

Board of Directors Meeting

July 14, 2019
Long Beach, California



ASSOCIATION OF
CHAMBER OF COMMERCE
EXECUTIVES

Board of Directors Briefing Book

July 14, 2019

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- ACCE External Affairs Engagement Calendar



ACCE Board of Directors Meeting

July 14, 2019 | 2:30 p.m. PDT

Hyatt Regency
Long Beach, California

AGENDA

- **Welcome**

- **Approve Minutes from April 16, 2019 Meeting**

- **Chairman's Report – Year in Review**

- **CEO Update**

- **#ACCE19**
 - Welcome from Our Host
 - Things to Keep in Mind
 - Looking Ahead – Dallas, 2020

- **Governance**
 - Nominations Committee Reports
 - Welcome New Directors
 - Election of Officers for 2019-20
 - Nomination/Application Process Update
 - 2019 CCE Commissioners & Candidates

- **Treasurer's Report**
 - Year-end Financials
 - Finance Report through May 31, 2019

- **IDEA Lab**

- **Engaging the Public Sector**

- **ACCE Foundation**

- **Recognition of Outgoing Directors**

ACCE Board of Directors Meeting

April 16, 2019 | 8:30 a.m. EDT

The Shores Resort & Spa
Daytona Beach, Florida

MINUTES

Present: Dave Adkisson, Rick Baker, Matthew Ballard, Alisha Benson, Candace Boothby, Heather Briccetti, Jay Byers, Lucia Cape, Chip Cherry, Jay Chesshir, Kit Cramer, Greg Durocher, Tiffany Esposito, Shannon Full, Dottie Gallagher, Christy Gillenwater, Tim Giuliani, Wendy Gramza, Brian Hall, Kelly Hall, Jeff Hunt, Waymond Jackson, Nancy Keefer, Michel Leblanc, Kelle Marsalis, Lori Mattson, Leonardo McClarty, Maria Nieves, Carlos Phillips, Pam Ridler, Janet Riopel, Jim Rooney, Christine Ross, Bill Sisson, Vern Squier, Dale Steenberg, Katerina Taylor, Tony Vemma and Heidi Walker

Excused: Nicki Anderson, Robin Anderson, Steve Baas, David Brown, Adrienne Cole, Rob Engstrom, Kelly Fanelli, Randy Gordon, Chip Hallock, Bob Harvey, Theresa Harvey, RaDonna Hessel, Michael Huber, Kris Johnson, Adam Marshall, Matt McCormick, Sherry Menor-McNamara, Tom Pierson, Courtney Ross, David Rumbarger, Todd Sanders and Rebecca Wood

Staff: Sheree Anne Kelly, Stacey Breslin, Beth Bronder, Will Burns, Jacqui Cook, Crystal Moore and Karen Haggerty

Chair Nancy Keefer called the meeting to order and welcomed the group. Brief introductions followed.

Minutes

Keefer asked directors to review the minutes from the October 24, 2018 meeting in Grand Rapids. No changes were made. A motion to accept the minutes was made by Matt Ballard and seconded by Tony Vemma. *Motion carried.*

Treasurer's Report

Keefer called on Treasurer Leonardo McClarty to provide the financial report. McClarty noted that ACCE is projecting a very strong end to the last fiscal year, with ACCE anticipating a significant net income. This is primarily because the convention was very successful, with expenses significantly lower than budget despite strong attendance. In addition, several investments were not implemented within the fiscal year. In summary, ACCE has performed solidly during a year of transition. There were no questions. Chip Cherry made a motion to approve the financial report, which was seconded by Brian Hall. *Passed.*

McClarty went on to present the 2019-20 budget, noting it was approved by the Finance Committee at its meeting held on 3-29-19. He pointed out that it's a conservative budget and it will be a big investment year with major infrastructure investments to be made under the new strategic plan. FBI has a flat budget of ~\$1m in both revenue and expenses. The foundation will have a positive net income of \$74,600. ACCE projects a total revenue of \$3.2 million and the same in expenses, which includes all the infrastructural investments to be made. For 2019-20 we project a total consolidated budget of \$6 million for ACCE and its affiliates and \$5.9 million in expenses, leaving a total net income of \$76,340. McClarty then answered questions. A motion was made by Alisha Benson to approve the 2019-20 budget. Seconded by Vern Squier. *Passed.*

Governance

Keefer called on nominating committee chair Jay Chesshir for an update on both officer and board nominations for the coming year. Chesshir reviewed the make-up of both nominating committees and added that meetings are underway. He stressed the importance of considering all candidates through our DEI lens in the hopes of procuring a board that reflects a true representation of our membership. The officers slate for 2019-20 is very close to being finalized and will be presented to the board for a vote at the July meeting in Long Beach.

Chesshir noted that board nominations are also coming along, and its nominating committee is considering a variety of candidates. One of Sheree Anne's goals was to broaden and formalize the nominations process to enable members to self-nominate. This was possible through the member engagement survey. Due diligence is underway and will conclude in the coming weeks, after the ballot is sent to the membership for a vote. New directors will be welcomed in Long Beach.

Keefer stated that ACCE's bylaws are outdated in some areas and are in need of review and that executive committee members Carlos Phillips, Christy Gillenwater and Chip Cherry volunteered to serve on a task force to work with staff and recommend updates. Work in this area will proceed over the next 6 months and recommendations will be presented at the fall board meeting.

ACCE Foundation

Dave Adkisson provided an update about the foundation meeting held the day before. After retiring this fall, Adkisson will remain past chair for the foundation.

FBI

Stacey Breslin gave a brief update in chair Robin Anderson's absence. A successful compliance season is almost finished, and the auditors will be completing field work before wrapping up.

Convention

Crystal Moore shared an update about the convention in Long Beach in July. Planning for 2020 in Dallas will begin in October. The destination searches for 2021 and 2022 will begin in the fall.

Introduction of New VP, Development and Partnerships

Beth Bronder greeted directors and shared her feedback and goals since joining ACCE in February.

Committee Updates

Committee chairs shared the latest news and information in the following areas:

- Engaging the Public Sector Task Force – Chip Cherry
- International Outreach – Greg Durocher
- Partnerships – Tim Giuliani
- IDEA Lab – Pam Ridler and Christine Ross

Strategic Plan

Sheree Anne Kelly provided a presentation about the strategic plan and the progress, to date. An open dialogue followed.

Panel Discussion

Dave Adkisson, Tiffany Esposito and Tim Giuliani shared resourceful ideas about how to generate non-dues revenue.

Guest

Joie Chitwood, COO and EVP of International Speedway Corporation, discussed public-private partnerships and shared insights on successfully engaging large corporate investors in his community.

Roundtable Discussion

Kelly led a session centered on “disrupting our own industry.” Roundtable groups shared their feedback with all.

Keefer made closing comments and thanked all for attending.

Meeting adjourned.

