



Annual Report 2007-2008



National Association of Pharmacy Regulatory Authorities
Association nationale des organismes de réglementation de la pharmacie

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National Association of Pharmacy Regulatory Authorities
Association nationale des organismes de réglementation de la pharmacie

VISION, MISSION, VALUES, GOALS

Vision

NAPRA facilitates the adoption and implementation of best regulatory practices in all pharmacy regulatory authorities in Canada.

Mission

The National Association of Pharmacy Regulatory Authorities (NAPRA) enhances the activities of the pharmacy regulatory authorities by:

1. Being a forum to discuss regulatory issues
2. Serving as a national voice
3. Serving as a national centre for knowledge and awareness
4. Facilitating the adoption and implementation of its core programs*

**Core programs include maintenance of the supporting documents to the Mutual Recognition Agreement and National Drug Schedules*

Values

Strategic

- Decisions and actions based on the vision of a national organization
- Recognition of the requirements of a national organization

Visionary

- Securing a vital role for NAPRA now and in the future
- Providing proactive leadership in regulation

Excellence

- Bringing excellence to all that NAPRA undertakes

Integrity

- Working transparently in the open and not in the shadows

Respect

- Developing practices that underline respect for all members of NAPRA

Transparency

- Acting in the interests of NAPRA by bringing issues to the table
- Securing opportunities for divergent issues to be discussed openly and in a non-confrontational manner

Collaboration

- Seeking new ways of working together
- Developing new partnerships at the national and international level
- Creating cross jurisdictional opportunities

Goals

1. To achieve a harmonized practice framework
2. To facilitate the development and maintenance of reciprocity frameworks for pharmacists and pharmacy technicians
3. To be the recognized/respected voice for pharmacy regulated issues in Canada.



National Association of Pharmacy Regulatory Authorities
Association nationale des organismes de réglementation de la pharmacie

NAPRA BOARD OF DIRECTORS

April 2008



From left to right:

Front row:

Janelle Gray, Pat Trozzo, Susan Wedlake, Jim Dunsdon, Sandra Carey, LCol Susan Groves,
Erica Gregory, Diane Brideau-Laughlin

Back row:

Janet Bradshaw, Dianne Donnan, Bill Veniot, Claude Gagnon, Marshall Moleschi, David McLeod,
Neila Auld, Greg Eberhart, Ray Joubert, Ron Guse, Deanna Williams, Peter Gdyczynski,
Manon Lambert, Don Rowe

Absent:

Jeannette Hall



National Association of Pharmacy Regulatory Authorities
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NAPRA COMMITTEES 2007-2008

Executive Committee

Erica Gregory - Chair - College of Pharmacists of British Columbia
 Sandra Carey - President - Newfoundland and Labrador Pharmacy Board
 Janet Bradshaw - Past President - Saskatchewan College of Pharmacists
 Pat Trozzo - Manitoba Pharmaceutical Association
 Bill Veniot - Chair, CPRC - New Brunswick Pharmaceutical Society
 Karen Wolfe - Executive Director, NAPRA (*Ex-officio*)

Council of Pharmacy Registrars of Canada (CPRC)

Bill Veniot, Chair - New Brunswick Pharmaceutical Society
 Neila Auld, Vice-Chair - Prince Edward Island Pharmacy Board
 Ronald Guse - Manitoba Pharmaceutical Association
 Lieutenant-Colonel Susan Groves - Canadian Forces Pharmacy Services
 Greg Eberhart - Alberta College of Pharmacists
 Jeannette Hall - Government of the Northwest Territories
 Ray Joubert - Saskatchewan College of Pharmacists
 Manon Lambert - Ordre des pharmaciens du Québec
 Marshall Moleschi - College of Pharmacists of British Columbia
 Don Rowe - Newfoundland and Labrador Pharmacy Board
 Susan Wedlake - Nova Scotia College of Pharmacists
 Deanna Williams - Ontario College of Pharmacists
 Karen Wolfe - Executive Director, NAPRA
 Jim Dunsdon - Interim Executive Director, NAPRA

National Advisory Committee on Licensing (NACL)

