

Memo: Finance Committee

From: Brenda Thomson



Date: October 19, 2017

Re: Notes to DRAFT 2017-2018 Budget

The budget overall has increased slightly from 2017. See total budget below. The 2018 draft budget reflects NEH outright funds at the same level as awarded in 2017. NEH matching funds have been reduced from \$8,900 to 6,900 as per the 2017 budget award. As in the past, AH will continue to operate by continuing resolution until such time as the 2018 budget is approved by Congress, and becomes final. 2018 funds have been allocated based on programmatic and fundraising priorities.

<u>NEH Outright</u>		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
		740,960	748,460	801,580	800,000
NEH	Match:	8,900	8,900	6,900	6,900
		749,860	757,360	808,480	806,900
Total:		902,160	953,235	934,503	949,534

REVENUE

• Fundraising

The staff fundraising level has been increased from \$70,000 to 80,000 (donations/grants/sponsorships). The board fundraising level remains the same at \$30,000. Board members contribute a minimum of \$300 per year with a goal of raising \$1500 (donations/pledges/sponsorships).

Staff \$80,000

Board \$30,000

• Programs

Pulitzer \$30,000 (grant application pending)

AZ State Library \$10,000 (pledge)

Water/Ways \$10,500 (ASU pledge)

Water/Ways \$ 30,000 (25K SRP grant application pending/Other grants and sponsorships)

A&G

Our landlord has changed from the City of Phoenix Historic Preservation to the Parks and Recreation department. It is anticipated that the new lease will required AH to cover all utility costs annually, instead of sharing 50% of water and electric costs.

Utilities Reimbursements for water/electric reduced 50%
House Rental \$1500

- NEH
Unrestricted matching funds reduced from \$8,900 to 6,900, per budget award in 2017.
- Board
NEH stipend of \$1000 for new board officer to attend federation conference.
- Grants
Funding level of regrants is \$130,000. For administrative flexibility we have moved \$30K to mini-grants. This will allow us to reallocate funds if necessary. The budget can be amended freely in any area, except that NEH must approve any budget change to the regrants line item. \$10K has been allocated for small capacity building/mini-grants. 5K has been allocated to grants for (5) five Water/Ways host sites.

Regrants - \$100,000
Mini-grants - \$ 40,000 - (30K for regrants, 10K for mini-grants, 5k Water/Ways)

- Sponsorship
Sponsorship has been increased from \$2500 to 10,000 for the annual humanities awards event.

EXPENSES

- Utilities
Utility costs have been increased by 50% per above.
- Employee Benefits
Overall staff wages and benefits have increased slightly. The grants manager position has been reduced to 32 hours per week, and part time intern position added for Water/Ways and other support. The staff health insurance premium contribution has been increased from \$50 to \$75 per month. Health insurance premiums have increased from:
 - **Vision** 7.00 (6.33) **Dental** 42.00 (40.59) **Health** 679.00 (627.00)
 - The retirement 403B plan contribution remains the same - 5%
 - The budget includes a 4% increase in wages (discretionary based on performance)
 - 4% discretionary increase allocated for wages
- Professional fees
Professional fees include stipend for an ASU intern for 10 hours per week Nov-Dec, and 20 hours per week Jan – Oct 2018 at up to \$15 hour.

- Dues: \$17,500

Federation of Humanities Councils	\$16,300
Central AZ Museum Assn	125
Museum Assn of AZ	50
Society for Human Resource Managers	185
Board Source	200
Alliance of Nonprofits	240
AZ Citizens for the Arts	400

- Board

Training - \$3000 (Professional Fees)

Meals - \$125 per year for 5 board meetings (subsidized in part by AH)

