



President's Message

Sam Franklin
Franklin Brothers Nursery and Greenhouse
252-492-6166

NCCFGA Operation Update

By the NCCFGA Board of Directors

Over the past year the NCCFGA Board has been evaluating our financial situation. One of our primary income sources has been the Southeast Greenhouse Conference. In 1999, the income distribution was modified to give each of the 7 owning states a more equitable share of the income (based on a formula that accounts for the number of years that each state has been involved in the conference). This meant that the 3 original states (NC, SC, and GA) income would gradually decrease over the 15 years. Translated into dollars, for the 1999 Fiscal Year (FY), we received around \$10,000, roughly \$1,000 less than the year before. That total is expected to stay about the same (we expect a drop in the percentage distribution to NC, but hopefully that will be offset by increases in the overall show profit).

The Budgeting Process

Bonnie Holloman converted the 1998 and 1999 books into Quick Books for an evaluation of our economic situation. Bonnie needs to be commended for all her hard work of learning and using a new computer software package.

The board will now be using that information to review and track expenses and begin running the organization based on a FY budget. To date, the NCCFGA has never really had a good handle on our finances. As long as the checkbook had a positive balance we were always ok. With trying to finance additional projects which benefit the NCCFGA

members, we now have the need to know more precisely where we stand. As with any budgeting process, it will take around 2 to 3 years to fine tune the numbers.

A summary of the income and expenses are presented in the pie charts (see figures). We will attempt to explain the meaning of the numbers. If members desire to have a copy of the full financial statement, please contact Bonnie Holloman at 919-779-4618 for a copy.

Where did the operating revenue for the NCCFGA come from in 1999?

1. Southeast Greenhouse Conference: \$10,131
2. Membership Dues: \$9,540 (see table)
3. Bedding Plant Field Day: \$6,210 (which includes \$2,400 in sponsorships that Bonnie Holloman took the initiative to market and sell).
4. Membership Directory Ads: \$4,725 (Bonnie's office also took the initiative to set up the directory and sale ads. This resulted in the directory being self-supporting and as a bonus item to NCCFGA members at no cost.)
5. Sales of the Poinsettia Photocards and Production Manuals: \$1,592

Where did the operating expenses for the NCCFGA go in 1999?

1. The NCCFGA Bulletin: \$6,739 (This includes postage and \$2,796 spent on the Poinsettia

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Production Manual which replaced 2 issues of the Bulletin. [This actually saved the NCCFGA money because a single print job with more pages is cheaper to do than 2 separate jobs which are smaller.] We have sold out of the Poinsettia Production Manuals.).

2. Poinsettia Photocards: \$3,263 (One copy was given free to all NCCFGA members. \$1,592 worth of cards were sold. We have an inventory of \$1,481 worth of cards on hand [which have a retail value of \$4,900.])
3. Management Fee for our Executive Secretary Bonnie Holloman: she runs the day to day operations of the NCCFGA, membership, creates the directory, and represents the NCCFGA at meetings).
4. Bedding Plant Field Day: \$3,027 (expenses to run the program).
5. Sponsorship of an NCSU Student Intern: \$2,000 (takes care of the bedding plant trial beds).
6. With the remainder being overhead (postage, phone, etc.)
7. NCSU Research Projects: \$3,700 (the NCCFGA screens research proposals and funded 3 in 1999, but the expense is reflected on the FY 1998 books).

As one can see, expenses exceeded income by \$2,016 for 1999. For any organization this is not a good long run situation to be in. We need to modify some of the things that we are doing. But until we began the budgeting process, we had no idea of where our income came from and where our expenses were. Running the organization by a budget will go a long way towards getting our finances modified so we can cash flow all of the projects we would like to accomplish. Below are the changes we propose.

Changes for FY 2000

For the FY 2000 we have proposed a budget of a little over \$39,000.00, which projects a breakeven year. This budget is the framework we will use during the year. We will modify our expenditures as needed to stay within the budget.

How the 1999 NCCFGA Membership was divided.

