

## August 2011 Financial Reports - Narrative

### 1. Cash Position Report (pg.1):

- a. Key information to extract from the Cash position summary:
  - i. Overall: If all expenses incurred to date were paid, there would be a cash balance of \$154,786 for the organization as a whole.
  - ii. Operations:
    1. Current position is fair with \$115,373 positive liquidity; the operating cash balance is now at 2.7 months (115,373/42,000) of operating expenses.
    2. To maintain positive liquidity in 12 months \$204,663 should be deposited to cover unearned current memberships. (293,163 – 115,374 = 177,790)
    3. An additional \$126,000 should be repaid to restricted cash.
  - iii. Sakai 3-OAE:
    1. August cash balance of \$120,730. The current cash balance, plus potential funding, is expected to support the program through December. The Steering Group is currently planning a budget for the new program year ending June 2012.
  - iv. Conferences:
    1. Per the reconciliation of 2011 LA Conference income and expenses, there is a net surplus of \$21,544. The budget allowed for the cost of \$25,000. Therefore, the full positive impact on the 2011 budget is \$46,544 (25,000 + 21,544).
    2. These results are dependent on the collection of \$8,050 of receivables currently outstanding. (4,000 collected in Sept to date)
  - v. Pre-Paid Memberships:

All cash collected for prepaid memberships has been extended to current operating use: \$126,000 at August 2011.

### 2. Statement of Functional Revenue and Expenses (pg 2):

This report presents the revenue and expenses by function (or program) of the organization.

- a. OAE has a surplus of \$116,683 at the end of the August. The surplus will be applied to continued work in calendar year 2011.
- b. 88% of total expenses are for Direct Program activities.
- c. 12% of total expenses are for Administrative and support activities.
- d. Sakai Operations has Year to Date Net Income of \$113,775 (excludes OAE revenue and expenses)

### **3. 2011 Budget (page 5,6)**

- a. Approved budget is presented compared to actual year-to-date figures, per program.
- b. Operating Budget Variances:
  - i. Revenue is ahead of budget by \$30,685 year to date
  - ii. (7) New Members added in 2011 equaling \$49,000 new revenue.
  - iii. Expenses are in excess of budget by \$3,717 year to date mainly due to Travel costs and the separation of the Fellows budget from the LA Conference.
- c. OAE Budget v Actual has been omitted while Program year 2012 Budget is being developed.
- d. Assumptions (as previously stated):
  - i. Revenue based on current membership – growth neutral
  - ii. All previously accepted staffing reductions effective January 1, 2011
  - iii. Travel cost based on 3 year average
  - iv. Other expenses based on previous year and known adjustments
  - v. Conference \$25,000 contingency deficit
  - vi. It is expected that the Sakai 3/OAE project will be cost neutral to the organization.

### **4. 2011-2012 Cash Projection – Sakai General Fund (page 7)**

- a. Cash projection excludes OAE
- b. Cash collections in June (18K) and July (\$18K), August (\$44K),
  - i. \$45,000 or 39% older than 90 Days,
  - ii. \$30,000 or 26% older than 180 days.
- c. Annual cash deposits are expected to be less than budget by: -17,291
- d. Annual paid expenses are likely to be less than budget by: +79,968
- e. In order to maintain cash flow through Nov, Dec, and Jan, it will be critical to collect all receivables older than 90 days and new receivables within 90 days.
- f. Assumptions (as previously stated):
  - i. Membership invoices are expected to collect in 90 days, on average.
  - ii. Invoice dates are based on prior year memberships and invoicing schedule.
  - iii. 2010 accounts receivables are expected to collect in full in 1<sup>st</sup> Quarter 2011 in order to cover 1<sup>st</sup> Quarter expenses.
  - iv. It is anticipated that the receipt of University of Michigan invoices will coincide with the repayment of the balance receivable from OAE

