

## 2013 ASA FINANCIAL STATEMENTS AND 2014 FINANCIAL PROJECTIONS

Attached as Table 1 are the ASA's Income Statement for the year 2013 and the Balance Sheet as of December 31, 2012 and December 31, 2013. The first column of figures on the Income Statement is presented on a consolidated basis for the ASA. It shows total income for the year of \$34,762, total expenses for the year of \$21,519, and income in excess of expenses was \$13,244. The Balance Sheet shows that total assets increased from \$159,232 to \$172,475 and that we had no liabilities at the end of 2012 or 2013. The great majority of the ASA's assets are investments. The total value of the Operating Fund was \$12,011, the value of the Endowment Fund was \$73,028, and the value of the Research Fund was \$87,437.

The consolidated financial statements are becoming less meaningful every year, because of the growth of the Research Fund whose assets may only be used for research grants and thus are not available for operating expenses and other purposes. Therefore, the ASA's Income Statement is presented in columns 2 and 3 of Table 1 broken into two segments, the ASA excluding the Research Fund and the Research Fund, respectively. Those columns are analyzed in the following paragraphs, and projections for 2014 are presented for the ASA excluding the Research Fund.

The ASA excluding the Research Fund had total income of \$20,864 and total expenses of \$21,519 in 2013, and thus incurred a net loss of \$654 for the year, as shown in column 2 of Table 1. The cost of editing, printing, and mailing *The Azalean* totaled \$17,778 during 2013, or 83 percent of expenses and nearly \$4,500 per issue. These figures include publishing and paying for four issues of *The Azalean* during 2013. At the end of 2013 we still owed our members one issue, as we fell one issue behind during 2010 and have not yet caught up. Dues income totaled \$16,137 in 2013, or 77 percent of total income. We experienced the benefit of the higher annual dues rate of \$30 for less than half of the dues payments received in 2013, as more than half of 2013 payments were received at the previous \$25 annual rate. Gift income totaled \$3,885 for the year, including \$1,185 of dues payments in excess of regular annual dues ("Excess Dues") and \$2,500 from the Oconee Chapter from the 2013 ASA Convention in Athens. Interest on investments totaled \$1,335, far less than in years as recently as 2011, due to lower interest rates available and the expiration and refunding of certificates of deposits taken out in earlier years

when interest rates were much higher. We also have not yet collected for the great majority of our advertisements in the Azalean, due to not billing advertisers during the year.

The Operating Fund, which is available for operating expenses, decreased by \$2,557 during the year to \$12,011, and the Endowment increased by \$1,903 to \$73,028. All earnings on the Endowment and Operating Funds go into the Operating Fund, as do all revenues except payments for Life Memberships. The above figures assume that the Finance Committee approves the movement of the \$1,185 in Excess Dues received during the year into the Operating Fund. Major purposes of the Endowment Fund include assuring that the ASA has sufficient funds available to pay for The Azalean and other services to life members throughout their lifetimes, and in general to assure that the ASA has a cushion to see it through any hard times. At present, we have 67 life members and one partial life member; at the new life membership rate of \$600, a generous estimate of our future obligation to life members is approximately \$40,500.

Projections for 2014 income and expenses of the Operating Fund plus the Endowment Fund, plus actual figures for the four years 2010 – 2013 are presented in Table 2. These figures assume no extraordinary or unusual events during the year and a continuation of trends of recent years with the following exceptions: regular dues income is projected to be more than \$2,500 higher than in any recent year due to the full effect of the regular dues increase to \$30 for the entire year; the assumption that we will publish five issues of the Azalean during 2014 and thus catch up on our publishing schedule; and invoicing and collection for advertising for all recent years during 2014; payments of \$1,000 for the Azalean editors to attend the annual convention; and payment by the ASA of \$1,000 of the prospective \$3,000 fee to be required if the ASA decides to file with the IRS for a “Group Exemption” to provide all of the chapters explicit tax-exempt status (see separate memorandum from Finance Committee). Based on the above, the projections for 2014 indicate a surplus of income over expenses of \$573, with the Operating Fund decreasing by \$928 and the Endowment fund increasing by \$1,500.

The Research Fund has grown steadily in recent years, from \$20,889 at the end of 2009 to \$87,437 at the end of 2013, as shown in Table 3. Gift income during 2013 totaled \$5,040, including \$2,500 from the Oconee Chapter from the 2013 ASA Convention. No research grants were funded during 2013, although a grant of \$2,000 was approved by the ARF Board during the year and funded in early 2014. The ARF had strong investment income during 2013, due

primarily to a return of \$8,700 on approximately \$10,000 of stock that was donated to the fund at the end of 2012.

Respectfully submitted,  
Dan Krabill, Treasurer  
March 27, 2014