

Date: 17 January 2022



To: Board of Directors, WWA

From: Executive Director, WWA

Subj: FY 2021 year-end results and 2022 Budgeting

1. This past year yielded surprisingly robust financial results for WWA. This memo is to inform the Board's decisioning on what to do with 2021's excess Net income, and its consideration of the 2022 WWA operating budget.
2. **2021: Net Income up substantially:** With Revenue up dramatically, we ended the year with a Net Income (i.e., profit) of nearly \$200K (more than \$180K better than budgeted). Many factors contributed to this (beyond our very conservative budgeting a year ago).
  - a. **Revenue** for the year was \$669,328---\$302K over budget.
    - i. Events (including chapter & state events, and Class A raffles) generated \$142K more than planned.
    - ii. Membership revenue exceeded budget by \$6K.
    - iii. Grants exceeded budget by over \$103K
      1. Primarily the result of greater USFWS grant expenditures (this is a flow through for WWA – we account for the money that USFWS spends).
    - iv. "Other" income exceeded Budget by \$51K, including
      1. EXPO (~ \$20K).
      2. Other revenue sources (donations, PPP, Partnership admin fee) (about \$30K).
  - b. **Expenses** were above budget, just shy of \$120K, explained primarily by
    - i. Increase of staff wages to pre-pandemic levels, enabled by the PPP loan (\$21K)
    - ii. Greater USFWS habitat work for grants we manage (\$95K)
3. **2021: Balance Sheet was substantially improved.** Simultaneously, these positive Income Statement results allowed dramatic Balance Sheet improvement. Big changes include:
  - a. Greater levels of available cash (i.e., "State Unrestricted") of \$246K (a \$106K improvement from last year) due to net income growth described above. This includes the inaugural EXPO's Net Income (contributing \$20K).
  - b. Reduced Accounts Payable through payoff of HRP arrearage (\$50K improvement).
  - c. Year-close endowment growth (\$10K improvement).
4. **2021: Year-end financial decisions facing the board.** These positive outcomes mean the Board must consider and guide investment of the positive cash balance in "State Unrestricted" of \$246K. Of this amount, nearly \$20K must be reserved as EXPO Operating Capital, leaving \$226K for Board deliberation.
  - a. **Considerations include:**
    - i. We would NOT be jeopardizing WWA non-profit status if ALL of the currently available fund balances are retained as State Unrestricted (i.e., left sitting in the bank).
    - ii. Directors nominally agreed in last month's board that \$200K of that amount would be allocated as:
      - o \$100K to be reserved as WWA operating capital—the "grease" needed to make WWA cash flow work during the course of the year. This is likely more than required, but would also be used for operational budget shortfall in 2022, and allow funding of currently unforeseen opportunities in 2022.

- \$70K to be held in reserve in event of “rainy days”—this is about 4-5 months of being able to meet current expenses with zero income.
- \$16K towards Staff bonus for 2021 performance.
- \$8K of chapter loan funds to be held in reserve to get that program off the ground.
- \$6K of other investments (unspecified—possible uses discussed below).
- As additional context for this decisioning, the baseline budget for next year shows a Net Income (i.e., profit) of \$36K.
- In summing these available “investment dollars” the Board has \$282K to allocate / prioritize, made up of:
  - FY 2021 State Unrestricted of \$246K, plus
  - The planned profit next year = \$36K.
- In addition, the Board should understand the following one-time expenditures which are NOT currently incorporated in the 2022 baseline budget, but will require cash outlays from operating capital, but which should eventually be “reimbursed”:
  - \$15K +/- for UTV / trailer raffle purchase. Reimbursable, with risk (decision already taken).
  - \$12K for 2022 R3 Grant staff and sub-contractors time - possible LTE hire late in the year. Reimbursable (decision already taken).

b. **Funding opportunities.** Below is a list of budgetary possibilities for decisioning by the Board. These include ongoing expenses (e.g., staff salary) as well as one-time investments (e.g., buying a gold sponsorship at the EXPO):

