,000	\$ 26,000
Buildings	484,937	316,817	168,120	175,125
Telephone equipment	8,141	4,390	3,751	4,689
Computer equipment	95,127	72,185	22,942	31,920
Furniture and fixtures	71,820	57,206	14,614	13,892
	\$ 686,025	\$ 450,598	\$ 235,427	\$ 251,626

The following assets included above are held under capital lease Note 6.:

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Telephone & Voice Processing System	\$ 8,141	\$ 4,390	\$ 3,751	\$ 4,689

4. ACCOUNTS PAYABLE

	2015	2014
Trade payables and accrued liabilities	\$ 43,054	\$ 34,547
Salaries, pension and severance	24,159	11,328
Employee social fund	1,136	573
	\$ 68,349	\$ 46,448

5. FEES AND LICENSES COLLECTED IN ADVANCE

	2015	2014
Pharmacist	\$ 478,100	\$ 469,000
Business	212,135	212,044
Pharmacy technician	2,325	-
	\$ 692,560	\$ 681,044

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Notes to Financial Statements

Year Ended December 31, 2015

6. OBLIGATIONS UNDER CAPITAL LEASE

	2015	2014
RCAP Leasing lease bearing interest at 0% per annum, repayable in monthly payments of \$136. The lease matures on December 31, 2017 and is secured by a Toshiba Strata CIX40 IP Hybrid telephone system and Stratagy GVPH Voice Processing System which has a carrying value of \$3,751.	\$ 3,256	\$ 4,885
Amounts payable within one year	(1,628)	(1,628)
	\$ 1,628	\$ 3,257

Future minimum capital lease payments are approximately:

2016	\$ 1,628
2017	<u>1,628</u>
Total minimum lease payments	<u>\$ 3,256</u>

7. COMMITMENTS

The board has the following software management fee commitment related to its In1Touch registration software.

Contractual obligation repayment schedule:

2016	\$ 6,051
2017	<u>6,172</u>
	<u>\$ 12,223</u>

8. INTERNALLY RESTRICTED FUNDS

The board had previously internally restricted \$140,000 of its unrestricted net assets to the Discipline Legal Fund to be used as a contingency against any exceptional litigation fees resulting from disciplinary actions. In 2011, the board approved a transfer from the Discipline Legal Fund to cover the operating deficit in that year as a result of significant litigation fees resulting from disciplinary actions. The 2014 budget approved a \$10,000 allocation to this fund. During the year further funds were transferred to the cashable GIC's being held as internally restricted for Discipline Legal. The remaining balance of \$100,219 in this fund will be reviewed annually and maintained at a level determined by the board.

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Notes to Financial Statements

Year Ended December 31, 2015

9. APOTHECARY HALL TRUST

Apothecary Hall Trust is a charitable organization controlled by the Newfoundland and Labrador Pharmacy Board. Apothecary Hall Trust was created to ensure the preservation of the profession of pharmacy in the Province of Newfoundland and Labrador through the maintenance of a Heritage Drugstore located at 488 Water Street, St. John's, Newfoundland and Labrador. For the year ending December 31, 2015, Apothecary Hall Trust held the following assets and liabilities and generated the following revenue and expenditures:

	2015	2014
Assets	\$ 5,524	\$ 4,992
Liabilities and Net Assets	5,524	4,992
Revenues	5,650	4,206
Expenses	4,853	4,442

10. FINANCIAL INSTRUMENTS

The board is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the board's risk exposure and concentration as of December 31, 2015.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The board is exposed to this risk mainly in respect of its receipt of funds from its members and accounts payable and obligations under capital leases. The board monitors its cash balances and cash flow from operations to meet its requirements.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The board is mainly exposed to interest rate risk.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The board has short term investments in guaranteed investment certificates and has no long term debt. The interest bearing investments have limited exposure to interest rate risk due to the fixed rates on these investments.

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Schedule of expenditures

(Schedule 1)

Year Ended December 31, 2015

	2015	2014
Advertising and promotion	\$ -	\$ 250
Amortization	13,787	16,707
Audit and accounting	19,710	16,850
Bank charges and fees	21,219	16,814
Complaints - investigations	-	1,690
Computer programming	14,986	14,765
Conference	2,386	3,219
Consulting fees	7,835	2,310
Donations	3,731	625
Dues, fees, taxes	4,220	4,279
Insurance	10,477	2,064
Interest and penalties	781	-
Legal, discipline	6,761	-
Legal, other than discipline	26,778	18,474
Office supplies	17,874	13,020
Other committees	1,053	-
Per capita assessments	31,714	31,579
Postage and courier	964	4,245
Professional development	(788)	4,674
Telephone	12,070	10,092
	195,558	161,657
GRAND TOTAL	\$ 195,558	\$ 161,657

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Schedule of building expenditures

(Schedule 2)

Year Ended December 31, 2015

	2015	2014
Building		
Amortization	\$ 7,005	\$ 7,297
Municipal taxes	7,796	7,826
Operating expenses	71,487	45,214
	\$ 86,288	\$ 60,337



Apothecary Hall
488 Water Street
St. John's, NL
A1E 1B3

Phone: 709.753.5877
Toll Free: 877.453.5877
Fax: 709.753.8615
Email: inforx@nlpb.ca

WWW.NLPB.CA