



New York State Council of Health-system Pharmacists

REPORT OF TREASURER

William Allan Prescott, Jr.

2023 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: Ruth Cassidy, Angela Chang, Robert DiGregorio, 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, Ruth Cassidy, Angela Chang, Robert DiGregorio, Phil Manning, Shaun Flynn, and Nick Etienne (CHMS).

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

Meetings this Fiscal Year: 10/2022; 3/2023 (pending).

- Meeting 10/2021 recommendations:
 1. Create a FY '23 Budget that is "Balanced" with income/expense in line with actual for FY '22. The BOD needs to review quarterly budget variances.
 2. 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.
 3. Battaglia, CPA will audit every other year, next date FY ending August 31, 2024, with a financial review in 2023. The Audit Committee along with Exec-Finance will continue to conduct biannual reviews of NYSCHP financials. As Chair, I will coordinate standing meetings with the Office, to occur in March and October: This will facilitate scheduling and will provide CHMS with advanced notice to provide the financial documents for review.

III. Strategic Plan Tasks: Status Update (Financials)

Current Account Balances, 2/1/2023	
Checking - Pioneer Acct #317	\$221,016.38
Brokerage - Acct #9859	\$187,536.32
Savings - Acct #5876	\$350,480.61
SBA Loan	(\$149,900.00)
TOTAL	\$759,033.31
PAC Checking - Pioneer Acct #4911	\$48,067.06

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

FY22/23	Sep-22^a	Dec-22	Mar-23	Jun-23
Checking - Pioneer Acct #317	\$164,290.78	\$149,080.70		
% Change vs. prior FY	16.0%	-2.8%		
PAC Checking - Pioneer Acct #4911	\$48,067.06	\$48,067.06		
% Change vs. prior FY	NC	NC		
Brokerage - Acct #9859	\$171,420.74	\$180,200.26		
% Change vs. prior FY	-17.2%	-15.3%		
Savings – Acct #5876	\$350,421.57	\$350,465.73		
% Change vs. prior FY	75.0%	75.0%		
SBA Loan	\$149,900.00	\$149,900.00		
TOTAL (Less PAC)	\$686,133.09	\$679,746.69		
% Change vs. prior FY	25.0%	20.0%		
TOTAL (Less PAC and SBA Loan)	\$536,233.09	\$529,846.69		
% Change vs. prior FY	34.4%	27.3%		

Footnotes: ^a Transfer \$150,000 from checking to savings (7/6/22)

Account Summary, Quarter/Year-End (past 3 Fiscal Years):

FY21/22	Sep-21^a	Dec-21	Mar-22	Jun-22
Checking - Pioneer Acct #317	\$141,591.73	\$153,305.06	\$440,385.92	\$355,746.40
% Change vs. prior FY	28.3%	55.2%	121.8%	67.3%
PAC Checking - Pioneer Acct #4911	\$48,067.06	\$48,067.06	\$48,067.06	\$48,067.06
% Change vs. prior FY	NC	NC	NC	NC
Brokerage - Acct #9859	\$206,957.95	\$212,654.50	\$200,274.83	\$179,971.61
% Change vs. prior FY	43.8%	40.2%	30.2%	13.1%
Savings – Acct #5876	\$200,048.37	\$200,298.85	\$200,348.25	\$200,378.44
% Change vs. prior FY	0.1%	0.1%	0.1%	0.1%
SBA Loan	\$149,900.00	\$149,900.00	\$149,900.00	\$149,900.00
TOTAL (Less PAC)	\$548,798.05	\$566,258.41	\$841,009.00	\$736,096.45
% Change vs. prior FY	20.8%	25.7%	52.2%	28.7%
TOTAL (Less PAC and SBA Loan)	\$398,898.05	\$416,358.41	\$691,109.00	\$586,196.45
% Change vs. prior FY	31.0%	38.5%	71.6%	38.9%

