

**JAGUAR CLUBS OF NORTH AMERICA**  
2020 Annual General Meeting  
August 22, 2020, Columbia, South Carolina

2019 Treasurer's Report  
Respectfully Submitted by William W. Sihler

**Overview**

My hope had been that in 2019 JCNA would be able to add about \$10,000 to its reserves. Unfortunately, I was off by about \$8,000, but there was still a small net addition of \$2,553.20. Please see the attached statements covering revenue for the years 2018 and 2019.

JCNA's financial position is solid, however, with about \$270,000 in cash and investments even though the Money Market account was pulled down by \$15,000 to meet end-of-year bills. (Please see the balance sheets for 2018 and 2019.) Looking ahead, my guess, done with the benefit of review by others, for 2020's results shows a further drop in reserves of \$23,000. Clearly, that rate of a draw on the reserves presents a serious challenge, particularly considering it does not include the cash costs of upgrading the website. Should JLR decide to reduce its advertisements in the *Jaguar Journal*, the effect would be even more serious.

In any event, the corona virus makes all forecasting vulnerable to exceptionally high inaccuracy.

**Revenues Review**

Looking first at the operating results for JCNA excluding the *Jaguar Journal*, membership revenue declined slightly, about 3%. The trend is concerning because it reinforces the suggestion that new, younger members are not joining as fast as long-term members are retiring. Perhaps JLR's effort to attract younger customers will help reverse the trend.

The Special Services Revenue accounts benefited from a change in accounting that now holds the costs of trophies in inventory until they are used rather than expensing them as delivered. Large trophy orders are placed to get the benefit of significant volume discounts, which may have distorted the financial results in previous years. I anticipate trophy costs will be higher in 2020 as the new system is put in place, assuming that North American trophies will be needed this year.

## **Operating Expenses**

Operating expenses have been held down very well.

### *Sponsored Events and Membership Benefits*

The costs of JCNA's taking on the 2019 AGM, with JLR support, was offset by the absence of an International Jaguar Festival to help fund. Sponsored Events thus contributed an addition to Reserves in 2019, which is not likely to be the case in 2020.

The major increase in Membership Benefit costs was beginning the revision and upgrade of the JCNA Website, under Jack Humphrey's direction. There will likely be considerable cash needed for this effort in 2020 even though the decision has been made to depreciate the website upgrade costs over the next five years. The cash to pay for the upgrade comes upfront even though the costs are written off over time.

The cost of insurance for member clubs' activities decreased in 2019 because of a new insurance policy that was to provide great savings but turned out not to provide the promised coverage. New policies have been arranged for 2020 but at a higher cost.

### *Jaguar Journal*

The *Jaguar Journal* continued to be a major membership benefit challenge. Revenues from advertising has shown steady drop. The problem, at least in significant part, is that the *Journal's* circulation is small and specialized so that advertisers do not find it a productive use of funds. It would be nice to think the ad revenue has bottomed out, but that may be wishful thinking. JLR support is critical. Miscellaneous "other products" from the *Journal* have generated modest but declining revenues over time, and no such products are currently on the horizon.

Operating expenses were kept under control despite increases in mailing costs. It is critical for Clubs to provide accurate addresses for members to avoid the high cost of magazines returned for readdressing. Printing and other costs have remained very level.

## **Summary**

Overall the costs and revenues were under control in 2019. The outlook for 2020 is not as good. As I noted last year, a dues increase is among the alternatives that should be considered. A committee is currently exploring ways that JCNA's costs can be reduced, ideas that will be considered in light of member benefits curtailed.

There are ample resources to weather 2020, but it seems wise to consider providing how to reduce the drain in 2021.

