

Memorandum

To: VHCA-VCAL Members
From: Board of Directors
Date: August 13, 2019
Subject: Approved 2020 VHCA-VCAL Operating Budget

Attached for your information is the approved 2020 Operating Budget.

In summary, the budget is balanced and allows for excess revenues over expenses of \$43,403. Dues assessments for 2020 include an increase of \$2.00 and \$1.00 for nursing and assisted living beds, respectively. Revenues are derived 71 percent from dues and 29 percent from non-dues revenue. Total expenses are higher than budgeted for 2019.

Explanations are offered below for all significant line items.

Revenue

Dues Revenue

- Dues for FY 2020 will increase to \$50.00 per nursing center bed and \$25.00 per assisted living bed. Even with this increase, VHCA dues will still be lower than dues in surrounding states.
- Dues revenue is projected based 29,167 nursing facility beds and 5,763 assisted living beds. This represents a decrease of 72 nursing facility beds and a decrease of 258 assisted living beds. The bed counts have been capped at a maximum of 200 beds per category, per facility.
- Corporate Associate dues will remain at \$600 per member. The amount budgeted reflects no change from the prior year budgeted amount.

Other Revenues

- Education, Convention and Trade Show are budgeted for no increase.
- Legislative Conference revenue is budgeted the same as 2019; 2019 actual was slightly less than budgeted.
- Interest Income is projected to increase based the current levels of income.

Expenses

- Salaries and Fringe Benefit - Salaries represent the first full year of all 8 full time employees and one part-time employee and related benefits.
- Consulting will decrease over last year as we wind down our contract with Hancock Daniel.
- Dues and Subscriptions will increase due to staff professional education programs.
- Other expenses including Postage, Printing, and Supplies have been increased slightly because of normal expected increases.
- Expenses for the Convention and Trade Show and the Legislative Conference are calculated as a percent of revenue taking into account different venues.

Attachments

- 2020 Operating Budget
- Schedule A – VHCA-VCAL Dues 2020
- 2019 AHCA/NCAL State Affiliate Dues Comparison

