

MEMO

TO: Board of Directors

DATE: April 21, 2017

FROM: Albert Todd, Executive Director
Jaja Leroux, Director of Finance

SUBJECT: Financial Update and March 2017 Financial Statements

At this time of the year, financial status and projections indicate that the Alliance continues to manage finances to achieve balance according to approved budget. The 2016 Approved Budget was the largest Alliance in its history but reflected one that was based on a conservative estimate of growth. For 2017, the Board approved projected revenues in the operating budget over \$750,000 greater than 2016.

Overall, 2017 revenues are behind budget projections for 1st quarter. Donations in the first quarter are typically lower than the rest of year and full results of the Spring member renewal are not yet reflected in these totals. Accomplishment of 2017 Development goals will require Board attention as the year progresses. The staff are in the process of major grant requests at this time and so expectations are for growth in securing restricted grants from government and private funders will likely also increase in the 2nd and 3rd quarters of 2017.

Calendar Year 2017 Income and Expenses:

Through the first three months of the year (as of March 31, 2017), our change in net assets is a positive \$21,556. This is made up of an unrestricted change in net assets of (-\$22,127) and a positive change in temporarily restricted net assets of \$43,683. These numbers are based on a full accrual basis of accounting. Expenses and revenues are in relative balance at this time.

Variances in Income:

Event income (Taste) is not yet fully "active" for 2017. Programs that produce the largest percentage of program income (such as the Watershed Forum) will occur later in the year as well, explaining the negative change in unrestricted net assets. Indirect cost recovery is very close to budget and we are closely monitoring and managing all grants in terms of the varied levels of indirect recovery. This is an area where coordination of our financial and program staff has become much stronger in terms of budget planning over the last year. Donations and memberships run behind projections for this time of year and should pick up. We are adding some near term email appeals and our mailed mid-year appeal is scheduled in the second quarter.

Variances in Expenses:

All expenses are relatively on or under budget. Line 14 is a bit high and reflects our one time assistance on development planning from Mary Ellen Olcese and the advance payment for the Audit. Line 23 will increase with Staff Retreat scheduled in May. We are closely monitoring Line 19 and health insurance program seems to be working quite well. We will evaluate more fully at mid-year to determine if additional benefits for staff are possible. Although we have been working on a number of Communications efforts, our contractor has not billed us for work as of 1st quarter for Line 30.

Statement of Financial Position:

The statement shows total assets at \$1,515,422 This is primarily made up of cash and cash equivalents of \$885,253 and grants receivable as of 3/31/17 of \$640,427.