Marshall Moleschi, Chair - College of Pharmacists of British Columbia
 Neila Auld - Prince Edward Island Pharmacy Board
 Darwin Cheasley - Manitoba Pharmaceutical Society
 Dale Cooney - Alberta College of Pharmacists
 Jeanne Eriksen - Saskatchewan College of Pharmacists
 Dr. Stephen Graham - Nova Scotia College of Pharmacists
 Frances Hall - Canadian Forces Pharmacy Services
 Bill Veniot - New Brunswick Pharmaceutical Society

National Advisory Committee on Pharmacy Practice (NACPP)

Marshall Moleschi, Chair - College of Pharmacists of British Columbia
 George Budd - Vancouver, British Columbia
 Tom Dolanjski - Timmins, Ontario
 Dianne Donnan - Lamont, Alberta
 Dr. Nicholas Honcharik - Winnipeg, Manitoba
 Kim Houssin - Winnipeg, Manitoba
 Audrey McLelland - Saskatoon, Saskatchewan
 Rosemarie Patodia - Etobicoke, Ontario



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National Advisory Committee on Pharmacy Practice (NACPP) (continued)

Dr. Steven Semelman - Oakville, Ontario
 Susan Troesch - Vancouver, British Columbia
 Beverly Zwicker - Halifax, Nova Scotia

National Drug Scheduling Advisory Committee (NDSAC)

Margot Priddle, Chair - St. John's, Newfoundland
 Dawn Frail, Vice-Chair - Halifax, Nova Scotia
 Kim Abbass - Sydney, Nova Scotia
 Dr. Sheldon Koven - Winnipeg, Manitoba
 Dr. Larry Lynd - Vancouver, British Columbia
 Dr. Nancy MacDonald - Guelph, Ontario
 Dr. Ruth Wilson - Kingston, Ontario
 Dr. Peter Zed - Halifax, Nova Scotia
 Norma Lynn Pearson - Resource - Ottawa Valley Regional Drug Information Service
 Don Hoffman - Observer - Therapeutic Products Directorate, Health Canada
 Joan Sayer - Observer-representing the Consumers' Association of Canada
 Barbara Wells - Secretariat
 Karen Wolfe - Executive Director, NAPRA
 Jim Dunsdon - Interim Executive Director, NAPRA

External Appointments

Advisory Committee on Expanding Authority to Prescribe Controlled Substances

- Ronald Guse

Canada Council for Accreditation of Pharmacy Programs

- Ray Joubert

Canada Health Infoway—Standards Collaborative Strategic Committee

- To be determined

Canadian Network of National Association of Regulators

- Karen Wolfe

Expert Advisory Committee on the Vigilance of Health Products

- Diane Brideau-Laughlin

Internationally Educated Health Professionals Initiative

- Dr. Zubin Austin

Moving Forward: Pharmacy Human Resources for the Future Management Committee

- Ray Joubert

National e-Pharmacy Task Force

- Karen Wolfe

Pharmacy Human Resources in Canada Study

- Ray Joubert

Task Force on a Blueprint for Pharmacy

- Greg Eberhart
- Erica Gregory

Working Group on the Development of National Guidelines for the Disclosure of Adverse Events

- Ronald Guse
- Bill Veniot
- Karen Wolfe



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PRESIDENT'S REPORT



When my term as NAPRA President started over a year ago, we had just completed our visioning and governance workshop. Those of us around the table made a commitment to make our organization stronger by working on two levels: NAPRA's internal workings and NAPRA's external business.

I was given my orders and together we set out on our year of adventure – and what an adventure it was! As with any undertaking, we experienced our fair share of success and the scattered disappointment. Throughout it all, what reinforced my belief in NAPRA and my role as President was the knowledge that no matter what, we were determined to strengthen our organization and remain committed to our future.

It is one thing to be given the job to steer a ship on a course, but in the absence of a sound crew, you would soon be adrift. I would be remiss if I didn't take the time to acknowledge the people who support me, and all of us, in our efforts.

I am very proud of the work accomplished by our Executive Committee, our Advisory Committees, and the Board in general. The quality of the work we do speaks for itself when professionals within pharmacy, outside the profession and beyond our borders look to NAPRA as leading authority on pharmacy regulatory matters. We want to capitalize on that momentum and continue to strengthen our position both at home and abroad. Hats off to all of you – to all of us – for a job well done.

