



**REPORT OF THE TREASURER**

Timothy C. Hutcherson

2026 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, Nicole Cieri-Hutcherson, 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, Nicole Cier-Hutcherson, Shaun Flynn, Leila Tibi-Scherl, James Whitehead (CHMS), and Melissa Guertin (CHMS)

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

*Meetings this Fiscal Year:* 3/2025; 11/2025; 3/2026 (pending at the time of this report)

- Meeting 11/2025 recommendations:
  - **IN PROGRESS** - Create a budget that is balanced specific to revenue and expense.
  - **ONGOING** – Reduce or control AV costs at Annual Assembly and similar events.
  - **IN PROGRESS** – Promote strategic investment of funds in mission-critical areas.
  - **IN PROGRESS** – Transfer holdings in a way to maximize ROI and capital preservation.
  - **COMPLETE** – Address items identified in the most recent external financial audit.

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

<b>Current Account Balances, Jan-26</b>	
Checking – Cap Bank Acct #6692 (prior #4317)	\$305,128.09
Brokerage – CFS Group (LPL) (prior #9859)	\$239,090.05
Money Market – Cap Bank Acct #1756 (prior #5876)	\$383,907.41
CD – Cap Bank Acct #7119	\$687,591.21
SBA Loan	\$0.00
<b>TOTAL</b>	<b>\$1,615,716.76</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	\$42,763.44
<b>TOTAL</b>	<b>\$50,830.50</b>

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

<b>FY25/26</b>	<b>Aug-25</b>	<b>Nov-25</b>	<b>Feb-26</b>	<b>May-26</b>
Checking - Capital Bank (#6692)	300,786.99	128,969.29		
% Change vs. prior FY	116.6%	-10.0%		
PAC Checking - Capital Account	1,067.06	1,067.06		
% Change vs. prior FY	0.0%	0.0%		
PAC MM - Capital Account	7,000.00	7,000.00		
% Change vs. prior FY	0.0%	0.0%		
PAC CD - Capital Account	42,368.31	42,763.44		
% Change vs. prior FY	4.6%	4.3%		
Brokerage - Account #9859	228,696.17	236,284.46		
% Change vs. prior FY	7.3%	11.9%		
Savings - Account #5876	379,771.87	382,289.09		
% Change vs. prior FY	-18.5%	-18.6%		
CD - Capital Bank	673,472.55	680,499.47		
% Change vs. prior FY	88.2%	88.1%		
SBA loan Amount	\$150,000.00	\$0.00		
<b>TOTAL</b>	<b>\$1,783,162.95</b>	<b>\$1,478,872.81</b>		
% Change vs. prior FY	29.7%	6.8%		
<b>TOTAL (LESS PAC)</b>	<b>\$1,732,727.58</b>	<b>\$1,428,042.31</b>		
% Change vs. prior FY	30.7%	6.9%		
<b>TOTAL (LESS PAC and SBA Loan)</b>	<b>\$1,582,727.58</b>	<b>\$1,428,042.31</b>		
% Change vs. prior FY	34.6%	20.4%		

Notes:

- **Checking % change vs. prior FY note (-10.0%) note:** checking funds were used to pay off SBA loan in lieu of transferring funds to savings vehicles during this quarter
- **Savings % change vs. prior FY (-18.6%) note:** a large portion of savings funds were transferred into the CD for improved ROI and capital maintenance compared to the savings account in Q4 2025.
- **SBA loan amount (\$0.00) note:** the SBA loan was paid off during Q1 2025.

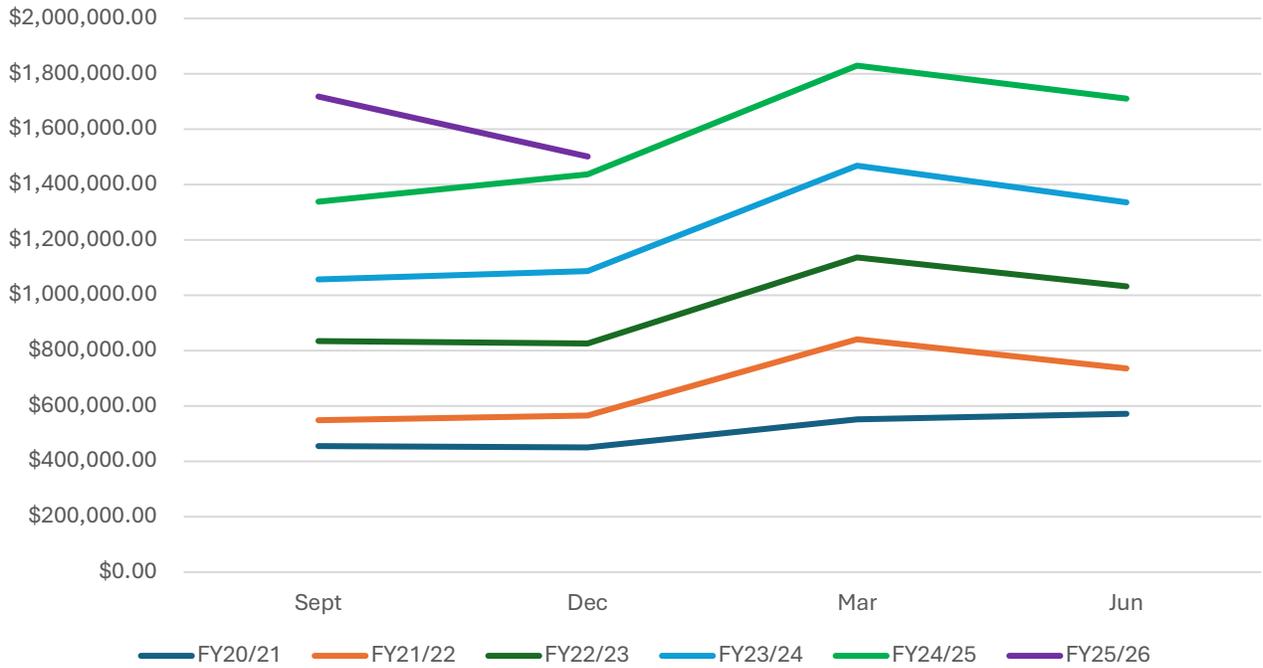
Account Summary, Quarter/Year-End (past three fiscal years):

