



# JCNA Financial Action Plan

## Report to AGM Delegates

August 28, 2021



# Strategic Imperative

Implement a Five-Year Financial Plan to return JCNA to sustainable financial health.

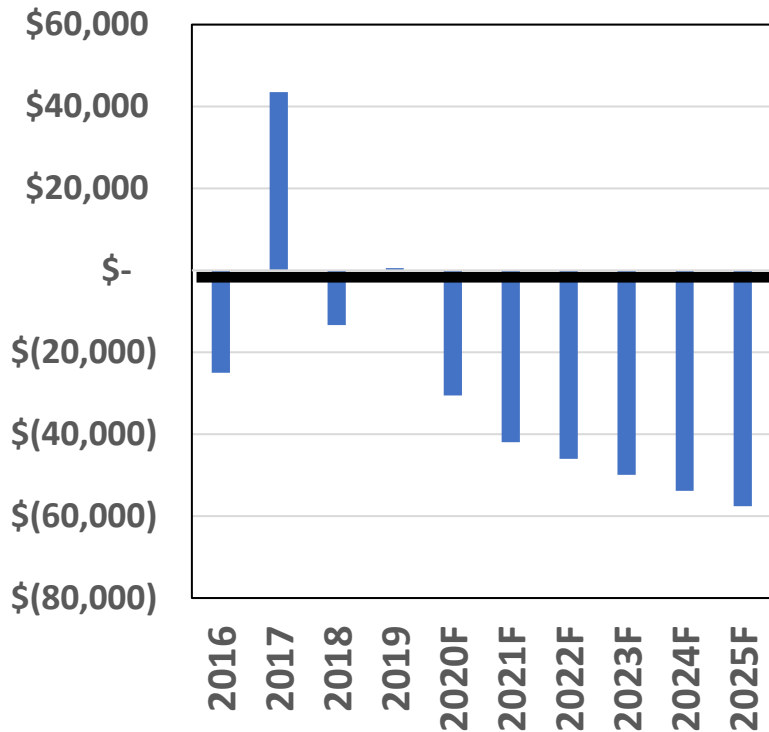
- Operate at breakeven or better.
- Year-end reserve account balances  $\geq$  one year's consolidated expenses by 12/31/2023.

Note: Currency values throughout this presentation are \$US.

