



July 12, 2016

TO: Skal USA President and Board Members
From: Alton Hagen, Skal USA VP Finance
Subject: Quarterly Report for the period ending June 30th, 2016

Attached and posted on Skal USA's website for review are the following financial reports for the end of June, 2016

- Balance Sheet
- Year to Date vs. Same Time Last Year P&L
- Year to Date Income & Expenses vs. 2016 Budget
- Accounts Receivable Aging Report

In looking at the Year to Date vs. Same Time Last year, you'll see that Skal USA dues are \$4,288 lower than they were at this point in time last year – a decrease of 1.47%. And that our gross revenue to date is \$24,127 (8.27%) below Same Time Last year.

As historically, 98% of Skal USA's annual revenue is received by this time each year, we can anticipate very little change in this situation between now and the end of the year.

Thankfully, our expenses year to date compared to same time last year also lower by 14.25%. So, based on historical averages, we anticipate ending the year with net income being in the area of 10% of total revenue.

Also attached and posted on Skal USA's web site is the revised 2017 budget with a detailed addendum of notes for your review and consideration. Because of the addendum, I won't go into much detail of the proposed budget here other than to mention:

- Based on historical data, the budget anticipates a continued decline in overall membership
 - Consequently, I'm suggesting a \$1 US increase in Skal USA membership dues (only) for all categories other than Young Skal
- The budget incorporates the adjustments made to our By-Laws during last month's AGM including:
 - Revised board structure
 - \$500 per club credit for participation in the AGM
 - \$1 per member per year (maximum \$2,000 per year) to assist the Skal USA club that hosts a National Annual Meeting

As was first done in 2015, last month with board approval we contracted for 100,000 Euro at an exchange rate of \$1.1654 per Euro. This contract required only a 10% deposit (i.e., \$11,654.00 USD) to lock in this rate.

This allows us the opportunity to know exactly how much in US dollars the Euro membership fee payments to Skal International will cost us. This allows us to avoid the possibility of losing, or making, money on the exchange of US dollars to Euro in February.

And we've begun the third quarter with the renewal of a \$150,000 CD with a new maturity date of 6 July, 2017. (We currently have two other \$50,000 CDs with respective maturity dates of 17 November, 2016 and 17 February, 2017.)

Sincerely,

Alton Hagen, CMP, DMCP

VP Finance