

National Treasurer's Annual Report

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National Treasurer



Although we are implementing our financial plan efficiently, we are executing on a stressed budget this year. Based on our approved budget, our projected total income for 2016 is \$242,155 and projected total expenses are \$355,320. Now, you are probably thinking how is it that we can survive if we have more expenses than income? Well, the profit and loss (P&L) statement only measures how well we are executing the budget for a particular year; it does not factor in other assets listed in the financial summary, including variables such as investment income. Nonetheless, the positive trend (turn-around) in our budget execution bodes well for our future.

We are currently executing 73.54% of our projected income and 84.73% of our projected expenses, which equates to \$177,747 total income and \$246,693 total expenses so far this year – this is for the first nine months. It's important to note that in budgeting, the goal is to keep income **above 100%**, and expenses **at or below 100%**.

Although we have been doing very well keeping our expenses within expectations, this has **not** been the case with income. USAWOA's income has not met budgetary income targets for the past two years, largely due to a drop in our dues income, which was at 86.55% last year and only 73.21% this year. So please, if you haven't already, renew your membership or better yet, sign up for a Lifetime Membership, and remind others to renew as well.

At a glance, the USAWOA P&L statement seems to indicate that we are barely breaking even, however that is not the case. As I mentioned earlier, this only shows how well we are executing the P&L statement and does not factor in assets listed in the financial summary or unforeseen events.

Our total income and expenses rose steadily this year, with August's expenses rising more sharply with payment of our fundraiser winners.

In addition to the drop in dues income, our profit was further reduced

because we were only able to harvest \$12,871 instead of the projected \$23,000 from our Life Members Reserve, which was the first such drop since we started harvesting back in 2009. Part of our overall financial success has been investing in the stock market, but due to the nature of stocks, they tend to fluctuate. Such was the case when we did our harvest back in January. Secondly, we sold approximately 600 fewer fundraiser tickets this year (9,810 versus 9,216 tickets), which contributed to a slight profit decrease of \$2,474.

Lastly, we had to pull an additional \$30,000 from this reserve account over the course of this year to make ends meet at the national headquarters. **We need your help!** Membership retention keeps our monthly expenses going. Without keeping our dues-paying membership strong, we are forced to dip into our savings to cover monthly expenses. I cannot stress enough the importance of focusing on retention, in order to help reduce future draining of our savings.

On the expense side of the P&L, there are no noteworthy items to report, as we are maintaining expenses under 100% execution.

As I mentioned earlier, the financial summary is also a part of the financial assessment of the USAWOA. This document summarizes our assets on hand as well as outstanding liabilities. The five asset categories on the financial summary are:

- 1) Operating account (consisting of checking and money market accounts)
- 2) Life Member accounts (consisting of savings account and a couple of investment accounts)
- 3) Other savings and checking accounts (consisting of the Memorabilia account, Capital Reserve account, and checking account)
- 4) Fundraiser account
- 5) Future Year Renewals Reserve account.

Our assets at the beginning of the

year totaled \$699,156 in various cash and investment accounts, and to date these assets are at \$689,672, which is a slight decrease of 1.3% – a drop of \$9,484. The \$30,000 depleted from these assets to make up for lost dues income was partially to blame, together with normal fluctuation in our long-term investment assets. Also, we still have enough in our life member reserves to allow for the latter of these.

Between January and September we have added 59 new life members (from 1,888 to 1,947 members) and our required minimum balance is \$466,773.35. This is the money that we have to “set aside” to pay for future yearly membership for life members.

Due to smart financial planning of my predecessors, we annually harvest 10% of excess dollars (over our required reserve amount). As of August, our life member excess dollars are at \$141,132, which means if we harvested today, approximately \$14,113 would be harvested.

Bottom line, as the National Treasurer it is my job to make smart financial decisions (with the aid of my finance committee) and provide status/updates on the aforementioned reports. And as I stated before, at the national level we will continue to aggressively seek innovative revenue-producing and cost-cutting strategies.

I would be remiss if I did not thank my finance committee for all of their hard work and guidance during my tenure as the National Treasurer. Gerry and Jack, thank you very much for your time and dedication and well-deserved thanks also go to Herb and Terri at the national headquarters.

Finally, I would like to thank the board of directors, the executive committee, national headquarters, and USAWOA members for all of your support during my tenure as the National Treasurer. It has been my pleasure serving you in this capacity since 2012, and I hope you provide the same level of outstanding support to the incoming National Treasurer. 🇺🇸