

# 2022 ASA FINANCIAL STATEMENT

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The ASA's Income Statement for the year 2022, Expenses for 2022, and its Balance Sheet as of December 31, 2021 and December 31, 2022 are presented in Tables 1A, 1B and 1C, respectively. Summaries for ASA CDs, as of December 31, 2022 are presented in Table 1D. Summaries for ASA Investments are presented in Table 1E. Consolidated income and expenses for the ASA for 2022 are presented in column 1 of Table 1A.

## Income, Expenses and Donations

Total receipts for the year were \$29,152, total expenses were \$31,010; expenses exceeding revenue by \$1,858. If the **Azalea Research Fund (ARF)** grants are excluded, the net revenue is \$1,682. Some additional factors:

- In 2022, the dues revenue was \$14,480 compared to \$13,895 for 2021. Dues have stabilized over the last several years, with our membership remaining about 550.
- Donations to the **General Fund** were \$2,803. The primary component was a \$2,000 donation from the **Northern Virginia Chapter**.
- Donations to the **Azalea Research Fund** were \$2,775. The largest component was a \$2,500 donation from the **Dolan Gardens Foundation**. The ARF paid out \$8,600 in grants.

## Membership

On March 1<sup>st</sup>, 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. They were not mailed the 2023 spring issue of *The Azalean*, 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-eight** members were removed from the active rolls; our active membership was then 459. The number of members at the end of 2022 was 547, maintaining the steady state of about 550 for the last several years.

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, 2014-2022. 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*	108	77	31	29%
2019	80	43	37	46%
2020	46	33	13	28%
2021	81	47	34	42%
2022	50	32	19	38%
<b>Avg</b>	<b>71</b>	<b>49</b>	<b>22</b>	<b>32%</b>

\*The 2018 numbers have been reduced by the 63 “Azaleas 101” members who joined that year to participate in the training session. Five years later, 11 (17%) of those 63 are still members. Of the 102 regular members who joined in 2018, 26 (25%) are still active.

## Endowment Fund (EF)

The total value of the Endowment Fund (EF) was \$58,800 at the end of 2021, and \$61,320 at the end of 2022. 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 (22) and assessed their future obligation at \$600 each (\$13,200). This assumption is that those members who joined prior to 1990 will likely have no more than 20 years more of membership. The remaining 51 life members were assessed at \$900 each (\$45,900), 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 (\$59,100) together with the pre-paid 2024 and later (\$2,220) dues resulted in a total requirement for the EF of \$61,320.

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. It appears that we are way undercharging for life memberships. Some consideration should be given to a tiered approach to life membership dues. I have given this some thought, and do not think it is worth the effort. The cost of life memberships has not been raised in a long time. I think it is appropriate to do so soon. The ARS charges \$1,200 for a life membership (30 years of \$40 membership). I think the ASA would be wise to raise the life membership cost to \$900 (30 years of \$30 membership). This would not make a significant change in our revenue, however, since we generally get only one or two new life memberships per year.

## Azalea Research Fund (ARF)

The total value of the Azalea Research Fund (ARF) was \$114,705 at the end of 2021 and \$111,311 at the end of 2022. The fund received donations of \$2,775 in 2022, and awarded \$8,600 in 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 2022, in addition to moneys donated and a 50/50 split in earned interest (\$2,138 in 2022) is 60 shares of Ameriprise Financial (AMP). The total market value of the 60 shares of AMP on 12/31/2022 was \$18,682.

## 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 \$125,262 at the end of 2022. The Operating Fund remains very healthy. The end of year Operating Fund balance is sufficient to cover expenses for four years without any additional revenue. Note that this has dropped from six years the previous year.

## Assets and Liabilities

As shown in Table 1C, total assets and liabilities have decreased from \$328,268 (2021) to \$298,103 (2022). The major component of the decrease is due to the decrease in end of year market prices.

## Conclusion

The Society is financially healthy at this time, with a reasonable safety margin. Additional initiatives to increase membership are recommended, as always. Consideration of raising the lifetime membership dues is also recommended.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Paul A. Beck".

