



New York State Council of Health-system Pharmacists

**REPORT OF TREASURER**

Timothy C. Hutcherson

2025 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:* Travis Dick, Robert DiGregorio, Shaun Flynn, Leila Tibi-Scherl

*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:* William Prescott, Jr. (Chair), Bruce Pleskow (Co-Chair)

*Members:* Travis Dick, Robert DiGregorio, Phil Manning, Shaun Flynn, Leila Tibi-Scherl, and Melissa Guertin (CHMS)

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

*Meetings this Fiscal Year:* 10/2024 (see Appendix A); 3/2025

- Meeting 10/2024 recommendations:
  - **(A) IN PROGRESS** - Create a FY2024/25 Budget that is balanced specific to income.
  - **(B) COMPLETE** - The BOD needs to review quarterly budget variances.
  - **IN PROGRESS** - The BOD and AA Planning Committee should identify mechanisms to reduce the costs associated with AV.
  - **DEFERRED** - The BOD should consider slowly paying down the SBA loan, rather than just making minimum payments on interest incurred.
  - **COMPLETE** - Consider transferring funds from the MMKT account (1007) to the CFS Group (Brokerage) account to maximize the ROI.
  - **IN PROGRESS** - Battaglia CPA and the Audit Committee, in collaboration with the Executive Director, will streamline the number of accounts in QuickBooks.
  - **IN PROGRESS** - Battaglia CPA will audit every other year, next date FY ending August 31, 2024 (this FY). The Audit Committee will continue to conduct biannual reviews of NYSCHP financials, with meetings in March and October.
- Meeting 3/2025 recommendations:
  - Pending as of the time of this report and will be reviewed at HOD open hearing

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

<b>Current Account Balances, 1/31/2025</b>	
Checking – Cap Bank Acct #6692 (prior #4317)	\$406,287.99
Brokerage – CFS Group (LPL) (prior #9859)	\$216,435.58
Money Market – Cap Bank Acct #1756 (prior #5876)	\$471,806.04
CD – Cap Bank Acct #7119	\$365,808.38
SBA Loan (not included in total)	(\$149,900.00)
<b>TOTAL</b>	<b>\$1,460,337.99</b>
PAC Checking – Cap Bank Acct #1753 (prior #4911)	\$1,067.06
PAC Money Market – Cap Bank Acct #9174	\$7,000.00
PAC CD – Cap Bank Acct #8663	\$40,996.20
<b>TOTAL</b>	<b>\$49,063.26</b>

*Account Summary, Quarter-End (Transition between past and current fiscal year):*

<b>FY23/24</b>	<b>Aug-24</b>	<b>Nov-24</b>	<b>Feb-25</b>	<b>May-25</b>
<b>Checking - Capital Bank (#6692)</b>	\$138,840.62	\$143,241.66		
% Change vs. prior FY	-59.7% <sup>A</sup>	-8.9% <sup>A</sup>		
<b>PAC Checking - Capital Account</b>	\$1,067.06	\$1,067.06		
% Change vs. prior FY	-97.8% <sup>B</sup>	-97.8% <sup>B</sup>		
<b>PAC MM - Capital Account</b>	\$7,000.00	\$7,000.00		
% Change vs. prior FY	N/A <sup>B</sup>	N/A <sup>B</sup>		
<b>PAC CD - Capital Account</b>	\$40,495.04	\$40,996.20		
% Change vs. prior FY	N/A <sup>B</sup>	N/A <sup>B</sup>		
<b>Brokerage - Account #9859</b>	\$213,129.30	\$211,154.02		
% Change vs. prior FY	12.9%	11.5%		
<b>Savings - Account #5876</b>	\$466,099.56	\$469,561.69		
% Change vs. prior FY	31.7% <sup>C</sup>	-15.9% <sup>D</sup>		
<b>CD - Capital Bank</b>	\$357,816.90	\$361,812.29		
% Change vs. prior FY	N/A <sup>D</sup>	N/A <sup>D</sup>		
<b>SBA loan Amount</b>	\$149,900.00	\$149,900.00		
<b>TOTAL</b>	<b>\$1,374,348.48</b>	<b>\$1,384,732.92</b>		
% Change vs. prior FY	26.6%	25.6%		
<b>TOTAL (LESS PAC)</b>	<b>\$1,325,786.38</b>	<b>\$1,335,669.66</b>		
% Change vs. prior FY	32.5%	31.1%		

- A. artifact of moving \$200,000.00 from checking to savings in May 2024;
- B. funds moved from PAC checking to create PAC money market and PAC CD;
- C. artifact of moving \$200,000.00 from checking into savings in September 2023;
- D. artifact of moving \$350,000.00 from savings to CD in December 2023.

