

ANNUAL REPORT 2016



NEWFOUNDLAND & LABRADOR
PHARMACY BOARD

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Message from the Board Chair and Registrar

On behalf of the Newfoundland and Labrador Pharmacy Board, it is our pleasure to present the 2016 Annual Report and take this opportunity to reflect on the achievements of the Board members, staff, and volunteer committee members.

The Board continues to invest in improving pharmacy practice, health system supports and public policy that will result in better patient experiences wherever pharmacy services are accessed across Newfoundland and Labrador.

Public protection and maintaining the public's trust in the safe, effective and ethical delivery of pharmacy service is our priority as a self-regulating body. Throughout 2016, a number of key initiatives were undertaken by the Board in the interest of public safety. Guided by the Board's strategic framework 2015-2017, including our values of transparency,

accountability, collaboration and integrity, we are an organization committed to Continuous Quality Improvement and continually seek opportunities to improve the ways we serve and protect the public.

In 2016, the federal and provincial government brought forward legislation to permit medical assistance in dying (MAiD). To guide pharmacy professionals who may be part of an interdisciplinary team providing MAiD, the Board prepared a guidance document and FAQs outlining their responsibilities and obligations in accordance with legislation, Standards of Practice and Code of Ethics.

Governments at all levels are taking action to reduce and prevent an increasing number of overdose deaths related to opioids. Pharmacists and pharmacy technicians have an important role to play in helping to prevent the abuse of opioids by patients.

The Board has continued to work to share guidance, education and resources with pharmacy professionals, including guidance on dispensing and/or selling naloxone.

The role of pharmacy professionals has grown significantly over the last year. One of the most important ways the Board can further enhance quality care is by having pharmacists and pharmacy technicians competently and confidently working to full scope as active participants, collaborating and partnering with our health care colleagues.

Inside this report you will find information about the many initiatives of the Board consistent with the Board's vision of Advancing Pharmacy Care for a Safe and Healthy Community. Thank you for taking the time to read the 2016 Annual Report, our story about how we continue to build better pharmacy practice for Newfoundlanders and Labradoreans.



CHAD PARSONS

Chad Parsons



MARGOT PRIDDLE

Margot Priddle

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.



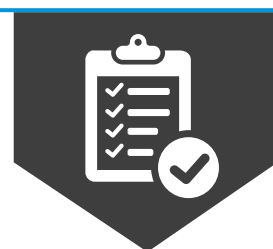
OUR VALUES:

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, 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.

ELECTED MEMBERS

| | |
|----------------------------------|---|
| ZONE 1 | Jeremy Parsons Bioscript Pharmacy St. John's |
| ZONE 2 | Ray Gulliver Baccalieu Trail Pharmacy Clarke's Beach |
| ZONE 3 | Shawn Vallis Sagona Drugs Harbour Breton |
| ZONE 4 | Henry White Walmart Pharmacy Stephenville |
| Zone 5 HOSPITAL PHARMACIST | Jody Pomeroy Central Health Grand Falls-Windsor |
| Zone 6 PHARMACY TECHNICIAN | Colleen Squires Shoppers Drug Mart Gander |
| Zone 7 AT LARGE | Taggart Norris Lawtons Drugs Topsail Road, St. John's Chad Parsons Shoppers Drug Mart Goulds |

PUBLIC REPRESENTATIVES

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

APPOINTED MEMBER

| | |
|------------------------------------|----------------------|
| DEAN, MUN SCHOOL OF PHARMACY | Lisa Bishop (Acting) |
|------------------------------------|----------------------|

Meet the New Board Members

COLLEEN SQUIRES

Colleen Squires graduated from the pharmacy assistant program at Keyin College, Grand Falls-Windsor in 2010 and began her career in pharmacy as an assistant with Gander PharmaChoice. She then began working towards becoming registered as a pharmacy technician, which she successfully completed. Colleen became the 5th person to be registered as a pharmacy technician in NL in January of 2016.

Colleen is the first pharmacy technician to sit on the NL Pharmacy Board. She is passionate about her position on the Board, the expanded scope of practice for pharmacy technicians, and how that can be integrated into community and hospital pharmacy practice.

Colleen currently practices at Shoppers Drug Mart in Gander where she lives with her husband, Mark, and her two sons, Kyle and Jack.