With Karen Wolfe as our interim Executive Director and ultimately the permanent incumbent in the position, our association pushed forward with a review of our governance model, a revised revenue model, streamlined By-laws and related policies and pursued our membership renewals. I thank her for her hard work and wish her nothing but success for her future.

I learned a great deal about the Council of Pharmacy Registrars of Canada (CPRC) from Chair Bill Veniot and enjoyed the opportunities we had to work together.

To our national office staff – I am forever grateful for your patience and professionalism. We are fortunate to have a talented group of people working for us and keeping me in line! A big thank you to Lynn, Lucy and Lisa. To Arvind Mani, many thanks for your years of service to NAPRA and we wish you continued success in your future endeavours. A special thank you to Jim Dunsdon for stepping in to help when he was needed most. I am happy to be in your debt.

So what next? Well, the ship does not look like it will drop anchor any time soon. I believe NAPRA is set to navigate its way through to our next port of call. While some may say there are too many destinations to choose from, I prefer to look at it as a continuous voyage. We will continue to go wherever we are needed. I hope you'll come along and enjoy your stay aboard.



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REPORT FROM THE OFFICE OF THE EXECUTIVE DIRECTOR

This report is a compilation of the activities conducted by the office of the Executive Director during the year from April 1, 2007 to March 31, 2008. It includes Karen Wolfe's tenure as Interim Executive Director (March 2007) followed by her appointment as Executive Director (September 2007), a position she held until her departure in February 2008. Jim Dunsdon acted in the capacity of Interim Executive Director commencing in mid-March 2008 while the search for a permanent Executive Director continued through year-end.

Professional Initiatives

- **Mutual Recognition Agreement Meetings**
NAPRA received funding (Fall 2007) from Human Resources and Skills Development Canada (HRSDC) to update documents related to the MRA and to work toward the removal of barriers to pharmacist mobility in Canada. Documents to be updated are: Structured Practical Training Requirements and the Model Standards of Practice for Canadian Pharmacists. The announcement of a new Pharmacy Act in the Northwest Territories enables the territory to meet the terms of the MRA.
- **Entry to Practice Competencies**
The revised *Professional Competencies for Canadian Pharmacists at Entry to Practice* received approval from the Board in April 2007. This approval supported the development of the *Professional Competencies for Canadian Pharmacy Technicians at Entry to Practice*. A significant amount of collaboration was involved and culminated in the document's approval by the Board in September 2007.
- **Model Standards of Practice for Canadian Pharmacists**
The National Advisory Committee on Pharmacy Practice (NACPP) met in January 2008 to begin work on a revised Model Standards of Practice document. The completion of the Model Standards will support the foundational documents of the Mutual Recognition Agreement.

Health Canada Consultations

- **NAPRA-Therapeutic Products Directorate (TPD) Meetings**
NAPRA met with representatives of the Therapeutic Products Directorate in late-April 2007 and December 2007. The agendas included topics such as: TPD licensing framework, E-prescribing, medical marijuana, NHP regulation (DIN to NPNs), risk management communications, practitioners eligible to prescribe and/or administer controlled substances, counterfeit drugs in Canada's supply chain, cross border international pharmacies, direct to consumer advertising, and the verification process of physicians authorized to prescribe methadone, special access programme, reporting loss of psychoactive drugs, Compounding Policy POL-0051, and a cost recovery initiative.
- **NAPRA-Natural Health Products Directorate (NHPD) Meetings**
NAPRA resumed meetings with representatives of the Natural Health Products Directorate in October 2007. The agenda was dedicated to NAPRA's Policy on Natural Health Products. Both parties agreed to a regular bilateral meeting process to continue to explore how to collaborate to reach a solution in the best interest of the public.
- **Joint Regulators Forum**
The 2007 edition of the Joint Regulators Forum was held in June in Toronto. Participants listened to and participated in discussions on the following topics: Blueprint for Renewing Canada's Health Products and Food Regulatory System; Progressive Licensing Framework; Health Product Risk Communications; Manufacturing and Compounding Guidelines; and Health Products Anti-Counterfeit Strategy.



