

15 April, 2016

2016 1st Quarter Financial Report

Skal USA's Balance Sheet, Year To Date (YTD) vs. Same Time Last Year (STLY) Report for the 1st quarter plus a YTD Income & Expenses vs. 2016 Budget Report are available for viewing on the Skal USA website.

BALANCE SHEET:

Our current financial position is strong – as it should be at this time of year as (historically) approximately 90% of 2016 dues have been received during the first quarter of the year, while incurring only about 20% of our expenses for the year.

YEAR TO DATE INCOME & EXPENSES vs. 2016 BUDGET REPORT:

While this particular report continues to be prepared every month for review, at this point in our fiscal year, the information is of very little use.

While income for the year (approximately 90% total annual revenue) is compared to the total annual revenue anticipated in the budget, unfortunately, the expenses for the year (approximately 20% of the yearly total) is being compared to the total annual expenses anticipated in the budget.

So, we're trying to compare Apples to Oranges with this report.

Going forward, with assistance from our Administrator, Eric Braendel, I plan to use historical data to make adjustments to this report to yield more useful and timely information of actual income and expenses compared to the budget.

YEAR TO DATE 2016 INCOME & EXPENSES vs. SAME TIME LAST YEAR REPORT:

This report provides much more useful information as we're able to compare how our income and expenses to date compare to income and expenses from the same time period (1st quarter of the year).

There is some good news and some bad news in the current report.

Income through the first quarter of 2016 is 7.2% lower than was received during the first quarter of 2015.

Thankfully, expenses through the first quarter of 2016 are 21.6% lower than expenses incurred during the same time period in 2015.

Keeping expenses in line (compared to last year) results in our net income for the first quarter exceeding income during the same time period in 2015 by better than 19%.

There are some "timing issues" within this report which need to be kept in mind when comparing income and expenses to the same time period last year such as:

- Annual Accounting Fees were paid in the 2nd quarter of 2015 but in the 1st quarter of 2016 while
- NAASC registration fees for board members were paid in the 1st quarter of 2015 while this year's board fees won't be accounted for until the 2nd quarter of the year.

The above three reports will be posted to the website on a monthly, not quarterly, basis for review by all.

And please feel free to reach out to me should you have any questions about any of these reports or wish to share any observations or suggestions.

Sincerely,

Alton Hagen, CMP, DMCP
VP – Finance
Skal USA