

2017-18
BUDGET FACT SHEET
(Anticipated Outcomes)

REVENUE FACTORS TO CONSIDER:

- ACCCA operates on a fiscal calendar, July 1 through June 30, and budget reports are reflected on a **cash basis**, not an accrual basis as most of the program revenue and expense crosses fiscal years.
- The 17/18 Budget “Actual” amounts reflect all activity posted as of 5/31/2018, and includes estimated revenue/expense for the month of June. These numbers will be updated once books close in July and incorporated into the final budget proposal in September.
- The format of the Budget document intentionally separates membership dues and other income (operating revenue) from all revenue derived from events.
- In 2017-18 the **average** monthly operational income (dues, management fees & advertising) was **\$36,543**. For the same period, monthly operational expense (salaries, benefits, contracted services and other fixed operational costs) averaged **\$51,942** per month, creating a running operating budget deficit.
- Thanks to our very productive professional development programs in 2017-18, the operating deficit was covered by peak revenue in May, June and July, and then again in October through February. It is during these months that revenues significantly surpass expense. Conversely, the months of August, September and March through May, generally are a time of reduced cash flow.
- When the 17-18 budget was adjusted in January, significantly higher membership dues revenue was projected for the 2nd half of the year based on expected results from the work of a contracted recruiter. Those results did not transpire, and the contractor was not paid.

- However, monthly membership dues [via payroll deduction] are currently averaging \$23,260 per month, which is 3% higher than the 2016-17 average.
- In May ACCCA invoiced approximately \$84,000 for annual dues for the 2018-19 year—over \$9,500 LESS than the prior year. Assuming a similar rate of return as prior years, we anticipate receiving a 67% of that invoiced revenue or \$56,280 in 2018-19.
- The return rate for annual dues is impacted by a number of variables such as the increasing number of members' switching to monthly payroll deduction, the retirement wave and those who simply decide not to renew their membership after joining because of attending a program.
- Profits from the 2018 Annual Conference were much higher than previous years. We attribute this improvement to the outstanding work of the MDC and conference planning team to change the format of the traditional conference to one that engages a larger and more diverse audience. Also, the efforts of the Marketing Team and Jennifer Aries to try to promote the event earlier and more strategically resulted in higher attendance. The 2019 conference will pose different challenges—the venue is much more expensive with fewer concessions than Santa Rosa.
- In 2017 the redevelopment and facilitation of the Admin 201 program was primarily funded through an IEPI grant. Following the program, a comprehensive evaluation was conducted and several challenges were identified which are being addressed by planners this year. From a financial standpoint, ACCCA must convert the program from being grant funded to incorporating it into the Association's recurring program line up. For these reasons, Admin 201 is being postponed until summer 2019 and planning for the adjusted program is underway.

EXPENSE FACTORS TO CONSIDER:

- Like revenues, expenses are categorized as either operational or event-related. Operational expenses include Board and Commission/Committee expenses; facilities, equipment and supplies or operational services; salaries, taxes and benefits; and contracted services costs.
- Salaries and benefits represent the largest category within the operating budget. In 2017-18 we saw a significant jump in staffing costs with the addition of a 5th full time position [Administrative Assistant]. After 12 months the decision was made to reclassify the position to a part time position based on workload and to reduce operational costs in 2018-19.
- In 2017-18 anticipated outsourced [contracted] services costs reflected the Board's investment in targeted expertise to facilitate the development of a comprehensive marketing and communications plan, and to engage the services of a contracted recruiter to boost membership. The Association also funded two annual ICA audits in one year to bring the controls review process current. Much of that initial investment cost is not continued in 18/19.
- The cost to manage Board meetings was higher in 2017-18 because the 2017 retreat was held at a local resort hotel. Overall costs for Board meetings will go down in 2018-19 when the benefits of moving the annual retreat to the ACCCA headquarters show up in the budget.
- The commissions and committees that support the vision of the Board and help drive the forward momentum of the Strategic Plan actually receive very little financial support. In 2017-18 they represent just .041% of the total operating budget. The RMC has requested consideration of additional funding to support one in person meeting in 2018-19.
- Member benefits like SASS insurances and legal services represent 20% of the total operating budget, but survey results tell us that a majority of members either don't know about the or use them.