From the Treasurer
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Abbreviated Report on the 2013-2014 Fiscal Year

(The following offers a snapshot of a more comprehensive report, which will be published in the March issue.)

Our overall financial performance in FY2013-14 (fiscal year from July 1, 2013 through June 30, 2014) was not entirely satisfactory, as we ended the year with a net “operating loss” (change in net assets before gains/losses on investments) of almost $33k. This loss was composed of a net loss of $18k for the American Foundation for Translation and Interpretation (AFTI) due to the required write-off of AFTI’s Julia Segall-Derfler Scholarship, as well as a net “operating loss” for ATA of $15k. Fortunately, a net gain on investments (both realized/unrealized) of $34k allowed us to end the fiscal year at just over breakeven with $132 in consolidated net income. Excluding the AFTI loss, ATA ended the fiscal year with a stand-alone net gain of $18k.

On a more pleasing note, the positive net result for the FY is now our second in a row, reversing the loss trend we experienced from 2009 through 2012. Our deficit in net assets has now been reduced to $199k. However, this is below the goal of eliminating the deficit by the end of FY2016.

Total revenue was $2.69m, primarily from dues of $1.77m, conference revenue of $584k, and certification revenue of $190k. Dues revenue increased as a result of the increase in annual dues, which was somewhat offset by the 3% decline in individual members to 9,768 as of June 30, 2014. Revenue for The ATA Chronicle fell sharply by 35% due to the loss of postage revenue from overseas members who opted for the e-Chronicle. Conference revenue declined year-on-year as expected, since that revenue is highly dependent on the particular location.

Expenses for our major programs were mixed, with some posting significant declines. For example, conference expenses were down 7% in line with expectations, while others such as certification and The ATA Chronicle saw only minor reductions of 1% each. Total expenses for program services fell by 2% to $1.93m.

Expenses for support services were also mixed, with general and administrative expenses up and on target at $734k, while expenses for officers and directors, Board meetings, and other governance expenses declined to $66k.

Our total current assets as of June 30, 2014 were $437k, mostly cash and cash equivalents of $370k and prepaid expenses of $58k. The increase over FY 2013 was due to strict and prudent cash management, which also allowed ATA to get through the traditionally cash-lean summer months without having to withdraw cash from our money market account.

In addition to the increase in our cash account of $132k, an increase in the value of our long-term investment account also contributed to the increase in total assets to $972k.

The increase in total assets was mostly offset by a rise in deferred revenues (mostly unearned dues revenue) of $165k, with total liabilities ending the year at $1,170k, leaving a year-end net deficit of just under $199k.

Our portfolio continues to be invested conservatively and is divided more or less equally into cash, equity mutual funds, and income mutual funds. The total value of the investment account as of June 30, 2014 was $531.8k ($486.6k in 2013).

As I reported at ATA’s Annual Conference in Chicago, while our finances are not currently in the shape we would like, they are improving and should continue to improve over the next few years. As treasurer, I will continue to monitor our financial development, report to the Board, and make recommendations for improving and enhancing our financial health.

Note
1. The financial figures cited are from the draft audit report on the FY2013-14 consolidated financial statements, which include the results for the American Foundation for Translation and Interpretation (AFTI). All figures have been rounded to the nearest whole number, which can result in rounding differences. For legibility reasons, all references to fiscal years use the calendar year in which the fiscal year ended: e.g., FY2014 means FY2013-2014 (July 1, 2013 through June 30, 2014).

Upcoming

June 1-7, 2015
Middlebury Bread Loaf Translators Conference
Ripton, VT
www.middlebury.edu/blwc/bltc