

1-2: Treasurer

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Subject: Treasurer's Report

BOD Members:

I have analyzed the financial statements ending 5/31/10. The society has a net income of \$11,760 as of May 31, 2010 (See page 8 of 8, Profit & Loss Statement). There is a POSITIVE \$20,155 in the account 40125, Investment Market Value Adjustment. This compares favorably to the NEGATIVE amount last year of (\$21,749).

Membership revenue CONTINUES to be insufficient to sustain operational costs. I refer you to Attachment B. I reached this conclusion by **extracting** publication and symposium accounts. These are independant cost centers and should be self supporting. I continue to stress that any net positive revenues (profit) from these two work centers should not be depended on in the budgeting process.

There are five main catagories of operational expenses that the society operates under that should be supported by membership fee's:

72000 National Office Expenses	\$37,923 (5/31/10)
74000 Organizational Expenses	\$ 4,884 (5/31/10)
Home Office Subtotal:	\$42,807 (\$89/Member)
75000 Officer Expenses	\$ 3,294 (5/31/10)
76000 BOD Expenses	\$ 720 (5/31/10)
77000 Committee Expenses	\$ 8,186 (5/31/10)
Other Operating Subtotal:	\$12,200 (\$25/Member)
Total Operating Expenses:	\$55,007 (\$115/Member)
Total Membership Revenue:	\$35,347 (\$74/Member)

As you can see, the society fee structure does NOT even cover the home office expenses (Account 72000). The society is DEPENDANT upon additional income from Fusion and the Symposium.

In Noverber, the BOD discussed increasing the dues. Attachment A is the SAME excel worksheet I presented with three recommendations to consider. This worksheet is also set up so the BOD can do their own "what if" analysis. You will notice that I ADDED a column so you can see the DECREASE in membership. My original analysis was based on a membership of 542. This updated worksheet has a membership of 480 members. As you will notice, NONE of these options submitted last November will cover the \$55,000 operating expenses as noted above.



I am VERY concerned about Fusion. I refer you to page 1 or 8 of the profit and loss statement. Please notice the trend in account 40140, Fusion General Advertising. This decline continues to be due, in part, to the economy and the cutback on advertising. BUT, please also note the CONTINUING DECLINE in associate membership, from 85 to 63! Fusion (publications) needs to be a stand alone profit center. Income from advertising accounts 40130 – 40140, plus 40145 subscriptions, totals \$40,665. Publication expenses, account 73000, was \$35,243, but if you add in Information Services (77050) and Outreach (77205), the total comes to \$39,050! Bottom line, don't count on Fusion (Publications) for additional income to cover a National Office.

The symposium should also be a stand alone profit center. A declining membership can NOT support the symposium, as it is structured today. Serious discussion on alternatives should take place. A major part of the income has come from exhibitors. THEY ARE DECLINING! A majority of the exhibitors participate out of loyalty to the society.

I respectfully recommend the following: (1) that a fee increase be approved and presented to the membership; (2) minimize the needs of a "national or home office" as has been discussed; (3) re-evaluate the need for a national symposium in the current format; (4) freeze the 77000 Committee Expense accounts or require currently budgeted amounts be reviewed by the sitting President PRIOR TO expenditure.

Respectfully Submitted,
Victor Mathews
ASGS Treasurer

Attachments:

Attachment A: Membership Fee Increase Worksheet (Excel & PDF)
Attachment B: Membership P&L
Attachment C: Cash Position
Attachment D: P&L Summary
Attachment E: Statement of Funds
Attachment F: P&L Multiple Year 2005 – 2010 (8 Pages)
Attachment G: Symposium Results (multi-year)