Sakai Foundation  
Cash Position Summary  
August 31, 2011

	<u>Dec 31, 2010</u>	<u>Mar 31, 2011</u>	<u>June 30, 2011</u>	<u>July 31, 2011</u>	<u>Aug 31, 2011</u>
<b>CASH: bank balance</b>	111,152.52	243,178.64	334,374.23	217,244.55	234,967.31
<b>CASH: less current liabilities</b>	<b>(68,438.14)</b>	<b>150,572.24</b>	<b>194,366.01</b>	<b>112,781.44</b>	<b>154,786.84</b>
 <b>OPERATING CASH*</b>					
Operating Cash Balance	101,286.43	132,687.06	81,238.09	57,138.37	48,031.19
Add: receivables	82,500.00	103,833.33	128,000.00	145,000.00	106,000.00
Add: receivables from program			-	-	-
Less: payables	(141,130.18)	(33,395.52)	(69,904.79)	(57,451.44)	(38,657.64)
<b>Operating Quick (Deficit)</b>	<b>42,656.25</b>	<b>203,124.87</b>	<b>139,333.30</b>	<b>144,686.93</b>	<b>115,373.55</b>
<i>Less: Unearned current memberships</i>	(215,327.41)	(362,279.47)	(353,592.64)	(349,349.81)	(293,162.54)
<i>Less: Due to restricted</i>	(217,663.32)	(196,000.00)	(142,000.00)	(122,000.00)	(126,000.00)
Operating Quick ratio (Deficit)	<u>(390,334.48)</u>	<u>(355,154.60)</u>	<u>(356,259.34)</u>	<u>(326,662.88)</u>	<u>(303,788.99)</u>
 <b>SAKAI 3 - Cash Balance *</b>					
SAKAI 3 - Cash Balance *	3,866.09	115,713.00	240,903.80	162,002.75	161,987.39
Add: receivables	40,656.59	-	-	-	-
Less: payables	(38,460.48)	(59,210.88)	(69,485.23)	(41,400.96)	(41,257.45)
Less: Due to Restricted	(49,336.68)	-	-	-	-
<b>SAKAI 3 - Cash (Deficit)</b>	<b>(43,274.48)</b>	<b>56,502.12</b>	<b>171,418.57</b>	<b>120,601.79</b>	<b>120,729.94</b>
 <b>Conference 2011 - Cash Balance</b>					
Conference 2011 - Cash Balance	6,000.00	(5,221.42)	12,232.34	(1,896.57)	24,948.73
Add: receivables				44,506.04	8,050.00
Less: payables			(618.20)	(5,610.71)	(265.38)
Less: Due to operating cash			-	-	-
<b>Conference 2011 - Cash (Deficit)</b>	<b>6,000.00</b>	<b>(5,221.42)</b>	<b>11,614.14</b>	<b>36,998.76</b>	<b>32,733.35</b>
 <b>PREPAID Memberships Balance</b>					
PREPAID Memberships Balance	267,000.00	196,000.00	142,000.00	122,000.00	126,000.00
Less: Due from S3/OAE	(49,336.68)	-			
Less: Due from Operations	(217,663.32)	(196,000.00)	(142,000.00)	(122,000.00)	(126,000.00)
<b>PREPAID Member Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Sakai Foundation**  
**Statement of Functional Revenue and Expense**  
January through August 2011