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REPORT FROM THE OFFICE OF THE EXECUTIVE DIRECTOR

- **Progressive Licensing Workshop**
Under this initiative of Health Canada, NAPRA participated in May and June 2007 in the “Blueprint for Renewal Workshops”. The intent of the workshops were to explore ways to modernize the drug regulatory system in Canada.
- **Health Products Anti-Counterfeit Forum**
NAPRA attended this first ever forum, co-sponsored by the RCMP in Toronto in October 2007. The theme of the forum focused on education and partnership-building campaign to raise awareness of the risks associated with the global issue of counterfeit products.
- **Therapeutic Products Directorate (TPD) and Office of Controlled Substances (OCS)**
In February 2008, staff from the Therapeutic Products Directorate (TPD) and the Office of Controlled Substances (OCS) met with NAPRA to discuss the issue of drugs temporarily not in the list of scheduled drugs. The representatives discussed the need for a proposed policy to ensure that drugs not in the list of scheduled drugs (that is they have not completed the regulatory process) but available on the market are sold/dispensed in accordance with proposed scheduling recommendations.
- **Expert Advisory Committee on Vigilance of Health Products**
Dianne Brideau-Laughlin agreed to be a member of the Committee and attended two meetings in 2007-2008. Ms. Brideau-Laughlin was appointed the Chair of the Committee. The members provide objective external advice on broad strategic policy and program issues involving marketing therapeutic health products.

Other Collaborative Initiatives

- **Canadian Association of Pharmacy Technicians (CAPT)**
CAPT was a critical participant in the development of the *Professional Competencies for Pharmacy Technicians at Entry to Practice (September 2007)*. NAPRA will continue collaborating with CAPT on future issues.
- **Canadian Council on Continuing Education in Pharmacy (CCCEP)**
NAPRA’s Registrars and CCCEP held a conference call in December 2007 to discuss a proposal for the development of a national accreditation process for post-entry to practice certificate programs.
- **Canadian Network of National Associations of Regulators (CNNAR)**
The Executive Director attended the 2007 CNNAR conference “Future of Professional Regulation in Canada” in Toronto. Throughout 2007-2008, NAPRA participated as a conference committee member to help prepare for the 2008 Conference “Ethical Regulation: Doing the right things for the right reason”.
- **Canadian Patient Safety Institute (CPSI)**
The efforts of the Working Group on the Development of National Guidelines for the Disclosure of Adverse Events were realized when the final version of the document was released to the public in March 2008. Also NAPRA is a part of the communications group working on the development of CPSI’s inter-professional patient safety competency framework for health worker education.
- **Canadian Pharmacists Association (CPhA)**
NAPRA met with representatives of CPhA on a number of occasions throughout 2007-2008. A number of topics were discussed at these meetings including: Federal Competition Bureau Study, the *Professional Competencies for Canadian Pharmacists at Entry to Practice*, the Blueprint for Pharmacy, Moving Forward - Pharmacy Human Resources for the Future, pharmacy technician competencies, prescribing authority, e-prescribing,



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REPORT FROM THE OFFICE OF THE EXECUTIVE DIRECTOR

- Canadian Pharmacists Association (continued)
patient safety initiatives, internet pharmacy and pandemic planning. With Karen Wolfe's departure, Marshall Moleschi was appointed NAPRA's representative to the e-Pharmacy Task Force.
- House of Commons Standing Committee on Health
Karen Wolfe delivered a 10-minute presentation to the Standing Committee on Health in February 2008. NAPRA participated as one of the pharmacy stakeholders in the Committee's review of the study on post-market surveillance of pharmaceutical products.
- Pharmacy Experiential Programs Canada (PEP Canada)
NAPRA met with the Chair of PEP Canada twice in 2007-2008. At the initial meeting in May 2007, NAPRA provided an overview of the new *Professional Competencies for Canadian Pharmacists at Entry to Practice* as it applies to the development of a national Preceptor Development Strategy. During the subsequent meeting in February 2008, the representatives discussed the relationship between experiential training during university and the requirements for structured practical training within the MRA.

