

## **REPORT OF THE TREASURER**

**Benjamin Hernandez**

Welcome to the Annual Meeting!

On behalf of the Finance & Audit Committee, it is my honor to present the Treasurer's Report to the Executive Board and the Governing Council. I would like to thank the members of our Finance Committee: Aaron Guest, Amy Lee, Shirley Orr, and Gopal Sankaran as well as Georges C. Benjamin and the Finance Staff at APHA for their work throughout the past year.

### **Report overview:**

- Overview of Finance Committee Roles and Responsibilities
- Fiscal Year 2023 Audit Report
- Fiscal Year 2024 Budget
- Fiscal Year 2023 Year to Date Report
- Closing Summary

### **Overview of Finance Committee Roles and Responsibilities:**

The Finance Committee, with the support of staff, works to accomplish the financial goals set forth in the strategic plan. This work includes the following:

Oversight of budget process including:

- Adopting budget guidelines
- Reviewing proposed budget for recommendation to Executive Board for approval

Regularly monitoring budgetary activities.

Oversight of auditing process including:

- Selection of the auditor
- Determining timeline for annual audit and making recommendations to Executive Board

Overall oversight of financial policies including:

- Reserve Fund and Investment policies and practices

### **Fiscal Year 2023 (July 2022 – June 2023) Financial Report audit financial statements**

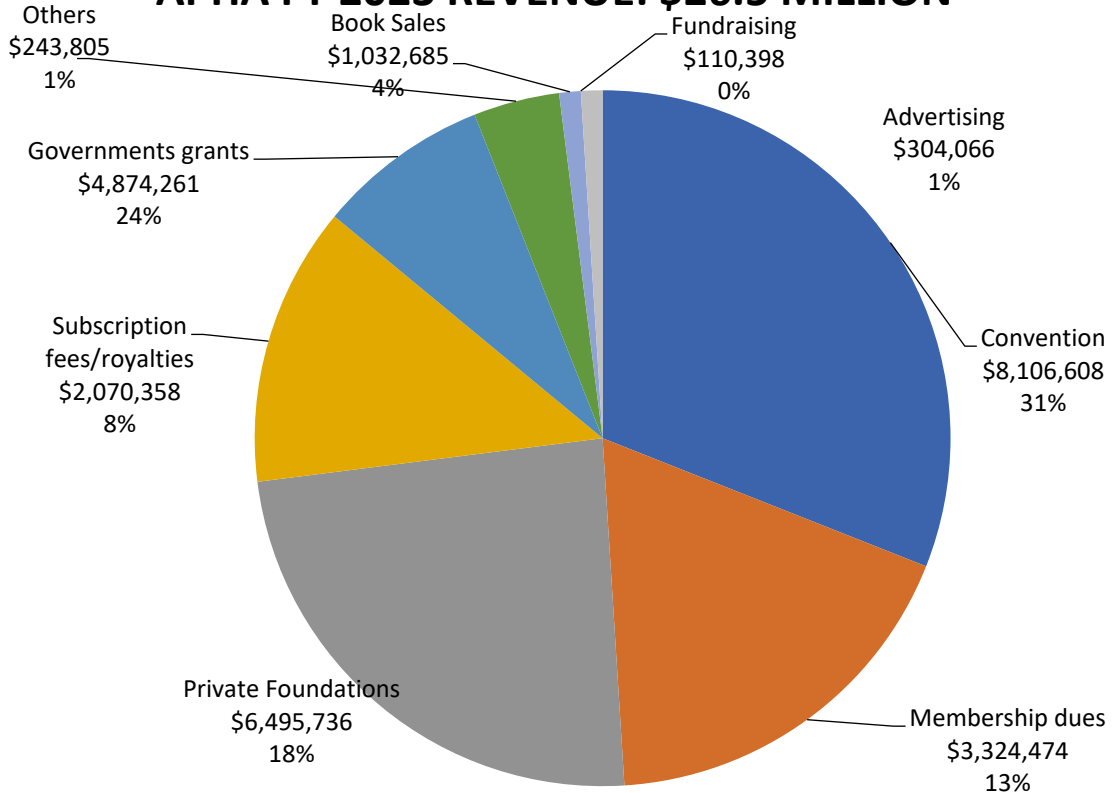
APHA closed the fiscal year ending June 30, 2023, as follows:

- Gain in Net Assets Operations \$802,871
- Gain in Net Assets Operations with investments \$1,446,339.
- Loss in Net Assets with Donor Activity (\$1,177,004)
- Overall Gain (Profit) \$269,335

