



MEMORANDUM

TO: IEDA Board
FROM: Ed Gerak
RE: Q3 Financial & Membership Update
DATE: October 14, 2022

ISSUE

Quarterly Financial & Membership Update & 2023 Budget

REASON

Well run organizations keep a keen eye on the financial status, especially revenues versus expenditures. As a membership organization, the revenues are based on membership dues and planned expenditures are based on certain assumptions. The IEDA budget was based on certain expectations which have undergone changes since November, when the budget was originally set.

MEMBERSHIPS

SCIP has paid their 2022 IEDA Dues. They have also authorized 2023 Dues to be paid. Per their authorization approval email, dues for 2023 will be \$35,000 for SCIP.

IEDA has garnered interest from Tohono O'odham Utility Authority. They have requested what IEDA dues would be for 2023. Responsibility for water is outside of TOUA's authority, and therefore they will be billed strictly as a power provider.

Given the step up of the original board member organizations (extra \$30,000) to accommodate the increase in request from KR Saline, membership dues are tracking to end the year at \$664,902.

FINANCIALS

At the end of Q3, the modified budget shows \$466,714.42 in expenses. Membership dues are tracking to finish the year at \$664,902. Year End Actual expenses are trending towards \$629,662.08.

Major variances compared to planned budget are occurring both in engineering consulting and legal. While legal is over budget (+\$17,095.20 YTD and an estimated overage of \$22,500), engineering consulting is trending below budget by (-\$40,035 projected). Travel & Contingency is under budget by approximately \$10,000.

Commitments for sponsorships of the 2023 IEDA Annual Meeting are \$7,000, with another possible \$3,000 in asks. The goal is to defray or cover the costs of the meeting, while increasing the profile of the meeting and organization. These sponsorships are not included in the 2022 Q3 Financial numbers.

The cash reserves at the beginning of 2022 were approximately \$79,223.40. Dues versus expenses are trending to be \$35,239.92 to the positive. If these numbers hold, we will end the year with \$114,463.32.

Given the step up of the original board members in 2022, it would be my recommendation to credit the amount extra contributed in 2022 to the 2023 invoices. Since revenue exceeds budget by \$35,239.92, crediting the \$30,000 of increased dues in 2022 to 2023 dues would lower the operating margin to \$5,239.92 and a beginning balance in 2023 of \$84,463.32 in the bank account.

2023 BUDGET

Pursuant to the September 22, 2022 Board meeting, the 2023 dues are approved at \$700,000. If the Board decides to apply the excess \$30K revenue contributed in 2022 to 2023 and including the possible \$10K in sponsorships will reduce the dues collected to \$660,000.

An issue complicating the 2023 dues is the possible merger or cost sharing with AMPUA. The IEDA Board gave direction to work with AMPUA to figure it out. If AMPUA agrees to these (@ \$70K) or similar terms, dues collected for 2023 could be less than 2022 by \$46K. A continuation of dues structure alignment with AMPUA will occur in 2024.