

**Treasurer's Report  
Board of Directors  
Soaring Society of America  
February 2006**

**Assessment of the Financial Condition of the Organization**

My assessment in my last report at the October 2005 Board meeting was that we are taking a more orderly approach to our finances but the situation remains tenuous. The more orderly approach is clearly paying off as demonstrated in the financial results for 2006. The financial situation is improving.

Base on preliminary financial figures for the twelve months ended December 2005, the organization reported capital provided by operations of \$34,996 compared to a budget of \$26,451, \$8,545 better than budget. This is the third year in succession where we have bettered the budget.

The financial status of the organization remains tenuous. While we beat our bottom line target, we did so by covering short-falls in operating income, due largely to not reaching our dues income target, with savings in administrative expenses, savings achieved by utilizing volunteer support to cover critical activities.

Operating income fell short of plan by \$27,852. The primary contributors to this result are dues, advertising and contributions. Despite growth in membership, dues income was \$29,074 short of plan because membership did not achieve our projections. Advertising revenue was \$9,511 under budget; contributions, \$7,328 under plan.

Expense for administration was \$36,397 less than budget. The primary contributor to this is compensation expense, which was \$43,770 under budget. Two positions were left unfilled for most of the year including the position responsible for development and maintenance of the Society's website. Website development and maintenance has been covered by an external, volunteer resource. This is expected to continue through 2006.

I continue with my four recommendations that I believe are essential to continued improvement in the financial management of the organization:

- Prepare a long-term plan that reflects the financial needs of the organization and answer the question, "What additional needs will we have for capital over-and-above day-to-day operations?"
- Build a budget and financial plan for fiscal 2006 that reflects all expenditures that we should reasonably be able to anticipate and that generates a positive bottom-line
- Publish regular and timely financial statements
- Build a surplus fund accessible to SSA management (the Executive Director and the Board of Directors), to cover future expenditures both anticipated and unanticipated.

These recommendations still apply. We have begun to publish timely financial statements. We now have surplus funds accessible to management to deal with short-term cash flow issues and to serve as a source of funding for unexpected events. We still need to develop a long-term financial plan to help us anticipate future capital requirements. We have completed a fiscal 2006 financial plan that fully reflects the needs of the organization, which includes adding to the organization's surplus funds.

**Fiscal 2006 Budget**

The budget indicates that the organization's tenuous but improving financial condition will continue through fiscal 2006. The budget assumes that the organization will continue with the same level of services

that were provided in fiscal 2005. The budget provides for additional contributions to the organization's surplus funds. It also provides funds to begin the project of replacing the membership system. The budget assumes that we will continue to operate with website development and support provided by volunteers.

Respectfully submitted,

John Volkober  
Treasurer