



Treasurer's Report
SSA Board of Directors
Soaring Society of America
January 26, 2001

During the last six months, the Office has continued to fight the battle of the new computer and software installation, and is at last getting the best of it. Attached to this report is a memo from Larry Sanderson outlining the current status of the project. In short, we have been unable to produce regular monthly reporting since the crash of the VAX system reported in my fall report. A manual spreadsheet based backup accounting system has carried the basic work processing load, but with insufficient power to do much more than keep our chart of accounts and deal with our annual audit. However, the new system is now functional, and the first several monthly reports have been produced. The October 31 run is attached to my report, and November/December should be available at our meeting. Note that these are still bare-bones reports – a better analysis involving comparison to annual budget and previous year is being configured.

As reported last fall, we do not think that these series of problems have touched the integrity of our financial controls. There were relatively few audit adjustments last year and for small amounts. Work on our current October 31, 2000 year end indicates a similar experience this year.

The state of the Society's finances has also been impacted by the computer conversion. The original cost of the system was projected at \$92K; the ultimate cost will probably be in the \$160K range. This has drained our surplus cash position down to a low point in the \$50K range at fiscal year end, but it has been rebuilt to the \$110K range currently. While much of the expense of the system could have been capitalized and written off over several years, Larry decided to expense most of it this year for accounting purposes. This should improve our financial results in the future.

Overall the Society presents a fairly flat and stable financial operating picture. Operating revenues of \$1,148K for 2000 are slightly below budget and up slightly from the previous years. Dues were up about 3% to \$673K, representing a small increase in membership (we had no increase in per member dues charges). Expenses were about 5% below budget, largely because the office was short staffed during the year. Currently we employ 8 full time and 2 part time people in Hobbs, which is the lowest head count since Larry came on board. Net operating income continues to be roughly breakeven before special charges related to writing off the computer system. Note that because of non-cash charges like depreciation and amortization, we have a net positive cash flow in the \$50-100K range which should continue to build our cash position without new spending initiatives.

Doug Jacobs
Treasurer