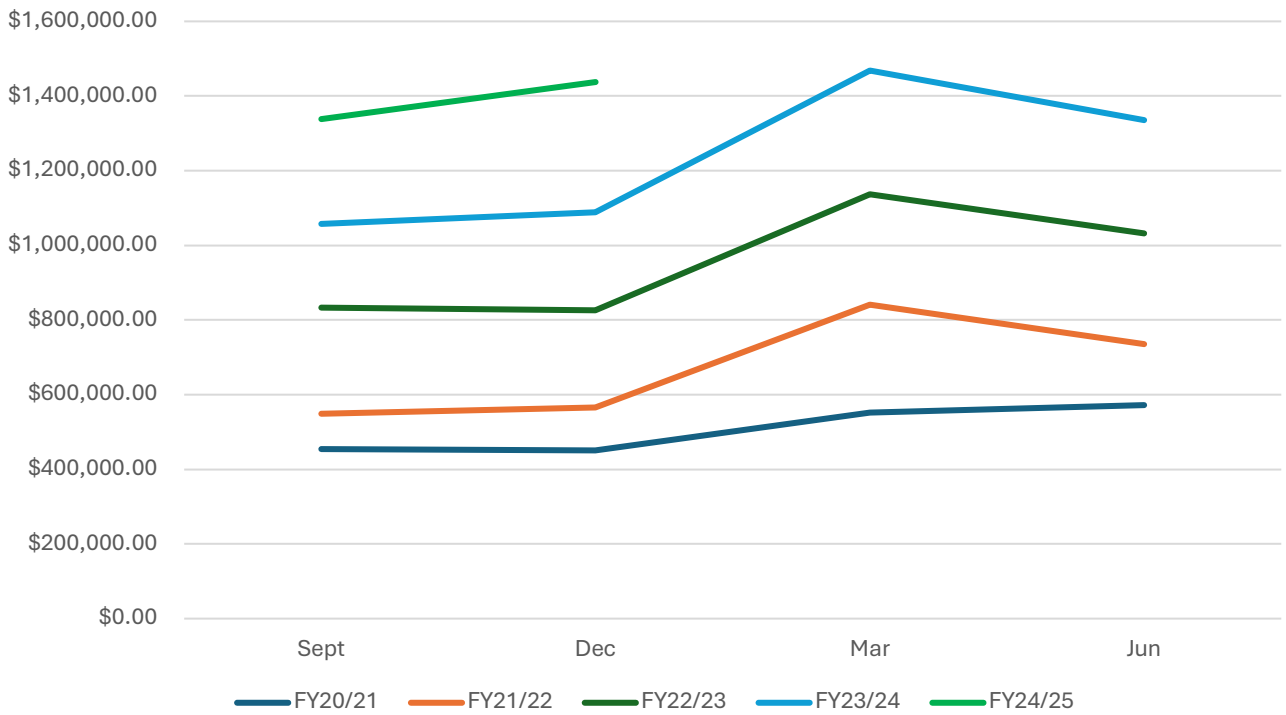
Account Summary, Quarter/Year-End (past 3 Calendar Years):

