



Memorandum

TO: EDC Finance Committee and the EDC Board

DATE: March 18, 2019

FROM: James Rossio (reviewed previously by Mark Huey)

SUBJECT: February 2019 Financials

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Overview

At February month end, the EDC year-to-date Net Revenues/ (Loss) from Operations is \$1,784. This tracked approximately \$31,842 better than budget of \$(30,058). As previously reported, due to the shift of expenses from FYE 2018 to FYE 2019 related to the website and marketing, we project a year-end FYE 2019 deficit of approximately \$(30,000), rather than the original balanced budget.

Balance Sheet

Our total beginning of the year net assets (approximate "reserves") for FY 2019 October 1st is \$419,512. At February month end, our net assets totaled \$421,296 vs \$380,254 a year ago. Deferred revenues associated with investor membership revenues are \$17,319 lower than a year ago, due to timing of payments received.

Revenue

Total year-to-date private revenues of \$199,494 are approximately \$48,438 below February year-to-date budget of \$247,932, due primarily to unrecorded in-kind revenues. Total public revenues of \$415,070 are \$13,147 higher than the budget of \$401,923.

Key highlights:

- Year-to-date In-Kind revenue of \$18,000 is \$45,000 less than budgeted, due to delayed use of in-kind services from one of our partners, and one that will be repurposed and utilized. We are optimistic that budgeted in-kind revenues will be realized by year end.
- Year-to-date Investor actual cash renewal revenue stands at \$152,681, \$10,033 lower than the year-to-date budget of \$162,714. The current collection renewal rate stands at 88% as of March 31, which is the renewal rate excluding outstanding invoices less than 60 days old.
- The FY 2019 annual budgeted goal for new and upgraded investors is \$76,875, which has not yet gained much traction. The Board supported new investor initiative was delayed from the first quarter to the second quarter due to other priorities. For the first five months of FY 2019 the budgeted goal was \$17,719 for new and upgraded investors. Actual new and upgrades for the first four months was \$2,000.

Expenses

Total operating expenses of \$611,825 are tracking \$67,132 below budget of \$678,957, as detailed in the key highlights below. Upcoming website and marketing expenses shifted from FYE 2018 into FYE 2019, will create the deficit indicated in the "overview" section above.

Key highlights:

- As of February 28, two open positions remain on the Business Development team, resulting in staff spending being approx. \$45,600 less than year-to-date budget. Recruitment is underway to fill the open positions. Starting in January we began utilizing temporary staffing to assist in administrative duties of the Business Development team.
- Year-to-date In-kind expenses are correspondingly down \$45,000 in accordance with the note above regarding In-kind revenue.
- In February, website costs of \$16,242 were allocated into various "marketing" expense categories. The remaining cost to complete the website upgrade are estimated at \$5,000.
- Discretionary program spending has been managed to accommodate revenue variances.