

SSA TREASURER'S REPORT - Rev 1
PHILLIP C. UMPHRES
SEPTEMBER 2015

A. Overview

Financially, our organization is operating roughly as projected for 2015. We should finish the year at or above break-even, although not without using most of the substantial (\$41,000) financial contribution from the General Endowment that we had budgeted.

Looking forward, we continue to lose members in 2015 at a rate of about 2.5% per year. With total membership at 10,085 as of the end of July, 2015, we will almost certainly drop below 10,000 members before the end of the year. As I have discussed before, the ongoing decline in membership has important and unpleasant ramifications for the future.

As this is written (August 20), we are in the process of preparing a budget for 2016 for consideration at our upcoming September BOD meeting in Tempe. We expect to be able to operate in 2016 at break-even or better, in large part because of our ability to rely on distributions of available income from the General Endowment Fund. A draft budget will be provided to the Directors via email when we have one ready, but we are still waiting on several pieces of information before we can put a draft into final form.

B. Current operating results

Net operating performance for 2015 through July 31, 2015 (last available statement date) is pleasantly somewhat above the predicted (budgeted) figures. Several revenue items (dues and sanction fees) are less than we had projected, but the reduced revenue has been balanced out because we have also had some expense items that are less than expected. The net result is that we are currently operating at a surplus of \$6,100 through July which compares nicely to the projected deficit of \$6,800 we had projected as of that period.

The most recent available financial statements for SSA Operations are always posted on the SSA webpage for the Budget and Finance Committee under "Governance." The July statements should be posted by the time you read this. In addition, we will post a link to the August statements on the BOD Meeting Agenda page if they are ready before our September 11 meeting.

Beyond what is written above, I am always available to answer, either one-on-one or during the BOD meeting, any questions any of you may have about the financials.

C. Audit report

Our auditors have provided us with a draft audit opinion for our 2014 financial statements that is unqualified and that contains no surprises. The report contains nothing that would indicate any issues of concern regarding either the integrity of our financial operations or the accuracy of our financial statements. I will provide the Board members with the full audit report and the auditor's Management Letter – which covers any issues found regarding internal financial controls – when we receive them.

D. Draft Budget for 2016

The draft budget is expected to be break-even, but only because (a) 2016 is a convention year and we are counting on getting a reasonable profit from the convention operations, and (b) we have the ability to draw on our investment income from the General Endowment fund to cover operating shortfalls. I will have more to say on the 2016 budget when we actually have one in final form.

One item of advance notice: although we are not proposing a dues increase for 2016, it is likely that we will be proposing one for 2017. It is my view that we went too long before raising dues so that when we did raise them we had to raise them a lot. I think more frequent but smaller dues increases are a better way to go.

E. Action items required at this BOD meeting

My probably list of financial action items requiring consideration by the BOD at this fall meeting is mercifully short. I think I will have only two for consideration by the BOD: (1) approval of the draft budget for SSA Operations for 2016 and (2) a proposal to “clean up” an accounting issue with the SSA Foundation by folding what is currently called the “SSA Designated Trust Fund” into the “General Endowment Fund.” Both the draft budget and a memo explaining the later item are included as attachments to the agenda for the BOD meeting.

Very Truly Yours,

Phil Umphres

**Phil Umphres,
SSA Treasurer**