Officers Slate 2019-20

| | |
|----------------------|---|
| Chair | David Brown Greater Omaha Chamber of Commerce |
| Chair-elect | Jay Byers Greater Des Moines Partnership |
| Immediate Past Chair | Nancy Keefer Daytona Regional Chamber of Commerce |
| Treasurer | Leonardo McClarty Howard County Chamber of Commerce |
| Vice Chair | Chip Cherry Chamber of Commerce of Huntsville/Madison County |
| Vice Chair | Christy Gillenwater Chattanooga Area Chamber of Commerce |
| Vice Chair | Carlos Phillips Greenville Chamber of Commerce |
| Vice Chair/MDD Chair | David Prunte Greater Kansas City Chamber of Commerce |

At Large Members

| | |
|----------------------------|---|
| Metro Cities Chair | Todd Sanders Greater Phoenix Chamber of Commerce |
| Convention Host | Angela Farley Dallas Regional Chamber of Commerce |
| ACCE Foundation Chair | Roy Williams Greater Oklahoma City Chamber of Commerce |
| WCF Partnership Liaison | Tim Giuliani Orlando Economic Partnership |
| Community & Public Affairs | Jim Rooney Greater Boston Chamber of Commerce |
| International Seat | Greg Durocher Cambridge Chamber of Commerce (Canada) |



2019-2022 CCE Commissioners

Angelle LaBorde, CCE, IOM
President and CEO
Greenwood Chamber of Commerce

Jeff Rea, CCE
President & CEO
South Bend Regional Chamber

Megan A. Lucas, CCE, CEcD, IOM
CEO and Chief Economic Development Officer
Lynchburg Regional Business Alliance

2019 Certified Chamber Executive Class

Jeremy Arthur
President & CEO
Chamber of Commerce Association of Alabama

Chris Clark
President & CEO
Georgia Chamber of Commerce

Tiffany Esposito
President
Bonita Springs Area Chamber of Commerce (Fla.)

Paul Farmer
President & CEO
Salinas Valley Chamber of Commerce (Calif.)

Sherry Menor-McNamara
President & CEO
Chamber of Commerce of Hawaii

Jennifer Reiser
Chief Operating Officer
Billings Chamber of Commerce (Mont.)

Heidi Walker
Chief Operating Officer
Salt Lake Chamber of Commerce (Utah)

Association of Chamber of Commerce Executives
Consolidated Projects
For the Twelve Months Ending March 31, 2019

JC-09CONSBS
Page 1

| | ACCE | FBI | Foundation | Eliminations | CONS |
|---|-----------------------|---------------------|---------------------|-----------------------|-----------------------|
| Consolidated Balance Sheet | | | | | |
| ASSETS | | | | | |
| Cash | \$2,011,739.84 | \$365,043.42 | \$178,900.71 | | \$2,555,683.97 |
| Investments | 484,629.83 | \$0.00 | \$0.00 | | \$484,629.83 |
| Investments - 457B | 152,154.52 | | | | \$152,154.52 |
| Investment in Subsidiary | 475,172.47 | \$0.00 | \$0.00 | | \$475,172.47 |
| Accounts Receivable - General (net) | 162,942.08 | \$153,351.85 | \$0.00 | | \$316,293.93 |
| Accounts Receivable - Trust | | \$190,194.88 | \$0.00 | | \$190,194.88 |
| Grant Receivable | | | \$55,435.52 | | \$55,435.52 |
| Due from Related Entities | 154,360.30 | \$0.00 | \$0.00 | (154,360.30) | \$0.00 |
| Prepaid Expenses | 97,607.96 | \$4,285.26 | \$0.00 | | \$101,893.22 |
| Prepaid Expenses - Convention | 164,044.93 | \$0.00 | \$0.00 | | \$164,044.93 |
| Deposits | 11,312.12 | \$975.00 | \$0.00 | | \$12,287.12 |
| Fixed Assets, Net | 55,477.38 | \$1,356.40 | \$0.00 | | \$56,833.78 |
| TOTAL ASSETS | \$3,769,441.43 | 715,206.81 | \$234,336.23 | (\$154,360.30) | \$4,564,624.17 |
| LIABILITIES | | | | | |
| Accounts Payable & Accrued Expenses | 209,898.82 | 93,529.21 | 39,993.75 | | \$343,421.78 |
| Accounts Payable - Trust | 0.00 | 263.00 | | | \$263.00 |
| 457B Liability | 152,154.52 | | | | \$152,154.52 |
| Due to Related Entities | | 121,356.30 | 33,004.00 | (154,360.30) | \$0.00 |
| Deferred Dues | 797,280.92 | | | | \$797,280.92 |
| Deferred Other | 10,619.00 | 24,885.83 | 63,500.20 | | \$99,005.03 |
| Deferred Rent | 137,784.00 | | | | \$137,784.00 |
| Deferred Convention | 217,299.15 | | | | \$217,299.15 |
| Capital Lease Obligations | 40,817.00 | | | | \$40,817.00 |
| TOTAL LIABILITIES | \$1,565,853.41 | \$240,034.34 | \$136,497.95 | (\$154,360.30) | \$1,788,025.40 |
| NET ASSETS | | | | | |
| Net Assets - Unrestricted | 1,811,766.63 | 469,172.72 | 74,761.64 | | \$2,355,700.99 |
| Net Assets - Temporarily Restricted | 0.00 | | 0.00 | | \$0.00 |
| YTD Change in Net Assets | 391,821.39 | 5,999.75 | 23,076.64 | | \$420,897.78 |
| TOTAL NET ASSETS | \$2,203,588.02 | 475,172.47 | \$97,838.28 | \$0.00 | \$2,776,598.77 |
| TOTAL LIABILITIES & NET ASSETS | \$3,769,441.43 | \$715,206.81 | \$234,336.23 | (\$154,360.30) | \$4,564,624.17 |

0.00

0.00

0.00

Association of Chamber of Commerce Executives
Consolidated Statement of Activity
Year End thru March 31, 2019