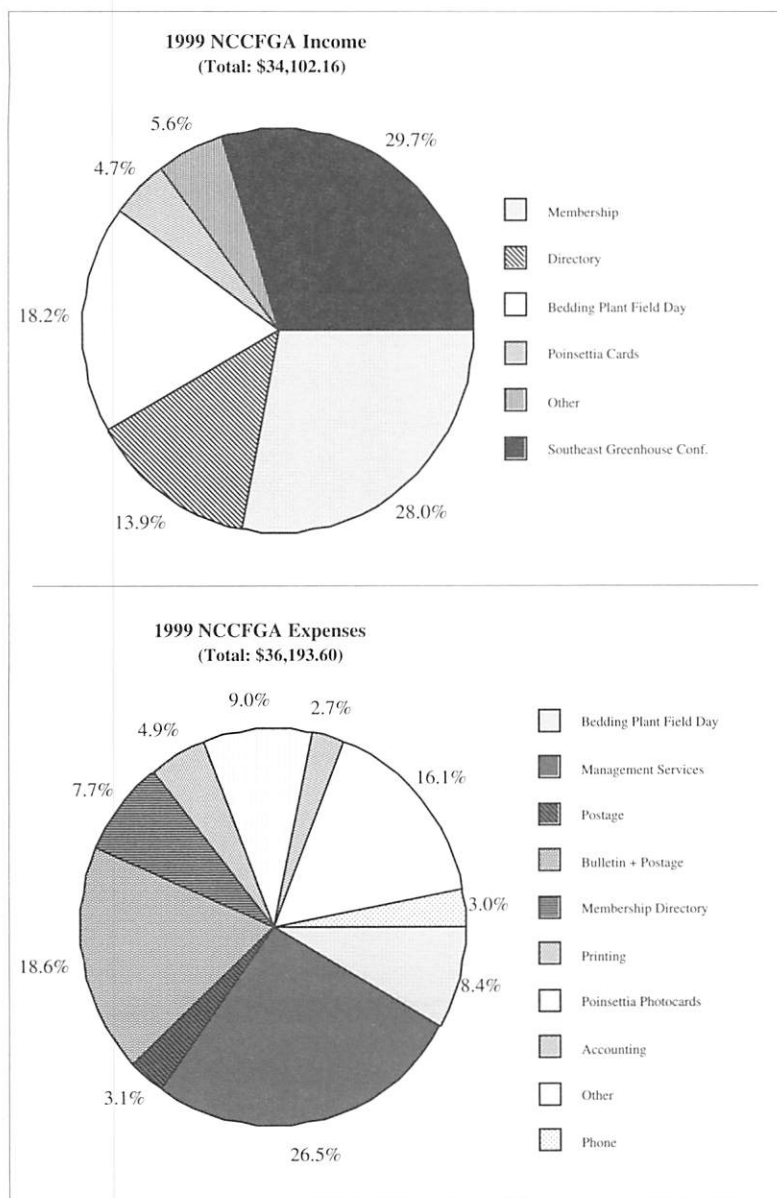
Category	Size	Price	Number	Total Revenue	YR 2000 Prices
Greenhouse	0 to 10,000 sq ft	\$40	34	\$1,360	\$40
	10,000 sq ft to 1 acre	\$60	35	\$2,100	\$60
	1 acre to 5 acres	\$100	23	\$2,300	\$100
	> 5 acres	\$125	10	\$1,250	\$125
Allied Trade		\$60	29	\$1,740	\$60
Additional Employees		\$20	29	\$580	\$30
Educators		\$20	10	\$200	\$20
Students		\$1	10	\$10	\$10
TOTALS			180	\$9,540	

Bulletin. Many of you may have noticed that we have added a price to the top of the Bulletin. It costs around \$5 to print and mail the Bulletin to each member. Adding the price lets members know what value they are getting for their membership dollar.

The price of \$5 per copy made us reevaluate the fee structure for the organization. If it costs us almost \$30 per year to mail the Bulletin to members, then we need to increase the cost of some of the membership categories. A subcommittee met and recommended that only 2 categories be changed: Additional members increased from \$20 per year to \$30 per year and Students increased from \$1 to \$10. This is still less than the total cost to have an additional member because we have not accounted for any overhead expense. This modification will only make a \$400 difference in the budget, but it will correct some obvious losses. We have not changed the price for any other categories. Our thought was if we can recruit more members, that will lower the per unit cost of printing the Bulletin and even out our expenses. Increasing the membership is one of our goals for the next 2 years.

Bulletin Printing

1. We will publish the traditional white paper copy of the Bulletin in February, October, and December.
2. For the April issue we will combine the Membership Guide with the Insect and Plant Growth Regulator recommendations. The format will be a larger 8.5" x 11" pages. This change of paper size will decrease the printing cost to allow the addition of the pesticide tables at around the same price as last years Membership Directory. This will make a great resource guide that members will use for the



entire year. This will make the advertisements that Bonnie sells in it that much more marketable.

3. The June and August issue will be combined. Every member will be receiving a Pansy Production Manual. The manual will be similar to the Poinsettia Manual mailed out to each member. By combining 2 issues, it actually cost less to print more pages in a single run of the Pansy Manual that less pages with 2 issue of the Bulletin. *(Note the corresponding Pansy Photocards will be a charge item that members will have to purchase at a reduced "member" price. The finances of the NCCFGA does not allow us to repeat providing a free copy to every member like we did with the Poinsettia Photocards.)*

Sponsorships. We will attempt to increase the revenue generated from sponsorships at the Bedding Plant Field Day and from ads in

the Membership Directory. Feedback from vendors was positive and this goal should be obtainable.

In order to meet our goal of increased sponsorship revenue, we are offering Bonnie Holloman a 10% commission on sponsorship sales. Bonnie's efforts in securing sponsors was above and beyond her normal duties. We feel that this offers a financial incentive to both Bonnie and the NCCFGA, a win-win situation.

Membership. Our membership numbers are at 180, while the USDA Statistics report 461 growers in North Carolina. We need to do a better job in recruiting and retaining members. By increasing membership, we will realize some economies of scale and see a decrease in the printing costs. More members also spreads out the overhead cost.

We need NCCFGA members to recruit 2 new members in 2000. With receiving the Bulletin, Pansy Manual, and Membership Directory, plus discounted registration at meetings, discounts on the Pansy Photocards, and having a voice which represents the Greenhouse Industry to government agencies, then one can see that the membership dues are more than paid for!

Feedback. We as a board would appreciate hearing any feedback from you. We are open to ideas of how to improve the organization. Please feel free to call any of the Board Members or the President Sammy Franklin (252-492-6166).