

ATOS COMMITTEE ACTIVITY REPORT FORM MID-YEAR MEETING (2013)

Name of Activity: Budget Committee

Committee Chair: John Ledwon

Date of Report: January 26, 2013

Actions completed since the 2012 annual meeting:

The budget committee has met five times since its formation in October of 2012 and is in the process of analyzing revenue and expenses for the purpose of presenting a balanced budget plan by April 15, 2013. At this point in time it is doubtful that the budget can be balanced before 2015 but extensive efforts must be made to immediately find additional revenue sources and rein in excessive spending. In order to balance the budget, every program, event, contract will need to be analyzed to see where cuts can be made. There will be no "sacred cows", every budget item will be scrutinized for more efficient operation and possible economizing measures. That, coupled with new revenue sources, should hopefully bring the budget to a balanced condition by 2015-2016.

Our first revenue increase recommendation would be to raise the dues \$10.00. While we understand that to do so will drop our membership by a small percentage, the revenue increase and the drop in expenses from a slightly reduced membership should result in a revenue gain of approximately \$25,000-\$30,000. We are currently reviewing all expense items and prioritizing them in light of the large budget shortfall. Some of the areas we are initially looking closely at are mailing costs, teleconferencing costs and annual board meeting costs. These items alone will not be sufficient to stem the hemorrhaging so we will look for additional economic measures once we calculate how these prior mentioned items affect the entire budget process.

We must be cognizant of the fact that large gifting cannot be considered revenue since it is totally variable and can't be relied upon to be there year after year. Large gifts are for building the endowment fund, the reserve fund and enhancing programs or adding a program for a limited time period. To use large gifts as operating revenue just means we must go through an expense reduction process in any year that we don't receive a large gift...and that WILL happen.

As an example: We just received a \$500,000 gift. \$300,000 of which should go to replacing the \$300,000 "borrowed" from the reserve fund to make up the budget deficit for 2011-2012 and 2012-2013...to say nothing of any short fall for the 2010-2011 year...a year that we are not looking at. That leaves just \$200,000 remaining of the gift and \$100,000 of that must go into the endowment fund and \$100,000 to build the reserve fund. There is nothing left for enhancing or adding or making up for cuts to programs...or balancing the current budget. We have spent ATOS into a morass that will be difficult to extricate from. We need to look into additional stable revenue programs, membership must increase and stable donations must rise...none of which will be easy to accomplish.

Actions begun but not completed since the 2012 annual meeting:

Developing a workable balanced budget

Goals to be reached by the 2013 annual meeting:

Presentation of a balanced budget plan for 2013-2014, with projections for the 2014-2015 and 2015-2016 budgets

Amount budgeted for your committee: \$0.00

Amount expended by your committee: \$0.00

Comments:

We solicit your suggestions and your comments.

Respectfully submitted,

John Ledwon, chair

**Committee members: Larry Fenner, Joe Graif, Jack Moelmann, Tim Needler, Mike Hartley
advisory**