| | March 31,2019 YTD ACTUAL | 2018-19 Annual Budget | Actual vs. Budget YTD \$\$ Variance | March 2018 Actual | Actual vs. Budget YTD % Variance | Actual 2019 vs. Actual 2018 \$\$ Variance |
|---|-----------------------------|--------------------------|---|----------------------|--|---|
| FBI | | | | | | |
| Total FBI Revenue | 1,138,715.00 | 1,141,000.00 | (2,285.00) | 1,162,365.17 | (0%) | (2%) |
| Total FBI Expense | 1,132,715.00 | 1,140,838.00 | (8,123.00) | 1,192,512.45 | (1%) | (5%) |
| FBI Net Income | 6,000.00 | 162.00 | 5,838.00 | (30,147.28) | 97% | 602% |
| Foundation | | | | | | |
| Total Revenue | 1,504,345.00 | 2,003,833.00 | (499,488.00) | 1,630,936.39 | (33%) | (8%) |
| Total Expense | 1,481,269.00 | 1,948,953.00 | (467,684.00) | 1,625,765.54 | (32%) | (10%) |
| Foundation Net Income | 23,076.00 | 54,880.00 | (31,804.00) | 5,170.85 | (138%) | 78% |
| ACCE | | | | | | |
| Revenue | | | | | | |
| Annual Convention | 901,090.00 | 880,603.00 | 20,487.00 | 1,037,457.50 | 2% | (15%) |
| Awards/COY Revenue | 33,549.00 | 22,750.00 | 10,799.00 | 28,550.00 | 32% | 15% |
| Certification | 10,650.00 | 15,000.00 | (4,350.00) | 8,700.00 | (41%) | 18% |
| Chamber Education | 46,580.00 | 29,600.00 | 16,980.00 | 44,349.00 | 36% | 5% |
| Chamber Executive Magazine Rev | 87,540.00 | 82,560.00 | 4,980.00 | 99,442.00 | 6% | (14%) |
| Economic Development | 11,164.11 | 31,475.00 | (20,310.89) | 19,297.41 | (182%) | (73%) |
| Online University | 0.00 | 1,000.00 | (1,000.00) | 0.00 | 0% | 0% |
| Executive Search | 15,412.88 | 8,000.00 | 7,412.88 | 13,790.34 | 48% | 11% |
| Investment in Subsidiary | 6,000.00 | 0.00 | 6,000.00 | (30,147.28) | 100% | 602% |
| Membership Revenue | 1,739,016.80 | 1,759,798.00 | (20,781.20) | 1,745,252.32 | (1%) | (0%) |
| Metro Cities Revenue | 39,480.00 | 63,050.00 | (23,570.00) | 58,200.00 | (60%) | (47%) |
| Misc Income | 20,898.24 | 1,000.00 | 19,898.24 | 23,523.82 | 95% | (13%) |
| National Corporate Sponsors Revenue | 281,610.00 | 260,980.00 | 20,630.00 | 227,800.00 | 7% | 19% |
| Publications & Research Revenue | 6,091.00 | 3,000.00 | 3,091.00 | 4,965.00 | 51% | 18% |
| Total ACCE Revenue from Operations | 3,199,082.03 | 3,158,816.00 | 40,266.03 | 3,281,180.11 | 1% | (3%) |
| Expense | | | | | | |
| Admin (Operations, Occupancy, Governance) | 516,387.64 | 541,380.00 | (24,992.36) | 634,562.81 | (5%) | (23%) |
| Admin Personnel Costs | 480,720.85 | 509,852.77 | (29,131.92) | 498,028.66 | (6%) | (4%) |
| Annual Convention | 696,713.22 | 783,984.11 | (87,270.89) | 917,521.98 | (13%) | (32%) |
| Awards/COY Expense | 19,411.78 | 34,709.51 | (15,297.73) | 21,724.30 | (79%) | (12%) |
| Certifications Expense | 22,859.80 | 28,728.96 | (5,869.16) | 21,515.88 | (26%) | 6% |
| Chamber Education Expense | 79,618.35 | 67,447.53 | 12,170.82 | 89,504.85 | 15% | (12%) |
| Chamber Executive Magazine Expense | 108,439.22 | 115,211.10 | (6,771.88) | 118,542.69 | (6%) | (9%) |
| Divisions Expense | 8,192.22 | 9,076.53 | (884.31) | 22,769.66 | (11%) | (178%) |
| Economic Development | 15,662.38 | 38,900.00 | (23,237.62) | 40,042.84 | (148%) | (156%) |
| Hero | 129,974.36 | 145,275.00 | (15,300.64) | 102,909.59 | (12%) | 21% |
| Membership Expense | 500,524.18 | 532,697.51 | (32,173.33) | 561,375.46 | (6%) | (12%) |
| Metro Cities Expense | 35,963.75 | 55,930.30 | (19,966.55) | 55,739.01 | (56%) | (55%) |
| National Corporate Sponsors Expense | 154,172.44 | 176,044.58 | (21,872.14) | 140,873.87 | (14%) | 9% |
| Public Policy | 1,390.00 | 8,510.01 | (7,120.01) | 13,997.09 | (512%) | (907%) |
| Publications & Research Expense | 16,365.19 | 16,500.00 | (134.81) | 15,087.44 | (1%) | 8% |
| Web Expense | 20,865.01 | 94,425.51 | (73,560.50) | 31,337.16 | (353%) | (50%) |
| Total ACCE Expense from Operations | 2,807,260.39 | 3,158,673.42 | (351,413.03) | 3,285,533.29 | (13%) | (17%) |
| ACCE Net Income | 391,821.64 | 142.58 | 391,679.06 | (4,353.18) | 100% | 101% |
| Total ACCE & Affiliates Revenue | 5,842,142.03 | 6,303,649.00 | (461,506.97) | 1,898,023.31 | (8%) | 68% |
| Total ACCE & Affiliates Expenses | 5,421,244.39 | 6,248,464.42 | (827,220.03) | 1,907,939.84 | (15%) | 65% |
| Total ACCE & Affiliates Net Income | 420,897.64 | 55,184.58 | 365,713.06 | (9,916.53) | 87% | 102% |

ACCE Finance Report

March 31, 2019 Financial Statements (12 months into the FY)

Balance Sheet

Our cash position is strong: more than \$2.5 million. “Due from related entities” is the amount owed to ACCE by FBI and ACCE Foundation for ordinary operational expenses and consulting. Please note that these amounts were reduced in March due to quarterly payments between entities. ACCE consolidated net assets are standing at \$2.77 million.

Consolidated Statement of Activity

ACCE Foundation – The foundation is at full capacity with 3 additional full-time staff and 1 part time staffer. However, two of the foundation’s major funding sources (Bechtel and Lumina) were not actualized this year. This caused a drop in the budgeted revenue and correlating expenses.

Annual Convention – Revenue for the 2018 convention was slightly higher than the budget, although lower than the revenue from the 2017 Nashville convention. There were 20% fewer registrants for the Des Moines convention than Nashville. Convention expenses are also down for 2018 because the Greater Des Moines Partnership acted as our Destination Management Company, reducing those fees. Additionally, one convention mailer was cut out to save on cost. ACCE’s staff did an excellent job managing other expenses while maintaining the optimal attendee experience, thus leading to a more profitable convention.

Awards/COY – Revenue is higher than budget. This is primarily due to more applicants for ACE awards than budgeted. In addition, expenses were lower due to having COY judging at ACCE's April board meeting.

Certification – Revenue in this line is lower than budget due to fewer than budgeted number of applicants (8 vs. 12.) In addition, the expenses were managed by hosting the meeting in ACCE’s headquarters therefore there were no staff travel costs associated with the commission meeting.

Chamber Education – Included in this line item is the Events Conference (Oct. 2018) and the Sales Training (March 2019). Revenue in this line item is higher due to more participants than budgeted at the Sales Training held in Dallas.

Economic Development – Revenue and expenses were lower than budgeted because the event was smaller than planned. We budgeted to pay for ten site consultants to participate but we only recruited and paid for five. That change impacts revenue and expenses because ACCE and the convention host chamber split the cost of the site consultant fees and expenses. Fewer consultants led to fewer attendees, but staff managed expenses to offset the loss of revenue.

Executive Search – Included in this line item are royalties from search firms for placing candidates into various positions within chambers across ACCE’s membership. The budgeted amount is just an estimate and the actual amounts received will vary based on current demand and positions filled.

Membership Revenue - Membership revenue has flattened, not because of fewer members but because members are paying less, due to their own flattened and decreased revenue. The board book describes our plans to address this.

Metro Cities – Revenue and expenses were both lower than budgeted because the January Metro meeting was postponed until May, putting it into the following fiscal year. Other factors contributing to the revenue line item were lower than budgeted group membership dues and event attendance.

Miscellaneous Income – Included in this line item is \$17k of interest income from ACCE's investments.

Net Income – For the fiscal year, the ACCE net is significantly better than budget: \$391,821 against the budgeted \$142. FBI and the ACCE Foundation also have positive net incomes. Consolidated revenues are \$421k to the positive.