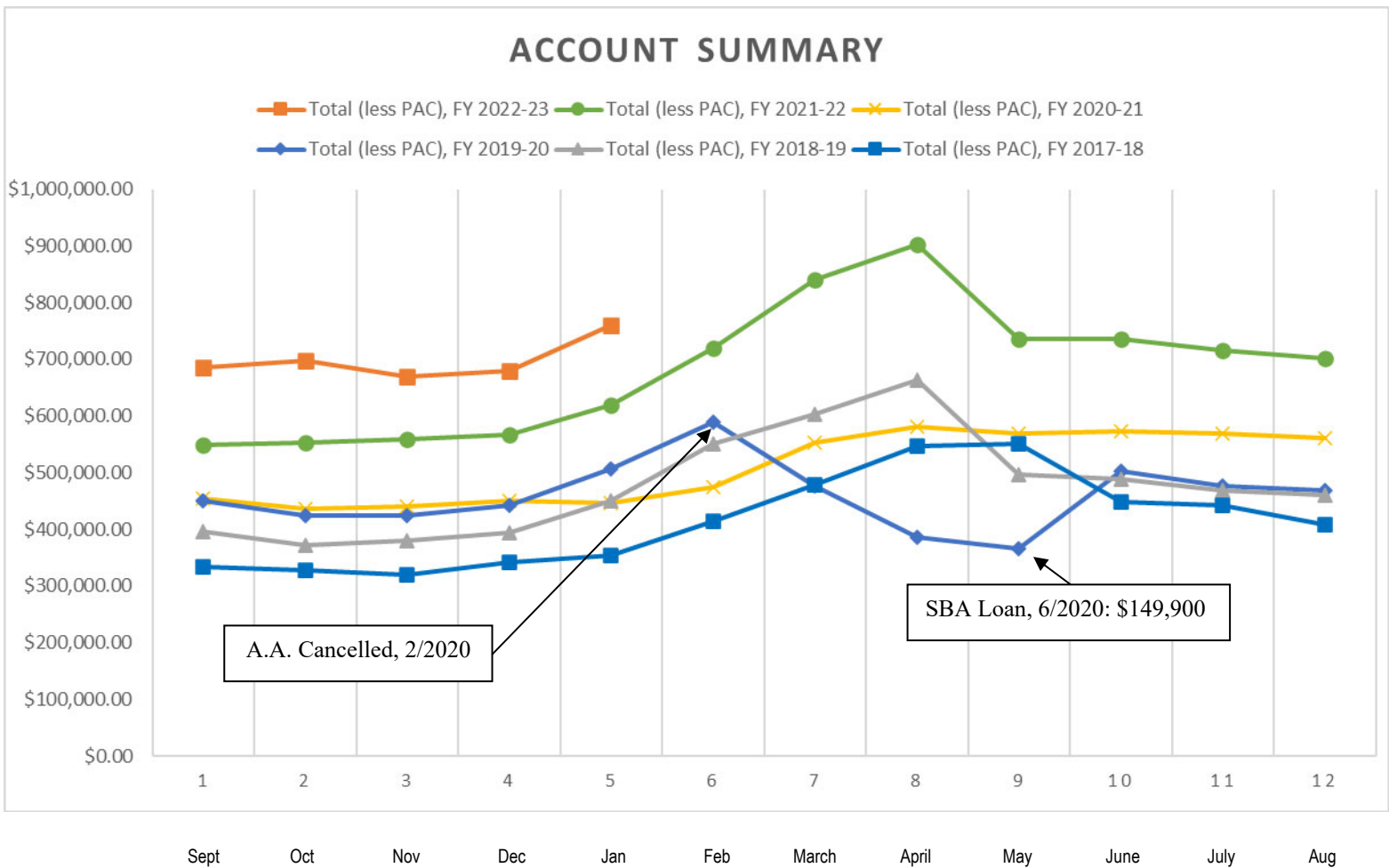
Footnotes: ^a Transferred \$50,000 from checking to brokerage (8/24/21).

