
WASATCH ACCESS RECREATION

TO: DAN RICHMOND, CHAIRMAN OF THE BOARD
FROM: MIRI GUBLER, EXECUTIVE DIRECTOR
SUBJECT: 2016 FISCAL YEAR BUDGET APPROVAL
DATE: DECEMBER 15, 2015
CC: FENDY WIGGLESNAP, ASSISTANT DIRECTOR

This memorandum requires Board action.

2016 looks like it will be a great year for us! We had to make some adjustments from our baseline budget to meet our objectives and we were able to meet all of them but objective 2. Our objectives for 2016 are:

1. Increase net income by 12.35% or \$199,948.
2. Reduce expenses by 5% or \$1,047,528. (instead it was raised by 37%)
3. Offer additional programs for schools in the Salt Lake Valley.
4. Meet ADA requirements by retrofitting the existing fleet of busses and vans to accommodate wheelchairs and other clients with physical disabilities.
5. Expand offerings to include new outdoor activities.

For objective number 1 we increased our income by adding more programs to compete with our popular winter skiing programs. By allowing for other seasonal activities besides rock climbing we will be able to reach a wider market who want swimming, yoga, dance, and competitive sports leagues (basketball and soccer). Instead of hiring a marketing director, we just combined the sales coordinator position into the marketing director and will provide the necessary training. We want to make sure our new target markets will be reached.

By adding activities that aren't as equipment heavy, we were able to add multiple programs that will greatly increase our community offerings and revenue. This increased our instructor cost. We need to conduct further analysis to get numbers on liability insurance, equipment, and fees. Likely they will increase. We were conservative in our revenues brought in from the new programs, so it has our net income at 11% now, just short of our first objective, but we hope to have higher sign-ups which will shoot us up hopefully to a 15% net income increase. By implementing these new programs (swimming, yoga, dance, basketball/soccer leagues) we have met our 5th objective.

We tried to cut costs on our salaries/wages since that comprises 72% of our expenditures. Even though we weren't able to cut it to make our second objective, we kept it consistent with 2015, which was also at 72%. We are currently discussing putting sales personnel on commission and adding more interns who could help with our sales and recruitment.

Objective 4 increased our supplies expenses by 600%! Buying 6 new busses also added significant increases to our expenditures that were hard to make cuts. We didn't add a 5.5% increase

to our intern wage because intern positions renew each year, and if they were to stay they would be promoted to a position that had room for pay raises. We pulled intern bonuses, because a paid internship is enough. They will have opportunity to get sales commissions if they are motivated. We won't be starting new employees at the new rate that is 5.5% higher. They start at the 2015 FY rate, that way new employees aren't concerned that their experience isn't earning them the pay increase. Employees who have worked for us one year will be eligible for a wage increase, this mostly includes our drivers and sales personnel.

A huge hit to our revenue was the Department of Social Services who pulled our grant of \$70,800. We are looking to source new grants for our new program offerings to alleviate some of the damage. We will have to raise some charges and fees with our new programs and equipment rentals. We applied for grants with three new agencies: National Ability Center, Adaptive Sports for Kids, and the Salt Lake County ZAP tax which gave us a \$45,000 boost to our revenues. We will continue to look for new grants and fundraising opportunities.

We can use our existing budget for advertising because our other programs are established enough where we can just use those funds for new advertising to our new programs. Our debt payments increased by 50% because of our new busses, but should already be up to code on the ADA requirements.

The proposed budget sees a 11% increase in net revenue and hopefully more. We were unable to meet all of our objectives because of our expansion and the reorganization of staff but we are in the green and looking forward to a great year with new benefits for the Salt Lake community. Therefore, we recommend the Board approve the 2016 budget proposal attached with this memo. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Miri Gubler', written in a cursive style.

Miri Gubler

Executive Director