ASFPM - ANNUAL REPORT OF THE TREASURER
June, 2013

Joseph Ruggeri, Treasurer

I am happy to report that ASFPM continues to operate on sound financial footing. We are continuing on a positive path of growing our membership, increasing our number of CFMs, increasing Association staff, and further improving on member services.

In 2013, our financial expectations were close to the Association goals and we anticipate that we will be under budget for the fiscal year. The Executive Office has worked hard to keep expenses low and has proactively scrutinized discretionary spending. However, it should be noted that we have been continuing to operate under a structural budget deficit for the past three years now.

The Association does currently maintain reserves that are adequate to continue ASFPM operations for over one year. At the end of the third quarter, ASFPM had a fund balance of over $1.26 million invested in “Certificates of Deposit” with varying maturity dates, Money Markets and bank accounts. However, short term interest rates on savings accounts and certificate of deposits have continued to be abysmal for several years now.

Moving forward, the proposed fiscal year 2014 budget will address many challenges; including the elimination of the structural budget deficit, the recognition of extreme volatility of the Federal budget, and the development of training as more of a revenue stream. This budget is part of a transition from a structural deficit budget to a balanced budget. The proposed 2014 budget reduces the deficit by 41%, with the goal of a balanced budget within a three year period. Consistent with the Board’s direction, this will primarily be accomplished through increasing revenue while keeping tight controls on overall costs.

In addition, in 2014 we are going to explore investing a portion of our fund balance in large cap equity funds in order to obtain a better return on investment. This is consistent with the ASFPM Investment Policy (up to 20% of reserves in Large Cap stock mutual funds) and also recommendations from the 2011 ASFPM Long Term Financial Committee Report.

The ASFPM 2014 Annual Budget report explores and proposes additional detailed strategies for future revenue increases. These include increases in membership dues and the creation of additional membership levels, increases in CFM fees and other CFM related revenue sources, and additional science services project related revenue streams. These measures will help to ensure the long term viability of ASFPM, while maintaining excellent service for our membership.

As I complete my first year on the board as Treasurer I have come to truly appreciate all that ASFPM does. A special thanks to the ASFPM Executive Office staff and especially Ingrid Danler for her hard work and dedication. And thank you to the members, sponsors, volunteers, exhibitors, and everyone involved in this year’s conference! I hope everyone enjoys the conference!