

Memorandum

To: Section Presidents and Executives
cc: All recipients of the 20/20 Vision Fiscal Information Packet
From: Ann Sheets and Peg Smith
Date: October 20, 2009
Re: The 20/20 Vision

Attached is the second packet of detailed information regarding the 20/20 Vision. This packet focuses on fiscal information, as well as identified growth strategies.

We have been renewed and energized as a result of the passion and interest that has been expressed since the launch of the 20/20 Vision. The Vision represents the work of many who have led this journey over time. These dedicated efforts compel us to honor [ACA's mission: enriching lives through the camp experience](#). So, let's take a moment to reflect — understanding that reflection often leads to forward movement.

We have been inspired by the fact that we seem to agree, from coast to coast, with the principles that drive the 20/20 Vision. The principles outlined are not only important words, but reflect the thoughts of heroes that have walked the halls of ACA — such as Joe Kruger, Morry Stein, Eleanor Eells, Nelson Weiters, and others — and the recent words we have heard from many of you from across the country. We have also benefited from the enormous amount of work the 20/20 Task Force has accomplished over the past year and a half. All of this work serves as a tribute to the commitment that ACA and the camp community has for children, youth, and adults.

Peg and I were talking the other day about a moment in time when we were preparing for the launch of the 20/20 Vision. At that time, Peg said, “let’s just not make the process the outcome.” We did not know there were so many different definitions of “process”. For some, process means, “for heavens sakes don’t let the process languish over time ad nauseum without decision and movement,” while for others it means, “don’t forsake the opportunity for *meaningful deliberation* with those directly impacted by the decision.” Frankly, the two present an interesting tension, yet both are credible points of reference, and not always easily managed.

So where are we? It is clear, that, [as an association, we agree with the basic working principles of the 20/20 Vision](#) (included with the October 2 packet). We agree that the 20/20 Task Force has demonstrated tremendous effort to gather information and data. At the same time, many of you have [expressed skepticism that ‘meaningful deliberation’](#) has been provided. Regardless of your definition of process, clarity continues to be sought by most involved. There have been a number of questions raised since the first packet of information was sent on October 2. While we stated a preference for “Model A”, as described in the first packet, we understand that there are numerous interpretations of what “Model A” would mean for ACA. [This important example of a lack of clarity must be addressed](#). In the end, this is not about adopting Model A, Model B, or some other organizational model. This process, by whatever definition, is about getting more children to camp — and how we can best make that happen.

We have heard all of your concerns related to process, both in time and deliberation. We are at a point in time where we must reflect and consider how we bring clarity to the table, how we can best facilitate meaningful deliberation, how we develop common definitions, and how we reach a shared understanding of how we achieve our vision. Many visits are taking place to individuals sections, and the Leadership

Summit is scheduled for December 1 – 3. However, based on your input, it has become clear that we need to **postpone the Leadership Summit**. Instead, we will bring together a smaller group to continue deliberations and clarify our intent and purpose as we adapt and respond to the demands of the future. We do not make this change without serious consideration, as well as counsel from our meeting facilitator, Fred Miller. We are talking about the future of children and youth as it relates to the success of ACA and the camp community. It is important work and deserves both diligence and care.

Within the next week, you will receive additional information about how this smaller group is formed, and what to do if you have already registered for the Summit. We anticipate utilizing the Council of Delegates usual meeting time just preceding the national conference for the Leadership Summit.

The commitment of the 20/20 Task Force remains the same – to provide a recommendation to ACA’s National Board of Directors about **how we, as an association, must adapt to achieve our collective vision of 20 million children in camp. That said, the change process must be flexible and able to adapt in order to achieve efficacy.**

Thank you for reviewing the attached fiscal information, and remember to watch for more information about the re-scheduling of the Leadership Summit.

