

LWVSFC Finance Committee Report for the 2019 Annual Meeting

As Finance Committee Chair, I have the dubious honor of delivering both good and bad news this year.

The good news is that the fiscal state of the LWVSFC is sound. We have a more-than-healthy \$29,817 cash balance at this point – mainly because of the good fiscal management and robust fundraising efforts of previous Boards, for which we are very grateful. The Finance Committee can attest to the fact that the current Board is taking their budget oversight responsibilities very seriously and have been more involved in developing the budget this year than ever before. As a result, you can be confident that LWVSFC's money is being spent appropriately, with the right amount of accountability, and with the same kind of transparency the League demands of other organizations.

The bad news is that there has been an upward trend in deficit spending over the last few years, and we're tapping into our reserves to make up for our revenue shortfalls. This Fiscal Year is ending with a deficit of \$4,945, and next year we are projecting a deficit of \$7,652. Even worse news: if this deficit spending trend continues at the current pace, we will run out of reserves in just a few years and be forced to cut programs or dissolve the organization. The LWVSFC's Reserve Fund is one of our most valuable assets: buffering us in case of emergencies and allowing us to take advantage of unexpected opportunities. We should not be using it just because we didn't raise as much money as we said we would.

There are a number of reasons why our revenues have not been covering our expenses recently, but the most significant one is that we are not meeting our fundraising goals. As many of you already know, the LWVSFC's only fixed revenue source, membership dues, is shared with the State and National Leagues, so we are left with only \$15 of every \$60 membership fee we receive. That means we must either keep our expenses very low or increase our revenues through fundraising. Unfortunately, we have not had a Fundraising/Development Chair, or a Fundraising Plan, for many years now, so most of our fundraising revenue has come from mailings, not events. And even those have not been as effective as they could have been because there were no Fundraising Chairs to plan and oversee the mailings.

The Board and Finance Committee are committed to addressing this issue during FY 2019/20. As an incentive we have projected our fundraising revenue for FY 2019/20 very conservatively, knowing that we are asking you to approve a deficit budget. We certainly hope to reduce or eliminate the projected budget deficit by exceeding our fundraising revenue target in FY2019/20, but we aren't counting on it. It may take us all of next year to get our systems in place. We are, however, proposing a balanced budget for FY2020/21. We want you to hold us accountable for that.

Marcy Litzenberg, Finance Committee Chair