

TEXAS PHARMACY ASSOCIATION
Professional Recovery Network
Pharmacy Peer Assistance Program

Audited Statement of Activities

Program Year Ended August 31, 2013



PATRICIA SCHMIDT, CPA

CERTIFIED PUBLIC ACCOUNTANT

TEXAS PHARMACY ASSOCIATION
Professional Recovery Network
Pharmacy Peer Assistance Program

Audited Statement of Activities

Program Year Ended August 31, 2013

Independent Auditor's Report..... 1

Statement of Activities 3

Notes to Financial Statement..... 4



PATRICIA SCHMIDT, CPA

CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report

To the Board of Directors of
Texas Pharmacy Association

I have audited the accompanying statement of activities of the Professional Recovery Network Pharmacy Peer Assistance Program of the Texas Pharmacy Association (a nonprofit organization) for the program year ended August 31, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on this financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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. Accordingly, I express no such opinion. An audit also includes assessing the appropriateness of the accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the statement of activities referred to above presents fairly, in all material respects, the changes in net assets of the Professional Recovery Network Pharmacy Peer Assistance Program of the Texas Pharmacy Association for the program year ended August 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

Patricia Schmidt, CPA

Patricia Schmidt, CPA
Certified Public Accountant

April 30, 2014

Texas Pharmacy Association

Professional Recovery Network – Pharmacy Peer Assistance Program

Statement of Activities

For the Program Year Ended August 31

	2013
	Unrestricted
Revenues	
Texas State Board of Pharmacy contract	\$ 126,874
Participant monitoring fees	25,750
Seminar registration fees	14,466
Total revenues	167,090
Expenses	
Credit card fees	2,613
Depreciation	4,283
Evaluations and referrals	17,611
Licenses, royalties and fees	2,608
Meeting expenses	7,769
Outside services/contract labor	6,719
Professional fees - legal, accounting, and audit	19,258
Rent	25,102
Salaries and related expenses	104,123
Telephone	5,743
Travel	2,626
Other	6,668
Total expenses	205,122
(Decrease) in Unrestricted Net Assets	\$ (38,032)

The accompanying notes are an integral part of the financial statement.

Texas Pharmacy Association
Professional Recovery Network – Pharmacy Peer Assistance Program
Notes to Financial Statement

Note A – Nature of Activities and Summary Of Significant Accounting Policies

Nature of Activities

The Texas Pharmacy Association (the Association) is a not-for-profit corporation organized under the laws of the State of Texas in 1879. The Association's purpose is to promote the role of the pharmacist and the practice of pharmacy in the State of Texas. The Association is exempt from taxation under Section 501(c) (6) of the Internal Revenue Code.

The Association maintains a Professional Recovery Network (PRN) through which it administers peer assistance programs for various professions within Texas. The Association has entered into a purchase order (contract) with the Texas State Board of Pharmacy (TSBP) to provide a Pharmacy Peer Assistance Program (the Pharmacy Program) to address the problems of Texas pharmacists and pharmacy students who suffer from drug or alcohol abuse, or physical or mental impairment. Under the terms of the contract, funds are provided to the Pharmacy Program by TSBP to coordinate specific services for the participants including identification, intervention, evaluation, referral, and monitoring of the pharmacists and pharmacy students who require the Pharmacy Program services.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Program is required to report information regarding its activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Pharmacy Program has no restricted net assets as defined by ASC 958.

Revenues

The TSBP contract provides for a specified annual funding amount for the program year. Revenues under the contract are recognized over the twelve month period that the services are provided to participants.

Monitoring fees represent amounts assessed to the Pharmacy Program participants for monitoring services provided. Seminar registration fees represent amounts received from Pharmacy Program participants for the fall and spring seminars held by PRN.

Use of Estimates

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Texas Pharmacy Association

Professional Recovery Network – Pharmacy Peer Assistance Program

Notes to Financial Statement

Note B – Allocated Expenses

The accompanying financial statement includes expenses directly identifiable with the Pharmacy Program and the following allocated expenses: 1) PRN expenses not directly identifiable with a specific program. These expenses are allocated to the Pharmacy Program based upon the number of participants in the program. 2) Overhead costs incurred by the Association for PRN personnel salaries and benefits, building occupancy, shared equipment, and other administrative costs related to the Pharmacy Program's operation. These costs are allocated to the Pharmacy Program based upon salaries incurred for administering the program.

As a result of the audit, allocated overhead costs incurred by the Association to administer the Pharmacy Program were adjusted upward from the unaudited amounts previously reported by management to the TSBP. The adjustment was based upon an analysis of total salary costs of PRN personnel to administer the Pharmacy Program. A recap of the adjustment's impact upon the Pharmacy Program expenses follows:

	Year Ended August 31, 2013
Unaudited Pharmacy Program expenses - previously reported by management to the TSBP	\$ 161,848
Adjustments to overhead expenses allocated	43,274
Total Expenses per Audited Financial Statement	\$ 205,122

Note C – TSBP Funding

The Pharmacy Program's continued operations are dependent upon funding from the TSBP. The TSBP has entered into a purchase order (contract) with the Pharmacy Program through August 31, 2015. The contract provides for funding of \$186,260 for each of the program years ending August 31, 2014 and 2015. Additionally, the contract provides for a renewal for 2 optional two-year terms. Availability of funding for the contract is contingent upon continued appropriations by the Texas Legislature.

NOTE D– Subsequent Events

Management has evaluated subsequent events through April 30, 2014, the date this financial statement was available to be issued. No subsequent events impacting the accompanying financial statement have occurred.