

BMNA 2008 TREASURERS' REPORT

A year end review of Bryn Mawr Neighborhood Association's financial information and recap of significant accomplishments from 2005 through 2008.

Ron Sterbenz, Co-Treasurer

Chad Smude, Co-Treasurer

2008 Balance Sheet

AS OF DECEMBER 31, 2008 (CASH BASIS)

	<u>Total</u>
Assets	
Current Assets	
Bank Accounts	
Checking Account	6,243.24
Event Cash	50.00
Interest Earning Deposits	51,501.30
Total Cash Deposits	\$ 57,794.54
Total Current Assets	\$ 57,794.54
Total Assets	\$ 57,794.54
Liabilities and Equity	
Liabilities	
Current Liabilities	
Other Current Liabilities	
NRP Labor Paid Forward (1)	16,596.00
Total Other Current Liabilities	\$ 16,596.00
Total Current Liabilities	\$ 16,596.00
Long Term Liabilities	
NRP Program Advance (2)	10,000.00
Total Long Term Liabilities	\$ 10,000.00
Total Liabilities	\$ 26,596.00
Equity	
Opening Balance Equity	11,588.35
Retained Earnings	14,350.17
Equity from Bugle Operations	-4,650.47
Net Income	9,910.49
Total Equity	\$ 31,198.54
Total Liabilities and Equity	\$ 57,794.54

BMNA ended the year with assets up \$9,910 over 2007. Most of the increase is a direct result of carry overs described in the Income Statement. Our total equity represents a net reduction by \$2,089 over year end 2007. However, BMNA has two pending reimbursements totaling \$5,775. These amounts represent the reimbursement of \$2,025 for downtown improvements and \$3,750 for Neighborhood Coordinator (NC) services. After accounting for the \$5,775, BMNA's Total Equity rises by \$3,686 over 2007.

(1) NRP Labor Paid Forward totaling \$16,596 represents \$4,569 for 2006, \$6,000 for 2007 and \$6,000 for 2008. For 2007 and 2008 we allocated BMNA funds to cover 66% of the annual NC and seek NRP Reimbursement for the balance of the annual \$9,000. In late 2006 we were alerted to the fact NRP dollars allocated but not spent by an undetermined date may be forfeited due to program budget constraints. At that time BMNA was seeking only partial reimbursement for the Neighborhood Coordinator (NC) and covering a percentage of the position with annual donations. Beginning in 2006 we implemented a strategy that allowed us to seek full NRP reimbursement for the annual \$9,000 and set aside the dollars we would have used in the NRP Labor Paid Forward Account. The funds then become expended from NRP and held in interest bearing accounts to offset the NC when NRP is exhausted.

This strategy will be exhausted in 2009. At year end '09 the Labor Paid Forward account would represent \$22,596. This would allow us to operate with a \$9,000 annual NC into the year 2016 by drawing down the account by \$3,000 each year and funding 66% percent of the position from our annual budget as we do now. The 66% represents the \$6,000 set aside we are now making each year to the Labor Paid Forward account.

(2) The \$10,000 NRP advance was requested by us and paid by NRP in 2007. Your Treasurers immediately placed the funds into an interest bearing escrow account. These funds will remain in trust until NRP Approved & Reimbursable activities are completed. At that point BMNA will provide receipts to NRP and draw from the NRP Program Advance.

2008 Income Statement

AS OF DECEMBER 31, 2008 (CASH BASIS)

Income	Total
Membership & Donations	16,266.00
Interest on Deposits (1)	1,931.09
Ice Cream Taste-Off (2)	739.00
Garage Sale	527.05
Total BMNA Income	\$18,197.06
NRP Reimbursements	
Neighborhood Coordinator (3)	5,252.00
CPED Grant (4)	2,000.00
Total NRP Reimbursements	\$7,252.00
Bugle Revenue	
Advertising	15,080.00
Classified Ads	706.50
Subscriptions	63.00
Total Bugle Revenue (5)	\$15,849.50
Total Income	\$42,564.64
Expense	
Community Garden Water	320.00
Accounting & Postage	753.48
Web Site (6)	898.99
Email Services (7)	294.00
Storage, Signs & Supplies	133.44
Repair, Maintenance & Taxes	185.34
Board of Zoning Appeal (8)	364.53
Total BMNA Administrative	\$ 2,841.78
Annual & Harvest Dinner	148.44
Ice Cream Taste-Off (2)	440.00
Garage Sale Expenses	37.04
Neighborhood Coordinator	9,000.00
Coordinator Expenses	24.75
Total BMNA Programs	\$9,650.23
Bugle Editor Cost	11,346.25
Bugle Printing	6,169.67
Bugle Postage	301.05
Total Bugle Expense (5)	\$17,816.97
NRP Projects (9)	2,025.17
Total Expenses	\$32,654.15
NET OPERATING INCOME	\$9,910.49

