



The National Society of Toile and Decorative Painters, Inc.

2010 Board of Director's Annual Report

Why Was a Dues Increase Necessary?

The following information was presented at SDP's 39th Annual Meeting, May 18, 2011, in Wichita, Kansas. Members in attendance at the meeting voted to accept a \$10 increase in membership dues. We hope this will shed light on the importance of increasing SDP dues at this time.

—Your SDP Board of Directors

This is the first dues increase in five years. Your Board and staff have worked diligently to try to absorb the dramatic increases in costs caused by the economic recession during this time.

Like all not-for-profit organizations, we depend on member dues and donations for income.



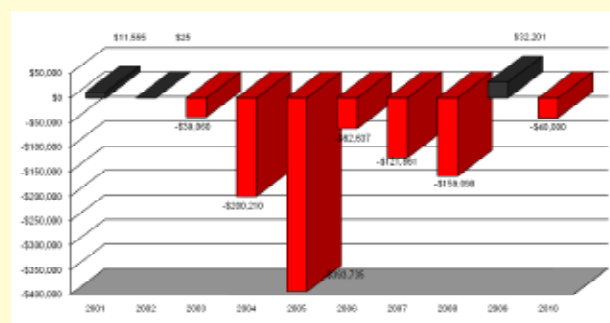
As you can see on the above graph, we have lost more than 10,000 members since decorative painting was at the height of its popularity. Since membership is our primary revenue source, our income has been drastically reduced. Fewer members means more expense per member. This is why we have tried so hard to encourage membership drives and chapter "Learn to Paint" events. And, we will continue to encourage, and assist you, to promote painting and bring in new members.

In order to sustain the Society, we have found ways to reduce spending. Last year alone we cut the budget by \$200,000. Unfortunately, our income was also reduced by the same amount. There are too many spending cuts to list here, but these are a few of the ways we saved:

- We reduced the SDP office staff and reduced staff vacation time.
- Since we have laid off several employees, the remaining staff has taken on extra responsibilities. In spite of this, they have not had a cost of living raise for ten years. *We hired an Executive Director with a strong background in Finance and she has lead the staff in working together as a team to find more labor-efficient ways to do their jobs. Their suggestions have greatly helped to reduce expenses.
- We negotiated out of expensive conference contracts. We no longer have long-term contracts that, in the past, caused us to have to pay for empty hotel rooms.

- We moved the Society's conference to Wichita for 2010-2012, so we do not have to pay for staff travel and hotel rooms.
- We conduct most business electronically, enabling us to reduce face-to-face Board meetings from four to two per year. Although the in-person meetings have been reduced, we have actually increased communication among Board members by using the internet for free monthly conference calls.
- Board members share hotel rooms at conference and during meetings, just as you do. They also have full-time work assignments at conference so that we were able to cut most temporary staff.

Profit and Loss by Year



As the chart above shows, we have struggled to keep the Society profitable. The red bars are losses and the black blocks are profit. Dramatic losses occurred in the years we had to pay penalties because not enough members stayed in the conference hotel rooms we had reserved for them. In 2009, we finally had a year when we did not lose money. Then last year, because of the move to Wichita, we broke even on our conference for the first time in several years. In spite of our best efforts and the \$200,000 in cuts, we still had a loss of about \$40,000 in 2010.

During these difficult years, we have put off many needed repairs to our SDP headquarters, which can no longer be neglected. Some of the repairs needed include the heating and cooling system, repair of leaks in walls, and general maintenance, such as carpeting and painting. We have also put off updating our membership software, which has now reached a critical point.

The Board of Directors is committed to long range planning to ensure SDP and its mission continues. Even though the Society has had financial struggles, there are many positive things to remember. SDP made sound investments during the time we were making a profit, so in spite of the years we had losses; we still have no outstanding debt. However, in this economy we can no longer rely on our investments. In addition, we have run out of places to make cuts. It was difficult, but necessary, to ask you to pay more for your membership. We assure you that we will continue to closely monitor our expenses and try to prevent further increases in the next few years.

We value each of you, our members, and ask for your support as we continue our mission to preserve and promote decorative painting. Share you love for painting with a friend today.



The National Society of Tole and Decorative Painters, Inc. 2010 Treasurer's Report

The Accounting Firm of Regier, Carr & Monroe, LLP audited the Consolidated Financial Statements and Statement of Financial Position of the National Society of Tole and Decorative Painters, Inc. and the Society of Decorative Painters Foundation as December 31, 2010.

It was their opinion that the audited financial statements as prepared by management present fairly, in all material respects, the financial position of the society as of December 31, 2010. Such information has been subjected to auditing procedures in accordance with generally accepted accounting standards with the Financial Accounting Standards Board and AICPA rules.

The total assets of the Society equal \$962,696 and the total assets of the SDP Foundation equal \$206,747 for total consolidated assets of \$1,169,443. Net assets (those assets after payment of any liabilities) on a consolidated level including both unrestricted and permanently restricted funds, equal \$382,744.

The combined loss for the year including interest and net realized and unrealized gains equaled \$17,788. The Society experienced a \$39,628 loss, and the Foundation a \$21,840 gain, in income from operations.

The SDP board and staff continue to have a deep commitment to the membership to provide long term programs and plans for the Society and execute a strong strategy to diligently monitor and provide innovative ways to make scarce revenues provide the most benefits you, our members, expect from SDP.

In 2010, 60.4%, vs. 55.64% in 2009 of revenue came from membership dues. Our decline in membership will continue to challenge our growth, and does affect our ability to provide current services without a change. There are currently some critical issues/expenses that need to be addressed for incorporation in the operations of the Society to maintain and attract the next generation of decorative painters to make SDP a financially strong organization in the future.

We as painters, providers, and supporters are the history of the decorative painting community. As we continue to keep OUR heritage strong, we must continue to share our knowledge and love of decorative painting, recruit new members, more importantly, be willing to accept new methods and means, and seek out opportunities that are available to us.

As we approach our 40th (Ruby) anniversary of SDP in 2012, we reflect on four decades of growth and accomplishments, we see a heritage rich in creativity of its artists, the passion of its collectors and the desire to pass that knowledge of our heritage to future generations of painters.

As my first year as serving as your Treasurer of SDP comes to an end, I wish to thank all the membership for their support. I am preparing for the year ahead and open to hearing from our membership with any questions or concerns and, of course, suggestions they might have regarding SDP.

—Antonia (Toni) M. Girten,
SDP Treasurer

(Painting by Ely Bravo, pattern in
The Decorative Painter, Issue # 4, 2010)