



# JCNA Financial Action Plan

## Annual General Meeting

August 22, 2020



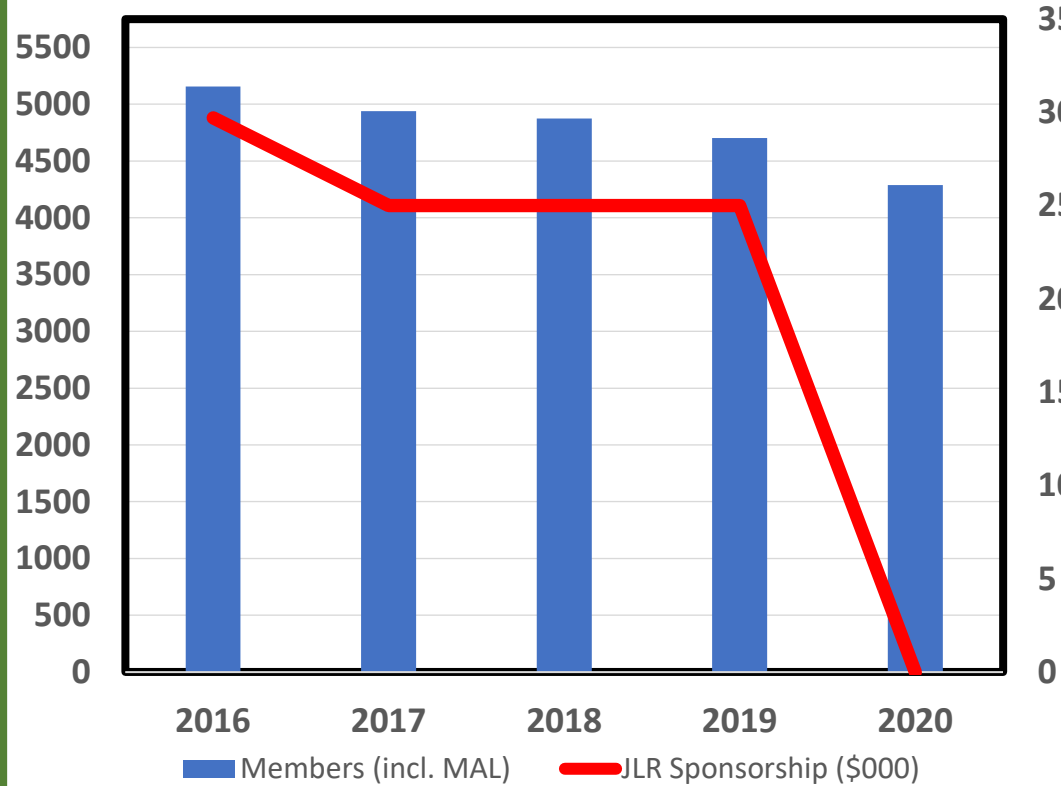
# Present Case

- 2020 ~ **(\$30,000)** vs. breakeven average 2016 – 2019.
- Continuing unfavorable revenue trends are causing deterioration of reserve balances which are currently below appropriate levels for the size and risk profile of JCNA.
  - Membership revenue declining 3% annually.
  - Jaguar Journal print advertising dropping 15% per year.
  - Reserve balance below appropriate amount.

