

KBOO Finance Committee Monthly Report

July 18, 2019

Summary

- Operating loss of \$43,909 for the first nine months of the 2019 fiscal year (October 2018 – June 2019)
 - This is a higher-than-expected loss compared to the \$33,590 year-to-date loss that was projected through June
- **MacRae is projecting a larger-than-expected operating loss of over \$71,000 for 2019 (through September 2019)**
 - We are concerned that operating revenue will likely end the year 8-10% below budget (\$60,000+), due to several revenue streams not meeting expectations:
 - Underwriting, Winter Membership Drive, Grants, and Major Donations are the largest negative variances
- The major factors affecting how we end the year financially are the successes of the Fall Membership Drive, Underwriting, & Major Donor campaign

Operating results

	Month of June		Year-to-date (Oct-June)		YTD Actuals vs Budgeted variances	
	Actuals	Budgeted	Actuals	Budgeted	Dollars	Percentage
Operating Revenues	\$64,468*	\$ 38,801	\$554,223	\$611,690	(\$57,467)	9.4% less than budgeted
Operating Expenses	\$62,997	\$ 70,986	\$598,132	\$645,280	\$47,148	7.3% less than budgeted
Operating Profit / (Loss)	\$ 1,471	(\$ 32,185)	(\$ 43,909)	(\$ 33,590)	(\$10,319)	greater loss than budgeted

*higher-than-budgeted revenue in June because of timing issue - CPB grant was expected to be received in May, but was not actually received until June

Liquidity (7/1/18)

	Notes
Unrestricted cash	\$ 36,853 Unrestricted cash after accounting for restricted grants
Operating Reserves	\$144,899 2.1 months of budgeted operating expenses (goal of 3 months) <ul style="list-style-type: none"> • target minimum Operating Reserves amount of \$211,129 • planned July 2019 transfer of \$42,000 to manage cash flow would bring Reserves balance to about \$102,899, but we expect to transfer a bequest of \$43,000 to replenish (see below)

Looking ahead

- We anticipate that the planned \$42,000 transfer from the Operating Reserve in July will provide sufficient cash flow to manage expected monthly operating deficits in July and August, before our Fall Membership Drive brings in needed revenue in September. If the drive is successful, the revenue it brings in will provide the cash flow to pay our budgeted operating expenses until our planned CPB grant funding arrives in November.
- MacRae expects the Don Burnett bequest of about \$43,000 to arrive in the coming months. As previously approved by the board, these unrestricted bequest funds will be transferred to the Operating Reserves to replenish the balance.
- MacRae and staff have developed a first draft of the FY20 Operating Budget based on staff work plans, historical data and trends.
 - The board will need to review the proposed FY20 Operating Budget in August, and approve the final budget by the end of September.

LOCATION: KBOO

Time: 4:30pm-6:00pm

The Meeting begins approx.:4:25pm

Check-ins: :Who are you and How are you?

Arthur: " I am trying to spend all of the money" (with a chuckle)

GO!: I am a volunteer of many hats.

McCrae: Good

Deciding between discussing Capital Budget first or other Finance subjects first.

Mark A: "Doing Great"

Gene : Generally doing well.

Rachel F.: Great

Arrived after check-in Dan: Is feeling fine

{At the start of the meeting a packet of the monthly financials were distributed to the committee.}

This included:

*Fiscal Year of the Capital budget for the year 2020

*fiscal Year of the Operating Budget for the year 2020

McCrae referenced an email sent (Regarding the -26,000 negative variance)

^ (line 38) suffered a loss due to Underwriting Director's rapid turnover in recent year. Also partially due to there NOT being a drive in February (2019).

^ (line98) 841,619K _Operating Budget

^ (107) Projection is overshooting the expected amount

*A combination of not meeting revenue goals and legal fees of (-6,000)

^ Fall Drive is expected to meet Goal: due to NEW instant payment system.