FY23/24	Sep-23	Dec-23	Mar-24	Jun-24
<b>Checking - Capital Bank (#6692)</b>	\$169,603.84	\$182,029.88	\$549,903.39	\$159,119.80
% Change vs. prior FY	0.0%	0.0%	757.5%	-53.2%
<b>PAC Checking - Capital Account</b>	\$48,167.06	\$48,167.06	\$48,067.06	\$1,067.06
% Change vs. prior FY	0.0%	0.0%	-0.2%	-97.8%
<b>PAC MM - Capital Account</b>	\$0.00	\$0.00	\$0.00	\$7,000.00
% Change vs. prior FY	0.0%	0.0%	0.0%	0.0%
<b>PAC CD - Capital Account</b>	\$0.00	\$0.00	\$0.00	\$40,000.00
% Change vs. prior FY	0.0%	0.0%	0.0%	0.0%
<b>Brokerage - Account #9859</b>	\$182,773.31	\$197,242.13	\$203,665.12	\$204,941.99
% Change vs. prior FY	6.6%	9.5%	9.8%	8.3%
<b>Savings - Account #5876</b>	\$555,127.83	\$209,252.12	\$210,899.77	\$463,575.69
% Change vs. prior FY	58.4%	-40.3%	-39.8%	31.6%
<b>CD - Capital Bank</b>	\$0.00	\$350,000.00	\$353,865.63	\$357,816.90
% Change vs. prior FY	0.0%	0.0%	0.0%	0.0%
<b>SBA loan Amount</b>	\$149,900.00	\$149,900.00	\$149,900.00	\$149,900.00
<b>TOTAL</b>	\$1,105,572.04	\$1,136,591.19	\$1,516,300.97	\$1,383,421.44
% Change vs. prior FY	25.3%	30.0%	28.0%	28.2%
<b>TOTAL (LESS PAC)</b>	\$1,057,404.98	\$1,088,424.13	\$1,468,233.91	\$1,335,354.38
% Change vs. prior FY	26.8%	31.8%	29.2%	29.5%
<b>TOTAL (LESS PAC and SBA Loan)</b>	\$907,504.98	\$938,524.13	\$1,318,333.91	\$1,185,454.38
% Change vs. prior FY	32.7%	38.8%	33.6%	34.5%

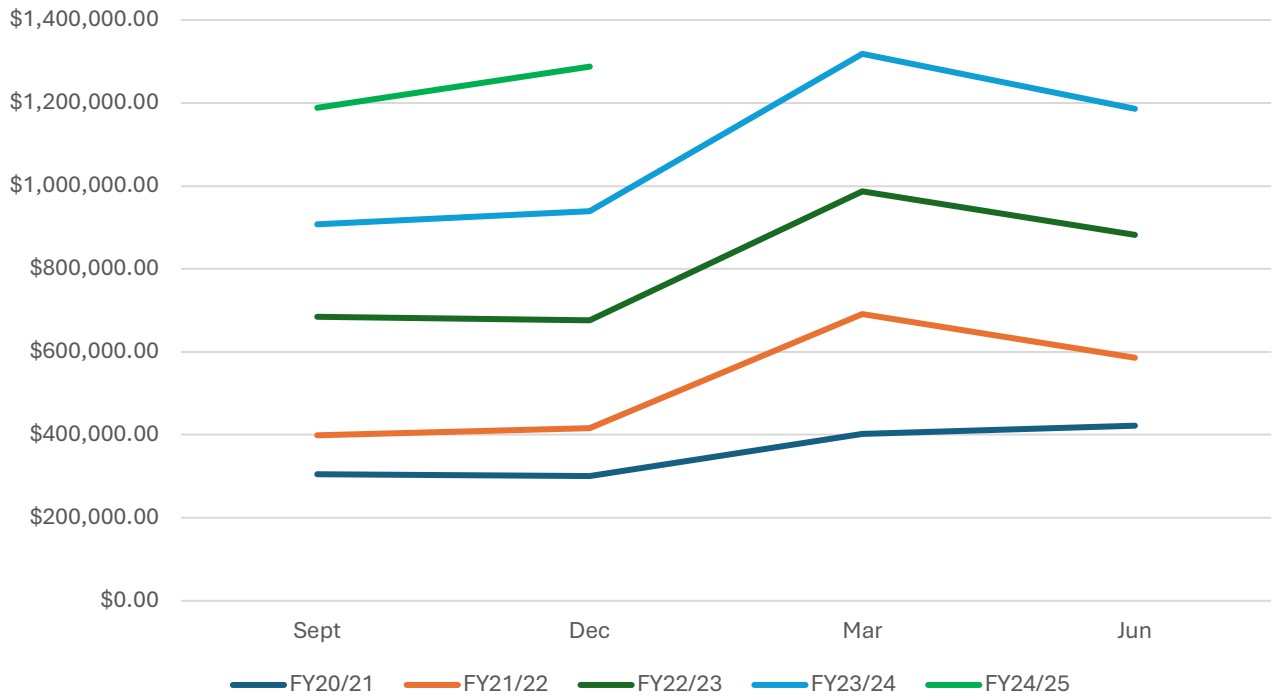
FY22/23	Sep-22	Dec-22	Mar-23	Jun-23
<b>Checking - ALL</b>	\$164,290.78	\$149,080.70	\$464,543.60	\$340,274.87
% Change vs. prior FY	16.0%	-2.8%	5.5%	-4.4%
<b>PAC Checking - Acct #4911</b>	\$48,067.06	\$48,067.06	\$48,067.06	\$48,067.06
% Change vs. prior FY	NC	NC	NC	NC
<b>Brokerage - Acct #9859</b>	\$171,420.74	\$180,200.26	\$185,454.16	\$189,181.49
% Change vs. prior FY	-17.2%	-15.3%	-7.4%	5.1%
<b>Savings - Acct #5876</b>	\$350,421.57	\$350,465.73	\$350,508.93	\$352,144.28
% Change vs. prior FY	75.0%	75.0%	75.0%	75.7%
<b>SBA Loan</b>	\$149,900.00	\$149,900.00	\$147,336.00	\$145,413.00
<b>TOTAL (Less PAC)</b>	\$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%
<b>TOTAL (Less PAC and SBA Loan)</b>	\$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 <sup>a</sup>	Dec-21	Mar-22	Jun-22
<b>Checking - Pioneer Acct #317</b>	\$141,591.73	\$153,305.06	\$440,385.92	\$355,746.40
% Change vs. prior FY	28.3%	55.2%	121.8%	67.3%
<b>PAC Checking - Pioneer Acct #4911</b>	\$48,067.06	\$48,067.06	\$48,067.06	\$48,067.06
% Change vs. prior FY	NC	NC	NC	NC
<b>Brokerage - Acct #9859</b>	\$206,957.95	\$212,654.50	\$200,274.83	\$179,971.61
% Change vs. prior FY	43.8%	40.2%	30.2%	13.1%
<b>Savings - Acct #5876</b>	\$200,048.37	\$200,298.85	\$200,348.25	\$200,378.44
% Change vs. prior FY	0.1%	0.1%	0.1%	0.1%
<b>SBA Loan</b>	\$149,900.00	\$149,900.00	\$149,900.00	\$149,900.00
<b>TOTAL (Less PAC)</b>	\$548,798.05	\$566,258.41	\$841,009.00	\$736,096.45
% Change vs. prior FY	20.8%	25.7%	52.2%	28.7%
<b>TOTAL (Less PAC and SBA Loan)</b>	\$398,898.05	\$416,358.41	\$691,109.00	\$586,196.45
% Change vs. prior FY	31.0%	38.5%	71.6%	38.9%

