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Subject: Treasurer's Report

BOD Members:

I have analyzed the financial statements ending 9/30/09. The society continues to operate at a loss. Excluding the restitution payment in the 2008 statement.

Membership revenue is insufficient to sustain operational costs. I reached this conclusion by extracting publication and symposium accounts. These are independant cost centers and should be self supporting. Any net positive revenues (profit) should not be depended on in the budgeting process.

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

72000 National Office Expenses	\$37,501 (9/30/09)
74000 Organizational Expenses	\$ 5,262 (9/30/09)
Home Office Subtotal:	\$42,763 (\$79/Member)
75000 Officer Expenses	\$ 2,837 (9/30/09)
76000 BOD Expenses	\$ 1,983 (9/30/09)
77000 Committee Expenses	\$ 7,935 (9/30/09)
Other Operating Subtotal:	\$12,755 (\$24/Member)
Total Operating Expenses:	\$55,518 (\$102/Member)

As you can see, the society fee structure does NOT even cover the home office expenses. Therefore we will continue to operate at a loss without additional income from Fusion and the Symposium.

I am recommending that the BOD consider a fee increase if they wish to continue operations at the same level as reported on the 9/30/09 financials. Attachment A is an excel worksheet with three recommendations to consider. This worksheet is also set up so the BOD can do their own "what if" analysis. The goal should be to cover operating costs. Option A puts the burden on regular, associate, artistic and international members. Option B and C shares the pain. The only catagory not affected would be lifetime membership.

Fusion is operating at a small loss. This is due to the economy and the cutback on advertising. Fusion (publications) needs to be a stand alone profit center. The symposium should also be a stand alone profit center. The 2009 symposium will show a profit but all expenses have not been accounted for as of this writing. Favorable revenues from these two accounts should NOT be considered when determining the fee schedule or when



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establishing an operating budget.

I respectfully recommend that the BOD begin the process of putting forth a fee increase effective as soon as the by-laws permit it. To offset the anticipated loss for this ASGS year, I recommend freezing the 77000 Committee Expense accounts or require currently budgeted amounts be reviewed by the President prior to expenditure. If the BOD chooses to continue to operate at a loss, I refer you to attachment C. Using the financial figures of 9/30/09, assuming membership does not decline any further and that operating expenses will remain as stated, the annual loss can be covered by total cash funds for 8 years. Obviously that is not realistic considering all the variables in play each year.

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 2004 – 2009 (8 Pages)
- Attachment G: Symposium Results