

**TEXAS PHARMACY ASSOCIATION**  
**Professional Recovery Network**  
**Pharmacy Peer Assistance Program**  
**Audited Statement of Revenues and**  
**Expenses**  
**Program Year Ended August 31, 2015**



**PATRICIA SCHMIDT, CPA**  
CERTIFIED PUBLIC ACCOUNTANT

**TEXAS PHARMACY ASSOCIATION**  
**Professional Recovery Network**  
**Pharmacy Peer Assistance Program**

**Audited Statement of Revenues and Expenses**

**Program Year Ended August 31, 2015**

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**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 revenues and expenses of the Professional Recovery Network Pharmacy Peer Assistance Program of the Texas Pharmacy Association for the program year ended August 31, 2015, and the related notes to the statement of revenues and expenses.

### **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 revenues and expenses referred to above presents fairly, in all material respects, the results of operations of the Professional Recovery Network Pharmacy Peer Assistance Program of the Texas Pharmacy Association for the program year ended August 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

*Patricia Schmidt, CPA*

Patricia Schmidt, CPA  
Certified Public Accountant

July 11, 2016

**Texas Pharmacy Association**  
**Professional Recovery Network – Pharmacy Peer Assistance Program**  
**Statement of Revenues and Expenses**  
**For the Program Year Ended August 31**

	<b>2015</b>	
	<b>Unrestricted</b>	
Revenues		
Texas State Board of Pharmacy contract	\$	186,260
Participant monitoring fees		25,645
Seminar registration fees		19,230
<b>Total revenues</b>		<b>231,135</b>
Expenses		
Evaluations and referrals		13,861
Meeting expenses		13,953
Overhead		192,326
Professional fees - legal, accounting, and audit		6,850
Outside services/contract labor		5,259
Telephone		4,360
Travel		6,171
Other		3,142
<b>Total expenses</b>		<b>245,922</b>
<b>Expenses in Excess of Revenues</b>	<b>\$</b>	<b>(14,787)</b>

The accompanying notes are an integral part of this statement of revenues and expenses.

**Texas Pharmacy Association**  
**Professional Recovery Network – Pharmacy Peer Assistance Program**  
**Notes to Statement of Revenues and Expenses**

**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) program through which it administers peer assistance programs for various professions within Texas in accordance with contracts entered with the Texas State Boards that regulate the professions. 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**

The accompanying statement of revenues and expenses includes only the revenues and expenses of the Pharmacy Program pursuant to requirements of the purchase order (contract) with the TSBP dated August 14, 2013. The accompanying financial statement is not intended to be a complete presentation of the revenues and expenses of the entire Professional Recovery Network of Texas Pharmacy Association nor the revenues and expenses of the entire Texas Pharmacy Association organization.

The accompanying financial statement has been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) as defined by the Financial Accounting Standards Board Accounting Standards Codification. Under the accrual basis of accounting, revenue is recognized when earned regardless of when collected, and expenses are recognized when the obligation is incurred regardless of when paid.

The financial statement reports information regarding the Pharmacy Program’s activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. The Pharmacy Program has no restricted net assets or revenues as of August 31, 2015 or for the year then ended.

**Use of Estimates**

The process of preparing the financial statement 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 could differ from those estimates.

**Texas Pharmacy Association**  
**Professional Recovery Network – Pharmacy Peer Assistance Program**  
**Notes to Statement of Revenues and Expenses**

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

**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 by the Pharmacy Program to the participants for the monitoring services provided. Seminar registration fees represent amounts received from Pharmacy Program participants for the fall and spring seminars held by PRN. These revenues are recognized in the applicable year of service.

**Note B – Allocated Expenses**

The accompanying financial statement includes expenses directly identifiable with the Pharmacy Program and the following allocated expenses:

- 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.
- 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. Overhead of \$192,326 shown in the accompanying financial statement consists of these overhead costs.

**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. The contract provides for funding of \$186,260 for the program year ending August 31, 2015. The contract contains a renewal option for 2 additional two-year terms. The 1<sup>st</sup> renewal option was exercised by the TSBP July 7, 2015, and provides for funding of \$186,260 for each of the program years ending August 31, 2016 and 2017. Availability of funding for the contract is contingent upon continued appropriations by the Texas Legislature.

**Texas Pharmacy Association**  
**Professional Recovery Network – Pharmacy Peer Assistance Program**  
**Notes to Statement of Revenues and Expenses**

**NOTE D– Subsequent Events**

Management has evaluated subsequent events through July 11, 2016, the date this financial statement was available to be issued. No subsequent events impacting the accompanying financial statement have occurred.