Quarterly Account Summary (Total Less PAC)



Quarterly Account Summary (Total Less PAC & SBA Loan)



*Fiscal Year 2024/25:*

- Budget: NYSCHP budget for FY 2024/25 was approved by the BOD. Budgeted expenses total \$864,370.00. The projected net income for this FY is \$44,130.00.
- Analysis of total account balance (checking, brokerage, and savings), excluding PAC and the SBA loan, indicate council funds have increased 37.2% from Q4 2023 to Q4 2024, 38.8% in the same period a year prior, and 328.2% since Q4 2020.

- Key income areas

- o Membership

- In 2023-24 membership represented 19.9% of the Council’s income. Membership revenue exceeded that budgeted by 12 percentage points. Membership as a percent of income was 4 percentage points below that of FY 22-23.

	2019-20	2020-21	2021-22	2022-23	2023-24
Income	\$165,800	\$176,100	\$177,496	\$198,285	\$206,821
% total income	62%	38%	24%	24%	20%

- o Annual Assembly

- In 2023-24 the AA/RP represented 49% of the Council’s income. AA/RP revenue exceeded that budgeted by 17 percentage points. The Council’s financial health remains dependent on a successful AA as other revenue streams develop.

	2019-20	2020-21	2021-22	2022-23	2023-24
Income	\$2,600	\$217,800	\$401,711	\$464,229	\$504,150
% total income	1%	46%	49%	57%	49%
Format	Cancelled	Virtual	In-person	In-person	In-person

- o Education and related programming

- In 2023-24 education represented 10.9% of the Council’s income. Education revenue exceeded that budgeted by 90 percentage points driven primarily by directors’ roundtables in conjunction with existing events and symposia.

- The BOD approved transfer of \$7,000 of PAC funds to PAC savings, \$40,000 of PAC funds to a PAC CD, and \$200,000 from the council’s checking account to savings in April/May 2024.
- The council and PAC CDs have each been renewed once at 4.18% for six months, maturing in June and August 2025, respectively, at which point investment vehicles will be reconsidered.