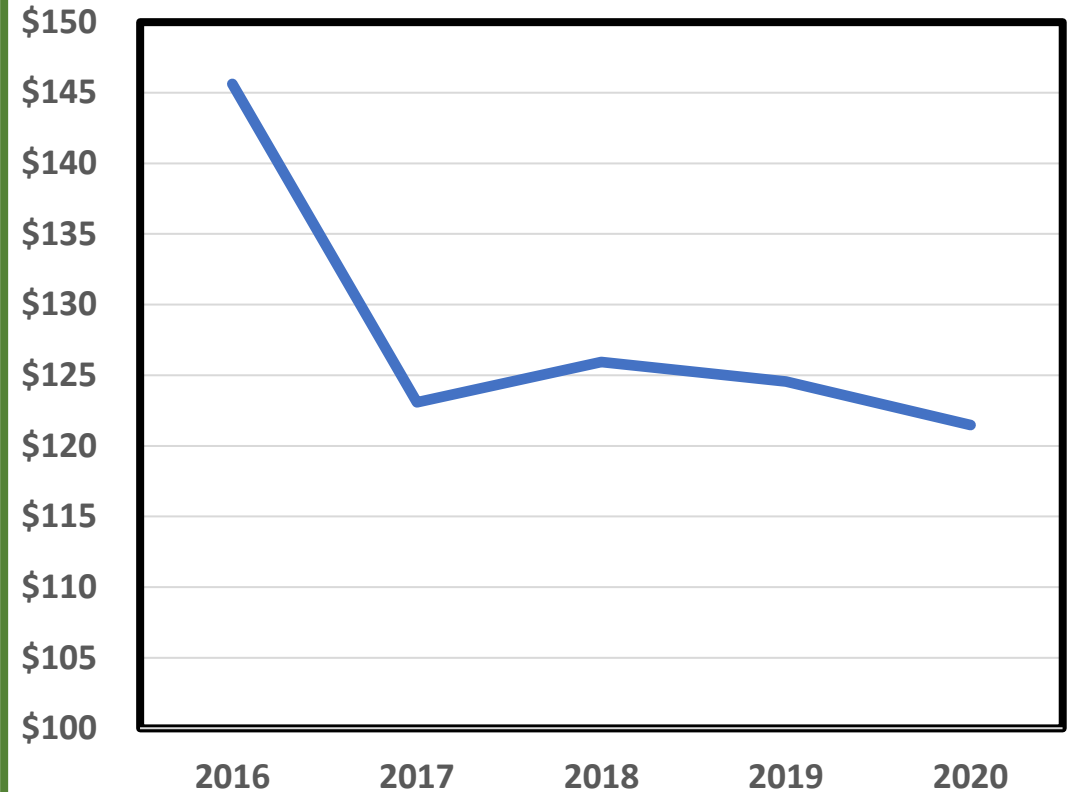


# JCNA Operations - Recent History

### Revenue



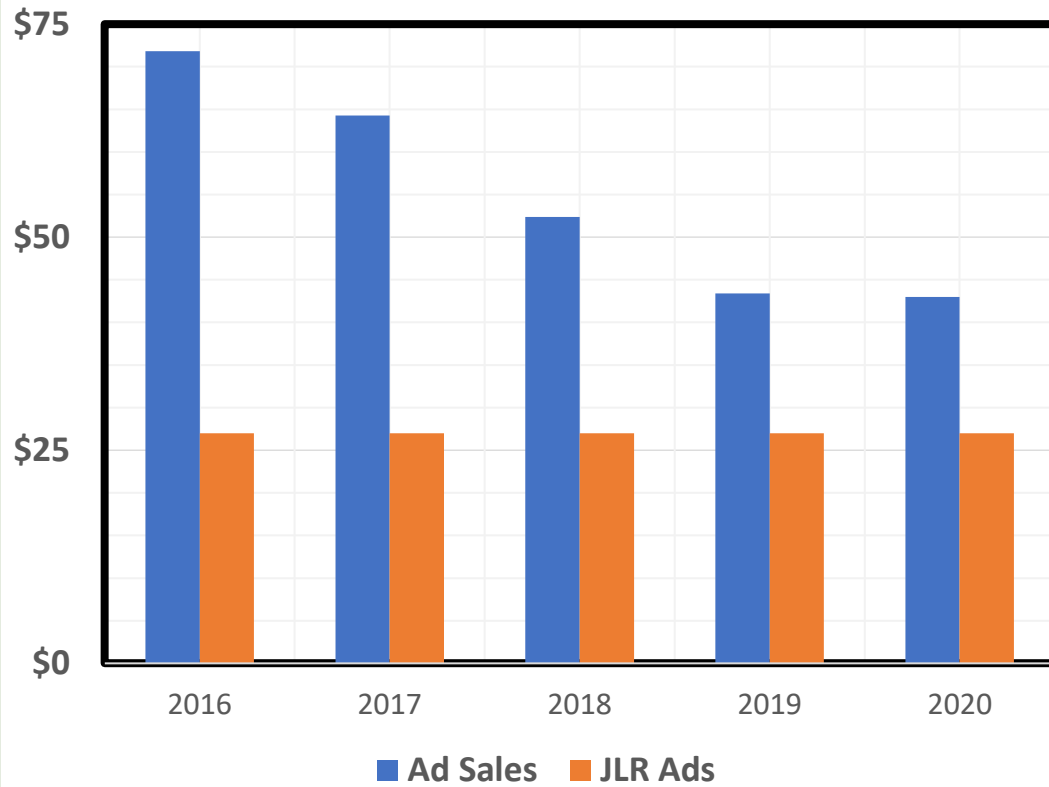
### Operating Expenses (\$000)



