

2024 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 FY2023, projected financial performance for FY2024, and an FY2025 budget status update.

Fiscal Year 2023 Ending May 31, 2023—Actual

ASHP's FY2023 financial statement audit for the year ending May 31, 2023, was performed by Aprio, LLP. The audit resulted in ASHP receiving the best opinion available, an unmodified opinion.

ASHP's core operations¹ experienced a strong post-COVID recovery. Core gross revenue was \$58.8 million (Figure 1), up by \$15.0 million compared to FY2022. The gross revenue increase was primarily attributable to the Midyear Clinical Meeting & Exhibition (MCM) being held in person versus a virtual meeting during FY2022. In addition, we held the Summer Meetings for the first time after a two-year hiatus due to COVID and had successes with membership, *American Journal of Health-System Pharmacy (AJHP)*, special publishing, professional certificates, accreditation services, and the Health and Human Services Administration grant. Core net income was a surplus of \$4.4 million. Net program development, capital budget, and investments² were a net loss of \$1.9 million, which is attributable to short-term investment losses. In total, FY2023 resulted in a favorable \$2.5 million net change in ASHP's reserves/net assets.

Finally, the building fund³ had a loss of \$4.9 million, primarily due to short-term 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 FY2023 were \$134.6 million (Figure 2). Our year-end balance sheet remained strong, with an asset-to-liability ratio of 3.95:1. ASHP 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.

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Fiscal Year 2024 Ending May 31, 2024—Projected

Fiscal year 2024 core operations are shaping up to have another record year, with projected core gross revenue of \$61.0 million. As of February 29, 2024, we anticipate that ASHP's FY2024 core net income will be in the range of \$1.7 million (Figure 1). Assuming the financial markets remain steady for the remainder of the fiscal year, we are projecting a deficit of \$443,000 for program development expenses, capital budget, and investments. This deficit is primarily due to ASHP's current year \$1.5 million investment in a national public awareness campaign to educate the public about the roles of pharmacists and pharmacy personnel in hospitals, health systems, and clinics. This results in a projected positive net change in reserves/net assets of \$1.3 million. Finally, we anticipate the building fund will have a surplus in the range of \$17,000.

ASHP accomplished a great deal during FY2024, including maintaining a strong and active membership and launching The Pharmacy Technician Society (TPTS), a stand-alone 501(c)6 membership organization for pharmacy technicians. Initial interest and engagement with TPTS has been strong. The aforementioned national public awareness campaign launched to a strong positive reaction. We continue to build back our in-person meetings and remain at the forefront of pharmacy training and education.

ASHP's engaged and growing membership is a testament to our efforts to help pharmacy practitioners address today's most pressing challenges and prepare for dynamic changes ahead. As the largest and most influential professional pharmacy organization in the United States, ASHP remains dedicated to addressing the individualized and evolving needs of our members in every practice setting and at every step of their careers.

Fiscal Year 2025 Ending May 31, 2025—Budget

ASHP's Board of Directors has thoughtfully considered our FY2025 budget. There are many positive signs for the future.

We look forward to continuing to grow our MCM and Pharmacy Futures meeting (formerly the 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 and valuable resources, products, and services.

Considering these and other factors, ASHP's FY2025 budgeted net change in reserves/net assets is a deficit of \$559,000, with \$60.4 million in core gross revenue. The deficit is primarily attributable to ASHP's continued investment in the national public awareness campaign. The building fund, which is designed to pay for ASHP's headquarters office space, is budgeted to have a \$323,000 surplus.

Conclusion

As ASHP works to support our members, the profession, and the patients we serve through this transformative era, we have experienced sustained financial stability and membership growth. ASHP proudly represents the diversity and vibrancy of the pharmacy profession. Effective financial stewardship, innovative thinking, and a collaborative spirit ensure that we have a strong pipeline of products, programs, and services to enhance practice, foster career

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development, and most importantly, positively impact safe and effective medication use and improved patient outcomes. The Board of Directors, Chief Executive Officer, and staff are wholly dedicated 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 2022 Ended May 31, 2022	Actual Fiscal Year 2023 Ended May 31, 2023	Projection* Fiscal Year 2024 Ended May 31, 2024	Budget Fiscal Year 2025 Ended May 31, 2025
CORE OPERATIONS				
Gross Revenue	43,848	58,775	61,015	60,370
Total Expense	(47,996)	(54,384)	(59,295)	(60,367)
CORE NET INCOME/(LOSS)	(4,148)	4,391	1,720	3
NET PROGRAM DEVELOPMENT EXPENSES, CAPITAL BUDGET, AND INVESTMENTS GAIN/(LOSS)				
	(4,227)	(1,929)	(443)	(562)
NET CHANGE IN RESERVES/NET ASSETS				
	(8,375)	2,462	1,277	(559)
BUILDING FUND				
	(8,671)	(4,867)	17	323

*Projection as of February 29, 2024

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

	Actual as of May 31, 2022	Actual as of May 31, 2023
ASSETS		
Current assets	12,496	22,204
Fixed assets	4,644	3,851
Investments	150,601	141,424
Other assets	478	12,850
Total Assets	168,219	180,329
LIABILITIES		
Current liabilities	22,615	27,783
Long-term liabilities	8,556	17,903
Total Liabilities	31,171	45,686
RESERVES/NET ASSETS		
Total Net Assets	137,048	134,643
Total Liabilities and Net Assets	168,219	180,329