**IV. HOD Recommendations:** Status update – None assigned

**V. Review of Position Statements:** Status update – None assigned

Respectfully submitted,



Timothy C. Hutcherson  
Treasurer, NYSCHP

**Appendix A – NYSCHP Audit Committee: Date- 10/28/2024**

Membership: William Prescott (Chair), Bruce Pleskow (Co-Chair), Shaun Flynn, Travis Dick, Leila Tibi-Scherl, Melissa Guertin (Cap Hill), James Whitehead (Cap Hill)

Absent: Robert DiGregorio

**Profit & Loss:** The committee reviewed Profit/Loss statements for FY2023/24 ending August 31, 2024, vs. August 31, 2023. Total Income (Revenue) in FY2023/24 was \$1.06M with a \$231K positive variance year-over-year (29%), while Total Expense in FY 2023/24 was \$783K which was \$159K higher than the previous FY (25%). FY2023/24 produced Net Income of \$278K, exceeding FY2022/23 by \$89K (47% increase) and the budgeted surplus of \$28K by \$250K. The Net Profit Margin in FY2023/24 was 26.2%; a “healthy margin” is 10% or higher and a “high-margin” is 20% or higher. The Expense-to-Revenue ratio in FY2023/24 was 75% (target 60-80%), also indicative of financial health.

Revenue is broken down into four major Budget categories accounting for >90% of income: Annual Assembly (AA) including Residency Program (RP) (49%, decreased from 57% in FY 2023), Membership (20%), Corporate Sponsorship (7%), and Educational Programming (11%, increased from 6% in FY 2023). The major expenses incurred by the NYSCHP are in the form of general administration which includes salaries (34%), the AA/RP (31%), and the CHMS management fee (20%). As compared to FY2022/23, the FY2023/24 end-of-year financial report indicated:

- **Annual Assembly + Residency Program:** Income increased \$40K (16%) to \$504K, exceeding the budgeted amount by \$74K. This was driven by, for the second year running, a significant increase in income from exhibitor booth (5420) of \$35K (vs. FY2022/23); the profitability of the AA relies on industry support. Registration income increased 13% (\$8500), partially offsetting the 26% decrease observed in FY2022/23. The expenses associated with the AA and RP increased by \$38K in FY2023/24, driven by a \$16K increase in food/beverage and an \$19K increase in audio-visual (AV). AV represented 18% of the AA costs and 5% of total expenses in FY2023/24. An analysis of AV costs indicated an increase of 97% year-over-year and 158% from 2022. Despite the increased expenses associated with the AA and RP, the net profit margin for these events remains very high at 51% and 53%, respectively. As previously noted by this committee, the profitability of this event is critical to the future financial well-being of the organization.

<b>NYSCHP AA Audio-Visual Costs</b>			
Year	2024	2023	2022
Cost	\$38,029	\$19,312	\$14,724
% Change vs. Previous Year	96.9%	31.2%	
% Change vs. Baseline	158.3%		
All AA Expenses	\$216,675	\$177,043	\$173,919
% AV	17.6%	10.9%	8.5%
Total NYSCHP Expenses	\$782,718	\$624,044	\$567,751
% AV	4.9%	3.1%	2.6%

- **Membership:** Income increased \$8.5K (4%) to \$207K, exceeding the budgeted amount by \$22K. Two-thirds of membership income is generated as “Membership – Active” (5105). The recurring dues increase has not

adversely affected membership income. These data should be used in tandem with membership numbers to assess the health of the organization.

