

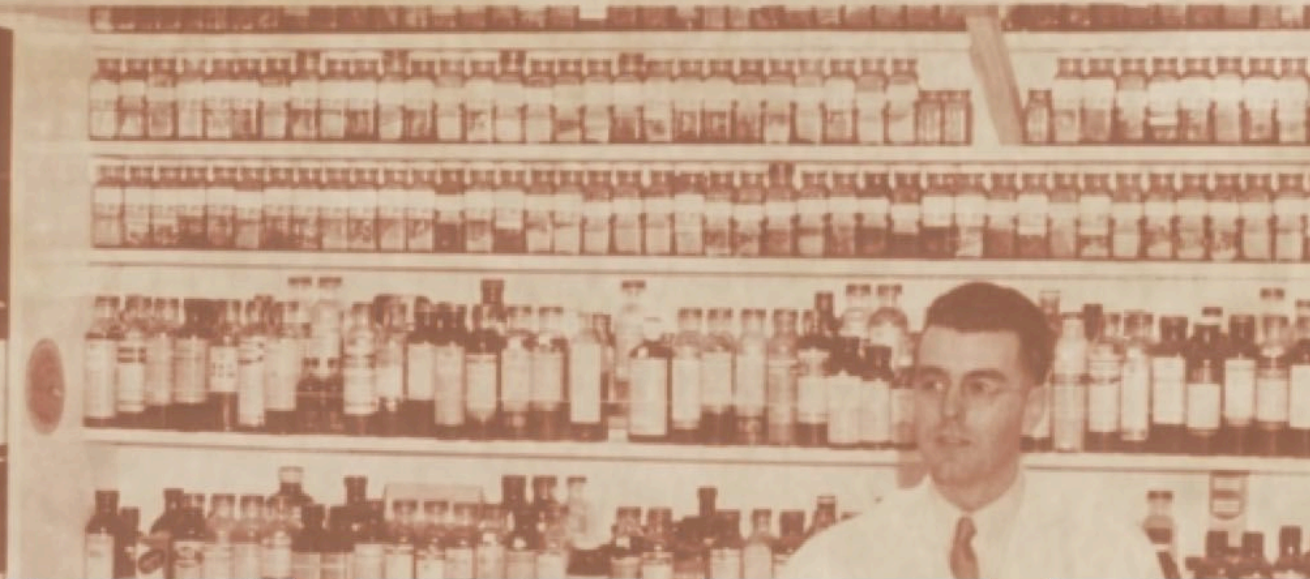


Prescription

A L B E R T A
P H A R M A C I S T S '
A S S O C I A T I O N

A Pioneering Spirit in Health Care

Annual Report 2005-2006



The Capsule

Cabinet approves regulations to grant prescribers authority

The Alberta government has approved the Pharmacy (Prescription) Regulations which will grant prescribers the authority to write prescriptions for controlled substances. This is a significant step in the process of granting prescribers the authority to write prescriptions for controlled substances. The regulations will be effective on May 1, 2006. This will help ensure that patients receive the care they need in a timely and safe manner.

The regulations will be effective on May 1, 2006. This will help ensure that patients receive the care they need in a timely and safe manner.



R X PRESS

Class of '55 puts its own stamp on pharmacy history

The Alberta College of Pharmacists (ACP) has announced that it will be celebrating its 50th anniversary in 2006. The ACP is proud to have a long and distinguished history of providing quality pharmacy services to Albertans. The college's commitment to excellence and innovation has been a cornerstone of its success. The ACP is looking forward to continuing its legacy of service and leadership in the pharmacy profession.

trusted PARTNERS IN HEALTH

Alberta College of Pharmacists





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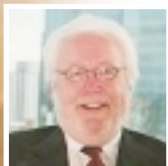
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RxA 2005-2006 Board of Directors

The Alberta Pharmacists' Association's (RxA) 2005-2006 Board of Directors consisted of hard-working, knowledgeable and experienced volunteers who provided RxA with its mandate for that fiscal year. The RxA 2005-2006 Board of Directors was comprised of eight representatives, including six Alberta pharmacists, one student representative, and one public member.