FY24/25	Aug-24	Nov-24	Feb-25	May-25
Checking - Capital Bank (#6692)	138,840.62	143,241.66	580,224.82	282,608.62
% Change vs. prior FY	-59.7%	-8.9%	25.1%	27.9%
PAC Checking - Capital Account	1,067.06	1,067.06	1,067.06	1,067.06
% Change vs. prior FY	-97.8%	-97.8%	-97.8%	0.0%
PAC MM - Capital Account	7,000.00	7,000.00	7,000.00	7,000.00
% Change vs. prior FY	N/A	N/A	N/A	0.0%
PAC CD - Capital Account	40,495.04	40,996.20	41,503.56	41,926.58
% Change vs. prior FY	N/A	N/A	N/A	4.8%
Brokerage - Account #9859	213,129.30	211,154.02	217,669.09	217,886.21
% Change vs. prior FY	12.9%	11.5%	8.8%	7.6%
Savings - Account #5876	466,099.56	469,561.69	472,801.36	676,652.78
% Change vs. prior FY	31.7%	-15.9%	124.7%	64.0%
CD - Capital Bank	357,816.90	361,812.29	365,808.38	369,578.71
% Change vs. prior FY	N/A	N/A	4.5%	4.4%
SBA loan Amount	\$149,900.00	\$149,900.00	\$149,900.00	\$149,900.00
TOTAL	\$1,374,348.48	\$1,384,732.92	\$1,835,974.27	\$1,746,619.96
% Change vs. prior FY	26.6%	25.6%	29.1%	25.9%
TOTAL (LESS PAC)	\$1,325,786.38	\$1,335,669.66	\$1,786,403.65	\$1,696,626.32
% Change vs. prior FY	27.8%	26.6%	30.0%	26.6%
TOTAL (LESS PAC and SBA Loan)	\$1,175,886.38	\$1,185,769.66	\$1,636,503.65	\$1,546,726.32
% Change vs. prior FY	32.5%	31.1%	33.7%	30.0%

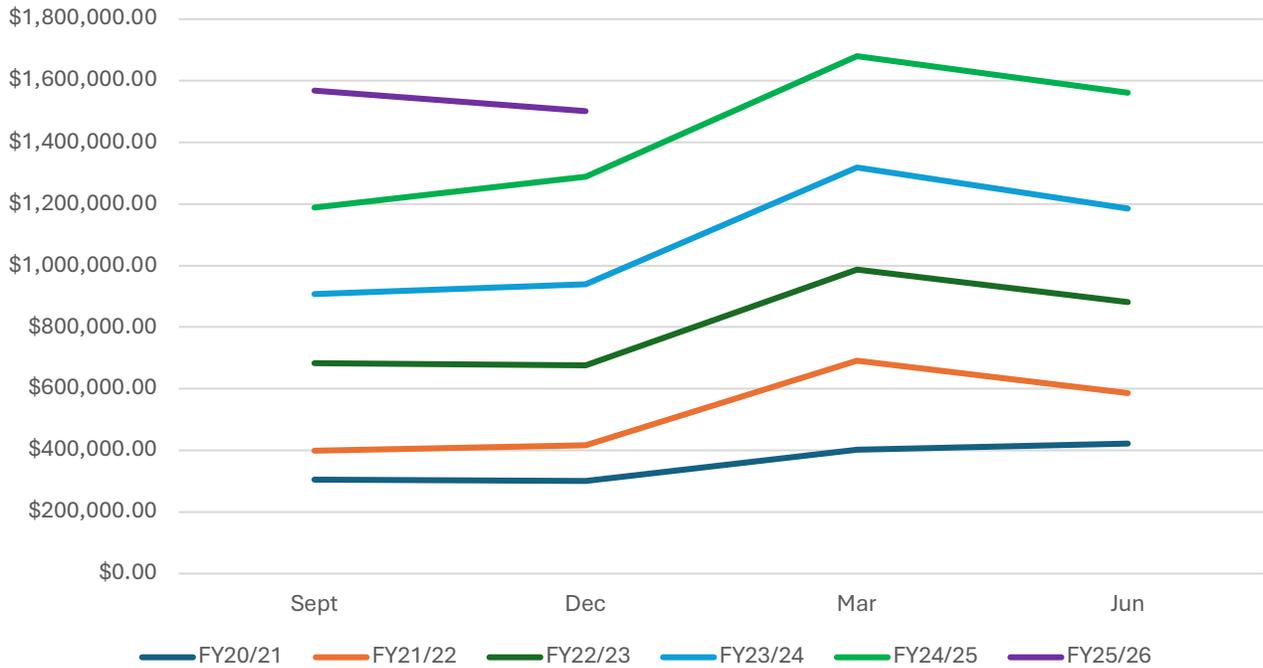
FY23/24	Sep-23	Dec-23	Mar-24	Jun-24
Checking - Capital Bank (#6692)	\$169,603.84	\$182,029.88	\$549,903.39	\$159,119.80
% Change vs. prior FY	0.0%	0.0%	757.5%	-53.2%
PAC Checking - Capital Account	\$48,167.06	\$48,167.06	\$48,067.06	\$1,067.06
% Change vs. prior FY	0.0%	0.0%	-0.2%	-97.8%
PAC MM - Capital Account	\$0.00	\$0.00	\$0.00	\$7,000.00
% Change vs. prior FY	0.0%	0.0%	0.0%	0.0%
PAC CD - Capital Account	\$0.00	\$0.00	\$0.00	\$40,000.00
% Change vs. prior FY	0.0%	0.0%	0.0%	0.0%
Brokerage - Account #9859	\$182,773.31	\$197,242.13	\$203,665.12	\$204,941.99
% Change vs. prior FY	6.6%	9.5%	9.8%	8.3%
Savings - Account #5876	\$555,127.83	\$209,252.12	\$210,899.77	\$463,575.69
% Change vs. prior FY	58.4%	-40.3%	-39.8%	31.6%
CD - Capital Bank	\$0.00	\$350,000.00	\$353,865.63	\$357,816.90
% Change vs. prior FY	0.0%	0.0%	0.0%	0.0%
SBA loan Amount	\$149,900.00	\$149,900.00	\$149,900.00	\$149,900.00
TOTAL	\$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%
TOTAL (LESS PAC)	\$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%
TOTAL (LESS PAC and SBA Loan)	\$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
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%

