

Finance Committee Meeting Minutes – May 18th, 2010

(Approved June 22nd, 2010)

-Individual and Group Commitments are italicized and in bold

-Recommendations from the Committee to the Board of Directors are in bold

In Attendance

Debbie Rabidue

Paula Small

Erin Brand

Mel Reslor

Dan Gurin

Rolf Semprobon

Sun Lee

Nia Lewis

Bob Crow

Excused Absence

Anthony Petchel

Meeting started at 6:10

Check-in/intro

Review April Meeting Minutes

Approved by consensus

March Financial Statements Review (Finance Committee)

See attached financial summary

Mel will look into ACH fees for monthly credit card charges while he investigates credit card vendors.

Finance approves sending March Financial Statements and Summary to the Board.

April Financial Statements Review (Debbie)

Tabled until June, will be emailed out by Debbie ahead of time

Strategic Planning Discussion (per Erin Yanke's request, Debbie gives update)

Debbie and Erin Yanke are staff point people for strategic planning. An RFP has been drafted and has been sent out to various firms and posted. One consultant suggested that KBOO publish a minimum and maximum for what we want to spend, this is not something we want to do at this point.

Once the strategic planning group receives RFP's and reviews them, the board will need to be actively involved in discussing a budget for what we want to spend on strategic planning. The deadline for bids is June 16th.

Erin will bring this update to the May Board meeting.

Mid-Year Budget Projection (Finance Committee)

– Review final draft for Board Approval

Staff reviewed the mid-year budget at staff meeting today. This is a projection for the next 6 months, based on the actual from the first six months of this fiscal year.

Revenues Membership lines 6 through 15 are projected to meet budget, the change may be within line items of

membership revenue but not for the overall membership revenue. Spring drive was only \$1,200 under the \$95,000 goal. With our fulfillment rate for pledges we should reach the spring drive budget of \$74,000.

Development is projected to come out \$20,000 under the \$50,000 budget, but this is a very ambitious goal, so we still feel good about it. We will be able to gauge the development income better once we are able to look at the May financials.

Total revenues are projected to be about \$15,000 under budget, or \$701,000.

Expenses Telephone expenses will probably be over budget. The newswire service is way under budget and Jenka and John don't feel like we need the satellite service at this point (which was budgeted at \$8,100). We haven't spent money on a local news service at this point in the fiscal year.

Total expenses, including auxiliary spending, are budgeted to be about \$30,000 under budget, or \$765,000. Budgeted deficit of \$80,000, projecting \$64,000.

Auxiliary Didn't spend money on Sun's parental leave. The live remote gear and other capital campaign money is just about spent, matching NTIA grant to come in. Haven't spent \$3,300 on two-week programming back up on web, Dan is not sure if we will need to spend it.

Dan will follow-up with Roger Leigh to get bill for his web upgrade services, we want to be able to close this line item by the end of the year.

Finance approves sending the Mid-Year Budget projections to the Board.

OCF Endowment Update (Anthony)

Debbie received the OCF fund balance sheet from January 1st through March 31st. The fund balance started the year at \$191,812 and by the end of March it is at \$196,723. Good news that there has been a gain on investments.

Key Bank/Bank of the Cascades Cash Accounts Discussion (Debbie/Anthony)

Mid-Year Controllershship Update (Debbie/Erin)

Discussion about recommendations that Linda has made regarding internal controls. Sun suggested that people could write credit card numbers on just the yellow and pink forms and put the last four digits on the white copy so that members know that their information was received.

Wilken & Co. also recommends the continuation of the funding of the internal controls position (ie. Mel's position).

Debbie has been looking in to getting asset software that is compatible with Peachtree to track depreciation of assets. Linda recommends that we pursue this so that it we will be able to produce more accurate monthly financial reports. Debbie suggests involving volunteers (ie. Engineering volunteers) to do a complete inventory of our assets.

Erin will bring the mid-year controllershship report to the board and convey Finance committee's discussion about Linda's recommendations.

Lawsuit Expense Update (Erin)

– Recap April Finance Report to the Board

January – April Action Items/Commitments Update

Debbie provided an addendum of Jan.- March that is added to the April minutes.

April follow-up

- Debbie has worked with Zale to get a policy proposal to the board for approval at the May meeting regarding credit card security.
- KBOO did not move any cash to the money market account yet, between EFT and pledge drive that has not been necessary. The discussion has been to move \$80,000 in the future, out of Bank of Cascades to Keybank money market so that we can make draws.
- When we go over April and May financials next month we will look at the trends with the fund balance. The May financials will show the final bill from Scott Pratt, just under \$12,000.
- Andrew wants to revisit his budget projections once he has caught up with Spring Drive work.
- Justin wants to meet with Dan to discuss web advertising. Justin has clients that are interested, 8 of them in fact. Dan will bump up web advertisements and referral links on his priority list.
- Andrew wants to get a quarterly publication out in June, this is the replacement to the monthly listener's guide. Debbie didn't have numbers to go by for this publication, so she just used what was budgeted for the mid-year review.

June's Meeting Date: Tuesday, June 22nd

We will be looking at Chris's items for future budget considerations at the June finance meeting.

Attachments

Financial Summary for March 2010

Balance Sheet Highlights

- Liquid cash balance is \$450,000 of which \$200,000 is the operating reserve.
- Endowment has increased by \$26,000 from 1 year ago

Income Statement Highlights

Income

- Membership income overall is \$20,000 over budget.
- Events and Development income is \$12,000 under budget. However, it is also up \$6,000 from last fiscal YTD, so we continue to see a positive trend.[1]
- Underwriting and Advertising revenue is \$7,500 under budget[2], but is only \$1,700 down from this time last year. The summer months usually bring in more underwriting.
- SCA Contract income is below budget due to renegotiating the FM Korea at a 35% discount.
- Interest income is declining due to the bank yield % decreasing each month.

Expenses

- Employee expenses will begin to decrease monthly with a savings of \$2,000 a month.
- Newswire service is currently running \$800 per month under budget with using AFP³. We expect to add a local use agreement this fiscal year.
- Printing and Postage is currently under budget by \$6,800, but will begin to be used when the Listener Guide's replacement promotion starts this summer.
- Premiums is currently over budget from T-shirt purchases, but will meet budget at FYE.
- Bankcard fees & Bank Service Charges are up \$2,000 from last year.
- Dues is currently over budget, but will meet budget at FYE.

Operating Bottom Line

- Revenues are under budget by \$7,000, but down by only \$2,000 from last year. Expenses are over budget by \$4,000, but less than last year by \$7,000. We currently have an operating deficit of \$3,200.

Auxiliary Spending

- **Auxiliary** spending adds \$34,000 to the deficit, bringing the net to a \$37,000 deficit fiscal YTD. Major AUX spending was \$16,000 on the lawsuit, \$5,600 on the server and \$11,000 on broadcast/engineering improvements and repairs.

Note: We budgeted for a \$79,000 deficit and at mid year we have a deficit of \$37,000.

[1] Development & Event Income is \$17,569 and the Development & Event Expenses are \$3,557, with a net of \$14,012 FYTD.

[2] This includes \$2,050 in unexpected Guide Advertising. We budgeted for the Guide to quit publishing as of October, but we will not make any changes until February.

³ Newswire is currently \$4,700 under budget and may end up \$9,000 under budget for the year.