As of July 1, 2005, members of the Board were determined through an election process. Each member accepts the Board Director position for a three-year term.

ON A ONE-YEAR ROTATIONAL BASIS, FOUR MEMBERS OF THE BOARD ASSUME ONE OF THE FOLLOWING POSITIONS:

- President
- Vice-President
- Past-President
- Secretary-Treasurer

For the 2005-2006 fiscal year, the Board appointed one member as the President-Elect in order to provide a newly-elected Board member support as Vice-President. Therefore, in a one-time move only, the 2005-2006 Vice-President will stand in this appointment for two-terms before becoming President for the 2007-2008 fiscal year, and the President-Elect will be President for the 2006/07 fiscal year.

2005-2006 Board of Directors:

1. Trudy Holzmann, President
2. Peter Fenrich, Past-President
3. Karen Sullivan, Vice-President
4. Audrey Fry, Secretary-Treasurer
5. Jeremy Slobodan, President-Elect
6. Marie Rodway, Board Member
7. Peter Portlock, Public Member
8. Erica Skopac, Student Board Member

RxA 2005-2006 Committees

CE ADVISORY COMMITTEE

Stephanie Adamic
Heather Scarlett-Ferguson
Ron Pohar
Karen Sullivan
Sonal Ejner
Stacy Blacklock
Rose Dehod

ENVIRX ADVISORY COMMITTEE

Chris Graham
Bern Philip
Sherri Rochette
Scott Reinson
Karen Smilski
Jodi Tomchyshyn
Rose Dehod

SHARPS WORKING GROUP

Chris Graham
H.G. (Bud) Latta
Anthony (Tony) Mak
Freda Badry
Karen Smilski
Jodi Tomchyshyn
Ross Boutillier
Grace Bowditch
Rose Dehod

RxA - A Brief History

In the year 2000, six resourceful individuals with a common vision forged uncharted territory by establishing a professional association singularly dedicated to the profession of pharmacy. Those six people eventually formed RxA's first ever Board of Directors before RxA was even incorporated, the bricks and mortar of an office in place, or a staff recruited.

Following a few months spent organizing, planning broad policy, and preparing a strategic plan, RxA's first Board hired its first and current CEO, Barry Cavanaugh, and together they set about building a professional organization to truly serve and advance the needs and interests of pharmacists in Alberta.

Six years later, RxA's leadership and advocacy has become an asset to every pharmacist practicing in Alberta. RxA has become a genuine national leader among pharmacy professional associations, and an effective voice in the halls of government. RxA has a reputation for being creative, innovative, and energetic on behalf of its members.

The dream of a better future for pharmacists, first articulated by those original six board members, remains today and gives life and meaning to this organization. That energy still characterizes everything RxA does. And serving pharmacists' professional interests remains at the heart of every effort and commitment made by RxA.



How RxA is Making History

Representing more than 2,000 pharmacists throughout Alberta, RxA is their premier advocate, driven by a mission to, through leadership and advocacy, promote and support the value of pharmacists as primary health care providers.

And never has an effective, strategic advocacy organization been as important to Alberta pharmacists as it is now. RxA's presence is especially critical when the profession and the industry are undergoing changes, when pharmacy technology and customer service continue to be redefined, and when the future role of pharmacists is open to inevitable but positive change.

RxA has given pharmacists the Clinical Services Guidelines and the leadership they need to help them pioneer an expanded scope of practice. And, more significantly, RxA, in collaboration with the Alberta College of Pharmacists (ACP), has achieved a historic and hard-fought-for victory with the upcoming change in government legislation giving pharmacists prescribing authority.

Through these accomplishments on behalf of pharmacists, RxA has forecast a new definition of the role of pharmacist. RxA is breaking new ground, not just for Alberta pharmacists, but potentially for pharmacists across Canada and around the globe.