### Quarterly Account Summary (Total Less PAC)



### Quarterly Account Summary (Total Less PAC & SBA Loan)



*Fiscal Year 2025/26:*

- Budget: NYSCHP budget for FY 2025/26 was approved by the BOD. Budgeted revenue totaled \$1,066,700 and expenses totaled \$1,006,700. Net income is estimated at \$60,000.00.
- Analysis of total account balance (checking, brokerage, and savings), excluding PAC and the SBA loan, indicate consistent growth as council funds have increased 34.6% from Q4 2024-end to Q4 2025-end, 32.5% in the same period for FY 2023/24, and 32.7% for FY 2022/23.
- Key income areas
  - o Membership
    - In 2024-25 membership represented 20.1% of the Council’s income. Membership revenue exceeded that budgeted by 1%. Membership as a percent of income was even (0 percentage point difference) with that of FY 2023/24.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Income	\$165,800	\$176,100	\$177,496	\$198,285	\$206,821	\$211,441
% total income	62%	38%	24%	24%	20%	20%

- o Annual Assembly
  - In 2024-25 the AA/RP represented 53.8% of the Council’s income. AA/RP revenue exceeded that budgeted by 14.2%. The Council’s financial health remains reliant on a successful AA as other revenue streams mature.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Income	\$2,600	\$217,800	\$401,711	\$464,229	\$504,150	\$565,301
% total income	1%	46%	49%	57%	49%	54%
Format	Cancelled	Virtual	In-person	In-person	In-person	In-person

- o Education and related programming
  - In 2024-25 education represented 13.5% of the Council’s income. Education revenue exceeded that budgeted by 45.1% driven primarily by directors’ roundtables in conjunction with existing events and symposia.
- The BOD approved paying off the SBA loan during Q1 2025 (see graphs, page 5).
- The council and PAC CDs have each been renewed over the past several years to maintain capital for reserve funds and PAC needs, respectively. The BOD approved an additional MM vehicle with historically higher yield through Vanguard during Q1 2025, as well.

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

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

Respectfully submitted,



Timothy C. Hutcherson  
Treasurer, NYSCHP

*Attachments: Audit Committee report 11/25; Audit Committee report 3/25; external audit report*

## NYSCHP Audit Committee: Date- 3/4/2025

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

Absent: Leila Tibi-Scherl

Profit & Loss: The Audit Committee reviewed Profit/Loss statements for FY2024/25 ending January 31, 2025 (vs. January 31, 2024), representing the 42% mark of the current FY. Total Income (Revenue) demonstrates a \$104K positive variance year-over-year (+28%), while Total Expenses have decreased \$31K year-over-year (-13%). Revenue is broken down into four major Budget categories accounting for >90% of income: Annual Assembly (AA) including the Residency Program (RP) (59%), Membership (21%), Educational Programming (13%), and Corporate Sponsorship (4%). This FY, Educational Programming has encompassed a greater portion of income (+10% vs FY 2023/24), while Corporate Sponsorship a smaller portion of income (-10% vs FY 2023/24). The major expenses incurred by the NYSCHP are in the form of general administration which includes salaries (39%), the AA/RP (5%, program pending), and the CHMS management fee (30%). As compared to FY2023/24, the FY2024/25 mid-year financial report indicated:

- AA/RP income increased \$96K year-over-year (+53% vs FY 2023/24) to \$278K (56% budgeted). This is due to a significant increase in income from Exhibitor Booth (5420) of \$73K (+48%) vs. FY2023/24. The expenses associated with the AA/RP, albeit preliminary, are in line with the previous FY.
- Total Membership (5100) and Active Membership (5105) income increased \$12K (+13%) and \$6K (+9%) vs. FY2023/24, respectively. Both metrics exceed the anticipated increase from the 3% dues increase. Total and Active Membership income is on-track with FY2023/24 and the budget.
- Educational programming income increased \$8K (+15%) vs. FY2023/24 and is on track with the budget.
- Corporate Sponsorship decreased \$16K (-48%) vs. FY2023/24 and is lagging behind the budget projection of \$45K (38% budgeted income). Of note, the \$25K Acurity check has not yet been delivered. Another corporate sponsorship was obtained this year (\$10K). The NYSCHP BOD is discussing the offerings of corporate sponsorship/membership.

Assets: Total Checking/Brokerage/MM/CD (excluding PAC funds) are \$1.46M (as of 1/31/25), indicating a \$411K (39%) surplus vs. FY2023/24 (= \$1.05M on 1/31/24). Total assets continue to trend upwards year-over-year. The Council's MM and CD accounts accrue 2.78% and 4.18% interest, respectively. The NYSCHP CD (\$366K), which includes funds from the SBA loan yields \$4K per quarter in interest income. PAC funds remain stable at \$49K, with some growth appreciated from interest income; as advised, PAC funds were invested in an interest bearing 6-month CD (initial deposit 5/17/24) and MM account (initial deposit 1/1/2025), which generates \$500-600 per quarter in interest income.