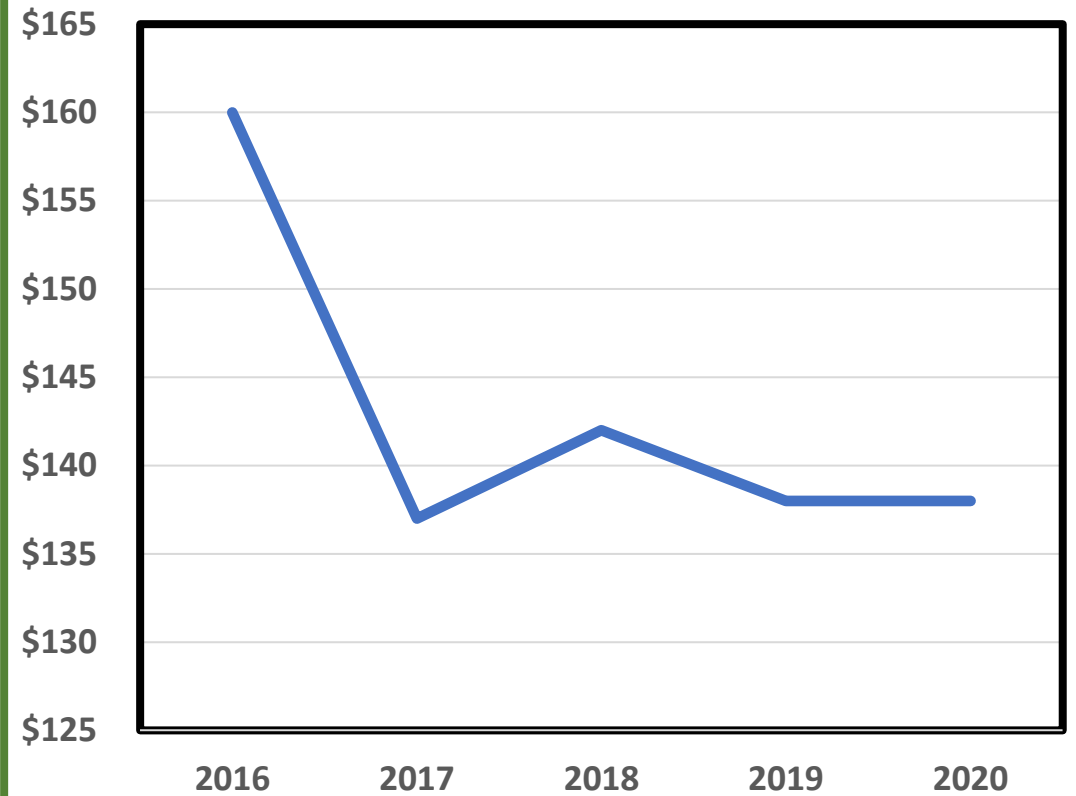


# Jaguar Journal - Recent History

Advertising Revenue (\$000)



JJ Expenses (\$000)





# Reserves Deficiency

- Recommended reserves for non-profits such as JCNA = 1 to 2 years' expenses.
- Balances declined gradually over past several years.
- 2020 – **(\$30,000)** – Membership Drop & No JLR Sponsorship
- One year's expenses judged sufficient for JCNA.
- Build reserve for next website renewal (2025).
- Estimated Year-end 2020 = \$287,000 = 86% of requirement.