SHAWN VALLIS

Shawn Vallis grew up in the small town of English Harbour West on Newfoundland's south coast where pharmacy services were something the people knew very little about, with the closest pharmacy nearly 80 km away.

After graduating MUN School of Pharmacy in 1999, he practiced with The Drug Store Pharmacy at various locations, until returning to rural Newfoundland to take a position with Sagona Drugs in Harbour Breton in January 2000, where he continues to practice today.

Shawn's love of rural Newfoundland, coupled with his belief that it is important to bring the rural perspective to the table where the course of the profession is being plotted led him to run for a second term on the Board, having previously served as an "at large" Board member from 2011-14.

Shawn currently lives in Harbour Breton with his wife, Sheena, and his daughters, Madelynn and Meghan.



A Snapshot of 2016 - NLPB Board Events Board Symposium



Celebrating Our Future Registrants



Award Winners

Celebrating Pharmacy Excellence



Past Chair Award presented to Donald Anthony



NLPB Certificate of Recognition for outstanding dedication and contribution - Linda Hensman



NLPB Certificate of Recognition for outstanding dedication and contribution - Christina Tulk



Patient Safety Award: Eastern Health Oncology Pharmacy Team

Award Winners

2016 Emerald Achievement



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.

- Chad Parsons
Chair
- Taggart Norris
Vice-Chair
- Don Anthony
Past Chair
- Jeremy Parsons
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
- Christina Tulk

FINANCE AND AUDIT COMMITTEE

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

- Ray Gulliver
Chair
- Don Anthony
- 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



HOSPITAL PHARMACY PRACTICE SITE ASSESSMENT PROGRAM

In 2016, in collaboration with the Hospital Pharmacy Standards of Practice Task Force, the Board:

- Completed the development of a Hospital Pharmacy Assessment Tool
- Established a process for conducting hospital pharmacy practice site assessments
- Conducted a pilot assessment of a hospital pharmacy

IN 2016: 28 Community Pharmacy Practice Site Assessments



AREAS OF FOCUS FOR 2016 COMMUNITY PHARMACY ASSESSMENTS:

- Implementation of Standards of Pharmacy Operation-Community
- Security and accountability procedures for Narcotics, Controlled Drugs, Benzodiazepines and Targeted Substances
- Pharmacy security

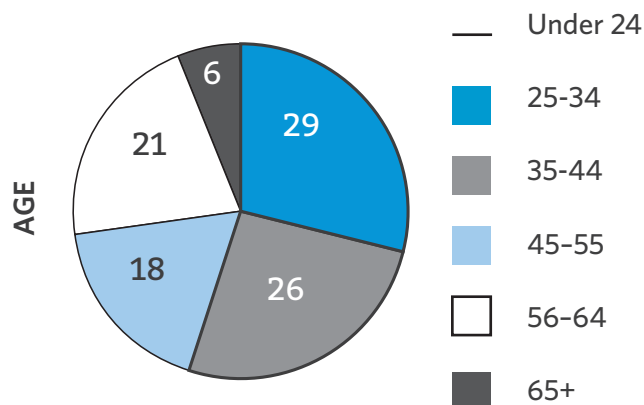
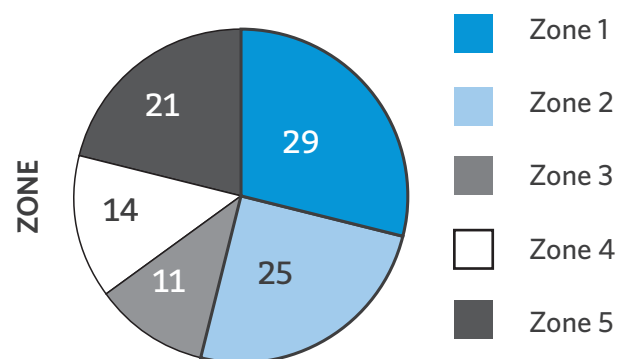
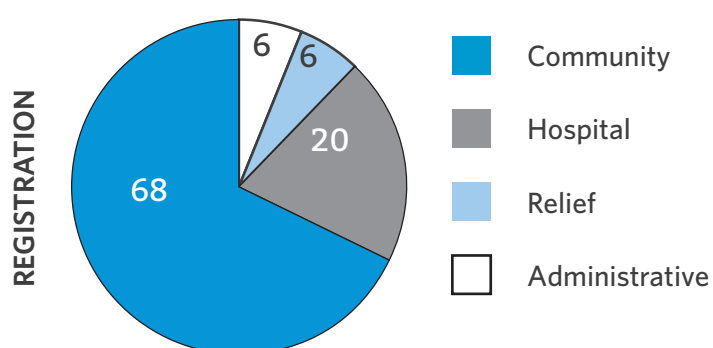
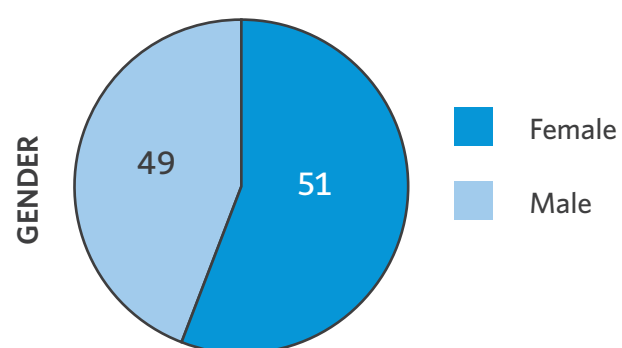
Since the inception of the Quality Assurance Program, approximately 40% of community pharmacy practice sites have been assessed.

