

## Interim Treasurer's Report 19 December 2015

Attached please find the End-of-the-Year budget report (produced by American Councils Financial Office) for the fiscal year ending 30 June 2015. As you will note, in some instances I was able to predict revenue/ expenditures accurately. In other cases, the numbers were off. I also append the Working Budget submitted to American Councils for FY 15-16 in order to see how the categories are operating for this fiscal year.

Here are the key issues:

1. Note that as of 6/15 our Operating Cash has decreased by \$3949. If we continue to decrease our Operating Cash by this amount every year, we will significantly deplete this fund. (Page 1 of attached AC report)
2. We finished the FY 14-15 with a BUDGET DEFICIT of \$2626. (Page 2 of the attached AC report) This deficit results from:
  - Diminished revenue from Memberships, Dues, & Subscriptions
  - Fewer donations to support programming
  - A \$3609 INCREASE in Travel costs
  - Slight increases in Printing, Consultants, Indirect Costs, and other fees

Consequently, even though our revenue was up in some areas, and our expenditures were reduced in other areas, we ended FY 14-15 with a deficit.

3. Note that I wildly over-projected our Revenue from Memberships, Dues, & Subscriptions for FY 14-15 likely because I had hoped that the ACTR Anniversary year would net more memberships. (Page 3 of the attached AC report) For FY 15-16 I lowered that figure to a more realistic goal. (See Attachment #2)

With these numbers in mind, consider the following points:

- A. There is no guarantee that Contest Fees will be sustainable at their current levels if programs continue to be closed. Indeed Mark predicts that Olympiada receipts for FY 15-16 will decrease. While we hope that we can encourage even greater participation, this situation has to figure into our future budget considerations.
- B. Memberships must increase in order to sustain support for the organization. On a positive note the web site committee headed by Karen Evans-Romaine and Evgeny Dengub has done a tremendous job in producing our new website. In particular Evgeny has been singularly instrumental in deploying the services of Wild Apricot to manage our membership rolls, among other things. Indeed, thanks to him I was able to set up our PayPal account. Related to this, and thanks to our updated site, we now are accepting Membership and Donation via PayPal, which we hope will both streamline our operations and simplify the new membership and renewal processes. This is a huge step in the right direction.
- C. Life members must be encouraged to up their Life Memberships to the current \$500 level. This act alone will strengthen our Operating Cash fund and gain us

additional financial stability. Unfortunately, Life Memberships established *before* the current Dues structure cannot up their memberships on PayPal because we only have a tab for New Life Members. This means that Life Memberships at the old \$200 level need to submit their payments to the Membership Secretary, unless we can add a tab to our web page that allows for this. Even if, for example, 20 Life Members remit \$300/each to reach the current \$500 Life Membership Fee, we will gain \$6000 in revenue that will go into our Operating Cash fund.

- D. Travel costs for the Annual Spring ACTR Board meeting continue to stress the budget. While our air travel is covered thanks to Frequent Flyer miles where applicable, it is possible to cut travel costs in other ways. **For example:**

--**One night** of accommodation will be covered by ACTR. If a Board member would like to stay in Washington an additional night, then s/he would pay for the additional night at the hotel. Of course travel schedules frequently do not permit travel to and from the meeting on the same day, or travel options on the evening of the Board meeting.

--Given that it might be the case that a Board member is required to stay 2 nights because of travel schedules, then it is necessary to **share rooms** so as to cut hotel costs roughly in half. Any Board member who does not want to share a room will need to pay the difference between the shared and non-shared room cost. **For example**, if a room costs \$200/night and is shared, this means that the ACTR cost for 2 Board members is \$100 per person. If a Board member wants a single room, then that person must pay an additional \$100 in order to cover the additional charge for not sharing. \$100 covered by ACTR + \$100 paid by Board member for a single room =\$200 room rate.

Travel costs is one of the few budget line items where there is some room to cut costs. If revenue from contests and memberships continues to decrease, then there are fewer and fewer places in the budget that can withstand further cuts or limits without affecting the programming we currently offer our members. To preserve ACTR's financial health, we cannot continue to spend down our Operating Cash; to do so would force us to dip into the Pushkin Scholarship fund for operating expenses, a move that we have categorically rejected in the past.

Finally, we need to set a structure by which we can begin giving scholarships from the Pushkin fund. We have discussed this repeatedly in the past and even put together a committee to examine our options, but as of yet we have no options to discuss. Careful scholarship disbursement might increase donations and members when people see that ACTR's funds cover not only the myriad contests and awards we offer, but real money as well. We must act on this sooner, rather than later; it makes no sense to have a Pushkin Scholarship fund, but not give out scholarships, even if they are modest.

