

## MEMO

**TO:** Board of Directors

**Date:** July 10, 2015

**FROM:** Al Todd, Executive Director  
Jaja Leroux, Director of Finance  
Elizabeth Biggs, Senior Financial Advisor

**SUBJECT:** Financial Update and May 2015 Financial Statements

At this time of the year, financial status and projections indicate that the Alliance continues to manage finances conservatively and that we continue on the path to reduce the unrestricted deficit. While the numbers are not yet final, until we receive the final audit, we anticipate a positive change in net assets in 2014 of approximately \$22,000. This is slightly lower than our original forecast but still positive. For 2015, the Board approved a conservative operating budget with projected revenues slightly higher than the previous year. The Board also approved an investment in program development. Overall revenues in 2015 are ahead of budget primarily because of continuing success in securing restricted grants from government and private funders.

### **Calendar Year 2015 Income and Expenses:**

Through five months of the year (as of May 31), our change in net assets is a positive \$18k. This is made up of a negative unrestricted change in net assets of \$17k and a positive change in temporarily restricted net assets of \$36k. This is based on a full accrual basis of accounting. While we would rather not have a negative change in unrestricted net assets, the full impact of Taste fundraising is expected to come in the June to August time frame. Since the Taste is our major profit center, we will be tracking this closely. Significant variances from budget line items are explained below.

### **Variances in Income:**

Event income (Taste) is lower than budget as noted above since fundraising is still ongoing. Events and activities which produce the largest percentage of program income (such as the Watershed Forum) happen in the third quarter. Grant income is higher than budgeted due to success in winning new grants. Indirect associated with some grants is lower than budgeted because we have several staff working on grants with lower indirect rates associated with them (primarily NFWF).

### **Variances in Expenses:**

Higher direct grant expenses reflect increased grant activity. Phone, travel, and communications expenses are higher than budgeted because costs are not spread evenly over the year. Member Event expenses are under budget as only one event has been held to date. All other expenses are close to or under budget.

### **Statement of Financial Position:**

The statement shows total assets at \$1,077,863. This is primarily made up of cash and cash equivalents of \$413,421 and grants receivable as of 5/31 of \$664,842. Grants Receivable represents work completed for which we have not yet been reimbursed.

We continue to take steps to reduce expenses whenever possible. We have begun instructing staff to use the Alliance credit card whenever feasible since we earn 1% of net on purchases and the cash reward is automatically credited on a quarterly basis. So far in 2015, we have recouped a total of \$856.62 in this way. We earn 0.9% interest on our operating reserve (savings) account