

To: All Star I Governing Council
From: David Yermack, Treasurer
Date: August 23, 2024

2024 Treasurer's Report

All Star I's financial picture improved significantly in 2024 for two reasons. First, our enrollment of 280 conferees was one-third higher than in 2023 and well above our budget assumption of 260. Second, we approved an increase in conference registration fees that brought us back into line with historical inflation trends and the fees charged by other conferences. We experienced higher costs than expected in two categories: financial aid (\$14,780 vs. a budgeted amount of \$12,331) and the travel and accommodation expenses for our Speaker (\$7,352 vs. a budget of \$3,110). As a result the conference ran a deficit of close to \$10,000. Our auction raised nearly \$22,000, more than enough to cover this deficit and creating a net surplus of about \$12,000 for the year, pending a gift to the Star Island Corp. annual fund, and I am proposing that we donate \$12,000 to Star Island.

Discussions in the conference Executive Committee have indicated a need for greater clarity about the expectations and financial support provided for our Speaker, particularly in areas such as travel expenses and room & board for family members.

The increasing demand for financial aid also seems to suggest revisiting our policies in this area to clarify our goals and evaluate how well we are meeting the needs of our conference community. Historically we have granted virtually every request for financial aid. As recently as 2019, in a very full conference with 334 attendees, the requests for assistance were only \$7,066. In 2024 we awarded more than double this amount, a total of \$14,780, even with lower attendance of 280.

While our fiscal year does not officially end until September 30, I believe our final results will equal the estimated numbers in this report, since we typically have little or no financial activity during the Fall months. All of the estimates assume that the proposal above for a \$12,000 donation to the Star Island Corp. will be approved; to the extent that the Governing Council decides to donate more or less than that proposed amount, our final results would be affected dollar for dollar.

<u>Financial position</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Est.</u>
<i>fiscal years ended 9/30</i>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Checking account	\$30,346	\$29,870	\$27,879	\$7,452	\$14,501	\$30,230	\$23,563	\$26,879
Savings account	18,828	18,834	18,839	18,872	11,426	8,248	10,248	10,248
PayPal				1,188	511	538	844	1,064
Receivables			1,750					
-----	-----	-----	-----	-----	-----	-----	-----	-----
Assets	\$49,174	\$48,704	\$48,468	\$27,512	\$26,438	\$39,016	\$34,655	\$38,191
Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financial Aid Fund	14,938	10,067	12,784	12,908	11,426	10,248	10,248	10,248
Unrestricted funds	34,236	38,637	35,684	14,604	15,012	28,768	24,407	27,943
-----	-----	-----	-----	-----	-----	-----	-----	-----
Liabilities and reserves	\$49,174	\$48,704	\$48,468	\$27,512	\$26,438	\$39,016	\$34,655	\$38,191

Gift to the Star Island Corp. annual fund

A gift of \$12,000 would leave All Star I in an off-season financial position virtually identical to recent years, with about \$26,000 in assets and no liabilities:

<u>Gift to Star Island</u>	<u>Actual</u> <u>2017</u>	<u>Actual</u> <u>2018</u>	<u>Actual</u> <u>2019</u>	<u>Actual</u> <u>2020*</u>	<u>Actual</u> <u>2021**</u>	<u>Actual</u> <u>2022</u>	<u>Actual</u> <u>2023</u>	<u>Est.</u> <u>2024*</u>
Unrestricted pre-gift	\$34,236	\$38,637	\$35,684	\$32,802	\$25,012	\$28,768	\$24,407	\$27,943
Gift: SIC annual fund	\$20,000	\$22,000	\$21,000	\$18,198	\$10,000	\$13,000	\$8,500	\$12,000
-----	-----	-----	-----	-----	-----	-----	-----	-----
Unrestricted after gift	\$14,236	\$16,637	\$14,684	\$14,604	\$15,012	\$15,768	\$15,907	\$15,943
Total assets after gift	\$29,174	\$26,704	\$27,468	\$27,512	\$26,438	\$26,016	\$26,155	\$26,191

* During 2020, the online auction raised \$18,198 and was run directly by the SIC, so funds did not pass through the accounts of the All Star I conference. The “unrestricted pre-gift” balance is therefore hypothetical, as if the \$18,198 could have been retained by the conference.

