

NEISA Treasurer's Report & Proposals
Respectfully Submitted by Alden Reid
December 3, 2016

Treasurer's Report

The new billing system that was implemented in January 2015 has produced a far more efficient invoicing procedure, reducing both the reliance on the outside bookkeeper and the extensive record keeping for individual regatta entries and add/drops. Collections of NEISA dues and regatta entry fees have become far more timely. Historically the accounts receivable balance has been approximately \$50,000, NEISA has reduced this amount by over \$30,000; I estimate that the Conference will end the year with an A/R balance of approximately \$17,000. The reduction in accounts receivable and collection time has led to a healthier cash balance. I currently estimate NEISA will end the year with approximately \$62,000 in cash.

In 2016, NEISA collected approximately \$2,000 of historic unpaid receivables, some of which dated back to 2010. In order to promote the payment of outstanding balances, the Conference discounted past receivables resulting in a revenue write-off of \$1,000. In 2017, I am projecting an additional \$2,000 of revenue write-offs. NEISA currently has approximately \$3,500 of doubtful accounts receivable from schools that no longer compete in NEISA and historic invoices that are prohibitive to smaller teams. The Conference continues to work with schools that have outstanding balances and hope to collect as much of the historic revenues as possible.

In 2015, NEISA implemented the policy of paying umpires and judges at spring team racing events and Conference Championships. This program has drastically increased the number of umpires and judges that the Conference has been able to secure for its top tier events. This program has continued to expand in 2016; however, given the drastic increase in the number of umpires at major events, the Conference incurred a significant increase in reimbursement expense and judge and umpire payments. Judge and umpire payments increased 150% year-over-year, growing from \$4,000 in 2015 to \$10,000 in 2016. Total judging and umpire expense also grew 150% year-over-year, growing from \$8,600 in 2015 to \$22,000 in 2016; as an added point of reference, the 2016 amount is 400% greater than 2014.

Primarily driven by the increase of judging and umpire expenses, total Conference operating expenses grew 55% year-over-year, but were only offset by a 10% increase in revenue. Given the increase in expenses, the Conference experienced a deficit of approximately \$7,000 and burned \$11,500 of cash; this level of deficit is not sustainable. To put it simple, NEISA will either need to spend less or increase its revenue.

For illustrative purposes, I have produced two budgets for 2017. The first shows no increases in regatta entry fees or Officiating Charges and the second shows the effect of Proposals 1-3, described below. Please look within the additional file (2016 NEISA Financial Review and 2017 Budget) for a detailed look at the financials and 2017 budget. Please let me know if you have any specific questions.

Proposal 1 – 2017 Officiating Charge and Slate of Events

I propose increasing the Officiating Charge from \$100 per event to \$150 per event. The Officiating Charge will be incurred by each team attending the following events in 2017:

- Southern New England Team Race
- Friis Trophy
- Marchiando Team Race
- Staake Trophy
- New England Match Racing Championship

Proposal 2 – 2017 New England Team Racing Championship Officiating Charge

I propose increasing the Officiating Charge for the 2017 New England Team Racing Championship from \$100 to \$350 per team.

Officiating expense at the New England Team Racing Championship is on average \$5,000. This is roughly 2.3x higher than the other team racing and match racing events. To offset the increased cost of the event, I am proposing a higher per team officiating charge.

Proposal 3 – Increase the Regatta Entry Fee Cost for Teams Scheduling 1st – 16th

I propose that we increase the per semester entry fee cost for teams scheduling 1st – 16th, the proposed costs are detailed below:

- Teams Scheduling 1st-7th: \$1,350 (Increase of \$100)
- Teams Scheduling 8th-13th: \$1,000 (Increase of \$50)
- Teams Scheduling 14th-16th: \$675 (Increase of \$25)

A more detailed break-out of the cost increase is detailed within 2016 NEISA Financial Review and 2017 Budget – Appendix A

Proposal 4 – Approve the 2017 Budget

I propose that we approve the 2017 Budget as detailed within the 2016 NEISA Financial Review and 2017 Budget, titled “PROPOSED BUDGET”