FY20/21	Sep-20	Dec-20	Mar-21	Jun-21
Checking - Pioneer Acct #317	\$110,388.35	\$98,792.73	\$198,578.48	\$212,685.10
% Change vs. prior FY	-34.8%	-34.8%	-43.3%	-41.5
PAC Checking - Pioneer Acct #4911	\$48,067.06	\$48,067.06	\$48,067.06	\$48,067.06
% Change vs. prior FY	NC	NC	NC	NC
Brokerage - Acct #9859	\$143,871.34	\$151,717.91	\$153,874.49	\$159,102.49
% Change vs. prior FY	-48.9%	-48.0%	21.7%	14.7%
Savings - Acct #5876 ^a	\$200,048.23	\$200,098.65	\$200,148.00	\$200,197.90
SBA Loan	\$149,900.00	\$149,900.00	\$149,900.00	\$149,900.00
TOTAL (Less PAC)	\$454,307.92	\$450,609.29	\$552,600.97	\$571,985.49
% Change vs. prior FY	0.7%	1.7%	15.9%	13.9%
TOTAL (Less PAC and SBA Loan)	\$304,407.92	\$300,709.29	\$402,700.97	\$422,085.49
% Change vs. prior FY				19.8%

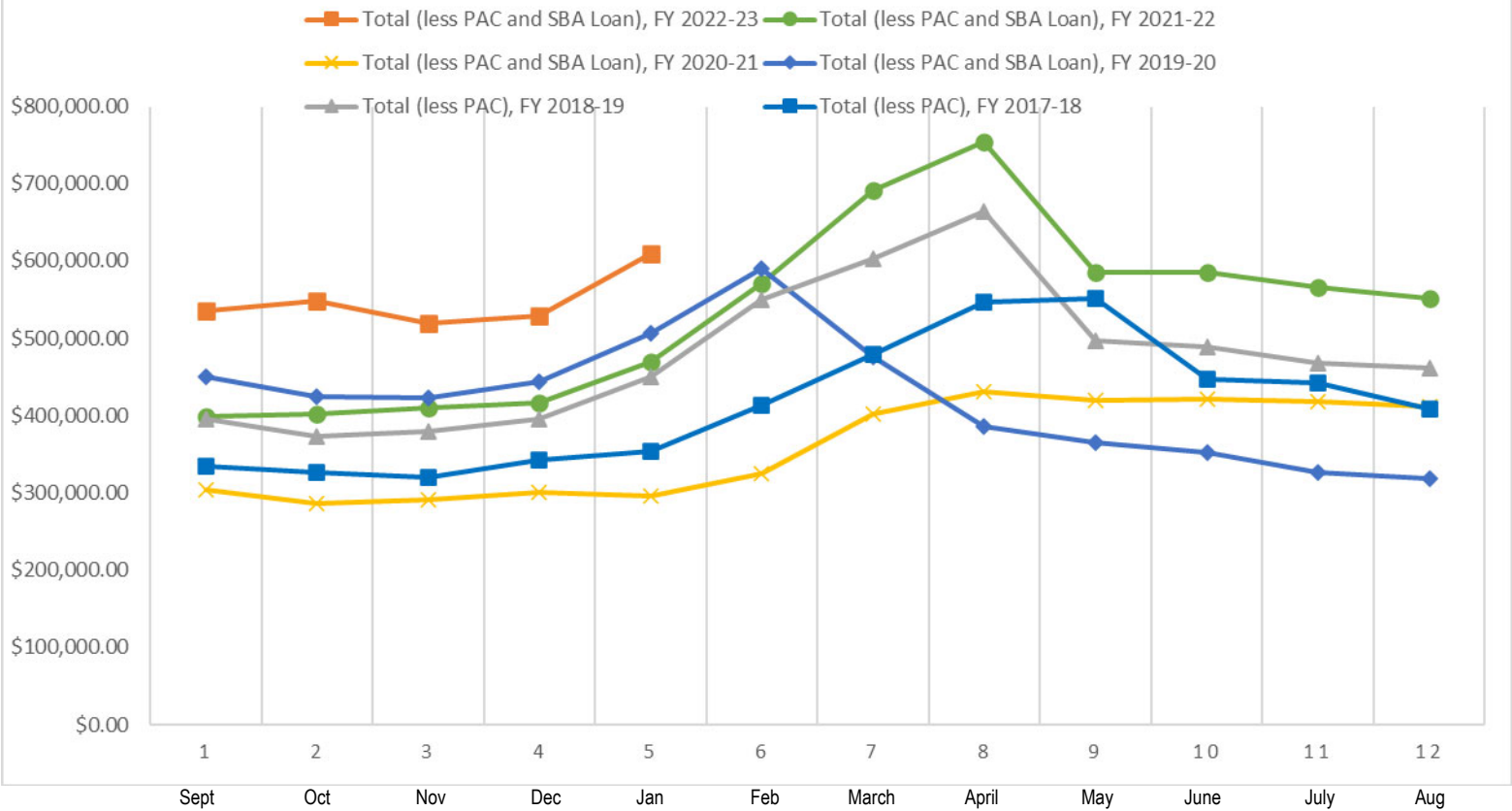
Footnotes: ^a Established August 2020 and transferred \$200,000 from checking to savings (8/7/2020).