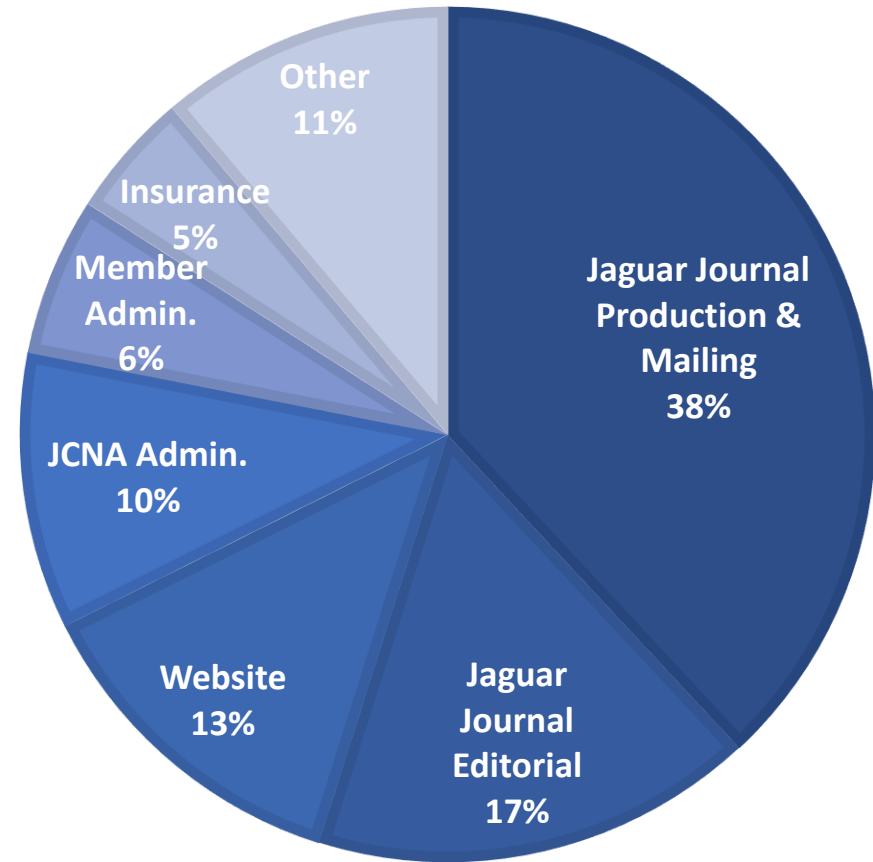
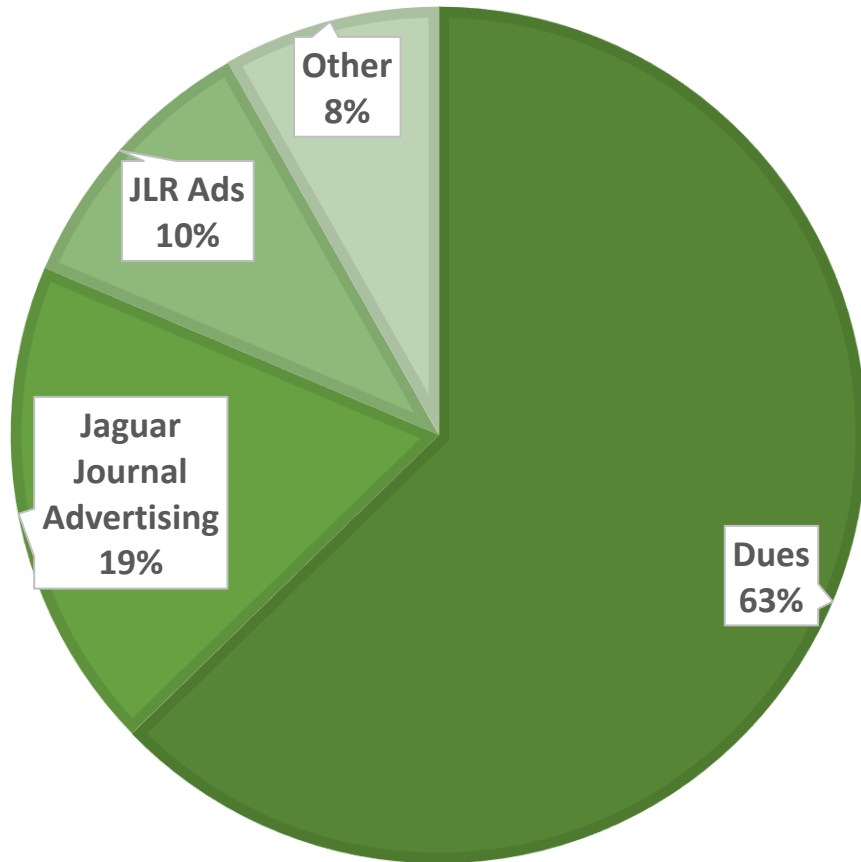


# Strategic Imperative

- 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.



# 2020 Income & Expense





# Analysis & Actions Taken

- **Baseline Forecast.**
  - 4500 members; decline 2% annually.
  - 1% annual inflation.
  - All print Jaguar Journal.
  - No JLR sponsorship support.
  - JLR Advertising continues at current rate (\$27,000/year).
- **Cost reductions and revenue increases.**
  - Eliminate Membership Cards - \$7500/year - beginning 2021.
  - Administration - \$7000/year – effective now.
  - Reduce Bank Charges – effective now.
  - Charge for “things we give away now.”
  - Investigating Electronic Publishing.