**Jaguar Clubs of North America, Inc.**  
**Change in Net Reserves**  
**Years Ended December 31, 2018 and 2019**

	2018	2019
<b>REVENUE</b>		
<i>General Revenue</i>		
Club Dues	145,724.00	140,619.00
Members at Large	8,508.00	7,309.00
Life Member Revenue	3,500.00	2,000.00
Total General Revenue	<u>\$157,732.00</u>	<u>\$149,928.00</u>
<i>Special Services Revenue</i>		
Regalia Contribution (gross)	2,797.14	2,058.18
Publication Contribution (gross)	4,748.88	2,148.40
Net Regalia/Publications Shipping	<u>(7,539.68)</u>	<u>(3,986.09)</u>
Regalia and Publications Contributio	\$6.34	\$220.49
Net Trophy Contribution	(27,919.97)	1,235.56
Net Tool Loan Program	383.48	489.97
Other	465.00	290.00
Total Special Services Revenue	<u>-\$27,065.15</u>	<u>\$2,236.02</u>
<i>Other Revenue</i>		
Interest	4,542.95	5,108.66
Miscellaneous	275.00	87.84
Total Other Revenue	<u>\$4,817.95</u>	<u>\$5,196.50</u>
Net Revenue	<u>\$135,484.80</u>	<u>\$157,360.52</u>
<b>OPERATING EXPENSES</b>		
Total Professional Expenses	7,823.30	7,056.95
Administrative Salaries	21,800.00	19,200.00
Total Office Expenses	3,087.54	3,259.66
Other Administrative Expenses	3,122.31	2,993.01
Archival Storage	6,500.00	6,000.00
Total Bank and Financial Charges	2,968.43	3,552.85
Total Travel and Meal Expenses	4,091.48	1,977.21
Total Other Expenses	882.99	1,219.55
Total Operating Expenses	<u>\$50,276.05</u>	<u>\$45,259.23</u>
<b>MEMBER BENEFITS</b>		
<i>Sponsored Events and Membership Maintenance</i>		
Sponsored Events		
Sponsored Event Costs	33,089.12	31,648.82
Event Revenues	—	(11,860.00)
Event Sponsorships	<u>(25,000.00)</u>	<u>(25,000.00)</u>
Net Sponsored Events	<u>\$8,089.12</u>	<u>-\$5,211.18</u>

Web Site	6,591.17	29,971.39
Insurance	15,039.96	11,165.79
Membership Maintenance	7,718.75	7,243.75
Total Membership Cards	11,763.08	7,449.61
Life Membership Expense	595.09	299.48
Other	1,205.62	500.00
Total Sponsored Events and Membership Maintenance	<u>\$51,002.79</u>	<u>\$51,418.84</u>
Contribution to Reserves from Operations	\$34,205.96	\$60,682.45

*Members Benefits from Jaguar Journal*

Revenue		
Advertising	52,376.00	43,406.00
Jaguar Cars	27,000.00	27,000.00
Tech Line Advertising	1,500.00	—
Web Advertising	2,438.00	2,834.00
Holiday Gift Guides	4,075.56	—
Jaguar Journal Copies	6,224.00	6,448.00
Other Revenue	161.99	354.47
Total Jaguar Journal Revenue	<u>\$93,775.55</u>	<u>\$80,042.47</u>

## Expenses

JJ Miscellaneous Expense	2,081.44	65.00
JJ Editor Expense	33,825.00	34,575.00
JJ Associate Editor	4,630.00	4,910.00
JJ Commission Expense	8,895.38	4,654.29
JJ Mailing	33,602.57	36,889.08
JJ Printing/Layout	54,260.71	52,494.85
Publisher's Liability Insurance	1,996.00	1,996.00
JJ Accounting Expense	2,700.00	2,587.50
Total Jaguar Journal Expenses	<u>\$141,991.10</u>	<u>\$138,171.72</u>
Jaguar Journal Membership Benefit	<u>-\$48,215.55</u>	<u>-\$58,129.25</u>

Jaguar Clubs of North America, Inc. Net Addition (Deduction) to Reserves	-\$14,009.59	\$2,553.20
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2020 Financial Report: Summary Balance Sheet		
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December 31, 2020	2019	2018
<b>Assets</b>		
Bank accounts	\$271,110	\$290,338
Accounts receivable	32,312	29,723
Inventories	20,521	16,460
Other current assets	1,565	2,500
Other assets	834	9,374
Total assets	\$326,342	\$348,395
<b>Liabilities</b>		
Accounts payable	\$2,908	\$9,809
Reserves	323,434	338,586
Total liabilities and reserves	\$326,342	\$348,395