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 2016, 10% of registered practicing pharmacists were randomly selected to participate in the annual professional development audit.

BREAKDOWN OF THE 72 PHARMACISTS WHO WERE AUDITED IN 2016:



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.

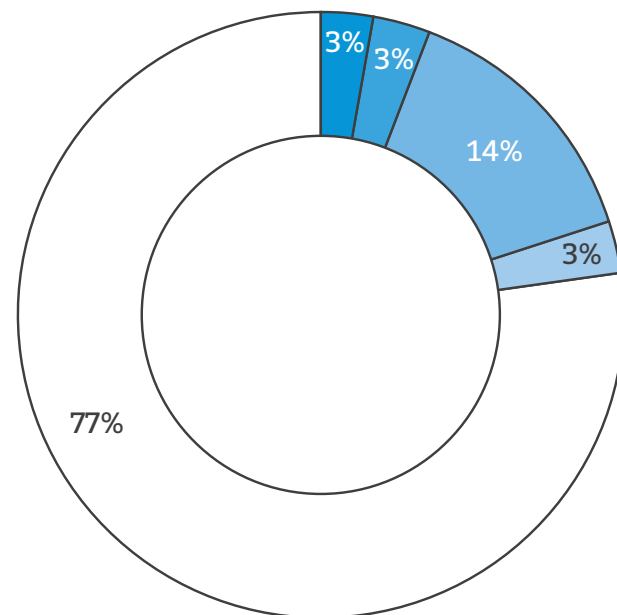
Any member of the public who is dissatisfied with the care or services provided by a registrant or a pharmacy may file a formal allegation or report the information to the Board. The Board investigates and resolves the allegations received to ensure registrants are providing safe and ethical care.

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 2016, there were 30 issues received by the Board, with 24 that were resolved by the Office of the Registrar. Four were resolved by the Complaints Authorization Committee, and 2 were referred to the Disciplinary Panel.

Of the issues investigated in 2016, the majority were related to perceived professional practice issues.

Types of Complaints/Allegations





Registration and Licensing Statistics

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------------------------|------------|------------|------------|------------|------------|
| Pharmacy Technicians | | | | 3 | 10 |
| TOTAL PRACTICING TECHNICIANS | | | | 3 | 10 |
| Community Pharmacists | 514 | 501 | 528 | 524 | 538 |
| Hospital Pharmacists | 99 | 112 | 111 | 107 | 114 |
| Administrative Pharmacists | 38 | 43 | 40 | 41 | 47 |
| TOTAL PRACTICING PHARMACISTS | 656 | 666 | 679 | 672 | 699 |
| Community Pharmacies | 190 | 190 | 196 | 192 | 192 |
| Hospital Pharmacies | 15 | 15 | 15 | 16 | 17 |
| TOTAL PHARMACIES | 205 | 205 | 211 | 208 | 209 |

| NEW PHARMACY OPENINGS | PHARMACY CLOSURES | REGISTRANTS, OR FORMER REGISTRANTS, DECEASED |
|--|---|--|
| Complete Care Pharmachoice, Rocky Harbour Goulds Pharmachoice, St. John's Medication Therapy Services Clinic, (MUN), St. John's The Medicine Shoppe, Paradise | Country Pride Pharmacy, New Harbour Lawton's Drugs, Torbay Road, St. John's Water Street Pharmachoice, St. John's | Gerald Dawe (53-224), February 9, 2016 Bob McLoughlan (78-372), May 22, 2016 Dave Collins (82-452), December, 19, 2016 |



