



Annual Report

A Year of Progress and Transition

California pharmacy practice has grown by leaps and bounds over the past several years. As has been reported in previous Annual Reports, both the profession and CPhA as an association have enjoyed tremendous success. While these accomplishments are encouraging, the CPhA Board of Trustees and staff remain committed to a strong sense of urgency to keep the momentum going.

The year 2015 was no different with exciting growth in many facets of CPhA's core business units. CPhA also found itself in a holding pattern with some initiatives as we anxiously awaited the California State Board of Pharmacy to complete its work on a number of regulations packages before pharmacists could take full advantage of growth opportunities that CPhA groomed the prior two years. While frustratingly slow-paced, CPhA remained engaged in the process to ensure that the pharmacist's voices were present in every discussion.

The transition from establishing new pathways and authorities for pharmacist practice to actually implementing these services is a critical next step. While the regulatory process slowed this momentum down in 2015, CPhA did not waiver in its commitment to help pharmacists take advantage of opportunities – and thwart any threats – to pharmacists practice. CPhA is constantly balancing

human and financial resources expenditures between the discovery of new opportunities against the threats that can set the profession back. The CPhA Board of Trustees strikes this balance through its effective strategic plan and annual operating objectives.

We hope you enjoy previewing a snapshot of the accomplishments and successes from the 2015 year. They belong to all of you and by your membership you can feel confident that you are truly 'part of the solution'. Please share these accomplishments with your colleagues who are not CPhA members. Let them know that the magnitude and pace of change in healthcare and pharmacy practice should compel them to come on board. The more members, the more we can do to effectively represent you in all facets of your practice.



Legislative Voice

- CPhA passed AB 627 (Gomez) which established fair standards for Maximum Allowable Cost (MAC)-based pharmacy reimbursement and SB 672 (Hernandez) which provides pharmacists legal protections for participating in medical peer review bodies.
- The Payment for Pharmacist Services Task Force released a white paper on the challenges and opportunities of receiving payment for pharmacist -care services through fee-for-service, integrated care, and direct contracting payment models.
- CPhA has continued to expand our grassroots advocacy efforts through Regional Legislative Day events in addition to the CA Pharmacy Legislative Day in Sacramento. Data has shown that nearly 60% of the attendees at the regional legislative day resulting in more members becoming active in advocacy and legislative activities.



Membership

- Continued growth in pharmacist members, with a combined growth rate of 24% over the last four years.
- With the addition of new pharmacy schools, student pharmacist membership grew 22%.
- The Corporate Partner program continues to grow, with a 28% increase in revenue over 2014.
- CPhA added a partnership with SoFi to offer members a student loan refinance program, potentially saving members thousands of dollars over the life of their loans.



Student Affairs

- 12 schools and colleges of pharmacy joined together for the CPhA inaugural RX Boot Camp event where students earned a certificate in AHRQ's Team STEPPS Fundamentals program and designed inspiring new enterprises for pharmacists' expanded scope of practice provided by SB493
- Added three new affiliated student chapters from West Coast University, Keck Graduate Institute, and the California Health Sciences University.
- The CPhA-ASP student chapters were the first to affiliate and establish governing boards at each of the newly affiliated schools of pharmacy resulting in an 83% membership market share.
- Expanded efforts in developing a robust IPPE and APPE association management program through CPhA that now includes eight schools of pharmacy



Treasurer's Report

The Board of Pharmacy regulatory delays experienced in 2015 impacted the financials as well. Nevertheless CPhA celebrated wins including total revenue growth of 3% over the prior year, and 5th consecutive year membership growth resulting in a 1% membership revenue increase over 2014. We strengthened our relationships with Corporate Partners and Sponsors who help us continue to provide great value to our members. Additionally in 2015, the annual CPhA West Coast Pharmacy Exchange held in Disneyland was by all standards a success. The event's profits increased 2.5 times over the prior years.

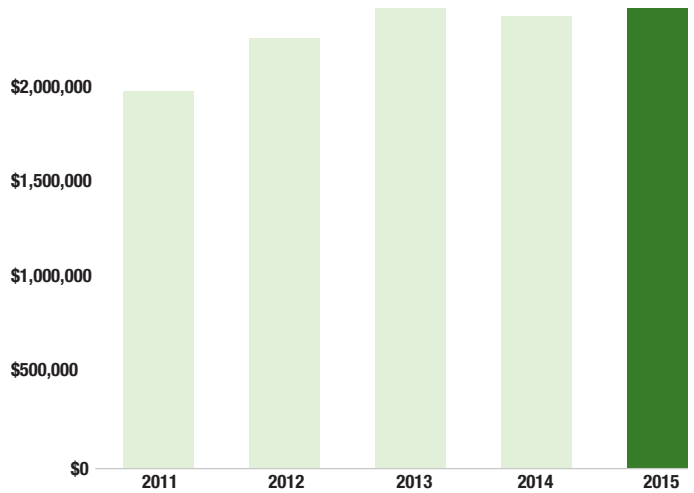
With the significant challenges in the stock market in 2015 causing the total value of CPhA's investment portfolio to decrease by \$300,000, the Board of Trustees kept approved expenditures to a minimum. The primary purpose of CPhA's investment portfolio is to support key strategic initiatives and to enhance the financial strength and stability of the organization as a whole. The investment strategies and guidelines are developed for the long term success of CPhA's financing and supported by the Investment Committee, senior leadership and the Investment Advisory firm, Beacon Pointe.

