



# NASAR

# Membership Meeting

Marriot – Oakland City Center

Oakland, California

May 28, 2005

# FINANCIAL SUMMARY of Gala Fundraisers

	2003	2004
EVENT ORGANIZER(S)	\$148,500	\$86,425
SPEAKERS BUREAU(S)	\$60,000	\$30,000
OTHER VENDOR(S)	\$12,590	\$19,681
<b>TOTAL</b>	<b>\$221,090</b>	<b>\$136,186</b>

TOTAL LOSS -- \$ 357,276

# Corrective Actions

- NASAR in contact with Speaker Bureaus to determine if payments made could be applied to future NASAR events or a returning of a portion of the payments made.  
– To date...unsuccessful.
- The Board has requested the review of contracts and agreements between NASAR, the 2004 Event Organizer, and the Defunct 2003 Event Organizer to determine the if there are grounds to seek relief.
- Contact with other vendors to plead for relief in the deposits made.
- Established “Check and Balance” procedures as to expenditures of NASAR funds in excess of \$5,000.00.
- Established Oversight procedures as to contract review, before the execution of contracts.

# CANINE DONATION ALLOCATIONS

FY 2003 thru FY 2005

## Description of Issue

- Issues were raised as to the use, expenditures, and allocation of donated funds to be used for “SAR Dog Activities”.
- NASAR “charged” these funds for overhead expenses at the rate of approximately 25%.
- NASAR use of 25% to describe the amount of “overhead” related to SAR Dog Section was wrong – more accurate is 10.2%.
- NASAR made a mistake in the application of the 25% -- resulting in “double-charging”.

# RESTATEMENT

	ORIGINAL ( 25%+DE)	CORRECTED (10.2%+DE)	DIFFERENCE
FY 2003	\$178,569	\$74,059	\$104,510
FY 2004	\$114,607	\$56,493	\$58,134
FY 2005 BUDGETED	\$111,127	\$73,711	\$37,416

DE = Direct Expenses

# Corrective Actions

- Apply the correct Overhead rate of 10.2%.
- Restate FY 2003 financial reports and filings.
- Correct FY 2004 financial reports and continue with audit.
- Apply correct overhead rate to the FY 2005 budget.
- Seek input from SAR Dog Committee as to restoration strategies.

# JUST FOR CLARIFICATION

MANY MEMBERS BELIEVE THE CANINE ALLOCATIONS WERE USED TO SUPPORT THE “GALA” FUNDRAISING EVENTS

- GALA Expenses were covered via NASAR’s line of credit.
- Fall 2004 NASAR board release funds from pervious contracting business to pay off line of credit.

# NASAR YTD AS OF 30 APRIL

■ THIS STATEMENT IS UNAUDITED

	CURRENT MONTH	BUDGET	LAST YEAR	YTD	YTD BUDGET
GROSS INCOME	\$38,385	\$44,168	\$51,780	\$184,904	\$184,672
COST OF SALES	\$9,425	\$6,875	\$6,919	\$34,776	\$27,500
GROSS PROFIT	\$28,960	\$37,293	\$44,861	\$150,128	\$157,172
EXPENSE	\$47,272	\$49,011	\$63,125	\$219,668	\$219,712
NET INCOME	(\$16,184)	(\$11,718)	(\$18,264)	(\$60,838)	(\$62,540)

# GOOD NEWS/BAD NEWS

- DOWNSIDE – MEMBERSHIP DUES REMAIN STEADILY BELOW BUDGET
- DOWNSIDE – COURSE REGISTRATION FEES REMAIN STEADILY BELOW BUDGET
- DOWNSIDE – SARTECH REGISTRATION FEES REMAIN STEADILY BELOW BUDGET
- DOWNSIDE – COST OF RETAIL SALES (FREIGHT, ETC) ARE HIGHER THAN BUDGETED

# GOOD NEWS/BAD NEWS

- UPSIDE – UNRESTRICTED DONATIONS (CFC, ETC,) ARE GREATER THAN BUDGETED
- UPSIDE – EXPENSES ARE LOWER THAN BUDGETED AND CONTINUING TO DECREASE
- UPSIDE - RETAIL SALES ARE HIGHER THAN BUDGETED AND CONTINUE TO INCREASE

# GOOD NEWS/BAD NEWS

- UPSIDE – REVISED TEXTS AND COURSES ARE BEING RELEASED
- UPSIDE – NEW PROGRAMS/COURSES ARE UNDER DEVELOPMENT
- UPSIDE – NEW PRGRAMS/SARTECHS ARE UNDER DEVELOPMENT
- UPSIDE – WE ARE REORGANIZING TO BECOME MORE EFFICIENT IN PRODUCT DEVELOPEMENT

# BOTTOM LINE

WHILE OUR FINANCIAL STATUS IS  
TENUOUS, OUR CURRENT EFFORTS  
(WITH YOUR HELP) WILL BRING THIS  
ORGANIZATION OUT OF THE CURRENT  
DEFICIT.

THE LIGHT AT THE END OF THE  
TUNNEL IS NOT A FREIGHT TRAIN!

# LAST THOUGHT

- THOUGH WE MUST BE REALISTS...
- ATTITUDE IS EVERYTHING!
- BUT THEY ARE CONTAGIOUS...
- IS YOURS WORTH CATCHING???