Soon, as a result of RxA's determined efforts, health care providers and health care consumers at large will recognize the major and decisive role pharmacists, the "true medication experts", will play as part as part of Alberta's present and future primary health care system.

RxA Member Services

Advocacy, Government Relations and Negotiations for Pharmacists

With RxA as their representative, Alberta pharmacists have a skilled lobbyist and powerful voice at the government negotiations table, in government health reform initiatives, and on all matters of interest and concern to them.

Continuing Education (CEs)

RxA is the largest, most effective provider of relevant, timely, face-to-face pharmacist continuing education (CEs). RxA offers reduced rates for members, and practical and timely CE sessions whose topics are chosen at the request of members. The Continuing Education Reimbursement Program, an agreement negotiated by RxA with the Alberta government, offers members reimbursement for up to \$300 of their registration costs to attend approved/accredited CEs.

Clinical Services Guidelines

Pioneered by RxA, the Clinical Services Guidelines (CSGs) is a toolkit designed to carefully guide pharmacists in expanding their scope of practice. The first program of its kind in Canada, the CSGs have been licensed to and adopted by Saskatchewan, BC and Manitoba. RxA has effectively opened the door to new professional opportunities for pharmacists in other jurisdictions. RxA also offers an accompanying CSGs program course to members during the year.

Malpractice Insurance

RxA, in conjunction with the Canadian Pharmacists Benefits Association (CPBA), offers the most comprehensive malpractice insurance package available to pharmacists at the lowest possible rate. A comparison of costs and benefits with any other professional liability insurance program for pharmacists demonstrates conclusively that the coverage RxA makes available to its members is both the best quality and the best value.

Member Communications

Members receive weekly up-to-date news relevant to them through an email and fax broadcast of a new member publication, *The Capsule*. A newly revamped quarterly print publication, *RxPress*, gives members the inside track on clinical news, member profiles, and helpful information about audit, legal and workplace wellness issues. A member website, which is continually being improved, is a comprehensive resource for pharmacists on clinical information, media activity, and online member polls which informally assess member opinion on issues important to them. RxA communications also offers media relations support to members facing a microphone or camera.

Official Member Opinion Survey

In the fall of 2006, RxA will be offering for the first time ever an official, scientifically-valid, comprehensive, multi-question member opinion survey. Sponsored by Meloche Monnex, the survey will poll members on a variety of issues important to them and the future direction of RxA. The results of the survey will help determine RxA policy on these issues.

Other Benefits

RxA insurance for car, home and store (Meloche Monnex, UniGroup, Canyon)

RxA Wellness Program - Personal and family counseling through chartered psychologists in several Alberta locations (Chandler Haave Vandersteen Carter)

Legal Counsel through Field Law

Financial Advice through RBC Financial Group

Resources centre (phone, email, website) to meet your professional needs

Career postings - online career opportunities and relief roster

Special events - networking opportunities at reduced rates

Office supply discount, Corporate Express

Floral discount, Anne Paterson's Flowers (Calgary), Country Lane (Edmonton)

ENVIRx - medication disposal program administered by RxA and funded by the pharmaceutical industry at no cost to community pharmacists.

Pharmacy Student Outreach

- White coat ceremony for first-year faculty of pharmacy and pharmaceutical sciences students at the University of Alberta.
- Pizza lunch and presentation of name badges for first-year students
- RxA-sponsored grad BBQ in spring
- RxA presentations to university classes
- Student discount for CEs
- Student representation on the RxA Board of Directors

Resources and Tools

Member pharmacists have access to clinical sources and resources, and Health Information Act Privacy Impact Assessment Templates.

RxA 2005-2006 Highlights & Achievements

Advocacy

GOVERNMENT RELATIONS

The Alberta government announced approval of the Pharmacists Profession Regulation on May 31, 2006. The regulation, expected to come into effect in the fall of 2006, will allow pharmacists to prescribe some drug treatments, continue prescriptions made by other health practitioners, and administer drugs by injection, such as vaccines.

