

## **WPWA Accounting Information for 2018 Budget Discussion**

The organization of financial accounts for bookkeeping purposes can be confusing and, in some instances, differs from how we consider revenue and expenses for management purposes. This document attempts to explain the accounting forecast and considerations for management financial discussion.

- Grants from the Lattner Foundation are awarded in December and checks are received in late December or early January. For accounting purposes we must book the grant revenue when the check is received. Because we cannot anticipate the size of annual grants, we treat the grant, for management purposes, as part of our budget for the year following the December grant decision.
- This year we made a request to Lattner for \$48,000 and that amount is assumed in the forecast. As of 19 December we have not been notified of a decision.
- The Kimball Foundation asked Chris to help get money for a river boat ramp access at Dow Field from the Champlin Foundation (\$100,000). Chris is hoping to get some grant money, \$5-10K, from Kimball in recognition for this help. This is not in the budget yet but I would recommend forecasting \$5K for management budget planning.
- There are two Corporate lines in revenue: 4010-02 (Donations) and 4910 (Membership Dues). The business memberships are reported in line 4910. Non-membership donations from businesses are reported in 4010-02.
- Revenue from Grants (4400) is often quite disconnected from corresponding expenses. This must be taken into account when understanding the budget from a management perspective.
- For 2018 we expect \$29,715 in the current Wild & Scenic budget, through Sep 2018. That is all for Denise's time and covers her time through Sep (line 7898). There is other cash that will be passing through that is ignored in the budget. In addition, there is a \$3880 administrative fee (line 7340) that we will receive from W&S. (Money received in line 4440-06.)
- Also, \$60,000 of additional Wild & Scenic grant funding is being discussed with \$40K of that "likely". This is for 4Q2018 and 2019. We have added planned funding coverage for Denise's time in 4Q2018 (\$13,260.25), plus the associated 10% overhead. are adding \$20K to 4440-06.

- Overall we forecast Denise's time/payroll to be allocated as follows:  
Wild & Scenic (through 3Q) – 29,715  
Wild & Scenic (4Q) – 13,260.25  
RITAC (Paddles) – 1,900  
WPWA (office and other work) – 2,300
- Depreciation (buildings and equipment) is a non-cash accounting expense and is generally ignored for management purposes.
- When we put together the pro forma budget we anticipated withdrawing account gains at the level that has been generally experienced – about \$8,800.
- Shortfalls in our cash flow would be satisfied by withdrawing additional funds from those accounts (account 4710 in the budget).
- Grant-funded projects are shown as follows in the budget:  
Grant funds received are shown in accounts 4440 and 4600.  
All expenses of grant funds are shown in account 7600.  
Staff work against grants is part of payroll, accounts 7810-7890 which shows total payroll but then are backed out on account 7898 to avoid a double-count.
- Elise's work on account 7840 is shown as \$7,000. This was reported elsewhere for 2017 so the 2017-2018 comparison looks odd.

## **Risks**

- The Lattner Foundation grant is a large unknown, especially since last year we only received a portion of our request. Longer term it is important to note that their grants are for specific projects and our potential annual shortfalls are more structural in nature.
- Longer term as Wild & Scenic runs out (2019, 2020) we will need to find project grants (and projects to justify them) or structure to be a leaner organization.

## **Potential Gains**

- Funding for Chris' time associated with the Dow Field boat ramp would be positive, potentially \$5-10K, to the current spreadsheet.
- Our Corporate Membership program is gaining a little momentum and could significantly exceed the \$3K forecast if we focus on it.
- It's an early read but the Annual Appeal results are showing growth from last year. Some of that revenue will fall in January.
- Improved public profile, through enhanced website and social media efforts, should help our mission and fundraising.