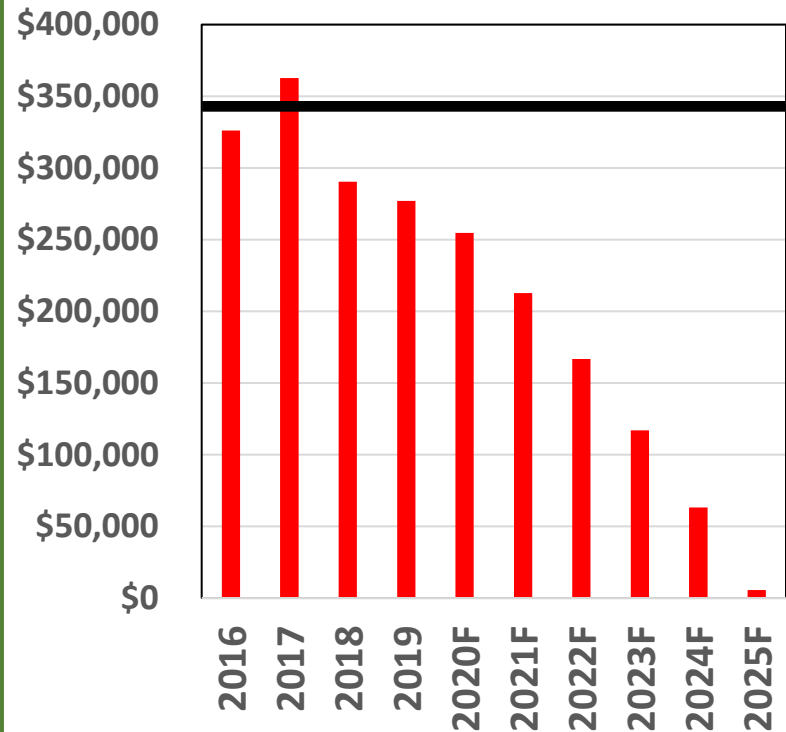


# Case for Action – June 2020

### Consolidated Net Income



### Year End Cash & Reserves





## 2020 Variance vs. Forecast

	Actual	Forecast	Variance	
<b>Operating Revenue</b>	\$152,200	\$152,100	\$100	
<b>Operating Expense</b>	(110,500)	(121,500)	11,000	<ul style="list-style-type: none"> <li>• Website \$(5,600)</li> <li>• Events/AGM Travel \$7,400</li> <li>• Admin &amp; Prof'l Expense \$7,000</li> <li>• Trophies \$4,000</li> </ul>
<b>Jaguar Journal Revenue</b>	80,900	72,900	8,000	<ul style="list-style-type: none"> <li>• Net Advertising Sales \$10,000</li> </ul>
<b>Jaguar Journal Expense</b>	(131,900)	(134,000)	2,100	
<b>JCNA Surplus/(Deficit)</b>	\$(9,300)	\$(30,500)	\$21,200	

Changed from cash to accrual accounting to eliminate “timing” distortions.



# Income Changes

- 12% membership dues decline since 2016.
- 2020 - JLR suspended \$25,000 annual sponsorship:
  - \$20,000 distributed to local clubs
  - \$5,000 for AGM, IJF, etc.
- Decline in Jaguar Journal advertising revenue reversed in 2020; increased \$8,700.
- JLR continuing \$27,000 yearly Jaguar Journal ad buy –  
Now “issue to issue” vs. annual contract.



# Expense Changes

- Savings – 2020
  - \$2500 – Administrator salary.
- Savings - 2021
  - \$7500 – Eliminated printed membership cards.
  - \$4000 - Insurance & Other.
  - \$3500 – Administrator salary – total annual reduction = \$6000.
  - \$1000 – Switch to Google Sheets.
- Added Costs
  - \$7500 – Club support (AGM, IJF, events)
  - \$2500 – Membership Development