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 costs the organization ~ \$6,000 annually. 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 and will yield a net profit of 1.43% annually or ~ \$2K per year. The first payment on the SBA Loan was made in December 2022. Further, in November 2024, the Audit Committee recommended, considering the strong financial position of the organization, that the BOD 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; the Board declined this advice at this time.

General Assessment: The financial position of the NYSCHP is strong, with year-over-year growth appreciated. The CEO identified an 18-month Operating Income reserve as a goal several years ago (\$1.296M, based on FY2024/25 budget), a goal which has been realized: Excluding the PAC and SBA loan, current reserves are \$1.31M. New revenue streams have been identified (e.g., new educational programs, the Gala) and investment of funds into low-risk but moderate-yield interest-bearing accounts have been made. Funds have been 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, notably reliance on a successful AA (and industry support) and stability in membership which together constitute approximately 80% of the organization's income; this is not dissimilar to what many professional societies face. That said, growth trends in the AA and in Membership are highly encouraging and are indicators of the organization's health post-pandemic.

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. An external audit by Battaglia CPA is planned for this FY.

Recommendations: The Audit Committee recommends the following:

1. The NYSCHP has reached its goal of an 18-month reserve. We advise that this base be viewed as reserves. In future years, assuming continued growth, the surplus may be used to invest back into the Council to realize its mission (e.g., to promote development of the leadership pipeline, growing the membership pipeline, lobbyist contract, etc.), as directed by the BOD.
2. As previously advised, in advance of the AA, 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. 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.
4. 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*

Bruce A. Pleskow, NYSCHP Audit Committee Co-Chair

**NYSCHP Audit Committee: Date- 11/3/2025**

Membership: William Prescott (Chair), Bruce Pleskow (Co-Chair), Shaun Flynn, Leila Tibi-Scherl, Nicole Cieri-Hutcherson, Tim Hutcherson, Melissa Guertin (Cap Hill), James Whitehead (Cap Hill)

Not in attendance: Travis Dick

**Profit & Loss:** The committee reviewed Profit/Loss statements for FY2024/25 ending August 31, 2025, vs. August 30, 2024. Total Income (Revenue) in FY2024/25 was \$1.1M with \$83K positive variance year-over-year (8%), while Total Expense in FY2024/25 was \$761K which reflected essentially no change (\$2K lower) as compared to the previous FY. FY2024/25 produced Net Income of \$397K, exceeding FY2023/24 by \$88K (28% increase) and the budgeted surplus of \$44K by \$353K. The Net Profit Margin in FY2024/25 was 36%; a “healthy margin” is 10% or higher and a “high-margin” is 20% or higher. The Expense-to-Revenue ratio in FY2024/25 was 69% (target 60-80%), also indicative of financial health.

Revenue has historically been reported by four major categories accounting for >90% of income: Annual Assembly (AA) including Residency Program (RP) = 51% (unchanged from 49% in FY2023/24), Membership = 21% (unchanged from 20% in FY2023/24), Educational Programming = 15% (increased from 11% in FY2023/24 and 6% in FY 2022/2023), and Corporate Sponsorship = 3% (decreased from 7% in FY2023/24) which actually represents a greater percentage as the AA receives considerable industry support. The major expenses incurred by the NYSCHP are in the form of general administration which includes salaries (\$264K, 35%), the AA/RP (\$232K, 31%), and the CHMS management fee (\$150K, 20%), all of which were +/- 5% vs. FY2023/24. As compared to FY2022/23, the FY2024/25 end-of-year financial report indicated:

- **Annual Assembly/Residency Program:** As previously noted by this committee, the profitability of this event is critical to the future financial well-being of the organization. This FY, AA/RP income increased \$59K (11%) to \$568K, exceeding the budgeted amount by \$73K. This was driven by, for the third consecutive year, a significant increase in income from exhibitor booth (5420), growing \$55K (16% increase vs. FY2023/24)—Profitability of the AA/RP relies on industry support, which accounted for 69% of AA/RP income. Second, registration income (5410) increased \$6K (8%), accounting for 14% of the AA/RP income. Expenses associated with the AA/RP decreased by 7% in FY2024/25, despite an increase in audio-visual (AV) costs of \$12K (31%) which represented 21% of AA/RP costs and 6.5% of total NYSCHP expenses in FY2024/25: An analysis of AV costs indicated an increase of 31% year-over-year and 238% from 2022. The mobile app costs \$8500; two years remain on this contract. Nevertheless, the net profit margin for the AA/RP is very high at 59%, with increases in AV costs offset by decreases in food/beverage and RP expenses. There is at least one professional pharmacy organization that has reduced its reliance on AV costs (AACP)—while eliminating this line item would reduce expenses, it may not be well received by attendees which could affect future registration—this decision would rest with the NYSCHP BOD and the AA planning committee—they are considering options for reducing AV. The next contract with the Hilton will be negotiated this FY, at which time AV costs will be re-negotiated. The BOD is considering freezing AA registration costs, considering the financial position of the Council.

