

Report of the Fiscal Management AR - 2018

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 2018 HDA finances remain stable with strong funds in reserve and operating checking accounts.

The budget for the upcoming 2019 will have lower total revenue but will also have lower total operating expenses. With the ADA Convention in Hawaii in 2018, the HDA 2019 CE Program will be a much smaller event. Therefore, an ADA Convention reimbursement has been recognized in the budget as Convention income, and will be utilized in 2019.

The Financial Program, with approval by the BOT, has approved a dues increase of \$40/year for full paying active members and to apply a percentage increase to the other member categories. HCDS will not pay a fee for membership services in 2019 to the HDA, and a new CAP (County Assistance Program) is being proposed, for all counties as an optional support service.

The HDA Financial Program is composed of Drs. Ron Miller, BOT member Michael Lutwin of Kauai County, Treasurer 2017/2018 Christopher Young (chair); ex-officio members Drs. President Robert Baysa, President-Elect Dayton Lum, 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 2018, the following documents and actions were approved by the BOT:

1. HDA Financial Policy and Procedures Manual (with revisions: check signing, staggering transition of auditing firms and bookkeeper every three years with a RFP, increase in credit card limit, BOT approval for further revisions to update manual)
2. HDA Employment Manual (with revisions: vacation accrual policy for new hires, and eligibility to participate in the HDA retirement plan)
3. HDA Policy Manual (approval by BOT for revisions)
4. HDA Budget for 2019 fiscal year

The HDA building remains in good condition. Two tenants did not renew their rental contracts and new tenants are being sought by Sofos. Members were surveyed for their feedback and to address the future of the HDA building. A Building Task Force is being revitalized.

47 The BOT tasked the Financial Program with analyzing short and long term
48 investments of reserve funds with the assistance of Dr. Ron Miller, CFP, AIFA who is
49 the principal and founder of Resource Management LLC. Funds from the ADA
50 convention reimbursement have been put into a short-term interest-bearing TD
51 Ameritrade account.

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53 This year, the continued working relationship with our CPA audit firm Wikoff Combs
54 & Co. yielded a very positive 2017 audit report. The 2017 audit was favorable with
55 no outstanding items. The opinion of the auditor is that the changes in HDA net assets
56 and cash flows for the year ended in accordance with generally accepted accounting
57 principles adhered to in the Unites States.

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59 In 2019, a new CAP business model will be analyzed, the HDA building will be
60 evaluated for tenant vacancies and repairs needed, and long term investment of reserve
61 funds strategies will be installed. The search for the next contracted audit firm
62 commenced in the fall of 2018 through a Request for Proposal, due to the end of the 3-
63 year contract with auditing firm Wikoff, Combs & Co., LLC. The Financial Program
64 and Executive Council will review bids received at the end of 2018, and will offer a
65 recommendation to the BOT at its first meeting in 2019.

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68 Respectfully Submitted,

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71 Christopher J. Young, D.D.S.
72 Treasurer

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75 **Recommendation of the HOD Resolutions Reference Task Force on the Report of**
76 **the Fiscal Management AR:**

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

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80 **Action taken by the House:**