



**Saratoga Hilton  
Saratoga Springs, NY  
April 20, 2018**

**House of Delegates  
Board of Directors Report**

**Leila M. Tibi-Scherl, PharmD, DPLA  
Treasurer**

*This report is for consideration by the New York State Council of Health-system Pharmacists House of Delegates only and does not represent official policy until approved the House of Delegates.*

## **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.

### **Executive Committee on Finance**

Chair: Leila Tibi-Scherl, Treasurer

Members: Chris Jadoch, Joseph Pinto, Anthony Longo, Andrew Kaplan, Lisa Voigt

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

The Executive Finance Committee met:

- July 11, 2017
- September 21, 2017
- November 17, 2017
- January 5, 2018
- February meeting was postponed due to timing of upcoming Audit Committee meeting in March 2018.

### **Audit Committee**

Chair: Bruce Pleskow

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

Members: Chris Jadoch, Joe Pinto, Leila Tibi-Scherl, Anthony Longo, and Shaun Flynn. Visiting guests include: Jon Murray, CHMS Comptroller (August meeting), Lisa Voigt, President-elect. The Audit Committee met on the following dates via conference call.

- September 18, 2017
- August 30, 2017
- October 31, 2017 with Battalgia & Associates (Auditor)
- March 13, 2018
- March 20, 2018 with CHMS
- April 3, 2018

This report describes NYSCHP's financial performance presented as: 1) Statement of Financial Condition to include the final audited numbers for calendar year 2016 and the 8-month financial review ending August 31, 2017, 2) Statement of Activities to include the final audited numbers for calendar year 2016 and the 8-month financial review ending August 31, 2017 and 3) the current bank account activity of the Council since the 2<sup>rd</sup> quarter 2017 through 1<sup>st</sup> quarter 2018.

## 1. Auditor – Battaglia & Associates

- As previously shared at the last HOD, the Council transitioned to a new Auditor, Battaglia & Associates as of December 2016. CHMS has great working relations with this firm through previous experience with other organizations. As such, the Council will realize a savings of approximately \$3,000 annually from the transition.
- Battaglia & Associates will conduct a full Audit every other year and a formal Review of the Council's financials will be conducted annually.
  - **An audit involves** performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
  - **A review includes** primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole.
- Based on the 2016 recent audit, the Council office's experience has been significantly better than the past few years in terms of communication and processing of financial reporting.
- Information from the 2016 Audit and the 8-month Review ending August 31, 2017 were prepared by Battaglia and Associates. The figures represented in this report are the Statement of Financial Position and the Statement of Activities of the Council.
- As previously presented at last year's HOD, the Council operates on a fiscal year beginning August 1<sup>st</sup> and ending July 31<sup>st</sup>. The next full audit will commence after the August 1, 2017 through July 31<sup>st</sup>, 2018.

### NYSCHP Statement of Financial Position

	<b>2016 12-month Audit</b>	<b>31-Aug-17 8-month Review</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 149,530	\$ 188,489
Investments	\$ 88,823	\$ 173,959
Accounts Receivable	\$ 8,885	\$ 8,780
Prepaid Expenses	\$ 10,467	\$ 9,440
<b>Total Current Assets</b>	<b>\$ 257,705</b>	<b>\$ 380,668</b>
Furniture, Fixtures, and Equipment, Net	\$ 9,116	\$ 6,129
<b>Total Assets</b>	<b>\$ 266,821</b>	<b>\$ 386,797</b>
	<b>2016 12-month Audit</b>	<b>31-Aug-17 8-month Review</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 25,521	\$ 6,519
Deferred Revenue	\$ 34,263	\$ 20,367
<b>Total Current Liabilities</b>	<b>\$ 59,784</b>	<b>\$ 26,886</b>
<b>Net Assets</b>		
Unrestricted	\$ 154,056	\$ 308,830
Temporarily Restricted	\$ 52,981	\$ 51,081
<b>Total Net Assets</b>	<b>\$ 207,037</b>	<b>\$ 359,911</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 266,821</b>	<b>\$ 386,797</b>

### NYSCHP Statement of Activities

	<b>2016 (12-month Audit)</b>	<b>31-Aug '17 (8-month Review)</b>
<b>Revenue:</b>		
Membership Dues	\$242,322	\$141,045
Registration Fees	\$331,350	\$373,474
Educational Program Revenue	\$62,839	\$26,410
Other Income	\$46,973	\$29,879
Investment Income	\$2,796	\$5,136
Gain on Sale of Furniture	\$21	-
Net Assets Released from Restrictions	-	
<b>Total Revenue</b>	<b>\$686,301</b>	<b>\$575,944</b>
<b>Expenses:</b>		
Salaries	\$196,369	\$96,260
Payroll Taxes	\$13,388	\$8,136
Employee Benefits	\$6,493	\$2,904
Contracted Services	\$91,866	\$90,729
Credit Card and Bank Fees	\$11,568	\$10,581
Depreciation	\$6,639	\$2,987
Donations	\$3,915	\$2,950
Dues and Subscriptions	\$7,970	\$7,909
Educational Program Expense	\$21,054	\$2,415
Insurance	\$6,722	\$3,324
Meetings and Conferences	\$184,292	\$177,948
Miscellaneous	\$759	\$167
Office Expense	\$17,825	\$4,585
Professional Fees	\$10,874	-
Publications	\$29,379	\$10,096
Rent Expense	\$12,719	\$1,061
Travel	\$1,768	\$1,018
<b>Total Expenses</b>	<b>\$623,600</b>	<b>\$423,070</b>

- When comparing the audit financials from 2016 vs. 2017, there is surplus is \$177K.
- Expenses have modestly gone up \$11K primarily due to increases in member needs at meetings and conferences.