<b>NYSCHP AA Audio-Visual Costs</b>				
<b>Year</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Cost	\$49,757	\$38,029	\$19,312	\$14,724
% Change vs. Previous Year	30.8%	96.9%	31.2%	
% Change vs. Baseline	237.9%	158.3%		

All AA Expenses	\$215,369	\$216,675	\$177,043	\$173,919
% AV	23.1%	17.6%	10.9%	8.5%
All AA/RP Expenses	\$232,260	\$250,508	---	---
% AV	21.4%	15.2%	---	---
Total NYSCHP Expenses	\$761,131	\$782,718	\$624,044	\$567,751
% AV	6.5%	4.9%	3.1%	2.6%

- **Membership:** Income increased \$23K (19%) to \$230K, exceeding the budgeted amount by \$25K. This increase was attributed to both an increase in membership and dues. “Membership – Active” (5105), which increased \$32K (24%), represented 72% of total membership income. The recurring dues increase has had a positive impact on membership income. These data should be used in tandem with membership numbers to assess the health of the organization. The BOD is considering pausing the recurring dues increase in future FYs.
- **Educational programming:** Income increased \$60K (52%) to \$174K, exceeding the budgeted amount by \$76K. This was driven by a successful Oncology Program (5363) and Roundtables (5390), which netted \$41K (5% increase vs. FY2023/24) and 133K (79% increase vs. FY2023/24), respectively. The net profit margin for these events was extremely high at 76% and 91%, respectively.
- **Corporate Sponsorship:** Income decreased \$41K (-54%) to \$35K, with a budget shortfall of \$11K (line 5320). As before-mentioned, this is not a true reflection of corporate sponsorship. First, industry support accounted for 69% of AA/RP income (line 5420, “exhibitor booth”). Second, Roundtables (line 5390) exceeded budgeted revenue by 79%. Both line items may be reclassified under the heading of corporate sponsorship.
- **Miscellaneous:** One notable miscellaneous source of income is the Gala (5700), started in FY2023/24, yielded revenue of \$43K (\$25K net income, 58% net profit margin), exceeding the budgeted amount by \$18K. Second, interest/dividend income (5900) in FY2024/25 was \$38K, an increase of \$12K as compared to the previous FY, a reflection of wise investing of funds that strengthens the financial position of the NYSCHP.
- **Other:** “Other Income” (5800) was stable, with ACPE Program Accreditation (5865) constituting 51% of this category. This activity entails considerable staff resources, which are captured by the CHMS Management Fee (8010)—while time-intensive, this positions the NYSCHP to provide an important service to the chapters and its members. “Donations” (5850) were higher FY by \$4.5K (4784% increase)—the nature of this contribution is unclear, however, the NYSCHP does not need donations considering its financial situation—SF to investigate and consider moving to “other income” (line 5800).

**Assets:** Funds are readily accessible via the checking account, with investments in brokerage, Money-Market (MM) and interest-generating CDs: Total Checking/Brokerage/MM/CD are \$1.583M as of 8/31/25, a 35% increase from \$1.176M as of 8/31/24. The CD has a balance of \$673K (as of 8/31/25), generating 4.43% interest. The PAC remains stable. As advised, these funds were invested into an MM account (\$7K) and CD (\$40K), with \$1K residing in a more readily accessible operating account; the CD is generating 4.91% interest and generated approximately \$2K in revenue during FY2024/25. This Audit Review found a significant surplus of \$397K (vs. \$353K budgeted gain) – this was driven by increased income (\$83K greater than FY2023/24 and \$200K greater than budgeted amount) while expenses were \$103K less than what was budgeted. SF expressed an interest in accounting for projected revenue from investments; JW indicated few organizations do this, and Audit Committee advised against budgeting for projected investment gains, maybe with the exception of CD income.

**Liabilities:** The primary liability for the NYSCHP, as of 8/31/25, was the Small Business Association (SBA) Loan of \$149,900 which carries a 2.75% interest rate, cost the organization ~ \$25,000 since FY2021/22, including \$4K in FY2024/25. The audit committee previously advised 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—instead, the BOD opted to pay off the SBA load (effective date of 10/20/25)—considering the strong financial position of the NYSCHP, this decision is justified. Considering this, the total liabilities of the NYSCHP are now <\$10K.

General Assessment: The financial condition of the NYSCHP is very strong. New revenue streams have been identified, and reserves have been wisely invested into low-risk but moderate-yield interest-bearing accounts. As previously noted, increasing the staffing support through CHMS was wise considering the workload associated with the organization, and one that the NYSCHP is financially positioned to make. Further, reinstatement of the chapter dues reimbursements is a strategic move the NYSCHP is positioned to make (7274). 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. 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 (\$1.141M, based on FY2024/25 expenditures) – reserves at the end of FY2024/25, excluding PAC, were \$1.583M (less the \$150K SBA payoff), exceeding 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 attention this FY: (1) Line 7400 (Annual Assembly Expenses – Other) = \$14.4K representing a \$9.2K (56%) increase vs. FY2023/24. (2) Line 7820 (ASHP – Other) = \$2.5K representing a \$1.5K (166%) increase vs. FY2023/24—this is travel per SF and may be classified as such. (3) Line 5850 (Donations): SF to investigate and consider moving to “other income” (line 5800).

Recommendations: The Audit Committee is recommending the following:

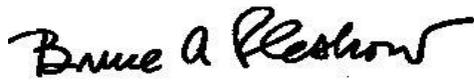
1. Create a FY2025/25 Budget that is “balanced” with income/expense in line with actual for FY2024/25. Expense budgeting has historically been highly accurate, while income budgeting is generally conservative. In 2024/25, the budgeted net income was \$44K, which was approximated a \$350K underestimate.
2. The BOD and AA Planning Committee should consider 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).
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 reinvesting into mission-critical areas and/or continuing funds to advance the mission of the Research and Education Foundation (REF). This could be in the form of an endowment, with investment income allocated to REF on a recurring basis to support their mission, which provides value to the NYSCHP membership. Advise a collaborative approach between the BOD and REF leadership.
4. Consider transferring funds from the MMKT account (1007) to the CFS Group (Brokerage) account to maximize the ROI.