Virginia Health Care Association

Approved 2020 Operating Budget

	Expected 2019 Actual	2019 Budget	Approved 2020 Budget	Inc Over 2019 Budget	% of Total Rev	INC over Expected 2019 Actual	Inc Over 2019 Budget
Dues Revenue:							
VHCA Dues	\$ 1,604,435	\$ 1,626,339	\$ 1,680,650	3.34%	67.85%	4.75%	3.34%
Associate Member Dues	90,300	90,300	90,300	0.00%	3.65%	0.00%	0.00%
Total Dues Revenue	\$ 1,694,735	\$ 1,716,639	\$ 1,770,950	3.16%	71.50%	4.50%	3.16%
Other Revenues:							
Convention	\$ 199,065	\$ 200,000	\$ 200,000	0.00%	8.07%	0.47%	0.00%
Ad & Trade Show Sales	88,000	88,000	88,000	0.00%	3.55%	0.00%	0.00%
Education Program Fees	268,199	200,000	200,000	0.00%	8.07%	-25.43%	0.00%
Legislative Conference	64,940	72,000	72,000	0.00%	2.91%	10.87%	0.00%
Distance Learning Fees	50,612	25,000	25,000	0.00%	1.01%	-50.60%	0.00%
Interest & Dividend Income	97,464	47,500	82,000	72.63%	3.31%	-15.87%	72.63%
VHC Service Corporation Overhead	32,400	32,500	32,500	0.00%	1.31%	0.31%	0.00%
Publications & Materials	3,000	3,500	3,500	0.00%	0.14%	16.67%	0.00%
Miscellaneous Income	11,855	3,000	3,000	0.00%	0.12%	-74.70%	0.00%
Total Other Revenues	815,536	671,500	706,000	5.14%	28.50%	-13.43%	5.14%
Total Revenues - All Sources	\$ 2,510,271	\$ 2,388,139.00	\$ 2,476,950	3.72%	100.00%	-1.33%	3.72%
OPERATING EXPENSES							
Salaries and Fringe Benefits	\$ 1,439,995	\$ 1,566,759	\$ 1,622,871	3.58%	65.52%	12.70%	3.58%
Professional Services:							
Legal & Accounting	\$ 29,048	\$ 26,920	\$ 27,120	0.74%	1.09%	-6.64%	0.74%
Consulting	227,405	125,000	143,000	14.40%	5.77%	-37.12%	14.40%
SMART	17,395	15,000	15,000	0.00%	0.61%	-13.77%	0.00%
Public Relations	5,463	5,000	4,860	-2.80%	0.20%	-11.03%	-2.80%
Total Professional Services	\$ 279,310	\$ 171,920	\$ 189,980	10.50%	7.67%	-31.98%	10.50%
Office Expenses:							
Rent	\$ 78,833	\$ 78,516	\$ 79,716	1.53%	3.22%	1.12%	1.53%
Telephone	11,601	16,000	19,924	24.53%	0.80%	71.74%	24.53%
Maintenance, Contracts, and Repairs	49,298	65,259	57,228	-12.31%	2.31%	16.09%	-12.31%
Postage	16,888	17,500	10,800	-38.29%	0.44%	-36.05%	-38.29%
Printing	5,000	2,500	5,400	116.00%	0.22%	8.00%	116.00%
Supplies	12,755	15,000	16,200	8.00%	0.65%	27.00%	8.00%
Insurance	11,212	14,029	13,442	-4.18%	0.54%	19.89%	-4.18%
Dues and Subscriptions	9,450	13,025	21,355	63.95%	0.86%	125.98%	63.95%
Depreciation	48,553	41,900	29,198	-30.32%	1.18%	-39.86%	-30.32%
Automobile Expense	15,410	4,960	8,145	64.21%	0.33%	-47.14%	64.21%
Total Office Expenses	\$ 259,000	\$ 268,689	\$ 261,408	-2.71%	10.55%	0.93%	-2.71%
Travel:							
Staff Travel	\$ 29,298	\$ 27,000	\$ 32,000	18.52%	1.29%	9.22%	18.52%
Association Officers and Committees	11,939	10,800	12,000	11.11%	0.48%	0.51%	11.11%
Total Travel	\$ 41,236	\$ 37,800	\$ 44,000	16.40%	1.78%	6.70%	16.40%
Other Expenses:							
Miscellaneous	\$ 20,103	\$ 24,000	\$ 32,725	36.35%	1.32%	62.79%	36.35%
Convention	109,800	109,800	114,778	4.53%	4.63%	4.53%	4.53%
Trade Show Expense	17,200	17,200	25,195	46.48%	1.02%	46.48%	46.48%
Legislative Conference	40,615	36,000	44,591	23.86%	1.80%	9.79%	23.86%
Education Expenses	127,041	96,000	98,000	2.08%	3.96%	-22.86%	2.08%
Total Other Expenses	\$ 314,759	\$ 283,000	\$ 315,288	11.41%	12.73%	0.17%	11.41%
Total All Expenses	\$ 2,334,300	\$ 2,328,168	\$ 2,433,547	4.53%	98.25%	4.25%	4.53%
Excess of Revenues Over (Under) Expenses	\$ 175,971	\$ 59,971	\$ 43,403	-27.63%	1.75%	-75.34%	-27.63%

