

A look into your organization: A financial snapshot of CEC

Jim McCormick, Treasurer, Council for Exceptional Children

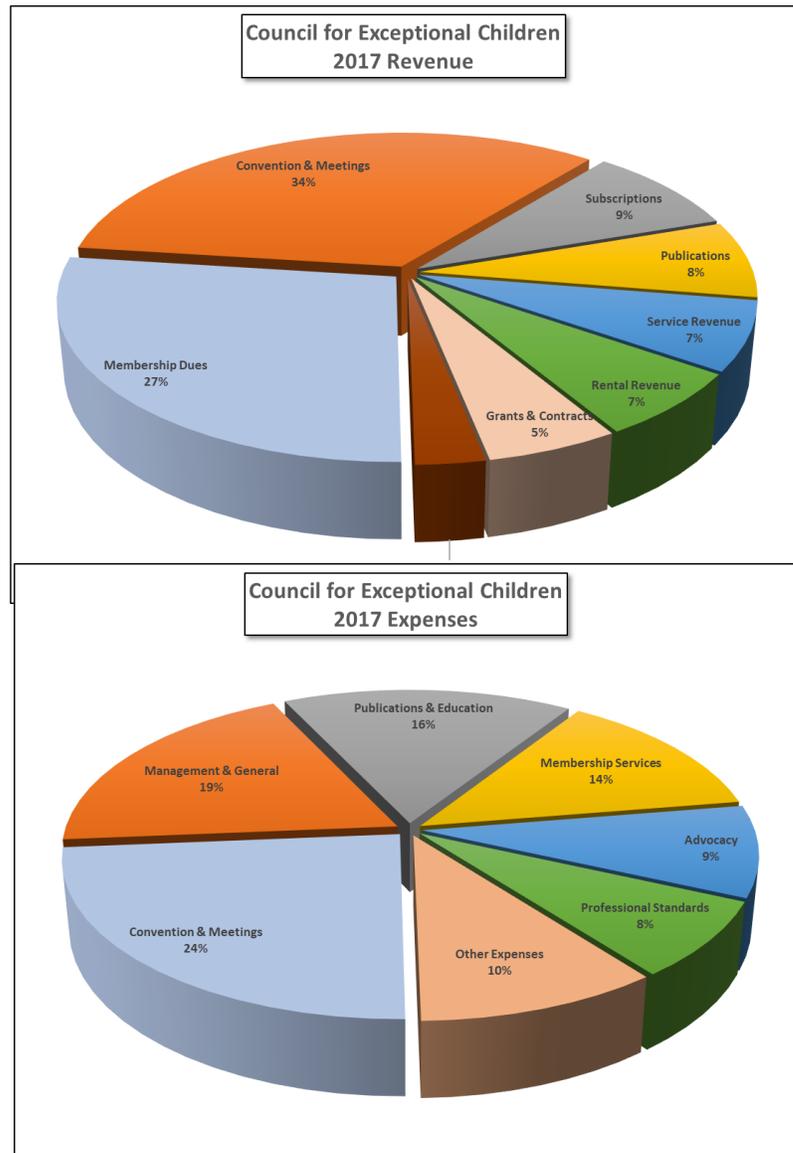
As a 501 (c) (3) nonprofit membership organization, the Council for Exceptional Children (CEC) is governed by a board of directors that sets the overall strategy, allocates resources, and provides oversight to its management. Fiscal oversight at CEC is also driven by the Finance and Audit Standing Committee (FASC) that reports to the board. The FASC is chaired by the treasurer and works directly with management in terms of fiscal policies, establishing the annual budget, making recommendations regarding asset management, and coordinating with an external accounting firm to conduct an independent annual financial audit. All this is done to maximize our resources on behalf our members.

The following is a summary of CEC’s audited financial performance for the 2017 fiscal year which is January 1 through December 31.

CEC Financial Performance

In 2017, CEC had a total operating revenue of \$6.9 million. Most of the revenue, 61 percent, was generated from Convention and Meetings (34 percent) and Membership Dues (27percent). The 2017 Convention & Expo was held in Boston in April 2017 and was attended by nearly 5,000 special education teachers, administrators, researchers, and exhibitors. At the end of 2017, CEC membership totaled 21,469. CEC also generated 8 percent of its revenue from printed and electronic book publications and 9 percent from subscriptions to its two journals, Teaching Exceptional Children (TEC) and Exceptional Children (EC), and its Life-Centered Education (LCE) transition curriculum.

CEC’s operating expenses of \$6.7 million in 2017 reflect the mission of the organization including advocacy, standards, and professional development. Convention and Meetings





represented 24 percent of total expenses, while Standards and Advocacy represented 17 percent. Also, Publications, Education and Membership Services totaled 30 percent of total expenses. In terms of management and general expenses, industry guidelines suggest that costs should represent 30 percent or less of total expenses. CEC's Management and General costs were 19 percent of total expenses in 2017 indicating that 81 percent of its resources were spent on programming and support of its mission.

Ratio Analysis		
	<u>CEC 2017</u>	<u>Peer Avg*</u>
Revenue Allocation		
Membership Dues	27%	35%
Convention & Meetings	34%	24%
Publications & Subscriptions	17%	12%
Grants & Contributions	5%	9%
Other Revenue	17%	20%
Revenue / Employee	\$382,603	\$152,726
Expense Allocation		
Salaries & Benefits	30%	38%
Occupancy	13%	4%
*Peer Data from ASAE Operating Ratio Report, 15th ed. (2016): <i>Professional Membership Associations; Revenue <= \$8 million; Staff Size >= 18</i> <i>Total Organizations in Peer Group = 337</i>		

How CEC Stacks Up

In comparison to industry peers, CEC derives more revenue from its Convention and Meetings while generating less from Membership Dues. Since 2015, CEC has been operating with a lean staff averaging 18 employees. Thus, the revenue generated per employee is 2.5 times greater than its peer group while Salaries and Benefits represent only 30 percent of total expenses compared to 38 percent for its peers. Occupancy expense for CEC is much greater than its peer group—given its small staff size, CEC has sublet a large portion of its office space to partially offset these occupancy costs.

Fiscal Safeguards and Your Association

As the treasurer, my role is work with the board and our management team to ensure that the financial resources and deployed to fully support the mission of CEC. I encourage you to contact me or CEC's chief financial officer, Craig Evans, at any time if you have questions or concerns about the CEC and its fiscal management. Just send your inquiry to service@cec.sped.org attention Jim McCormick or Craig Evans.