

TREASURE'S REPORT
JASON BANDY, PHARMD, FCSHP
HOUSE OF DELEGATES
NOVEMBER 2, 2014

This marks the end of my first year as Treasurer of our esteemed Society and herein is my CSHP Treasurer's report. FYE 2014 was better than expected. Financial highlights for the 2013-2014 fiscal year are:

1. CSHP controls net assets valued at \$2,975,507.
2. CSHP budget ended with a higher than expected profit of \$88,697 (with board reserve spending).
3. CSHP revenue was higher than last year but slightly less than budget. Overall CSHP increased revenue by 16%.
4. CSHP expenses were less than budget by 4.3%.
4. CSHP investments realized a gain of \$3,464, \$2,089 from money market, mutual funds and bond investments, and \$1,375 from dividends.
5. CSHP contingency reserve funds grew to a total \$593,588.
6. CSHP financial statements have been reviewed and a final copy from the independent auditors has been received. At this time no issues were noted during the review.

Independent Auditor's Report

CSHP's financial audit report was received by our contracted independent accountants Stroub & Company, CPA's. In their opinion, our financial statements represent fairly, in all material respects, the financial position of the Society for fiscal year ending June 30, 2014.

CSHP management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Based on their review, Stroub & Company is not aware of any material modifications that should be made to the financial statements.

A complete copy of this report may be obtained by contacting CSHP office at 1314 H Street, Suite 200, Sacramento, CA 95814. A copy of the report may be viewed during Seminar at the Help Desk.

Statement of Financial Position for Fiscal Year Ending – June 30, 2014

Our Statement of Financial Position as of June 30, 2014, showed that the Society's Total Assets were \$2,975,507. Our Cash and Cash Equivalents were \$67,052 and investments such as stocks and bonds amounted to \$97,443. Our total liabilities including accounts payable, accrued expenses, and deferred revenue were \$2,381,919.

Statement of Activities for Fiscal Year Ending – June 30, 2014

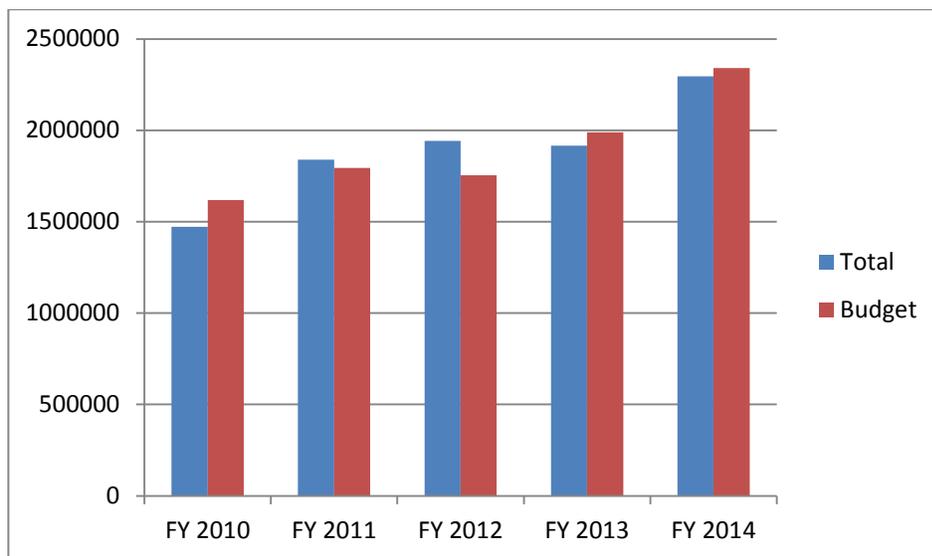
Our Statement of Activities showed our Revenue and Other Support and Expenses for the organization.

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The Society experienced \$2,202,101 in total revenue and \$2,130,103 in total expenses. The Net assets for the year increased to \$593,588.

Revenue and other support for this fiscal year totaled \$2,202,101. We received income of \$536,377 from total membership dues, \$190,936 from the Covered California grant, \$135,489 from building rent, the balance of our revenue was from advertising, investment income and contracted services.

Revenue has steadily increased over the last five years and have grown from \$1,472,484 in to 2010 to \$ 2,202,101. See chart below.



Expenses for this fiscal year totaled \$2,130,103. Membership services expenses were \$1,101,431 and administrative expenses totaled \$921,019. Our total unrestricted Net Assets increased to \$593,588.

Statement of Cash Flows for Fiscal Year ending – June 30, 2014

Our Statement of Cash Flows from Operating Activities and Investing Activities was \$60,055. Net Cash Provided by Financing Activities was \$(171,090) thus leaving us with Net Decrease in Cash and Cash Equivalents of \$(101,583). Cash and Cash Equivalents at the Beginning of the year were \$168,635 and at the end of the year was \$67,052.

Reserve Funds

Reserve funds for FYE 2014 (also known as Total Net Assets or Equity), after Board designated reserve spending of \$16,699 are \$593,588. This compares to 2012 reserves of \$586,638 after Board designated reserve spending of \$93,122 in FYE 2013. Our contingency fund is equivalent to about 25% of our current annual expenses.

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Controls and Fiscal Accountability

Our certified, independent accountant, Paul Stroub, CPA, determined that the financial statements in all material respects, the financial position of the California Society of Health-System Pharmacist as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Conclusion

FYE 2014 was better than expected. Although membership revenue was less than budgeted CSHP saw increases in seminar revenue and the addition of the Covered Californian Grant. Because the revenue was not as projected staff also made cuts in general operating expenses for the remainder of the year. The decision to continue to manage the Western States Conference again this year has helped CSHP meet its year-end goals. The challenging economy has had a negative impact on various revenue streams of CSHP, notably advertising income and sponsorships.

On the positive side the 2014-2015 fiscal year has started off with higher than expected membership and Seminar participant numbers. Staff is optimistic that revenue and membership expectations will be met. CSHP leadership continues to re-strategize its non-dues revenue to help increase the bottom line of the organization.