



**TREASURER'S DEPARTMENT REPORT TO BOARD OF DIRECTORS
AND GOVERNING BOARD AT THE 2018 ANNUAL MEETING
20 FEBRUARY 2018
24 FEBRUARY 2018**

GENERAL COMMENTS

HEADQUARTERS ACCOUNTING DEPARTMENT

Sherry Overton has now been hired away from the temporary services agency, and is providing part-time services both from home, and from work. Karen Jefferson started full-time in April. This represents a reduction from 2.50 FTEs (Full-Time Equivalents) last year, to an estimated 1.67 FTEs today, but **Grant Request Season is coming up at the same time as Audit Season, and there are no available support hours from Accounting.**

Mary Catherine has been interviewing candidates from Robert Half Associates, who have capabilities and experience in both Grant-writing and Endowment administration. The emphasis will be on Grant writing and administration.

FISCAL YEAR ENDED 30 NOVEMBER 2017 FINANCIAL STATEMENTS

The 30 November 2017 internal Unaudited Financial Statements are attached as File 01.

Summary: When financial results are not so good, we spend an abundance of time discussing those results at length. This time, the results are very good, so the numbers in the seat packets can pretty much speak for themselves. Membership Revenue increases offset the effects of the Hurricanes on all Sales, and Expenses were much better than Budget in both Headquarters and EVERY USPS department.

Despite the declining economics of the Marine Industry upon which USPS depends for its Customer Base (both Membership and Course Participants), we enjoy a very strong financial position: We own more than \$5 million of assets supporting our Charter Operations, with \$Zero Debt.

Also as of 30 November:

- Operating Surplus: \$ 65,427 vs. Full Year Plan \$ 7,500
- New Member Dues \$102,353 vs. Full Year Plan \$ 87,450
- Membership Renewals \$927,370 vs. Full Year Plan \$876,000
- Ensign Revenues \$ 23,720 vs. Full Year Plan \$ 21,800

Both Education Sales and Ship's Store Sales were down dramatically during the fiscal year. The Education Department analysis is attached as File 02.

- Education Sales:
 - Sales \$542,159 vs. Budget \$657,200
 - CGS \$153,042 vs \$172,950
 - Gross Profit \$389,117 vs \$484,250
 - Expenses \$ 55,716 vs \$101,682
 - **Net Income \$333,401 vs \$382,568 = (\$49,167) Variance**



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- **HURRICANES HARVEY, IRMA, AND MARIA HAVE ADVERSELY AFFECTED AUGUST, SEPTEMBER, OCTOBER AND NOVEMBER SALES**

The Ship's Store analysis is attached as File 03.

- Ship's Store Sales:
 - Sales \$76,482 vs. Budget \$120,000
 - CGS \$47,584 VS \$ 76,440
 - O/H \$ 5,593 vs. \$ 9,180
 - INCOME \$ 23,465 vs. \$ 34,380

USPS ENDOWMENT

The USPS ENDOWMENT FUND, INC. was funded as of 30 September 2017, by transferring approximately \$1.9 million of endowment contributions and accumulated earnings. Additional contributions and earnings grew the USPS Endowment Fund, Inc. to a total of \$1,932,000 at 30 November 2017.

Donor Recognition Lapel Pins

Donor Recognition Pins are now in stock, and available for distribution at future National Meeting Breakfasts.

Number of Donors at 31 July 2017:

Total	7,450	
\$ 100+	2,182	
\$ 500+	291	
\$1,000+	109	(99 living)
\$2,500+	26	(24 living)
\$5,000+	13	(12 living)
\$7,500+	8	
\$10,000+	8	
\$25,000+	2	
\$50,000+	1	
\$100,000+	1	

Respectfully submitted,

V/C Lee Popham, JN
National Treasurer
United States Power Squadrons