



New York State Council of Health-system Pharmacists

REPORT OF TREASURER

Timothy C. Hutcherson

2024 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: Timothy Hutcherson

Members: Angela Chang, Travis Dick, Robert DiGregorio, 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

Co-chairs: Bruce Pleskow, William Prescott, Jr.

Members: Angela Chang, Travis Dick, Robert DiGregorio, Phil Manning, Shaun Flynn, and Melissa Guertin (CHMS).

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

Meetings this Fiscal Year: 10/2023; 3/2024

- Meeting 10/2023 recommendations:
 - Create a FY 2023/24 Budget that is “balanced” with income/expense in line with actual for FY 2022/23. The BOD needs to review quarterly budget variances.
 - The Audit Committee recommends that the SBA Loan Assets be invested in a 6-month CD (FDIC-Insured); able to generate 4-5% interest revenue that will offset the 2.75% interest accumulation on the SBA Loan.
 - 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.
 - Battaglia, CPA will audit every other year, next date FY ending August 31, 2024, with a financial review in 2023. The Audit Committee will continue to conduct biannual reviews of NYSCHP financials, with committee meetings in March and October.

III. **Strategic Plan Tasks: Status Update (Financials)**

Current Account Balances, 2/28/2024	
Checking – Capital Bank Acct #6692 (prior Acct #4317)	\$463,229.01
Brokerage – CFS Group (LPL Brokerage) (prior Acct #9859)	\$197,546.65
Savings – Capital Bank Acct #1756 (prior Acct #5876)	\$210,373.26
CD – Capital Bank Acct #7119 (new)	\$350,000.00
SBA Loan	(\$146,054.00)
TOTAL	\$1,075,094.92
PAC Checking – Capital Bank Acct #1753 (prior Acct #4911)	\$48,167.06

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

FY23/24	Sep-23	Dec-23^a	Mar-24	Jun-24
Checking	\$169,603.84	\$182,029.88		
% Change vs. prior FY	3.2%	23.4%		
PAC Checking	\$48,167.06	\$48,167.06		
% Change vs. prior FY	0.2%	0.2%		
Brokerage	\$182,773.31	\$197,242.13		
% Change vs. prior FY	6.6%	9.5%		
Savings (including CD [unrealized] as of 12/23)	\$555,127.83	\$559,252.12		
% Change vs. prior FY	58.4%	59.6%		
SBA Loan	\$151,076.28	\$156,845.28		
TOTAL (Less PAC)	\$907,504.98	\$938,524.13		
% Change vs. prior FY	32.3%	38.1%		
TOTAL (Less PAC and SBA Loan)	\$756,428.70	\$781,678.85		
% Change vs. prior FY	41.1%	47.5%		

Footnotes: ^a Transfer \$350,000.00 from savings to CD (12/23)

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

FY22/23	Sep-22 ^a	Dec-22	Mar-23	Jun-23
Checking - ALL	\$164,290.78	\$149,080.70	\$464,543.60	\$340,274.87
% Change vs. prior FY	16.0%	-2.8%	5.5%	-4.4%
PAC Checking - 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	\$171,420.74	\$180,200.26	\$185,454.16	\$189,181.49
% Change vs. prior FY	-17.2%	-15.3%	-7.4%	5.1%
Savings – Acct #5876	\$350,421.57	\$350,465.73	\$350,508.93	\$352,144.28
% Change vs. prior FY	75.0%	75.0%	75.0%	75.7%
SBA Loan	\$149,900.00	\$149,900.00	\$147,336.00	\$145,413.00
TOTAL (Less PAC)	\$686,133.09	\$679,746.69	\$1,000,506.69	\$881,600.64
% Change vs. prior FY	25.0%	20.0%	19.0%	19.8%
TOTAL (Less PAC and SBA Loan)	\$536,233.09	\$529,846.69	\$853,170.69	\$736,187.64
% Change vs. prior FY	34.4%	27.3%	23.4%	25.6%