- Corporate Sponsorship: Income increased \$27K (57%) to \$48K, exceeding the budgeted amount by \$30K.
- Educational programming: Income increased \$66K (138%) to \$114K, exceeding the budgeted amount by \$54K. This was driven by a successful Oncology Program (5363) and Roundtables (5390), which netted \$34K and \$68K, respectively. The net profit margin for these events was extremely high at 86% and 91%, respectively.
- Miscellaneous: New in FY2023/24, the Gala (5700) yielded revenue of \$52,450, exceeding the budgeted amount by \$13K. Considering the expense associated with this event of \$13K, it netted \$40K (net profit margin 76%). Although experience is limited to a single offering, if expenses associated with this event tripled, it would still be financially wise to continue holding it. Second, interest/dividend income (5900) in FY2023/24 was \$28K, and increase of \$19K as compared to the previous FY.
- Other: "Other" Income (5800) rebounded, increasing 23% (\$9.5K) to \$51K, driven by a \$13K increase 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: Funds from the checking account were transferred to an interest-generating CD, which has a balance of \$358K (as of 8/31/24), generating 4.43% interest (net 1.68% with funds acquired through the SBA loan). Total Checking/Brokerage/MM/CD are \$1.176M (as of 8/31/24) vs. \$887K for August 31, 2023 (32.5% increase). The PAC remains stable at \$48,562: Per previous advisement, these funds have been invested into a Money-Market account (\$7K) and CD (\$40K), with \$1K residing in a more readily accessible operating account; the CD is generating 4.91% interest. This Audit Review found a significant surplus of \$278K (vs. \$28K budgeted gain) – this compares to the audit for FY2022/23 which showed a \$155K surplus (vs. \$46K budgeted gain). As compared to the surplus realized during FY2022/23, which resulted from a combination of increased income of \$105K greater than budget and expenses that were \$46K less than budget, the surplus this past FY was driven by increased income (236K greater than budget) while expenses were within 1% of budget.

Liabilities: The primary liability for the NYSCHP is the Small Business Association (SBA) Loan of \$149,900 which carries a 2.75% interest rate which cost the organization ~ \$21,000 since FY2021/22, including \$6960 in FY2023/24. Previously, the Audit Committee advised that the SBA Loan Assets be invested in a 6-month CD (FDIC-Insured) to generate interest revenue to offset the 2.75% interest accumulation on the SBA Loan – this has been done. The first payment on the SBA Loan was made in December 2022.

General Assessment: The financial situation of the organization continues to improve, and new revenue streams have been identified, notably new educational programs, the Gala, and investment of funds into low-risk but moderate-yield interest-bearing accounts. Funds have been wisely allocated to support increased staffing through CHMS; this is a wise investment considering the workload associated with the organization, and one that the NYSCHP is financially positioned to make. There remains some risk to the financial viability of the organization, most notably the reliance on a successful AA (and industry support) and stability in membership which together constitute approximately 70% of the organization's annual income; this is not dissimilar to what many professional societies face. That said, it is noteworthy that the AA and membership constituted 10% less of overall revenue compared with FY2022/23, which is positive. 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 (\$1.174M, based on FY2023/24 expenditures) – reserves at the end of FY2023/24, excluding PAC, were \$1.176M, equal to this goal.



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. Lines requiring input/clarification following meeting: (1) 1500, 1501, 1510, 1511 – JW to follow-up; (2) 7951 (Dues & Subscriptions) – SF to follow-up.

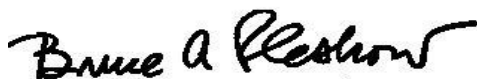
Recommendations: The Audit Committee is recommending the following:

1. Create a FY2024/25 Budget that is “balanced” with income/expense in line with actual for FY2023/24. Expense budgeting has historically been highly accurate, while income budgeting has been very conservative; a more realistic approach is advised. The BOD needs to review quarterly budget variances.
2. The BOD and AA Planning Committee should identify mechanisms to reduce the costs associated with AV, specifically considering if there are activities that may not need AV support (e.g., could the HOD use a shared doc to display changes of C&B and position statements in real time). The Audit Committee would benefit from a better understanding of the costs and options associated with AV services to provide better advisement.
3. Considering that the NYSCHP has realized its goal of an 18-month reserve, the positive trend in the organization’s finances, allocation of funds to an interest-bearing CD, the BOD should consider slowly paying down the SBA loan (e.g., by allocating the equivalent of CD earnings at the end of the FY), rather than just making minimum payments on interest incurred.
4. Consider transferring funds from the MMKT account (1007) to the CFS Group (Brokerage) account to maximize the ROI.
5. Battaglia CPA and the Audit Committee, in collaboration with the Executive Director, will streamline the number of accounts in QuickBooks, as indicated, to help prevent incorrect posting of income/expense.
6. Battaglia CPA will audit every other year, next date FY ending August 31, 2024 (this FY). The Audit Committee will continue to conduct biannual reviews of NYSCHP financials, with meetings in March and October.

Respectfully Submitted,



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



Bruce A. Pleskow, NYSCHP Audit Committee Co-Chair