Minutes of 2016 Annual General Meeting

1.0 CALL TO ORDER AND ADOPTION OF AGENDA

The 106th Annual General Meeting was called to order at 9:10 a.m. The Board Chair, Chad Parsons, asked all licensed pharmacists present to sign the attendance sheet. The Board's Annual General Meeting is open to the public and we welcome any non-registrants who may be attending this afternoon. If there are any other non-registrants present we'd like them to identify themselves and to accept our welcome.

REGISTRANTS OF NLPB

| | |
|----------------------|------------------|
| Brenda Burse | Chad Parsons |
| Christina Tulk | Colleen Squires |
| Craig Walters | Darren Tucker |
| David Jenkins | Derrick Hierlihy |
| Heather Rowsell | Heather Ryan |
| Heather Seeley | Henry White |
| Herman Walters | Jillian Thorne |
| Joan Gaudon | John Lynch |
| Jeremy Parsons | Jerry Young |
| Keith Bailey | Leslie Phillips |
| Linda Hensman | Madonna Rose |
| Margot Priddle | Melanie Healey |
| Noelle Patten | Pamela Rudkin |
| Paul Bambrick | Ray Gulliver |
| Rick Elliott | Shawn Vallis |
| Shawn Vautier | Sheldon Baines |
| Susan Gladney-Martin | Tom Lynch |
| Trevor Pope | |

OBSERVERS

Paula MacNeil, Shoppers Drug Mart
Glenda Power, Pharmacists Association of Newfoundland and Labrador

2.0 INTRODUCTION OF BOARD MEMBERS

Chad Parsons introduced the Board Members and staff present at the AGM.

BOARD MEMBERS

Zone 1

Jeremy Parsons

Zone 2

Ray Gulliver

Zone 3

Shawn Vallis

Zone 4

Henry White

At Large

Chad Parsons

Public Representatives

Ruby Chaytor, Shirlene Murphy, Gerri Thompson

Pharmacy Technician

Colleen Squires

STAFF

Margot Priddle, Registrar

Melanie Healey, Associate Registrar,
Professional Practice

Noelle Patten, Associate Registrar, Quality
Assurance

Meghan Handrigan, Office Administrator

REGRETS

Don Anthony, Public Representatives
Taggart Norris, At Large
Carlo Marra, Dean
Jody Pomeroy, At Large

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:

Patrick Leonard, (59-255)
May 28, 2015

4.0 HIGHLIGHTS OF 2015 ANNUAL REPORT

Copies of the Board's Annual Report for 2015 were circulated.

The Pharmacy Act requires that the Annual Report be submitted to the Minister by July 1st each year, the Annual Report for 2015 was approved by the Board at the May 6, 2016 meeting, and was posted to the Boards Website. The annual report presents information to reflect the Board's fiscal year of January 1 to December 31.

REGISTRATION & LICENSING HIGHLIGHTS:

- 672 practicing pharmacists
- 192 community pharmacies
- 16 hospital pharmacies
- 3 Registered Pharmacy Technicians
- 160 Students and Interns
- 4 Internal Pharmacy Graduates Interns

QUALITY ASSURANCE HIGHLIGHTS:

Continuing Professional Development

- 70 pharmacist learning portfolios reviewed
- First review: 99% compliance
- Second review: 100% compliance

QUALITY ASSURANCE HIGHLIGHTS:

Practice Site Assessments

- 21 Community Pharmacy
7 Independent
14 Chain

COMPLAINTS AND DISCIPLINE HIGHLIGHTS:

Allegations from January 1 - December 31, 2015

- 31 Concerns/Allegations received
- 29 Resolved by the Registrar's office
- 1 Resolved by Complaints Authorization Committee
- 1 Referred to Discipline Panel

5.0 QUESTIONS ON ANNUAL REPORT

The registrants in attendance had many questions regarding the expanded scopes and the updated Standards of Practice, in particular the Standards of Pharmacy Operation - Community Pharmacy and Lock and Leave which lead to a lengthy and interesting discussion between the registrants, board members and staff.

