



UNITED STATES POWER SQUADRONS®
SAIL AND POWER BOATING
DISTRICT TEN

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Treasurer Report to the 2006 Fall Council of District 10

District 10 Financial Position

As of the close of the last fiscal year, April 30, 2006, District 10 realized 103% of projected revenues, while the bridge worked together to bring about a 22% reduction in expenses, thus resulting in a \$3,496.12 budget surplus which was placed into the Reserve Fund, as mandated by the Council/Conference last year.

We are five months into the current fiscal year, and the majority of dues renewals completed we are currently at 90% of our forecasted revenue. There will still be a few renewals for members whose anniversary join date is after the June 1st anniversary that seasoned members have, and thus some dues income to be realized hopefully to meet our goal. Our initiative to sell ad space in the District Communicator has met with some difficulty, but I am hopeful we will still realize the \$800 in income this initiative proposed.

Since we are only five months into our fiscal year, we have not yet realized the majority of expenses yet; only 15.4% of the budget has been spent to date.

The equity position of the district is on the increase thanks to the perseverance of our membership and the steady hands at the wheel of our district bridge. Complete financial statements are included with this report.

Proposed Budget for 2007-2008

The District Bridge has been meeting and discussing the budget for the next watch year, since the rendezvous in Milwaukee, and attached is the proposal that will be presented to the Council/Conference. This budget proposal is an overall **six percent reduction** from this year, anticipating changes in the membership and thus revenue available into next year, as well as adjusting expenses for a balanced budget. This proposed budget was sent to the members of the budget & finance committee and no comment was received.

The changes to departmental expenses were largely adjusting travel expense budgets for two national meetings rather than three, but taking into account that the meetings are one day longer and will probably be at more expensive hotel venues since national no longer has the long term contract that they had with the Rosen Center for the Annual meetings. We also eliminated the Winter Council subsidy, and reduced the Rendezvous subsidy, as past history has shown the event needs no hotel rooms, and has stood on its own revenues. The Commander's department was adjusted upward to allow for some of the "Change of Watch" expenses incurred under "Awards" and the Administrative department adjusted upwards to allow for increased costs of meeting rooms/hotel costs for the spring and fall conferences. The Secretary and Treasurer's departments got a slight increase over last year's travel allowance, to allow for the extra night for the Annual meeting. All departments received an extra \$50.00 for supply expenses, which has not

been adequate to actual expenditures, and this came thanks to the savings that Secretary Dick Baker has been able to bring about in his department on production costs.

Reserve Fund

The Reserve Fund was created several years ago by the Council/Conference, to ensure future financial solvency, so squadrons who host a district conference, and who become obligated to hotel contract guarantees, can enable the district to step in if necessary, to protect against any insolvency should it occur. The status of the fund as of watch year 2004-2005 was left at \$969.51, and the Council/Conference directed that any future surplus be directed to restore the fund balance. I am pleased to report that thanks to the magnificent job done by last year's bridge controlling expenses, as well as donating supplies and not turning in their full expenses, we have been able to add this surplus to the fund and the fund balance now stands at \$4,476.69.

Enrichment Fund

The Enrichment Fund has been invested in a certificate of deposit with the Bank of Wisconsin Dells for several years, and the certificate automatically renewed in April. Interest earned is paid into a separate savings account allowing interest earnings to be accrued and to be spent in accordance with the fund's directives as overseen by the Budget & Finance committee. The Committee approved a payment to the Hiawatha Valley Sail & Power Squadron for \$350.00 to help them with a membership marketing drive proposal. The fund now stands with a \$13,000.00 principal in the CD, plus \$373.74 in the interest savings account, left after the Hiawatha disbursement.

Membership Classification Simplification Initiative

National has made a proposal to change the membership class dues structure into just two categories, \$33.60 for an active member, and \$50.40 for an active member plus any additional active or family members (i.e. a single rate for an entire family) effective June of 2007, which basically changes the membership structure from four categories down to two. National encourages districts and squadrons to adopt this new policy into their own dues structure by also simplifying the dues to two prices, single or family. Because this initiative was just proposed in August, there was insufficient time to analyze the impact this would have to District 10's dues revenues, nor allow time for adequate notice to vote on this at fall conference. The bridge will study this proposal this fall and make a recommendation to the spring council/conference meeting in 2007.

Recognition and Thanks

I would like to recognize D/1st Lt. Rebecca Skelley, S for her assistance as Asst. Treasurer, D/Lt. Gisela Murray, SN for her assistance as District Property Officer, and the District Bridge/incoming officers for their input with the budget planning. It is both a challenge and a privilege to be involved in this position with the member's of District 10.

Respectfully submitted,

D/Lt/C Gregory Holmen, AP
District 10 Treasurer
19 September 2006