

For Presentation to the Board of Directors – May 2, 2024
Narrative to the Proposed FY25 Annual Operating Budget

The proposed budget estimates that revenue will increase by ~16% with the new NC-SARA fees being implemented July 1, 2024. The operating budget includes a 9% spending increase. Current projections indicate NC-SARA will come in under budget for FY24 by about \$675,000. This is partially due to senior staff departures and leftover budget from SARA Member State and Territory Grants.

Highlights of the proposed FY25 budget:

- The budget estimates revenue to bring in just under \$8.5 million.
- A 3.7% increase for each of the regional compacts is requested. Each regional compact will receive an allocation of \$542,829 for FY25.
- The budget requests a 2.5% increase in staff compensation. This increase is in alignment with concerns about inflation and our collective interest in retaining good talent.
- We are requesting funds for three special projects totaling \$325,000. This includes expenses for the Cost Savings Project (\$125,000), IT Audit (\$50,000) and Penn Hill (\$150,000).
- A 45% increase is requested for Information Technology expenses. The upcoming IT budget includes several new and ongoing expenses that are essential for maintaining and enhancing our organizational operations. While some costs have increased, these changes are offset by significant savings and removals of unnecessary expenditures from the budget.
- \$197,309 is requested for SARA Member State and Territory Grants.

NC-SARA
FY 25 Proposed Annual Operating Budget
Summary Page

	July 24	Aug 24	Sept 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Total	FY24 Budget	FY24 Forecast	FY25 Increase over FY24 (Budget)
Income																
Member Fees	\$ 628,280	\$ 922,080	\$ 772,544	\$ 721,881	\$ 800,888	\$ 751,733	\$ 851,780	\$ 847,500	\$ 749,190	\$ 519,586	\$ 589,394	\$ 443,091	\$ 8,597,947	\$ 7,410,530	\$ 7,489,318	16.02%
Less Credit Card Fees	\$ (7,539)	\$ (11,065)	\$ (9,271)	\$ (8,663)	\$ (9,611)	\$ (9,021)	\$ (10,221)	\$ (10,170)	\$ (8,990)	\$ (6,235)	\$ (7,073)	\$ (5,317)	\$ (103,175)	\$ (85,221)	\$ (88,022)	21.07%
Late Fees	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 4,000	\$ 2,000	\$ 5,000	100.00%
Total Income	\$ 620,741	\$ 911,015	\$ 764,273	\$ 713,219	\$ 791,277	\$ 743,712	\$ 841,559	\$ 837,330	\$ 741,200	\$ 513,351	\$ 582,321	\$ 438,774	\$ 8,498,771	\$ 7,327,309	\$ 7,406,296	15.99%
Expense																
Regional Compact Allocation Expenses	\$ -	\$ -	\$ -	\$ 1,486,658	\$ -	\$ -	\$ 684,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,171,318	\$ 2,093,846	\$ 2,093,844	3.70%
Salaries & Benefits	\$ 287,198	\$ 287,198	\$ 287,302	\$ 287,302	\$ 287,302	\$ 287,302	\$ 352,676	\$ 289,976	\$ 289,976	\$ 289,976	\$ 289,976	\$ 291,483	\$ 3,527,668	\$ 3,246,027	\$ 2,811,999	8.68%
Professional Fees	\$ 152,500	\$ 41,900	\$ 30,500	\$ 29,000	\$ 29,500	\$ 27,000	\$ 68,000	\$ 18,000	\$ 19,000	\$ 18,000	\$ 18,500	\$ 19,000	\$ 470,900	\$ 134,500	\$ 173,943	250.11%
Occupancy	\$ 21,875	\$ 21,875	\$ 21,875	\$ 21,875	\$ 21,875	\$ 21,875	\$ 22,649	\$ 22,649	\$ 24,249	\$ 22,649	\$ 22,649	\$ 22,649	\$ 268,746	\$ 251,350	\$ 255,388	6.92%
Travel, Meetings & Conferences	\$ 242,200	\$ 11,477	\$ 45,113	\$ 52,115	\$ 10,477	\$ 12,253	\$ 10,477	\$ 60,477	\$ 17,753	\$ 29,477	\$ 51,615	\$ 32,373	\$ 575,807	\$ 578,797	\$ 479,473	-0.52%
Utilities	\$ 1,815	\$ 1,815	\$ 1,815	\$ 1,815	\$ 1,815	\$ 1,815	\$ 1,815	\$ 1,815	\$ 1,815	\$ 1,815	\$ 1,815	\$ 1,815	\$ 21,780	\$ 28,848	\$ 23,298	-24.50%
Information Technology	\$ 137,556	\$ 38,156	\$ 17,964	\$ 15,856	\$ 48,587	\$ 35,509	\$ 18,771	\$ 114,881	\$ 51,225	\$ 18,156	\$ 14,156	\$ 524,973	\$ 361,331	\$ 372,839	\$ 372,839	45.29%
Other	\$ 87,021	\$ 13,544	\$ 6,917	\$ 2,021	\$ 2,021	\$ 7,271	\$ 2,021	\$ 2,021	\$ 7,271	\$ 19,691	\$ 5,981	\$ 7,271	\$ 163,051	\$ 153,716	\$ 129,960	6.07%
Dues & Subscriptions	\$ 3,511	\$ 32,349	\$ 935	\$ 7,006	\$ 20,450	\$ 1,115	\$ 929	\$ 19,110	\$ 2,565	\$ 985	\$ 19,110	\$ 735	\$ 108,799	\$ 107,474	\$ 102,954	1.23%
Office	\$ 2,525	\$ 2,525	\$ 3,275	\$ 2,650	\$ 2,525	\$ 4,275	\$ 2,525	\$ 2,650	\$ 3,275	\$ 2,525	\$ 2,525	\$ 3,400	\$ 34,675	\$ 33,350	\$ 26,950	3.97%
Communications	\$ 8,500	\$ 5,500	\$ 5,500	\$ 6,000	\$ 5,500	\$ 5,500	\$ 6,000	\$ 5,500	\$ 5,500	\$ 6,000	\$ 5,500	\$ 5,500	\$ 70,500	\$ 89,500	\$ 76,948	-21.23%
Mini Grants	\$ 197,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197,309	\$ 390,000	\$ 185,191	-49.41%
Total Expense	\$ 1,142,011	\$ 456,339	\$ 421,196	\$ 1,912,298	\$ 430,052	\$ 403,915	\$ 1,170,523	\$ 537,079	\$ 422,630	\$ 409,274	\$ 431,828	\$ 398,382	\$ 8,135,527	\$ 7,468,739	\$ 6,732,787	8.93%
Net Ordinary Income	\$ (521,270)	\$ 454,676	\$ 343,077	\$ (1,199,080)	\$ 361,225	\$ 339,797	\$ (328,964)	\$ 300,251	\$ 318,570	\$ 104,077	\$ 150,494	\$ 40,392	\$ 363,244	\$ (141,429)	\$ 673,509	-356.84%
Interest and Dividends	\$ 17,214	\$ 17,214	\$ 17,214	\$ 17,214	\$ 17,214	\$ 17,214	\$ 17,214	\$ 17,214	\$ 17,214	\$ 17,214	\$ 17,214	\$ 17,214	\$ 206,571	\$ 141,430	\$ 194,562	46.06%
Net Income	\$ (504,056)	\$ 471,890	\$ 360,291	\$ (1,181,865)	\$ 378,439	\$ 357,011	\$ (311,750)	\$ 317,465	\$ 335,784	\$ 121,291	\$ 167,708	\$ 57,606	\$ 569,815	\$ 1	\$ 868,071	56981443.62%