Joint Meetings

- Canadian Pharmacists Association AGM and Joint Officers meeting - June 2007 (Ottawa)
- Canadian Society for Hospital Pharmacists Executive Committee - August 2007 (Regina)

External Liaison with Other Associations (International)

- NABP - Annual General Meeting - May 2007 (Portland, Oregon)
- Council on Licensure, Enforcement and Regulation (CLEAR) - Conference - September 2007 (Atlanta, Georgia)

National Drug Scheduling Advisory Committee

- NDSAC advised NAPRA on scheduling recommendations for the following drugs in 2007-2008:
 - Loperamide and its salts in products marketed for pediatric use - under 12 years of age
 - Loperamide and its salts in products marketed for adults - 12 years and older
 - Fexofenadine HCl (in products marketed for paediatric use - under 12 years of age)
 - Fexofenadine HCl (in products marketed for adult use - 12 years and older)
 - 50% Isopropyl myristate for use in the treatment of head lice
 - Diclofenac diethylamine in preparations for topical use on the skin in concentrations of not more than the equivalent of 1% diclofenac (*to come into effect following removal of drug from Part I of Schedule F*)
 - Ibuprofen and its salts in strengths not to exceed 400 mg per oral dosage unit
 - Ranitidine and its salts, when sold in concentrations of 150 mg or less per oral dosage unit and indicated for the treatment of heartburn, in package sizes containing more than 4,500 mg of ranitidine

Detailed information is available on the NAPRA website at: <http://www.napra.org/docs/0/92/111.asp>

- Two new members were welcomed to the Committee - Kim Abbass and Dr. Peter Zed
- NAPRA engaged the services of Barbara Wells to serve as Secretariat for NDSAC.



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REPORT FROM THE OFFICE OF THE EXECUTIVE DIRECTOR

Board of Directors

- Lieutenant-Colonel Susan Groves replaced Lieutenant-Colonel Dave Cecillon as the Registrar for the Canadian Forces Pharmacy Services.
- The Board moved through two By-law revisions to streamline the By-law Number 1 to be a more accurate reflection of the Board's composition and the way the organization will conduct its business.
- To complement these revisions, a policy booklet was compiled. The Board policies encompass the "how to" of NAPRA's business.
- 2007-2008 was a year of great success with the official return to the membership table of the Ontario College of Pharmacists and l'Ordre des pharmaciens du Québec signaling their intent to renew their participation in the organization.
- Deanna Williams and Peter Gdyczynski joined as the Registrar and Director members for the Ontario College of Pharmacists.

Board Governance

- The Board adopted new mission and vision statements in November 2007.

Committees

- National Advisory Committee on Pharmacy Practice (NACPP) commenced a revision of the Model Standards of Practice for Canadian Pharmacists.
- National Advisory Committee on Licensing (NACL) finalized the *Professional Competencies for Pharmacists at Entry to Practice* and the document received approval of the Board in April 2007. The Committee also submitted to the Board the *Professional Competencies for Pharmacy Technicians at Entry to Practice* document. The guideline was approved in September 2007.

Corporate Office

- Karen Wolfe became the Interim Executive Director in June 2007 with her appointment to the position of permanent Executive Director in September 2007.
- Barbara Wells, of BA Wells Healthcare, was engaged as the Secretariat for the National Drug Scheduling Advisory Committee (NDSAC).
- Jim Dunsdon was appointed Interim Executive Director in March 2008 following the departure of Karen Wolfe.

Communications

- Fielded a variety of media inquiries. The President and Executive Director conducted interviews with national news television, publications and trade magazines.
- NAPRA steadily increased its proactive media strategy in 2007-2008 through the use of News Releases to external contacts. The Association issues on average, 10 news releases per year up from an average of six news releases in each of the previous two years. The result has been increased exposure to mass media channels, pharmacy professionals and the general public.
- Website redesign began including preliminary design ideas for a new look and feel, improved search functionality for the National Drug Schedules; and the streamlining of the navigation plans for the hosted (PRA) sites.
- The redesign of the NAPRA logo - which was identified in the 2007 Operational Plan - was launched to coincide with the website redesign project.



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AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS**To the Members of the
National Association of Pharmacy Regulatory Authorities**

We have audited the financial position of the National Association of Pharmacy Regulatory Authorities as at December 31, 2007 and the statements of operations, changes in net assets and cash flows for the years 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 National Association of Pharmacy Regulatory Authorities as at December 31, 2007 and the results of its operations and changes in net assets for the years then ended in accordance with Canadian generally accepted accounting principles.

As required by the *Canada Corporations Act*, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding years except as explained in Note 2.