Association of Chamber of Commerce Executives
Consolidated Projects
For the Two Months Ending May 31, 2019

JC-09CONSBBS
Page 1

| | ACCE | FBI | Foundation | Eliminations | CONS |
|---|-----------------------|---------------------|---------------------|-----------------------|-----------------------|
| Consolidated Balance Sheet | | | | | |
| ASSETS | | | | | |
| Cash | 1,745,860.43 | \$626,553.50 | \$219,813.01 | | \$2,592,226.94 |
| Investments | 484,629.83 | \$0.00 | \$0.00 | | \$484,629.83 |
| Investments - 457B | 152,154.52 | \$0.00 | \$0.00 | | \$152,154.52 |
| Investment in Subsidiary | 475,172.47 | \$0.00 | \$0.00 | | \$475,172.47 |
| Accounts Receivable - General (net) | 88,224.32 | \$105,859.67 | \$0.00 | | \$194,083.99 |
| Accounts Receivable - Trust | 0.00 | \$148,827.88 | \$0.00 | | \$148,827.88 |
| Grant Receivable | 0.00 | \$0.00 | \$63,210.40 | | \$63,210.40 |
| Due from Related Entities | 507,535.66 | \$0.00 | \$0.00 | (\$507,535.66) | \$0.00 |
| Prepaid Expenses | 124,006.16 | \$23,263.18 | \$0.00 | | \$147,269.34 |
| Prepaid Expenses - Convention | 259,049.71 | \$0.00 | \$0.00 | | \$259,049.71 |
| Deposits | 11,312.12 | \$975.00 | \$0.00 | | \$12,287.12 |
| Fixed Assets, Net | 118,392.99 | \$27,808.55 | \$0.00 | | \$146,201.54 |
| TOTAL ASSETS | \$3,966,338.21 | \$933,287.78 | \$283,023.41 | (\$507,535.66) | \$4,675,113.74 |
| LIABILITIES | | | | | |
| Accounts Payable & Accrued Expenses | 104,973.50 | \$24,120.42 | \$30,000.00 | | \$159,093.92 |
| Accounts Payable - Trust | 0.00 | \$263.00 | \$0.00 | | \$263.00 |
| 457B Liability | 152,154.52 | \$0.00 | \$0.00 | | \$152,154.52 |
| Due to Related Entities | 0.00 | \$393,701.31 | \$113,834.35 | (\$507,535.66) | \$0.00 |
| Deferred Dues | 735,012.14 | \$0.00 | \$0.00 | | \$735,012.14 |
| Deferred Other | 23,395.00 | \$24,885.83 | \$50,892.93 | | \$99,173.76 |
| Deferred Rent | 137,784.00 | \$0.00 | \$0.00 | | \$137,784.00 |
| Deferred Convention | 566,783.76 | \$0.00 | \$0.00 | | \$566,783.76 |
| Capital Lease Obligations | 40,817.00 | \$0.00 | \$0.00 | | \$40,817.00 |
| TOTAL LIABILITIES | \$1,760,919.92 | \$442,970.56 | \$194,727.28 | (\$507,535.66) | \$1,891,082.10 |
| NET ASSETS | | | | | |
| Net Assets - Unrestricted | 2,203,588.02 | \$475,172.47 | \$97,838.28 | | \$2,776,598.77 |
| Net Assets - Temporarily Restricted | 0.00 | \$0.00 | \$0.00 | | \$0.00 |
| YTD Change in Net Assets | 1,830.27 | \$15,144.75 | (\$9,542.15) | | \$7,432.87 |
| TOTAL NET ASSETS | \$2,205,418.29 | \$490,317.22 | \$88,296.13 | \$0.00 | \$2,784,031.64 |
| TOTAL LIABILITIES & NET ASSETS | \$3,966,338.21 | \$933,287.78 | \$283,023.41 | (\$507,535.66) | \$4,675,113.74 |

Association of Chamber of Commerce Executives
Consolidated Statement of Activity
For the Year to Date Period Ending May 31, 2019

| | May 19 YTD ACTUAL | May 19 YTD Budget | 2019-20 Annual Budget | May 19 Actual vs. Budget YTD \$\$ Variance | May 19 Actual vs. Budget YTD % Variance |
|---|----------------------|----------------------|--------------------------|--|--|
| FBI | | | | | |
| Total FBI Revenue | 182,386.32 | 179,833.33 | 1,079,000.00 | 2,552.99 | 1% |
| Total FBI Expense | 167,241.57 | 179,710.57 | 1,078,263.40 | (12,469.00) | (7%) |
| FBI Net Income | 15,144.75 | 122.77 | 736.60 | 15,021.98 | 99% |
| Foundation | | | | | |
| Total Revenue | 142,975.68 | 288,632.00 | 1,731,792.00 | (145,656.32) | (102%) |
| Total Expense | 152,517.83 | 276,189.83 | 1,657,139.00 | (123,672.00) | (81%) |
| Foundation Net Income | (9,542.15) | 12,442.17 | 74,653.00 | (21,984.32) | 230% |
| ACCE | | | | | |
| Revenue | | | | | |
| Annual Convention | | | 895,993.00 | 0.00 | 0% |
| Awards/COY Revenue | 16,250.00 | 18,250.00 | 21,250.00 | (2,000.00) | (12%) |
| Certification | 200.00 | | 12,000.00 | 200.00 | 100% |
| Chamber Education | | | 46,900.00 | 0.00 | 0% |
| Chamber Executive Magazine Rev | | | 100,740.00 | 0.00 | 0% |
| Economic Development | | | 3,750.00 | 0.00 | 0% |
| Executive Search | 2,261.08 | 1,333.33 | 8,000.00 | 927.75 | 41% |
| Membership Revenue | 293,393.16 | 291,666.67 | 1,750,000.00 | 1,726.49 | 1% |
| Metro Cities Revenue | 0.00 | 0.00 | 58,225.00 | 0.00 | 0% |
| Misc Income | 5,423.47 | 2,500.00 | 15,000.00 | 2,923.47 | 54% |
| National Corporate Sponsors Revenue | 24,945.00 | 22,500.00 | 287,740.00 | 2,445.00 | 0% |
| Publications & Research Revenue | 1,060.00 | 176.67 | 3,500.00 | 883.33 | 83% |
| Total ACCE Revenue from Operations | 343,532.71 | 336,426.67 | 3,203,098.00 | 7,106.04 | 2% |
| Expense | | | | | |
| Admin (Operations, Occupancy, Governance) | 73,170.19 | 99,191.67 | 595,150.00 | (26,021.48) | (36%) |
| Admin Personnel Costs | 92,523.21 | 100,507.55 | 603,045.32 | (7,984.34) | (9%) |
| Annual Convention | | | 853,151.60 | 0.00 | 0% |
| Awards/COY Expense | 12,036.12 | 11,324.75 | 27,179.40 | 711.37 | 6% |
| Certifications Expense | 3,316.42 | 4,333.62 | 26,001.70 | (1,017.20) | (31%) |
| Chamber Education Expense | 10,211.35 | 13,938.62 | 83,631.72 | (3,727.27) | (37%) |
| Chamber Executive Magazine Expense | 9,532.27 | 13,695.66 | 82,173.93 | (4,163.39) | (44%) |
| Divisions Expense | 1,923.97 | 1,330.57 | 7,983.43 | 593.40 | 31% |
| Economic Development | | | 22,200.00 | 0.00 | 0% |
| Hero | 14,745.72 | 14,461.09 | 86,766.54 | 284.63 | 2% |
| Membership Expense | 85,387.92 | 81,625.16 | 489,750.93 | 3,762.77 | 4% |
| Metro Cities Expense | 0.00 | 0.00 | 46,899.05 | 0.00 | 0% |
| National Corporate Sponsors Expense | 30,554.20 | 33,006.16 | 198,036.94 | (2,451.96) | (8%) |
| Public Policy | | | 3,000.00 | 0.00 | 0% |
| Publications & Research Expense | 2,534.93 | 2,833.33 | 17,000.00 | (298.40) | (12%) |
| Web Expense | 5,766.14 | 6,250.00 | 60,176.63 | (483.86) | (8%) |
| Total ACCE Expense from Operations | 341,702.44 | 382,498.17 | 3,202,147.19 | (40,795.73) | (12%) |
| ACCE Net Income | 1,830.27 | (46,071.50) | 950.81 | 47,901.77 | 2,617% |
| Total ACCE & Affiliates Revenue | 668,894.71 | 6,013,890.00 | 6,013,890.00 | (5,344,995.29) | (799%) |
| Total ACCE & Affiliates Expenses | 661,461.84 | 5,937,549.59 | 5,937,549.59 | (5,276,087.75) | (798%) |
| Total ACCE & Affiliates Net Income | 7,432.87 | 76,340.41 | 76,340.41 | (68,907.54) | (927%) |

