

Recommendations regarding Financial Oversight

1. On the top of Page 6, from Right from the Start: Responsibilities of Directors of NOT_FOR_PROFIT Corporations under the Duty of Care, “Make sure that monthly financial reports prepared for management are available to the board or finance and audit committees, and that they are clear and communicate the information needed for proper stewardship. Make sure there is an ongoing actual to budget comparison with discrepancies explained.” The Monthly finance reports should be shared with the entire board, not just the finance committee. Limiting the distribution to just the finance committee reinforces the flawed culture that “it’s someone else’s responsibility” to monitor the financial health of the Association.
2. I started attending Board meetings in 2019 and have never seen or heard of any trend analysis shared with the Finance committee or the Board. I spent my term requesting documents and performed the below analysis that provides missing critical perspective that the Board needs (full details of trends attached excel file) [Frank monthly financial analysis 23.03.31.xlsx](#)

a. Membership Revenue

- i. The below is from the last 26 months of monthly financial reports (page 2) and reflect year to date amounts. We are hemorrhaging membership revenue. Membership revenue in 2022 was down 16% from 2021 and is already down a further 12% through the end of February 2023.

	2021	2022	2023		22 from 21	23 from 22	
jan	\$ 16,618	\$ 12,218	\$ 10,703		\$ (4,400)	\$ (1,515)	
feb	\$ 37,752	\$ 26,133	\$ 23,036		\$ (11,619)	\$ (3,097)	-12%
mar	\$ 51,430	\$ 35,563	\$ -		\$ (15,867)		
apr	\$ 63,724	\$ 42,445	\$ -		\$ (21,279)		
may	\$ 71,288	\$ 49,100	\$ -		\$ (22,188)		
jun	\$ 82,337	\$ 57,041	\$ -		\$ (25,296)		
jul	\$ 98,089	\$ 68,374	\$ -		\$ (29,715)		
aug	\$ 106,019	\$ 79,729	\$ -		\$ (26,290)		
sep	\$ 114,568	\$ 87,447	\$ -		\$ (27,121)		
oct	\$ 122,361	\$ 95,116	\$ -		\$ (27,245)		
nov	\$ 130,938	\$ 102,286	\$ -		\$ (28,652)		
ii. dec	\$ 137,049	\$ 115,457	\$ -		\$ (21,592)		-16%

- iii. These declines are most apparent in contributions down 18% in 2022 from 2021 and further down 35% through February 23. (See the Membership Trend tab on the referenced spreadsheet for the details.)
- iv. New members which were down 35% in 2022 from 2021. Note that new member revenue has positive 16% growth so far in 2023.
- v. Membership committee meetings are not on the public agenda for members to attend and there was not a membership committee meeting at the January board meeting, so I am not aware if the Membership committee does any analysis of this type.
- vi. When I asked for Management’s perspective on the miss of membership revenue in January and the ability to meet the budgeted revenue (if you recall I objected to the budget as this membership revenue was unattainable and the objection was overridden), John Frazer replied “your requests for responses to questions about budget projections and the NRA’s ability to meet its budget, outside the scope of a meeting of the Board, are redundant and therefore unnecessary. The NRA addresses directors’ questions of this type in the appropriate time, place, and manner-i.e., during meetings of its Board and duly appointed committees, rather than through ongoing, ad hoc responses to individual directors between Board meetings.” The full Board should be looking at material misses to the Association’s ability to meet its budget.