20/20 Vision Progress Report – Financial Review

Date: October 20, 2009
To: Section Presidents
cc:

ACA National Board	Accreditation and Education Task Force
ACA National Past Presidents	Board Development Committee
20/20 Vision Founding Group (<i>Michael Buker, Dave Hilliard, Chuck Jerden, Robert Lebby, Fred Miller, Scott Ralls, Suz Welch, Jean McMullen, Ann Sheets, Peter Surgenor, Peg Smith, and Art Wannlund</i>)	Council of Delegates Task Force
Members of the ACA Council of Delegates	Field Service Committee
All Section Board Members	Fiscal Task Force
20/20 Vision Task Force	Membership Task Force
	National Standards Commission
	Policies and Organizational Systems Committee
	Section Executives

From: Audit and Financial Policies Committee *Art Wannlund, Treasurer; Rick Benfield, Anne Brienza, Peter Surgenor, Dan Zenkel, Peg Smith and Rhonda Begley; with additional assistance from Ann Sheets, Amy Katzenberger, and Grechen Throop*

The Audit and Financial Policies Committee, working with the 20/20 Task Force, staff, and others has completed its review of the impact of the two models for the association presented in the 20/20 Task Force's October 2, 2009 communication (found online at <http://www.acacamps.org/2020/>). The purpose of our review was to compare the current financial position of the association including the twenty-four sections with the potential financial positions suggested by Model A and Model B. The current financial position includes the most current information available from each of the sections based upon their fiscal year 2008 audited financial statements, or their 2007 IRS form 990s, or their 2008 Section Annual Evaluation and Charter Report.

Absorbing detailed financial examination can be overwhelming. Thus, we have decided to provide you with summary information in this document. And for those who are interested in the detail, we are presenting two Web-based meetings to go over all of the information. These Webinars are open to anyone and are offered:

Thursday, November 12, 2009: 10 am – 12 pm Eastern
Wednesday, November 18, 2009: 2:30 pm – 4:30 pm Eastern.

Sign up to participate in either Webinar online at:
<http://webportal.acacamps.org/Events/CalendarEventsListView.aspx>

Summary Information

- 1. Consolidated Statement of Financial Position**
This summarizes the assets and liabilities of the entire Association if it were one consolidated entity for legal purposes.
- 2. Consolidated Statement of Activities by Functional Program**
This statement consolidates revenues and expenses for the existing sections and the national organization. It then projects revenues and expenses for Model A and for Model B.
- 3. Financial Scenario Comparison for Model A**
This worksheet compares Model A using the current camp fee structure with Model A using a camp fee structure that is based on what the Accreditation and Education Task Force and the

Membership Task Force have been considering regarding camp membership fees and Accreditation fees.

Key Findings

For those of you who prefer that we simply “cut to the chase” and provide big picture messages, we have listed the most relevant information below. If you prefer to dig deeper into the detail, we encourage you to participate in either of our Webinars listed above.

Consolidated Statement of Financial Position

- Cash and investments – \$8.7 million
- Total assets – \$12.3 million
- Total net assets - \$8.6 million
- We compare favorably with other 501(c)3 organizations, according to the American Society of Association Executives.

Statement of Activities by Functional Program

- Compared with current consolidated statement of activities, Model A would save approximately 1 million dollars per year in expenses.
- Compared with current consolidated statement of activities, Model B would not save any money on expenses, in fact it would be more costly (approximately \$173,000)

Financial Scenario Comparison for Model A *Since Model B was not shown to be a growth strategy, we then considered fiscal scenarios for Model A only.*

- If we become a single corporation (Model A) and use our current Camp Fee structure, we will show a declining fiscal model (change in net assets declining over the next 3 years).
 - The current Camp Fee Structure: Accreditation is included in the Camp Fee. Camps pay based on their operating budgets, and operators pay based on the combined budgets of their camps. Fees vary widely across the country. Sections absorb the cost of the Accreditation visit.
- If we change the Camp Fee Structure as suggested by the Accreditation and Education Task Force and the Membership Task Force, we will experience a growth fiscal model.
 - However, since we will need to market more aggressively, and we will certainly experience transition costs, we have built in those costs over three years. The result will be an investment year in year 1 (decrease in net assets), with growth by year 2.
 - Proposed New Camp Fee Structure: The philosophy is to develop a camp membership fee structure that has minimum financial impact on current camps and camp operators. Accreditation fees will be modest, and assessed separately from camp membership fees. The proposed accreditation fee is \$480 per cycle (three years) and paid in three installments of \$160 per year. The expense associated with the on-site visit will be paid by the camp, which reflects the standard in the accreditation industry. On-site visit expenses borne by the camp would be capped, with ACA absorbing excess expense. The on-site visit would continue to take place on a three-year cycle.