ACCE Finance Report
May 31, 2019 Financial Statements (2 months into the FY)

Balance Sheet

Our cash position is strong with over \$2.6 million. Prepaid expenses are up to \$259K due to the convention. Convention deferred revenue is up to \$567k. Total net assets are standing at \$2.8 million.

Consolidated Statement of Activity

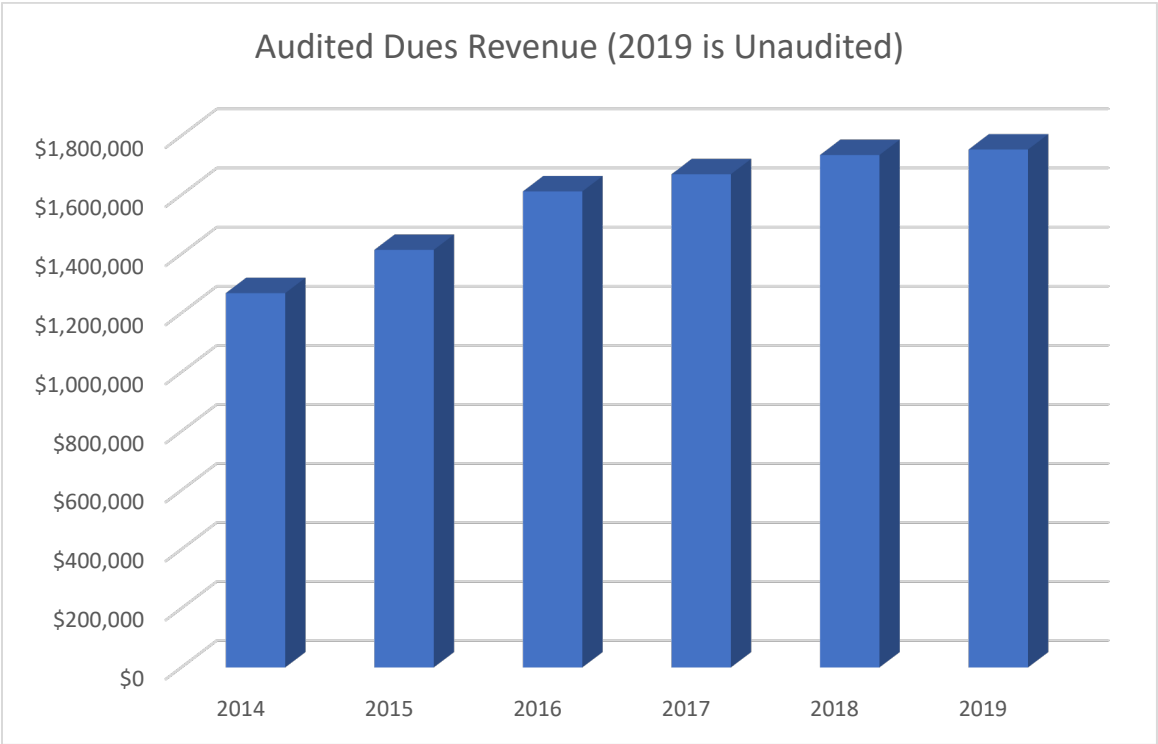
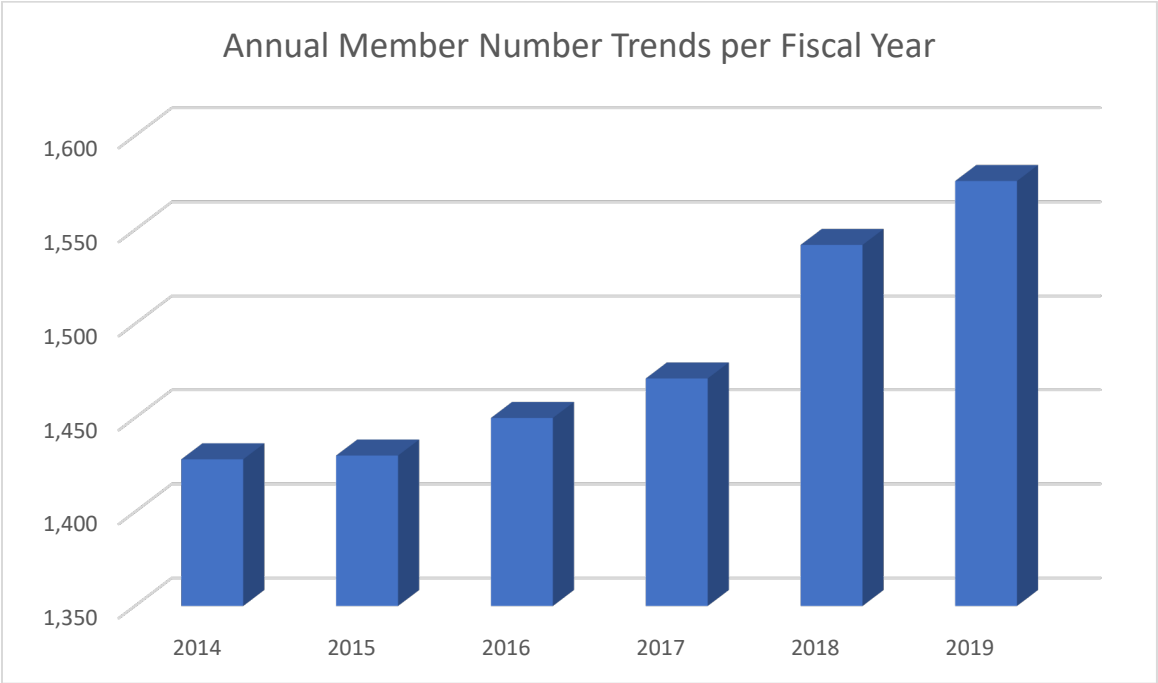
Membership Revenue – ACCE membership is trending on target with budget. ACCE’s membership revenue has risen for several consecutive years but has flattened out as of the last fiscal year. The growth was largely due to increased compliance with the dues schedule and introduction of the Horizon Investor Level membership category – and of course new member sales that exceed non-renewals. Our number of members continues to grow despite the flattening of revenue in this line item.

Convention – As you can see from the reports, we have not yet applied revenue or expenses to the convention. At this point, registration appears to be slightly below budget and exhibitor/sponsor revenue is trending so that it may equal or be slightly below budget (with several last-minute booths being signed up in June.) Expense variations occur in every convention due to mid-conference changes, member requirements and management decisions. Final numbers will be shared at the next meeting.