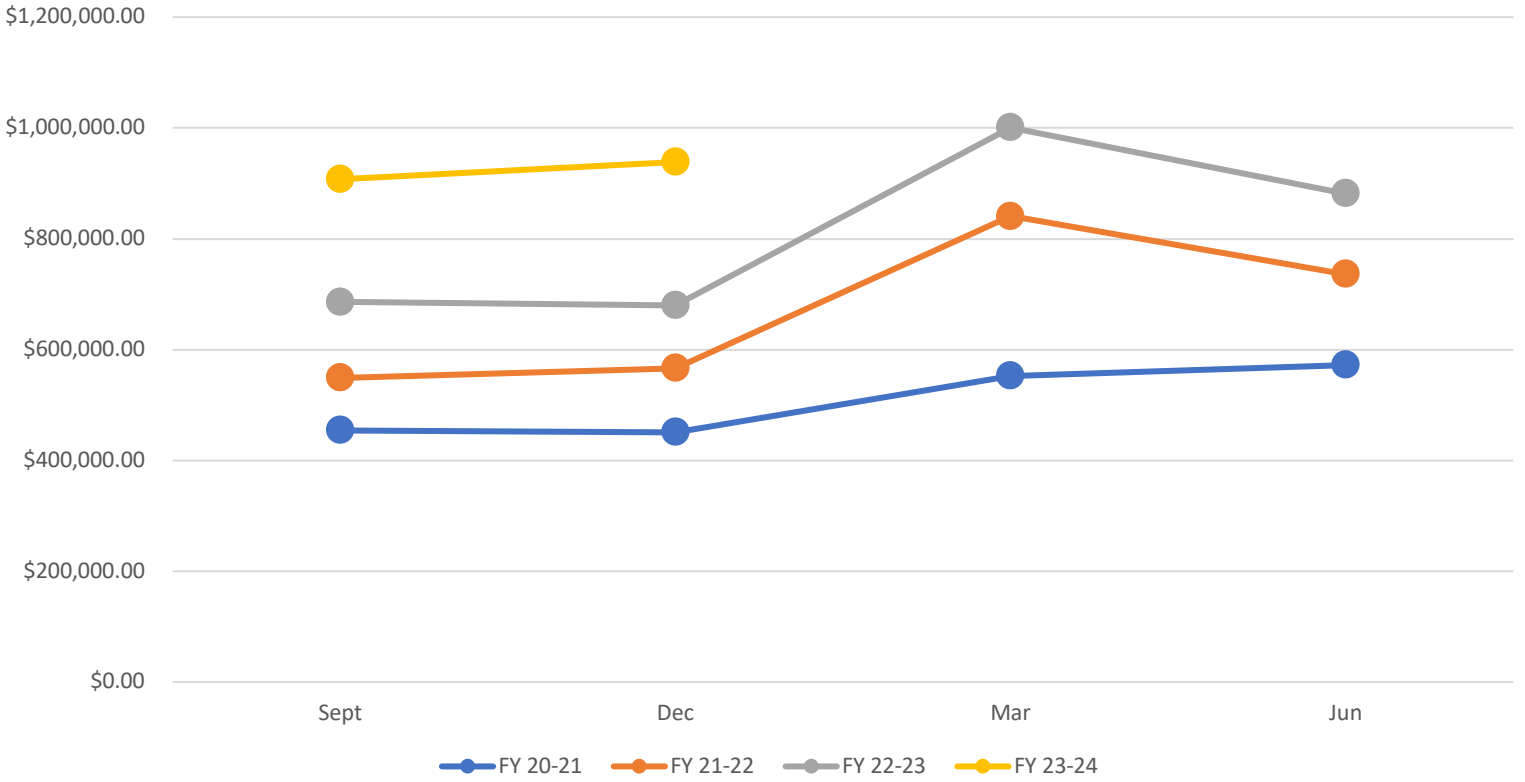
FY21/22	Sep-21 ^a	Dec-21	Mar-22	Jun-22
Checking - Pioneer Acct #317	\$141,591.73	\$153,305.06	\$440,385.92	\$355,746.40
% Change vs. prior FY	28.3%	55.2%	121.8%	67.3%
PAC Checking - Pioneer Acct #4911	\$48,067.06	\$48,067.06	\$48,067.06	\$48,067.06
% Change vs. prior FY	NC	NC	NC	NC
Brokerage - Acct #9859	\$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).