6.0 ANNOUNCEMENT OF RESULTS ELECTION OF BOARD MEMBERS

The Registrar announced the results of the 2015 election. They are as follows:

Results Zone 2

Ray Gulliver
Elected by acclamation

Results Zone 3:

Shawn Vallis
Elected by acclamation

The Registrar congratulated both Ray and Shawn who were in attendance, welcomed them to the Board and then asked the newly elected Board members to stand and be recognized.

7.0 INTRODUCTION OF 2016-17 EXECUTIVE COMMITTEE

- Board Chair: Chad Parsons
- Past Chair: Don Anthony
- Vice Chair: Taggart Norris
- Executive Member: Jeremy Parsons

8.0 NEW BUSINESS

No New Business at this time.

9.0 APPOINTMENT OF AUDITOR FOR 2016

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 Ray Gulliver, seconded by Jeremy Parsons that Harris Ryan Accountants be appointed as Board auditors for 2016. **CARRIED**

10.0 ADJOURNMENT

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

The meeting was adjourned at 10:30 a.m. by Shirlene Murphy.

For:

Address:

R
R

2016
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, 2016 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, 2016 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
May 5, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS


NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

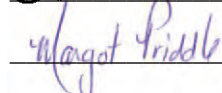
Statement of Financial Position

December 31, 2016

| | 2016 | 2015 |
|---|---------------------|---------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 1,209,533 | \$ 1,081,381 |
| Guaranteed investment certificates | 161,014 | 100,219 |
| Accounts receivable | 10,958 | 6,260 |
| Prepaid expenses | 6,547 | 5,926 |
| | 1,388,052 | 1,193,786 |
| CAPITAL ASSETS (Note 3) | 222,927 | 235,427 |
| GUARANTEED INVESTMENT CERTIFICATES | 254,442 | 253,576 |
| | \$ 1,865,421 | \$ 1,682,789 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable (Note 4) | \$ 61,612 | \$ 68,349 |
| Current portion of obligations under capital lease (Note 6) | 1,628 | 1,628 |
| Harmonized sales tax payable | 121,055 | 94,514 |
| Employee deductions payable | 4,417 | 8,387 |
| Fees and licenses collected in advance (Note 5) | 753,838 | 692,560 |
| | 942,550 | 865,438 |
| OBLIGATIONS UNDER CAPITAL LEASE (Note 6) | - | 1,628 |
| | 942,550 | 867,066 |
| NET ASSETS | | |
| Invested in capital assets | 222,927 | 235,428 |
| Internally restricted discipline legal (note 8) | 161,014 | 100,219 |
| Unrestricted | 538,930 | 480,076 |
| | 922,871 | 815,723 |
| | \$ 1,865,421 | \$ 1,682,789 |

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, 2016

| | Invested in capital assets | Internally restricted discipline legal (Note 8) | Unrestricted | 2016 | 2015 |
|---|-------------------------------|--|--------------|-------------------|------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 235,428 | \$ 100,219 | \$ 480,076 | \$ 815,723 | \$ 728,041 |
| Excess of revenue over expenses | (17,954) | - | 125,102 | 107,148 | 87,682 |
| Capital assets purchased | 5,453 | - | (5,453) | - | - |
| Transfer to discipline legal | - | 60,795 | (60,795) | - | - |
| NET ASSETS - END OF YEAR | \$ 222,927 | \$ 161,014 | \$ 538,930 | \$ 922,871 | \$ 815,723 |

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD**Statement of Revenues and Expenditures****Year Ended December 31, 2016**

