I am pleased to report that our Association continues to operate on sound financial footing. The Association is continuing to grow the membership, increase the number of CFMs and further improve on the member benefits that are offered.

In FY14, our financial expectations were close to the Association goals and as of information from May 23rd, we actually appear to be under budget. The end of the fiscal year includes several variables including final revenue and expenses for the annual conference, revenues from a CFM renewal cycle, and project work. We anticipate being close to our budget goal this year. The Executive Office initiated several revenue producing goals, shortened the payable and receivables cycle 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 four years now. Due to that issue, the Board, in passing the FY14 budget also approved a strategic direction of eliminating the deficit in three years and enhancing revenues over five years to ensure not only a balanced budget but also for building back up ASFPM’s reserve funds.

The Association does currently maintain reserves as an emergency restricted fund. At the end of the third quarter, ASFPM had a fund balance of over $---- invested in “Certificates of Deposit” with varying maturity dates, Money Markets and bank accounts. Short term interest rates on savings accounts and certificate of deposits have continued to be abysmal for several years now, so while these funds are properly invested, they are not producing interest. FY14 also saw a recommendation and a change to our investment strategy to diversify our investment options in order to obtain a better return on investment.

From a budgetary standpoint, one area that has been lagging in 2014 is project revenue. This is due to a couple of reasons including the federal budget battles (and sequester) that has resulted in the reduction and/or elimination of some project funds from federal agencies, and other project proposals not coming to fruition. This is an area that we will be monitoring closely in FY15. Also of note is the Executive Office’s completion of the financial systems platform change, the completion of audits through FY13 and the completion of the association’s first single audit which was required due to reaching the federal funding threshold. Completion of this package of tasks puts the association on solid reporting ground. Also of note is the re-constitution of the Long-Term ASFPM Financial Strategy committee which will be updating the plan and revising work plan goals over the next fiscal year.

Moving forward, the proposed fiscal year FY15 budget will address many challenges; including the elimination of the structural budget deficit over a three-year glide path. Further revenue initiatives include the expansion of the successful webinar/training series, restructuring of fees for the annual conference, additional regional/specialty conferences and slight increases in membership and CFM fees.
This budget is part of a transition from a structural deficit budget to a balanced budget. The proposed FY15 budget reduces the deficit by about another 70% from last year’s deficit, with the goal of a balanced budget by the FY16 budget proposal. Consistent with the Board’s direction, this will primarily be accomplished through increasing revenue while keeping tight controls on overall costs.

As I complete my last year on the board as Treasurer I can truly appreciate all that ASFPM does. I would like to give a special thanks to Debi Frick and Ingrid Danler of the ASFPM Executive Office staff for their assistance this year. And thank you to the members, sponsors, volunteers, exhibitors, and everyone involved in this year’s conference!