

To: ASC Board
From: Bonnie Fisher and Chris Eskridge
Date: October 18, 2011
Re: Financial Report

This has again been a very busy six months since we last met. The bottom line is that ASC is still financially sound, and remains a vibrant, active professional society. There is much going on in many spheres in our organization.

1. *ASC Financial Status*

As noted above, ASC continues to be a financially stable and sound organization. As of September 30, 2011 our total assets were \$1.87 million.

We have attached two financial reports which articulate ASC's financial position in more detail:

- A. *2011 Profit and Loss Statement (3rd quarter report)* – ASC has realized a net profit of roughly \$61,000 to date for the year. A fair amount of meeting registration fees are yet to be collected, but likewise, the bulk of our annual meeting expenses have yet to be paid. We also have a check of around \$70,000 coming in from Wiley, so a fair amount of the usual “in and out” cash flow at the end of the year. ASC will show an operational profit for the year.
- B. *2011 Balance Sheet (3rd quarter report)* - As noted above, ASC's total assets are in the \$1.9 million range. There were \$1.79 million in total assets at the end of last year, so we are up a bit. The recent market downturn a little, but ASC remains in a solid financial position.

2. *Divisions*

The ASC divisions remain quite active. The information below, showing membership and account balance information as of the first of October, was given to each division chair. We have instituted a new procedure where the Columbus staff now sends each division chair a financial transactional statement at the beginning of every month.

- A. Corrections and Sentencing Division: account balance - \$16,127; current membership - 336.
- B. Critical Division: account balance - \$18,067; current membership - 351.
- C. Experimental Criminology Division: account balance - \$1,370; current membership -163.
- D. International Division: account balance - \$18,129; current membership - 268.
- E. People of Color and Crime: account balance - \$1,164; current membership - 218.
- F. Women and Crime: account balance - \$10,191; (plus \$55,059 in the *Feminist Criminology account*); current membership - 352.

3. Revised 2012 Budget

As per below, we need to make an adjustment to the 2012 budget. In sum, we estimate that ASC will be generating something in the range of \$916,000, and likewise spending roughly \$916,000 for the coming year (see attached). Assuming the Board approves the recommended 2 percent salary increase for the Columbus staff (per below), we have estimated a need of \$239,000 in the personnel line for next year (up from the previous figure of \$195,000). An additional \$1,500 needs to be included in the expense side (Professional Fees) to cover the cost of the financial audit (also per below). We obviously need to balance out those increased expenses on the income side. We think ASC will bring in a little more in dues than Chris originally thought, so we increased that a bit. We had thought that ASC would pick up \$10,000 in income for the minority fellowships, but one of the donors has now decided not to make that \$5,000 donation, so, we needed to lower this anticipated income figure. We increased the investment income category to balance out the difference for all of the above, estimating a \$94,000 return. That is a "best guess" in this or in any year for that matter. Last year ASC made over \$125,000 in investment returns, but of course who knows what will happen in 2012. It is, at least on paper, a balanced budget subject to the inevitable gyrations of an election year market.

4. Personnel

ASC employs an excellent staff in Columbus. They have performed well this year. We would usually propose a standard 3 percent increase, but after consulting with the Finance Committee, we wish to propose a 2 percent increase, not based on performance, but simple economic factors. We are a bit concerned about volatility in next year's election year economy, and perhaps some collateral drop in meeting registration revenue. ASC will also be experiencing some additional personnel costs this year due to the retirement of Sue Beelman (per below). A further argument regarding the 2 percent figure – as you are all well aware, some schools (and businesses) are going with no raises of late, so we think the state of affairs would suggest that 2 percent is well within the norm at this time. FYI, the ASC Board gave the staff a 5 percent pay raise in 2008 (effective 2009), and a 3 percent raise in both 2009 and 2010 (effective 2010 and 2011). Sue Beelman, our bookkeeper, is currently paid \$46,495 per year. Her 2012 salary would be \$47,425 if you approve a 2 percent increase. Susan Case, our office manager, is currently paid \$53,230 per year. Her 2012 salary would be \$54,294. Nicole Coldiron, our computer specialist, webmaster and newsletter managing editor is currently paid \$49,583. Her 2012 salary would be \$50,475.

5. Columbus Office Personnel Changes

Sue Beelman, who has been our bookkeeper for 18 years, will be retiring as of December 31, 2012. We have put together a transition and retirement package that will have her continuing to work in her current capacity until the end of this year. She will continue to work for us, with an eye more toward assisting with the transition, helping particularly with taxes and with the financial logistics during the Chicago meetings next year. Nicole, who has been our combined webmaster, membership directory monitor and newsletter production editor, will move over to now handle the bookkeeping duties.

She has been working with Sue for some time and she has had some accounting background. She is going to take an advanced class in the use of Quickbooks (our accounting software system).

We have hired Anne Arendt to take on Nicole's current position. Anne has been a legal secretary and is currently working in accounting and records in a law firm in Columbus. She has web page experience as well as some newspaper background. She is also the office IT specialist where she is now employed. She will join the Columbus staff as of December 1. Nicole will begin training Anne in her duties at that point, and will then slowly shift to handle more of the bookkeeping duties over the course of the year as Sue transitions out. This will give us some cross-trained personnel in the office, with both Anne and Nicole having accounting skills as well as webpage and newsletter background.

The timing of this personnel adjustment could not be better. As you may recall, ASC had to pay for two Criminology editorial offices this year (2011), as we moved from Denise to Wayne. ASC will be making the same double editorial office payments in 2013 as CPP moves from Tom to someone else. We will not have these extra editorial office payments to make in 2012, and we see no other big ticket items on the near horizon. So again, the timing of this personnel shift is good for ASC in a cash flow context. Secondly, this personnel shift is going to save ASC a little money in a long term context. Sue is being replaced by Ann – Sue will be paid \$47,425 next year (if the Board approves our proposed 2 percent pay increase), but we will only be paying Ann \$40,000 for the year. Adding in the difference in benefits, ASC is looking at roughly a \$8,000 annual savings down the road.

Finally, we wish to note that we are going to have our accountant do an audit of our financial records in 2012, not so much as a check on Nicole, but more in the context of helping her during this transition period. We will probably have our accountant conduct an audit again in 2013.