



VERMONT MAPLE SUGAR MAKERS' ASSOCIATION

P.O. Box 83, Westford VT 05494

Phone: 802-777-2667

www.VermontMaple.org

July 6, 2021

To: VMSMA Members & Board of Directors
From: Allison Hope, Executive Director
Re: FY20 Financial Information

The Association closed out FY2020 with a net loss of (\$26,580), compared to a budgeted profit of \$56, a difference of (\$26,636). Below, I've highlighted significant differences, but please feel free to ask any clarifying questions if I haven't addressed something here.

Income

VMSMA recognized FY20 income of \$250,502 compared to a budget of \$410,530. This compares to actual revenue of \$411,060 in for FY19. Please note that the balance sheet includes our FY20 PPP Loan in the amount of \$21,020. I applied for loan forgiveness in January 2021 and it is likely that this loan will be forgiven. At that time, this funding will convert from a loan on the balance sheet to income on the profit and loss statement for FY21.

4100 Membership Dues

Membership dues continue to fall behind budget, about 12% less than the prior year. It's important to note that the work that Cory and I have done in terms of membership outreach and communication, will not be reflected until FY21 actuals. By the time I came on board in December 2019, the 2020 membership invoices had already been emailed out. The work that impacted those who chose to renew or sign up for new (or trial) memberships had generally been done prior to my arrival.

It's also important to note how year-end adjustments (in December) affect revenue across various categories, including membership dues. Membership dues received in November and December 2020 are deferred to FY21 and are reclassified from "4100 Membership Dues" to "2300 Deferred Revenue", which shows up on the balance sheet. We reclassified \$21,545 in membership dues, effectively moving them from Nov/Dec revenue to Jan 2021. Last fiscal year, \$11,420 in membership dues were deferred to FY20 (reflected in December 2020 revenue).

4200 & 4250 Grant Revenue

We are about 500% ahead of budget in this income category, mostly due to the grant revenue recognized through our application for a grant through Vermont's ACCD Expanded Economic Recovery funding. We received \$76,521.11 in late December from this state funding source. In addition, we made a claim for final payment on an existing grant in FY20 that was approved by the state in FY21. This \$7,000 payment was recognized as revenue in December 2020 and shows up as a grant receivable on the balance sheet as of December 31, 2020.



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4400 Product Revenue

Product revenue is dramatically below budget due to the cancellation of the Big E this year. However, it's important to note that, in general, the net profit from the Big E was expected to be about \$75,000 and this income was basically replaced by the funding received from the ACCD grant, as noted above.

4500 Service Revenue – Maple Publications

This income reflects the \$28 annual subscription that members can choose to pay to receive the Maple News. An additional \$5,292 was received in December but was deferred to January 2021 income to reflect the annual nature of these subscriptions.

4510 Events/Workshops

We ended the year well below budget due to the refunds for Maple Open House Weekend registration and the fact that we did not charge registration for Maple Conference Week.

4875 Advanced Web Listing

We continue to fall behind budget on this line item, but we have greatly improved the online listings (through an FY20 grant) and will continue to communicate the value to members. It's important to note that \$1,660 of income received in December 2020 (or more than half of the budget difference) was deferred to FY21 (since these are annual fees) and will be recognized in January 2021. It appears that this was not a year-end adjustment that the bookkeepers had previously made, but it follows with the practice for year-end adjustments made in other categories.

4900 Other Income

(same note as prior report) The FY20 budget included \$6,000 based on 2019 experience. The \$6,000 received in 2019 reflects payment for the mobile unit that VMSMA sold and was not expected to be a reoccurrence in 2020. The FY20 budget also included \$3,250 in revenue based on 2019 experience. In 2019, VMSMA received \$2,500 in grant funding from NOFA-VT through the Maple in Every School partnership that we now classify as grant funding in another line item. In addition, VMSMA received a donation of \$750 from Orleans County in FY19. These two items were carried forward into the 2020 budget.

COGS

5400 COGS – Inventory Items

This expense category ended the year well behind budget as we did not purchase inventory for the Big E. I delayed purchasing inventory items for the online store until we received word of the additional grant funding. You will see additional expenses in this category in early FY21 for both consumer-facing and sugar maker inventory items.



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5500 COGS - Printing and Distribution

(same note as prior report) This category reflects the cost of the Maple News, based on income received by members to pay for discounted subscriptions. These invoices reflect the timing of when members have renewed their membership with VMSMA and included a Maple News subscription. We are currently holding a credit with the Maple News, based on sharing some incorrect subscription data in 2019 that we have since corrected.

Expenses

We ended FY20 with expenses falling 21% below budget. Much of this can be attributed to expenses associated with the Big E (per diems, fees to VAAFV, hotel rooms, operating supplies, etc.) that were budgeted but were not incurred.

6600 Licenses & Fees

We budgeted \$25,000 in December for the usual payment to VAAFV based on Big E sales. This payment did not occur in FY20 due to the cancellation of the Big E.

6770 Contractor

The FY20 budget included \$20,000 for contractor expenses related to per diem rates for volunteers at the Big E. Due to the cancellation of the Big E, we did not have expenses in this category for FY20.

6775 Professional Fees – Accounting

This line item represents the cost of outsourcing bi-monthly payroll and monthly bookkeeping services (which we discontinued in June 2020 and moved in-house). In FY19, we spent over \$13,000 on these items because they included audit costs of \$6,000. Some of the items expensed in FY20 were for FY19 services that were delayed in billing from the bookkeepers. In addition, we will continue to see costs associated with the annual creation of our 990 tax forms in this line item as well (generally recognized in the next FY due to timing).

6778 Professional Fees – Info Tech

We ended the year above budget in this line item due to additional work on the website, much of which was grant funded (also unbudgeted on the revenue side).

6779 Professional Fees – Other

This line item includes fees from Vermont Pack & Ship (VMSMA's warehouse and shipping provider) based on monthly activity and graphic design work for our printed newsletter, Maple Conference flyer and Holiday Gift Guide. I am currently reviewing costs associated with our current warehouse/online sales setup to prepare for a potential RFP that might improve the member experience and reduce expenses.



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7075 Royalties Paid

This line item reflects the portion of the royalty checks from Hillside and Artisan that are forwarded to the NAMSC Research Fund (therefore, offset by revenue). These amounts were left out of the budget in FY20, most likely because FY19 actuals didn't reflect any expenses due to the transition in Executive Director (the FY19 amounts were paid to the Research Fund in FY20).

7900 Travel

The majority of these expenses are related to hotel expenses for the Big E (about \$12,000), travel for a VMSMA rep to the IMSI conference and travel for a VMSMA rep to the Taste of Vermont event in Washington DC. All of these events were cancelled in FY20. The only expenses incurred in FY20 were for travel related to an IMSI conference that took place in FY19.

9750 Contributions/Grants

This line item reflects the contributions VMSMA makes to St. Mark's Church on behalf of their volunteers at the Big E booth. Since the Big E was cancelled, we did not incur these expenses in FY20.