

**United States Army Warrant Officers Association
38th Annual Meeting of the Members
Treasurer's Report**



**Jack Du Teil
National Treasurer
November, 2010**



2010 – A Success Story!



(as of September 2010)

- **Total Income:**
 - SEP 2009: \$202,593
 - SEP 2010: \$219,188
 - Increase of \$16,595 (up 8.2%)
- **Total Expense:**
 - SEP 2009: \$188,742
 - SEP 2010: \$197,461
 - Increase of \$8,719 (up 4.6%)
- **Net Income:**
 - SEP 2009: \$13,851
 - SEP 2010: \$21,727
 - Increase of \$7,876 (up 57%)
- **Bottom Line: We are in better shape than last year. Taking into account projected expenditures, we should Once Again be “in the black” by end of year!**



Elements of Success!

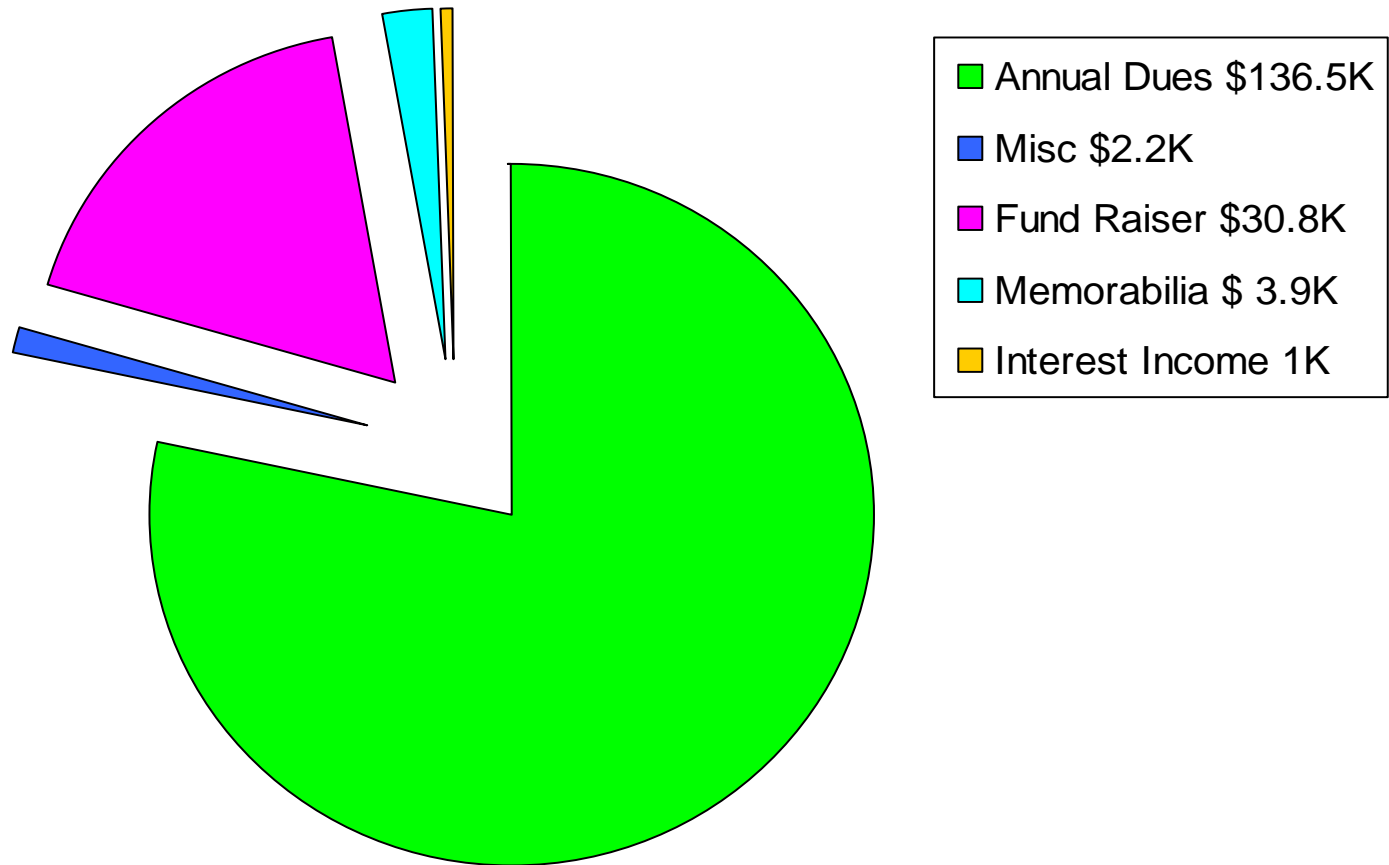
(as of September 2010)