** During 2021, the \$10,000 gift occurred during September, before the end of the fiscal year, unlike most years in which gifts typically occurred in October. The “unrestricted pre-gift” balance therefore represents what we held in early September prior to approval and payment of the gift. The same would be true in 2024, as we are meeting in September and voting on the gift before the end of the fiscal year.

Financial Aid Fund:

Our conference has a Financial Aid Fund that is held in a savings account at the Bank of New Hampshire. This fund receives \$15 per conference registration (\$4,200 this year), the amount raised through late-night poker (\$1,060), the net profit from conference T-shirt sales (\$732), and interest income (\$2). We also received one donation to the fund this year of \$500. To keep the fund at the same balance as the past two years, I have transferred \$8,286 from our auction proceeds into the savings account.

<u>Year</u>	<u>Starting balance</u>	<u>Contributed</u>	<u>Awards</u>	<u>Ending balance</u>
2009	\$3,300	\$2,130	(\$4,889)	\$541
2010	\$541	\$15,295	(\$11,740)	\$4,096
2011	\$4,096	\$16,792	(\$8,183)	\$12,706
2012	\$12,706	\$8,460	(\$8,457)	\$12,709
2013	\$12,709	\$7,187	(\$8,960)	\$10,937
2014	\$10,937	\$8,259	(\$8,374)	\$10,822
2015	\$10,822	\$10,547	(\$13,351)	\$8,018
2016	\$8,018	\$12,835	(\$6,155)	\$14,698
2017	\$14,698	\$8,885	(\$8,644)	\$14,938
2018	\$14,938	\$7,892	(\$12,763)	\$10,067
2019	\$10,067	\$9,783	(\$7,066)	\$12,784
2020	\$12,784	\$124	n.a.	\$12,908
2021	\$12,908	\$3,864	(\$5,344)	\$11,426
2022	\$11,426	\$6,910	(\$8,089)	\$10,248
2023	\$10,248	\$9,248	(\$9,248)	\$10,248
2024	\$10,248	\$14,780	(\$14,780)	\$10,248

In the recent past we have often donated 100% of our auction proceeds to the Star Island Corp. annual fund. Due to the higher demand for financial aid, we will be retaining about 40% of the auction proceeds this year and donating about 60% to the SIC annual fund, assuming the proposal for a \$12,000 gift is approved.

