



**New York State Council of Health-system Pharmacists**

**Annual Assembly**

**Saratoga Springs, NY**

**April 2019**

House of Delegates

Board of Directors Report

Submitted 3/1/2019

Treasurer

William Allan Prescott, Jr., PharmD

**ROLE OF THE TREASURER**

The Treasurer shall serve as a custodian of the New York State Council of Health-system Pharmacists (NYSCHP) funds. He/she shall invest and disburse the funds at the discretion of the Board of Directors. He/she shall prepare periodic statements on the financial condition of the organization. This position is nominated by the Board of Directors and is elected by the House of Delegates for a 2-year term. The Committees of the Treasurer include Executive Committee on Finance and the Audit Committee.

## **COMMITTEES**

### **Executive Committee on Finance**

Chair: William Prescott, Treasurer

Members: Anthony Longo, Lisa Voigt, Chris Jadoch, Andrew Kaplan, and Shaun Flynn

The Executive Committee on Finance meets quarterly to review the finances of the Council through review of checking and investment accounts and Balance Sheet reporting provided by CHMS.

The Executive Finance Committee met:

- July 17, 2018 via conference call – Meeting focused on 2018-19 budget
- September 18, 2018 via conference call
- November 13, 2018 via conference call
- January 15, 2019 – meeting postponed
- March 12, 2019 – upcoming

### **Audit Committee**

Chair: Bruce Pleskow, Past-Treasurer

Members: William Prescott, Phil Manning, Anthony Longo, Lisa Voigt, Chris Jadoch, Andrew Kaplan, Shaun Flynn and Jon Murray (CHMS Comptroller).

The Audit Committee along with Executive Committee on Finance conducts semi-annual reviews of NYSCHP financials with the support of CHMS.

The Audit Committee met:

- August 6, 2018 via conference call
- September 20, 2018 via conference call
- January 4, 2019 via conference call
- March 15, 2019 – upcoming (in-person prior to Spring BOD meeting)

August 2018 (full minutes available upon request): The Audit Review of the 2018 Profit and Loss found a significant surplus of \$90K, demonstrating the overall financial health of the organization. The Audit Committee recommended the following:

1. Battaglia CPA, the Audit Committee and Executive Director will work to further streamline the number of accounts in Quickbooks to help prevent incorrect posting of income/expense.
2. Battaglia, CPA has begun audits every other year, beginning FY ending July 31, 2018, with financial reviews on the alternating year. The Audit Committee along with Exec-Finance will continue to conduct quarterly reviews of NYSCHP financials in March, July, October and December. This may be reduced to semi-annual, March and October in the future as organizational needs change.
3. The committee recommended that the PAC Checking Account be listed as “Restricted Assets” since it cannot be used for general expenses of the Council.

4. The Outside Service (7950-line item) will be consolidated under Management Fee (8010-line item) to clearly represent the CHMS charge for administrative/management services.

September 2018 (full minutes available upon request): The Audit Review of the 2018 Profit and Loss found a significant surplus of \$76K vs. \$30K budgeted surplus, demonstrating the overall financial health of the organization. The Audit Committee recommended the following:

1. Battaglia CPA, the Audit Committee and Executive Director will work to further streamline the number of accounts in Quickbooks to help prevent incorrect posting of income/expense.
2. Battaglia, CPA has begun audits every other year, beginning FY ending July 31, 2018, with financial reviews on the alternating year. The Audit Committee along with Exec-Finance will continue to conduct quarterly reviews of NYSCHP financials in March, July, October and December. This may be reduced to semi-annual, March and October in the future as organizational needs change.