Cash Flow

^Propositioned to ask Board for \$42,000 (Reserves)

*Cash Flow is expected to raise revenue

Rachel F.: Mention to the board about NEW streams of revenue to instill confidence for backing.

Dan: Board is "up-to-speed" on financial status (Thank you McCrae for the emails)

#reserves to be discussed Tuesday of next week.

Capital Budget

^ Current Capital: \$27,151 (24,151 + 3,000 (Pat.K))

*Helpful structure of Purchase that categorizes projects:

WANT to (P)	HAVE TO (P)	WOULD LIKE to (P)	GOOO Idea to (P)

Priorities

1. Wheelchair Accessibility project
2. Wheatstone link P3 room to the rest of station
3. Kodek (codec) remote system
4. Tie line bridge
5. Harris Flex star opt.22 (HD signal)

~~_Re-carpet the station~~

_New Building (Possible Relocation Outcome) _

Dan: Why is the Board in P1 such a priority?

Arthur: The board, as is, has approx. two years left (working condition)

Mark: Wheelchair accessibility, is a priority for the community we serve.

- The door is wide enough but the door would need modification to house a motorization unit to control swing and closing speeds.

Mark: If we are choosing to move, there would need to be an Environmental Assessment (add to CB spending)

Arthur: Upgrades to the Air room has been dismissed by the board the previous four meetings. The Tie Line has gone down and needs immediate attention.

Dan: It should pass (regarding the Tie Line Bridge)

Mark: The Ay's have it, to recommend to the Board that Capital be requested for the Purchase of Items: one through five.

Mark: Suggests to ask for ALL of the Capital, in-order to bypass Board approval during the aforementioned projects pending.

Dan: All of the Capital would be a reasonable request in-order to cover unforeseeable costs that comes with repairs and labor interruptions. (Emergency spending)

Operation Budget

McCrae

- Renewal Letters mailed Quarterly (+)

- Sustaining #'s are based on Actual Income

 - *Thank you: four years ago when the Pitch initiative began to take flight.

- Winter Drive may not meet goal (Dec. Feb.)

- NEW streams of Revenue:

 - *Raffle

Dan: What made a significant difference in the Underwriting's #'s

McCrae: Underwriting Department went through a few turnovers, also there was a loss of some expected businesses that contributed to the gap. For instance, Oregon Symphony did not have any shows during their *usual* time of year, however there are shows scheduled for the fall season. "Let's send them a fruit basket, we have Food CO-OP funds that can be used. Despite all else, there is hope to attain new businesses.

Rachel F: How is it that, there is a projection for \$13,000 (line 27) for the Underwriting Budget?

McCrae: New Revenue Streams (are promising) Ideas of donating a House/Large properties

Rachel F.: Knows of Houses being used in this way (House Giving) while in California.

Gene: Leave a Legacy giving (Planned Giving –Rachel F). KBOO has a Demographic that have Wills that could be entrusted to KBOO.

GO: Music Library Upgrade could adopt a "buy a panel" of the Library Pane once built and constructed.

Gene: Membership increase of at least 5% is great, but Membership retention is more stable, important, and necessary. REF: Sun LI (a former Membership Director)

Arthur: Freeform uses bidding toward fresh programming that helps drive revenue.

Gene: Mail to Members (labor intensive) WORKS!!

Rachel F: We should push paying back the budget to the Board.

- Discussion of Salaries took a good chunk but finally clarity was established: Salaries should raise because COLA does too.

MARLA DAVIS FUNDS

Rachel F. the Grant writing team should follow the same standard as the other qualified programs for the fund.

- Two or more individuals is all that is necessary to approve spending of the MARLA DAVIS TRUST
- Finance Committee sends recommendations to Station Manager for final review of allocation.

Meeting Ended around 6:45pm PST

#, means numbers; ie the figures that reflect either profit, loss, or total.

(P), means purchase; ie monetary exchange for goods and services.

_ _ means that this was a looming conversation that could have importance in the future.