SCHEDULE A

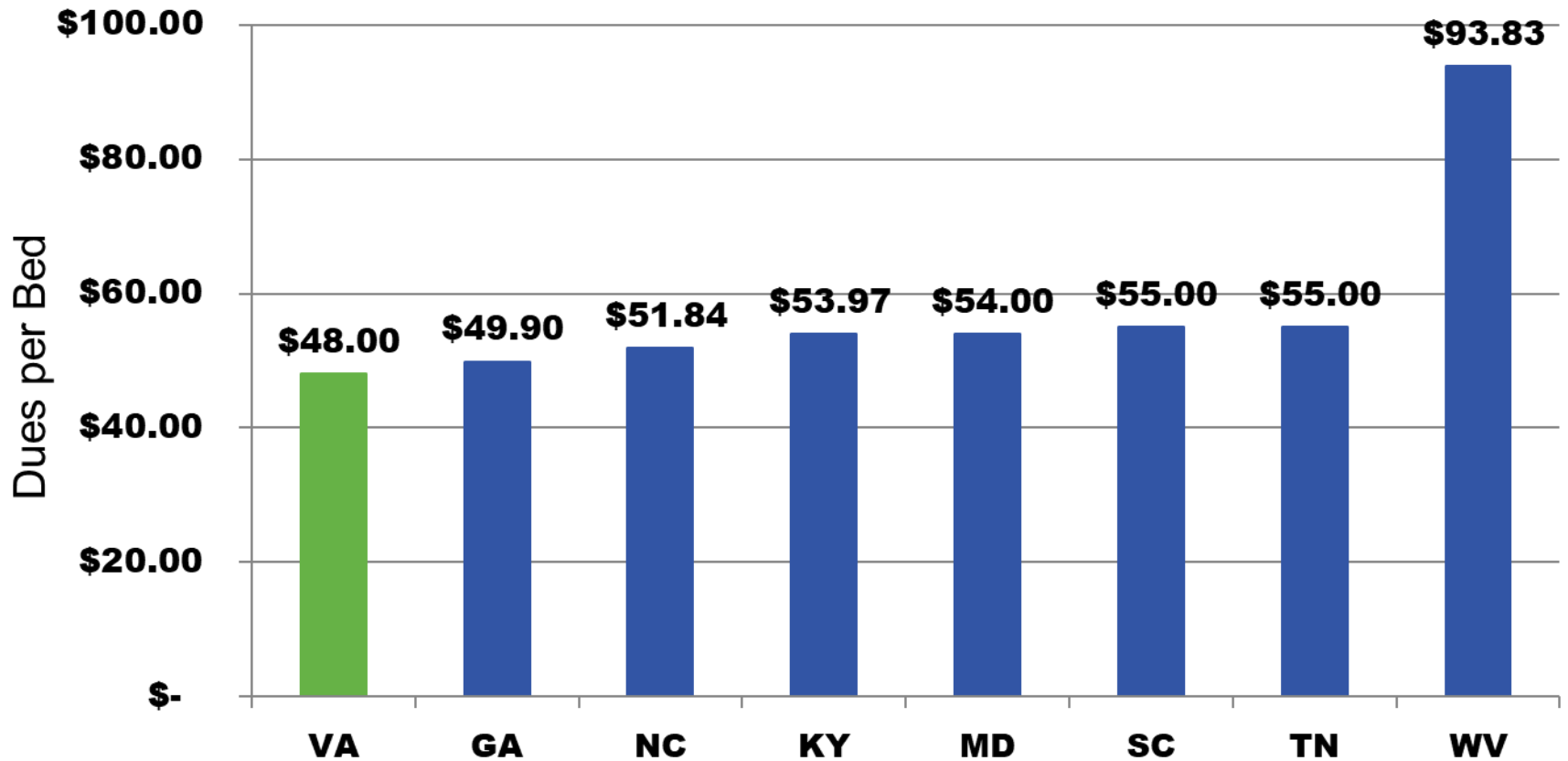
Proposed VHCA-VCAL Dues – 2020

Year	VHCA-VCAL				AHCA/NCAL	
	Nursing Home	AL	Basic	District	Nursing Home	AL
2010	36.00	18.00	200/100	20	20.60	10.50
2011	36.00	18.00	200/100	20	20.60	10.50
2012	36.00	18.00	200/100	20	20.60	10.50
2013	38.00	19.00	200/100	20	20.60	10.50
2014	40.00	20.00	200/100	20	20.60	10.50
2015	42.00	21.00	200/100	20	20.60	10.50
2016	44.00	22.00	200/100	20	20.60	10.50
2017	46.00	23.00	200/100	20	20.60	10.50
2018	46.00	23.00	200/100	20	20.60	10.50
2019	48.00	24.00	200/100	20	20.60	10.50
Approved						
2020	50.00	25.00	200/100	20	20.60	10.50

Associate Dues

Year	Corporate	Individual	Student
2010	500	150	25
2011	500	150	25
2012	500	150	25
2013	500	150	25
2014	500	150	25
2015	500	150	25
2016	500	150	25
2017	600	150	25
2018	600	150	25
2019	600	150	25
Approved			
2020	600	150	25

2019 AHCA State Affiliate Dues



VHCA-VCAL dues are the lowest among the surrounding states.