



**PHI LAMBDA SIGMA**  
PHARMACY LEADERSHIP SOCIETY

**2016 Treasurer's Report**  
**March 26, 2017**

## EXECUTIVE SUMMARY

As Treasurer of Phi Lambda Sigma (PLS), I appreciate the opportunity to present my report to the House of Delegates regarding the finances of our organization. This report will provide an overview of the finances for the Society through 2016. In lieu of a printed copy for all delegates, a copy of this report will be posted with the minutes from this year's HOD meeting.

### **Re-incorporation and Investment Policy**

Over the past 3 years, the Society has been updating the articles of incorporation and related policies regarding investments. As reported previously, the Society was informed that we needed to update our articles of incorporation because the original articles of incorporation were filed in the state of Alabama. The Society retained counsel to help with this process. First step was the dissolution of our organization in the state of Alabama. The second step was to finalize the state of our incorporation. Following a great deal of discussion and analysis, the state of Pennsylvania was selected. Last year, we finalized our new articles of incorporation in Pennsylvania.

At that point, the executive director and I began to collect information regarding possible investment strategies. With this initial information, President Krueger created a Finance committee to develop an investment policy for the Society. This policy will be addressed by the House momentarily. The policy provides investment guidance to the executive committee. We look forward to your support of this new policy and the opportunities that we now have available to put our investment resources to work for the Society.

### **Financial Overview**

Overall, the financial situation of our Society is very strong. Over the past several years, we continue to maintain a strong balance in our checking account, continue a robust grant program and experience a continued increase in our total assets to over \$200,000. This report provides the net worth of the Society over the past three years (Appendix 1) and the 2016 income and expense statement (Appendix 2).

Revenue

The Society has two primary revenue streams: membership and membership materials. Membership remains our largest source of revenue. With our increase to 122 chapters, membership inductions have continued to increase, reaching over 2,000 new members in 2016 (Table 1). The membership materials (such as honor cords, table covers, etc.) continue to generate income as well, which has followed our increases in membership. While sales are solid, it should be noted that the Society has priced these items to cover our expenses and we generate little revenue.

	2014	2015	2016
Added Chapters	1	9	3
Member Inductions	2,040	2,185	2019

Expenses

This year, we experienced some new expenses, as well as continued to see our top expenses remain consistent. Our legal and professional fees were our largest expense this year. This year's expenses are more of a one-time increase due to the legal fees related to our incorporation, as well as the leadership development program that was undertaken and supported last year. The remaining sources of expenses continue to be travel and meals (\$34,534.91), membership materials (\$30,564.75) and meeting expenses (\$27,770.99). Our travel expenses remain high as we continue to add chapters and expand our leadership development offerings. In addition, the Executive Committee has supported the increased involvement of the Society at other meetings, such as exhibiting during the Professional Development Week of the Canadian Association of Pharmacy Students and Interns (CAPSI), in an effort to determine new membership expansion and potential new revenue streams. Our membership materials expenses relate directly to our continued membership growth. While our expenses are significant, these costs help improve the quality of our chapters and assist in marketing the Society to others.

**Recommendations**

Based on our financial analysis and the discussions conducted with the Executive Committee, I offer the following recommendations for the Society's financial future:

1. Membership dues – I recommend keeping our membership dues consistent and remain at \$75.
2. Alumni membership – I recommend the executive committee continue to discuss the strategic recommendations being presented by the Alumni committee and determine potential financial engagement opportunities.
3. International membership – Over the past three years, the Executive Committee has been evaluating the opportunities for membership expansion. With the Society's growth, it is safe to say that we could exhaust our chapter development over the next 10 years. Leadership is an international issue and the Society has made great inroads with the international pharmacy community through our members and various organizations. I recommend that the Executive Committee continues to keep this a topic of discussion with each year to determine the structure and criteria for international membership.

I welcome any questions you may have about this report or the financial status of Phi Lambda Sigma. Thank you for allowing me the opportunity to serve as your Treasurer.

Respectfully submitted,



Joseph K. Bonnarens, Treasurer

**APPENDIX 1: NET WORTH STATEMENT**

Assets	<u>12/31/14</u>	<u>12/31/15</u>	<u>12/31/16</u>
Checking	\$ 39,627.53	\$ 35,401.63	\$ 7,864.39
Money Market Account	<u>\$ 193,314.40</u>	<u>\$ 214,499.93</u>	<u>\$ 200,117.72</u>
Total Assets	\$ 232,941.93	\$ 249,901.56	\$ 207,992.11

**APPENDIX 2: INCOME AND EXPENSE STATEMENT**

JANUARY - DECEMBER 2016

	<u>TOTAL</u>
<b>INCOME</b>	
DONATION	1,200.00
PAYPAL INCOME	28,440.00
SALES	<u>215,976.49</u>
TOTAL INCOME	\$245,616.49
GROSS PROFIT	\$245,616.49
 <b>EXPENSES</b>	
ADVERTISING	780.58
AWARD	10,421.23
BANK CHARGES	299.00
GRANTS	7,500.00
LEGAL & PROFESSIONAL FEES	45,431.00
MEALS AND ENTERTAINMENT	3,180.01
MEETING EXPENSE	27,770.99
MEMBERSHIP MATERIAL COSTS	30,564.75
OFFICE EXPENSES	2,442.85
PAYPAL FEES	3,046.46
PROMOTIONAL	7,376.50
SHIPPING AND DELIVERY EXPENSE	1,357.27
SUBCONTRACTORS	19,000.00
TRAVEL MEALS	<u>34,534.91</u>
TOTAL EXPENSES	\$193,706.72
 NET OPERATING INCOME	 \$51,909.77
 <b>NET INCOME</b>	 <b>\$51,909.77</b>