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 Transferred \$150,000 from brokerage to checking (3/11/20); ^b Deposit to checking of \$149,900 loan (6/29/20)



ACCOUNT SUMMARY



Pre-COVID-19 Pandemic: Prior to cancellation of the Annual Assembly (AA) in 2020, the financial condition of the Council was stable, with checking and brokerage accounts increasing year-over-year. In 2018 and 2019, the two years prior to the pandemic, the AA comprised 52% and 54% of the Council’s revenue, respectively, demonstrating the Council’s reliance on this event for its financial wellbeing.

COVID-19 Pandemic: The pandemic prompted cancellation of the 2020 AA. As a consequence, the Council incurred loss of revenue (see 2021 HOD report for additional details). The Council’s Executive Director, Shaun Flynn, was instrumental in positioning the Council to survive this unexpected and unfortunate event. Actions taken to stabilize the Council’s finances included, but were not limited to:

- Jan. 2020: BOD voted to discontinue lobbyist contact, saving \$50,000 annually (effective 1/1/2021). Shaun Flynn assumed this responsibility.
- March 2020: Transferred \$150,000 from brokerage account to checking account (3/11/2020).
- June 2020: BOD approved a membership dues increase of ~3% across membership categories. This included a plan for annual membership dues increases of ~3%.
- June 2020: Secured an SBA Loan - \$149,900 payable over 30 years at an interest rate of 2.75% (6/29/2020).
- Aug. 2020: Established a savings account and transferred \$200,000 to said account (8/7/2020).
- Sept. 2020 (start 2020/21 FY): BOD approved a budget that included cost-saving measures, with all expenditures deemed “non-essential” to the mission of the Council removed. Excluding expenses for the AA and residency program, which were nominal for the virtual event, budgeted expenses were reduced from \$446,000 in 2018-19 to \$348,000 in 2019-20, representing a 22% decrease.
- April 2021: BOD identified ways to generate new income, most notably through a virtual 2021 AA. This event was profitable, primarily due to industry support. Revenue = \$184,357 + \$10,000 (residency program) = \$194,357 vs. Expenses = \$21,736 yielding a profit of \$172,621.