January 2019 (full minutes available upon request): The Audit Review of the FY 2018-19 Profit and Loss found a significant surplus of \$24K vs. \$33K budgeted surplus for the entire FY, demonstrating the overall financial health of the organization. The Audit Committee recommended the following:

1. Battaglia CPA, the Audit Committee and Executive Director will work to further streamline the number of accounts in Quickbooks to help prevent incorrect posting of income/expense.
2. Battaglia, CPA has begun audits every other year, beginning FY ending July 31, 2018, with financial reviews on the alternating year. The Audit Committee along with Exec-Finance will continue to conduct quarterly reviews of NYSCHP financials in March, July, October and December. This may be reduced to semi-annual, March and October in the future as organizational needs change.
3. The committee recommended that the PAC Checking Account be listed as “Restricted Assets” since it cannot be used for general expenses of the Council.

## **STATEMENT OF FINANCIAL POSITION**

<b>ASSETS</b>	<b>FY 2017-18*</b>	<b>FY 2016-17*</b>	<b>% Change</b>
<b>Current Assets</b>			
Checking/Savings Accounts	\$ 171,140	\$ 191,226	-10.5%
Investments	\$ 265,838	\$ 173,959	52.8%
Accounts Receivable	\$ 12,880	\$ 11,430	12.7%
Prepaid Expenses	\$ 11,470	\$ 9,440	21.5%
<b>Total Current Assets</b>	<b>\$ 461,328</b>	<b>\$ 386,055</b>	<b>19.5%</b>
Fixed (Furniture, Fixtures, Equipment)	\$ 9,116	\$ 9,116	0%
<b>Total Assets</b>	<b>\$ 470,444</b>	<b>\$ 395,171</b>	<b>19.0%</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Current Liabilities</b>			
Accounts Payable and Accrued Expenses	\$ 3,060	\$ 10,068	-69.6%
Deferred Revenue	\$ 26,004	\$ 20,367	27.7%
Total Current Liabilities	\$ 29,064	\$ 30,435	-4.5%
<b>Net Assets</b>			
Unrestricted	\$ 387,610	\$ 314,103	23.4%
Temporarily Restricted	\$ 49,367	\$ 51,081	-3.4%
Total Net Assets	\$ 436,977	\$ 365,184	19.7%
<b>Total Liabilities and Equity</b>	<b>\$ 466,041</b>	<b>\$ 395,619</b>	<b>17.8%</b>

Footnotes: \* FY September 1 – August 31 (data as of 8/31)

## ACCOUNT SUMMARY

<b>FY18/19</b>	<b>Sep-18</b>	<b>Dec-18</b>	<b>Mar-19*</b>	<b>Jun-19</b>	<b>Aug-19</b>
<b>Checking - Pioneer Account #317</b>	125,143.05	140,179.46			
<b>% Change vs. prior FY</b>	-20.9%	-14.4%			
<b>PAC Checking - Pioneer Account #4911</b>	49,367.06	49,367.06			
<b>% Change vs. prior FY</b>	-3.4%	-5.3%			
<b>Brokerage - Account #9859</b>	270,856.89	254,851.61			
<b>% Change vs. prior FY</b>	54.2%	42.9%			
<b>TOTAL (LESS PAC)</b>	395,999.94	395,031.07			
<b>% Change vs. prior FY</b>	18.6%	15.5%			

Footnotes: \* March account data not available at time of report.

<b>FY17/18</b>	<b>Sep-17</b>	<b>Dec-17</b>	<b>Mar-18</b>	<b>Jun-18</b>	<b>Aug-18</b>
<b>Checking - Pioneer Account #317</b>	158,240.92	163,785.06	264,261.92	231,582.43	136,413.83
<b>% Change vs. prior FY</b>	55.7%	22.2%	0.3%	-5.0%	-11.7%
<b>PAC Checking - Pioneer Account #4911</b>	51,081.06	51,081.06	48,956.06	48,456.06	49,367.06
<b>% Change vs. prior FY</b>	-6.8%	-3.6%	-4.2%	-5.1%	-3.4%
<b>Brokerage - Account #9859</b>	175,640.22	178,280.61	215,148.04	215,837.59	271,684.43*
<b>% Change vs. prior FY</b>	95.5%	100.7%	140.1%	132.1%	56.2%
<b>TOTAL (LESS PAC)</b>	333,881.14	342,065.67	479,409.96	447,420.02	408,098.26
<b>% Change vs. prior FY</b>	74.4%	53.5%	35.8%	32.8%	24.2%

Footnotes: \* Transferred \$50,000 from checking to brokerage on 8/29/18.

