

2019 ASA FINANCIAL STATEMENT

The ASA's Income Statement for the year 2019, Expenses for 2019, and its Balance Sheet as of December 31, 2018 and December 31, 2019 are presented in Tables 1A, 1B and 1C, respectively. Summaries for ASA CDs, as of December 31, 2019 are presented in Table 1D. Summaries for ASA Investments are presented in Table 1E. Consolidated income and expenses for the ASA for 2019 are presented in column 1 of Table 1A.

Income, Expenses and Donations

Total income for the year was \$26,899, total expenses were \$29,283; revenue exceeding expenses by \$2,384. If the **Azalea Research Fund (ARF)** is excluded, the net revenue is just \$666. It is significant that the 2019 winter issue of *The Azalean* was not published until January, 2020. The publication costs for that issue were \$4,347. In addition, the 2018 winter issue printing and mailing costs (\$2,292 & \$327 respectively) were included in the 2019 expenses. If those adjustments are made to the 2019 financials, there would have been a net loss of \$1,062. Additionally, a \$1,000 donation from the Northern Virginia Chapter, intended for 2019, was not made until February 2020, and thus is not reflected in the 2019 figures. Some additional factors:

- In 2019, the dues revenue was \$12,095 compared to \$19,490 for 2018. This is a huge difference. Details are discussed in the next section.
- Donations to the **General Fund** were \$2,065. Primary component was a \$500 donation from the **Louisiana Chapter** and several individual donations over \$100.
- Donations to the **Azalea Research Fund** were \$3,545. The largest component was a \$3,000 donation from the **Dolan Gardens Foundation**.

Membership

On March 1st, as per the ASA by-laws and reinforced at the 2016 BOD meeting, those members who had not yet renewed for 2020 were made inactive, and their access removed from the protected areas of the website. In addition, they will not be mailed any missed issues of *The Azalean* if they subsequently renew their membership. **One hundred forty-one** members were removed from the active rolls; our active membership was then 461. This is below the normal level of about 480-500 at March 1st. Further details are as follows:

- In 2018, we had 157 new members, representing \$3,525 in dues. Sixty-three of these new members (\$945 – ½ year memberships) were from the “Azaleas 101” session at the Little Rock convention. Nineteen of these members renewed for 2019 and fifteen renewed for 2020.
- In 2019, we had 80 members join. That is above our average number of 70.
- Renewals for 2020 are running behind the norm. As of February 20, 139 members had not yet renewed.
- From March 1st through March 23rd, 23 of the 2019 expired members renewed their membership.

In order to gain additional insight into the membership numbers, I performed an analysis of all the years for which I was treasurer, 2014-2019. For each of these years, I determined the number who had joined in the year, and the number who joined that year, but did not renew. The table below shows the results.

Year	Joined	Renewed	Not Renewed	% Not Renewed
2014	62	50	12	19%
2015	49	43	6	12%
2016	92	63	29	32%
2017	72	49	23	32%
2018	171	99	72	42%
2019	80	43	37	46%
Avg	88	58	30	31%

The average new members from 2014-2017 was 69. The average of those new members who did not renew was 24%. The year 2018 was an anomaly, as this was the year of the convention in Arkansas, where about 70 members joined as a result of the “Azaleas 101” part of the convention. For 2019, 46% of the new members did not renew. This is double the average of 2014-2017, and is a disturbing trend. The total membership as of March 23, 2020 is 488. In order to regain our membership of about 600 members, we will need 112 new members in 2020. This is about 40 members over and above our average. Clearly, as usual, a push to gain new members is sorely needed.

Endowment Fund (EF)

The total value of the Endowment Fund (EF) was \$67,515 at the end of 2018, and \$62,715 at the end of 2019. The endowment fund is a set-aside of assets to cover life membership dues as well as pre-paid dues for the coming years. The cost of a life membership for domestic members is \$600. This is based on an estimate that the life membership will need to cover dues not paid for approximately 20 years. There is no data at this point to backup that assumption. I tallied all the life members who joined prior to 1990 (24) and assessed their future obligation at \$600 each (\$14,400). This assumption is that those members who joined prior to 1990 will likely have no more than 20 years more of membership. The remaining 46 life members were assessed at \$900 each (\$41,400), assuming these are younger members and that they may have 30 years of membership yet to be covered by the EF. Adding these two set-asides (\$55,800) together with the pre-paid 2020 (\$5,295) and later (\$1,620) dues resulted in a total requirement for the EF of \$62,715.

