

CREA BOARD TREASURER



ROD MARTINEZ

This will be a different treasurer's report from what we have provided you in previous years because on November 19, 2021, CREA's longtime accountant retired and the person who was hired to fill that position left after just three weeks. Our books have not been officially closed. We do have a contractor helping with the financials, but for this meeting we are planning to use October 31, 2021 financial data.

CREA's fiscal year runs from January 1 through December 31, 2021. We send out quarterly bills to fund the association. CREA budgeted for negative margins (deficits) in 2021 and again in 2022. By policy, CREA is required to have three to six months average operating costs on hand. Company-wide, CREA's expenses are less than budget because of the lingering effects of the pandemic. Staff travel and director expenses were significantly under budget and we were also under budget on office, building, and congressional activity expenses.

Our cash on hand is more than is currently needed, but our cash projections show that we need to plan for small dues increases to cover anticipated expenses two years in the future. As of October 31, the projected year-end cash balance was \$1,549,765.

CREA's financials are bolstered by several partners that contribute funds to the association including CoBank, which donated \$25,000 to CREA and an additional \$10,000 matching grant for education and youth programs. Federated Insurance donated \$127,000 to assist with CREA's safety and loss control activities, and CFC and NCSC together donated \$20,400 for education and youth programs.

One of the biggest changes in CREA's budgeting process is for the 15 subscribing co-ops of *Colorado Country Life*. The board approved a new billing format for the magazine. This new format went into effect in January 2022. The magazine had not had an increase in the subscription price since 1996. However, the communications department couldn't continue to absorb the postage and paper increases without raising rates, and because the management of co-op mailing lists matters to the overall cost of the publication, the board approved dropping the subscription cost from 37¢ per copy to 22.5¢, and passing the cost of the postage through. Advertising continues to cover much of the cost of the magazine. But during the past year two editions were reduced from the normal 32 pages to 24 pages in order to manage the budget. Likewise, *CCL* experienced an 8.5% increase in paper costs in 2021. Keep in mind that this is the first increase in the subscription rate of the magazine in 25 years. Considering that it costs 58¢ to mail a first-class letter, your members are receiving an excellent benefit.

Looking forward to 2022, the board adopted a budget that reflects a 1.3% increase in General Administration's budget and a 5% increase in dues. The Communications Department's budget increased 3.1%, and the Safety & Loss Control Department's budget increased 3.5% with dues increasing 5%.

It's been a pleasure to serve as the treasurer of your trade association the last two years. You can be assured that CREA is on solid financial footing and is ready and able to serve the members.



ROD MARTINEZ, TREASURER