5. Address items identified by Battaglia CPA in August 2025 (e.g., membership dues—cash basis which is more common vs. accrual as advised by Battaglia CPA). Regarding membership, the Audit Committee supports a cash basis approach, despite Battaglia CPA advisement. Battaglia CPA will audit every other year, next date FY ending August 31, 2027. 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

*NEW YORK STATE COUNCIL OF  
HEALTH-SYSTEM PHARMACISTS*

*FINANCIAL STATEMENTS*

*AUGUST 31, 2024*

*NEW YORK STATE COUNCIL OF HEALTH-SYSTEM PHARMACISTS*

*TABLE OF CONTENTS*

*AUGUST 31, 2024*

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	<b><u>Page</u></b>
Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-13

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NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
New York State Council of  
Health-System Pharmacists  
Albany, NY

### Qualified Opinion

We have audited the accompanying financial statements of New York State Council of Health-System Pharmacists (a nonprofit organization), which comprise the statement of functional position as of August 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, except for the effects of the membership dues recorded under the cash method of accounting described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of New York State Council of Health-System Pharmacists as of August 31, 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Qualified Opinion

As more fully described in Note 7 to the financial statements, the Organization records membership dues under the cash method of accounting. Accounting principles generally accepted in the United States of America require membership dues to be recorded on the accrual basis of accounting. The effects on the accompanying financial statements of the failure to record the membership dues on the accrual basis has not been determined.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New York State Council of Health-System Pharmacists and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Responsibilities of Management for the Financial Statements

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about New York State Council of Health-System Pharmacists's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 New York State Council of Health-System Pharmacists's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about New York State Council of Health-System Pharmacists's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



**BATTAGLIA & ASSOCIATES, CPA'S PLLC**

Halfmoon, New York  
July 24, 2025

**NEW YORK STATE COUNCIL OF HEALTH-SYSTEM PHARMACISTS**

STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2024

---

**ASSETS**

Current Assets	
Cash and Cash Equivalents	\$ 1,011,319
Accounts Receivable	6,236
Prepaid Expenses	<u>23,992</u>
Total Current Assets	1,041,547
Furniture and Equipment, Net	932
Investments	<u>213,129</u>
Total Assets	<u><u>\$ 1,255,608</u></u>

**LIABILITIES AND NET ASSETS**

Current Liabilities	
Accounts Payable and Accrued Expenses	\$ 2,677
Current Portion of Long-Term Debt	<u>3,488</u>
Total Current Liabilities	<u>6,165</u>
Long-Term Liabilities	
Long-Term Debt, Net of Current Portion	<u>150,859</u>
Net Assets	
Without Donor Restrictions	1,050,022
With Donor Restrictions	<u>48,562</u>
Total Net Assets	<u>1,098,584</u>
Total Liabilities and Net Assets	<u><u>\$ 1,255,608</u></u>

**NEW YORK STATE COUNCIL OF HEALTH-SYSTEM PHARMACISTS**

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED AUGUST 31, 2024

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	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Revenue:			
Membership Dues	\$ 281,821	\$ -	\$ 281,821
Registration Fees	509,586	-	509,586
Educational Program Revenue	114,657	-	114,657
Other Income	64,810	-	64,810
Gross Special Event Revenue	54,450	-	54,450
Less: Cost of Direct Benefits	<u>17,030</u>	<u>-</u>	<u>17,030</u>
	37,420	-	37,420
Investment Income	44,225	495	44,720
Net Assets Released from Restrictions	<u>100</u>	<u>(100)</u>	<u>-</u>
Total Revenue	<u>1,052,619</u>	<u>395</u>	<u>1,053,014</u>
Expenses:			
Program Services	533,066	-	533,066
Management and General	<u>210,158</u>	<u>-</u>	<u>210,158</u>
Total Expenses	<u>743,224</u>	<u>-</u>	<u>743,224</u>
Increase in Net Assets	309,395	395	309,790
Net Assets, Beginning of Period	<u>740,627</u>	<u>48,167</u>	<u>788,794</u>
Net Assets, End of Period	<u>\$ 1,050,022</u>	<u>\$ 48,562</u>	<u>\$ 1,098,584</u>

**NEW YORK STATE COUNCIL OF HEALTH-SYSTEM PHARMACISTS**

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2024

	<b>Program Services</b>	<b>Management and General</b>	<b>Cost of Direct Benefit to Donors</b>	<b>Total</b>
Salaries	\$ 100,374	\$ 82,124	\$ -	\$ 182,498
Payroll Taxes	7,321	5,990	-	13,311
Employee Benefits	8,328	6,813	-	15,141
Contracted Services	95,748	78,340	-	174,088
Cost of Direct Benefits to Donors	-	-	17,030	17,030
Credit Card and Bank Fees	13,562	11,096	-	24,658
Depreciation	128	105	-	233
Dues and Subscriptions	5,809	4,752	-	10,561
Educational Program Expense	14,170	-	-	14,170
Insurance	1,832	1,499	-	3,331
Interest	2,850	2,332	-	5,182
Meetings and Conferences	269,637	6,220	-	275,857
Miscellaneous	254	208	-	462
Office Expense	5,468	4,474	-	9,942
Professional Fees	2,510	2,054	-	4,564
Supplies	3,009	2,461	-	5,470
Travel	<u>2,066</u>	<u>1,690</u>	<u>-</u>	<u>3,756</u>
Total Expenses	<u>533,066</u>	<u>210,158</u>	<u>17,030</u>	<u>760,254</u>
Less Expenses Included with Revenues on the Statement of Activities				
Cost of Direct Benefits to Donors	<u>-</u>	<u>-</u>	<u>(17,030)</u>	<u>(17,030)</u>
Total Expenses Included in the Expense Section on the Statement of Activities	<u>\$ 533,066</u>	<u>\$ 210,158</u>	<u>\$ -</u>	<u>\$ 743,224</u>