Edmonton Capital Health announced its plans to include Alberta pharmacists in Capital Health Link -- the result of RxA's advocacy efforts.

NEGOTIATIONS

RxA successfully negotiated with the Alberta government the renewal of the CE Reimbursement Program with a view toward a long term commitment.

Alberta pharmacists were given the green light to work side-by-side with family physicians and other health care providers within primary care networks (PCNs). This achievement is the result of a proposal originally put forward by RxA and the Alberta Medical Association (AMA).

RxA achieved some \$4 million in funding support from government for pharmacist participation in the Electronic Health Records (EHR) project, and established a meaningful role for pharmacists in the EHR, ensuring that pharmacists have access to lab values within it.

RxA established a charter of professional rights for pharmacists on its member website, www.rxa.ca.

RxA commenced an agreement with Alberta Blue Cross resulting in the first major increases in dispensing fees in many years -- an agreement which has led directly to the prosperity pharmacy now enjoys. Negotiations are already underway for a renewal agreement.

RxA achieved extension of the PIN Funding Agreement which includes Alberta Health & Wellness' (AH&W) guarantee of pharmacy reimbursement, to March 31, 2008. RxA can advance funds for those pharmacies wanting to participate in PIN through Alberta NetCare.

RxA's work with third party benefits providers bore fruit as they have begun to offer pharmacist services in their plans.

Member Communications

RxA launched a successful media campaign challenging statements made by the Alberta Medical Association (AMA) and College of Physicians and Surgeons of Alberta (CPSA) about the competency of pharmacists to prescribe medication. The campaign resulted in a front-page story in the *Calgary Herald* and coverage in the *Calgary Sun*, *Globe and Mail*, and on *Global TV*, *CHQR*, *940 Montreal*, and *CBC's Wild Rose Forum*.

RxA debuted new member access to broadcast coverage and news clippings through the member website under RxA in the News.

RxA launched a new weekly member email publication, *The Capsule*.

RxA re-launched *RxPress* by reducing size, changing format, and adding full-colour detail to enhance appeal to readers.

RxA launched informal online polls which test member opinion on issues ranging from communications to the giving and receiving of incentives and inducements.

A sponsorship commitment was achieved from Meloche Monnex to fund RxA's first ever member opinion survey. The results of the survey will help determine RxA policy on a variety of issues important to members. The survey is scheduled to take place in the fall of 2006.

RxA established e-Forum for members to discuss various issues in an email forum environment.

Member Benefits

RxA worked with ENCON in establishing an easy process for insured members faced with the prospect of a malpractice or potential malpractice claim. A "claim reporting form and reporting procedures" were created and can now be found on the CPBA website, www.cpba.ca.

Stakeholder Relations

RxA achieved independence from the Alberta College of Pharmacists (ACP), becoming fully autonomous with a new mandate and voluntary membership.

RxA licensed its made-in-Alberta Clinical Services Guidelines (CSGs) to the three western provinces, BC, Saskatchewan and Manitoba, opening up new scope of practice opportunities for pharmacists beyond Alberta's borders.

For the first time, RxA sponsored and hosted the grad barbecue for graduates from the University of Alberta's faculty of pharmacy and pharmaceutical sciences.

For the second year in a row, RxA hosted a white coat ceremony, welcoming into the pharmacy profession first-year pharmacy students at the University of Alberta.

RxA established a new, special pharmacy licensee and owner membership category to guarantee that pharmacy operators are represented with respect to the economic interests unique to pharmacy ownership.

RxA met with a full house of southern Alberta RxA members in Lethbridge on June 13, engaging in meaningful dialogue about a number of issues.

Continuing Education

RxA developed a new, comprehensive CE training program on the administration of drugs by injection with expected availability in the fall of 2006.

RxA offered a CE for community pharmacists on interpreting lab values and adding structured medication reviews to their practices.