Other Information We are also including some key information about growth strategies around camp membership, accreditation and funds development. Again, if you wish to discuss more detail, please participate in one of our Webinars.

Section Visits We understand that the 20/20 Task Force has a number of upcoming visits to Sections already scheduled. Attached is that schedule for your information. Reminder – if you wish to have an in-person visit, please contact the 20/20 Task Force at 2020@acacamps.org

2020 Vision Financial Scenario Comparison
Consolidated Statement of Financial Position

Source:

FY 2008 Audited Financial Statements
2007 IRS 990's
Section annual reports
American Society of Association Executives (ASAE)

ASAE
2008
Comparison
10mm to 20mm
501(c)(3)

	Proforma Baseline Consolidated	% of total Assets	% of total Assets
Assets			
Cash and Investments	\$ 8,694,000	70.95%	76.20%
Accounts Receivable	\$ 1,195,000	9.75%	8.80%
Other Assets	\$ 256,000	2.09%	2.50%
Total Current Assets	\$ 10,145,000	82.79%	87.50%
Building and Equipment Net	\$ 2,109,000	17.21%	12.50%
Total Assets	\$ 12,254,000	100.00%	100.00%
Liabilities			
Total Liabilities	\$ 3,654,000	29.82%	30.10%
Net Assets			
Unrestricted Net Assets	\$ 4,580,000	37.38%	64.20%
Restricted Net Assets	\$ 4,020,000	32.81%	5.70%
Total Net Assets	\$ 8,600,000	70.18%	69.90%
Total Liabilities/Net Assets	\$ 12,254,000	100.00%	100.00%

2020 Vision Financial Scenario Comparison
Consolidated Statement of Activities by Functional Program

	Current Baseline	Model A	Model B
	Consolidated	Consolidated	Consolidated
Revenue (Baseline)			
Contributions	\$ 1,054,000	\$ 1,054,000	\$ 1,054,000
Government/Corporate Grants	\$ 1,078,000	\$ 1,078,000	\$ 1,078,000
Program Service Revenue	\$ 3,391,000	\$ 3,391,000	\$ 3,391,000
Camp Fees & Dues	\$ 4,361,000	\$ 4,361,000	\$ 4,361,000
Investment Income & sale of Assets/realized and unrealized gains(loss)	\$ (15,000)	\$ (15,000)	\$ (15,000)
Other Revenue	\$ 518,000	\$ 518,000	\$ 518,000
Total Revenue	\$ 10,387,000	\$ 10,387,000	\$ 10,387,000
Expenses (*with assumptions applied)			
Camp & Youth Development Education	\$ 3,090,000	\$ 2,616,000	\$ 2,992,000
Conferences	\$ 1,725,000	\$ 1,553,000	\$ 1,740,000
Public Services	\$ 3,227,000	\$ 3,379,000	\$ 3,397,000
General & Administrative, Governance, and Fund Development	\$ 2,312,000	\$ 1,735,000	\$ 2,431,000
Total Expenses	\$ 10,354,000	\$ 9,283,000	\$ 10,560,000
Net Change in Assets	\$ 33,000	\$ 1,104,000	\$ (173,000)

Current Baseline: FY2008 Audited Financial Statements, 2007 IRS 990s, Section Annual Reports

* For details regarding the expense assumptions, participate in one of the Webinars.