	S3/OAE	Product Development	Community Coordination	2011 - Los Angeles	Total PROGRAM	% of Total	Marketing/ Outreach	Admin	Membership Rev	Total SUPPORT	% of Total	TOTAL
Program Fund Balance	(46,823.90)											
Ordinary Income/Expense												
Income												
Unrestricted Revenue	0.00	0.00	0.00	0.00	0.00		0.00	1,212.73	446,998.20	448,210.93		448,210.93
Restricted Revenue	649,135.01	0.00	1,183.23	55,525.00	705,843.24		0.00	0.00	0.00	0.00		705,843.24
Conference Revenue	0.00	0.00	0.00	225,905.00			0.00	0.00	0.00			
Reimbursed Expenses	0.00	0.00	0.00	30,223.20	30,223.20		0.00	200.00	0.00	200.00		30,423.20
<b>Total Income</b>	<b>649,135.01</b>	<b>0.00</b>	<b>1,183.23</b>	<b>311,653.20</b>	<b>961,971.44</b>	<b>68%</b>	<b>0.00</b>	<b>1,412.73</b>	<b>446,998.20</b>	<b>448,410.93</b>	<b>32%</b>	<b>1,410,382.37</b>
Expense												
Labor Expenses	450,421.00	89,908.44	59,293.12	39,581.00	639,203.56	86%	33,333.36	71,251.07	0.00	104,584.43	14%	743,787.99
Facility & Equipment	1,582.09	4,509.60	14,017.18	223,310.55	243,419.42	99%	0.00	1,957.08	0.00	1,957.08	1%	245,376.50
Travel/Host	26,449.51	0.00	50,957.35	23,243.94	100,650.80	98%	0.00	1,625.73	0.00	1,625.73	2%	102,276.53
Continued Ed. & Resourc	1,885.97	0.00	1,225.54	0.00	3,111.51	100%	0.00	0.00	0.00	0.00	0%	3,111.51
Office/General Expenses	656.13	0.00	5,000.00	3,978.79	9,634.92	28%	0.00	25,165.06	0.00	25,165.06	72%	34,799.98
<b>Total Expense</b>	<b>480,994.70</b>	<b>94,418.04</b>	<b>130,493.19</b>	<b>290,114.28</b>	<b>996,020.21</b>	<b>88%</b>	<b>33,333.36</b>	<b>99,998.94</b>	<b>0.00</b>	<b>133,332.30</b>	<b>12%</b>	<b>1,129,352.51</b>
<b>Net Ordinary Income</b>	<b>168,140.31</b>	<b>-94,418.04</b>	<b>-129,309.96</b>	<b>21,538.92</b>	<b>-34,048.77</b>		<b>-33,333.36</b>	<b>-98,586.21</b>	<b>446,998.20</b>	<b>315,078.63</b>		<b>281,029.86</b>
Other Income/Expense												
Interest Income	0.00	0.00	0.00	0.00	0.00		0.00	1,090.51	0.00	1,090.51		1,090.51
<b>Total Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>1,090.51</b>	<b>0.00</b>	<b>1,090.51</b>		<b>1,090.51</b>
Other Expense												
Foreign Currency Costs	4,632.42	0.00	210.11	-5.42	4,837.11		0.00	0.00	0.00	0.00		4,837.11
<b>Total Other Expense</b>	<b>4,632.42</b>	<b>0.00</b>	<b>210.11</b>	<b>-5.42</b>	<b>4,837.11</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>4,837.11</b>
<b>Net Other Income</b>	<b>-4,632.42</b>	<b>0.00</b>	<b>-210.11</b>	<b>5.42</b>	<b>-4,837.11</b>		<b>0.00</b>	<b>1,090.51</b>	<b>0.00</b>	<b>1,090.51</b>		<b>-3,746.60</b>
<b>Net Income</b>	<b>163,507.89</b>	<b>-94,418.04</b>	<b>-129,520.07</b>	<b>21,544.34</b>	<b>-38,885.88</b>		<b>-33,333.36</b>	<b>-97,495.70</b>	<b>446,998.20</b>	<b>316,169.14</b>		<b>277,283.26</b>
Ending Program Balance	116,683.99											
										Less Program Net Income		(163,507.89)
										Sakai Operating Net Income		<b>113,775.37</b>