Bouts and Schjms LLP

**CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**

OTTAWA, Ontario
March 12, 2008

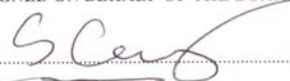



National Association of Pharmacy Regulatory Authorities
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STATEMENT OF FINANCIAL POSITION*As At December 31, 2007*

	2007	2006
ASSETS	\$	\$
CURRENT ASSETS		
Cash	103,817	19,058
Short-term investments (Note 4)	556,408	531,232
Accounts receivable	4,434	7,145
Accrued interest receivable	13,703	12,029
Prepaid expenses	3,184	16,294
	<u>681,546</u>	<u>585,758</u>
CAPITAL ASSETS (Note 5)	<u>15,292</u>	<u>10,071</u>
	<u><u>696,838</u></u>	<u><u>595,829</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	4,237	3,800
Deferred contributions (Note 6)	68,110	-
	<u>72,347</u>	<u>3,800</u>
NET ASSETS		
Invested in capital assets	15,292	10,071
Unrestricted assets	609,199	581,958
	<u>624,491</u>	<u>592,029</u>
	<u><u>696,838</u></u>	<u><u>595,829</u></u>

SIGNED ON BEHALF OF THE BOARD:

 Director
 Director

BORTS AND SCHIJNS LLP
 CHARTERED ACCOUNTANTS



National Association of Pharmacy Regulatory Authorities
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STATEMENT OF OPERATIONS

As At December 31, 2007

	2007		2006
	Actual \$	Budget \$ (Note 7) Unaudited	Actual \$
REVENUE			
Membership fees	599,293	590,216	573,563
Grants and sponsorships	148,000	-	111,000
Interest income	28,112	17,000	24,111
	<u>775,405</u>	<u>607,216</u>	<u>708,674</u>
EXPENSE			
Amortization	13,120	21,100	3,952
Compensation and benefits	313,192	405,000	336,161
Fees	4,260	3,600	3,891
Insurance	4,640	4,500	4,316
Maintenance and rentals	48,145	61,000	58,655
Meetings	52,418	24,000	24,489
Other	1,428	1,600	3,653
Professional fees	162,231	68,700	111,143
Rent	48,179	50,000	43,129
Sundry	18,479	27,300	13,027
Supplies	1,876	6,000	5,801
Travel	74,975	40,000	56,051
	<u>742,943</u>	<u>712,800</u>	<u>664,268</u>
EXCESS OF REVENUE OVER EXPENSE FOR THE YEAR	32,462	<u>(105,584)</u>	44,046
NET ASSETS —beginning of the year	<u>592,029</u>		<u>547,623</u>
NET ASSETS —end of year	<u>624,491</u>		<u>592,029</u>



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STATEMENT OF CHANGES IN NET ASSETS*As At December 31, 2007***2007**

	Unrestricted	Invested in Capital Assets	Total	2006 Total
	\$	\$	\$	\$
BALANCE —beginning of year	581,958	10,071	592,029	547,623
Excess of revenue over expense (expense over revenue)	45,582	(13,120)	32,462	44,406
Invested in capital assets	(18,341)	18,341	-	-
BALANCE —end of year	<u>609,199</u>	<u>15,292</u>	<u>624,491</u>	<u>592,029</u>



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STATEMENT OF CASH FLOWS

As At December 31, 2007

	2007	2006
	\$	\$
CASH FLOWS FROM (USED IN) OPERATION ACTIVITIES		
Excess of revenue over expense for the year	32,462	44,046
Item not affecting cash: Amortization	13,120	3,952
	45,582	48,358
Net change in operating items:		
Accounts receivable	2,711	4,802
Accrued interest receivable	(1,674)	(9,653)
Prepaid expenses	13,110	(15,206)
Accounts payable and accrued liabilities	437	(1,275)
Deferred contributions	68,110	-
	128,276	27,026
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Proceeds on sale of capital assets	-	900
Purchase of capital assets	(18,341)	(8,191)
Increase in investments	(25,176)	(21)
	(43,517)	(7,312)
INCREASE IN CASH FOR THE YEAR	84,759	19,714
CASH (BANK INDEBTEDNESS) - beginning of year	19,058	(656)
CASH - end of year	103,817	19,058



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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2007

1. PURPOSE OF THE ORGANIZATION

The National Association of Pharmacy Regulatory Authorities (the “Association”) was incorporated January 12, 1996 under the Canada Corporations Act, Part II as a not-for-profit organization which facilitates the national activities of provincial pharmacy regulatory authorities in their service of the public interest. The Association is exempt from income tax in Canada as a not-for-profit entity under Section 149(1)(L) of the *Income Tax Act (Canada)*.