**NEW YORK STATE COUNCIL OF HEALTH-SYSTEM PHARMACISTS**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2024

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Increase in Net Assets	\$ 309,790
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided By (Used In) Operating Activities	
Depreciation	233
Realized Gain on Investments	(1,262)
Unrealized Gain on Investments	(19,965)
Increase in Assets	
Accounts Receivable	(6,130)
Prepaid Expense	(235)
Decrease in Liabilities	
Accounts Payable and Accrued Expenses	(3,115)
Deferred Revenue	<u>(8,000)</u>
Net Cash Provided By Operating Activities	<u>271,316</u>
Cash Flows Provided By (Used In) Investing Activities	
Purchase of Furniture and Equipment	(1,165)
Purchase of Investments	(23,286)
Proceeds from Sales of Investments	<u>20,174</u>
Net Cash Used In Investing Activities	<u>(4,277)</u>
Cash Flows Used In Financing Activities	
Long-Term Debt Repayments	<u>(2,510)</u>
Increase in Cash and Cash Equivalents	264,529
Cash and Cash Equivalents, Beginning of Period	<u>746,790</u>
Cash and Cash Equivalents, End of Period	<u>\$ 1,011,319</u>

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Organization*

The New York State Council of Health-System Pharmacists (The “Council”) represents New York State pharmacists who practice in ambulatory, long term, managed, home and acute care settings. The mission of the Council is to represent its members and advance pharmacy as an essential component of health care.

*Basis of Presentation*

The financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, Not-for-Profit Entities, Presentation of Financial Statements. During 2018, the Association adopted the provisions of Accounting Standards Update (“ASU”) 2016-14: Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities, which improves the current net asset classification and the related information presented in the consolidated financial statements and notes about the Organization’s liquidity, financial performance, and cash flows.

*Use of Estimates*

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Cash and Cash Equivalents*

Cash and cash equivalents consist of cash held in demand deposit bank accounts.

*Accounts Receivable*

The Council utilizes the allowance method to determine the allowance for doubtful accounts. At August 31, 2024 management determined no allowance was necessary based upon their review of the specific receivables and prior history.

*Furniture and Equipment*

Furniture and equipment are stated at cost. Maintenance and repairs are charged to operations when incurred. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any gain or loss is included in the change in net assets. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to seven years.

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Investments*

Investments are stated at estimated fair value. Realized and unrealized gains and losses, interest, and dividends on investments are recorded as net assets without donor restrictions unless such amounts are restricted by the donor or by law. Investments received as gifts are recorded at the estimated fair value at the date of the gift. Investments are classified based on their original maturities. Investments with original maturities of less than 12 months are classified as short-term investments.

*Income Taxes*

The Council is a not-for-profit organization that is exempt from income taxes under §501(c)(6) of the Internal Revenue Code. The Council is not classified as a private foundation. The Council currently has no unrelated business income, and accordingly, no provision for income tax has been recorded.

*Fair Value Measurement*

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in effort to make the measurement of fair value more consistent and comparable. The Council has adopted this standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

*Fair Value Measurement* defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e., an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

**Level 1: Quoted prices in active markets for identical securities.**

*Common stock and exchange traded funds* - Valued at the closing market price on the stock exchange where they are traded.

*Bank certificates and money market accounts* - Composed of bank certificates and money market mutual funds invested in various financial institutions. The money market funds seek to maintain a stable net asset value (“NAV”) of \$1. Funds invested in bank certificates are valued based on value of deposited funds and net interest earnings less withdrawals and fees, if any.

The Council’s investments are valued using Level 1 inputs.

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Fair Value Measurement (Continued)*

**Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)**

The Council currently has no assets or liabilities that are measured using Level 2 inputs.

**Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).**

The Council currently has no assets or liabilities that are measured using Level 3 inputs.

*Revenue Recognition*

Revenue from Exchange Transactions: The Council recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contract or similar arrangements and establishes a performance obligation approach to revenue recognition. The Council records the following exchange transaction revenue in its statement of activities and changes in net assets for the year ending August 31, 2024:

Special fundraising event revenue: The Council conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event - the exchange component, and a portion represents a contribution to the Council. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Council. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Council, are recorded as costs of direct donor benefits in the statement of activities and changes in net assets. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Council. FASB ASU 2014-09 requires allocation of the transaction price to the performance obligation(s). Accordingly, the Council separately presents in its statement of activities and changes in net assets the exchange and contribution components of the gross proceeds from special events.

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Functional Allocation of Expense*

The costs of providing the various programs and supporting services have been summarized within the statements of functional and other expenses. Most expenses can be directly attributed to the program of supporting functions. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Costs are allocated based upon the relative time spent by the Council providing those services.

*Subsequent Events*

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through July 24, 2025, the date the financial statements were available to be issued. No such events or transactions were identified.

**2. LIQUIDITY AND AVAILABILITY OF FUNDS**

The Council's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

Cash	\$ 962,757
Accounts Receivable	6,236
Investments	<u>213,129</u>
Total Financial Assets Available to Meet General Expenditures Within the Next 12 Months	<u><u>\$ 1,182,122</u></u>

**3. CONCENTRATION OF CREDIT RISK**

The Council's cash deposits exceeded the Federal Deposit Insurance Corporation limits at various times during the fiscal year ended August 31, 2024. The Council believes it is not exposed to any significant credit risk on its cash balances.

**NEW YORK STATE COUNCIL OF HEALTH-SYSTEM PHARMACISTS**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AUGUST 31, 2024

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**4. FURNITURE, FIXTURES, AND EQUIPMENT**

Furniture, fixtures, and equipment consists of the following at August 31, 2024:

Computer Equipment	\$	21,225
Office Equipment		<u>9,650</u>
Total		30,875
Less: Accumulated Depreciation		<u>(29,943)</u>
	\$	<u><u>932</u></u>

Depreciation expense was \$233 for the year ended August 31, 2024.