<b>FY16/17</b>	<b>Sep-16</b>	<b>Dec-16</b>	<b>Mar-17</b>	<b>Jun-17</b>	<b>Aug-17</b>
<b>Checking - KeyBank/Pioneer</b>	101,623.55	134,042.52	263,380.77	243,818.25	154,531.10
<b>PAC Checking - KeyBank/Pioneer</b>	54,831.06	52,981.06	51,081.06	51,081.06	51,081.06
<b>Brokerage - Account #9859</b>	89,862.00	88,822.92	89,590.03	92,986.52	173,959.09
<b>TOTAL (LESS PAC)</b>	191,485.55	222,865.44	352,970.80	336,804.77	328,490.19

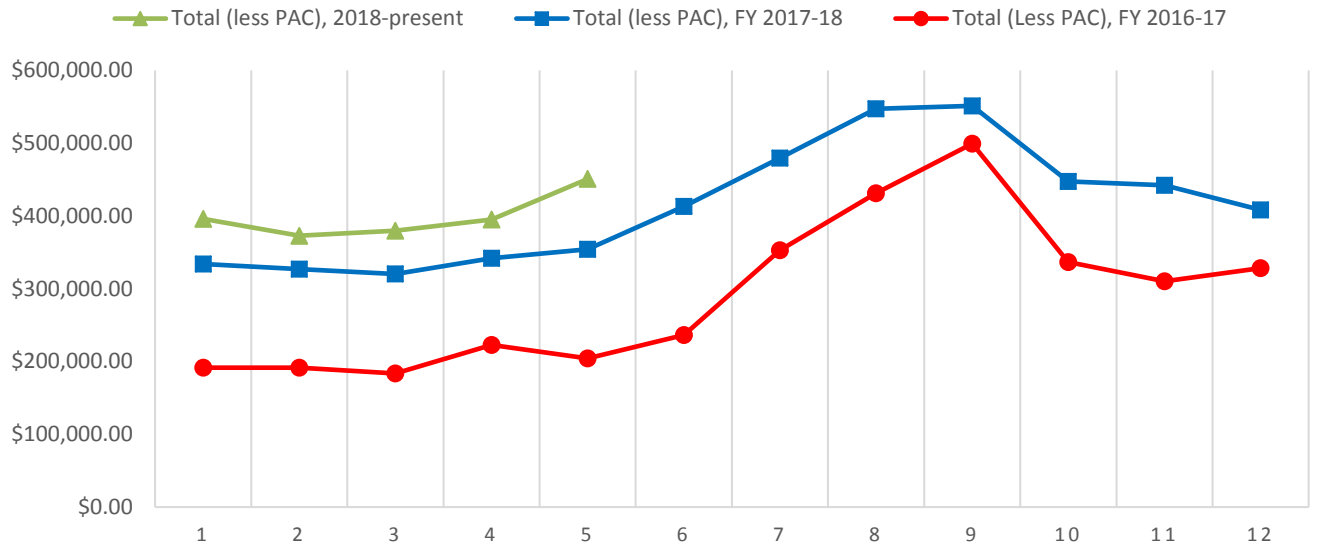
As of the end of the 2018/19 fiscal year (August 2018), our combined account balance (less PAC) was \$408,098 (up 24% from August 2017).

- Checking account balance was \$136,414 (down 11.7% from August 2017).
- PAC checking account balance was stable at \$49,367 (down 3.4% from August 2017).
- Brokerage account was \$271,684 (up 56.2% from August 2017, primarily due to the above cited transfer of funds to the brokerage account).