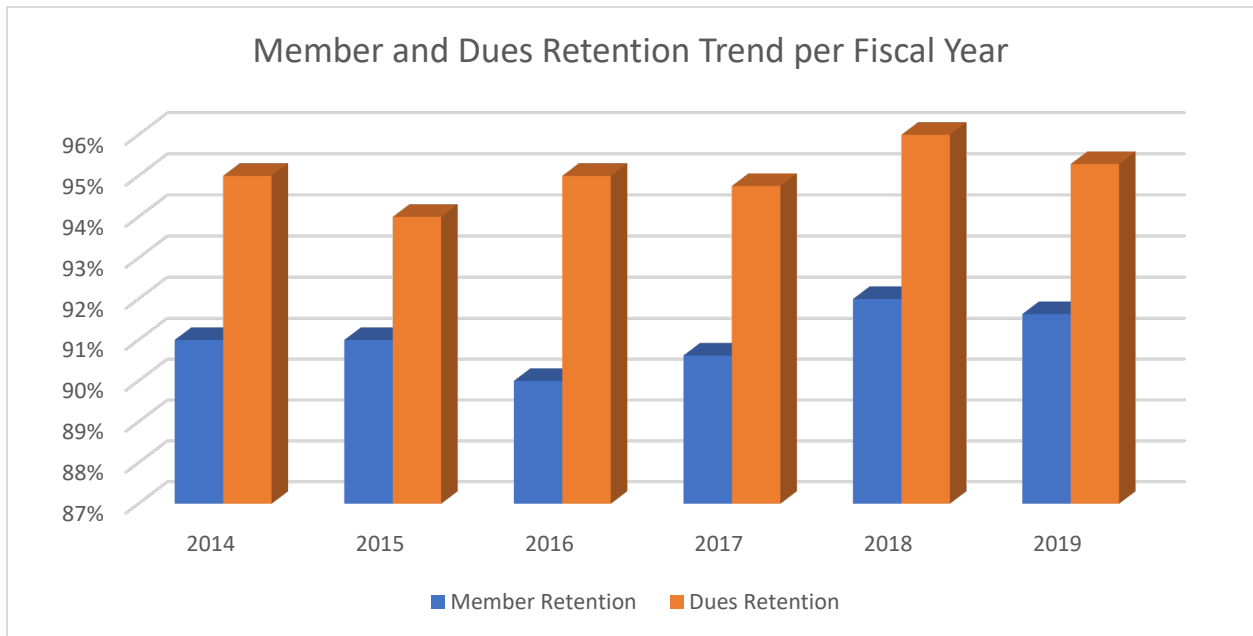
Net Income – Two months into the year the ACCE net is better than budget. FBI is running slightly ahead of budget, but the ACCE Foundation currently has a negative net income. The Foundation, which is dependent on foundation grants, can vary significantly in its short-term revenues due to grant delivery even though the long-term trend has been steady and high. Foundation funding for the next ten months is looking strong.

Membership Report
Tamara Philbin, Chief Operating Officer

As mentioned at our last board meeting, while ACCE’s number of members is growing, it is outpacing the total dues generated. We are looking into several ways to change that, i.e. finding more mid-sized member prospects, revamping our All ACCEss Pass and Horizon benefits and building strong recruitment strategies.



Membership retention continues to stay above 90%.



We are currently planning the setup of our new database, Fonteva, which is written on the Sales Force platform. Those plans include many new touch points for our members, with the goal of increasing engagement for all members and growing the depth of penetration ACCE has within each member organization.

ACCE REVENUE - New Members & Corporate Sponsors

Beth Bronder, VP – Development & Partnerships

Non-Dues Revenue Overview:

While we budgeted for growth in both convention sponsors and exhibitors, we don't anticipate meeting that target. We've experienced staff transitions in the development team, and also found that attracting new engagement in California is a challenge. We anticipate a 12-15% shortfall in sponsor/exhibitor revenue from our budgeted figure. However, we have vastly improved our collections process. In previous years we would write off portions of unpaid sponsor and exhibitor funds but have much greater paid-in-full rates for this year's event.

ACCE Corporate Sponsors however are performing well and we anticipate meeting or exceeding our budgeted goal for that line item this year. While we lost four sponsors, we've already gained three and are continuing outreach with a host of new contacts.

Key Activities:

- Prospecting and sponsorship conversation are ongoing with firms like Facebook, Google, AARP, Goldman Sachs, Comcast & LinkedIn; verbal commitments from multiple additional organizations
- Developing new sponsorships opportunities for peer groups, divisions & special programs/events
- Beginning the overhaul of corporate sponsor packages for launch in September 2019, to coincide with the timing for three renewals as well as new prospects

New Member Revenue Overview:

| | New Members | Revenue |
|--------------|--------------------|----------------|
| April | 19 | \$10,499 |
| May | 14 | \$7,970 |
| June | 13 | \$6,390 |
| TOTAL | 46* | \$25,309 |

*Note: 28 Chambers, 12 Associate-level members, 3 Affiliates, and 3 International groups

First Year Renewal Rate: **94%** (renewed 48 of 51 members)

Key Activities:

- ACCE Board assisted with targeted emails to non-members in their states & networks
 - Dana following up on each one personally
- Collateral material needs to be created for general membership, Horizon & All Access levels

Other Quarterly Highlights:

- Launched new member acquisition strategy and team resource alignment to focus the development staff's efforts on delivering key elements of the strategic plan. New supporting collateral is in the works.
- Increased outreach to the community including keynote presentations of Horizon & ACCE's Strategic Plan in New York and Indiana in June.

Communications, Networks & Foundation Report

Alysia Bell, Vice President – Education Business Coalitions
Will Burns, Vice President – Communications & Networks

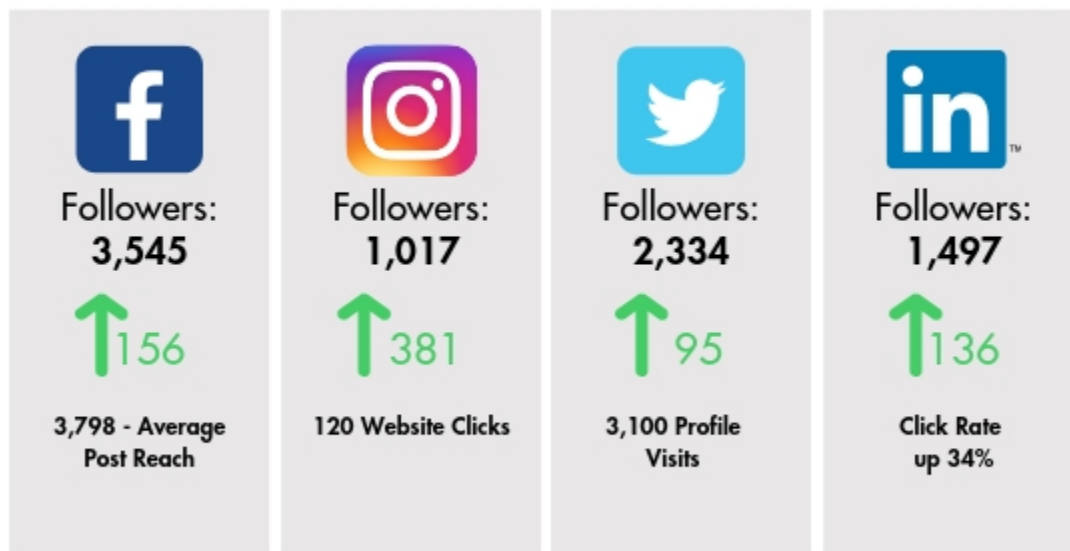
ACCE Communications



Chamber Executive: The Spring 2019 edition of Chamber Executive magazine highlights ACCE Convention host city Long Beach. We also honor the 2019 life members in ACCE news and learn about the latest event trends and innovations from members of ACCE’s Events Division.