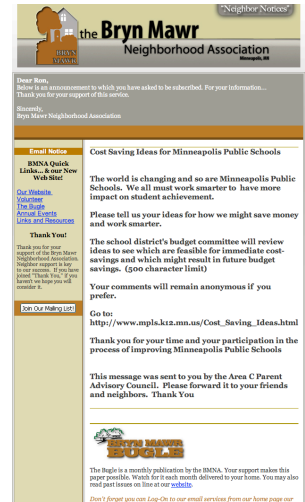
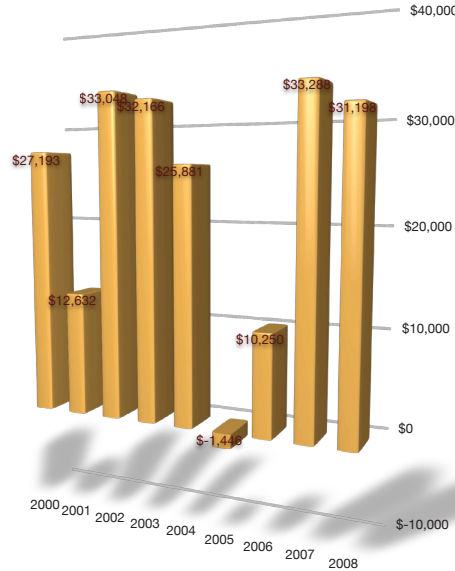
Our \$9,910 Net Operating Income accounts for three items, first our \$6,000 Neighborhood Coordinator deferment, second a deferment of \$2,000 for the 2008 Capital Project to 2009 and \$1,900 in Certificate of Deposit interest.

It is also important to note that during 2009 that we will have completely expended the NRP support for the NC position and we will begin to draw from the Labor Paid Forward account. We expect our Income Statements to begin to show losses and will need to make further cost reductions until we are at a revenue neutral position before full account depletion.

NOTES

- (1) All Certificates of Deposit were consolidated into one account. 2009 will be significantly reduced due to declines in bank rates.
- (2) Ice Cream Taste Off has one large expense for entertainment. After expenses the fundraiser netted \$299.
- (3) NRP Reimbursements pending amount to \$3,750 for the balance of 2008.
- (4) CPED is a broad NRP grant with a minimum payment of \$2,000 to all neighborhoods. The NRP program does not provide support for publications that contain advertising.
- (5) Bugle in 2008 resulted in a loss of \$1,967.47, this amount then results in a charge under the "Equity from Bugle Operations" account on the Balance Sheet.
- (6) The Web Site total represents a one time exceptional charge for the new site created in 2008. Annual charges are usually approximately \$200.
- (7) Constant Contact email distribution services.
- (8) A one time exceptional charge for the Joffe sign appeal to the Board of Zoning Adjustment.
- (9) Represents work completed for downtown improvement that is not currently eligible for NRP reimbursement. We anticipate being reimbursed for this work at some point in the future.

Total Equity



FEDERAL 501C3 STATUS

In April of 2007 we successfully completed the long awaited filing of the BMNA's 501C3 application and its approval. In June 2007 we subsequently completed the Minnesota Certificate of Tax Exemption process.

In 2008, our first full year as a federally recognized non profit, we began to receive a small number of gifts from employers matching their employees' gifts. While we have not seen large increases in the overall quantity of the donations, we do see a significant increase in individual donation size.

We continue to feel that the 501C3 status is key to our long term financial success and greatly helps our community. Our mission and programs will continue to meet the requirements as set by the Code.

Long Term Projections

We have worked hard to move the association from reliance on NRP for operational funding and into a self supportive model. Unfortunately we still have some work to do to be able to survive the possible further elimination of the last \$5,000 a year from NRP support, \$3,000 from support of the Neighborhood Coordinator and \$2,000 from the CPED Grant.