Trudy Holzmann, 2005-2006 RxA President

President's Report

Since its establishment in 2000, the Alberta Pharmacists' Association (RxA) has been considered a pioneer in advocacy for pharmacists in Alberta and Canada due to its relationships, networks, high standards, innovative thinking, and impeccable ethical and professional conduct. This laudable reputation is a direct result of the hard work and dedication of the staff, Board and volunteers, and the strong support of our members.

RxA's commitment to service and the recognition of the professional role of pharmacists, in collaboration with other members of the health care team, will provide Albertans with better health outcomes in a sustainable and dynamic health care environment.

In 2005-2006, RxA met with the Honourable Iris Evans, Minister of Health and Wellness, on a number of occasions to discuss the Health Policy Framework, regulations, and pharmacists' role in health care delivery. Minister Evans was very accessible and interested in our ideas on integrating pharmacists into the government's vision of a sustainable, effective health care system that respects patient choice.

RxA licensed the Clinical Services Guidelines (CSGs), an RxA-invented structured tool to facilitate the expansion of our role, to Canada's three western provinces. We have continued providing professional development events for pharmacists, and have negotiated a continuation of government-supported CE funding for our members, the only such program in Canada. We were instrumental in encouraging the inclusion of pharmacists in primary care networks.

RxA was also the driving force behind the recognition of pharmacists as health care professionals under the Income Tax Act, and in the formation of the national pharmacy advocacy group (Provincial Pharmacy Advocacy Organizations).

RxA enjoyed a strong media presence in 2005-2006, both provincially and nationally. Media coverage across the country captured us advocating for pharmacists and expanded scope of practice, and for prescribing privileges on the verge of becoming reality as a result of forward-thinking legislation by the province of Alberta.

The past fiscal year has truly been a harvest year for Alberta pharmacists and RxA. We have seen much of our hard work of the past six years finally come to fruition. And we have seen indications of the hard work yet to come as the professional landscape for pharmacists continues to shift and change. RxA will be a part of that change and will be there serving and advocating for Alberta pharmacists as it happens.

THANK YOU TO ALL OF OUR MEMBERS FOR YOUR CONTINUED SUPPORT AND COMMITMENT TO OUR PROFESSION.

A handwritten signature in black ink, appearing to read 'Trudy Holzmann', written in a cursive style.

Trudy Holzmann

CEO's Report



Barry Cavanaugh, RxA CEO

RxA has successfully concluded its first year of operations as the Alberta Pharmacists' Association -- a legally and fully independent voluntary association of professionals. That very fact is cause for celebration. And yet, our history itself is reason to celebrate.

In six short years, RxA has come out of nowhere to take its place as a significant force in health care in Alberta and in Canada. A national leader in policy, innovation, and initiative, RxA has become one of the foremost pharmacy organizations in the country. The vision and commitment of RxA's volunteer leaders and staff have shown the way for counterpart organizations, and for individual pharmacists throughout the province and the country.

RxA's unique, pioneering approach -- which has enabled it to take initiative rapidly, to be creative, and to be nimble in response to its environment -- has been based on policy governance and on the recruitment of a highly effective team. The focus of the Board of Directors has been on policy leadership, and the staff on implementation of that vision, by whatever means are most effective.

Our advocacy with government, at the national and provincial levels, has been highly effective and has resulted in the kinds of legislative change which will enable pharmacy powerfully in the coming years. Our economic negotiations with government representatives and other third party providers have brought about overdue, fair and unprecedented improvements in pharmacy compensation, and will continue to provide significant impact on the pharmacy bottom line.

Our emphasis on equipping our members to be leading pharmacists and innovative health care providers has resulted in major and groundbreaking programs such as the Clinical Services Guidelines (CSGs), the recognition of pharmacist clinical services, the participation of pharmacists in primary care networks province-wide, our two annual major professional development conferences, and our wide array of intense, clinically-valuable continuing education programs.