**Sakai Foundation  
Balance Sheet**

As of August 31, 2011

	<u>Dec 31, 10</u>	<u>Mar 31, 11</u>	<u>Jun 30, 11</u>	<u>Jul 31, 11</u>	<u>Aug 31, 11</u>
<b>ASSETS</b>					
<b>Checking/Savings</b>					
<b>*Michigan Commerce Bank (MCB)</b>					
<b>MCB - Operating Account</b>	62,623.95	120,019.83	67,237.58	41,270.14	37,548.41
<b>MCB - Sakai 3</b>	3,866.09	115,713.00	240,903.80	162,002.75	161,987.39
<b>MCB - Conference</b>	6,000.00	-5,221.42	12,232.34	-1,896.57	24,948.73
<b>Total *Michigan Commerce Bank (MCB)</b>	<u>72,490.04</u>	<u>230,511.41</u>	<u>320,373.72</u>	<u>201,376.32</u>	<u>224,484.53</u>
<b>Fifth Third Bank (5/3)</b>					
<b>5/3 - Operating Account</b>	38,662.48	12,667.23	14,000.51	15,868.23	10,482.78
<b>Total Fifth Third Bank (5/3)</b>	<u>38,662.48</u>	<u>12,667.23</u>	<u>14,000.51</u>	<u>15,868.23</u>	<u>10,482.78</u>
<b>Total Checking/Savings</b>	111,152.52	243,178.64	334,374.23	217,244.55	234,967.31
<b>Accounts Receivable</b>					
<b>Accounts Receivable (total)</b>					
<b>Accounts Receivable</b>	82,500.00	103,833.33	138,000.00	145,000.00	106,000.00
<b>Accounts Receivable-S3/OAE</b>	40,656.59	0.00	0.00	0.00	0.00
<b>Accounts Receivable-Conference</b>	0.00	0.00	0.00	44,506.04	8,050.00
<b>Total Accounts Receivable (total)</b>	<u>123,156.59</u>	<u>103,833.33</u>	<u>138,000.00</u>	<u>189,506.04</u>	<u>114,050.00</u>
<b>Accounts Receivable S3/OAE- AUD</b>	0.00	0.00	0.00	0.00	0.00
<b>Allowance for Doubtful Accounts</b>	0.00	0.00	-10,000.00	0.00	0.00
<b>Total Accounts Receivable</b>	<u>123,156.59</u>	<u>103,833.33</u>	<u>128,000.00</u>	<u>189,506.04</u>	<u>114,050.00</u>
<b>Total Current Assets</b>	234,309.11	347,011.97	462,374.23	406,750.59	349,017.31
<b>Other Assets</b>					
<b>S3/OAE payable to Sakai</b>	-49,336.68	0.00	0.00	0.00	0.00
<b>Receivable from S3/OAE</b>	49,336.68	0.00	0.00	0.00	0.00
<b>Total Other Assets</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL ASSETS</b>	<u><u>234,309.11</u></u>	<u><u>347,011.97</u></u>	<u><u>462,374.23</u></u>	<u><u>406,750.59</u></u>	<u><u>349,017.31</u></u>