## 2. Bank Account Quarterly Ending Balances

Quarter ending bank account balances:

<b>Account</b>	<b>June 2017 (2Q17)</b>	<b>September 2017 (3Q17)</b>	<b>December 2017 (4Q17)</b>	<b>March 2017 (1Q18)</b>
<b>PAC Checking</b>				
<b>Key Bank Acct# 008</b>	<b>\$51,081.06</b>	<b>\$51,081.06</b>	<b>\$51,081.06</b>	<b>\$48,956.06</b>
<b>Pioneer #911</b>				
<b>Checking Key Bank#- 701</b>	<b>\$40,064.09</b>	<b>\$158,240.92</b>	<b>\$163,785.06</b>	<b>\$264,261.92</b>
<b>Checking Pioneer#- 317</b>	<b>\$203,754.16</b>			
	<b>TOTAL \$243,818.25</b>			
<b>Brokerage Acct#- 9859</b>				
<b>Pioneer Acct#- 4213</b>	<b>\$92,986.52* (July 31, 2017)</b>	<b>\$175,640.22</b>	<b>\$178,280.61</b>	<b>\$215,148.04</b>

- On August 2, 2017, all Key Bank accounts were closed to finalize transitions of all accounts to Pioneer Bank. (Checking, PAC Checking, and Brokerage)
- On August 9, 2017, a \$80,000 transfer was made into the Investment account from Checking.
- On January 5, 2018, a \$40,000 transfer was made into the Investment account from Checking.
- The \$120,000 transfer into the Brokerage account has brought the Council over \$215,000 in Investments. While this is very positive, the Council still has a ways to go before the Council is at its high point of \$310,000 or the Council goal of about \$700,000.

- The primary Checking account is \$264K positive due to effective employee and administrative cost reduction with CHMS, along with a successful Annual Assembly.

### **3. PAC Disbursements**

- On January 10, 2018, a total of \$1625 was transferred to the Main Checking account for payment of Challenge Coins as a PAC Fundraiser.
- On January 29, 2018, a payment of \$500 was made to support the Citizens Committee to re-elect Ken LaValle.

### **4. NYSCHP Financial Guidelines**

- Since April 27, 2017, the Board has been operating on the approved guidance documents.
- Post-discussion of the 2016 Audit with Battaglia & Associates, a recommendation was made by the firm that the Council include additional policies addressing Fraud and Investments.
- Battaglia and CHMS provided template policies for the Council to incorporate into the Council's Financial Guidelines.
- An addendum was created to include a Fraud Policy and Investment Policy to be reviewed and voted on at the April BOD meeting on April 19, 2018.

## **FINANCIAL CONDITION OF THE ORGANIZATION**

The financial condition of the Council continues to improve. Membership, Annual Assembly, educational meetings, and sponsorship remain to be the largest sources of revenue (representing 95% income) for the Council. The 8-month 2017 Financial Review report from Battaglia that the Council has realized an overall surplus of approximately \$177K, of which \$120K was reinvested into the Pioneer Brokerage account

The Committee on Finance, Audit Committee, the Board in addition to the Executive Director anticipates continued positive returns due to the collaboration with CHMS as already proven by the positive gains reviewed in this report. The move to CHMS saved the Council approximately \$46,000 during its first year, with most of those savings being from reduced administrative and overhead costs. The Executive Director continues to practice a conservative management style and is transparent in the financial activities of the Council. This practice has shown to be very effective as the results from the audit show to be quite positive for the Council.

As I conclude my two-year term as Treasurer I would like to thank the members for giving me the opportunity to serve this organization. It is a privilege to be a part of a Board of Directors and serve with this group of respected pharmacy leaders. I am grateful to the Board of Directors for their support and continue to be in awe of their unwavering commitment to advancement of pharmacy practice. I would also like to thank Bruce Pleskow for his mentorship and sound advice throughout my term. I thank him for his time and his guidance in developing this report and for always being available to run ideas past him. I will miss working with him. In addition, I would like to thank Shaun Flynn, Joe Pinto, Phil Manning and

Mike Blumenfeld, since coming into this role, I did not know what to expect, but with their support and past experience has given me the opportunity to learn from them. It has been my pleasure to serve as your Treasurer and I look forward to mentoring my successor in the upcoming term.

Respectfully submitted,

*Leila M. Tibi-Scherl*

Leila M. Tibi-Scherl, PharmD, DPLA  
Treasurer