| | 2016 | 2015 |
|---|-------------------|------------------|
| REVENUE | | |
| Pharmacist licenses | \$ 506,800 | \$ 494,550 |
| Business licenses | 216,315 | 216,227 |
| Other | 62,602 | 31,454 |
| Student registration | 10,850 | 10,150 |
| Grant revenue | 5,160 | 5,000 |
| Pharmacy technicians licenses | 5,720 | 1,363 |
| Administering injections | 5,500 | 17,600 |
| Prescribing for minor ailments | 19,050 | 35,250 |
| Discipline recoveries | 10,000 | - |
| | 841,997 | 811,594 |
| OTHER REVENUE | | |
| Interest | 10,174 | 9,530 |
| EXPENSES | | |
| Schedule of expenditures (<i>Schedule 1</i>) | 206,550 | 195,556 |
| Schedule of building expenditures (<i>Schedule 2</i>) | 57,787 | 86,288 |
| | 264,337 | 281,844 |
| EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS | 587,834 | 539,280 |
| ADMINISTRATIVE EXPENSES | | |
| Salary replacement costs | 2,100 | 2,550 |
| Salaries and benefits | 427,586 | 407,950 |
| Travel expenses | 43,295 | 33,535 |
| Board honorarium | 1,500 | 1,500 |
| Miscellaneous | 6,205 | 6,063 |
| | 480,686 | 451,598 |
| EXCESS OF REVENUE OVER EXPENSES | \$ 107,148 | \$ 87,682 |

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Statement of Cash Flow

Year Ended December 31, 2016

| | 2016 | 2015 |
|--|---------------------|--------------|
| OPERATING ACTIVITIES | | |
| Excess of revenue over expenses | \$ 107,148 | \$ 87,682 |
| Item not affecting cash: | | |
| Amortization of capital assets | 17,954 | 20,792 |
| | 125,102 | 108,474 |
| Changes in non-cash working capital: | | |
| Accounts receivable | (4,698) | (3,310) |
| Accounts payable | (6,739) | 21,902 |
| Fees and licenses collected in advance | 61,278 | 11,516 |
| Prepaid expenses | (621) | (1,770) |
| Harmonized sales tax payable | 26,541 | 8,835 |
| Employee deductions payable | (3,970) | 1,505 |
| | 71,791 | 38,678 |
| Cash flow from operating activities | 196,893 | 147,152 |
| INVESTING ACTIVITIES | | |
| Purchase of capital assets | (5,453) | (4,593) |
| Changes in long term investments | (866) | (942) |
| Purchase of short term investments | (60,794) | (74,372) |
| Cash flow used by investing activities | (67,113) | (79,907) |
| FINANCING ACTIVITY | | |
| Repayment of obligations under capital lease | (1,628) | (1,628) |
| INCREASE IN CASH FLOW | 128,152 | 65,617 |
| Cash - beginning of year | 1,081,381 | 1,015,764 |
| CASH - END OF YEAR | \$ 1,209,533 | \$ 1,081,381 |
| CASH CONSISTS OF: | | |
| Scotia Bank - Current | \$ 9,672 | \$ 57,528 |
| Petty Cash | 100 | 100 |
| Scotia Bank Savings | 1,067,467 | 1,023,753 |
| Outstanding deposits | 132,294 | - |
| | \$ 1,209,533 | \$ 1,081,381 |

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD**Notes to Financial Statements****Year Ended December 31, 2016****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 POLICIESBasis of presentation

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

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets 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 board regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets 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.

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 include cash, guaranteed investment certificates and accounts receivable

Financial liabilities measured at amortized cost include accounts payable.

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Notes to Financial Statements

Year Ended December 31, 2016

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

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.

3. CAPITAL ASSETS

| | Cost | Accumulated amortization | 2016 Net book value | 2015 Net book value |
|------------------------|------------|-----------------------------|---------------------------|---------------------------|
| Land | \$ 26,000 | \$ - | \$ 26,000 | \$ 26,000 |
| Buildings | 484,937 | 323,541 | 161,396 | 168,120 |
| Telephone equipment | 8,141 | 5,140 | 3,001 | 3,751 |
| Computer equipment | 97,688 | 79,453 | 18,235 | 22,942 |
| Furniture and fixtures | 74,712 | 60,417 | 14,295 | 14,614 |
| | \$ 691,478 | \$ 468,551 | \$ 222,927 | \$ 235,427 |

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

| | Cost | Accumulated amortization | 2016 Net book value | 2015 Net book value |
|--|----------|-----------------------------|---------------------------|---------------------------|
| Telephone & Voice Processing System | \$ 8,141 | \$ 5,140 | \$ 3,001 | \$ 3,751 |

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Notes to Financial Statements

Year Ended December 31, 2016

4. ACCOUNTS PAYABLE

| | 2016 | 2015 |
|--|------------------|------------------|
| Trade payables and accrued liabilities | \$ 48,806 | \$ 43,054 |
| Salaries, pension and severance | 9,962 | 24,159 |
| Employee social fund | 1,661 | 1,136 |
| | \$ 60,429 | \$ 68,349 |