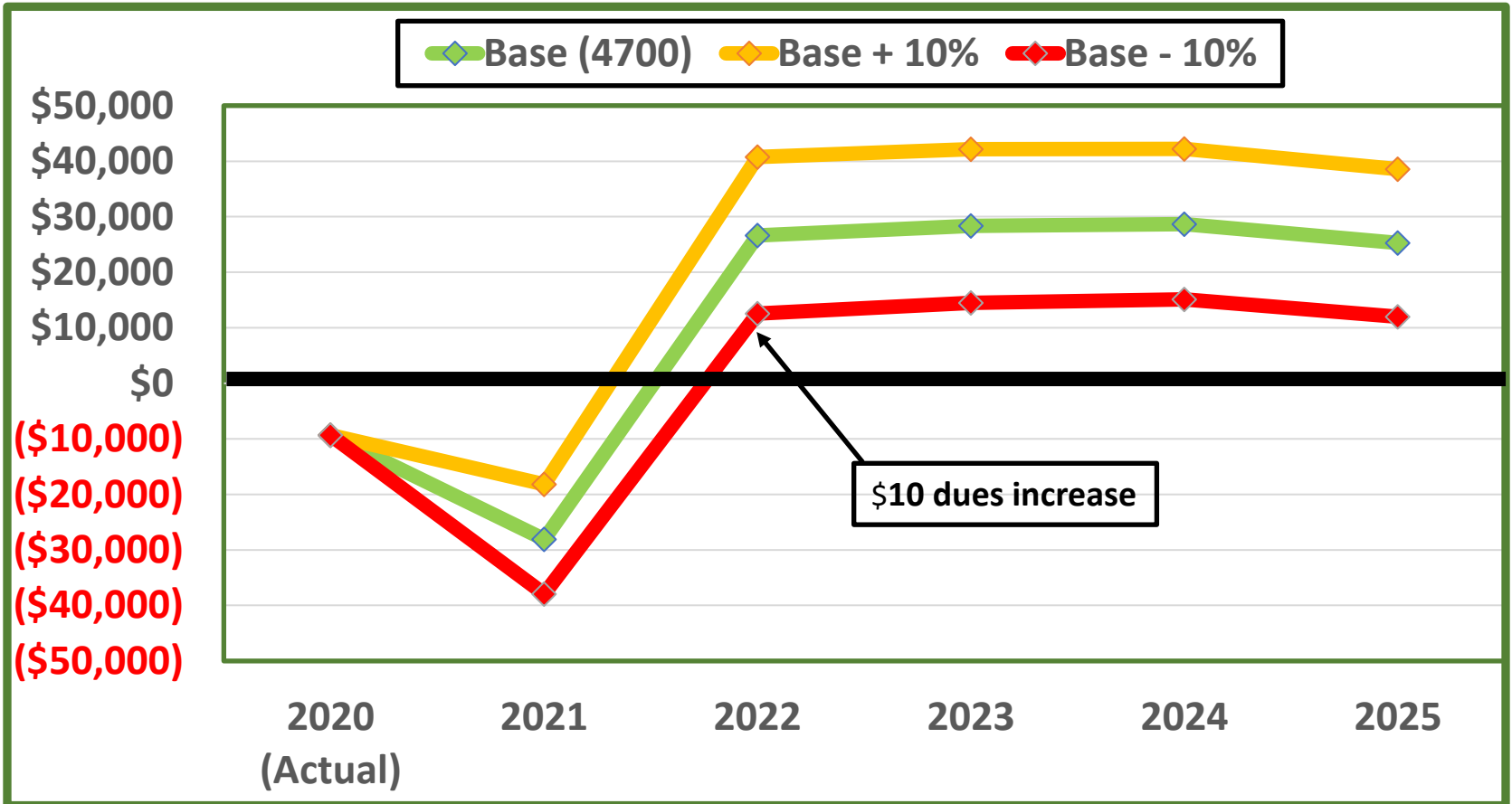


## E Publication - Zinio

- Newsstand Sales (U.S., Canada, UK, Western Europe)
  - \$2.45/copy revenue.
  - \$74/issue set-up cost.
  - Breakeven = 30 copies.
- Member Distribution
  - \$75/issue administrative cost.
  - \$0.10/copy delivery charge.
- One year trial agreement – 2021.
- ~\$10/member savings at 100% adoption.



# Consolidated Income Forecast







## Upside Potential & Downside Risks

<ul style="list-style-type: none"> <li>Increased Membership</li> </ul>	<ul style="list-style-type: none"> <li>Higher Jaguar Journal Ad Sales</li> </ul>
<ul style="list-style-type: none"> <li>✓ Electronic voting to reduce mailing costs for elections</li> </ul>	<ul style="list-style-type: none"> <li>Electronic Publishing Newsstand &amp; Subscription Sales</li> </ul>
<ul style="list-style-type: none"> <li>Declining Membership</li> </ul>	<ul style="list-style-type: none"> <li>Higher Insurance Costs</li> </ul>
<ul style="list-style-type: none"> <li>Decreasing JJ Advertising Income</li> </ul>	<ul style="list-style-type: none"> <li>Lower Newsstand Sales</li> </ul>
<ul style="list-style-type: none"> <li><del>JLR Sponsorship Support</del></li> </ul>	<ul style="list-style-type: none"> <li>Inflation</li> </ul>

