

# CCCC Financial Summary

## June 2016

### Overview of CCCC and NCTE Financial Strategy

In 2001–02, the CCCC and NCTE Executive Committees took a series of actions to provide a framework for financial policymaking.

In March 2002, the CCCC Executive Committee adopted guidelines defining several classes of reserves, access procedures, and levels to be maintained. As of July 2015, the CCCC Invested Reserve Fund held \$1,500,159 and the Contingency Fund held \$2,296,282.

- a. The CCCC Operating Fund includes funds allocated for the current year's expenses.
- b. The Reserve Fund includes funds to be used only in an emergency to safeguard the security of CCCC and is set at 150% of prior year's operating expenses.
- c. The Contingency Fund is any additional funds held in reserve in excess of the CCCC Operating Fund and Reserve Fund. The Contingency Fund is only used to underwrite large capital expenditures or critical program initiatives that can have a profound effect on CCCC operations. Allocations from the Contingency Fund are planned and approved by the Executive Committee through the annual budget process.

In September 2002, the NCTE Executive Committee revised guidelines for the investment of financial reserves (CCCC took action in the mid-1990s to maintain its share of NCTE reserves in the same investment pool; thus, these policies apply to CCCC as well). The policy established a range of risk tolerances for operating funds, invested long-term reserves, contingency reserves, and endowment funds. It also established standards for asset quality, diversification, and reporting requirements. Through these actions, CCCC's level of investment of long-term reserve and contingency funds in *equities* was reduced from a peak of over 70% to not more than 60% and the level of investment in fixed securities increased somewhat. Taken together, these actions decreased the volatility in the value of CCCC reserves, but risks cannot be eliminated altogether.

### CCCC FY16 Financial Summary

This summary reviews financial outcomes for CCCC through April 2016 in light of the CCCC annual budget and outcomes achieved through the same period one year ago.

- The approved fiscal year 2016 (FY16) budget includes a \$132,571 loss on operations; a net gain on income of \$73,583 due to \$206,154 growth in invested reserves; and a \$123,217 distribution from the CCCC Contingency Fund in support of the CCCC Research Initiative. Net income for FY16 reflects poor investment conditions and is likely to have a negative impact on the final net income for the year.
- Through April, CCCC recognized a \$71,241 loss on operations. This loss includes only an \$88,738 gain on CCCC investments, which is significantly less than budgeted. Unfortunately, dues income is also down, with CCCC circulation and membership sitting at approximately 5,300 members and subscribers. However, spending overall for FY16 is on pace with FY15 spending.
- CCCC had a very strong 2016 Convention in Houston, and due to a surge in onsite registration, total registration was slightly over budget at just under 3,000 attendees. Several last-minute cost-saving measures kept costs within budget, despite high costs associated with CCCC's commitment to audiovisual and interpretive services.

### CCCC FY17 Budget Summary

After substantial discussion, the CCCC Executive Committee has worked with financial diligence and approved a budget for FY17 that calls for income, expenses, and the operating budget deficit to decrease.

- The budget projects a \$91,047 net gain with an operating budget of over \$800,000, which does not include the Contingency Fund spending of \$183,258. In terms of services to CCCC members and the broader professional community, this budget includes an expansion of the CCCC Research Initiative and a new summer conference program (outlined below) while at the same time providing some efficiencies on operations.
- With an increased amount from 5% to 6.5% from our Contingency Fund, \$149,258, to support the CCCC Research Initiative, this budget proposes using a portion of those funds for emerging research/er awards.
- CCCC will test a Summer Conference program via seed grants totaling \$34,000 from the Contingency Fund.