2. CHANGE IN ACCOUNTING POLICY

Financial Instruments

The Association adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855, “Financial Instruments - Recognition and Measurement”; 3861, “Financial Instruments - Disclosure and Presentation” on January 1, 2007. The adoption of these new standards resulted in changes in the accounting for financial instruments. The comparative financial statements have not been restated.

Financial Assets and Financial Liabilities

Under the new standards, all financial instruments are classified into one of the following five categories:

held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities.

All financial instruments are initially recorded in the statement of financial position at fair value. In subsequent periods, loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost using the effective interest rate method: held-for-trading financial assets and liabilities are measured at fair value and changes in fair value are recognized in excess of revenue over expenses for the year and available-for-sale financial instruments are measured at fair value with changes in fair value recorded in net assets until the instrument is de-recognized or impaired.

As a result of the adoption of these standards, the Association has classified its cash and investments as held-for-trading. Accounts receivable and accrued interest receivable are classified as loans and receivables. Accounts payable and accrued liabilities have been classified as other financial liabilities, all of which are measured at amortized cost. The Association does not have any financial instruments that are classified as available-for-sale or held-to-maturity.

Upon adoption of this section, no adjustment has been recorded to opening investment balances as fair value equaled original cost as at January 1, 2007.



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NOTES TO THE FINANCIAL STATEMENTS*For the Year Ended December 31, 2007***2. CHANGE IN ACCOUNTING POLICY****Financial Assets and Financial Liabilities - Cont'd**

The carrying value and fair value of these financial assets and liabilities as at December 31, 2007 are summarized as follows:

Financial Position Item	Financial Instrument Classification	Carrying Value \$	Fair Value \$
Cash	Held-for-trading	103,817	103,817
Accounts receivable	Loans and receivables	4,434	4,434
Accrued interest receivable	Loans and receivables	13,703	13,703
Short-term investments	Held-for-trading	556,408	556,408
Accounts payable	Other liabilities	4,237	4,237

For financial assets or financial liabilities classified as held-for-trading, all transaction costs must be recognized in net income. For financial assets or financial liabilities not classified as held-for-trading, the Association has elected to add the transaction costs to the value of the associated financial asset or liability.

Net assets and excess of revenue over expenses for the year were unchanged due to this change in accounting policy.

3. ACCOUNTING POLICIES**Revenue Recognition**Contributions

The Association follows the deferral method of accounting for 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.

Short-term Investments

Short-term investments are recorded at fair value based on broker stated values. For investments without stated trading values amounts are valued at original cost.



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NOTES TO THE FINANCIAL STATEMENTS*For the Year Ended December 31, 2007***3. ACCOUNTING POLICIES - CONT'D****Capital Assets**

Capital assets are recorded at cost and are being amortized over their estimated useful lives as follows:

Furniture and equipment	20%	Declining balance
Computer equipment and software	50%	Declining balance

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

Impairment of Long-Lived Assets

The carrying values of capital assets are reviewed for impairment on a regular basis or whenever events or circumstances indicate that the carrying amount may not be recoverable. If the carrying value exceeds the amount recoverable, based on undiscounted estimated future cash flows, a write-down to their fair value is charged to the statement of earnings.

4. SHORT-TERM INVESTMENTS

Short-term investments are comprised of guaranteed investment certificates, interest payable annually, at annual interest rates ranging from 4.18% to 4.75% as follows:

	\$
One year, 4.18%, matures February 4, 2008	100,000
One year, 4.20%, matures February 8, 2008	100,000
One year, 4.75%, matures July 17, 2008	104,349
30-day cashable, 4.35%, matures June 25, 2008	100,700
30-day cashable, 4.20%, matures August 7, 2008	75,000
One year, 4.60%, matures September 26, 2008	31,037
Cash on hand - broker account	<u>45,322</u>
	<u>556,408</u>



