



9 October, 2016

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

The attached end of September (3rd Quarter), 2016 financial reports are also posted on Skål USA's website for review:

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

Year To Date (YTD) vs. Same Time Last Year (STLY) P&L:

- YTD Skål USA dues continue to track 3.5% behind same time last year.
 - I don't expect this to change before year end.
 - I anticipate total Skål USA dues for all of 2016 will be less than \$140,000.00.
- YTD Travel & Meetings Expenses continues to be better than 17.0% below STLY.
 - I anticipate total Travel & Meeting expenses for all of 2016 (following the Congress in Monaco) to be approximately \$60,000.00.
 - This will be about 6.0% higher than T&M expenses in 2015.
 - This will also be about 29.5% below the 2016 T&M budget amount.

Certificates of Deposit:

- We continue to maintain \$250,000.00 in three CDs.
 - In July, we "rolled over" \$150,000.00 for one year.
 - A \$50,000.00 CD will mature in November
 - I anticipate renewing that CD for an additional year
 - A 2nd \$50,000.00 CD will mature in February, 2017
 - I also anticipate renewing that CD for an additional year

2017 Member Dues notice:

- 2017 Dues Notice was initially sent to all clubs on 29 September.
 - Unfortunately, the notice had a typo/incorrect amount for Young Skål Initiation fee.
 - A corrected Dues Notice with a cover apology/explanation from me was sent to all clubs on 30 September.
 - The dues for Active Individuals was not listed in the dues notice
 - Skål International will send individual invoices for each Active Individual to Skål USA to be forwarded along with an invoice for Skål USA's dues as well.

Insurance issues:

- As all clubs were notified, the annual renewal of Skål USA's *Crime coverage, Officers & Directors coverage plus General Liability coverage* was renewed on 1 September.
 - Not until 30 September was the premium quote for the *Officers & Directors coverage* received.
 - There was an 11.0% increase in premium
 - When I asked the reason for such a large increase, we were advised it was because the number of clubs being covered increased by 7
 - In response, we referred to the documents previously sent to the agent reflecting an actual decrease by 2 of the number of clubs to be covered.
 - As of this writing, a response has not been received from either the agent nor the underwriter
 - The *Crime coverage* policy is actually in two parts
 - For some reason which I still don't understand, Skål USA is covered under one policy while the participating clubs are covered under a sister policy
 - Skål USA's coverage is a two year policy which was renewed last year for an effective coverage period of 1 September 2015 until 31 August, 2017.
 - The policy for all the clubs is renewed each year
 - The renewal premium amount for all clubs was increased by more than 20% from the 2015 rate.
 - As of this writing, I'm still awaiting an explanation as to why the premium was increased by such a large amount.
 - Not until near the end of September (more than 3 weeks after the renewal date) were we advised by the agent and underwriter that the *General Liability* policy had been "rated incorrectly" since its inception by the underwriter.
 - We were told that the annual premium should be based on the total number of members in the participating clubs and not on the number of participating clubs alone.
 - After providing the underwriter with the number of current members in the participating clubs, we received a revised premium quote this past week which is more than \$200 less than last year's renewal premium.
 - We're currently awaiting receipt of an invoice for this revised amount at which time the premium will be paid.

CBOSS/Redstone:

- The arrangement with CBOSS/Redstone was discontinued as the minimum monthly fees incurred exceeded the benefits.
 - i.e., through August, the YTD fees to Skål USA were \$464.70 to process just 22 credit card payments totally \$2,028.70.
- Future credit card payments will be processed through QuickBooks at a rate of 3.5% + \$0.50 per transaction with no monthly minimums

Florimond Volckaert Fund:

- The contributions received YTD from clubs will be submitted to Skål International on 10 October
 - Payment to SI by this date is a prerequisite for any club desiring to submit their name in consideration of Club Of The Year recognition
 - All other contributions received after that date will be submitted to SI on or before 31 December, 2016

Video Board Meetings

- In researching options, I was impressed with the Zoom.com software but am recommending we use *Go-To-Meetings* as this is already available to Skål USA thanks to our ABA Management team and agreement without additional charge.
 - Pending approval by the Board of Directors, I propose this option be used on the November Board of Directors conference call
- Additional research is to be done with a focus on using video conferencing for future National Committee Meetings.
 - Logging and tracking of votes by designated delegates during a video conference is a critical component as options are considered.

Miscellaneous:

- Before our next board meeting, I will compare the sale price of items in the Skål USA store to the Cost of Goods Sold for each item
 - After learning our current cost for plaques, with shipping, is more than we're charging.
- Eric or Matt are available to attend and participate in future Face-to-Face board meetings at no additional cost for their time
 - Skål USA would be responsible for their travel, lodging & out of pocket expenses
 - This is an option I suggest the board consider.

Sincerely,

Alton Hagen, CMP, DMCP

VP Finance