5. FEES AND LICENSES COLLECTED IN ADVANCE

| | 2016 | 2015 |
|----------------------|-------------------|-------------------|
| Pharmacist | \$ 515,500 | \$ 478,100 |
| Business | 205,000 | 212,135 |
| Conditional | 29,088 | - |
| Pharmacy Technicians | 4,250 | 2,325 |
| | \$ 753,838 | \$ 692,560 |

6. OBLIGATIONS UNDER CAPITAL LEASE

| | 2016 | 2015 |
|--|-------------|-----------------|
| 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 Toshiba Strata CIX40 IP Hybrid telephone system and Stratagy GVPH Voice Processing System which has a carrying value of \$3,001. | \$ 1,628 | \$ 3,256 |
| | 1,628 | 3,256 |
| Amounts payable within one year | (1,628) | (1,628) |
| | \$ - | \$ 1,628 |

Future minimum capital lease payments are approximately:

| | |
|------------------------------|-----------------|
| Total minimum lease payments | \$ 1,628 |
|------------------------------|-----------------|

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Notes to Financial Statements

Year Ended December 31, 2016

7. COMMITMENTS

The board has the following software management fee commitment related to its In1Touch registration software, and to xerox in relation the photocopier under operating lease

Contractual obligation repayment schedule:

| | | |
|------|----|--------|
| 2017 | \$ | 7,983 |
| 2018 | | 8,106 |
| 2019 | | 8,232 |
| 2020 | | 8,360 |
| 2021 | | 8,491 |
| | | <hr/> |
| | \$ | 41,172 |

8. INTERNALLY RESTRICTED FUNDS

The board had previously internally restricted net assets for the Discipline Legal Fund to be used as a contingency against any exceptional litigation fees resulting from disciplinary actions. During the year further funds were transferred to the cashable GIC's being held as internally restricted for Discipline Legal. The remaining balance of \$161,014 in this fund will be reviewed annually and maintained at a level determined by the board.

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. The trust has a collection of antiquities and museum artifacts. The trust does not account for the collection in its records. For the year ending December 31, 2016, Apothecary Hall Trust held the following assets and liabilities and generated the following revenue and expenditures:

| | 2016 | 2015 |
|----------------------------|----------|----------|
| Assets | \$ 5,253 | \$ 5,524 |
| Liabilities and Net Assets | 5,253 | 5,524 |
| Revenues | 5,260 | 5,650 |
| Expenses | 5,610 | 4,853 |

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, 2016.

(continues)

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD**Notes to Financial Statements****Year Ended December 31, 2016**

10. FINANCIAL INSTRUMENTS *(continued)****(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. 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.

Unless otherwise noted, it is management's opinion that the board is not exposed to significant other price risks arising from these financial instruments.

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Schedule of expenditures

(Schedule 1)

Year Ended December 31, 2016

| | 2016 | 2015 |
|------------------------------|-------------------|-------------------|
| Amortization, other | \$ 11,229 | \$ 13,787 |
| Audit and accounting | 24,435 | 19,710 |
| Bank charges and fees | 22,426 | 21,217 |
| Computer programming | 2,821 | 14,986 |
| Conference | 3,123 | 2,386 |
| Consulting fees | 9,645 | 7,835 |
| Awards | 2,480 | 3,731 |
| Dues, fees, and memberships | 3,814 | 4,220 |
| Insurance | 13,047 | 10,477 |
| Interest and penalties | (781) | 781 |
| Legal, discipline | - | 6,761 |
| Legal, other than discipline | 58,534 | 26,778 |
| Office supplies | 15,565 | 17,874 |
| Other committees | 2,076 | 1,053 |
| Per capita assessments | 27,257 | 31,714 |
| Postage and courier | 1,493 | 964 |
| Professional development | 550 | (788) |
| Telephone | 8,836 | 12,070 |
| | \$ 206,550 | \$ 195,556 |

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Schedule of building expenditures

(Schedule 2)

Year Ended December 31, 2016

| | 2016 | 2015 |
|--------------------|------------------|------------------|
| Amortization | \$ 6,725 | \$ 7,005 |
| Municipal taxes | 10,417 | 7,796 |
| Operating expenses | 40,645 | 71,487 |
| | \$ 57,787 | \$ 86,288 |







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