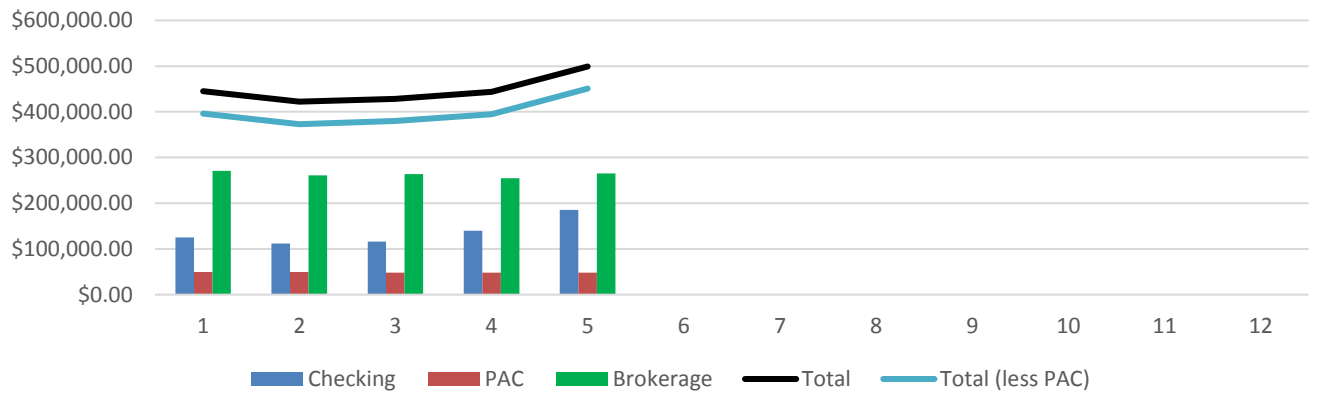
The current combined account balance (data not shown), less PAC (as of January 2019) is \$450,794 (up 27% from January 2018).

- Checking account balance is \$185,669 (up 38.1% from January 2018).
- PAC checking account balance is stable at \$48,367 (down 2.2% from January 2018).
- Brokerage account is \$265,125 (up 21% from January 2018, but down 2.1% since September 2018).
  - o Brokerage account decreased \$16,005 (5.9%) between September 2018 and December 2018. This was significant, and aligned with market losses seen during this timeframe, but overall was smaller than those reported by the major stock market indices: Dow ↓ 10%; S&P 500 ↓ 14%; NASDAQ ↓ 18%. As noted above this has rebounded during the first months of 2019.

