

January 2, 2010

To: The Board of Directors of the Soaring Society of America

Subject: Treasurers Report

The financial condition of the Soaring Society of America remains stable. Early in 2010 SSA membership fell by about 1% (100 members across all classes) which has caused our dues income to decline. Our membership has stabilized in the 10,800 range. The forecast for 2010 shows that we will finish the year with a Net Capital Increase of \$63,000 before Capital Expenditures with revenues of \$968,000 and expenses of \$905,000.

Detail results for November 2010 Year-to-Date follows:

Operating Revenue was \$888,000 which is \$32,000 under Budget.

Dues revenue was \$561,000 which is \$17,000 under Budget. This was because of a decrease of members from 11,100 at 12/31/09 to 10,834 at 11/30/10. Dues income includes \$7,000 in Chapter Rebates.

Hilton Cup net expenses created an unfavorable variance of \$12,000. These are run out expenses from the 2009 Hilton Cup for which the SSA had no cash on the balance sheet to offset these costs. The SSA is obligated to pay these bills.

The 2010 Convention on Little Rock netted \$19,000 in net cash in. This is \$12,000 under budget. Attendance was less than expected because of the weather.

Magazine Advertising net income is \$23,000 under budget. There has been a decrease in both classified and display advertising this year. This is thought to be because of the economy.

Eagle Fund Contributions were \$44,000 which is \$14,000 over budget. Half of the contribution has been deposited in the Kunda Trust Fund managed by the SSA Foundation. The amount transferred to the Kunda Trust for 2010 (as of 12/28/10) is \$32,174.85 for the 2009 – 2010 Eagle Fund campaign.

Merchandise net revenue was \$113,000 which is \$13,000 over budget. Keep in mind that the FAST program revenue of \$60,000 is included in Merchandise Income. FAST expenses in Merchandise cost of goods sold is the cost of the books the FAST purchaser is provided and was \$11,000. There are additional expenses that are included in the Expense categories of the P&L. For the November year to date we have redeemed \$41,000 in FAST certificates. Merchandise net revenue without FAST was \$65,000 on revenue of \$86,000. In 2011 we will spend time analyzing the merchandise sales activity to ensure that we are accounting for our inventory properly.

Employment Costs (wages, taxes, benefits) were \$15,000 under budget. Budgeted staff salary increases were effective in March 2010.

Web and Computer Maintenance was \$6,000 under budget.

Printing expense was under budget by \$23,000 because we are printing fewer magazines because of membership decline and the change made in the fall to a lower cost printer for Soaring Magazine.

FAST program payments for redeemed certificates were \$41,000 which is \$27,000 over budget. The program is being used by among others, the US Naval Academy in its summer aviation program sponsored by the Mid Atlantic Soaring Association. The purchase price for FAST certificates are included in Merchandise Revenue.

Net Capital increase for the November Year to Date period is \$60,000 and is \$16,000 over budget.

The year-to-date revenue shortfall is offset by cost control efforts of Denise Layton our Chief Administrative Officer.

In December, SSA Operations will settle many of the confusing Due "To/Due From" accounts with the Foundation. SSA Operations paid the final amount due the Foundation for the old computer system in December of \$19,000.

The November financial statements are attached to this report for your review.

Johnson Miller completed the audit of the SSA and the SSF this summer. The SSA has been given an unqualified opinion for 2009. Johnson Miller will complete the SSA and SSF tax return which will be reviewed by management and filed timely.

The Budget and Finance Committee reviewed the audit requirements and possible accounting firms to perform the audit of our 2010 results and we recommend the Board approve Johnson & Miller Co to audit the December 31, 2010 results.

I move that the SSA Board of Directors approve the appointment of Johnson & Miller Co to complete the December 31, 2010 audit and required state and federal taxes.

Respectfully submitted

David Pixton
SSA Treasurer
Director At Large

Attachments:

November 30, 2010 Soaring Society of America Operations Profit and Loss Statement
November 30, 2010 Soaring Society of America Operations Balance Sheet