

**AMERICAN IRIS SOCIETY  
TREASURER'S REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**SUMMARY**

This fiscal year brought a smaller General Fund Operating Loss than Budgeted. This was good news considering extra expenses that were paid in this year, such as the final payment to the Lowe's of \$6,000 for Registrations. Storefront Sales were over \$29,000 before expenses, and other operating areas had excess of income over expenses. The Restricted Funds, however, had an operating loss due to the closure of two funds, the AIS Library and the Scientific and Scholarship Fund of \$10,005. This was one time expense to transfer these funds to the AIS Foundation where these operations are headquartered. Total expenses over income for the 9-30-12 year were -\$6,278.65. Reserves in the General Fund are now \$82,375.62 and Total Restricted Funds are \$177,013.34. Total Assets are \$259,388.96.

*Included in this report is a new financial statement.* On the same page as the Draft Budget for 9-30-13 is the 9-30-12 Income and Expense Activity reorganized by Operation Area. This shows the income and expenses for each of the AIS' programs and services and its administrative costs. The Draft Budget now shows an estimate of whether or not an operation area will cover its costs during the year.

The bottom line to the American Iris Society financial condition is still that expenses are exceeding income from member dues and other areas. Expenses have been reduced, such as the cost of printing the Bulletin, but that is still not enough to stop depleting the General Fund reserves, much less increase them to a healthy level. Interest income on the Unrestricted and Restricted Investments will continue to decline as CDs mature at higher rates than the rates they can be renewed for. Average interest rates for 2 – 3 year term CDs are around 1% if that.

**GENERAL FUND INCOME & EXPENSES**

1. **Members dues income** was a little lower than budgeted per Tom Gormley's report, although the number of members is increasing. We are hitting the "free" year for those members that joined for 4 years for the price of a 3-year membership.

Questions have been asked this year concerning the cost of Life Members and E-members. Total members at 9-30-12 are 4,510. Of these, 3,936 are regular members and 574 are Life members. Total Membership Costs this year totaled \$79,666.42 This includes the Bulletin Expenses and the costs of the Membership Office. Cost per member per year is now \$17.66 (\$79,666.42 divided by 4,510). For a single membership, the \$25 annual dues more than covers this cost. For a 3-year membership, the \$20 a year for 3 years also covers member costs. However, we are now earning only \$4,298. per year on CDs in the Restricted Fund held to cover the cost of maintaining Life Members. With 574 Life Members, each member's Life Dues Investment is only covering \$7.49 of the \$17.66 annual cost.

**I recommend that the AIS drop the Life Member program effective 10-01-12. This would also include dropping the Senior Life discount of 15% when both members are over 65. The \$450 annual fee for a single life member only generates about \$5.00 a year in income.**

The E-membership costs are a little more difficult to calculate. E-membership dues income is \$15 each year, which includes the iris register and an electronic copy of the Bulletin. Each of these services are provided by companies that charge AIS annually for these services bundled with other services that are also available to all AIS members, not just E-members. Since the AIS was already charging people \$10 a year for access to the iris register, an added \$5 charge for the electronic Bulletin seemed fair. John Jones will have more information in his report.

2. Income from the **Storefront, Slides/CD Programs, Exhibitions and Donations areas all exceeded expenses this year.** The Storefront had banner sales of 2009 Checklist and the Print on Demand service seemed to work really well. The AIS just paid for the books that it sold. No new inventory.

**Slides/CD programs** continue to sell well and new CDs are being created each year to keep the programs up to date.

Added shipping costs to **Exhibitions** supplies ordered has helped cover costs, although several shows in 2012 were cancelled due to early bloom. Sales in 2013 may be lower than usual.

**Donation income** included the return of the Silent Auction and a new program with H&R Block. New programs to generate **Donations for the General Fund** are badly needed to supplement operating income areas. The Draft 9-30-13 Budget shows that even with some lower expenses, the Society still cannot cover its annual operating costs without more income.

3. **Expenses for Registrations, Electronic Services and Administrative activities all exceeded the income these areas generate.** As previously mentioned, the Registrar Contract Services expenses were \$6,000 more than normal. Also, we paid a one time cost for a laptop that will not recur.

**Electronic Services** in the General Fund generate no income and the expenses were minimal this year. An idea for discussion---transfer all future Electronic Services costs to the Restricted Electronic Services Fund. Electronic Services support the entire Society and the Restricted Fund has generated more than enough income in prior years with the Geek Dinner and the iris register to cover all costs. This would continue to restrict the use of this income only for Electronic Services.

**Administrative activities** show where the Society's extra expenses go. The primary income in this area is the Affiliations Fee of \$25 per affiliate approved for this year. This helps but only covers about 33% of total costs. As a side note, none of the Regions or Sections/Cooperating Societies that receive benefit from the Society's Liability insurance pays anything to AIS for this service, only the affiliates. *I recommend that the Board discuss charging each of the Regions and Sections/Cooperating Societies the \$25 annual fee as well.*

*In addition, if the Society begins to take more responsibility for and thus shoulder more costs of the Fall Board Meetings and possibly the National Conventions, this plan must ensure that revenues are allocated to the AIS from registration fees to cover the costs.*

## RESTRICTED FUNDS

1. A correction was made to the **Electronic Services Fund and the Bulletin Scanning Fund** in the amount of \$2,796.54. This was for the costs of the E-magazine software that the Society reimbursed John Jones for in the 9-30-11 fiscal year. This cost should have been taken out of the Bulletin Scanning Fund instead. This properly accounts for the remaining funds left in the Bulletin Scanning Fund to pay for anticipated future services.