**Sakai Foundation  
Balance Sheet**

As of August 31, 2011

	<u>Dec 31, 10</u>	<u>Mar 31, 11</u>	<u>Jun 30, 11</u>	<u>Jul 31, 11</u>	<u>Aug 31, 11</u>
<b>LIABILITIES &amp; EQUITY</b>					
<b>Liabilities</b>					
<b>Accounts Payable</b>					
Accounts Payable - Conference	0.00	0.00	618.20	5,610.71	265.38
Accounts Payable - S3/OAE	10,068.08	12,200.00	7,259.90	8,000.00	8,195.91
Accounts Payable - S3/OAE - GBP	28,392.40	47,010.88	62,225.33	33,400.96	33,061.54
Accounts Payable	139,485.22	33,112.70	63,336.12	54,565.38	38,369.43
Accounts Payable - GBP	1,183.23	0.00	2,198.41	0.00	0.00
<b>Total Accounts Payable</b>	<u>179,128.93</u>	<u>92,323.58</u>	<u>135,637.96</u>	<u>101,577.05</u>	<u>79,892.26</u>
<b>Credit Cards</b>					
Chase Credit Card 0003	461.73	282.82	4,370.26	2,886.06	288.21
<b>Total Credit Cards</b>	<u>461.73</u>	<u>282.82</u>	<u>4,370.26</u>	<u>2,886.06</u>	<u>288.21</u>
<b>Other Current Liabilities</b>					
Unearned Revenue	215,327.41	362,279.47	353,592.64	349,349.81	293,162.54
<b>Prepaid Memberships</b>					
Prepaid Memberships 2011	197,500.00	117,500.00	45,500.00	25,500.00	29,500.00
Prepaid Memberships 2012	69,500.00	78,500.00	87,500.00	87,500.00	87,500.00
Prepaid Memberships 2013	0.00	0.00	9,000.00	9,000.00	9,000.00
<b>Total Prepaid Memberships</b>	<u>267,000.00</u>	<u>196,000.00</u>	<u>142,000.00</u>	<u>122,000.00</u>	<u>126,000.00</u>
<b>Total Other Current Liabilities</b>	<u>482,327.41</u>	<u>558,279.47</u>	<u>495,592.64</u>	<u>471,349.81</u>	<u>419,162.54</u>
<b>Total Current Liabilities</b>	<u>661,918.07</u>	<u>650,885.87</u>	<u>635,600.86</u>	<u>575,812.92</u>	<u>499,343.01</u>
<b>Total Liabilities</b>	661,918.07	650,885.87	635,600.86	575,812.92	499,343.01
<b>Equity</b>					
Fund Balance	-133,643.12	-427,608.96	-427,608.96	-427,608.96	-427,608.96
Net Income	-293,965.84	123,735.06	254,382.33	258,546.63	277,283.26
<b>Total Equity</b>	<u>-427,608.96</u>	<u>-303,873.90</u>	<u>-173,226.63</u>	<u>-169,062.33</u>	<u>-150,325.70</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>234,309.11</u></u>	<u><u>347,011.97</u></u>	<u><u>462,374.23</u></u>	<u><u>406,750.59</u></u>	<u><u>349,017.31</u></u>

**Sakai Foundation**  
**Budget v. Actual**  
**Calendar Year to Date August 31, 2011**

<b>Sakai Foundation - Operations</b>				
	<b>Jan-Aug Actual</b>	<b>YTD Budget</b>	<b>YTD Variance</b>	<b>2011 Budget</b>
<b>OPERATING Budget</b>				
<u>Assumption = growth neutral to membership at 12/2010</u>				
Gross Membership Revenue	447,851	420,000	27,851	630,000
Restricted Revenue	1,183	-	1,183	-
Royalty Income	360	-	360	-
Interest income	1,091		1,091	
Reimbursed Expenses	200		200	
<b>Total Revenue</b>	<b>450,685</b>	<b>420,000</b>	<b>30,685</b>	<b>630,000</b>
<b><u>Expenses:</u></b>				
Labor Expenses^	(266,248)	(276,999)	10,751	(424,139)
Hosted Solutions/Equipment	(20,484)	(10,904)	(9,580)	(16,356)
Credit Card/Travel	(52,583)	(48,000)	(4,583)	(72,000)
Conferences/Registrations	(1,226)	(2,000)	774	(3,000)
Office/General	(11,567)	(3,333)	(8,233)	(5,000)
Dues (IMS)	(5,000)	(5,000)	-	(5,000)
Legal	(616)	(6,000)	5,384	(8,000)
Insurance	(520)	(2,500)	1,980	(2,500)
Foreign Currency Gain/(Loss)	(210)	-	(210)	-
Total Current Expenses	(358,454)	(354,737)	(3,717)	(535,995)
<b>OPERATING balance</b>	<b>92,231</b>	<b>65,263</b>	<b>26,968</b>	<b>94,005</b>
<b>CONFERENCE 2011 Contingency</b>	<b>21,544</b>	<b>(25,000)</b>	<b>46,544</b>	<b>(25,000)</b>
<b>NET OPERATING surplus (deficit)</b>	<b>113,775</b>	<b>40,263</b>	<b>73,512</b>	<b>69,005</b>