As we conclude our first year as an independent, voluntary organization, we remain fiscally very healthy and strong. The anticipated diminishing of membership dues income as we settle out to our right membership levels is offset both by our continuing emphasis on developing stronger streams of non-dues revenue to support our members, and by the stable and prudent operating reserves we have set aside through rigorous management, in expectation of such a period. RxA is indeed extremely sound, in terms of fiscal management, operations, and vision. The prognosis is very positive, and the prescription is to move toward the future at full speed.

At the close of this operations year, I, as CEO, would particularly like to thank the dedicated and innovative staff of RxA (nobody does it better!), and the Board of Directors for their unwavering faith and commitment and for their vision of the profession. I extend a special thanks to our great President, Trudy Holzmann, one of the founding Directors of RxA, a truly passionate advocate for pharmacy, and a great encouragement to all of us.

A handwritten signature in black ink, appearing to read "Barry Cavanaugh". The signature is fluid and cursive, written on a white background.

Financial Statements

MANAGEMENT'S RESPONSIBILITY

To the Directors of Alberta Pharmacists' Association

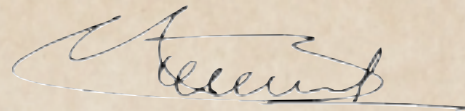
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility included selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

Jestin Gibson Ollis LLP, an independent firm of Chartered Accountants, is appointed by the directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their findings.

August 29, 2006



Barry Cavanaugh, Chief Executive Officer

Financial Statements

AUDITOR'S REPORT

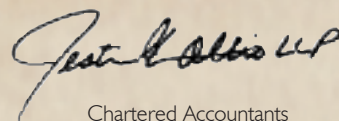
To the Members of Alberta Pharmacists' Association

We have audited the statement of financial position of Alberta Pharmacists' Association as at June 30, 2006 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta
August 29, 2006



Justine L. Allison CPA

Chartered Accountants

Alberta Pharmacists' Association

Statement of Financial Position

June 30, 2006

Assets


CURRENT	
Cash	\$ 504,230
Short term investments (Note 3)	1,528,146
Accounts Receivable	124,359
Interest receivable	27,057
Prepaid expenses	78,877
	2,262,669
PROPERTY AND EQUIPMENT (Note 4)	55,242
INTANGIBLE ASSETS (Note 6)	22,738
TRUST ASSETS (Note 7)	1,314,666
RESTRICTED CASH (Note 8)	64,477
	\$ 3,719,792

Liabilities and Members' Equity

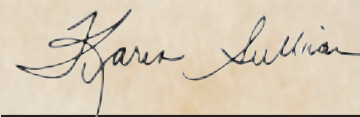
CURRENT	
Accounts payable	\$ 59,845
Wages payable	6,037
Deferred revenue (Note 9)	361,487
	427,369
TRUST LIABILITIES (Note 7)	1,314,666
	1,742,035
NET ASSETS (Note 12)	1,977,757
	\$ 3,719,792

CONTINGENT LIABILITY (Note 13)

Approved on behalf of the Board:



Director



Director

Alberta Pharmacists' Association

Statement of Operations and Changes in Net Assets

Year Ended June 30, 2006

REVENUE	
Grants from Alberta College of Pharmacists (Note 10)	\$ 1,211,081
Membership fees	421,483
Malpractice insurance	301,594
Continuing education	136,840
EnviRx program	94,000
Advertising	51,095
Investment income	33,348
Clinical service guide - licence fees	33,000
Golf tournament	19,016
Loyalty programs	14,110
	2,315,567
EXPENSES	
Salaries and wages	550,976
Malpractice insurance	301,594
Member services and programs	143,012
Continuing education	106,165
Professional fees	60,698
Travel	59,665
Rental	48,936
Board of Directors	41,088
Amortization	40,602
Communications	40,121
Office	37,356
Advertising and promotion	29,143
Other Committees	26,356
Interest and bank charges	21,560
Postage	20,638
Newsletter	16,991
Website maintenance	16,337
Telephone	9,005
Equipment rentals	7,778
Bad debts	6,657
Publications and subscriptions	5,124
Insurance	1,133
	1,590,935
Excess of revenue over expenses	724,632
NET ASSETS - BEGINNING OF YEAR	-
CONTRIBUTED NET ASSETS (Notes 1, 5)	1,253,125
NET ASSETS - END OF YEAR	\$ 1,977,757

