

ASFPM TREASURER ANNUAL REPORT

Annual Conference-Atlanta, Georgia



Karen L. McHugh, Treasurer

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I am pleased to report that the Association of State Floodplain Managers, Inc. is operating on sound financial footing. ASFPM is continuing to grow its membership, increase the number of CFMs, and further improve training activities and the quality of its member benefits.

The FY15 budget year is the second year in a three-year plan to transition the budget from deficit to balance, as well as the second budget year in a five-year plan to enhance revenues. As we move toward our goal of a balanced budget in FY16 and long-term financial security, we are building our reserve funds and in the process creating an environment that will encourage further success. ASFPM staff commitment to expedite invoicing has been a significant positive achievement, along with internal policies that have convincingly demonstrated a positive outcome in lowering discretionary expenses. Even with variables typical of the end of the year such as tabulation of final revenue and expenses for the annual conference, revenues from the CFM renewal cycle, and project work, we anticipate a close alignment with our budget goal this year. In sum, the executive office is on track to come in on or better than the budget. As of March 31, 2015, ASFPM's net income was \$27,404 compared with a deficit of (\$297,896) for the same time period last year and compared with a FY15 overall budgeted deficit of \$99,339.

The organization's financial record, enumerated from the 2014 ASFPM 38th annual conference in Seattle, did not meet expectations. In response, an ad hoc committee was convened by ASFPM's chair. The purpose of the committee was to promote better financial management for the upcoming 39th ASFPM conference, and to be certain that future conferences meet financial goals, contributing to the future overall financial health of the association. With the recommendations of the committee, future conferences would meet the net revenue goals set by the board.

Short-term interest rates on savings accounts and certificates have continued to be very poor. The organization's policy for FY14 recommended a change to our investment strategy, diversifying our investment options to obtain a better financial return. In 2013, the ASFPM Board of Directors allowed a portion of ASFPM's reserve funds to be invested in equity funds to obtain this

improved rate. While the year to date return on our investments is currently higher than budgeted, the figures are somewhat hampered by a reduction of reserves due to this year's deficit and a measure of volatility in mutual fund performance.

There are several accomplishments of note from a budgetary perspective in FY15. Membership continues to grow at around 3 percent. However, the national CFM program growth has increased from 4.5 percent in FY14 to more than 8 percent in FY15. ASFPM staff continues to focus on program and policy implementation. On the national level, 2015 saw the passage of Executive Order 13690 – the Federal Flood Risk Management Standard. ASFPM was a thought leader and aided members and other partners in understanding its impact and also providing quality feedback during the comment period.

Training has been identified as a crucial area wherein ASFPM can fulfill its mission while diversifying its revenue streams. FEMA's field-deployed floodplain management course (273) and the ASFPM webinar series have been models in floodplain management education. No Adverse Impact investments continue to be important, especially in light of the recent uptick in resiliency and mitigation of climate change. ASFPM's project development arm, Science Services, is in the process of reloading its project pipeline activities and expenses will be monitored and balanced as needed.

Looking to the future, I am pleased to report that the proposed fiscal year 2016 budget is balanced! While expenses and income will be monitored, the focus will transition to building our reserves back up to be prepared for the next financial downturn. A large project that will be undertaken in FY16 is a comprehensive update of ASFPM's website. Planned improvements should add value to members and the public alike. ASFPM will continue to adjust to changing conditions and the needs of our members, embracing our strengths and exploring new opportunities.

As I complete my first year on the board as treasurer I continue to gain an appreciation for all that ASFPM does. My special thanks go out to Chad Berginnis, Ingrid Danler and Suzanne Gillingham of the ASFPM executive office staff for their assistance. Thanks most of all to the members, sponsors, volunteers, exhibitors and everyone involved in making this year's conference successful and productive.