

2021 ASA FINANCIAL STATEMENT

The ASA's Income Statement for the year 2021, Expenses for 2021, and its Balance Sheet as of December 31, 2020 and December 31, 2021 are presented in Tables 1A, 1B and 1C, respectively. Summaries for ASA CDs, as of December 31, 2021 are presented in Table 1D. Summaries for ASA Investments are presented in Table 1E. Consolidated income and expenses for the ASA for 2021 are presented in column 1 of Table 1A.

Income, Expenses and Donations

Total receipts for the year were \$34,088, total expenses were \$21,053; revenue exceeding expenses by \$13,077. If the **Azalea Research Fund (ARF)** is excluded, the net revenue is \$10,282. Some additional factors:

- In 2021, the dues revenue was \$13,895 compared to \$12,275 for 2020. Dues have stabilized over the last several years, with our membership remaining about 550. The 10-year average dues collection is \$15,443.
- Donations to the **General Fund** were \$4,474. Primary components were a \$2,000 donation from the **Northern Virginia Chapter**, a \$1,000 donation from the **Magnolia Plantation Foundation**, and several donations \$100-\$500.
- Donations to the **Azalea Research Fund** were \$2,795. The largest component was a \$2,500 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 2022 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. **Eighty-five** members were removed from the active rolls; our active membership was then 472. In 2019, 145 members were made inactive, with the active membership 461. In 2020, these numbers were 97 and 433 respectively. Thus, 2021 was a good year for renewals. Further information on new members joining in the last 4 years is as follows:

- In 2018, we had 63 new members from the "Azaleas 101" session at the Little Rock convention. Ten of these new members are still in the Society.
- In 2019, we had 80 members join.
- In 2020, that number was only 46. That was way below our average number of 69.
- In 2021, we had 81 members join. That is well above our current average, if you exclude the "Azaleas 101" members of 2018.

In order to gain additional insight into the membership numbers, I continue to perform an analysis of all the years for which I was treasurer, 2014-2021. 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%
2020	46	33	13	28%
2021	81	47	34	42%
Avg	82/69	53/47	28/22	32%/30%

The average new members from 2014-2021 was 69, if you discount the “Azaleas 101” members. The average of those new members who did not renew was 30% (32% if you include the “Azaleas 101” members). The total membership as of March 1, 2022 is 472. This seems to be the “new normal” for the Society, however 2021 was higher (42%) for non-renewals than normal. It seems like the personal push by the chapters in 2021 was not at the level seen in 2020.

Endowment Fund (EF)

The total value of the Endowment Fund (EF) was \$62,715 at the end of 2020, and \$58,800 at the end of 2021. 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 (23) and assessed their future obligation at \$600 each (\$13,800). This assumption is that those members who joined prior to 1990 will likely have no more than 20 years more of membership. The remaining 48 life members were assessed at \$900 each (\$43,200), 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 (\$57,000) together with the pre-paid 2023 and later (\$1,800) dues resulted in a total requirement for the EF of \$58,800.

I think it is worthwhile for us to consider actuarial data when determining the value of our endowment fund. However, we would need to know the ages of our members to determine statistically how long they might live. We do not currently have that information. I suspect that we are way undercharging for life memberships. Some consideration should be given to a tiered approach to life membership dues.

Azalea Research Fund (ARF)

The total value of the Azalea Research Fund (ARF) was \$109,949 at the end of 2020 and \$114,614 at the end of 2021. The fund received donations of \$2,795 in 2021, and awarded no grants. The ARF is self-sufficient, and its goal has been to incur no expenses other than grants awarded.

The dedicated assets of the ARF at the end of 2021, in addition to moneys donated and a 50/50 split in earned interest (\$2,657 in 2021) is 60 shares of Ameriprise Financial (AMP). Forty shares of AMP were sold in 2021 for \$262.72/share, netting \$10,508.75. The asset value (original investment plus dividends) of the 40 shares of AMP at the end of 2021 would have been \$5,059. Thus, this sale resulted in a net gain of **\$5,450**. At the end of 2021, AMP was \$301.66/share. At close on March 7, 2022, it was \$264.92. The total market value of the remaining 60 shares of AMP on 12/31/2021 was \$18,100.

The value of the Ford stock decreased by \$510 in 2020, and was watched in 2020 and 2021 for potential sale, due to a continual decline in market price from 2014 when it was donated to the ARF. In April, 2021, the Ford stock reached a 5-year high of \$12.33 and was liquidated on April 14th, 2021. Even though this was a 5-year high price, there still was a net loss of **\$6,590**.

The net change in ARF assets due to these two transactions is a reduction of **\$1,140**.

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 \$89,216 at the end of 2020 and \$155,296 at the end of 2021. The Operating Fund remains very healthy. The end of year Operating Fund balance is sufficient to cover expenses for over six years without any additional revenue.


