

President's Report – 2018-19- 5

Date issued: September 9, 2018

Date revised to reflect savings balance as of October 31, 2018 and adopted budget:
November 29, 2018

Report 1

Subject: Proposed FY2018/19 Budget

Summary: Report of operating and banquet budgets for FY2018/19

Narrative: Review of FY2018/17 budgets as compared to actual expenses, with suggested proposed FY2018/19 budgets. Analysis of expenditures, plus challenge of deficit spending in the operating budget.

Dear Members of the Board of Directors,

Below please find proposed operating and banquet budgets for the year FY2018/19.

Also included is a recap of our legal expenses related to preparing our new By-Laws and Incorporation. Given that these are not reoccurring expenses, they have not been included as actual operating expenses for FY2017/18.

Comparing Actual expenditures to Budget for FY2017/18.

Operating budget – Our income from dues was on target. Our expenditures were under budget for the following reasons:

- We anticipated need to pay a premium for Commercial Liability Insurance, but we were unsuccessful in obtaining coverage – Savings of \$750.
- We had a contingency of \$500 we did not use.
- We had minimal printing expense because Dennis Gerrity printed CivFed documents at his expense.

Increase in expenditure occurred because the former Executive Committee increased the donation to the APS Teachers Scholarship from \$250 to \$500.

We closed the year with a deficit of \$688.35, which is better than the initial projected deficit of \$2,634.

Banquet budget – Attendance exceeded expectations, where we finished with a surplus of \$1,311.80. This surplus help CivFed cover its operating deficit.

Legal Services related to Incorporation – CivFed incurred \$6,457.50 in legal fees in helping us prepare our new By-Laws. Savings was used to pay for this one-time non-recurring expense. Savings dropped from \$20,876.12 to \$14,425.79 because of this expense.

Analysis – Income from dues do not cover our full range of operating expenses. However, we do have over \$14,000 in savings, and given this amount the former Executive Committee was reluctant to increase dues, even with a deficit projection. We need to recognize that D&O Insurance is a major reason for our projected deficit, and we are constrained to do anything new unless we use monies from Savings.

Helping CivFed keep costs down is the generosity of the Virginia Hospital Center in allowing us to have our meetings in the auditorium free of charge. Likewise, Adam Henderson (with assistant from Ron Haddox) provide us free webmaster services. We also need to recognize the generosity of former Executive Committee members who generously contributed towards hospitality and printing. These however, should still be reflected in the Administration line item.

We need to recognize that if for some reason we needed to pay for a meeting space, or a webmaster, our costs would escalate.

Proposed Budgets

Operating Budget

Income is based on dues from 82-member organizations @\$50 each. \$4,100.

Expenditures are budgeted at similar levels as last year.

- Under Administration, it includes \$500 contingency, and \$500 for promotional material as suggest by Edie Wilson.
- Not included under Insurance is General Liability Insurance. If the Board of Directors wishes to consider obtaining this coverage the budget should be increased an additional \$900. However, premium expense could be higher given that major carriers did not want to insure us last year.
- Under donations, the proposed budget includes \$500 for the Teachers Scholarship and \$250 for the floral wreath for the Peace Officers memorial (held in mid-May). The Board of Directors may want to discuss what the level of donations should be, especially given the operating deficit.
- Projected operating deficit is \$2,350.

Banquet Budget

Banquet is planned as a break-even event. Based on the success of last year's banquet, proposed income and expenditures reflect a break-even event.

Note that last year we anticipated donations of \$1,650, which did not materialize, even though we tried to get corporate donations.

The success of last year's banquet in part was nailing down our topic and speakers early on (we had two of our speakers committed by August last year). If we are to have a successful banquet, we need to have a committed speaker(s) by November 1 so that we can begin publicity. We also need to get a venue now.

Recap of suggested topics to discuss in reviewing the proposed budgets:

1. Given our deficit operating position, should the Board of Directors consider increasing dues beginning in FY2019/20? A \$25-dollar increase could generate an additional \$2,050 (assuming member organizations do not balk at the increase)? Recruiting new member organizations?
2. Should we still consider obtaining Commercial Liability Insurance?
3. What should be the policy of the Board of Directors concerning donations? Fund donations though surpluses from the banquet (if any)?
4. How to use the banquet to leverage corporate donations.

Special thanks to Sarah Shortall, Treasurer, who's ACCF Operating Statements provided the financial information for last year's actual expenses that was used in preparing this report.

Sincerely,

Duke Banks
President

FY 2018/19 Operating Budget

		Actual 2015/16	Actual 2016/17	Budget 2017/18	Actual 2017/18	Proposed 2018/19	Adopted 2018/19
Revenues							
	Dues	\$4,000.00	\$4,100.00	\$4,050	\$4,050	\$4,100	\$4,100
	Donations received						
	Refund				(\$50)		
	Total	\$4,000.00	\$4,100.00	\$4,050	\$4,000	\$4,100	\$4,100
Expenses							
	Communications	\$2,513.22	\$2,463.97	\$3,510	\$2,979.11	\$3,500	\$3,500
	Administrative	\$416.83	\$433.30	\$1,096	\$177.54	\$1,300	\$1,300
	Insurance	\$0.00	\$0.00	\$1,578	\$828.00	\$900	\$900
	Donations given	\$430.15	\$3,191.00	\$500	\$703.70	\$750	\$750
	Total	\$3,360.20	\$6,088.27	\$6,684	\$4,688.35	\$6,450	\$6,450
Balance		\$659.80	(\$1,988.27)	(\$2,634)	(\$688.35)	(\$2,350)	(\$2,350)

FY2018/19 Banquet Budget

		Actual 2015/16	Actual 2016/17	Budget 2017/18	Actual 2017/18	Proposed 2018/19	Adopted 2018/19
Revenues							
	Paid reservations	\$14,760.00	\$6,102	\$5,000	\$8,649.57	\$7,300	\$7,300
	Donations received and ad sales	\$0	\$0	\$1,650			
	Ticket Refunds				(\$180.00)		
	Total	\$14,760.00	\$6,102	\$6,650	\$8,469.57	\$7,300	\$7,300
Expenses							
	Hotel Expense	\$6,285.00	\$5,402.00	\$5,000	\$5,809.17	\$6,000	\$6,000
	Printing/mailing	\$1,423.48	\$715.26	\$1,500	\$654.35	\$700	\$700
	PayPal				\$183.99	\$200	\$200
	Miscellaneous	\$1,359.93	\$336.50	\$150	\$510.98	\$400	\$400
	Total	\$9,062.41	\$6,453.76	\$6,650	\$7,158.49	\$7,300	\$7,300
Balance		\$5,607.59	(\$351.76)	-0-	\$1,311.08	-0-	-0-

