American Iris Society Treasurer’s Report for the Fiscal Year Ended September 30, 2014

The best news I have to share is that AIS overspent it fiscal year 2014 budget by less than the budget we approved last fall at the Board Meeting in New Orleans. We approved a budget that had expenses greater than income by $7,262. We finished the year at $808 more expenses than income. How did we accomplish this? Our membership revenue exceeded our forecast by almost $6,000 as members took advantage of incentives this year to extend their memberships out to three years from single year renewals. As Tom Gormley points out in his Membership report (and I support his belief) that AIS received dues money in 2014 that it would have normally come in 2015 and 2016. That will need to be acknowledged in the FY 2015 budget. On the expenditure side, the expense side saw savings in a number of line items. To name a few, we didn’t print any 2009 10-year checklists, that saved a $1,000; we didn’t have any attorney expenses, that save $1,000; we didn’t have an audit done, that easily saved $2,000 and so on. What we are seeing a lot of little actions helping the bottom line. We need to continue that effort as we craft the FY 15 budget and start operating the Society so that revenues exceed expenses.

The American Iris Society operates with investment policies that limit our cash reserves being placed in FDIC insured instruments; typically Certificates of Deposits (CDs). Here are some of the rates today (November 2nd) offered by Wells Fargo Bank; one of the banks with which AIS has an established banking relationship: 1 year, .05%; 26 months, .20% and 39 months (that takes you to early 2018), .30%. Thus our business model that is built on the premise of taking in cash and holding it while earning interest doesn’t work and will not work until interest rates rise. That is why I have held off re-investing the Certificate of Deposit proceeds when it matured at US Bank in February 2014. The tricky part is the CD is in the Restricted Funds portion of the Balance Sheet. However, when it matured early this year and cash was scarce to pay current bills, I placed the proceeds in the US Bank Membership checking account in the Unrestricted Funds side of the Balance Sheet. I wrote 11 checks totaling $10,500 from the proceeds. Since that time sufficient cash has come in to restore the amount of the matured CD. Today it still sits in the US Bank Membership checking account. On the Balance Sheet it shows as an inter-fund payable and receivable in the amount of $73,623.14, the matured CD.

Thus improving our cash flow has to be one of the goals for FY 15. For those of you who receive payments and don’t do your own deposits, please forward them to Michelle as quickly as possible. Another way to improve our cash flow is to hold off major expenditures or find ways to do them in smaller pieces until January by which time we should have a good amount of membership revenue recorded. From looking at last November and December expenditures, here are three that look like they could be reduced or delayed: Regalia Manufacturing $4,227; Sundance (calendars) $1,837.50 and Mt Hood Mini Storage $2,601.

Fiscal Year 15 is already under way and that is a drawback to having the Fall Board Meeting in November i.e. we have had considerable expenditures made without an approved budget. October expenditures were $16,211 in the Wells Fargo Deposit account where most of the operating expenses are recorded. Against that we had $6,861 in income. The biggest expense is producing the bulletin; that is about $11,000.

I want to give Tom Gormley, AIS Membership Secretary, recognition for doing so well on his expenditures for the year. On an $18,874 budget, he was within $7.25 on his actuals. Good job, Tom!

If I were to award the “Special Kind of Greed” medal this year, I would say “come on down” to Wells Fargo and State of California. AIS has one new life member this year; he is from The Netherlands. So AIS paid a wire transfer fee on the incoming electronic funds transfer. Then……we were charged sales tax on the wire transfer fee. Can you believe it? It was only $1.12 but I think it takes a special kind of greed to charge it.

Looking ahead to the FY 2015 Proposed Budget, I am presenting one with a positive bottom line i.e. revenues exceed expenses. I will propose we present a greater emphasis on Unrestricted Donations as an income item; look to raise some fees and trim expenses where things are not essential to the organization’s mission.

Dwayne Booth

AIS Treasurer