Amount	Description	Type of expense	Support?
\$100,000	Reserved as WWA operating capital—the “grease” needed to make WWA cash flow work during the year.	n/a	Yes / No
\$70,000	Reserve in event of “rainy day”	n/a	Yes / No
\$16,000	Staff bonus	One-time	Yes / No
\$8,000	Chapter loan funds to be held in reserve to get that program off the ground.	One-time Expense	Yes / No
\$12,000	Staff compensation increase → 10%	Budgetary increase	Yes / No
\$10,000	HRP compensation increase of WWA-retainer from pandemic reduction \$1800/month to \$2600/month	Budgetary increase	Yes / No
\$4,000	Temporary admin support for data entry and e-commerce monitoring	Budgetary increase	Yes / No
\$2,000	Advocacy software – annual subscription / implementation	Budgetary increase	Yes / No
\$18,000	Website update /makeover	One-time expense	Yes / No
\$1,500	EXPO Gold sponsor	One-time expense	Yes / No
\$1,000	New Chapter initiative	One-time expense	Yes / No
\$1,500	Chapter Leadership initiative	One-time expense	Yes / No
\$1,500	Membership drive	One-time expense	Yes / No
\$4,000	Wood duck box replenishment	One-time expense	Yes / No
	Other?		Yes / No
	Other?		Yes / No
\$249,500	Total, if all approved		

5. **2022 WWA Budget Assumptions** Also for Board consideration is approval of the 2022 budget, which, as noted above, shows a projected \$36K Net Income. This attached budget has been developed exclusively

by the staff and is based on the following assumptions, which may change based upon your conclusions on the decisions above. Budget assumptions:

- a. Events will make their budgeted amounts as shown in the attachment. These budgeted amounts were generally based on five-year averages/trends, as adjusted by staff understanding of chapter dynamics and anomalous outliers.
  - b. Routine expenses similar to last year, plus:
    - i. Staff compensation remains the same as at year end, 2021 (subject to board decisioning)
    - ii. Planned Giving postage expenses.
    - iii. Database project continued.
6. **Moving Forward:** After decisioning on these budget issues, staff will prepare a revised budget for final approval at the February in-person Board meeting, but implement any budget changes as of January board meeting (such as staff bonus or compensation adjustment, as necessary).

Respectfully,

//s// Bruce Ross

Cc: Director of Administration

Enclosures: (a) FY 2021 Financial statements (included on Board Website)  
(b) FY 2022 draft Budget - Draft 1 (included on Board Website)  
(c) FY 2022 Anticipated Chapter Nets

Enclosure (c) FY 2022 Anticipated Chapter Nets

	A	B	C	D
1	<b>Event</b>	<b>Event Month</b>	<b>Income Month</b>	<b>2022 Budget</b>
2	Northern Wetlands			\$ -
3	Appleton/Valley	February	April	\$ 16,400
4	Baraboo River V-Day	February	April	\$ 500
5	Green Bay	March	April	\$ 27,000
6	Waukesha County	April	May	\$ 24,000
7	South Suburban	April	June	\$ 3,000
8	Valley Shoot	May	July	\$ 3,000
9	SE WI Golf Outing	May	June	\$ 8,500
10	Bash on Bass Bay	June	August	\$ 5,000
11	SC WI Golf Outing	June	August	\$ 7,000
12	Ozaukee Shoot	July	August	\$ 4,600
13	Abrams Summer Shoot	July	August	\$ 4,000
14	Fox Valley Golf Outing	July	August	\$ 9,100
15	DCCE	August	September	\$ 500
16	Calling Contest	August	September	\$ 250
17	State Shoot	August	October	\$ 5,000
18	Hunter's Eve Bash	August	October	\$ 4,000
19	West Bend	August	October	\$ 11,700
20	West Allis	September	November	\$ 11,500
21	New Event	June	August	\$ 1,500
22	Baraboo River Shoot	June	August	\$ 1,500
23	Lakeshore/Manitowoc	December	December	\$ 5,000
24	WWA Christmas Bash	December	December	\$ 8,000
25				<b>\$ 161,050.00</b>
26	UTV/ATV	August	August	\$ 8,000.00
27	Calendar			\$ 20,000.00
28				<b>\$ 189,050.00</b>
29				
30	Class A	February		\$ 1,500.00
31	Class A	April		\$ 1,500.00
32	Class A	June		\$ 1,500.00
33	Class A	August		\$ 1,500.00
34	Class A EXPO	August		\$ 1,500.00
35	Class A	October		\$ 1,500.00
36	Class A	December		\$ 1,500.00
37				<b>\$ 10,500.00</b>
38				<b>\$ 199,550.00</b>
20				