Budget for 2025

<u>Operating results</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>
<i>fiscal years ended 9/30</i>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Expected</u>	<u>Proposed Budget</u>
Registration fees, net of refunds	\$28,110		\$12,860	\$21,890	\$20,190	\$32,652	\$33,165	\$34,160
Donations	2,395	\$1,100	2,605	3,264	5,286	5,552	4,681	4,821
Artichokes	2,285		760	2,070	1,060	2,056	1,905	1,962
Fall meeting, net	205	917						
T-shirts, net	885		656	260	464	470	732	753
Social hour, net	65		(364)	647	1,406	1,330	1,027	1,058
Clambake, net	460		245	290	5	400	165	170
Poker	1,160	120	530	880	540	930	1,060	1,090
Grants (ISA)			500	600	0	600	1,100	600
Interest income	6	4	2	1	1	4	2	2
Volunteer accommodations	(23,509)		(11,251)	(21,085)	(25,786)	(25,356)	(26,048)	(26,829)
Financial aid	(7,066)		(5,344)	(8,089)	(10,841)	(12,311)	(14,780)	(15,223)
Speaker accommodations & travel	(2,110)		(2,935)	(2,256)	(2,519)	(3,110)	(7,352)	(2,000)
Supplies, net	(1,508)	42	(479)	(1,152)	(2,222)	(2,187)	(1,284)	(1,322)
Insurance	(1,224)		(651)	(937)	(1,207)	(1,250)	(1,378)	(1,419)
Fees and dues	(210)	(75)	(175)	(75)	(75)	(75)	(75)	(75)
Credit card fees (SIC registration)	(720)		(331)	(541)	(588)	(736)	(951)	(980)
PayPal & Venmo fees			(238)	(211)	(450)	(650)	(625)	(644)
Events	(199)		(677)	(2,253)	(1,475)	(2,440)	(921)	(949)
Operations (Zoom, web, postage)	(149)	(313)	(230)	(211)	(219)	(220)	(220)	(227)
-----	-----	-----	-----	-----	-----	-----	-----	-----
Surplus (deficit) before auction	(\$1,123)	\$1,795	(\$4,517)	(\$6,907)	(\$16,429)	(\$4,549)	(\$9,796)	(\$5,051)
Auction revenue	22,887	(1,750)	13,442	19,485	25,067	25,000	21,834	25,000
Donation to Star Island Corp.	(22,000)	(21,000)	(10,000)		(13,000)	(20,500)	(20,500)	
-----	-----	-----	-----	-----	-----	-----	-----	-----
Surplus (deficit)	\$(236)	\$(20,955)	(\$1,075)	\$12,578	(\$4,362)	(\$49)	(\$8,463)	\$19,949

Social hour 2019: donations = \$6,593, expenses = \$6,528, net = \$65
 Social hour 2021: donations = \$3,056, expenses = \$3,420, net = (\$364)
 Social hour 2022: donations = \$6,997, expenses = \$6,250, net = \$647
 Social hour 2023: donations = \$6,726, expenses = \$5,318, net = \$1,406
 Social hour 2024: donations = \$8,479, expenses = \$7,452, net = \$1,027

For 2025 I am assuming continued attendance of 280 conferees, financial aid awarded at the 2024 level, a reversion of the Speaker's expense to historical levels, and increases in most other categories at the current inflation rate of 3%. The proposed budget, which reflects these assumptions, forecasts a deficit for the conference of about \$5,000. This is a modest amount that should be covered easily by our annual auction, which has reliably raised between \$20,000 and \$25,000 in recent years. In line with inflation-related increases in most expense items, I am recommending that we increase our registration fee by \$5 per person, from \$130 to \$135 for adults and from \$105 to \$110 for children under 18, while continuing the policy of waiving the fee for a family's third and additional children, so that no family pays the registration fee for more than two children regardless of the number of adults attending.

Electronic banking:

Electronic payments continued to grow very rapidly at All Star I in 2024, and they now account for the large majority of our one-week, on-island economy.

- We received \$29,066 in payments via Venmo, PayPal, and credit cards, compared to \$20,209 in 2023, \$8,913 in 2022, and \$8,122 in 2021, which was the first year that we accepted PayPal and credit cards at the conference. The introduction of Venmo in 2023 has made a huge impact on the composition of our revenue.
 - We were charged \$625 in transaction fees, or 2.15% of the electronic payments that we received.
 - I am certain that the incremental auction and social hour revenue due to the convenience of electronic payments greatly exceeds the cost of these transaction fees.
- We received \$6,147 in checks, down from \$11,490 in 2023, and all of these checks were deposited immediately via the mobile banking mobile cellphone app.
- I paid \$769 in invoices electronically, saving the cost and inconvenience of having to write and mail checks.

The remainder of our revenue comes from cash (\$3,913 this year, compared to \$3,274 in 2023), and bookkeeping offsets, such as the Star Island Corp. applying our registration fees against the conference invoices for volunteer accommodations, and many conferees donating the cost of supplies and refreshments, which we record on our books as donations minus offsetting expenses.

Respectfully submitted,