Assets and Liabilities

As shown in Table 1C, total assets and liabilities have increased from \$256,411 (2020) to \$328,268 (2021). The major component of the increase is due to the increase in end of year market prices. The mix of ASA assets was altered significantly in 2019, by moving \$85,000 from matured CDs and \$5,000 in cash 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. This process was finally completed in 2019. An initial \$25,000 mutual fund purchase was made in March, 2019 and an additional \$65,000 later in the year. The 2021 end of year balance for the mutual funds was up **\$50,158** over the 2020 end of year balance. The decision to move into no-load mutual funds was a wise one.

Conclusion

The Society is financially very healthy at this time, with a reasonable safety margin. Additional initiatives to increase membership are recommended. Further study into the Endowment Fund calculations is also recommended.

Respectfully submitted,



Paul A. Beck, PhD, Treasurer
Azalea Society of America
March 1, 2022

Table 1A
ASA Receipts 2021 (\$)

	Consolidated	Operating + Endowment	Research
Azalean			
Advertising	4,635	4,635	
Back Issues	280	280	
Total Azalean	4,915	4,915	
Donations	7,269	4,474	2,795
Seed Exchange	1,493	1,493	
Dues			
Regular Dues	13,895	13,895	
Life Dues	1,200	1,200	
Total Dues Paid	15,095	15,095	
Interest			
CD Interest	1,508	754	754
Checking Account Interest	19	10	9
Savings Account Interest	23	11	12
Schwab Account Interest	1	0	1
Total Interest	1,551	775	776
Dividends			
Mutual Fund Dividends	3,412	1,706	1,706
Stock Dividends (ARF)	353		353
Capital Gains (distributed)	0	0	0
Total Dividends	3,765	1,706	2,059
Total Receipts	34,088	28,458	5,630

Table 1B
ASA Expenses 2021 (\$)

	Consolidated	Operating + Endowment	Research
Administrative			
Envelopes & miscellaneous	75	75	
Postage	55	55	
Website	403	403	
Total Administrative	533	533	
Awards & Memorials			
Awards	100	100	
Memorials	0	0	
Total Awards & Memorials	100	100	
Azalean			
Advertising	150	150	
Convention	0	0	
Editor	3,600	3,600	
Layout	3,600	3,600	
Postage	1,599	1,599	
Printing	8,909	8,909	
Total Azalean Expense	17,857	17,857	
Fees & Charges			
PayPal Charges (online renewals)	318	318	
Square Charges (phone renewals)	56	56	
Corporate Fees	0	0	
Azalea City	0	0	
Total Fees & Charges	374	374	
Membership			
Chapter Reimbursement	2,070	2,070	
New Member Packets	118	118	
Total Dues Expense	2,188	2,188	
Research Fund			
Grants Awarded	0	0	0
Total Research Fund Expense	0	0	0
Total Expense	21,052	21,052	0
Receipts-Expenses	13,036	7,406	5,630

Table 1C
ASA Balance Sheet, December 31, 2020 and 2021 (\$)

	2020	2021
Assets		
Checking Account	9,354	9,765
Savings Account	17,397	27,422
PayPal	228	775
CDs	81,780	83,287
Mutual Funds (Schwab)*	118,926	169,084
ARF Stock Investment (Schwab)*	28,223	18,100
Schwab cash	2,638	19,835
Total Assets	256,411	328,268

* Market value as of 12/31

	2020	2021
Liabilities		
Uncashed checks (chapter rebates)	0	0
Operating Fund	89,216	155,296
Credit Card	0	104
Endowment Fund	57,360	58,800
Research Fund	109,835	114,068
Total Liabilities	256,411	328,268

Table 1D
ASA CDs, a/o December 31, 2021 (\$)

	Rate, Maturity	12/31/2021
FVC Bank, XX2169, \$15,000	1.69%, 03/18/2024	16,389
FVC Bank, XX2056, \$25,000	1.69%, 02/11/2024	27,813
FVC Bank, XX3284, \$36,368.15	1.88%, 01/05/2023	39,085
Total CD Balance		83,287

Table 1E
ASA Investments, a/o December 31, 2020 (\$)

	12/31/2020	12/31/2021
Ford, 1000/0 shares (ARF)	8,790	0
Ameriprise, 100/60 shares (ARF)	19,433	18,100
SCHWAB FUNDAMENTAL US (SFSNX)	21,440	31,311
SCHWAB INTL INDEX FUND (SWISX)	21,932	27,509
SCHWAB S&P 500 INDEX FD (SWPPX)	24,758	31,853
SCHWAB SMALL CAP INDEX FD (SWSSX)	23,635	27,135
SCHWAB TOTAL STOCK MKT IND (SWTSX)	25,026	31,441
Cash balance	9,577	19,835
Total Investments Balance	154,591	187,184



Ameriprise Financials (AMP)



Ford Motor Co (F)