- **Summer 2019** magazine, hitting mailboxes in August, will feature ACCE’s 2019 40-under-40, along with insights from chamber CEOs on how to recruit and retain top young talent.
- **Fall 2019** will be our first digital-only edition of Chamber Executive, as ACCE launches a new digital storytelling platform this fall.

Social Media: ACCE’s new Marketing and Communications Manager, Bethany Orban, continues her efforts to enhance the association’s social media presence. Since January 1, ACCE has expanded its reach across four social media platforms by 16 percent, adding more than 1,350 followers. The graphic below presents the growth since our last board meeting. Not following us yet? Find us @ACCEHQ on all platforms.



Numbers reflect changes from 4/3/19 - 6/28/19

Website: ACCE launched a website redesign project with Accrisoft to strengthen the association’s online presence and align the website with the association’s mission and new strategic plan. Key goals of the redesign include:

- Create a storytelling platform to replace ACCE’s print magazine and highlight chamber success stories on a larger scale. Site will include regular content updates as well as a more robust quarterly content bundle that will replace Chamber Executive magazine.
- Integrate meaningful digital advertising and sponsored content opportunities for current and prospective sponsors.
- Integrate interactive and social content, along with a more robust online learning management system, to drive member engagement and provide more meaningful online professional development opportunities.

FOR TY UNDER 40

40-Under-40: ACCE will unveil the 2019 recipients of the association's 40-Under-40 program during convention, and we will feature the honorees in the Summer 2019 edition of Chamber Executive magazine. Moving forward, this will be an annual program to recognize the industry's brightest emerging leaders who are making an impact in the communities they serve.

Community Peer Groups

Metro Cities Council: ACCE's Metro Cities Council met in Greenville, South Carolina to discuss downtown development, diversity and inclusion, expungement and fair chance hiring, workforce development, minority business accelerators, diversity summits, and more. The council's convention meeting will be held on Tuesday, July 16, at 2 p.m. in Promenade 203A.



Major Cities Council: Planning is underway for the group's winter 2020 meeting, and the council will hold its convention meeting on Tuesday, July 16, at 2 p.m. in Promenade 201A.

Emerging Cities Council: Emerging Cities Council continued its monthly roundtable calls. Recent topics included the U.S. Chamber's Business Leads workforce development fellowship program, how chambers are leveraging their foundations and CEO compensation/bonus structure. The council's convention meeting will be held Tuesday, July 16, at 2 p.m. in Promenade 203B.

Hometown Chamber Council: The council continued its quarterly roundtable calls in April 2019, with a call to discuss workforce development initiatives. The group's convention meeting will be held Tuesday, July 16, at 2 p.m. in Promenade 203C.

University Communities Council: Based on member outreach and ACCE's member engagement survey, the University Communities Council list has grown to 79 communities. We held our most recent quarterly call on April 29 and identified several topics for upcoming calls and webinars, including articulation agreements, formalizing partnerships between the chamber and university, tech transfer and more. The group's convention meeting will be held on Monday, July 15, at 11:15 a.m. in Promenade 203A.

Destination Cities Council: The group held its most recent quarterly roundtable on June 18 to discuss chamber/CVB mergers. The council's convention meeting will be held Tuesday, July 16, at 9:15 a.m. in Promenade 203A.

Divisions

Communications & Marketing Division: The revitalized division's April roundtable call attracted 80 participants to discuss new member journeys and marketing automation. In addition, six members of the division judged the ACCE Awards for Communications Excellence in May.

Diversity, Equity & Inclusion Division: The division continued to hold monthly roundtable calls. Recent calls have focused on chamber-led diversity commitments, DEI strategic partnerships and how chambers new to DEI work can get started. We also conducted a division survey to help plan future programming. Several advanced chambers in this space are planning a convening in Cincinnati on August 13-14.

Economic Development Division: Division volunteers created a more streamlined site consultant program for the 2019 Convention and planned several economic development sessions for general attendees.

Education & Talent Development Division:

- Chamber workforce development leaders gathered in Spokane for ACCE’s Education and Talent Development Division’s Annual Meeting to learn from peers and share innovative best practices for chambers working on talent initiatives. Thanks to Greater Spokane Incorporated for hosting.
- ACCE Foundation secured another 24 months of support for its college and career readiness work from the William and Flora Hewlett Foundation.
- The division thanks long-time co-chair Nancy Eisenbrandt, CCE, Chief Talent Development Officer for the Nashville Area Chamber who has provided leadership for the division since its launch. We also welcome new co-chair Gilbert Zavala, Vice President of Education and Talent Development at the Austin Chamber.
- Twenty-two chamber professionals were selected for the 6th cohort of the Fellowship for Education and Talent Development. The nine-month professional development program to help chambers improve education and talent outcomes in their communities begins this fall.
- Additional programmatic updates include:



ACCE and New American Economy held a meeting of chamber professionals to discuss the immigration policy landscape and share how their chambers approach immigration issues. Thank you to the Los Angeles Area Chamber for hosting.



ACCE graduated its 5th cohort of ETD Fellows in April. Thank you to the Detroit Regional Chamber for hosting the final meeting of the cohort. This brings our total number of program graduates to 100.



ACCE graduated its first cohort of its Healthy Communities Program. Ten chamber participants each worked with a community partner to develop a strategic plan to sustainably address a health challenge in their communities.

Events Division: ACCE’s newest division established an advisory board and developed a program of work for the coming year. Jaime Henning, Director of Events and Corporate Relations at the Lincoln Chamber, was named chair. The group’s May roundtable call focused on chamber annual meetings. Planning is underway for the 2019 Events Training Conference, which will be held October 17-18 in Saratoga, NY.

Government Relations Division: The division thanks Steve Baas, CCE, SVP of Governmental Affairs for the Metropolitan Milwaukee Association of Commerce for serving as division chair over the last two years. We welcome incoming chair Mark Fisher, Chief Policy Office for the Indy Chamber. The group is planning its annual fall meeting and continued to hold monthly roundtable calls. Recent topics include an update on association health plans, voter and candidate education and outreach.

Membership Development Division: The division thanks outgoing chair Kelly Fanelli, Membership Director for the Chamber of Commerce of the Palm Beaches and welcomes incoming chair David Prunte, Senior Vice President of Strategic Partnerships for the Greater Kansas City Chamber. The Division’s May roundtable call focused on using the DISC personality test.

Professional Development & Convention

Crystal Moore, Vice President – Professional Development & Convention

Convention 2019

Attendance: As of July 1, we have 827 people registered for the convention, and we anticipate total attendance to be just under that of Des Moines last year. Attendance at our west coast-based conventions is historically a challenge in comparison to other parts of the U.S. due to smaller regional membership numbers, and expense for our members to travel to, and stay in, California. This is not unique to ACCE. Our national counterparts such as U.S. Chamber Institute West also face similar issues.

We will continue our recruitment and engagement efforts in this region, but we are pleased with this turnout. It's important for our association to continue to bring geographic diversity to our convention locations. ACCE partnered this year with W.A.C.E. so they can host their political bootcamp in conjunction with our convention, in order to collaborate and help grow both programs.

Even with one week to go, our current registration is higher than our last California-based convention in 2011 hosted in Los Angeles, which had less than 700 attendees.