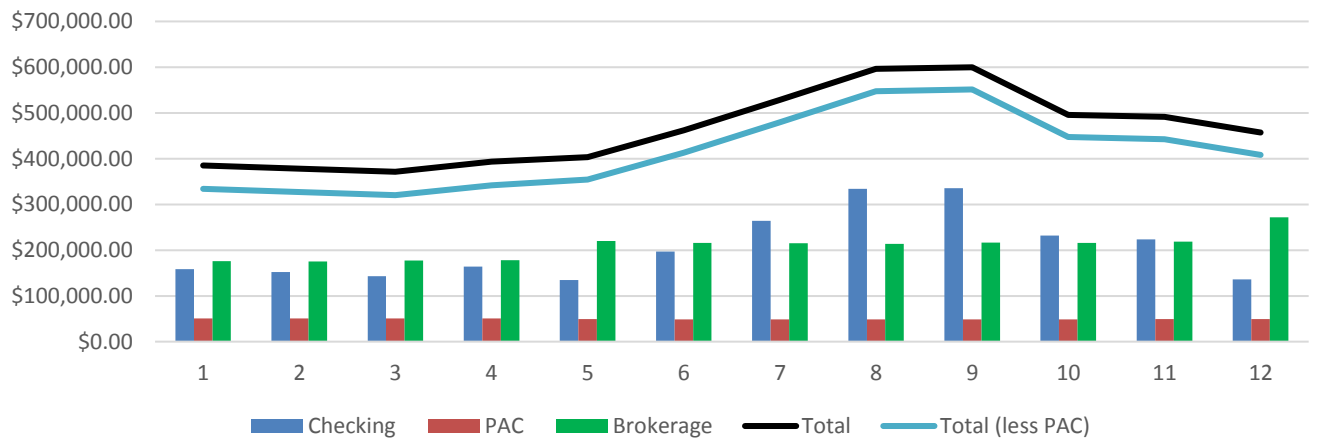
## ACCOUNT SUMMARY



### Account Summary, FY 2018/19



### Account Summary, FY 2017/18



## STATEMENT OF ACTIVITIES

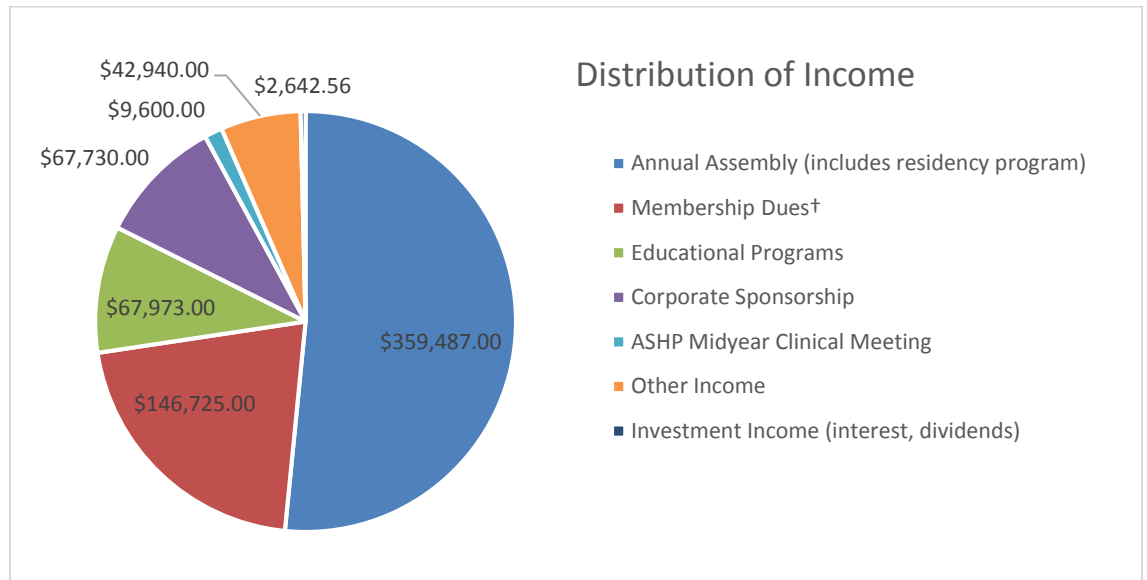
	FY 2017-18*	FY 2016-17*	% Change
<b>Revenue:</b>			
Annual Assembly	\$ 359,487	\$ 379,464	-5.3%
Membership Dues†	\$ 145,475	\$ 197,975	-26.6%
Educational Programs	\$ 67,973	\$ 54,788	24.1%
Corporate Sponsorship	\$ 67,730	\$ 29,239	131.6%
ASHP Midyear Clinical Meeting	\$ 9,600	\$ 7,500	28.0%
Other Income	\$ 42,940	\$ 48,088	-10.7%
Investment Income	\$ 2,643	\$ 635	316.3%
<b>Total Revenue</b>	<b>\$ 697,098</b>	<b>\$ 719,739</b>	<b>-3.1%</b>
<b>Expenses:</b>			
Salaries	\$ 163,228	\$ 165,912	-1.6%
Annual Assembly	\$ 169,466	\$ 167,517	7.2%
Contracted Services‡	\$ 131,538	\$ 36,458	260.8%
General Administration (less salaries)	\$ 41,860	\$ 83,272	-17.8%
Educational Programs	\$ 33,848	\$ 9,638	251.2%
Committees	\$ 26,785	\$ 61,446	-56.4%
Publications	\$ 17,370	\$ 14,170	22.6%
Board of Directors	\$ 3,217	\$ 14,087	-77.2%
Donations	\$ 50	\$ 50	0%
Depreciation	\$ 0	\$ 6,639	-100%
Other	\$ 33,059	\$ 31,512	4.9%
<b>Total Expenses</b>	<b>\$ 620,421</b>	<b>\$ 590,701</b>	<b>5.0%</b>
<b>Net Ordinary Income</b>	<b>\$ 76,677</b>	<b>\$ 129,037</b>	<b>-40.6%</b>
Other I/E	-\$ 33	\$ 6,657	-100.5%
<b>Net Income (after adjustments)</b>	<b>\$76,644</b>	<b>\$ 135,694</b>	<b>-43.5%</b>