2020 Vision Financial Scenario Comparison

	Current Baseline	Model A based on Current Camp Fee Structure			Model A based on proposed New Camp Fee Structure		
	Baseline Consolidated	Year 1 Consolidated	Year 2 Consolidated	Year 3 Consolidated	Year 1 Consolidated	Year 2 Consolidated	Year 3 Consolidated
Revenue		Assumes 1% increase in Revenue per year.			Assumes 1% increase in Revenue per year with the exception of Camp Fees. (^ See below)		
Contributions	\$ 1,054,000	\$ 1,065,000	\$ 1,076,000	\$ 1,087,000	\$ 1,065,000	\$ 1,076,000	\$ 1,087,000
Government/Corporate Grants	\$ 1,078,000	\$ 1,089,000	\$ 1,100,000	\$ 1,111,000	\$ 1,089,000	\$ 1,100,000	\$ 1,111,000
Program Service Revenue	\$ 3,391,000	\$ 3,425,000	\$ 3,459,000	\$ 3,494,000	\$ 3,425,000	\$ 3,459,000	\$ 3,494,000
Camp Fees & Dues	\$ 4,361,000	\$ 4,405,000	\$ 4,449,000	\$ 4,493,000	\$ 2,933,430	\$ 3,240,244	\$ 3,742,708
* Investment Income & sale of Assets/realized and unrealized gains(loss)	\$ (15,000)	\$ 596,000	\$ 602,000	\$ 608,000	\$ 596,000	\$ 602,000	\$ 608,000
Other Revenue	\$ 518,000	\$ 523,000	\$ 528,000	\$ 533,000	\$ 523,000	\$ 528,000	\$ 533,000
Total Revenue	\$ 10,387,000	\$ 11,103,000	\$ 11,214,000	\$ 11,326,000	\$ 9,631,430	\$ 10,005,244	\$ 10,575,708
**Expenses							
Camp & Youth Development Education	\$ 3,090,000	\$ 2,696,000	\$ 2,829,000	\$ 2,952,000	\$ 2,685,000	\$ 2,760,000	\$ 2,806,000
Conference	\$ 1,725,000	\$ 1,600,000	\$ 1,678,000	\$ 1,751,000	\$ 1,593,000	\$ 1,637,000	\$ 1,664,000
Public Services	\$ 3,227,000	\$ 3,481,000	\$ 3,653,000	\$ 3,810,000	\$ 3,468,000	\$ 3,563,000	\$ 3,622,000
General & Administrative, Governance, and Fund Development	\$ 2,312,000	\$ 2,290,000	\$ 2,107,000	\$ 1,936,000	\$ 2,217,000	\$ 2,035,000	\$ 1,841,000
Total Expenses	\$ 10,354,000	\$ 10,067,000	\$ 10,267,000	\$ 10,449,000	\$ 9,963,000	\$ 9,995,000	\$ 9,933,000
Change in Net Assets	\$ 33,000	\$ 1,036,000	\$ 947,000	\$ 877,000	\$ (331,570)	\$ 10,244	\$ 642,708

Growth potential

Declining

Growing

Current Baseline: FY2008 Audited Financial Statements, 2007 IRS 990s, Section Annual Reports

Current Camp Fee Structure: Accreditation is included in the camp fee. Camps pay based on their operating budgets, and operators pay based on the combined budgets of their camps. Fees vary widely across the country. Sections absorb the cost of the accreditation visit.

Proposed New Camp Fee Structure: The philosophy is to create a fee that has minimum financial impact on current camps and operators of camps. Accreditation fees will be modest, and assessed separately from camp membership fees. The proposed accreditation fee is \$480 per cycle (three years) and paid in three installments of \$160 per year. The expense associated with the on-site visit will be paid by the camp, which reflects the standard in the accreditation industry. On-site visit expenses borne by the camp would be capped, with ACA absorbing excess expense. The on-site visit would continue to take place on a three-year cycle.

* Year 1 through year 3 contains realized investment income only.

** Assumes Expense increases: 1% year 1, 2% year 2, 3% year 3. And adds transition and marketing costs for year 1 through year 3 based on the following:

- Year 1 8% of total revenue
- Year 2 7% of total revenue
- Year 3 6% of total revenue

^ Assumes that 80% of camps will purchase accreditation, and new camps will be in budget categories A-L only.