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NOTES TO THE FINANCIAL STATEMENTS*For the Year Ended December 31, 2007***5. CAPITAL ASSETS**

	Cost	Accumulated Amortization	Net Book Value	
			2007	2006
	\$	\$	\$	\$
Furniture and equipment	5,714	2,817	2,897	3,622
Computer equipment and software	69,839	57,444	12,395	6,449
	<u>75,553</u>	<u>60,261</u>	<u>15,292</u>	<u>10,071</u>

6. DEFERRED CONTRIBUTIONS

	2007	2006
	\$	\$
Opening balance	-	-
Increase in year - HRSDC	68,110	-
Ending balance	<u>68,110</u>	<u>-</u>

7. BUDGET FIGURES

The budget figures are unaudited and are as provided by the Association's management as approved in November, 2006.

8. FINANCIAL INSTRUMENTS**Fair Value**

The financial instruments consist of cash, short-term investments, accounts receivable and accounts payable, accrued interest receivable and accrued liabilities.

The fair value for short-term investments is determined based on broker quoted values. For guaranteed investment certificates amounts are presented at cost if no market value is readily available.

Credit Risk

The Association is exposed to credit risk on its accounts receivable. The Association's exposure to credit risk is reduced by the fact that most of its accounts receivable is from the government sector.



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NOTES TO THE FINANCIAL STATEMENTS*For the Year Ended December 31, 2007***8. FINANCIAL INSTRUMENTS - CONT'D****Interest Rate Risk**

The Association is exposed to interest rate risk on investments in fixed income instruments. This risk is reduced due to maturities on fixed income investments being one year or less and cashable after a thirty day period.

9. LEASE COMMITMENTS

The Association has entered into an operating lease for office space which expires in September 2010. Approximate future minimum lease payments are as follows:

	\$
2008	16,956
2009	16,956
2010	16,956

The Association pays, as additional payments, its share of realty taxes and operating costs.

10. CONTINGENCY

The Association, under a previous office lease which expires January 31, 2009, is responsible as the principal tenant for aggregate future minimum lease payments of \$6,544 per annum. These amounts are currently fully recovered under a sub-lease with a sub-tenant.

11. COMPARITIVE FIGURES

Certain of the prior year's figures have been re-classified to confirm to this year's presentation.



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NAPRA MEMBER CONTACT INFORMATION**Alberta College of Pharmacists**

Suite 1200, 10303 Jasper Avenue NW
Edmonton, AB T5J 3N6
acpinfo@pharmacists.ab.ca

Newfoundland and Labrador Pharmacy Board

Apothecary Hall
488 Water Street
St. John's, NL A1E 1B3
info@nlpb.ca

Canadian Armed Forces Pharmacy Services

Directorate of Medical Policy & Standards
1745 Alta Vista Drive, Room 207
Ottawa, ON K1A 0K6
Groves.sv@forces.gc.ca

Nova Scotia College of Pharmacists

1464 Dresden Row
Halifax, NS B3J 3T5
nsps@ns.sympatico.ca

College of Pharmacists of British Columbia

200-1765 West 8th Avenue
Vancouver, BC V6J 5C6
info@bcpharmacists.org

Ontario College of Pharmacists

483 Huron Street
Toronto, ON M5R 2R4
reception@ocpinfo.com

Government of the Northwest Territories

Health Professional Licensing
Department of Health and Social Services
8th Floor, Centre Square Tower
Box 1320
Yellowknife, NT X1A 2L9
jeannette_hall@gov.nt.ca

Ordre des pharmaciens du Québec

266 rue Notre-Dame ouest, bureau 301
Montréal, (QC) H2Y 1T6
ordrepharm@opq.org

Manitoba Pharmaceutical Association

187 St. Mary's Road
Winnipeg, MB R2H 1J2
info@mpha.mb.ca

Prince Edward Island Pharmacy Board

South Shore Professional Building
Trans Canada Highway
P.O. Box 89
Crappaud, PE C0A 1J0
peipharm@pei.aibn.com

New Brunswick Pharmaceutical Society

373-B Urquhart Avenue
Moncton, NB E1H 2R4
info@nbpharmacists.ca

Saskatchewan College of Pharmacists

700-2010 Pasqua Street
Regina, SK S4S 7B9
info@saskpharm.ca



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