- **The Members:**
 - Life Member (LM) Dues: Increased 52%
 - Regular Member Dues: Only Down 5% (even with huge LM increase)
 - Corporate Dues: Increased 20%
 - Memorabilia Sales: Increased 31%
- **Your National Association:**
 - Annual Fundraiser: 123% of Budget
 - Expenditures: Increased at roughly half the rate of Income
 - Administrative Cost-Cutting
 - Prudent Expenditures on New Projects – Most Off-set on 1 for 1 Basis in Budget
 - Pre-Payment Where Discounts Were Available
 - Replacement Where “Fix” was More Expensive in the Long-Run



USAWOA INCOME (Jan – Sep 2010)





New Initiatives!



- **Life Members Portfolio:**
 - Codified New Asset Allocation Model & Investment Rules and Restrictions
 - Hired New Investment Advisor to comply with New Rules
 - 17.2% Growth, from \$317K (OCT 2009) to \$371K (OCT 2010)
- **Purchase Assoc Mgmt Services From AVECTRA:**
 - Cost Offset By Budget Cuts
 - Replaces Existing MS Access Database
 - New Members-Only Website
 - Online NewsLiners
 - Online Membership Data Updates, Renewals, New Member Applications
 - Online Memorabilia
 - Projected Savings on NewsLiner Expenses Alone: \$21,222
 - Additional Significant Savings Likely in Reduced “Mass-Mailings”
- **Life Members Fund “Harvesting:”**
 - Estimated \$10,000/Year Injection to General Budget
 - Nominal Impact to General LM Portfolio.



Our Improvement Goals From 2009 Were.....



- **Memorabilia:**
 - Total Sales: Only 88% of Projected Income
 - Only Stiver Print & Life Member Pin are over Projected Income
- **Resist Urge of “Penny-Wise and Pound-Foolish:”**
 - Pre-Pay Where Discounts Available
 - Consolidate Expenditures Where Appropriate
 - Replace Where “Fix” is More Expensive in the Long-Run
- **Better Stewardship of Monetary Resources**
 - Investment of Excess Income
 - Better Investment of Monetary Assets
 - Review and Adjustment of Asset Allocation Model
 - “Weeding the Investment Garden”

VERDICT: For The Most Part, Goals Were Achieved!



Success in 2011



- **Members:**
 - **Keep Doing What You're Doing – New Memberships & Renewals Are Our Bread & Butter**
 - **Use Your New Website, and Help Us Fine-Tune It!!**
 - **Trumpet the Scholarship Fund as CFC Choice & don't forget the Heritage Foundation and our annual fundraiser (down \$2,340 in 2010)**
 - **Memorabilia is an inexpensive Gifting Choice (and now Available Online)**
 - **Sell Corporate Memberships to Loyal Chapter Sponsors**
 - **Send Us Ideas!**
- **Your National Association:**
 - **Continue Aggressively Seeking Innovative Revenue Producing and Cost-Cutting Strategies.**
 - **Work Hard to Successfully Implement and refine New Web-Tools**
- **All Of Us: Whenever You Cast A Vote, Or Authorize An Expenditure, Ask Yourself: "What Does This Do For Our Association?"**

Our Awesome Corporate Partners!!!



**Please Take Time to Visit With
Them, If they are Here!**



Pentagon Federal Credit Union



a "veteran-owned" small business that delivers premiere professional services, information technology, and consulting services to both government and private sector clients. Arrowpoint was established in 2000 and is headquartered in Alexandria, VA, within the D.C. metropolitan area, and has associates throughout the United States. For more information go to www.arrowpoint.net or contact them by email at chris_small@arrowpoint.net.

DCA Management Services, Inc.

of Herndon, VA. - Terri Adams, the wife of the late CW3 (Ret) Dave Adams, Past USAWOA European Region President is the Chief Executive Officer and CSM (Ret) Donald Demesme are Corporate Members. For more information go to www.dcamsi.com or contact them by email at dadams@dcamsi.com



Grantham University Online - Grantham University, established in 1951, specializes in educating working adults. Degree programs are 100% online and self-paced, which allow students the flexibility to learn when and where they choose. Grantham offers undergraduate and graduate degree programs in Business Administration, Computer Science, Criminal Justice, Engineering, General Studies and more. USAWOA members can take advantage of a special tuition rate of \$250 per credit hour. This is a savings of \$85 per credit hour. For information go to www.grantham.edu/promo/usawoa.php.