Alberta Pharmacists' Association

Statement of Cash Flows

Year Ended June 30, 2006

OPERATING ACTIVITIES

Excess of revenue over expenses	\$	724,632
Item not affecting cash:		
Amortization		40,602
		<u>765,234</u>
Changes in non-cash working capital:		
Accounts receivable		(124,359)
Interest receivable		(27,057)
Accounts payable		59,845
Deferred revenue		361,487
Prepaid expenses		(78,877)
Wages payable		6,037
		<u>197,076</u>
Cash flow from operating activities		<u>962,310</u>

INVESTING ACTIVITIES

Purchase of equipment		(86,595)
Purchase of intangible asset		(31,987)
Cash flow used by investing activities		<u>(118,582)</u>

FINANCING ACTIVITY

Contributed net assets (Note 5)		1,253,125
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INCREASE IN CASH FLOW

		2,096,853
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Cash - beginning of year

-

CASH - END OF YEAR

\$ 2,096,853

CASH CONSISTS OF:

Cash	\$	504,230
Short term investments		1,528,146
Restricted Cash		64,477
	\$	2,096,853

Notes to Financial Statements

Year Ended June 30, 2006

1. PURPOSE OF ORGANIZATION

The Alberta Pharmacists' Association (the "Association") was incorporated on June 22, 2005 under the Societies Act of Alberta and began operations on July 1, 2005.

On July 1, 2005 the assets, liabilities and net assets of Pharmacists Association of Alberta were transferred to the Association under the provisions of a transition agreement with the Alberta College of Pharmacists.(Note 5,13)

The Association is responsible for promoting and advancing the value of Alberta pharmacists. It is also responsible for promoting a working environment for Alberta pharmacists that is conducive to quality pharmacist practice, career satisfaction and professional pride. Among other responsibilities, it will increasingly offer programs and benefits to enhance pharmacists' professional and personal well-being.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	25% straight-line method
Computer software	50% straight-line method
Leasehold improvements	20% straight-line method
Telephone Equipment	20% straight-line method
Website	20% straight-line method
Office equipment	12.5 straight-line method

Intangible assets recognized separately from goodwill and subject to amortization are recorded at cost and amortized using the straight-line method over 5 years.

Revenue recognition

- The Association follows the deferral method of accounting for grants and contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred.
- Unrestricted investment income is recognized as revenue when earned.
- Revenue from membership fees is recognized in the year in which the fees relate to.

Income taxes

The Association is a non-profit organization and is exempt from payment of income taxes

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 include providing for amortization of property and equipment and intangible assets. Actual results could differ from these estimates.

Financial instruments

Financial instruments that are included in the statement of financial position of the Association consist of cash in bank, short term investments, accounts receivable, other receivables, accounts payable and wages payable. These instruments are recorded at historic cost unless circumstances indicate a change in the fair value of such instrument(s) has occurred resulting in a loss which is not temporary. In such circumstances the financial instrument(s) is adjusted to its fair value and the loss recognized.

In management's opinion, the Association is not exposed to significant interest rate or credit risk.

Statement of cash flows

The statement of cash flows has been prepared using the indirect method.

Notes to the Financial Statements

Year ended June 30, 2006

3. SHORT TERM INVESTMENTS

Guaranteed investment certificate, bearing interest at 2.75%, maturing November 7, 2006.

\$ 1,528,146

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 515	\$ 515	\$ -
Computer software	6,100	3,050	3,050
Furniture and fixtures	25,124	6,047	19,077
Leasehold improvements	8,936	8,936	-
Telephone Equipment	1,767	1,767	-
Website	44,153	11,038	33,115
	<u>\$ 86,595</u>	<u>\$ 31,353</u>	<u>\$ 55,242</u>

5. CONTRIBUTED NET ASSETS

On July 1, 2005, the following assets, (liabilities) and net assets of the Alberta College of Pharmacists (Pharmacists Association of Alberta) were transferred to the Alberta Pharmacists' Association pursuant to a transition agreement with the Alberta College of Pharmacists.

