

2019 NEISA Treasurer's Report & Proposal

Respectfully submitted by Ryan Mullins

November 29th, 2019

NEISA continues to maintain a relatively stable fiscal position. Hosting Nationals had a relatively mild fiscal impact overall in 2019, relative to the magnitude of the event. Operating expenses continue to be dominated by judging costs, which should see more moderate growth going forward given the relatively built out schedule. The 2020 Budget uses a normalized (excluding Nationals) 2019 performance as a baseline, mostly adjusting for non-recurring revenue events and a moderate increase in expenses. The current revenue base maintains some cushion to anticipated 2020 expenses, but will likely need to evaluate modest increases beyond 2020 to match expense growth and maintain the Conference's financial footing.

Hosting the ICSA National Championships is a significant financial undertaking for the Conference. John and Justin organized a great event from both a competitive and fiscal perspective. Nationals related revenue was \$50,000 and associated expenses incurred were \$56,000, resulting in a net cost of approximately \$6,000 to the Conference. This is a favorable result in light of initial budgets estimating as much as \$15,000 in required NEISA sponsorship. While this cost is manageable for the Conference, it is not insignificant and the next several budget cycles will look to anticipate future hosting requirements.

As noted previously, the Conference has made significant progress over the past several years in clearing up longstanding past due accounts receivables balances. Receivables are currently elevated primarily related to the Fall 2019 billing, but should return to normal levels over the coming weeks. Non-current receivables are generally small (with minor exceptions that should be resolved with the current billing cycle). We will engage Regional Reps going forward to assist in developing payment plans aiming to collect historic revenues and ensure continuity in communication to reduce future backlogs. As of this report, NEISA has \$22,000 of cash on hand, which should revert towards approximately \$60,000 as the Fall 2019 billing cycle is completed.

NEISA's policy of compensating umpires and judges at team racing events and Conference Championships has been important to improving both quality and quantity of umpires available. Judge and umpire payments (including both stipends and reimbursements) totaled approximately \$23,000 in 2019. This remains the Conference's single largest annual expense, weighted towards the spring season. Conference championship events continue to drive judging expenses and is an area that we will monitor over the coming year to ensure continued alignment with Conference priorities and revenues.

Estimated 2019 Net Income of approximately \$(2,000) is reasonable considering the Conference's significant 2019 activity hosting Nationals. This does not include any provision for potential A/R writeoffs, which should be relatively small given the composition of outstanding A/R described above. Excluding non-recurring Nationals Expenses, estimated 2019 fiscal performance was reasonable, but benefited from accelerating officiating and entry fees for the 2019 Match Race Championships into the Fall 2019 cycle (historically billed the following Spring, final charter fees will still be included in the Spring 2020 billing cycle). As a result, fiscal 2019 saw billing for both the 2018 and 2019 events, which will not repeat in fiscal 2020. Further adjusting for the accelerated revenue, performance was

adequate, but leaves limited cushion and will require attention to expense growth going forward. The current billing structure was conceived to reflect use of the Conference's resources and streamline the billing process. Maintaining a healthy operating margin is important and will likely require modest revenue enhancements within the current structure to offset expense growth at the next meeting in December 2020.

Based on the current outlook, key considerations to the 2020 budget include:

- Revenue – 2019 included a match racing clinic and the aforementioned accelerated Match Race Championship billing, which are not contemplated in the 2020 budget, reducing both Regatta Fees and Officiating Charges (as well as Miscellaneous expenses).
- Judging Expenses – Anticipates a marginal increase y/y. The schedule is now relatively built out and the biggest variable is travel reimbursement, which we will monitor throughout the year.
- ICSA Meeting Travel – Anticipates an increase y/y to accommodate historical variability, but will look to minimize costs where possible.

2020 priorities from an operational perspective will focus on collecting any outstanding A/R (as noted) in early 2020 to optimize cash balances ahead of the Spring season and streamlining the Judge/Umpire reimbursement process.

In conclusion, I would like to thank John, Justin and many others for the successful management of the 2019 National Championships and protecting the Conference's fiscal position throughout. I would also like to thank past Treasurer Alden Reid for his assistance in transitioning the role and the strong financial infrastructure he put in place for the Conference.

Please let me know if you have any specific questions.

Proposal 1 – Approve the 2020 Budget

I propose approving the 2020 Budget as detailed within the 2019 NEISA Financial Review.