

Committee on Operations

Bryan Picou, MD

- (1) The Board periodically reviews finances of all LAFP accounts.

Finances

- (2) The Board reviewed the Treasurer’s report at all meetings. Our formal financial statement consists of a balance sheet which compares assets and liabilities, a profit & loss statement which illustrates our operational status for the current fiscal year, accounts payable and accounts receivable. This statement included the operating accounts, money market accounts, Foundation accounts, and the PAC account.
- (3) Operations for the year ended December 31, 2019. All financials can be referenced in this report that includes the current account holdings statement.

Calendar Year 2019

- (4) The LAFP ended 2019 with a profit of **\$56,516.60**. Internal operating results for the fiscal year ended December 31, 2019, are as follows:

	Actual	Budget	Difference
Operational Revenues	601,819.04	573,010.00	28,809.04
Operational Expenses	545,302.44	563,791.33	18,488.89
Operational Net Income/(Loss)	56,516.60	9,218.67	47,297.93

- (5) Actual reserves as of December 31, 2019, were computed at \$159,954.22.

Major Variances — Actual Compared To Budget For The Year Ended December 31, 2018

- (6) Operational revenue variances were as follows:

Operational Revenues	Actual	Budget	Difference
Partnerships	14,572.75	11,000.00	3,572.75
CME Review Fees	7,900.00	10,150.00	-2,250.00
Grants	21,469.00	7,500.00	13,969.00
Website Advertising/Classified	8,686.79	19,600.00	-10,913.21
Membership Dues	274,072.50	289,810.00	-15,737.50
Assembly Revenue	267,305.00	232,450.00	34,855.00

- (7) Operational expense variances were as follows:

Operational Expenses	Actual	Budget	Difference
Partnerships	781.99	0.00	781.99
Administration	235,015.79	287,036.33	-52,020.54
Assembly Expenses	154,930.09	128,825.00	26,105.09
Travel	34,868.37	24,630.00	10,238.37
Board and Committees	22,719.68	27,700.00	-4,980.32

Operations Committee Report, continued

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Honoraria And Member Reimbursement

(8) Under the Academy's bylaws, the Committee on Operations determines member reimbursement and honoraria for those serving on behalf of the Academy. As part of its annual review of the budget and the Academy's financial policies, the committee reviews each of the various member reimbursement policies established for directors and committee members, and honoraria established for any officers.

Financial Policies

(9) Financial Reserve Policy – Established in March 2006. This policy establishes appropriate reserves for the Academy to manage its affairs in the event of unforeseen adverse financial situations and provide funds to support one time investments that advance the LAFP's goals.

(10) The procedure used to calculate the reserve amount for the LAFP is as follows:

1. At the end of each financial year the board will use any excess funds to assure that the reserve fund is minimally at 50% of the Academy's fixed expenses.
2. If the reserve has reached the 50% threshold, the Board may then use whatever excess funds are available to place in the reserve account. The Board must allocate a minimum of 10% of the excess funds to the Reserve Fund.
3. The Reserve Fund maximum will be set at 100% of the fixed annual expenses.
4. The Treasurer will invest the reserve fund into the vehicles that provide maximum return and minimal risk in the following ratio.
 - a. 25% in a vehicle with a three month liquidity
 - b. 50% in a vehicle with a 9 - 12 month liquidity
 - c. 25% in a vehicle with a 12 - 24 month liquidity
5. Once the reserve fund reaches 100% of the fixed annual expenses, any further funds that would have been deposited into that account will be used to reduce the costs of an academy activity for each active dues paying member.

Other Committee Action

(11) The Board agreed to maintain Duplantier, Hrapmann, Hogan & Maher, LLP as the Academy's auditors for FY 2019 and FY 2020.

Calendar Year 2020

(12) The Board reviewed the 2020 budget proposal and was approved.

(13) After the first half of the current fiscal year no significant problems have been identified at this time. However, a couple of items need to be mentioned.

- Membership dues are on target for 2020 with not paying by the deadline.
- A key driver of profitability is the Annual Scientific Assembly.

Cash on Hand as of 7/01/2020

(14) As of 7/01/2020 the Academy had **\$345,692.28** cash on hand. Therefore the Academy is currently in sound financial shape.

LAFP Foundation

(15) The Foundation had **\$97,259.57** on hand as of 7/01/2020.

LaFamPac

(16) LaFamPac had **\$25,258.97** on hand as of 7/01/2020.

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Bylaws

(17)The Committee reviewed the LAFP Constitution & Bylaws and have submitted a Bylaws Revision Report. The Committee also reviewed the Policy Manual and those changes were made.

(18)It has been a privilege being the Chairman of the Operations Committee for the past year and I wish to offer my gratitude to all members of the Committee, especially Ragan LeBlanc for agenda and minutes preparation as well as preparation of the financial reports. I would also like to thank those who serve on the committee:

Kenneth Brown, MD (Pres Elect)

Mary Coleman, MD (Secretary)

Derek Anderson, MD (Speaker)

Lisa Casey, MD (Vice-Speaker)

Christopher Foret, MD (Immed. Past President)

Summary

(19)Overall, the Academy is financially stable with an adequate cushion of capital to cover expenses for the next 12 months. The LAFP is financially stable and no significant financial problems are anticipated in the near future. The Executive Vice President and the Board of Directors will continue to monitor expenses in order to maintain the good financial position of the Academy.

Respectfully Submitted,

Bryan Picou, MD

Treasurer

Account Holdings

Account Holdings

		Balance
LAFP – as of 07/01/2020		
	<i>Chase Bank - Operating</i>	\$113,832.94
	<i>Chase Bank - Reserve</i>	\$160,000.00
	<i>Chase Bank – Credit Card Account</i>	\$70,198.34
	<i>Chase Bank - National Campaign Fund</i>	\$1,661.00
	TOTAL:	\$345,692.28
LAFP Foundation – as of 07/01/2020		
	<i>Chase Bank - Operating</i>	\$ 65,492.04
	<i>Chase Bank - Savings</i>	\$3,147.52
	<i>Chase Bank - Gehringer CD</i>	\$14,470.01
	<i>Chase Bank - Fleming CD</i>	\$10,000.00
	<i>Tulane Fund</i>	\$4,150.00
	TOTAL:	\$97,259.57
LaFamPac – as of 07/01/2020		
	<i>Chase Bank - Operating</i>	\$25,258.97
	GRAND TOTAL:	\$468,210.82