

College of Psychiatric and Neurologic Pharmacists

**Audit of Financial
Statements**

**For the Year Ended
June 30, 2009**

**BUCKLEY & SITZMAN CPA's
3901 Normal Blvd., Ste 100
Lincoln, Nebraska 68506
402-484-7676**

TABLE OF CONTENTS

	Page #
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-8

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
College of Psychiatric and Neurologic Pharmacists
Lincoln, Nebraska

We have audited the accompanying statement of financial position of the College of Psychiatric and Neurologic Pharmacists (a not for profit corporation) as of June 30, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2008 financial statements and, in our report dated August 7, 2008 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College of Psychiatric and Neurologic Pharmacists as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


Buckley & Sitzman

Lincoln, Nebraska
August 7, 2009

College of Psychiatric and Neurologic Pharmacists
Statement of Financial Position
June 30, 2009

(With Summarized Financial Information for June 30, 2008)

	2009	2008
Current Assets		
Cash and cash equivalents	\$ 195,619	\$ 139,780
Investments, at market	874,047	940,578
Accounts receivable	17,500	12,800
Employees advance	-	4,676
Inventory	4,100	26,587
Prepaid expenses	9,276	12,813
Total Current Assets	\$ 1,100,542	\$ 1,137,234
Equipment and Furniture		
Equipment	\$ 15,515	\$ 14,525
Website development	44,704	39,354
	60,219	53,879
Less: Accumulated depreciation and amortization	39,202	20,935
Total Equipment and Furniture	\$ 21,017	\$ 32,944
TOTAL ASSETS	\$ 1,121,559	\$ 1,170,178
Current Liabilities		
Accounts payable	\$ 620	\$ 2,205
Payroll taxes payable	7,690	2,701
Deferred dues revenue	49,030	41,000
Total Current Liabilities	\$ 57,340	\$ 45,906
Long-term Liabilities		
Deferred dues revenue	\$ 10,307	\$ 11,650
Total Long-term Liabilities	\$ 10,307	\$ 11,650
Net Assets - Unrestricted	\$ 1,053,912	\$ 1,112,622
TOTAL LIABILITIES AND NET ASSETS	\$ 1,121,559	\$ 1,170,178

See accompanying notes to financial statements

College of Psychiatric and Neurologic Pharmacists

Statement of Activities

For the Year Ended June 30, 2009

(With Summarized Financial Information For the Year Ended June 30, 2008)

	2009	2008
Revenues		
Membership dues	\$ 74,123	\$ 65,801
Annual meeting - registration fees	139,284	154,191
Annual meeting - sponsorships	145,675	228,150
Annual meeting - symposia fees	160,000	130,000
Accreditation income	-	1,500
Recertification - sponsorships	50,130	60,000
Recertification - registration fees	56,440	61,955
Review course income	47,765	31,255
Online education income	15,000	-
Special projects income	16,000	-
Investment income	23,404	69,373
Realized and unrealized loss on investments	(160,930)	(78,070)
Miscellaneous income	500	305
Total Revenues	<u>\$ 567,391</u>	<u>\$ 724,460</u>
Expenses		
Program services	\$ 395,967	\$ 478,442
Support services	167,914	137,729
Management and general	62,220	71,643
Total Expenses	<u>\$ 626,101</u>	<u>\$ 687,814</u>
Change in Net Assets	\$ (58,710)	\$ 36,646
Net Assets - Unrestricted, Beginning of Year	<u>1,112,622</u>	<u>1,075,976</u>
Net Assets - Unrestricted, End of Year	<u><u>\$ 1,053,912</u></u>	<u><u>\$ 1,112,622</u></u>

See accompanying notes to financial statements

College of Psychiatric and Neurologic Pharmacists
Statement of Cash Flows
For the Year Ended June 30, 2009
(With Summarized Financial Information For the Year Ended June 30, 2008)

	2009	2008
Cash Flows from Operating Activities		
Change in Net Assets	\$ (58,710)	\$ 36,646
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and amortization	18,267	15,499
Realized and unrealized loss on investments	160,930	78,070
Adjustments for working capital changes:		
Decrease (increase) in accounts receivable	(4,700)	1,706
Decrease (increase) in employees advance	4,676	(4,676)
Decrease (increase) in inventory	22,487	(26,587)
Decrease (increase) in prepaid expenses	3,537	4,600
Increase (decrease) in accounts payable	(1,585)	2,112
Increase (decrease) in payroll taxes payable	4,989	133
Increase (decrease) in deferred revenue	6,687	(2,676)
	<u>156,578</u>	<u>104,827</u>
Net Cash Provided by Operating Activities	\$ 156,578	\$ 104,827
Cash Flows from Investing Activities		
Purchase of property and equipment	\$ (6,340)	\$ (20,715)
Purchase of investments and reinvested investment income	(552,322)	(365,870)
Proceeds from sale of investments	457,923	225,000
	<u>(100,739)</u>	<u>(161,585)</u>
Net Cash Used in Investing Activities	\$ (100,739)	\$ (161,585)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 55,839	\$ (56,758)
Cash and Cash Equivalents, Beginning of Year	<u>139,780</u>	<u>196,538</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 195,619</u></u>	<u><u>\$ 139,780</u></u>