RADVANYI WEALTH MANAGEMENT

of Leesburg, VA became a USAWOA Corporate Member on October 14, 2010.
Financial Planning and Investments



Stanley Vidmar "solving your storage needs" Stanley Vidmar, Allentown , PA, a Business Unit of Stanley Works, offers storage solutions to all industries. Modular, space-saving systems provide quick, easy, time saving access to parts, tools and supplies. Our storage systems are designed to meet inventory control needs, facility and personnel requirements. More information is available at www.stanleyvidmar.com. Contact a sales engineer and get a free solution analysis.



Tesla Industries, Inc., of New Castle, DE, designs and manufactures powerful and portable state-of-the-art ground power units (GPU). Their core markets are general aviation and military. All Tesla products are U.S. military certified and field tested. Tesla Industries is committed to developing and applying innovative electronic technologies for its customers. Go to www.teslaind.com for more information about Tesla.



XOtech, LLC "Empowering the Mission." Home based in Tyrone, GA, XOtech is a global, military-friendly consulting company that is revolutionizing the way business gets done. With commercial and government customers, XOtech merges strategy with technology to create an all-inclusive business philosophy that allows us to empower your mission, no matter the size or complexity. More information about XOtech is available at www.XOtech-llc.com.

Backup Slides



Proposed Rules Governing Investment of Association Funds



- **Asset Allocation Restrictions:**
 - **Equity Assets (Stocks, Real Estate, Metals, etc.):** 70% or less
 - **Debt Assets (Bonds, Annuities, CDs, etc.):** 20% or more
 - **Cash (Money Markets, Bank Deposits, etc.):** 5% or more
- **Investment Advisor Restrictions:**
 - **Account must be a Wrap Account or alternatively be managed by a Registered Investment Advisor, compensated by fees vs. trades.**
 - **Broker must be Series 7 licensed to sell a range of securities, to include mutual funds, stocks, bonds, metals, REITs, exchange-traded funds, etc.**
 - **Investments shall never include commodities or funds that utilize them**
 - **Investment in options shall only be employed as “hedge investments”**
 - **The Treasurer shall operate freely within these restrictions**
 - **The Treasurer will receive and maintain monthly Statements and make monthly reports to the EXCOM.**
 - **The Treasurer will brief the BOD at least annually, and within 48 hours upon request.**



Funding of Executive Director Salary



Course of Action 3 (continued):

Responsible Leveraging of Excess Life Members Investment Funds?

Challenge: how do we leverage some of this excess money in the LM Fund in a responsible way that ensures execution of the original purpose of the fund? Here is formula that – if used annually – might offer a conservative way to leverage value from otherwise un-productive assets, in a responsible, on-going basis:

$$\text{(Total Value – LM Requirement) X 10\% = Annual Addition to General Budget}$$

Say for instance that we decided to do this every 31 December. The following would be an example of what might occur:

Total Value on 31 DEC:	\$400,000
LM Requirement on 31 DEC:	\$240,000
Excess Value:	\$160,000
10% of Excess:	\$16,000 (To General Budget)
Remainder:	\$384,000

In this scenario, \$16,000 would be written to augment the general budget for the following year. A modest investment return of 4.5% the following year would set the next year's 31 DEC Value at 401,280 (even assuming no additional life member activity at all). The value behind this approach would be to continuously benefit from excess funds without setting a precedent of indiscriminately "raiding the cookie jar..."



Funding of Executive Director Salary



Pertinent facts that might influence the decision continued

Budget Cut Scenario 1 From March EXCOM Meeting

- Mugs: \$5,000 *
- 50% AMM hotel/per diem \$5,720
- 50% AMM Travel \$3,569
- Office Cleaning \$1,200
- 50% mid-year BOD Expenses \$2,000
- 100% of Reg Dir Travel \$2,000

- Total: \$19,489 **

* Already voted to cut – off-set to AVECTRA

** New Total = \$14,489

Budget Cut Scenario 2 From March EXCOM Meeting

- All Cuts from Senario 1: \$19,489
- Plus Cut NewLiner production in half as follows:
 - 50% NewsLiner Postage \$13,750
 - Reduction print expense \$7,472

- Total: \$40,711 ***

*** New Total = \$35,711