

To: ASC Executive Board
From: Chris Eskridge
Date: April 15, 1996
Re: Treasurer's Mid-Year Report

I have been engaged in a number of activities in the past few months:

1 - As charged by the Board, I spent some time at the ASC office in Columbus this past December. I spent considerable time with Sue going over the books, and now feel a bit more comfortable with our bookkeeping procedures. We have an accounting program with which we are comfortable, and the enclosed reports are generated from that program. I also worked with Sarah, Sue and Ron Huff in assessing office equipment needs. In the past months, we have purchased the following equipment; a laser printer, a deskjet printer, a 486/8 meg computer for Sue, a 481 lap top computer for Sarah to use at the meetings, a new xerox machine, a plain paper fax, and some office furnishings (chair, 2 file cabinets, desk calculator, wall clock). We have also had the office re-wired. At our last Board Meeting, \$20,000 was authorized to be spent on equipment needs. We spent approximately \$16,000 to date.

2 - In conjunction with Charles, I worked out a formal Memorandum of Agreement with respect to the terms and conditions of Sue Beelman's employment. I will bring a copy of the Memorandum to the Board Meeting. In synopsis, she will be paid \$15.60 per hour for a standard 32 hours of work per week for the 1996 calendar year.

3 - We have engaged in the normal flow of business; invoicing, collecting, paying our bills, maintaining the books, etc. I can report to the Board that these fiscal functions are moving smoothly and with dispatch.

4 - We have been in touch with our accountant, Don Fenn. He has given us a solid bill of health. I was instructed by the Board to obtain a fee schedule from him, and I have done so. I will bring a copy of the said schedule to the meeting.

5 - We have prepared several financial reports, as follows:

- a. Balance Sheet (as of 3/31/96): A copy of this report is attached. You will note that we have approximately \$509,000 in total assets, \$502,000 of which is liquid assets invested in a variety of stocks, bonds and certificates of deposit. We have those assets managed by representatives at Merrill Lynch and Harrington. I have spoken with our account brokers at both of these investment houses. Our Merrill Lynch broker has volunteered to conduct an investment portfolio

analysis. I will attached a copy of the analysis if it is received in time for the Board Meeting. Please note that we recently purchased a \$50,000, 6 month CD. We also just purchased a \$35,000, 3 month CD that does not show up on the enclosed March 31 Balance Sheet. We have a positive cash flow from mid-January through May - our income FAR exceeds our expenditures during this time frame. Obviously, we have a substantial negative cash flow the last two months of the year as we pay out meeting expenses. We are in the process of determining just how much operating capital is needed to sustain us from month to month. Our plan is to take excess capital that we collect during the January to May time frame and invest it, at least in CD's. We need to determine if there might be other relatively liquid investment instruments we might utilize to maximize the return on these funds. Lastly, I would draw your attention to page 3 of this report. Our Open Balance Equity is roughly \$335,000. We are in a solid fiscal position as an organization.

- b. Annual Profit and Loss Statement (1/95 - 12/95): A copy of this report is attached. Note that we showed a loss of roughly \$16,000 for 1995. This necessitates some explanation. Roughly half of this loss is related to delayed billings for the Membership Directory. We budgeted and actually "spent" \$8,200 for the Membership Directory in 1994, but just did not pay it out until 1995. Consequently, the \$39,000 profit reported in the 1994 Profit and Loss statement could thus be considered, in this context, a bit overstated. Due to some bookkeeping transitions, a number of the bills for the 1994 Annual Meeting did not get paid out until 1995, again suggesting that the 1994 profit was not really as large as it would initially appear. We also made a number of equipment purchases in 1995, and spent nearly \$2,500 to cover the lodging of federal employees at our Annual Meeting. I do not see these as usual expenditures, and suggest that the usual business pattern and practice of ASC will move us into the black in 1996.

- c. Profit and Loss Budget Comparison (thru 11/15/96): A copy of this report is attached. Note that we have spent 68.5 percent of the budget, and have generated 88 percent of the expected income for the year to date. At this juncture, we have generated \$70,618 in net income for the year to date.

6 - We presented a proposed 1996 budget to the Board last November. We now have a much better view of our financial situation, and have revised that original 1996 budget. A copy of

the revised 1996 budget attached. Note that we are projecting \$105,000 in membership dues. Membership appears to be up, which bodes well for our organization. In sum, the organization is in sound financial health at this current time.