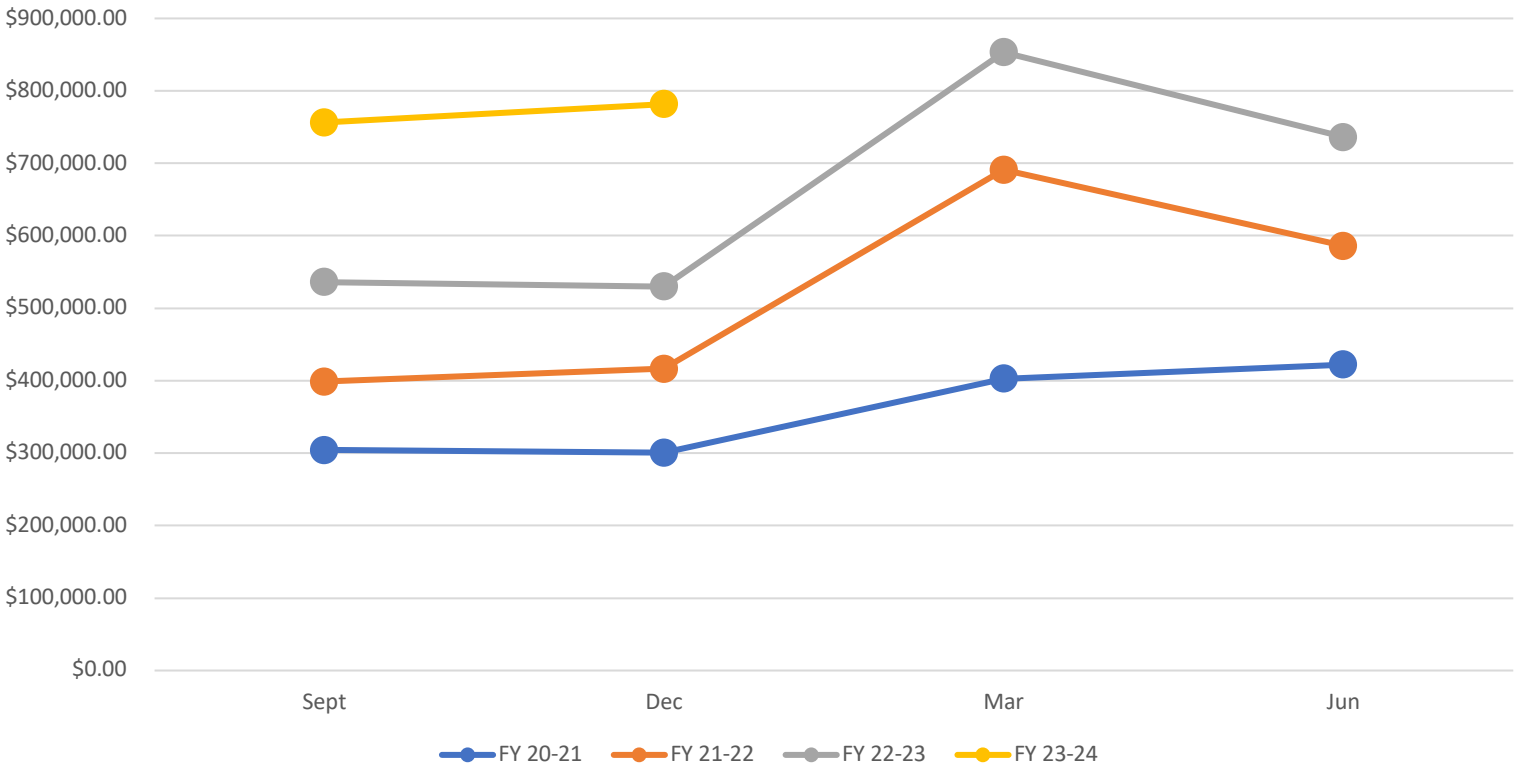
FY20/21	Sep-20	Dec-20	Mar-21	Jun-21
Checking - Pioneer Acct #317	\$110,388.35	\$98,792.73	\$198,578.48	\$212,685.10
% Change vs. prior FY	-34.8%	-34.8%	-43.3%	-41.5%
PAC Checking - Pioneer Acct #4911	\$48,067.06	\$48,067.06	\$48,067.06	\$48,067.06
% Change vs. prior FY	NC	NC	NC	NC
Brokerage - Acct #9859	\$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).