Azalea Research Fund (ARF)

The total value of the Azalea Research Fund (ARF) was \$101,868 at the end of 2018, and \$105,708 at the end of 2019. The fund received donations of \$3,545 in 2019, and awarded \$10,000 in grants. The ARF is self-sufficient, and its goal has been to incur no expenses other than grants awarded.

The assets of the ARF, in addition to moneys donated and a 50/50 split in earned interest, are the two equities in the Schwab account, Ford Motor Corp (F), 1000 shares, and Ameriprise Financial (AMP), 100 shares. The per-share price of these equities was \$9.30 (F) and \$166.58 (AMP) respectively at the end of 2019. The total market value of these equities on 12/31/2019 was \$25,958. This is a significant improvement from their value at the end of 2018, which was \$18,087. Market value thus

increased \$7,871 in 2019. The value of the Ford stock increased by \$1,650 in 2019, and will be watched in 2020. If no significant additional improvement, it will be liquidated and turned into mutual funds. The Ameriprise shares have cycled up and down over the last five years, from a high of \$16,947 in 2017 to a low of \$10,437 in 2018. The 50/50 split of earned interest was \$2,424. Graphs of both F and AMP price fluctuations since acquisition are contained at the end of this report. Note that the long term trend on AMP is strongly up and F is consistently down.

Operating Fund (OF)

The operating fund is a computed value, based on the total Society assets less the ARF and EF. The total value of the Operating Fund (OF) was \$59,303 at the end of 2018, and \$75,269 at the end of 2019. The Operating Fund remains healthy, though caution is advised given the current membership trend. The end of year Operating Fund balance is sufficient to cover expenses for over three years without any additional revenue, or nineteen years if operating at a yearly deficit of \$4,000.

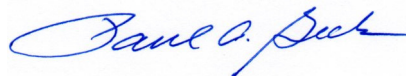
Assets and Liabilities

As shown in Table 1C, total assets and liabilities have increased from \$228,955 (2018) to \$243,716 (2019). The major component of the increase is due to the increase in end of year market prices, and to a smaller degree, the payment of fees for the 2019 winter issue of *The Azalea* in 2020. The mix of ASA assets was altered significantly in 2019, by moving \$85,000 from matured CDs into Schwab mutual funds. The ASA was given permission to invest in equities a couple of years ago, however the Finance Committee had opted to not use that option, and recommended investing in no-load mutual funds instead. In 2018, the treasurer was encouraged to move assets into no-load mutual funds. That process was started in October 2018, however several issues (bureaucratic/administrative) arose with converting the ownership of the Schwab investment account to the new treasurer and president. This process was finally completed in March 2019, and an initial \$25,000 mutual fund purchase was made in March, 2019 and an additional \$60,000 in May, 2019. The end of year balance for the mutual funds was up \$7,989 in eight months, or roughly 14% annualized gain. The decision to move into no-load mutual funds was a wise one. At this point, we are split between savings (\$24,641), CDs (\$80,296) and mutual funds (\$92,989) for the Society assets (not including the ARF, which is in two equities). There is no intention at this time to move any more assets into mutual funds.

Conclusion

The Society is financially healthy at this time, with a reasonable safety margin. Additional initiatives to increase membership are recommended.

Respectfully submitted,



Paul A. Beck, PhD, Treasurer
Azalea Society of America
February 20, 2020

Table 1A
ASA Receipts 2019 (\$)

	Consolidated	Operating + Endowment	Research
Azalean			
Advertising	2,515	2,515	
Back Issues	20	20	
Total Azalean	2,535	2,535	
Donations	5,610	2,065	3,545
Seed Exchange	828	828	
Dues			
Regular Dues	11,995	11,995	
Life Dues	100	100	
Total Dues Paid	12,095	12,095	
Interest			
CD Interest	1,751	876	875
Checking Account Interest	30	15	15
Savings Account Interest	87	43	44
Schwab Account Interest	22	11	11
Total Interest	1,890	945	945
Dividends			
Mutual Fund Dividends	1,695	848	847
Stock Dividends (ARF)	981		981
Capital Gains (distributed)	1,265	633	632
Total Dividends	3,941	1,481	2,460
Total Receipts	26,899	19,949	6,950