The Electronic Services Fund is also back in the black. The Geek Dinner returned at the 2012 Convention and brought in \$2,561.00. In addition, the 110 new E members generated \$1,100 income for the iris register.

2. Promotion in the Bulletin for the **100<sup>th</sup> AIS Anniversary** generated \$800 in donations this year. We need much more but this is a start.
3. As mentioned in my Summary, two Restricted Funds were closed this year and monies transferred to the AIS Foundation. The expenses for the **AIS Library** and for the **Scientific and Scholarship programs** are handled now exclusively by the Foundation.

## INVESTMENTS

### General Unrestricted Investments:

|                                                              |                            |
|--------------------------------------------------------------|----------------------------|
| Edward Jones Money Market Acct earns .01%                    |                            |
| Discover Bank                                                | \$ 5,289.50 5% due 7-23-13 |
| Goldman Sachs Mutual Fund (opened by previous AIS Treasurer) | \$18,238.84                |
| (market value about \$1,000 less than book value)            |                            |

**Restricted Funds Investments:**

|                                      |              |       |              |
|--------------------------------------|--------------|-------|--------------|
| Edward Jones Money Market Acct earns |              | .01%  |              |
| BMW Bk of Am                         | \$ 1,000     | 3.1%  | due 10-16-14 |
| Discover Bank                        | \$ 3,000     | 5.15% | due 8-20-14  |
| First Bus Bank                       | \$ 26,000    | 2.3%  | due 6-02-15  |
| First Bus Bank                       | \$ 20,000    | 2%    | due 12-05-16 |
| First Business Bank                  | \$ 5,018.50  | 2.6%  | due 9-03-13  |
| GE Capital CD                        | \$ 26,940.60 | 5%    | due 8-13-13  |
| GE Capital CD                        | \$ 7,560.70  | 5%    | due 8-13-13  |
| US Bank CD                           | \$70,600.61  | 4%    | due 2-16-14  |
| Citibank CD                          | \$17,589.90  | 3.1%  | due 10-14-14 |
| Founders Bank                        | \$ 5,000.00  | 2.45% | due 10-24-14 |

**Forms 990N**, the electronic filings for affiliates, Regions and Sections that are tax exempt but have less than \$50,000 in annual income, have been completed for the 2011 calendar year.

In addition, the **Forms 990 and 990T** for the American Iris Society for the 9-30-12 fiscal year will be available at the Columbus Board Meeting for review by the Board.

**AIS Shopping Cart.....[www.aisstorefront.selfsites.com](http://www.aisstorefront.selfsites.com)**

Effective November 1, 2012, the AIS Shopping Cart will be up and running with up to date pictures and prices. This needs further promotion in the Bulletin. Payment is set up through PayPal for PayPal accounts or VISA/Mastercard. Prices have been raised 25% to take into account the AIS member discount of 20% approved at the April 2012 Board Meeting. Work still needs to be done to implement an AIS Member's Discount into the programming of the shopping site. Currently, the 20% member discount would need to be returned to the buyer as a check with his/her purchase if that person is in fact an AIS Member. The Storefront Petty Cash account could handle this and AISLookUp is easy to use to check membership.

**Records Retention**

Many AIS Officers, Directors and Committee Chairs have multiple years of documents stored in their homes that are piling up. Records for the Storefront, Membership Office and Treasurer are operating areas with especially high paper collection. I will bring to the Columbus Board Meeting some examples of Records Retention policies for non-profit organizations with a recommendation for the American Iris Society that will keep us in compliance with current law and hopefully allow some of those boxes stacked in your garages to be shredded and/or cleaned out. This might also save some shipping costs of moving the Treasurer's Office up north.

**Final Notes**

As this is my last report as AIS Treasurer, please welcome Dwayne Booth as our new Treasurer following his election at the November 2012 Fall Board Meeting. He is RVP of Region 13. He has also been President, Secretary, Treasurer, Show Chair and Display Garden Chair for the King County Iris Society since he joined in 1996. Dwayne has been a member of AIS since 1999 and a G/E Judge for 6 years.

Dwayne is currently employed as a Business and Finance Officer with King County Facilities Management Division in Washington State. He has 40 years of Accounting, Finance, Accounting Systems and Budgeting experience, 36 with King County. He passed the Certified Public Accountant exam and held the designation "CPA-Government" for a number of years. There are still financial obstacles ahead to get the Society's financial condition in better health, and Dwayne is very well qualified to help the Society get through it.

I have enjoyed being the AIS Treasurer for the past 6 years and will miss you all.

Respectfully Submitted,  
Jill Bonino, AIS Treasurer  
October 25, 2012