20/20 Vision Progress Report Growth Strategies

Camp Membership Growth Strategies

1. By including individual memberships in camp memberships, ACA will be able to increase the universe of people we serve, the number of connections we make, the influence we have (sales opportunity, price point opportunity), and the professional development at camps (sales opportunity).
2. A more accessible price point will allow more camp programs to join us (sales opportunity, move to industry standard opportunity).
3. Camp membership will be the entry point (ease of access, sales opportunity), not accreditation, thus attracting more camp programs.
 - a. Camp membership will be a prerequisite for accreditation (industry standard).
4. The camp membership will have a mandatory minimum practices requirement.
5. Accreditation will be streamlined (technology opportunity, sales opportunity, ease of access), thus encouraging more to pursue accreditation.
6. For the first time in ACA's history, we will be able to develop, coordinate and implement one membership marketing plan nationwide – for both retention and marketing to new members – camps and individuals (staffing opportunity, sales opportunity), including:
 - a. matching staff skills with need (staffing opportunity and sales opportunity).
 - b. tailoring efforts where necessary, working with individual camps as well as national organizations and their local chapters/offices/councils/camps (staffing opportunity, sales opportunity).
7. Potential camp members will find our system simplified because we will have the same pricing across the country (industry standard).

Accreditation Growth Strategies

1. Accreditation Services will harness technology, reflect industry standards, and will include an element of customization, making the overall process of becoming accredited more streamlined.
2. The pricing for accreditation services will be consistent across the country
3. Camp membership will be a prerequisite for seeking accreditation or reaccreditation. Mandated, minimum practices will be prerequisites as well
4. The value of accreditation will increase for camps when fully supported by a complementary professional development system
5. The growth strategy for accreditation will be tied to the membership growth strategy
6. Individual members who are engaged in professional development will be more well prepared and motivated to bring their programs through the accreditation process

Professional Development Growth Strategies

1. The Professional Development Center will be the cornerstone benefit for individual membership.
2. The Professional Development Center will address the needs of individuals from the time a person is a college student, through retirement, through an array of services, resources, programs and products.
3. The service will be available only to members – which will tie to the lifetime value of membership.
4. Members will be able to access resources, and contribute to the Professional Development Center services, as well, as trainers, educators, authors, discussants, or mentors.

5. The Professional Development Center will offer a meaningful way for ACA to connect frequently with individual members who may have received their member benefit through the camp's affiliation with ACA.
6. Non member customers may purchase resources, including books, courses and may register for conferences.
7. The Professional Development Center will be one of many vehicles that can help take the casual customer to a more connected place within ACA.
8. Innovations as well as tested programs and services developed in ACA regions will be included and supported through the Professional Development Center.
9. The streamlined Accreditation Services will complement and support the Professional Development framework.

Fund Development Growth Strategies

1. ACA will have the opportunity to raise money for camperships from institutional donors on a broad scale, using consistent experience by marrying campership funding with programmatic initiatives.
 - a. Current environment, corporate and philanthropic giving is typically predicated on the promise of clear, measurable results:
 - i. Health and wellness
 - ii. Environmental stewardship
 - iii. Team building and leadership
 1. Workforce development
 2. Academic enrichment
2. ACA will have the opportunity to develop a systemic approach to the crucial practice of donor-centric philanthropy within the parameters of our charitable mission, collaboration and tailoring our development operations to serve the interests of donors and prospective donors.
3. ACA will have the opportunity to mobilize and negotiate in a timely fashion to national corporate businesses seeking partnerships and sponsorships at a scale that demonstrates national capacity for influence.

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20/20 Vision Upcoming Communications

In Person Meetings

The 20/20 Task Force has been scheduled to visit:

- a. ACA, Southern California/Hawaii Board, October 22, 2009
- b. ACA, New York; ACA, New Jersey; ACA, Keystone Regional meeting, November 3, 2009
- c. ACA, Wisconsin Board, November 12, 2009
- d. ACA, Rocky Mountain Board, November 13, 2009
- e. ACA, Chesapeake and ACA, Virginia meeting, November 23, 2009

Upcoming Webinars

1. Details of the Fiscal Scenarios. Sign up online at
<http://webportal.acacamps.org/Events/CalendarEventsListView.aspx>
 - a. November 12, 2009; 10 am – 12 pm Eastern
 - b. November 18, 2009; 2:30 pm – 4:30 pm Eastern