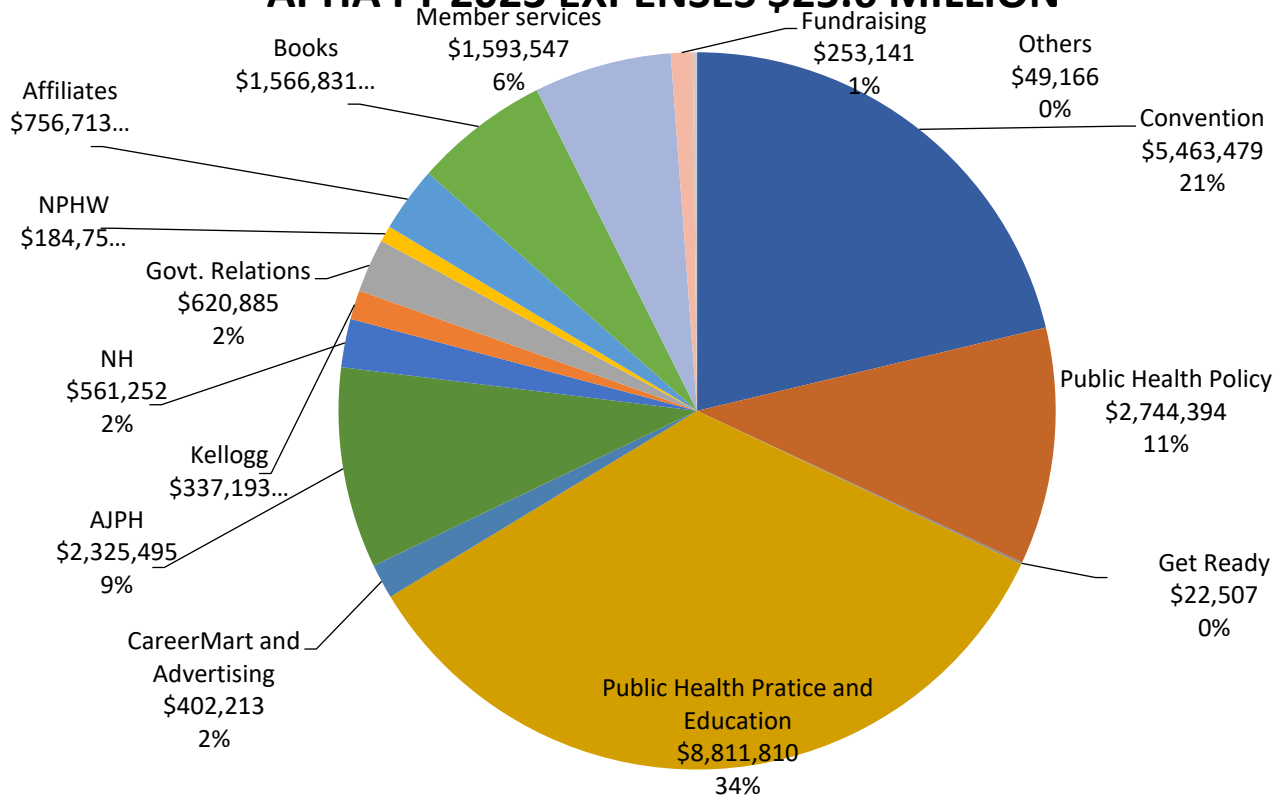
In Fiscal Year 2023, membership dues, convention revenue, interest income, rent and book sales, were all below budget, while other revenue items such as subscriptions, advertising, miscellaneous revenue and contracts and grants were higher than anticipated.

For FY 2023, our revenue and expense stream are illustrative with the pie charts below.

### APHA FY 2023 REVENUE: \$26.5 MILLION



### APHA FY 2023 EXPENSES \$25.6 MILLION



### **Fiscal Year 2023 - Financial Audit**

The Association received an unmodified opinion (clean audit) from its auditors McKonly & Asbury FY 2023. Copy of the Association's audited financial statements resides on the Association's website.

### **FY 2024 (July 2023 – June 2024) Budget**

In June, the Executive Board approved a budget of \$26,185,161 with revenue of \$24,533,431 resulting in \$1,651,730 a planned use of reserve for FY 2024. In other words, the board approved a deficit budget using reserves to allow for spending beyond revenues of \$1,651,730 (without investment activity). This budget allowed the association the flexibility to address its financial needs for the upcoming fiscal year.

(See attached approved detailed approved budget)

### **FY 2024 (July 2023 – June 2024) Year to Date Financial Report**

As of the end of September 30, 2023 (25% of fiscal year), APHA reported revenues of \$11,339,241 (46% of budget). This is over projections by \$1,934,455 and over prior year by \$2,490,247. Total expenses are \$7,424,635 (28% of budget), which is over budget by \$731,775 and over prior year by \$1,576,238 year to date. Compared to budget, revenue is over projections by \$1,934,455 and expenses over by \$731,775. The difference between budgeted income and expenses to date is \$3,914,606 and \$3,631,696 with investments.

(See attached September financials)

### **Closing Summary**

Although last year (Fiscal Year 2023 that ended in June 2023), we approved a large deficit budget, we actually ended the year with a positive gain of \$269,335. Fiscal Year 2023 ended favorably because there were expenses not incurred as originally planned and more additional revenue than anticipated. This year (Fiscal Year 2024 that started in July 2023), we again approved additional spending authority with a deficit budget of \$1,505,010, but we feel relatively confident that again this year we will do better than anticipated. That being said, we expect in the coming years to return to approving balanced budgets barring any external financial pressures.