Looking forward to 2016, CPhA will be focused on rebuilding the reductions in the investment and operating funds. The solid foundation of programs built in prior years and building blocks of new opportunities will be capitalized on. CPhA continues to focus its resources on re-establishing and growing key membership programs, our strong commitment to governmental affairs, and offering robust education programs.

Also in 2016 our long time serving Treasurer, Dr. Ed Sherman, will give his seat to newly elected Dr. Ken Thai. Ken is the owner of 5 pharmacies in Los Angeles and San Bernardino counties, serves as President of the San Gabriel Valley Pharmacists Association, and serves on the board of CPhA Academy of Pharmacy Owners demonstrating his commitment to advocacy for the profession. He is also a clinical associate professor of pharmacy practice at Western University of Health Sciences in Pomona, California, and an adjunct assistant professor of pharmacy at USC School of Pharmacy in Los Angeles. We are happy to welcome Ken as the new CPhA Treasurer.

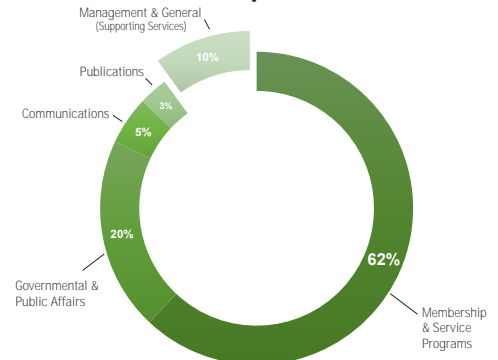
As we welcome Dr. Thai, we say goodbye to Dr. Sherman who has been a true treasure to the organization. A note from Ed: "I want to thank the membership of CPhA for giving me the opportunity to serve as your Treasurer for the past number of years. As your Trustee and Treasurer I have seen CPhA grow and become a vital part of our profession locally, statewide, as well as nationally. I am seeing a transition to a younger, stronger association. With the attraction of young pharmacists to CPhA with their new ideas and energy I know the association will grow stronger and more meaningful in our profession."

CPhA Gross Revenue 2011 - 2015

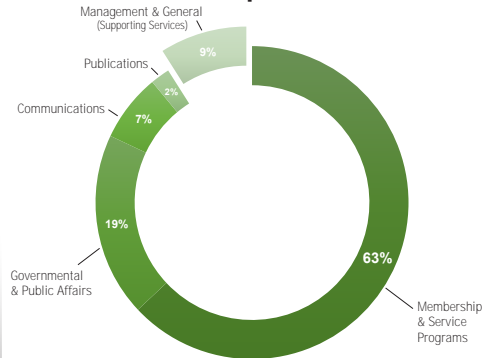


Education programs in 2015 were delayed in implementation due to delays in the Board of Pharmacy completing and enacting the regulations and protocols for SB493-related activities that require continuing education programs.

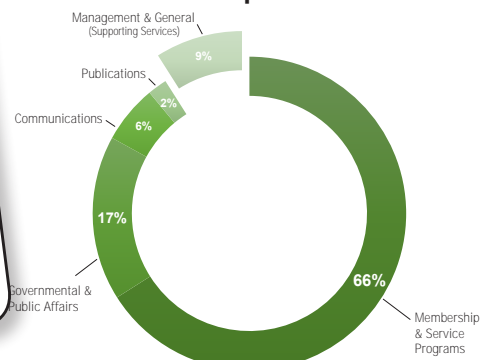
2013 Expenses



2014 Expenses



2015 Expenses



	2015	2014
REVENUES:		
Membership dues	\$795,011	\$788,608
Royalties	353,029	386,582
Exchange convention & other events	629,958	811,419
Advertising	133,675	119,135
Educational programs	290,929	27,428
Other income	213,205	222,426
Total revenues	2,415,807	2,355,598
EXPENSES:		
Program services:		
Membership services & programs	1,818,444	1,697,768
Governmental and public affairs	475,923	523,687
Communications	160,310	201,416
Publications	59,233	64,107
Total program services	2,514,810	2,486,978
Supporting services:		
Management and general	234,740	202,052
Total expenses	2,749,550	2,689,037
LOSS FROM OPERATIONS	-333,743	-333,439
Net from non-operating, Board expenditures, and investing revenues and expenses:	-204,570	-27,235
INCREASE/(DECREASE) IN NET ASSETS	-538,313	-360,674
NET ASSETS, Beginning of year	5,224,558	5,585,232
NET ASSETS, End of year	\$4,686,245	\$5,224,558

	2015	2014
ASSETS		
Current assets:		
Cash and equivalents	\$280,814	\$158,523
Accounts receivable	184,981	206,305
Due from related parties	0	0
Prepaid expenses and other current assets	8,548	13,182
Total current assets	474,343	378,010
Non-current assets:		
Investments	3,839,157	4,283,678
Property and equipment, net	1,297,344	1,349,171
Total non-current assets	5,136,501	5,632,849
Total assets	\$5,610,844	\$6,010,859
LIABILITIES & NET ASSETS		
Current liabilities:		
Accounts payable	\$82,104	\$133,147
Deferred revenue	708,819	502,198
Other current liabilities	124,414	150,956
Total current liabilities	915,337	786,301
Capital lease obligations:		
	9,262	0
Total liabilities	924,599	786,301
Net assets:		
Unrestricted:	606,410	728,615
Undesignated	4,059,576	4,479,552
Board designated	4,665,986	5,208,174
Total unrestricted	20,252	16,384
Temporarily restricted net assets:	4,686,245	5,224,558
Total net assets	\$5,610,844	\$6,010,859
Total liabilities and net assets	\$5,610,844	\$6,010,859