



New York State Council of Health-system Pharmacists

REPORT OF TREASURER

William Allan Prescott, Jr.

2021 House of Delegates

I. Responsibility of the Director

- 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. The Committees of the Treasurer include Executive Committee on Finance and the Audit Committee.

II. Committees of the Division

Executive Committee on Finance

Chair: William Prescott

Members: Lisa Voigt, Heide Christensen, Ruth Cassidy, Andrew Kaplan, and Shaun Flynn

Activities: Establish a budget for the Council annually; Monitor Income/Expenditures and Profit/Loss quarterly; Monitor account data to analyze financial trends monthly; Identify new sources of income annually.

Audit Committee

Chair: Bruce Pleskow

Members: William Prescott, Phil Manning, Lisa Voigt, Heidi Christensen, Ruth Cassidy, Andrew Kaplan, Shaun Flynn and Jon Murray (CHMS Comptroller).

Activities: Provide external review and input regarding the Council financials.

Meetings this Fiscal Year: 11/2020; 3/2021 (pending)

III. Strategic Plan Tasks: Status Update (Financials)

Current Account Balances, 3/1/2021	
Checking - Pioneer Acct #317	\$121,888.36
Brokerage - Acct #9859	\$152,230.48
Savings - Acct #5876	\$200,131.00
SBA Loan	(\$149,900.00)
TOTAL	\$324,349.84
PAC Checking - Pioneer Acct #4911	\$48,067.06

Account Summary, Quarter-End (current Fiscal Year):

FY20/21	Sep-20^a	Dec-20	Mar-21	Jun-21
Checking - Pioneer Acct #317	110,388.35	98,792.73		
% Change vs. prior FY	-34.8%	-34.8%		
PAC Checking - Pioneer Acct #4911	48,067.06	48,067.06		
% Change vs. prior FY	NC	NC		
Brokerage - Acct #9859	143,871.34	151,717.91		
% Change vs. prior FY	-48.9%	-48.0%		
Savings - Acct #5876	200,048.23	200,098.65		
TOTAL (Less PAC)	454,307.92	450,609.29		
% Change vs. prior FY	0.7%	1.7%		
TOTAL (Less PAC and SBA Loan)	304,407.92	300,709.29		
% Change vs. prior FY	-32.5%	-32.2%		

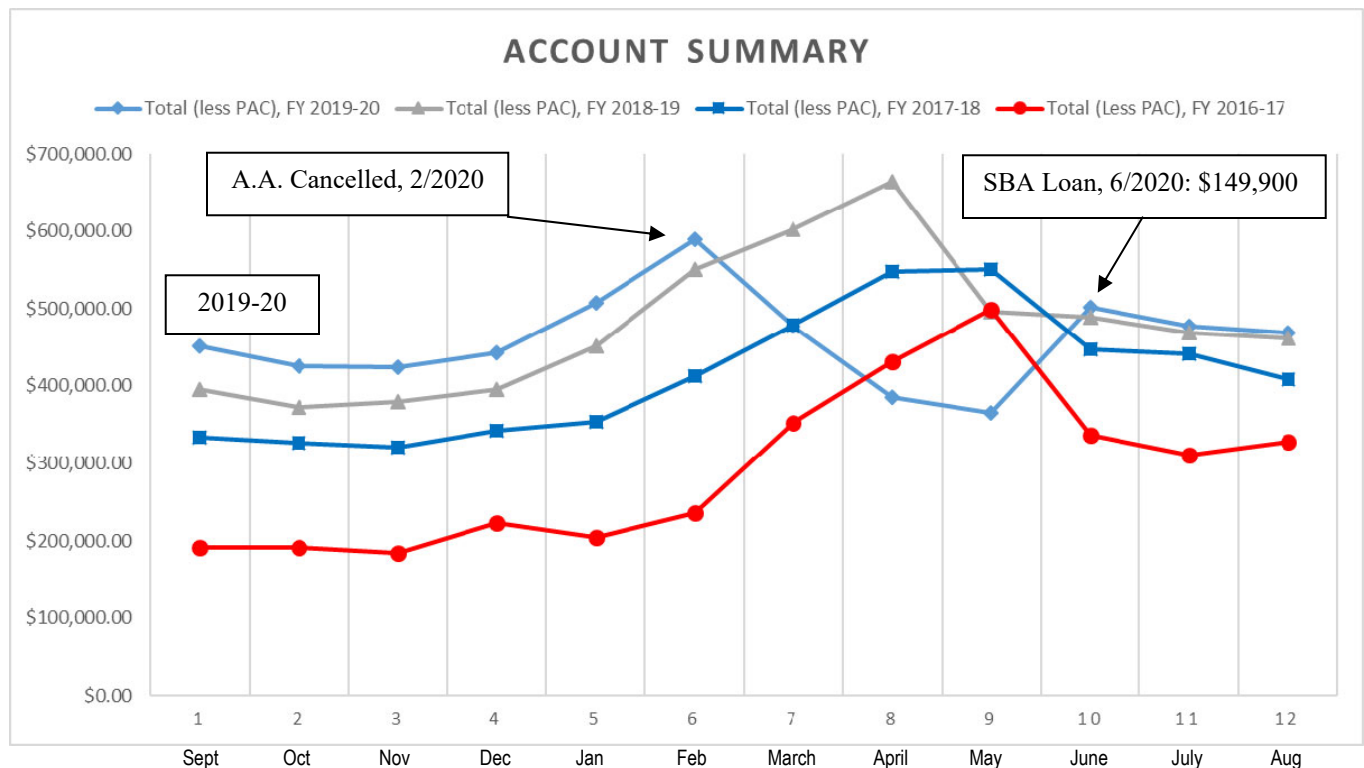
Footnotes: ^a 8/7/20 - Transfer \$200,000 from checking to savings.