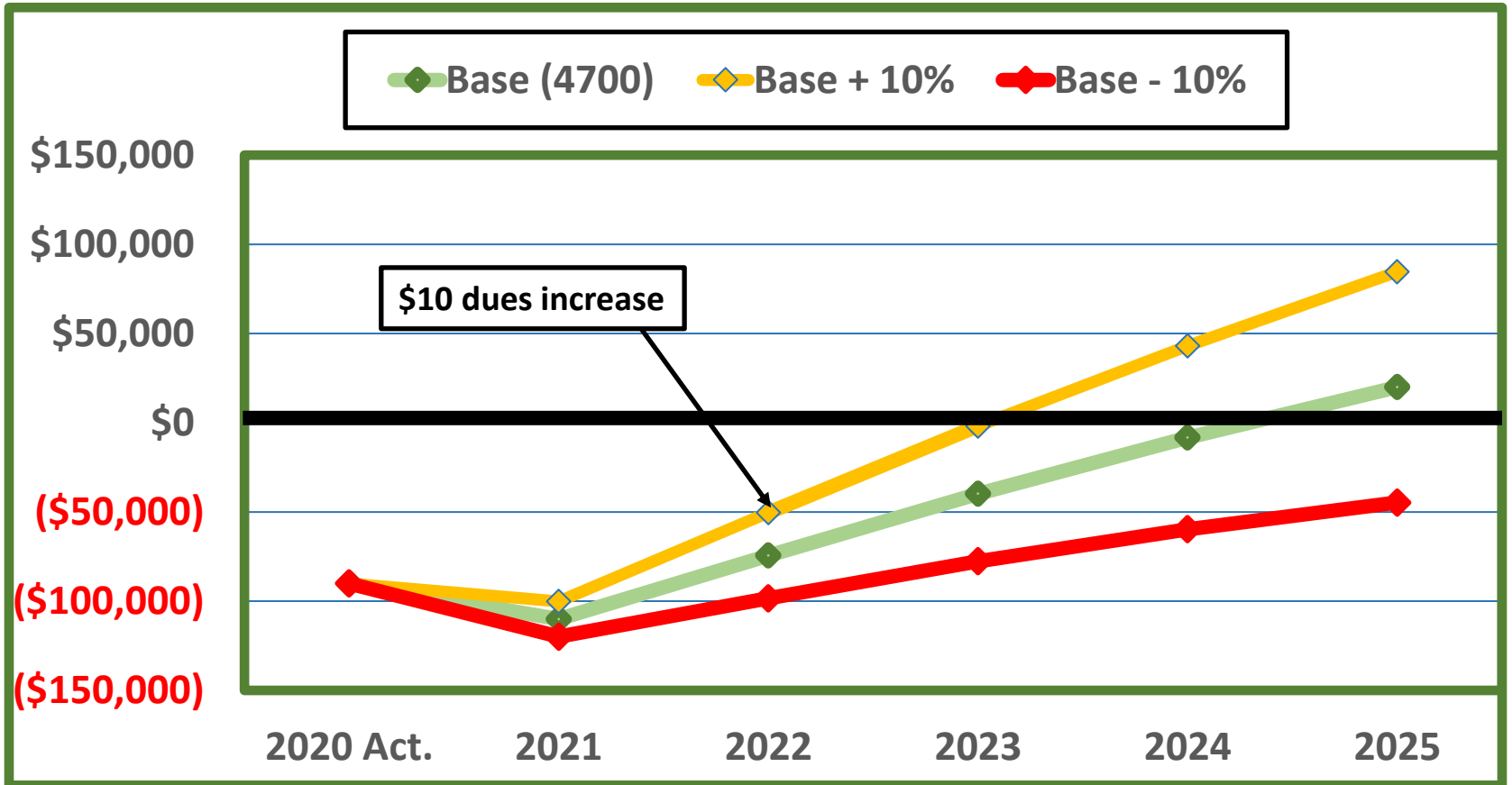


## Cash + Reserves Deficiency

- Recommended reserves for non-profits such as JCNA = 1 to 2 years' expenses.
- One year's expenses judged sufficient for JCNA reserves.
- Build reserve for next website renewal (2025).
- Balances declined gradually over past several years.
- Year-end 2020 = \$255,000 = 74% of requirement (\$345,000).



# Cash + Reserves vs. Target





## ✓ Strategic Imperative

Implement a Five-Year Financial Plan to return JCNA to sustainable financial health.

✓ Operate at breakeven or better.

Year-end reserve account balances  $\geq$  one year's consolidated expenses by 12/31/2023.

✓ Achieved with 10% Higher Membership.

- 2025 with Base (4700) Members.
- \$(45,000) 2025 with 10% Lower Membership (4230).



## Where's the \$10 Go?

		\$/Member
JLR Annual Contribution Suspended (Net of Club Sponsorship)	(\$5,000)	(\$1.06)
Continuing Annual Cost Reductions	16,000	3.40
Webmaster	(19,200)	(4.09)
Event Support	(7,500)	(1.60)
Membership Development Funds	(2,500)	(0.53)
Rebuild Cash & Reserves	(28,800)	(6.13)
	<b>(\$47,000)</b>	<b>(\$10.00)</b>