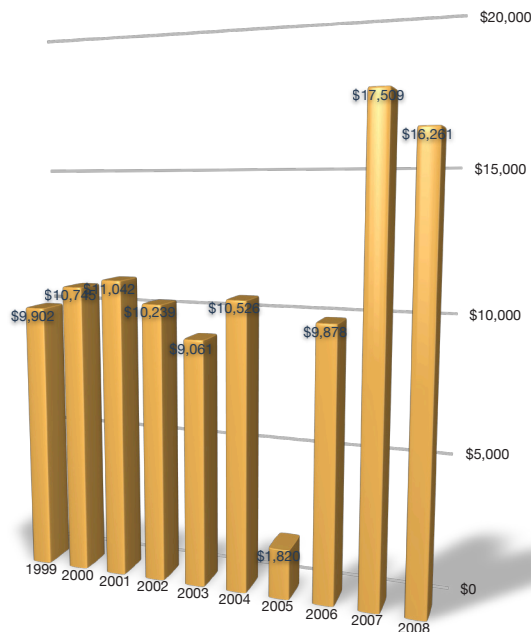
It would be prudent to for us to plan our operations based on the average annual amount of donations, plus fund raising, plus 1/2 of the receipts from interest bearing accounts. We must strive to make all ongoing operations revenue neutral and to use any additional grants towards on-time projects and expenditures. Large funding swings palce us in a position to either make drastic cuts or into periods of insolvency as we saw in year end 2005.

Without significant community support the BMNA would not exist. The annual donations from Bryn Mawr residents become the foundation of our budget. BMNA's long term health will be based on the decisions and planning we make over the next 12 months for both the organization and the Bugle.

Email System

In 2007 we initiated the use of Constant Contact® for the management of our email distribution. By using this system we call "Neighbor Notices©" we can concentrate on the content and not the contacts. Neighbors can add, change or delete themselves from the service 24 hours a day, seven days a week. BMNA uses no paid labor to manage these large lists.

We currently have over 500 subscribers to our system. To date we are closely approaching 100,000 emails sent with an average 39% read rate. Our read rate is one of the highest of any form of use with the Constant Contact® system and exceeds the average read rate for non-profits by 14.9%. The system currently costs us less than 1/2 penny per email and we have ample capacity to increase the number of emails sent or receivers without any increase in costs.



WEBSITE

In 2008 we created a new BMNA web site. While giving it a long needed face lift was well received, the more important objective was a site that was 100% web based it's maintenance. Our new site can be maintained by the average volunteer without any special software or complex knowledge of HTML or Java. Lisa Mills and Patty Wycoff are both up to speed with the tool and hard at work at keeping it current.

The Network Solutions Cafe Press® edition of the web site was completed on time and under budget by 22%.

We now have a more functional and modern web site that allows for easy changing of both photos and text.

Membership

Our membership donations slowed modestly in 2008 after a record shattering 2007. We met our low goal of \$16,000 but missed our high goal or \$16,600. We had forecasted a lower 2008 by almost \$900 but resulted in a reduction by \$1,248.

Due to economic pressures we have further reduced our 2009 forecast to \$14,000. While large in historic context it approaches an inflation adjusted norm given the preceding years' lack of active fund raising.

In 2009 we foresee the number of households as members ranging from unchanged to very slight growth. An increased size in individual donations, along with cost reductions, has allowed us to fund a very modest Capital Project. The 2007 Upton Garden, a lasting brick & mortar improvement was very well received and even saw an additional \$1,200 in direct donations to fund the makeover. We will need additional support from the Area Representatives to achieve our membership goal for 2009.

Bookkeeping and Expenses

We have successfully migrated all of the Association's bookkeeping to a web based tool called QuickBooks Online. This edition allows for all data to be kept online and secure. There is no information retained on any local computer, nothing to lose in a fire, power failure or theft.

Board members can review the Association's records in real-time. In addition all bank statements and receipts are scanned and stored for inspection at any time. Audits can even be performed virtually without any paper generation. We have now reduced our accounting expenses by over 90%.

Another Successful Year

It has been a pleasure working with each of you and we are happy to say that we are leaving the Association in a better position than we found it. When the 2009 year closes we will no longer be the Treasurers but we hope the next Treasurer uses the same amount of fiscal responsibility and accountability that will allow the Association to continue its mission for years to come. Budgeting and long-term planning is not an easy task for non-profits. We hope the Association will continue to save, invest, become self-sufficient giving it the ability to continue its work for years to come.

Ron Sterbenz & Chad Smude, Co-Treasurers 2005-2009, Area 1
 Questions? email us at Treasurer@bmna.org