

Report of the Financial Program – 2019

Strategic Plan Foundation: Administration/Communications

Overall, the 2019 HDA finances remain stable with strong funds in reserve and operating checking accounts. The 2019 budget is anticipated to remain stable for this year. The ADA held its annual convention on Oahu this year, therefore the HDA annual convention held a much smaller event than usual. The ADA Convention reimbursement was paid to offset the lower revenue anticipated by holding a much smaller local convention. The increase in membership dues was implemented for 2019. The Jan 2019 HOD approved a \$60,000 management fee for HCDS to HDA with the addition of a new CAP (Component Assistance Program) option.

The HDA Financial Program is composed of Dr. Ron Miller, Dr. Zachary Dodson (Maui), Board member Michael Lutwin of Kauai County, and Treasurer 2018/2019 Dr. Christopher Young (chair); ex-officio members are President Dr. Dayton Lum, President-Elect Wayne Leong, Executive Director Ms. Kim Nguyen, and CPA Ms. Sherri Tomishima.

Throughout the year, the Financial Program continued to review existing policies and procedures related to budgeting and financial planning, reporting, internal controls and accounting policies, and audit. In 2019, the following actions were approved by the Board:

1. Restructured the HDA Reserve policies and renamed the account associated with HDA Reserves.
2. Funded an additional House of Delegates (HOD 2019) in the same calendar year as HOD 2018 (Jan 2019).
3. Hired Marcus and Associates, Inc. as the new property manager to replace Sofos Realty Corporation.
4. Hired CW Associates as the new auditing firm for the HDA audit and HCDS review, to replace Wikoff Combs & Co, LLC.

The Financial Program also prepared and presented the HDA budget for the 2020 fiscal year to the Board and the HOD.

The Financial Program, Executive Council, and Board of Trustees have been informed of the ongoing issue of shared sponsorship among the various HDA programs and entities which include but are not limited to the HDA Convention, HDA Foundation, and the Young Dentist Group which hold various meetings as well as the Give Kids a Smile program. It is imperative that the HDA and their sponsor groups have a better sense of all outgoing sponsorship requests throughout the fiscal year. This will lead to a more organized and predictable sponsorship relationship on which the HDA heavily relies. Currently, the HDA is analyzing a timeline of major sponsorship requests which will be used to coordinate all HDA programs and entities and help with potential opportunities with our Endorsement Program.

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HDA funds that were identified as not immediately needed for operating expenses were put into short term interest-bearing investments with the help of Dr. Ron Miller, CFP, AIFA. Funds of \$270,000 were invested in CD accounts with TD Ameritrade with interests ranging from 2.3 - 2.5%. Funds will be reinvested in short term accounts until needed for operating expenses.

The HDA building currently has two vacant suites. With the help of the new property management group, there have been various potential renters. Marcus and Associates continues to market the available suites and identify changes that would make the rental spaces more desirable. The Building Task Force has looked at all aspects of the building to determine improvements so that the Task Force can begin developing a building reserve policy.

Auditing firm CW Associates is currently in the process of the HDA audit and HCDS review. The auditing report for calendar year 2018 will be presented to the Board of Trustees for approval prior to the HOD 2019.

Respectfully Submitted,

Christopher J. Young, D.D.S.
HDA Treasurer
Chair, Financial Program

Recommendation of the HOD Reference Task Force on the Report of the Financial Program:

The HOD Reference Task Force recommends that the Report of the Financial Program be accepted.

Action taken by the House: