Treasurer's Report to the Board of Directors

Attached is a 2-page financial report showing actual figures for the three years 2009-2011, plus a column of projected figures for 2012. Actual results for 2011 are shown in the third column of figures from the left. The first page shows income and expenses for each time period shown. The second page shows our total assets, presented both by the accounts in which they are held and the funds to which they are allocated.

In 2011, the ASA took in $66,508 and spent $23,660, and thereby took in $42,848 more than we spent, as shown at the bottom of the first page. Two events involving the Azalea Research Fund that have a significant impact on the above figures were the receipt of $36,654 from the estate of the late Donald Moreland, and the payment of a total of $2,500 of the first two grants awarded by the ARF. Absent these two events, our total income would have exceeded total expenses by $8,694. Other key impacts on our financials for the year were the printing and paying for four issues of the Azalean during the year, which left us with one 2011 issue to pay for during 2012; increased membership for the first time in several years; and collection of advertising expenses from previous years.

During 2011 we changed the way we book interest income on our investments in bank CDs. We now accrue interest earned each year, rather than the previous method of booking all interest over the life of any CD when that CD matured or was prepaid. Previously, we understated our total assets by the amount of interest earned but not credited. The impact of this change was to increase income in 2011 by approximately $2,572 of "catch up" interest. We were forced to redeem the great majority of our CDs in January 2012, due to the failure of the bank at which they were held. The CDs were fully insured by the FDIC and we received all principal and interest through the date of the redemptions, but we were unable to earn the same interest rates on reinvesting funds that we had earned on the CDs that were redeemed.

As a result of the excess of income over expenses in 2011, our net assets increased by $36,499 during the year, from $108,682 at the end of 2010 to $145,181 at the end of 2011. This represents $42,848 income in excess of expenses, minus $6,350 paid to the family of George Harding that had been paid to the ASA to fund a garden in honor of one of the founders of the ASA. Our Operating Fund -- into which most membership dues, interest earned on the Endowment Fund, and most other forms of income go and from which we pay the ASA's expenses -- increased to $17,536 during 20110. Our General Endowment Fund increased to

$67,339 during the year. The ARF increased to $60,305, due to gifts and interest on invested funds, offset by the grants made during the year.

One concern in recent years is that our membership, excluding Agility and Lee gift members, was decreasing gradually. In 2011 we reversed that trend, at least temporarily, and increased our membership by approximately 30. It appears that our membership will decline for 2012 by approximately 40.

I have included a fourth column of figures in the attached financial report, which represents projected income and expenses for 2012. These figures assume no extraordinary or unusual events during the year and a continuation of trends of recent years. They are also based on the assumption that we will publish four issues of the Azalean during 2012, and thus remain one issue behind schedule. Based on the above, the projections for 2012 indicate a surplus of income over expenses of $1,700 for 2012.

Respectfully submitted,
Dan Krabill, Treasurer
May 4, 2012