See accompanying notes to financial statements

College of Psychiatric and Neurologic Pharmacists
Notes To Financial Statements
For The Year Ended June 30, 2009

1. Summary of Significant Account Policies

General - The College of Psychiatric and Neurologic Pharmacists (The Organization) is organized to provide information to professionals and businesses that provide pharmaceutical care to individuals with psychiatric and neurological disorders. It promotes excellence in pharmacy practice, education and research to optimize the treatment of individuals affected by psychiatric and neurologic disorders. Membership dues, contributions and sponsorships mainly support operations.

Basis of Presentation - The accompanying financial statements have been prepared using the accrual basis of accounting.

Cash Equivalents - For purposes of the statement of cash flows, the cash equivalents include resources invested in money market accounts and funds.

Marketable Securities - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change of net assets.

Accounts Receivable - Accounts receivables are stated at the amount management expects to collect from outstanding balances. If amounts become uncollectible, they will be charged to operations when that determination is made.

Inventory - Inventory consists mainly of workbooks related to members' review courses, and are stated at cost.

Deferred Revenue - Membership dues are recognized in the year in which they relate. A portion of the members have prepaid their dues from one to three years in advance.

Income Taxes - The Organization is exempt from federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code. The Organization files annual information returns.

Financial Statement Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. At December 31, 2009, the Organization had only unrestricted net assets.

Property and Equipment - Property and equipment are recorded at cost or, if acquired by gift, at the approximate market value at the date of the gift. Depreciation is computed using principally accelerated methods over the estimated useful lives of the assets. The Organization expenses all capital expenditures less than \$500.

Use of Estimates - The preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue, and expenses. Actual results may differ from these estimates.

College of Psychiatric and Neurologic Pharmacists
Notes To Financial Statements
For The Year Ended June 30, 2009

1. Summary of Significant Account Policies - Continued

Prior Year Summarized Financial Information - The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2008, from which the summarized information was derived. Certain amounts in the 2008 financial statements have been reclassified to conform to the 2009 presentation.

2. Cash and Cash Equivalents

The book balances of cash at June 30, 2009 consisted of the following:

Unrestricted Funds

Cash in Money Market / Wells Fargo	\$ 60,896
Cash in Checking / Wells Fargo	72,263
Money Fund / UBS Financial Services, Inc	61,773
Money Fund / UBS Financial Services, Inc (Saklad Fund)	<u>687</u>
	<u>\$ 195,619</u>

The Organization, in the ordinary course of operations, occasionally maintains bank balances in excess of FDIC insurance limits.

3. Investments

The Organization adopted the provisions of SFAS No. 157, "Fair Value Measurements" (SFAS No. 157), effective July 1, 2008. Under SFAS No. 157, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Organization uses various valuation approaches. SFAS No. 157 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

**College of Psychiatric and Neurologic Pharmacists
Notes To Financial Statements
For The Year Ended June 30, 2009**

3. Investments - Continued

Level 3 - Valuations based on inputs that are unobservable, supported by little or no market activity, and significant to the overall fair value measurement.

The fair value of the Organization's investments based on SFAS 157 measurement criteria is \$874,047, and fall within Level 1 of the fair value hierarchy at June 30, 2009.

Investments at June 30, 2009 consisted of the following:

	FMV
Mutual Funds:	
Washington Mutual Investors Cl A (Saklad Fund)	\$ 1,116
Blackrock Government Income Portfolio Class A	228,974
Calamos Growth Fund Class A	47,169
Lord Abbett Mid Cap Value Class A	47,296
Thornburg International Value Class A	93,987
The Growth Fund of America Class A	74,816
Capital World Growth & Income Class F	74,514
Keeley Small Capital Value Class A	47,758
Blackrock Equity Dividend Class A	73,884
Columbia Energy/Natural Resources Class Z	46,526
American Century Adj Treasury Advisor	46,112
FT Templeton Global Bond Class A	46,150
Pimco Total Return Class A	45,745
Total Investments	874,047

4. Group Retirement Plan

The Organization utilizes a SEP IRA plan, whereby it makes mandatory contributions of 8.5% of the employee's gross wages, after three years of full-time employment. The Organization contributed \$9,313 to the plan for the fiscal year ended June 30, 2009.

5. Operating Leases

The Organization leases its office space under an operating lease. Lease expense was \$13,648 for the year ended June 30, 2009.

The total approximate future minimum lease payments under this operating lease for the five years subsequent to June 30, 2009 are as follows:

June 30,	Amount
2010	12,670
2011	12,582
2012	12,582
2013	1,048