Table 1B
ASA Expenses 2019 (\$)

	Consolidated	Operating + Endowment	Research
Administrative			
Envelopes	0	0	
Postage	2	2	
Website	93	93	
Total Administrative	95	95	
Awards & Memorials			
Awards	0	0	
Memorials	0	0	
Total Awards & Memorials	0	0	
Azalean			
Advertising	150	150	
Convention	433	433	
Editor (three issues)	2,700	2,700	
Layout (three issues)	2,700	2,700	
Postage	1,129	1,129	
Printing	8,995	8,995	
Total Azalean Expense	16,107	16,107	
Fees & Charges			
PayPal Charges (online renewals)	146	146	
Square Charges (phone renewals)	52	52	
Corporate Fees	0	0	
Azalea City	0	0	
Total Fees & Charges	199	199	
Membership			
Chapter Reimbursement	2,665	2,665	
New Member Packets	217	217	
Total Dues Expense	2,882	2,882	
Research Fund			
Grants Awarded	10,000	0	10,000
Total Research Fund Expense	10,000	0	10,000
Total Expense	29,283	19,283	10,000
Receipts-Expenses	(2,384)	666	(3,050)

Table 1C
ASA Balance Sheet, December 31, 2018 and 2019 (\$)

	2018	2019
Assets		
Checking Account	26,239	7,316
Savings Account	34,554	24,641
PayPal	2,216	2,939
CDs	144,286	80,296
Mutual Funds (Schwab)*	0	92,989
ARF Stock Investment (Schwab)*	18,087	25,958
Schwab cash	3,573	9,577
Total Assets	228,955	243,716

* Market value as of 12/31/2019

Liabilities		
Uncashed checks (chapter rebates)	0	0
Operating Fund	59,303	75,269
Credit Card	270	24
Endowment Fund	67,515	62,715
Research Fund	101,867	105,708
Total Liabilities	228,955	243,716

Table 1D
ASA CDs, a/o December 31, 2019 (\$)

	Rate, Maturity	12/31/2019
FVC Bank, XX2169, \$15,000	1.69%, 3/18/2020	15,982.28
FVC Bank, XX2056, \$25,000	1.69%, 2/1/2020	26,672.94
FVC Bank, XX2800, \$63,746.39*	1.54%, 04/17/2019	0.0
FVC Bank, XX3284, \$36,368.15	1.88%, 01/05/2023	37,641.19
Total CD Balance		80,296.41

* \$65,000 moved to Schwab account in May, 2019

Table 1E
ASA Investments, a/o December 31, 2019 (\$)

	12/31/2018	12/31/2019
Ford, 1000 shares (ARF)	7,650	9,300
Ameriprise, 100 shares (ARF)	10,437	16,658
SCHWAB FUNDAMENTAL US (SFSNX)	0	18,021
SCHWAB INTL INDEX FUND (SWISX)	0	18,614
SCHWAB S&P 500 INDEX FD (SWPPX)	0	19,277
SCHWAB SMALL CAP INDEX FD (SWSSX)	0	17,982
SCHWAB TOTAL STOCK MKT IND (SWTSX)	0	19,095
Cash balance	3,573	9,577
Total Investments Balance	21,660	128,524

Ameriprise Financial Inc AMP:NYSE

Capital Markets

Last Price **\$178.82** Today's Change **+0.42 (0.24%)** Bid/Size **\$167.03/1** Ask/Size **\$180.00/1** Today's Volume **525,122** Below Avg. **C Schwab Equity Rating®** Regular Dividend of \$0.37 went Ex **Margin Requirements**

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Custom Weekly 2/19/2012 to 2/14/2020 Go Enter Symbol View



Data source identification

Ford Motor Co F:NYSE

Automobiles

Last Price **\$8.10** Today's Change **-0.15 (-1.82%)** Bid/Size **\$8.10/16** Ask/Size **\$8.11/60** Today's Volume **46,359,668** Below Avg. **B Schwab Equity Rating®** First Quarter Earnings Announcement Expected **Margin Requirements**

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5 Years Daily 2/17/2015 to 2/14/2020 Go Enter Symbol View



Data source identification