# JJ Publishing Options

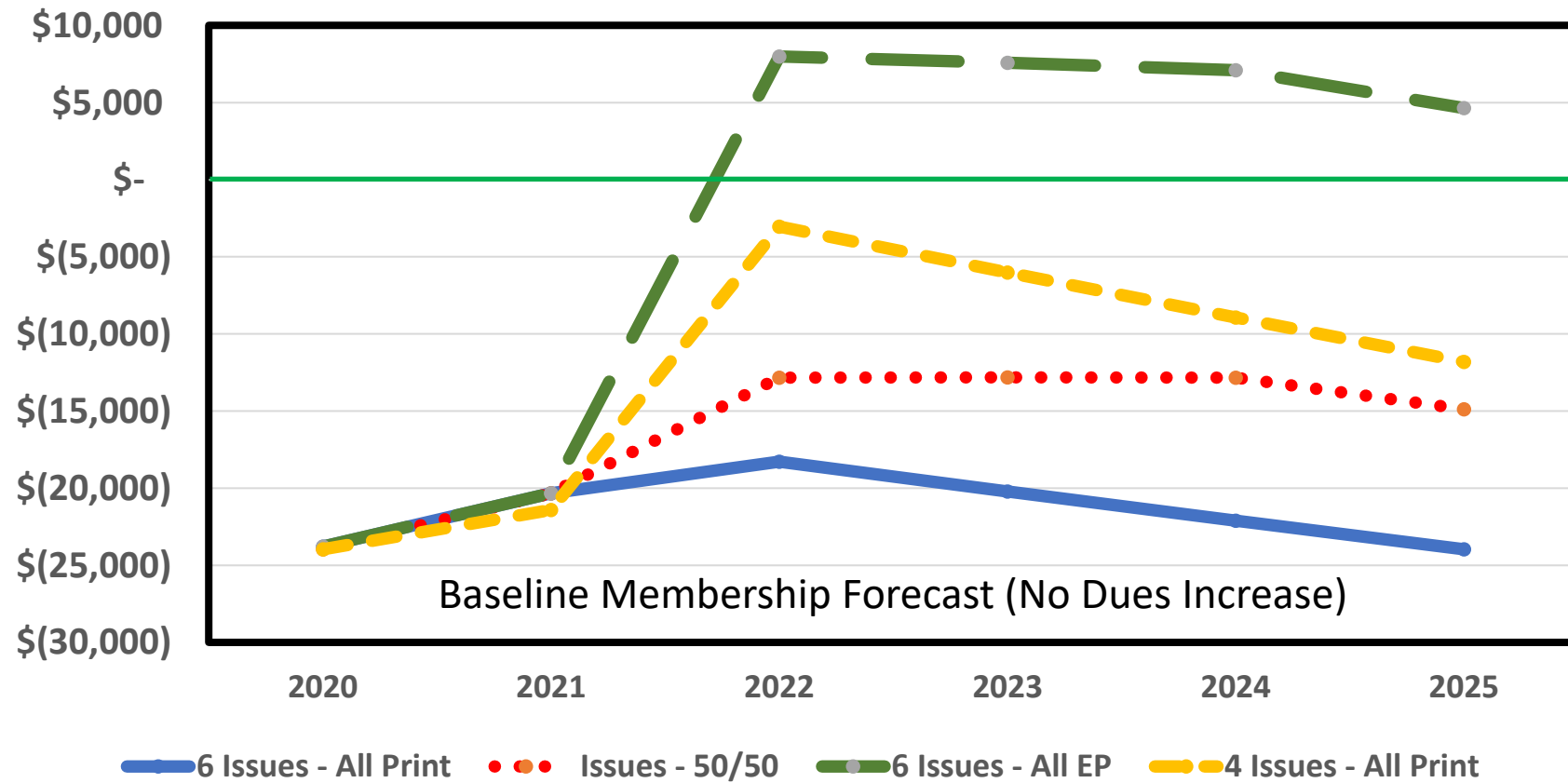
- Thoroughly examined revenues, costs, electronic publishing.
  - 55 to 60% Fixed Costs regardless of publishing method.
  - Additional revenue from newsstand sales via electronic publishing.
  - Electronic publishing enables online distribution to JCNA members

Format (4250 members)	All Print 6 Issues	50/50 6 Issues	All Electronic 6 Issues	All Print 4 Issues
Net JJ Benefit/Cost	\$49,700	\$40,500	\$20,700	\$33,800
Annual Cost/Member	\$11.69	\$9.53	\$4.88	\$7.95
Member Cost/Issue	\$1.95	\$1.59	\$0.81	\$1.99

- No clear member preference for print vs. electronic format.