Randy Gordon and the Long Beach Chamber have been strong partners in the planning and execution of this event. The chamber was instrumental in convention center meeting rental fee discounts, cost savings on band fees and they have donated transportation for all attendees from the hotel to the closing party at the Queen Mary.

Finance: We will have final budget numbers after convention, but we know that California cities are particularly expensive between higher-than-normal meeting expenses, service fees and staffing costs. We have been monitoring expenses to make sure they are managed in light of these factors. We will have a report for you by the next board meeting.

CCE

Seven outstanding new CCEs will walk across the stage this year. Over half of the new class hails from the western U.S. (including our first CCEs from Hawaii and Utah). In fall 2019 we will launch a wide-sweeping new campaign to increase awareness of the CCE's value. In spring 2019 we revised and updated the chamber Body of Knowledge which forms the basis for the CCE curriculum. Staff is in the process of reviewing the exam and support materials to make sure we have the most useful, modern and relevant information available for future CCE candidates.



Information Office

The Information Office member service, formerly known as HERO, has been renamed AskACCE. The [AskACCE](#) Team is dedicated to supporting our members' knowledge needs on chamber-related topics. Review of the [Samples Library](#) and [Resource Guides](#) is underway, and new resources are not being added at this time. All ACCE content is under-going thorough assessment according to our Content Strategy Plan as we prepare to migrate our systems. The payoff will be easier navigation, usability, and functionality of our website, networks, and knowledge library. The most recent [Chamber Operations Survey Report](#) - one of our most comprehensive benchmarking resources - is available in the bookstore and free for Horizon and All ACCEss Pass members. The Salary Survey Report will be available for members later this fall. CEOs or staff delegates can enter salary data in [Dynamic Chamber Benchmarking](#) and create comparison reports now rather than wait for the fall publication.

Fringe Benefits, Inc.
Robin Anderson, CCE, Chair
July 2019

The 401k MEP audit is being completed this month and the Form 5500 filing will be submitted prior to the July 31 deadline. The new contribution process for the 401k plan that the team was gearing up for has been postponed. The firm selected by the Benefit Trust, Pinnacle Financial, has been purchased by NPPG. Therefore, the trustees have decided to put NPPG through an RFP process to determine if the system and partnership previously identified as “best fit” will be as expected under the new leadership.

The team has made great strides on the insurance reporting and reconciliations issues previously reported. Most of the reporting issues have been identified and corrected or require a small amount of manual override each month. The reconciliation is also improving significantly, but it will remain a very time-consuming exercise through the end of the year since it needs to be done on a per participant, per product basis. Stacey is optimistic that the new ACCE database anticipated for January 2020 will fully resolve these issues.

Stacey continues to minimize travel this year while she focuses on the above-mentioned projects. The results of which would be a better user experience for our insurance and retirement members and greater efficiencies for the FBI staff. In the meantime, we have still enjoyed modest growth on the retirement plans and the insurance plans are holding steady thanks to the reduced premiums, which are bringing cost savings to our members.

ACCE External Affairs Engagement

As the national association serving and representing the chamber community, it's critical that ACCE staff spend time imbedded in the field. This takes the form of chamber visits for strategic guidance and idea-sharing, speaking and facilitation opportunities, attending broad-based events highlighting issues that impact chambers and the constituents they serve, and outreach to other stakeholders, including but not limited to: media; national associations; universities, etc. This list does not include events hosted by or at ACCE:

| ACCE Staffer | Date | Event | Location | Description |
|---|----------|------------------------------------|------------------|--|
| Sheree Anne Kelly | Jan. '19 | COSC Winter Meeting | Marco Island, FL | Presented session: State Chambers of the Future – Telling Our Story |
| Sheree Anne Kelly | Jan. '19 | Lubbock Chamber | Lubbock, TX | Met with CEO, board & community stakeholders |
| Dana Ketterling & Stacey Breslin | Feb. '19 | WACE | Anaheim, CA | Exhibitor and sponsor at annual conference |
| Sheree Anne Kelly | Feb. '19 | Conference on American Life | Bentonville, AR | Hosted by Walmart |
| Amy Shields Sarah Amoyaw | Feb. '19 | Skills Summit | Washington, DC | Hosted by National Skills Coalition |
| Amy Shields | Feb. '19 | Hewlett Foundation Grantee Meeting | Savannah, GA | Annual meeting of the foundation |
| Amy Shields | Feb. '19 | Social Capital Conference | Alexandria, VA | Philanthropy event for philanthropic and corporate foundations |
| Sheree Anne Kelly | Mar. '19 | VA Chamber Execs | Staunton, VA | Presented session: Chamber Value & Relevance – Now and Into the Future |
| Sheree Anne Kelly | Mar. '19 | Metro Atlanta Chamber | Atlanta, GA | Met with CEO & senior staff |
| Sheree Anne Kelly | Mar. '19 | Greater Philadelphia CC | Philadelphia, PA | Met with CEO & senior staff |
| Sheree Anne Kelly | Mar. '19 | USCoC | Miami, FL | Committee of 100 spring meeting |
| Sheree Anne Kelly | Mar. '19 | GA Chamber Execs | Grovetown, GA | Opening keynote speaker |
| Will Burns David Velasquez Gerry Feeney | Mar. '19 | Smart Justice Peer Meeting | Columbus, OH | Chamber roundtable on second chance hiring |
| Amy Shields | Mar. '19 | Dallas Regional Chamber | Dallas, TX | Met with chamber's education and talent attraction teams |
| Amy Shields | Mar. '19 | German Apprenticeship Model | Newnan, GA | Workforce best practices |
| Sarah Amoyaw | Mar. '19 | Grantmakers for Education | Washington, DC | Meeting focused on philanthropic trends |
| Sheree Anne Kelly | Mar. '19 | Greater Philadelphia Chamber | Philadelphia, PA | Meeting with CEO and senior team |

| ACCE Staffer | Date | Event | Location | Description |
|---------------------|-------------|--|--------------------|---|
| Dana Ketterling | Apr. '19 | MAKO | Branson, MO | Exhibitor at annual conference |
| Amy Shields | Apr. '19 | The Great Think: Workforce Readiness | Washington, DC | Discussed workforce readiness challenges/ solutions with national orgs. |
| Emily Counts | May '19 | Renewing the Promise of the Middle Class | Washington, DC | Federal Reserve community development conference |
| Sheree Anne Kelly | May '19 | Howard County Chamber 50 th Anniversary | Ellicott City, MD | Keynote speaker |
| Beth Bronder | June '19 | Chamber Alliance of NY State | Saratoga, NY | Speaker – Horizon Initiative |
| Beth Bronder | June '19 | Indiana Chamber Executive Alliance | Jeffersonville, IN | Speaker – Horizon Initiative |
| Sheree Anne Kelly | June '19 | World Chambers Federation | Rio de Janeiro | Speaker, Panelist and Judge, World Chambers Congress |
| Amy Shields | June '19 | Inclusion Incorporated Regional Forum | Tysons Corner, VA | U.S. Chamber Foundation event to talk about LGBTQ inclusion |
| Emily Counts | June '19 | Ignite Wellness Conference | Washington, DC | U.S. Chamber Foundation event on workplace and community health |
| Sheree Anne Kelly | July '19 | Great Washington Board of Trade | Washington, DC | Guest speaker at regional chambers dinner |

Do you know of events at which our team should speak? Conferences worth attending? Let us know. We love getting out of the office. Tell Sheree Anne – skelly@acce.org.