

2023 Report of the ASHP Treasurer

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The Treasurer has the responsibility to report annually on ASHP's financial condition to the membership. ASHP's fiscal year is from June 1 through May 31, coinciding with our policy development process and timetable. This report describes ASHP's actual financial performance for fiscal year FY2022, projected financial performance for FY2023, and an FY2024 budget status update.

Fiscal Year 2022 Ending May 31, 2022—Actual

ASHP's FY2022 financial statement audit for the year ending May 31, 2022, was performed by Aronson LLC. The audit resulted in ASHP receiving the best opinion available, an unmodified opinion.

ASHP's core operations¹ were impacted by the lingering effects of COVID-19. Core gross revenue was \$43.8 million (Figure 1), down by \$7.1 million compared to FY2021. The gross revenue decrease was primarily attributable to the Midyear Clinical Meeting & Exhibition (MCM) being held as a virtual meeting with significantly reduced registration pricing and a decrease in paid registration. This was favorably offset by successes in other areas. ASHP achieved a record number of members at 60,315 on December 31, 2021, with a related increase in membership revenue. We also showed record revenue from our professional certificates, certifications programs, and accreditation services. In addition, ASHP was awarded a Health and Human Services Administration grant to advance the well-being of the healthcare workforce. Core net income was a loss of \$4.15 million. Net program development, capital budget, and investments² were a net loss of \$4.2 million. In total, FY2022 resulted in a negative \$8.4 million net change in ASHP's reserves/net assets.

Finally, the building fund³ had a loss of \$8.7 million, primarily due to investment losses. With significant positive returns in previous years, the building fund remains on track to continue supporting ASHP's office space expenses and reach its long-term financial target. ASHP's total net assets at the end of FY2022 were \$137.0 million (Figure 2). Our year-end balance sheet remained strong, with an asset-to-liability ratio of 5.4:1. ASHP has prepared for tough economic times like these and remains well prepared for the future.

¹Represents the revenue and expense associated with the operations of ongoing ASHP programs, products, and services, as well as infrastructure and ASHP Foundation support.

²Includes investments in ASHP's program development and capital budget, building sale reserve funds, reserves/net assets spending, and investment gains/(losses). The Board of Directors approves spending during ASHP's annual budget development process. Expenditures are typically (1) associated with new, enhanced, and expanded programs; (2) associated with time-limited programs; (3) capital asset purchases; or (4) supplemental operating expenses. These expenditures are primarily funded by investment income from reserves/net assets and the building sale reserve funds.

³Created to hold the net gain from the sale of ASHP's previous headquarters building. The long-term investment earnings are used to pay for lease and other occupancy-related expenses associated with ASHP's current headquarters office.

Report of the ASHP Treasurer

Fiscal Year 2023 Ending May 31, 2023—Projected

Fiscal year 2023 core operations are shaping up to be a record year, with projected core gross revenue of \$57.8 million. As of February 28, 2023, we anticipate that ASHP's FY2023 core net income will be in the range of \$2.2 million (Figure 1). Assuming the financial markets stabilize for the remainder of the fiscal year, we are projecting a deficit of \$2.6 million for program development expenses, capital budget, and investments. This results in a negative net change in reserves/net assets of \$337,000. Finally, we anticipate the building fund will have a deficit of \$4.6 million.

Combining the net change in reserves/net assets and the building fund for fiscal years 2021, 2022, and projected 2023, ASHP has a favorable \$3.2 million net change in reserves/net assets. ASHP has performed financially well during the nearly three-year pandemic and remains financially strong for the future.

ASHP accomplished a great deal during FY2023, including maintaining a strong and active membership, conducting a robust in-person MCM after two years of virtual meetings, introducing new educational offerings in our professional certificate and publications lines, and developing and introducing PharmTech Ready to help address the current technician workforce shortage. In addition, we launched the new Section of Digital and Telehealth Practitioners to address this growing area of pharmacy practice, and we created the ASHP Leadership Center to help members achieve their full clinical and administrative leadership capacity.

ASHP's robust membership provides evidence of our value to and our impact on the pharmacy profession. ASHP is the largest and most influential professional pharmacy organization in the United States and maintains a steadfast commitment to meeting the evolving and unique needs of our members throughout every stage of their professional journeys.

Fiscal Year 2024 Ending May 31, 2024—Budget

ASHP's Board of Directors has thoughtfully considered our FY2024 budget. We are seeing strong growth in FY2024 and beyond. There are many positive signs for the future now that the COVID-19 pandemic is abating.

We look forward to continuing to grow our in-person MCM and Summer Meetings, expanding our membership, and achieving many successes as we invest in and nurture our publications, professional development, accreditation, and other programs. As our workforce evolves and changes, the Board of Directors continues to position ASHP for the future to ensure we can support our members and the profession with timely, valuable resources, products, and services.

Considering these and other factors, ASHP's FY2024 budgeted net change in reserves/net assets is a surplus of \$243,000, with \$59.7 million in core gross revenue. The building fund, which is designed to pay for ASHP's headquarters office space, is budgeted to break even.

Conclusion

Over the past three years, ASHP has maintained a remarkable level of financial stability and membership growth. Sound fiscal management, coupled with visionary strategic thinking, have

Report of the ASHP Treasurer

guided the development of a growing portfolio of products, programs, and services that advance practice, support professional development, and improve patient care. We take pride in our robust and diverse membership and the positive impact our work has on our profession each and every day. The Board of Directors, Chief Executive Officer, and staff are steadfastly committed to ASHP's mission, vision, and strategic plan and supporting our members. We look forward to another successful year, and I am proud to serve this organization as your Treasurer!

Figure 1. ASHP Condensed Statement of Activities (in thousands)

	Actual Fiscal Year 2021 Ended May 31, 2021	Actual Fiscal Year 2022 Ended May 31, 2022	Projection* Fiscal Year 2023 Ended May 31, 2023	Budget Fiscal Year 2024 Ended May 31, 2024
CORE OPERATIONS				
Gross Revenue	50,915	43,848	57,840	59,660
Total Expense	(45,541)	(47,996)	(55,594)	(59,657)
CORE NET INCOME/(LOSS)	5,374	(4,148)	2,246	3
NET PROGRAM DEVELOPMENT EXPENSES, CAPITAL BUDGET, AND INVESTMENTS GAIN/(LOSS)				
	9,862	(4,227)	(2,583)	240
Pension Plan Adjustment	(3,911)	-	-	-
NET CHANGE IN RESERVES/NET ASSETS	11,325	(8,375)	(337)	243
BUILDING FUND	13,841	(8,671)	(4,551)	-

*Projection as of February 28, 2023.

Figure 2. ASHP Statement of Financial Position (in thousands)

	Actual as of May 31, 2021	Actual as of May 31, 2022
ASSETS		
Current assets	22,863	12,496
Fixed assets	5,708	4,644
Investments	157,818	150,601
Other assets	410	478
Total Assets	186,799	168,219
LIABILITIES		
Current liabilities	23,205	22,615
Long-term liabilities	9,500	8,556
Total Liabilities	32,705	31,171
RESERVES/NET ASSETS		
Total Net Assets	154,094	137,048
Total Liabilities and Net Assets	186,799	168,219