

CFA Society of Melbourne, INC.

A.B.N. 33 080 550 149

Treasurer's Report

For the Year Ended 30 June 2013

Financial Statements for the CFA Society of Melbourne, Inc. ("CFAM" or the "Society") for the financial year ended 30 June 2013.

The statements show that the CFAM is in a strong financial position, however, after three years of consecutive net losses, especial consideration should be given to costs and revenues going forward.

	2013	2012	2011	2010
Total Assets	235,784	267,816	270,679	271,520
Total Liabilities	26,446	35,824	21,758	21,472
Net Assets	209,338	231,993	248,921	250,048
Income	135,257	129,033	123,082	171,853
Expenses	154,806	138,280	119,261	142,876
Net Income After Tax -	22,655	- 11,033	- 1,127	8,975

Total income for the 2013 financial year was up 5%, however total expenses increased 12% versus the previous year contributing to a net loss after tax of -\$22,855.

Key Items:

- **CFAI Funding:** This is the major source of net funding for the Society. CFAI funding was \$25,383 for FY13, down from \$27,238 the previous year.
- **Forecasting Dinner:** the 2012 Forecasting dinner was held at the Sofitel Hotel in August. Revenue was \$37,282 and costs were \$40,419 for a net loss of -\$3,137 versus a \$2,651 gain the previous year.
- **Membership Dues:** Membership dues were \$20,318, down from previous year's \$21,561.
- **Review Course:** Profit was up \$9,654 versus \$5,670 in 2012.
- **Practice Exam:** Profit was up \$3,156 versus 2,227 the previous year.
- **Research Challenge:** Profit was down -\$1,109 versus \$2,204 the previous year.

- **Profit Share from Schweser Notes:** The shared profit was also down \$2,444 versus \$3,971 in 2012.
- **Graduation Dinner:** The cost of the graduation dinner in November 2012 was \$5,455 versus \$6,330 the previous year.
- **Interest received:** \$9,790 in interests was collected in FY2013 versus \$10,055 in 2012.

Expenses:

Most expenses were in line with last year's expenses; however, there were a few additional expenses that had a material impact in this year's financials.

- **Insurance premiums** increased compared to previous years.
- **Salaries and administration costs** were higher and this also impacted the amount of superannuation to be paid during the year.
- The **new website** was launched last year and costs to set up new features and banners in the website.
- **Hardware and software;** a new PC and systems were purchased for the administration of the Society.
- **New outreach position;** salaries and expenses were accrued for the period of May and June 2013.
- Higher **income taxes** were incurred this financial year (\$3,106 versus \$1,786 in 2012)

Summary:

The net loss for FY2012-13 was due to a combination of lower revenue from some of the key activities and higher operating expenses.

The board is comfortable with the financial position of the society given current available reserves, however, careful consideration should be placed in revenues and costs going forward to ensure the health and sustainability of the society activities.

The Society will continue to deploy financial resources to promote the mission and values of the CFA Society of Melbourne and the CFA Institute.

Juan Dosio, CFA
Treasurer
CFA Society of Melbourne
October 2013