

Report of the Fiscal Management AR - 2017

The HDA Treasurer oversees all assets belonging to the Association and presents financial reports to the quarterly meetings of the Board of Trustees and the annual meeting of the House of Delegates. The HDA Financial Program is a program of the Fiscal Management AR under the direction of the HDA Treasurer.

Overall, the 2017 HDA finances remain stable. However, due to administrative changes in the Central Office, the accounting costs have exceeded budget. The training of the office staff in the updated and reformatted QuickBooks incurred additional costs, and HDA office modernization required a new telephone system and internet provider.

The 2018 budget is anticipated to remain stable. The membership numbers are good and the annual convention revenue remains strong. The treasury moved \$50,000 into the CPB Reserve savings account.

The HDA Financial Program is composed of Past President Lili Horton, BOT member Michael Lutwin, Treasurer 2016/2017 Dayton Lum (chair); ex-officio members President Chris Lee, Executive Director Kim Nguyen, and CPA 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 2017, the following documents and actions were approved by the BOT:

1. HDA Financial Policy and Procedures Manual
2. HDA Employment Manual
3. HDA Policy Manual (Revisions from 2017)
4. Cost Analysis Study for HCDS Administrative Fee
5. HDA Foundation Agreement (Operating)
6. The selection of ProService for office personnel HR and payroll

The HDA building remains in good condition. One tenant did not renew his contract, and a new tenant is being sought. It is the recommendation of the Financial Program that the oversight and needs of the HDA building fall under the responsibility of the VP and the Executive Director with review by the Executive Council.

This year, the continued working relationship with our CPA audit firm Wickoff Combs & Co. yielded a very positive 2016 audit report. The 2016 audit was favorable, and the HDA was commended on its expediency in correcting the items that were identified in the 2015 audit. This included recognition of the improvements to procedures and policies, installation of a

46 new Executive Director and the Financial Program stabilization of
47 accounting practices.

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49 In 2018, the Financial Program plans to address the HCDS operating
50 agreement and to seek ways to bring economic efficiency to HDA
51 membership programs. The search for the next contracted bookkeeping and
52 audit firms will commence in 2018 due to the end of the 3-year contracts
53 with CPA/bookkeeper Sherri Tomishima, and auditing firm Wickoff,
54 Combs & Co., LLC.

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56 Respectfully Submitted,

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60 Dayton Q.L. Lum, D.D.S.

61 Treasurer

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63 **Recommendation of the HOD Reference Task Force on the Report of the Fiscal**
64 **Management AR:**

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66 The HOD Reference Task Force recommends that the report be accepted.

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68 **Action taken by the House:**