Quarterly Account Summary (Total Less PAC)



Quarterly Account Summary (Total Less PAC & SBA Loan)



Fiscal Year 2023/24:

- Budget: NYSCHP budget for FY 2023/24 was approved by the BOD. Budgeted expenses = \$775,700.00. The projected net income for this FY was = \$27,600.00.
- Analysis of total account balance (checking, brokerage, and savings), excluding PAC and the SBA loan, indicate our funds have increased 47.5% from Q4 2022 to Q4 2023, and 87.7% since Q4 2021.
- Key income areas:
 - o Membership
 - In 2022-23 membership represented 24% of the Council’s income which was in line with FY 21-22 suggesting a degree a stabilization since the start of the pandemic.

	2019-20	2020-21	2021-22	2022-23
Income	\$165,800	\$176,100	\$177,496	\$198,285
% total income	62%	38%	24%	24%

- o Annual Assembly:
 - The AA represented 50-55% of the Council’s income in 2017-19. In FY 22-23 the in-person AA represented 57% of the Council’s income, similar to pre-pandemic numbers.
 - The Council’s financial health remains dependent on a successful AA.

	2019-20	2020-21	2021-22	2022-23
Income, AA/RP	\$2,600	\$217,800	\$401,711	\$464,229
% total income	1%	46%	49%	57%
Format	Cancelled	Virtual	In-person	In-person

- In line with recommendations from the Audit Committee, the BOD approved a \$350,000.00 transfer from savings into a 12-month CD at 4.43 APR set to mature 12/2024.

IV. HOD Recommendations:

Recommended that audit reports should be submitted to the House of Delegates annually.

In response, recent internal audit reports have been appended to this report, with future external and internal audit reports to be included in annual House of Delegate reports, as well. Please note that the March 2024 internal audit report is pending at the time of submission of this report for the House of Delegates.

V. Review of Position Statements: Status Update - None

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'T. Hutcherson', with a stylized flourish at the end.

Timothy C. Hutcherson
Treasurer, NYSCHP

APPENDIX 1: NYSCHP Audit Committee: Date- 10/26/2023

Membership: Bruce Pleskow (Co-Chair), William Prescott (Co-Chair), Shaun Flynn, Robert DiGregorio, Timothy Hutcherson, Philip Manning, Nick Etienne (CHMS)
Excused: Angela Cheng, James Whitehead (CHMS)

Profit & Loss Statement: The committee reviewed Profit/Loss statements for FY 2023 ending August 31, 2023, vs. August 31, 2022. Total Income (Revenue) is \$109K positive variance year-over-year (15%), while Total Expense increased \$48K year-over-year. FY 2023 produced Net Income of \$200K, exceeding 2021/22 by \$73K and the budgeted surplus of \$27K by \$154K. Revenue is broken down into four major Budget categories accounting for >90% of income: Annual Assembly (AA) including Residency Program (57%), Membership (24%), Corporate Sponsorship (6%), and Educational Programming (6%) – this is unchanged compared with the previous FY. The major expenses incurred by the NYSCHP are in the form of general administration which includes salaries (38%) and the AA/Residency Program (34%). As compared to 2022, the 2023 end-of-year financial report indicated:

- Annual Assembly + Residency Program income increased \$63K (16%) to \$464K, exceeding the budgeted amount by \$78K. This was driven by significant increases in income from exhibitor booth (5420) and sponsorship (5442), which increased \$51K (20%) and \$30K (1500%), respectively (vs. 2021/22 FY). These increases countered the decline in registration (5410) of \$24K (-26%). The expenses associated with the AA and Residency Program decreased by \$7K in 2022/23. As previously noted by this committee, the profitability of this event is critical to the future financial well-being of the organization.
- Membership income increased \$37K (23%) to \$198K, exceeding the budgeted amount by \$22K. This was driven by significant increases in income from Active Membership (5105) and Other Membership Dues (5100), which increased \$20K (18%) and \$10K (126%), respectively, as compared to 2021/22 FY.
- Corporate Sponsorship increased \$14K (42%) to \$48K, matching the budget.
- Educational programming income was stable, declining \$2200 (-4%) to \$48K but exceeded the budgeted amount by \$10K. This was driven by a successful Oncology Program (5363) and \$2K in new income generated by the Webinar Miniseries (5352).
- Other: “Other” Income (5800) decreased \$8K (-16%) to \$45K, under the budgeted amount by \$10K. This was driven by a \$10K decline in ACPE Program Accreditation (5865). This activity entails considerable staff resources, which are captured by the CHMS Management Fee (8010); because the work associated with program accreditation is completed by CHMS staff, engaging in this activity influences available time for work in other areas; it is therefore difficult to assess the true impact of the decrease income in this item.

Assets: Total Checking/Brokerage/MM are \$887K (as of 8/31/23) vs. \$691K for August 31, 2022. The PAC remains stable at \$48,167. Total checking/savings are up 26.5% versus August 2022. This Audit Review found a significant surplus of \$155K (vs. \$46K budgeted gain) – this compares to the August 2022 audit which showed a \$159K surplus (vs. \$27K budgeted gain). The surplus realized during the 2022/23 FY resulted from income of \$105K greater than budget and expenses of \$46K less than budget.

Liabilities: The primary liability for the NYSCHP is the Small Business Association (SBA) Loan of \$144,181 which carries a 2.75% interest rate which cost the organization \$7588 in FY2022/23. As previously advised, the Audit Committee advises that the SBA Loan Assets be invested in a 6-month CD (FDIC-Insured); this will generate 4-5% interest revenue and will offset the 2.75% interest accumulation on the SBA Loan. The first payment on the SBA Loan was made in December 2022.

The financial situation of the organization continues to improve; however, there remains some risk to the financial viability of the organization, most notably the limited income sources outside the AA and Membership which together constitute approximately 80% of the organization’s annual income. The Resource Development Committee is charged with identifying new revenue streams; however, any new initiative will necessitate an investment of resources which will further stress the NYSCHP staff resources. Pending establishment of future plans for income generation, the BOD needs to maintain planned contributions to the Brokerage and MM Accounts for a reserve fund to reach a desired 18-month Operating Income surplus (\$925K, based on 2022/23 expenditures).

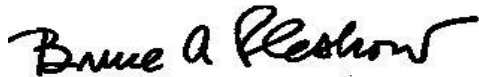
CHMS controls for Accounts Payable/Receivable continue to be thorough and provide enhanced checks and balances for financial transactions, involving the Treasurer and Executive Director. The CHMS Comptroller provides a streamlined Balance Sheet, Profit/Loss year-over-year comparison and Budget to Actual for a more simplified BOD review. Tim Hutcherson, NYSCHP Treasurer, provides the Audit Committee with detailed Account summaries, monthly Trending and Budget to Actual Income/Expenditure data.

The Executive Director, Treasurer and Audit Committee will continue to monitor Financial Process Overview and Strategy. The need to maintain overall budgeting controls and review of variances is ongoing

The Audit Committee is recommending the following:

1. Create a FY 2023/24 Budget that is "balanced" with income/expense in line with actual for FY 2022/23. The BOD needs to review quarterly budget variances.
2. The Audit Committee recommends that the SBA Loan Assets be invested in a 6-month CD (FDIC-Insured); able to generate 4-5% interest revenue that will offset the 2.75% interest accumulation on the SBA Loan.
3. 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.
4. Battaglia, CPA will audit every other year, next date FY ending August 31, 2024, with a financial review in 2023. The Audit Committee will continue to conduct biannual reviews of NYSCHP financials, with committee meetings in March and October.