Cash	\$ 827,057
Short term investments	417,875
Accounts receivable	15,227
Goods and services tax receivable	10,697
Accrued investment income	5,632
Prepaid expenses and deposits	48,438
Computer equipment	515
Leasehold improvements	8,936
Office equipment	25,123
Telephone equipment	1,768
Website	44,154
Internal database system	31,987
Trust assets	1,688,691
Restricted cash	64,477
Accounts payable	(41,440)
Wages payable	(16,554)
Deferred revenue	(179,756)
Trust liabilities	(1,688,691)
Leasehold inducement	(11,011)
Contributed net assets	\$ 1,253,125

Notes to the Financial Statements

Year ended June 30, 2006

6. INTANGIBLE ASSETS

Internal database system	\$ 31,987
Accumulated amortization	(9,249)
	\$ 22,738

7. TRUST ASSETS AND TRUST LIABILITIES

The Association has entered into agreements with the provincial government to administer a Continuing Education Fund and a Pharmaceutical Information Network Fund for the benefit of Alberta Pharmacists. The amounts received under the agreements and held in trust by the Association are recorded as trust assets and corresponding trust liabilities until disbursed.

8. RESTRICTED CASH

Restricted cash consists of a cashable guaranteed investment certificate issued by a Canadian chartered bank. The bank has restricted the cash in support of the letter of credit described in note 11.

9. DEFERRED REVENUE

During the year, the Association received sponsorship funding for the fiscal year ending June 30, 2007. These amounts will be recognized as revenue in 2007 when the events are held.

Membership fees and malpractice insurance premiums related to the 2007 fiscal year have been recorded as deferred revenues.

10. GRANTS FROM ALBERTA COLLEGE OF PHARMACISTS

The grant received from the Alberta College of Pharmacists was the final payment under a three year contract.

11. COMMITMENTS

The Association has entered into lease agreements for its premises and office equipment expiring on various dates until 2011.

In respect of the lease agreement, the Association has an irrevocable letter of credit outstanding in the amount of \$62,280 for the benefit of the landlord.

The minimum lease payments for the next five years are as follows:

2007	\$ 42,383
2008	42,668
2009	44,681
2010	46,410
2011	37,609
	\$ 213,751

12. NET ASSETS

Net assets consist of unrestricted net assets in the amount of \$1,899,777 and net assets invested in property and equipment and intangible assets in the amount of \$77,980.

13. CONTINGENT LIABILITY

As security for its obligation under the transition agreement entered into with the Alberta College of Pharmacists, the Association has provided the Alberta College of Pharmacists a demand promissory note in the amount of \$1,223,288 and a general security agreement. At such time as all of the obligations under the transition agreement have been met, the security will be released.



ALBERTA
PHARMACISTS'
ASSOCIATION

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Mission

Through leadership and advocacy, RxA promotes and supports the value of pharmacists as primary health care providers.

Vision

Focused on the needs of all Alberta pharmacists, RxA is the voice for the pharmacy profession. This vision is predicated on the belief that RxA should be:

- focused on pharmacists.
- promoting members' interests.
- responsive to pharmacists' needs, questions and issues -- the information source for pharmacists.
- a national leader and voice in support of pharmacists in every aspect of their professional lives, and a national leader for advocacy.

Values

Alberta pharmacists and RxA, believe that:

- serving the needs of pharmacists is at the heart of everything we do.
- instilling community and collegiality among pharmacists is central to our achievements.
- partnerships and collaboration are essential to success.
- continuous advancement of pharmacists' skill, knowledge and practice standards promotes public confidence and professional excellence.
- creativity and innovation are the foundation for improvements in all that we undertake.
- commitment to healthy work environments stimulates professional pride and personal satisfaction.