Account Summary, Quarter/Year-End (past 2 Fiscal Years):

FY19/20	Sep-19	Dec-19	Mar-20^a	Jun-20^b
Checking - Pioneer Acct #317	169,273.67	151,537.19	350,212.58	363,400.32
% Change vs. prior FY	35.3%	8.1%	5.9%	73.1%
PAC Checking - Pioneer Acct #4911	48,067.06	48,067.06	49,067.06	49,067.06
% Change vs. prior FY	-2.6%	-0.6%	-0.6%	-0.6%
Brokerage - Acct #9859	281,654.26	291,741.57	126,438.42	138,696.91
% Change vs. prior FY	4.0%	14.5%	-53.6%	-50.3%
TOTAL (Less PAC)	450,927.93	443,278.76	476,651.00	502,097.23
% Change vs. prior FY	13.9%	15.5%	-20.9%	2.6%

Footnotes: ^a 3/11/20 - Transfer \$150,000 from brokerage to checking; ^b 6/29/20: Deposit to checking of \$149,900 loan.

FY18/19	Sep-18	Dec-18	Mar-19	Jun-19
Checking - Pioneer Acct #317	125,143.05	140,179.46	330,664.47	209,995.57
% Change vs. prior FY	-20.9%	-14.4%	25.1%	-9.3%
PAC Checking - Pioneer Acct #4911	49,367.06	48,367.06	49,367.06	48,367.06
% Change vs. prior FY	-3.4%	-5.3%	-1.2%	-0.2%
Brokerage - Acct #9859	270,856.89	254,851.61	272,244.27	279,190.79
% Change vs. prior FY	54.2%	42.9%	26.5%	29.4%
TOTAL (Less PAC)	395,999.94	395,031.07	602,908.74	489,186.36
% Change vs. prior FY	18.6%	15.5%	25.8%	9.3%



Fiscal Year 2019/20:

- Profit/loss- Previous year comparison:
 - o The profit/loss statement for the 2019/20 FY indicated a loss of \$113,777. This is due to the loss in revenue from the cancellation of the 2020 Annual Assembly (\$195,000), partially countered by cost-savings measures (e.g. \$18K savings d/t the change in format of the ASHP event).
 - o Key income areas vs. previous FY

Income area	Income, FY 2019/20	Income, FY 2018/19	% Change
Membership	\$172,821 ^a	\$169,386	+2%
Corporate Sponsorship	\$40,146	\$66,222	-39%
Education	\$25,254	\$21,776	+16%
Annual Assembly / Residency Program	\$0	\$375,242 ^b	-100%

Footnotes: ^a Membership constituted 62% total income in FY 2019/20 vs. 24% in FY 2018/19 and 21% in FY 2017/18; ^b AA/RP expenses decreased \$178,984 - est. decreased profit, accounting for the change in expenses = \$195,000.

- Profit/loss- Budget vs. actual:
 - o Budgeted for a conservative net income of \$32,486. Finished the FY with a deficit of \$113,777 = \$146,263 over budget.
 - Income: -\$419,625 vs. budget (-\$406,262 including other income, line item 5205)
 - Expenses: -\$260,008 vs. budget
 - o Key income areas vs. budget

Income area	Income, FY 2019/20	Budgeted income	+/- (% budget)
Membership	\$172,821	\$195,000	-\$22,179 (88.6%)
Corporate Sponsorship	\$40,146	\$60,000	-\$19,854 (66.9%)
Education	\$25,254	\$28,500	-\$3,246 (88.7%)
Annual Assembly / Residency Program	\$0	\$356,000	-\$356,000 (0%)

- Prior to cancellation of the Annual Assembly, the financial condition of the Council was stable, with checking and brokerage accounts both increasing year-over-year for the past several years. As of Q2 of the 2019/20 fiscal year (December 2019), our combined account balance (less PAC) was \$443K (up 15.5% from December 2018).
- Cancellation of the 2020 Annual Assembly had a significant impact on the 2019/20 profit/loss statement, primarily due to lost revenue in the amount of \$300K. In 2018 and 2019, the Annual Assembly comprised 52% and 54% of the

Council's revenue, respectively, demonstrating the Council's reliance on this event for its financial wellbeing. The Council's Executive Director, Shaun Flynn, was instrumental in positioning the Council to survive this unexpected and unfortunate event.