AZ HUMANITIES
Budget Overview: Board 2018 - FY18 P&L Classes

November 2017 - October 2018

	Admin & Gen	Board	House	Total Admin & Gen	Fundraising	Appeals	Marketing	Total Fundraising	Programs	AZ Speaks	Community	Frank Talks	Total Community	Grant Management	MOM's - WaterWays	Pulitzer	Total Programs	TOTAL
Income																		
Fees and Registration				0	5,000			5,000						0			0	5,000
Grants				0	0			0						0		30,000	30,000	30,000
House Rental Fee		1,500		1,500	0			0						0			0	1,500
NEH SO Match				0	0			0	6,900					0			6,900	6,900
NEH SO Outright	94,464	9,000	37,112	140,576	82,944		29,250	112,194	234,225	81,000	10,000	10,000	20,000	212,005			547,230	800,000
Program Payments				0	0			0		21,400		10,000		0			21,400	21,400
Restricted Contributions				0	10,000			10,000				10,000		0	10,500		20,500	30,500
Sponsor Giving				0	10,000			10,000						0	30,000		30,000	40,000
Unrestricted Contributions		30,000		30,000	70,000	10,000		80,000						0	10,000		10,000	120,000
Total Income	94,464	39,000	38,612	172,076	177,944	10,000	29,250	217,194	241,125	102,400	10,000	20,000	30,000	212,005	40,500	40,000	666,030	1,055,300
Gross Profit	94,464	39,000	38,612	172,076	177,944	10,000	29,250	217,194	241,125	102,400	10,000	20,000	30,000	212,005	40,500	40,000	666,030	1,055,300
Expenses																		
Advertising & Advocacy				0	1,500		1,500	1,500	3,200	1,100				0	3,900	15,000	23,200	24,700
Dues & Membership				0			17,500	17,500						0			0	17,500
Equipment Rental	2,100			2,100		1,200		1,200	11,500					0			11,500	14,800
Facilities Rental	1,600	800	600	3,000	500			500		500			500				1,000	4,500
Fixtures, Furniture, Equip <3k			1,500	1,500				0						0			0	1,500
Insurance	1,700			1,700				0	6,800					0			6,800	8,500
Interest and Finance Charges				0	100	700		800						0			0	800
Licenses & Permits	1,200			1,200			800	800	2,500	1,000				7,000	4,500		14,000	16,000
Meals, Catering	700			700	2,000		3,500	5,500		1,000	1,500		1,500	600		4,000	7,100	13,300
Minigrants				0				0						40,000	5,000		45,000	45,000
Office Rent & Maintenance			312	312				312						0			0	312
Maintenance			15,000	15,000				0						0			0	15,000
Utilities			16,600	16,600				0						0			0	16,600
Total Office Rent & Maintenance	0	0	31,912	31,912	0	0	0	0	0	0	0	0	0	0	0	0	0	31,912
Total Payroll Expenses	63,119	0	0	63,119	75,453	0	0	75,453	179,775	0	0	0	0	62,205	0	0	241,980	380,552
Postage & Shipping	600			600		500		500						0	700		700	1,800
Printing				0		1,000		1,000	1,000					0	17,600	6,000	24,600	26,800
Professional Fees	1,500	3,000	1,000	5,500	25,000		8,300	33,300	4,000					0	14,200		18,200	57,000
Accounting	5,145			5,145	3,825			3,825	17,850					0			17,850	26,820
Audit Fees	1,600			1,600	1,600			1,600	7,500					0			7,500	10,700
Information Technology	2,600			2,600			500	500						0			0	3,100
Total Professional Fees	10,845	3,000	1,000	14,845	30,425	0	8,800	39,225	29,350	0	0	0	0	0	14,200	0	43,550	97,620
Program Honorarium				0	2,000		200	2,200		42,800	6,500	22,900	29,400	0	600	12,000	84,800	87,000
Program Reimbursements				0	0			0		32,100	1,500	17,100	18,600	0	900	3,000	54,600	54,600
Regrant				0				0						100,000			100,000	100,000
Supplies	3,600	1,000	2,100	6,700	500		500	1,000	3,500	500				0	200		4,200	11,900
Telephone	2,400	400		2,800	1,200			1,200	2,500					0			2,500	6,500
Training & Dev	1,200	1,000		2,200	600		350	950	500					600	1,250		2,350	5,500
Travel	1,800	2,800		4,600	3,000		3,000	3,000	500	3,000				1,600	5,550		10,650	18,250
Web Hosting	3,600			3,600				0						0			0	3,600
Total Expenses	94,464	9,000	37,112	140,576	112,778	3,400	37,350	153,528	241,125	81,000	10,000	40,000	50,000	212,005	54,400	40,000	678,530	972,634
Net Operating Income	0	30,000	1,500	31,500	65,166	6,600	-8,100	63,666	0	21,400	0	-20,000	-20,000	0	-13,900	0	-12,500	82,666
Net Income	0	30,000	1,500	31,500	65,166	6,600	-8,100	63,666	0	21,400	0	-20,000	-20,000	0	-13,900	0	-12,500	82,666

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