Paul A. Beck, PhD, Treasurer  
Azalea Society of America  
March 24, 2023

**Table 1A**  
**ASA Receipts 2022 (\$)**

	<b>Consolidated</b>	<b>Operating + Endowment</b>	<b>Research</b>
Azalean			
Advertising	3,190	3,190	
Back Issues	63	63	
<b>Total Azalean</b>	<b>3,253</b>	<b>3,253</b>	
<b>Donations</b>	<b>5,578</b>	<b>2,803</b>	<b>2,775</b>
<b>Seed Exchange</b>	<b>1,564</b>	<b>1,564</b>	
Dues			
Regular Dues	13,710	13,710	
Life Dues	770	770	
<b>Total Dues Paid</b>	<b>14,480</b>	<b>14,480</b>	
Interest			
CD Interest	1,536	768	768
Checking Account Interest	19	10	9
Savings Account Interest	32	16	16
Schwab Account Interest	1	0	1
<b>Total Interest</b>	<b>1,588</b>	<b>794</b>	<b>794</b>
Dividends			
Mutual Fund Dividends	2,397	1,198	1,199
Stock Dividends (ARF)	292		292
Capital Gains (distributed)	0	0	0
<b>Total Dividends</b>	<b>2,690</b>	<b>1,198</b>	<b>1,492</b>
<b>Total Receipts</b>	<b>29,152</b>	<b>24,092</b>	<b>5,060</b>

**Table 1B**  
**ASA Expenses 2022 (\$)**

	Consolidated	Operating + Endowment	Research
Administrative			
Dropbox	120	120	
Postage	0	0	
Website	247	247	
<b>Total Administrative</b>	<b>367</b>	<b>367</b>	
Awards & Memorials			
Awards	100	100	
Memorials	0	0	
<b>Total Awards &amp; Memorials</b>	<b>100</b>	<b>100</b>	
Azalean			
Convention	305	305	
Editor	3,600	3,600	
Layout	3,600	3,600	
Postage	1,055	1,055	
Printing	10,570	10,570	
<b>Total Azalean Expense</b>	<b>19,130</b>	<b>19,130</b>	
Fees & Charges			
PayPal Charges (online renewals)	422	422	
Square Charges (phone renewals)	24	24	
Corporate Fees	0	0	
Azalea City	0	0	
<b>Total Fees &amp; Charges</b>	<b>446</b>	<b>446</b>	
Membership			
Chapter Reimbursement	2,200	2,200	
New Member Packets	167	167	
<b>Total Dues Expense</b>	<b>2,367</b>	<b>2,367</b>	
Research Fund			
Grants Awarded	8,600	0	8,600
<b>Total Research Fund Expense</b>	<b>8,600</b>	<b>0</b>	<b>8,600</b>
<b>Total Expense</b>	<b>31,010</b>	<b>22,410</b>	<b>0</b>
<b>Receipts-Expenses</b>	<b>(1,858)</b>	<b>1,682</b>	<b>(3,540)</b>

**Table 1C**  
**ASA Balance Sheet, December 31, 2021 and 2022 (\$)**

	<b>2021</b>	<b>2022</b>
<b>Assets</b>		
Checking Account	9,765	7,792
Savings Account	27,422	19,452
PayPal	775	3,787
CDs	83,287	84,824
Mutual Funds (Schwab)	169,084	143,409
ARF Stock Investment (Schwab)	18,100	18,682
Schwab cash	19,835	20,157
<b>Total Assets</b>	<b>328,268</b>	<b>298,103</b>

<b>Liabilities</b>	<b>2021</b>	<b>2022</b>
Uncashed checks (chapter rebates)	0	110
Operating Fund	155,296	125,262
Credit Card	104	100
Endowment Fund	58,800	61,320
Research Fund	114,068	111,311
<b>Total Liabilities</b>	<b>328,268</b>	<b>298,103</b>

**Table 1D**  
**ASA CDs, a/o December 31, 2021 and 2022 (\$)**

	<b>Rate, Maturity</b>	<b>12/31/2022</b>
FVC Bank, XX2169, \$15,000	1.69%, 03/18/2024	16,586
FVC Bank, XX2056, \$25,000	1.69%, 02/11/2024	28,411
FVC Bank, XX3284, \$36,368.15	1.88%, 01/05/2023	39,827
<b>Total CD Balance</b>		<b>84,824</b>

**Table 1E**  
**ASA Investments, a/o December 31, 2021 and 2022 (\$)**

	<b>12/31/2021</b>	<b>12/31/2022</b>
Ameriprise, 100/60 shares (ARF)	18,100	18,682
SCHWAB FUNDAMENTAL US (SFSNX)	31,311	26,697
SCHWAB INTL INDEX FUND (SWISX)	27,509	23,581
SCHWAB S&P 500 INDEX FD (SWPPX)	31,853	26,079
SCHWAB SMALL CAP INDEX FD (SWSSX)	27,135	21,595
SCHWAB TOTAL STOCK MKT IND (SWTSX)	31,441	25,300
Cash balance	19,835	20,157
<b>Total Investments Balance</b>	<b>187,184</b>	<b>162,091</b>