Respectfully Submitted,



Bruce A. Pleskow, NYSCHP Audit Committee Co-Chair



William A. Prescott, Jr., NYSCHP Audit Committee Co-Chair

APPENDIX 2: NYSCHP Audit Committee March 22, 2023

Membership: Bruce Pleskow, Shaun Flynn, William Prescott, Timothy Hutcherson, Angela Cheng, Ruth Cassidy, Robert DiGregorio, Nick Etienne (CHMS), James Whitehead (CHMS)

Excused: Philip Manning

The committee reviewed Profit and Loss statements for FY 23 ending February 28, 2023, vs. February 28, 2022. Revenue is broken down into two major Budget categories: Annual Assembly including Residency Program (55%) and Membership (25%).

Total Checking/Brokerage/MM/PAC are \$909K, including the June 2020 SBA Loan of \$148K, vs. \$746K for Feb '22. This Audit Review found a significant surplus of \$150K vs. \$46K budgeted gain, but this is mostly due to income/expense timing.

Accounts Receivable at \$25K decreased 11%, as the office continues to eliminate outstanding membership dues, and corporate sponsorship which will not be collected. This needs to be adjusted as 8550-Bad Debt Expense.

Total Income is up 2%, \$357K vs. \$349K, year-over-year. Membership was flat at \$105K vs. \$92K with the 3% dues increase. Local Chapters need to examine Membership Categories to move Residents into the 5105-Active, which could generate \$10K in additional dues income. Corporate Sponsorship includes Moderna at present, along with the Novo \$20K accrual in 2100-deferred. Tri-state educational programming will not occur in 2023 and therefore the approximate \$10K in revenue will be eliminated. Total Annual Assembly 2023 income is flat, including the Residency Program, which is at par with pre-pandemic levels. The profitability of this event is critical to the future financial well-being of the organization.

Total Expense is up 6%, \$206K, vs. \$194K. General Administration costs are up 26%, \$123K vs. \$98K. This increase is attributable to a new Executive Director contract (+2.5%), 2022 Bonus payment Increased employee retirement expense. 7906-Salaries are predicted to be 10% over budget for FY '23. The \$30K budgeted expense for the lobbyist in FY '23 should be sufficient since the contract began in Dec '22.

Net Income of \$151K Feb '23 vs. \$155K Feb '22 is flat.

The Council's financial strength remains strong during FY '23. The BOD goal of financial stability for NYSCHP leading to work environment reliability for the Executive Director has been accomplished. Financial stress for the organization still exists to some degree, due to limited income sources, with the AA and Membership equal to 80% of budgeted Total Income. The new Resource Development Committee is charged with finding new revenue stream ideas. The BOD needs to maintain planned contributions to the Brokerage and MM Accounts for a reserve fund to reach a desired 18-month Operating Income surplus of \$1M. The committee feels strongly that the SBA Loan Assets should be invested in a 6-month CD (FDIC-Insured) generating 4-5%, to generate income and offset the 2.75% interest accumulation on the SBA Loan, with payments that began Dec 25, 2022.

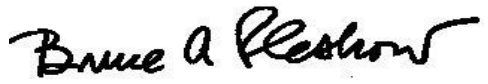
CHMS controls for Accounts Payable/Receivable continue to be thorough and provide enhanced checks and balances for financial transactions, involving the Treasurer and Executive Director. The CHMS Comptroller provides a streamlined Balance Sheet, Profit and Loss year-over-year comparison and Budget to Actual for a more simplified BOD review. William Prescott, NYSCHP Treasurer, provides the Audit Committee with detailed Account summaries, monthly Trending and Budget to Actual Income/Expenditure data.

The Executive Director, Treasurer and Audit Committee will continue to monitor Financial Process Overview and Strategy. The need to maintain overall budgeting controls and review of variances is ongoing.

The Audit Committee is recommending the following:

1. Maintain 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.

Respectfully Submitted,

A handwritten signature in black ink that reads "Bruce A Pleskow". The signature is written in a cursive, slightly slanted style.

Bruce A. Pleskow, Audit Committee Chair