# 2020 – 2025 Consolidated Forecast





# Reserves Deficiency

<b>Operating Cash</b>	
• <b>Checking</b>	<b>\$10,000</b>
• <b>Money Market</b>	<b>55,000</b>
<b>Reserves</b>	
• <b>Unforeseen Expenses (1 Year)</b>	<b>243,000</b>
• <b>Website Renewal</b>	<b>20,000</b>
<b>Total Requirement</b>	<b>328,000</b>
<b>Estimated Year-End 2020</b>	<b>287,000</b>
<b>Deficiency @ Year-End 2020</b>	<b>(\$41,000)</b>



# Upside Potential & Downside Risks

- Electronic Publishing Newsstand & Subscription Sales

- Recovered/Increased Membership

- Continued Membership Decline

- Increased Insurance Costs

- Decreasing JJ Advertising Income

- Lower Newsstand Sales

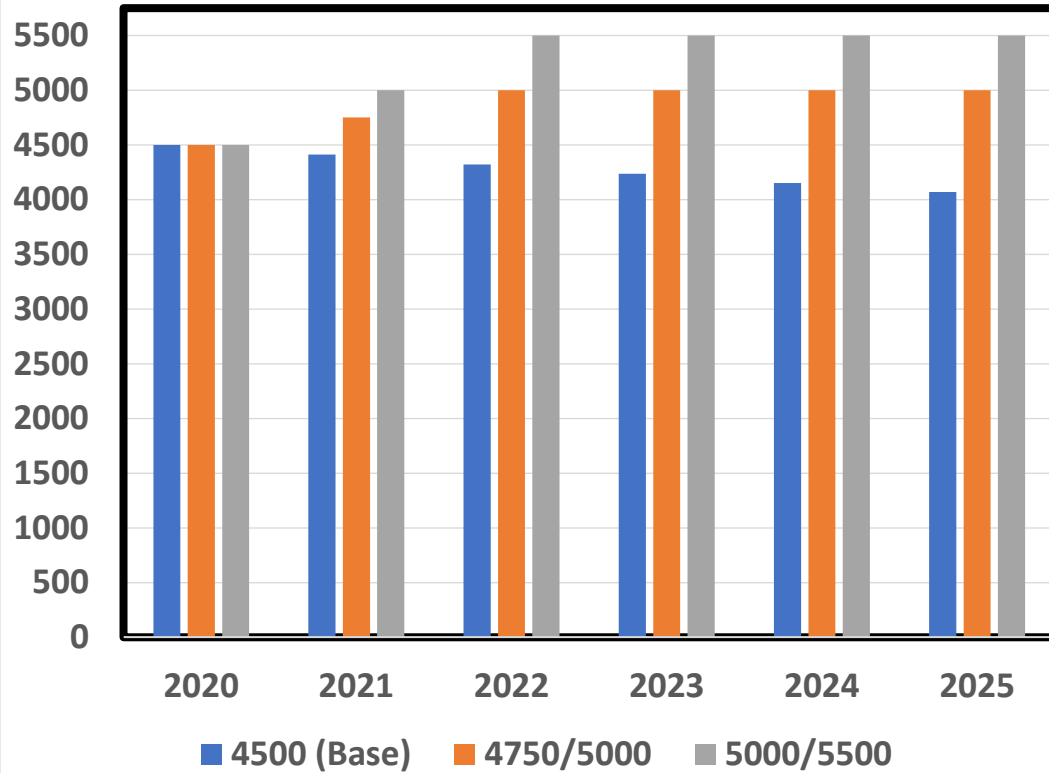
- JLR Sponsorship Support

- Inflation

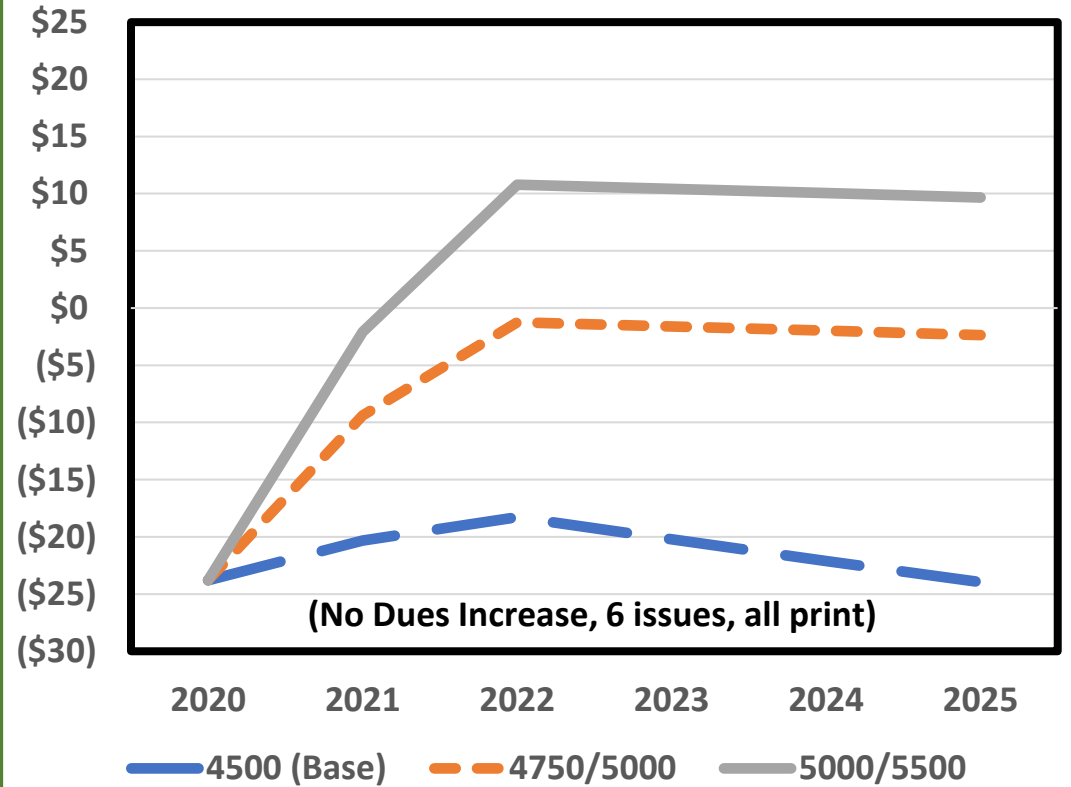


# Increased Membership Impact

Local Club Members



Consolidated "Bottom Line" (\$000)