**5. INVESTMENTS**

Investments that are measured at fair value on a recurring basis are comprised of the following at August 31, 2024:

	<u>Level 1</u>	<u>Total Fair Value</u>	<u>Total Cost</u>	<u>Unrealized Gain</u>
Money Market Accounts	\$ 4,410	\$ 4,410	\$ 4,410	\$ -
Exchange Traded Funds	<u>208,719</u>	<u>208,719</u>	<u>186,050</u>	<u>22,669</u>
Total	<u>\$ 213,129</u>	<u>\$ 213,129</u>	<u>\$ 190,460</u>	<u>\$ 22,669</u>

Investment income consists of the following for the year ended August 31, 2024:

Interest and Dividend Income	\$	26,056
Realized Gain on Investments		1,262
Unrealized Gain on Investments		19,965
Investment Fees		<u>(2,563)</u>
	\$	<u><u>44,720</u></u>

**6. LONG-TERM DEBT**

*Economic Injury Disaster Loan*

In June 2020, the Council borrowed \$150,000 from the Small Business Administration (SBA). Interest is at 2.75%, payable in monthly installments, including principal and interest of \$641. Payments begin 30 months from the date of the original promissory note, with the balance of principal and interest payable 30 years from the date of the promissory note. Accrued interest totaled \$4,347 as of August 31, 2024. This note is collateralized by substantially all the working assets of the Council.

A summary of long-term debt maturing by year is as follows:

2025	\$	3,585
2026		3,685
2027		3,788
2028		3,893
2029		4,002
Thereafter		<u>135,394</u>
	\$	<u><u>154,347</u></u>

**7. MEMBERSHIP DUES**

Accounting principles generally accepted in the United States of America require that membership dues receivable be recorded for dues billed and not yet received, and deferred membership dues revenue be recorded for dues received for services to be provided in future periods. The Council records its membership dues revenue on a cash basis when received, the effect of this departure from the accrual basis of accounting has not been determine.

**8. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods:

Expenditures for a Specific Purpose	
Political Donations	<u><u>\$ 48,562</u></u>

**9. NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by donors as follows:

Satisfaction of Restriction

Political Donations

\$ (100)

**10. RETIREMENT PLAN**

The Council adopted a defined contribution plan (401k) effective March 1, 2018. Employer contributions for the year ending August 31, 2024 were \$15,141.

# BATTAGLIA & ASSOCIATES

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CERTIFIED PUBLIC ACCOUNTANTS

July 24, 2025

To the Board Members  
New York State Council of  
Health-System Pharmacists  
Albany, New York

We have audited the financial statements of the New York State Council of Health-System Pharmacists for the year ended August 31, 2024, and have issued our report thereon dated July 24, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 17, 2024. Professional standards also require that we communicate to you the following information related to our audit.

## **SIGNIFICANT AUDIT FINDINGS**

Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. We noted no transaction entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

## **DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

## **CORRECTED AND UNCORRECTED MISSTATEMENTS**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

## **DISAGREEMENTS WITH MANAGEMENT**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

## **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated July 24, 2025.

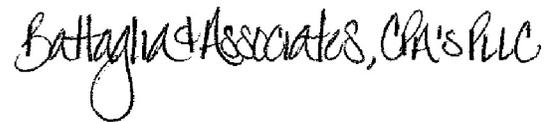
## **MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

## **OTHER AUDIT FINDINGS OR ISSUES**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board Members and management of the Organization and is not intended to be and should not be used by anyone other than these specific parties.

A handwritten signature in black ink that reads "Battaglia & Associates, CPA's PLLC". The signature is written in a cursive, flowing style.

**BATTAGLIA & ASSOCIATES, CPA'S PLLC**

# BATTAGLIA & ASSOCIATES

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MEMBERS OF:  
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CERTIFIED PUBLIC ACCOUNTANTS  
AND  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors  
New York State Council of  
Health-System Pharmacists

In planning and performing our audit of the financial statements of the New York State Council of Health-System Pharmacists ("Council") as of and for the year ended August 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Council's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.

Our consideration of internal control was of the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify and deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Council's internal control to be significant deficiencies:

## Client Preparation of Complete Financial Statements in Accordance with GAAP

During 2009, Statement on Auditing Standards #115 (SAS 115) became effective. This standard requires the auditors to evaluate if the Organization has the ability to prepare a complete set of financial statements and related footnote disclosures in accordance with generally accepted accounting principles (GAAP). For the most part, non-profit entities do rely to some degree on their auditors assisting in this preparation. We believe the Council would likewise not currently have the ability to prepare the financial statements without assistance from our firm. Although computerized accounting software can assist in maintaining a complete general ledger and internal financial reports, GAAP also requires extensive footnote disclosures. We therefore believe that the reports currently prepared by management are not sufficient to meet the criteria of the current SAS 115 standards.

We recommend that the Council continue its efforts to improve its accounting and reporting systems. The addition of new staff or new Board members with the ability to meet the strict criteria of this auditing standard may not be practical or cost effective; however, the goal to continue to improve the current system should be ongoing.

**Other Recommendations Not Considered Significant Deficiencies**

Current Year Comments

*Accrual Accounting Entities*

During the current audit we noticed that accrual type entries were not always recorded throughout the year. Specifically, items such as prepaids, receivables and payables should be recorded when the information is available throughout the year.

We recommend that accrual type entities be posted as part of the routine monthly closings. The importance of up-to-date financial information presented on an accrual basis is critical to management's ability to monitor the financial status of the Council, including the utilization of monthly budget to actual reports.

This information is intended solely for the use of Board Members and others within the Organization and is not intended to be, and should not be, used by anyone other than these specific parties.

*Battaglia & Associates, CPA's PLLC*

**BATTAGLIA & ASSOCIATES, CPA'S PLLC**

Halfmoon, New York  
July 24, 2025