Respectfully submitted by Cindy Ruder

**American Councils of Teachers of Russian**  
**Statement of Financial Position**  
**June 30, 2015 and 2014**

	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>Net Change</u>
<b>ASSETS</b>			
Cash - Operating	\$ 42,434	\$ 46,383	\$ (3,948)
Cash - ACTR Pushkin Fund	39,643	39,528	115
Total Cash	<u>82,078</u>	<u>85,911</u>	<u>(3,833)</u>
TOTAL ASSETS	<u>\$ 82,078</u>	<u>\$ 85,911</u>	<u>\$ (3,833)</u>
<b>LIABILITIES AND NET ASSETS</b>			
Deferred Revenue	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Assets	\$ 82,078	\$ 85,911	\$ (3,833)
TOTAL NET ASSETS	<u>\$ 82,078</u>	<u>\$ 85,911</u>	<u>\$ (3,833)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 82,078</u>	<u>\$ 85,911</u>	<u>\$ (3,833)</u>

**American Councils of Teachers of Russian**  
**Statement of Activity**  
**For year ended June 30, 2015 and 2014**

	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>Net Change</u>
<b>REVENUE AND SUPPORT</b>			
Olympiadia Contest Fees	\$ 18,143	\$ 16,860	\$ 1,283
Textbook/Handbook Sales	4,105	4,415	(310)
Dues, Memships, Subscriptions	6,790	7,974	(1,184)
Newsletter Advertising Fee	80	-	80
Donations	535	1,030	(495)
Interst Income	8	13	(5)
Total Revenue and Support	<u>\$ 29,661</u>	<u>\$ 30,292</u>	<u>\$ (631)</u>
<b>EXPENSES</b>			
Travel	\$ 14,647	\$ 11,038	\$ 3,609.68
Conference Expenses	182	315	(133)
Email/Internet	1,471	1,997	(526)
Postage	2,829	2,487	342
Shipping	-	230	(230)
Supplies	2,631	4,782	(2,151)
Printing	4,119	3,054	1,065
Dues & Memberships	647	99	548
Bank Charges	206	157	50
Consultants	1,750	1,500	250
Indirect Costs	3,805	3,428	377
Total Expenses	<u>\$ 32,287</u>	<u>\$ 29,085</u>	<u>\$ 3,202</u>
<b>CHANGES IN NET ASSETS</b>	<u>\$ (2,626)</u>	<u>\$ 1,207</u>	<u>\$ (3,833)</u>

**American Councils of Teachers of Russian  
Budget Vs. Actual for Revenue and Expenses  
For year ended June 30, 2015**

	<u>Budget Current FY</u>	<u>Actual as of 6/30/2015</u>	<u>Variance</u>
<b>REVENUES</b>			
Olympiadia Contest Fees	\$ 15,000	\$ 18,143	\$ 3,143
Textbook/Handbook Sales	3,000	4,105	1,105
Dues, Memships, Subscriptions	16,800	6,790	(10,010)
Newsletter Advertising Fee	500	80	(420)
Donations	500	535	35
Interst Income	15	8	(7)
<b>Total Revenues</b>	<b>\$ <u>35,815</u></b>	<b>\$ <u>29,661</u></b>	<b>\$ <u>(6,154)</u></b>
<b>EXPENSES</b>			
Travel	\$ 2,000	\$ 14,647	\$ (12,647)
Conference Expenses	350	182	169
Miscellaneous Other Exp	8,040	-	8,040
Telephone	75	-	75
Email/Internet	2,000	1,471	529
Postage	100	2,829	(2,729)
Shipping	250	-	250
Supplies	500	2,631	(2,131)
Printing	6,500	4,119	2,381
Dues & Memberships	100	647	(547)
Bank Charges	200	206	(6)
Consultants	6,600	1,750	4,850
Indirect Costs	3,000	3,805	(805)
<b>Total Expenses</b>	<b>\$ <u>29,715</u></b>	<b>\$ <u>32,287</u></b>	<b>\$ <u>(2,572)</u></b>
<b>Total</b>	<b><u>6,100</u></b>	<b><u>(2,626)</u></b>	<b><u>(3,581)</u></b>

Projected Revenue for FY 2015-2016

Olympiada Contest Fees	\$6,700
Textbook/Handbook Sales	\$2,000
Memberships/Subscriptions*	\$7,000
Newsletter Advertising Fees	\$1,000
PSREC	\$6,000
NREC	\$4,000
Donations**	\$500
AP Test Development	?
Claire Walker Olympiada Fund	?
Russian Scholar Laureate	?
Pushkin Endowment	?
Unrestricted	?
Interest Income	\$15
Speaking & Writing Fees	\$0
Multimedia Production Income	\$0
TOTAL	\$27,715

\*This category needs to be broken down to illustrate cost for the Journal.

\*\*Donations must be recorded under their specific categories according to the program to which the money has been donated.

Projected Expenses for FY 2015-2016

Indirect costs	\$4,682
Travel	\$3,000 (an estimate that could be less)
Lodging for Spring Board Meeting	\$5,000 (an estimate that could be less)
E-mail/Internet*	\$1,000
Postage***	\$2,850
Supplies***	\$4,500
Printing***	\$1,400
Dues & Memberships	\$250
Bank Charges	\$250
Consultants & Judges	\$6,700
ACTR Newsletter	\$5,045**
Total Expenses	\$34,677

\*This includes the \$540/year fee for Wild Apricot membership management site

\*\*This includes 5 issues (printing & mailing) X \$970 + \$220 for postal permit

\*\*\*Postage, supplies, & printing are for all contests. Consultants/Judges are for NPSREC & NREC.