- August 2021: Transferred \$50,000 from checking (back) to brokerage (8/24/21).
- August 2021 (end 2020/21 FY): The total account balance (less the PAC and SBA loan) = \$411,714.57, a 29% increase from August 2020. End-of-year net income was \$97,655, exceeding the budgeted net income of -\$35,500 by \$133,155. This was primarily due to the profitable AA and was aided by several chapters who donated their 2021 reimbursements back to the Council.
- Sept. 2021 (start 2021/22 FY): BOD approved a budget that included the cost-saving measures established in 2020/21 and assumed an in-person AA. Budgeted expenses were reduced from \$664,414 in 2019-20 to \$577,750 in 2021-22. The Council incurred \$50,000 savings by discontinuing the lobbyist contract.
- April 2022: In-person AA (+ residency program) was profitable: Revenue = \$401,711 and expenses = \$216,050. The net income = \$185,661, which was like that of 2018/19 (\$188,303) and 2017/18 (\$190,020).
- July 2022: Transferred \$150,000 from checking to savings (7/6/2022).
- August 2022 (end 2021/22 FY): The total account balance (less the PAC and SBA loan) = \$552,171.01, a 34% increase from August 2020. End-of-year net income was \$158,610, exceeding the budgeted net income of \$26,750 by \$131,860.

Fiscal Year 2022/23:

- Budget: NYSCHP budget for FY 2022/23 was approved by BOD. Budgeted expenses = \$661,900: This included resumption of a lobbyist contract at a reduced rate through CHMS (= \$30,000, \$20K less than previous contract), which was viewed as mission-centric and permissible given stabilization of the Council's finances. The projected net income for this FY was = \$42,100.
- Analysis of total account balance (checking, brokerage, and savings), excluding PAC and the SBA loan, indicate our funds have increased 30% since this time last year (\$609,133 vs. \$469,361 in January 2022) and 106% since this time two years ago (\$609,133 vs. \$295,618 in January 2021).
- Key income areas:
 - o Membership (see Director of Chapter Services report for membership trends):
 - Membership recruitment/retention is vital to the financial health of the Council.
 - Represented 20-25% of the Council's income in 2017-19. This increased to 62% in 2019-20 due to cancellation of the 2020 AA. In 2020-21, membership represented 38% of the Council's income. In 2021-22, membership represented 24% of the Council's income, like pre-pandemic numbers.

	2017-18	2018-19	2019-20	2020-21	2021-22
Income	\$147,700	\$169,400	\$165,800	\$176,100	\$177,496
% total income	21%	24%	62%	38%	24%

- o Annual Assembly:
 - The Council's financial health remains highly dependent on a successful AA.
 - Represented 50-55% of the Council's income in 2017-19. Represented 0% of the Council's income in 2019-20 due to cancellation of the 2020 AA. In 2020-21, the virtual AA was profitable: The primary income source was the exhibit hall, and expenses were negligible (primarily to pay for software to execute the exhibit hall) because the Hilton and City Center agreed to let us out of our 2021 contract and tack on to 2023, which saved the Council \$42,000. In 2022-23, the in-person AA represented 49% of the Council's income, like pre-pandemic numbers.

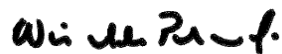
	2017-18	2018-19	2019-20	2020-21	2021-22
Income, AA/RP	\$359,500	\$375,200	\$2,600	\$217,800	\$401,711
% total income	52%	54%	1%	46%	49%
Profit/Loss	\$190,000	\$188,300	-\$7,400	\$196,000	\$185,661
Format	In-person	In-person	Cancelled	Virtual	In-person

- BOD discussed how to repay the SBA loan. It was decided that it was in the best interest of the Council to repay a portion of the loan (amount TBD) during 2022-23 (following the AA), and then repay the remainder over time (with interest). While paying off the loan now would avoid interest, the interest rate is low (2.75%) and 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. First payment made 12/2022.

IV. **HOD Recommendations:** Status Update - None.

V. **Review of Position Statements:** Status Update - None

I am honored to have served on the NYSCHP Board of Directors since 2015, 3 years as Director of Chapter Services and 5 years as Treasurer. Respectfully submitted,



William Allan Prescott, Jr.
Treasurer, NYSCHP