Footnotes: \* FY September 1 – August 31 (data as of 8/31); † Membership dues changed to “cash-based” accounting vs. “accrual” in 2017-18; ‡ Includes CHMS contracted for full FY 2017-18 and transferred lobbyist expense.

Income / expenditures for the 2017/18 fiscal year:

- Income = \$697,097.54 (-\$22,640.91 = -3.2% vs. FY 16/17)
  - o Budgeted for \$697,900 total income
  - o Gross Profit for the organization decreased \$23K, largely due to Membership and reduced AA profitability due to reduced Sponsorship income (-\$17,000).
- Expenditures = \$620,421.19 (+\$29,719.52 = +5.0% vs FY 16/17)
  - o Budgeted for \$666,950 in expenses
- Net Income = \$76,643.70 (-\$59,050.41 = -43.5%)
  - o Budgeted for net income = \$30,950
  - o While our Net Income decreased by \$59K year-over-year, much of the previous year reduction was due to the CHMS conversion that significantly reduced Employee/Administration costs.
- Key areas of income:
  - o Annual Assembly = \$359,487 (-5.3%) (= 52% total income)

- Decrease income due to decline in sponsorship (\$17,000 in 2017 vs. \$1,329 in 2018 = - \$15,671)
- AA generates >50% of the total income for the Council and is critical to the well-being of the organization. The Audit Committee recommended (January 2019) that strict budgeting controls are needed for the Annual Assembly (AA) to ensure profitability.
- Membership = \$146,725 (-26.6%) (= 21% total income)
  - Membership has changed to “cash-based” accounting vs. “accrual” to adjust for invoice timing. This created a \$42K negative variance for 2018 vs. 2017, which should be eliminated with future reviews.
  - Membership data relatively unchanged (refer to Director of Chapter Services report)
- Educational programming = \$67,973 (+24%) (= 10% total income)
- Corporate Sponsorship = \$67,730 (+132%) (= 10% total income)



Footnotes: † Membership dues changed to “cash-based” accounting vs. “accrual” in 2017-18.

Income / expenditures for the 2018/19 fiscal year:

- I/E through Q1 of FY 2018/19 is in line with budget.



## SUMMARY

The financial condition of the Council is stable and has improved over the past several years.

As of the end of the 2018/19 fiscal year (August 2018), our combined account balance (less PAC) was \$408,098 (up 24% from August 2017).

- Checking account balance was \$136,414 (down 11.7% from August 2017).
- Brokerage account was \$271,684 (up 56.2% from August 2017).
- PAC checking account balance was stable at \$49,367 (down 3.4% from August 2017).

The current combined account balance, less PAC (as of December 2018) is \$395,031 (up 16% from December 2017).

- Checking account balance is \$140,180 (down 14.4% from December 2017).
- Brokerage account is \$254,852 (up 43% from December 2017, but down 5.9% since September 2018).
- PAC checking account balance is stable at \$49,367 (down 5.3% from December 2017).

Expenses have been strategically reduced over the past several years. Membership, Annual Assembly (AA), educational meetings, and sponsorship have historically been the largest sources of revenue (representing ~85% annual income) for the Council. Moving forward, increased attention to identifying opportunities for increasing income should be considered during budgeting.

Respectfully submitted,



William Prescott, Pharm.D.  
Treasurer