**Sakai Foundation  
Cash Projection 2011**

Updated June 25, 2011

	YTD Actual	Sept	Oct	Nov	Dec	YTD Forecast	Approved Projection	Jan-12	Feb-12	Mar-12
Beginning Cash Balance	101,286.43	72,979.92	107,144.74	105,711.71	59,552.52	101,286.43	101,286.43	57,269.55	51,424.63	183,496.37
<b>Projected Deposits</b> (Based on payment 90 days of invoice date)										
Invoiced memberships	367,833.33	35,000.00	40,000.00	170,000.00	-	652,833.33	506,500.00	80,000.00	60,000.00	50,000.00
Proj. Deposits - Current	343,709.26	66,000.00	40,000.00	-	35,000.00	484,709.26	452,000.00	40,000.00	170,000.00	-
Proj. Deposits - Prior Year	32,500.00					32,500.00	82,500.00			
<b>Total Projected Deposits</b>	<b>376,209.26</b>	<b>66,000.00</b>	<b>40,000.00</b>	<b>-</b>	<b>35,000.00</b>	<b>517,209.26</b>	<b>534,500.00</b>	<b>40,000.00</b>	<b>170,000.00</b>	<b>-</b>
<b>Payments:</b>										
Labor Expenses	(264,417.12)	(32,105.52)	(31,653.36)	(38,379.52)	(29,253.31)	(395,808.82)	(424,603.77)	(30,753.31)	(30,253.31)	(30,253.31)
Hosted Solutions	(9,279.00)	(1,113.00)	(1,113.00)	(1,113.00)	(1,363.00)	(13,981.00)	(16,106.00)	(1,424.95)	(1,424.95)	(1,424.95)
Credit Card/Travel	(76,793.82)	(6,000.00)	(6,000.00)	(6,000.00)	(6,000.00)	(100,793.82)	(71,143.28)	(6,000.00)	(6,000.00)	(6,000.00)
Conferences/Registrations	-	(250.00)	(250.00)	(250.00)	(250.00)	(1,000.00)	(7,750.00)	(250.00)	(250.00)	(250.00)
Office/General	(5,833.41)	(416.67)	(416.67)	(416.67)	(416.67)	(7,500.08)	(5,012.78)	(416.67)		
Dues (IMS)	(5,000.00)					(5,000.00)	(5,000.00)	(5,000.00)		
Legal	(616.00)		(2,000.00)			(2,616.00)	(6,000.00)	(2,000.00)		
Insurance	(2,553.00)					(2,553.00)	(2,500.00)			
<b>Total Current Payments</b>	<b>(364,492.35)</b>	<b>(39,885.18)</b>	<b>(41,433.03)</b>	<b>(46,159.18)</b>	<b>(37,282.97)</b>	<b>(529,252.72)</b>	<b>(538,115.83)</b>	<b>(45,844.92)</b>	<b>(37,928.26)</b>	<b>(37,928.26)</b>
<b>CONFERENCE 2011</b>	24,815.75	8,050.00	-	-	-	<b>32,865.75</b>	<b>(25,024.97)</b>			
<b>Prior Year/YTD Payables</b>	(114,175.17)	-	-	-	-	<b>(114,175.17)</b>	<b>(127,389.89)</b>			
<b>S3/OAE loan/repayment</b>	49,336.00					<b>49,336.00</b>	<b>49,336.00</b>			
<b>NET CASH surplus (deficit) excluding S3/OAE</b>	<b>72,979.92</b>	<b>107,144.74</b>	<b>105,711.71</b>	<b>59,552.52</b>	<b>57,269.55</b>		<b>(5,408.26)</b>	<b>51,424.63</b>	<b>183,496.37</b>	<b>145,568.12</b>