- Action items:
 - o Jan. 2020: BOD voted to discontinue lobbyist contact – future savings ~\$50,000 annually (effective 1/1/2021)
 - o March 2020: Transferred \$150,000 from brokerage account to checking account (3/11/2020)
 - o June 2020: BOD approved a membership dues increase of ~ 3% across membership categories
 - o June 2020: Secured a Small Business Association Loan in the amount of \$149,900 payable over 30 years at an interest rate of 2.75% (6/29/2020)
 - o Aug. 2020: Established a savings account and transferred \$200,000 to said account (8/7/2020)

Fiscal Year 2020/21:

- Budget: NYSCHP budget for FY 2020/21 was approved by BOD. This budget includes cost-saving measures: All expenditures deemed “non-essential” to the mission of the Council were removed.
 - o Budgeted expenses were reduced from \$649,000 in 2018-19 to \$394,000 in 2019-20.
 - o The 2020-21 budget planned for a virtual AA in the spring 2021 (budgeted cost \$46,000, primarily for anticipated cancellation fees). Excluding budgeted expenses for the AA and residency program (\$203,000 in 2019-20), budgeted expenses were reduced from \$446,000 in 2018-19 to \$348,000 in 2019-20, representing a 22% decrease.
 - o The budget was not balanced: net income -\$35,500.
- Analysis of total account balance (checking, brokerage, and savings), excluding PAC, indicate our funds have decreased 18% since this time last year. When the Small Business Association (SBA) loan in the amount of \$149,900 is excluded, our account balance is \$324,350, equal to a 45% reduction from this time last year when the total account balance was \$590,063.
 - o Checking/Savings: Decreased 44% from \$304,491 (3/2020) to \$171,888 (2/2021); excludes the SBA loan
 - o Brokerage: Increased 20% from \$126,438 (3/2020) to \$152,230 (2/2021) as a result of market growth
- Key income areas:
 - o Membership:
 - Membership (see Director of Chapter Services report for additional details):
 - Total membership is trending down: Decreased 10.5% January 2020 to present (February 2021), but has remained stable since the start of the FY (September 2020)
 - o Active membership: Decreased 10.6% January 2020 to present (February 2021), but increased 4.4% since the start of the FY (September 2020)
 - o Associate membership: Decreased 10.5% January 2020 to present (February 2021) and 5.5% since the start of the FY (September 2020)
 - Membership income:
 - Represented 21% and 24% of the Council's income in 2017-18 and 2018-19, respectively.
 - o Profit/loss: \$147,000 (2017/18) and \$169,000 (2018/19)
 - Represented 62% of the Council's income in 2019-20 (due to cancellation of the 2020 AA).
 - o Profit/loss: \$173,000 (2019/20)
 - Income vs. previous year (September – February):
 - o \$87,651 (2020-21) vs. \$118,091 (2019-20) (-26%)
 - Income vs. budget (September 2020 – February 2021):
 - o \$87,651 vs. \$190,000
 - Membership retention is vital to the financial health of the Council
 - o Annual Assembly:
 - Represented 52% and 45% of the Council's income in 2017-18 and 2018-19, respectively. But, also represented 27% and 23% of Council expenditures during these FYs.


- Profit/loss: \$190,000 (2017/18) and \$168,000 (2018/19)
 - Represented 0% of the Council's income in 2019-20 (due to cancellation of the 2020 AA). Costs were negligible.
 - Profit/loss: -\$10,000 (2019/20)
 - Changed to a virtual event in 2021: Primary income source anticipated to be the exhibit hall. Expenses will be negligible, primarily to pay for software to execute the exhibit hall.
 - Hilton and City Center have agreed to let us out of our 2021 contract and tack on to 2023: This will save the Council \$42,000.
 - A successful 2022 AA is vital to the financial health of the Council
- Local chapters have been asked to consider donating their 2021 chapter reimbursement back to the Council. To date, Rochester (\$216.25) and Royals (\$1342.50) have indicated plans to return their 2020 distribution and will discuss plans for the 2021 reimbursement. Western has voted to return the 2021 reimbursement.
 - BOD discussing how to repay the SBA loan: repay now or repay over time (with interest). While the former will avoid interest payments, the interest rate is low (2.75%). Repaying the loan over time will provide a buffer in our savings account, should we need the money in the future; it is unlikely we will be able to obtain this type of loan in the future as this was associated with COVID-19 relief.
 - Executive Director and Cap-Hill are considering pursuit of a Paycheck Protection Program (PPP) loan to replace a portion of the SBA loan. The primary advantage to this loan is that it is forgivable, with estimates for the Council being up to \$46,000.

IV. HOD Recommendations: Status Update

Recommendation Assigned	Action Taken (Y/N) or Status Update	If No Action, Indicate Why
Council appoint a special work group to identify potential areas of new revenue to allow the council to be less reliant on dues and meetings for financial security and longevity.	Yes: The Board has established a Resource Development Committee. One charge is to: Identify potential areas of new revenue to allow the NYSCHP to be less reliant on dues and meetings for financial security and longevity.	

V. Review of Position Statements: Status Update - None

Respectfully submitted,



William Allan Prescott, Jr.
Treasurer, NYSCHP