

INDUSTRIALES
P U E R T O R I C O



Treasurer's Report

May 30, 2015

Agenda



- **Goals & Objectives 2014-2015**
- Pension Plan Termination
- Statements of Activities 2014 Actual vs. Forecast
- Statements of Activities Actual 2014 vs Budget 2015 vs Forecast 2015
 - Activities Net Income Actual 2014 vs Budget 2015 vs Forecast 2015
- Statement of Financial Position 2015-2014
- Goals & Objectives 2015-2016

Goals & Objectives 2014-2015



- Strong internal controls over expenses
- Close monitoring of Accounts Receivable balances to avoid aging balances & bad debts
 - Collected sponsorships and Institutional agreements
 - \$202K vs. \$40K
- Board & Executive team developed new business strategies and activities to compensate reduction in revenues and membership
 - Created the Financial Advisory Board
- Executed a plan to terminate the pension plan

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PENSION PLAN TERMINATION



✓ Pension Plan Expense for the last three years total \$384,000

	<u>Forecast 2014</u>	<u>Actual 2014</u>	<u>Flux</u>
Present Value of Accrued Benefits	\$2,344,144	\$2,364,891	20,747
Estimated Termination Cost	231,436	115,399	-116,037
Total PVA & Termination Cost	2,575,580	2,480,290	-95,290
Less: Total Plan Assets	1,526,239	1,501,790	-24,449
Unfunded Balance	\$1,049,341	\$978,500	-70,841

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Detailed Statement of Activities Forecast as of 06/30/14 vs Actual 2014



	<u>Forecast 2014</u>	<u>Actual 2014</u>	<u>flux</u>	<u>Budget 2015</u>
Dues	806	808	2	886
Convention	308	357	49	390
Summit/Publications/Assemblies/Others	521	544	23	579
Seminars/ Enviromental & Secutiry Awards	90	102	12	115
Net Income Activities	<u>1,725</u>	<u>1,811</u>	<u>86</u>	<u>1,970</u>
Overhead:				
Salaries	788	800	12	969
G&A Expenses	800	864	64	956
Bad Debt Expenses	80	75	-5	45
	<u>1,668</u>	<u>1,739</u>	<u>71</u>	<u>1,970</u>
Net Operating Before Pension Plan Expense	<u>57</u>	<u>72</u>	<u>15</u>	<u>0</u>
Pension Plan related changes other than net periodic pension cost	-515	-461	54	0
Net Operating	<u>-431</u>	<u>-345</u>	<u>86</u>	<u>0</u>

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Detailed Statement of Activities Actual vs Budget vs Forecast as of 06/30/15



	<u>Actual 2014</u>	<u>Budget 2015</u>	<u>Forecast 2015</u>	<u>2014-2015 Flux</u>	<u>Budget vs 2015 Flux</u>
Dues	808	886	831	23	-55
Convention	357	390	318	-39	-72
Summit/Publications/Assemblies/Others	544	579	554	10	-25
Seminars/ Enviromental & Secutiry Awards	102	115	148	46	33
Net Income Activities	<u>1,811</u>	<u>1,970</u>	<u>1,851</u>	<u>40</u>	<u>-119</u>
Overhead:					
Salaries	800	969	829	29	-140
G&A Expenses	864	956	830	-34	-126
Bad Debt Expenses	75	45	38	-37	-7
	<u>1,739</u>	<u>1,970</u>	<u>1,697</u>	<u>-42</u>	<u>-273</u>
Net Operating Before Pension Plan Changes	<u>72</u>	<u>0</u>	<u>154</u>	<u>82</u>	<u>154</u>
Pension Plan Related Changes other than net periodic pension cost	<u>-461</u>	<u>0</u>	<u>0</u>	<u>461</u>	<u>0</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>44</u>	<u>0</u>	<u>-57</u>	<u>-101</u>	<u>-57</u>
Change in Net Assets	<u>-345</u>	<u>0</u>	<u>97</u>	<u>442</u>	<u>97</u>

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Activities Net Income vs. Actual 2014 vs. Budget 2015



	<u>Actual</u> <u>2014</u>	<u>Budget</u> <u>2015</u>	<u>Forecast</u> <u>2015</u>	<u>Flux</u> <u>Forecast</u> <u>2015/ Actual</u> <u>2014</u>	<u>Flux Forecast/ Bgt.</u> <u>2015</u>
Speakers Events	0	62	34	34	-29
New Activities Income	30	31	16	-14	-15
Buyers & Suppliers Event	26	49	41	15	-8
Quest Event	23	25	25	2	0
Members Directory	13	30	23	10	-7
"Reforma de Salud" Seminar	13	0	0	-13	0
"Caucus con el Gobierno" Event	20	0	0	-20	0
Proyecto Cuba	37	0	0	-37	0
Other Income	68	22	131	62	108
Competitive Summit	58	60	21	-36	-39
Empleado Simbolo Activity	154	175	158	4	-17
Rent Income	62	76	60	-2	-16
PRMA Excellence Awards	34	33	33	-1	0
	544	579	554	10	-25

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Statement of Financial Position



Assets:

	<u>Actual</u> <u>06/30/14</u>	<u>Forecast</u> <u>06/30/15</u>	<u>Flux</u>
Cash	1,570	527	(1,043)
Other current assets	970	994	24
Long Term Assets	2,741	2,614	(127)
Total Assets	5,281	4,135	(1,146)

Liabilities and Net Assets:

Deferred Income	667	755	88
Others	144	174	30
Loan Payable	931	889	(42)
Pension Liability	995	0	(995)
Total Liabilities	2,737	1,818	(919)
Net Assets	2,544	2,317	(227)
Total Liabilities and Net Assets	5,281	4,135	(1,146)

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Goals & Objectives 2015-2016



- Maintain strong internal controls over expenses and discipline with budgetary items
- Firm accounts receivable management
- Addition of new lines of business and activities to compensate reduction in revenues and membership
- Budgeting of Strategic Reserve



Questions ??

Detailed Statement of Activities Reviewed as of 03/31/15



	<u>Budget</u> <u>03/31/15</u>	<u>Review</u> <u>03/31/15</u>	<u>Flux</u>
Dues	667	602	-65
Summit/Publications/Assemblies/Others	455	361	-94
Seminars/ Enviromental & Secutiry Awards	60	85	25
Net Income Activities	<u>1,182</u>	<u>1,048</u>	<u>-134</u>
Overhead:			
Salaries	713	606	-107
G&A Expenses	748	670	-78
Bad Debt Expenses	<u>32</u>	<u>32</u>	<u>0</u>
	<u>1,493</u>	<u>1,308</u>	<u>-185</u>
Net Operating Before Pension Plan Changes	<u>-311</u>	<u>-260</u>	<u>51</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>0</u>	<u>-71</u>	<u>-71</u>
Change in Net Assets	<u>-311</u>	<u>-331</u>	<u>-20</u>