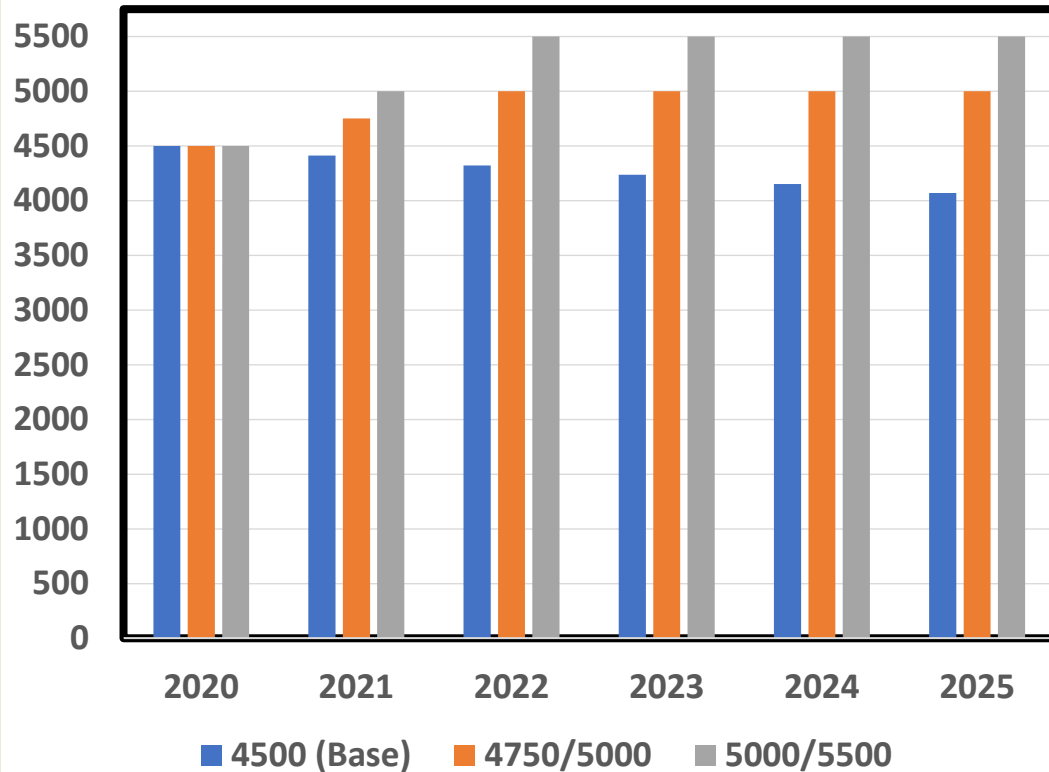




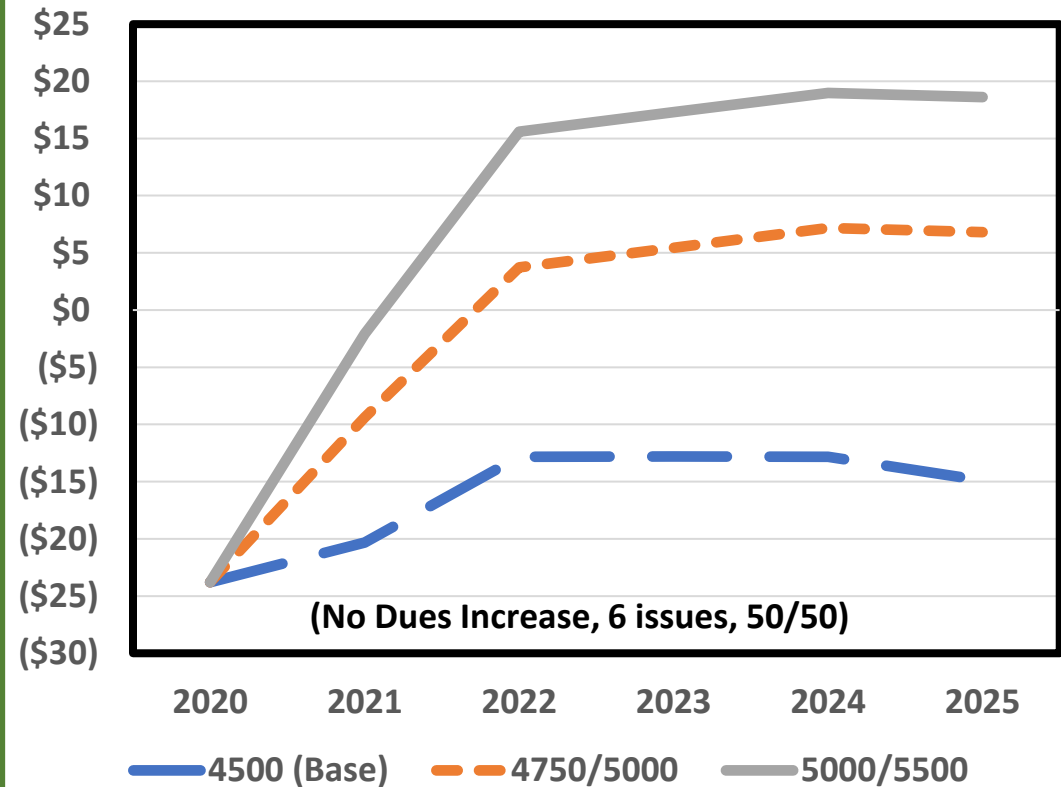
# Increased Membership Impact

## 50% Electronic Publishing beginning 2022

Local Club Members



Consolidated "Bottom Line" (\$000)





# Summary

- Potential Revenue Increases identified.
- Implementing Cost Savings.
- Reasonable Dues Increase; first since 2012.
- Working toward offering Printed and Online versions of Jaguar Journal.
- Membership trend must be reversed from decline to growth.



## ✓ 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.







# Financial Action Team

- Les Hamilton
- Bill Beible
- John Boswell
- George Camp
- Pete Crespin
- Jack Humphrey
- Bill Sihler
- Rob Thus
- Gary Vaughan