



6 June, 2017

T0: Skål USA President and Executive Committee Members
CC: Skål USA Website – Financial Reports
From: Alton Hagen, Skål USA VP Finance
Subject: End of May, 2017 Financial Report notes

The attached end of May, 2017 Financial Reports will also be posted on Skål USA's website for review:

- Balance Sheet
- End of May, 2017 Year to Date vs. Same Time Last Year Profit & Loss (YTD vs. STLY P&L)
- End of May, 2017 Income & Expenses vs. 2017 Year End Budget
- 2017 1st Quarter YTD P&L vs. 2017 1st Quarter Budget (**new report**)
- Accounts Receivable Aging Report as of 5 June, 2017

2017 YTD vs. STLY Profit & Loss:

- Skål USA membership dues received through May is \$7,398 (5.3%) below the amount received at this time last year.
- Expenses, less Skål International dues, are \$13,615 above STLY (+26.5%).
 - As noted last month, \$10,735 of those expenses is a one-time unamortized amount “left over” from the development costs of Skål USA's previous website and is being written off as directed by the auditors.
 - As also noted last month, an additional \$11,000 of those expenses is the deposit to secure the very favorable USD vs. Euro exchange rate for 2018 dues.
 - This fee is historically incurred later in the year – hence its contribution to the apparent discrepancy between YTD and STLY expense amounts.
 - This \$11,000 is also noted as an asset on the Balance Sheet (#1450.1 – SI Dues).
 - Absent the above two extraordinary charges, expenses to date are \$8,120, (15.8%) below same time last year

2017 YTD Income & Expenses vs. 2017 Year End Budget:

- As mentioned in the past, this report, comparing just five months Income & Expenses to a full year's expectations is akin to comparing apples to oranges.

2017 1st Quarter YTD P&L vs. 2017 1st Quarter Budget:

- As indicated in its title, this report will be produced each quarter.
 - It is, and will be, a much more useful tool to gauge how our current financial situation is in comparison to the budget prepared well before the fiscal/calendar year began
 - The quarterly budget amounts are based on actual revenue and expense percentages incurred during fiscal years 2014 – 2016 inclusive
 - Per this report, as of the end of April:
 - Membership dues received were 4.5% below budget projections for the 1st quarter.
 - Total Income was 5.5% below budget projections for the quarter
 - Thankfully, total expenses were 4.7% below projections for the quarter
 - Consequently, Net Income was 6.6% below projections for the quarter

Cash on Hand:

- As noted on the Balance Sheet, we have \$453,093 in checking, savings, certificates of deposit and other assets.
- On 18 May, a \$50,000 CD matured and was rolled over for 18 months, to yield a new maturity date of August 18, 2018
 - As about 95% of Skål USA's cash income is received in the 1st quarter of the year, it's preferable to have CDs mature in the latter half of the calendar year.
- The next CD due to mature will be on July 6th for \$150,000 and we anticipate rolling it over for 15 months to yield a maturity date of October 6, 2018.

Accounts Receivable Aging Summary:

- The amounts due Skål USA which are more than 60 days past due are minimal and, in my opinion, manageable.
- Based on past experience, the vast majority of invoices 60 days old or less will be paid within the next month.

Respectfully,

Alton Hagen, CMP, DMCP

VP Finance