

## Finance Committee meeting: 01-22-2013

### Attendance:

Debbie Rabidue, Kurt Lauer, Paula Small, Matthew Bristow, Andrew Geller, Lynn Fitch

### Check In

Approve November FC meeting minutes: Approved (Paula will post to website)

1<sup>st</sup> Qtr Financials review (Oct-Nov-Dec): Discussion on the cash balance in Advantis CU (Board designated Operating Reserve) The balance is about \$10,000 higher than is required. Debbie is not in a rush to move the cash since it's making better interest in Advantis and we don't really need the extra money in the operating account right now. FC members in attendance (Andrew, Deb, Matt) agree to leave the cash where it is and Matt will work on the 3 month operating cost analysis project to see if there has been any change.

Fall drive was shorter and came in slightly under budget. Program quality remains a direct effect on membership drive income performance. Andrew considers flat membership revenue is a success in light of no real programming changes. Debbie notes that overall income for year to date is very close to last year

Debbie mentions to the FC that we finally had the bill for Grants NW come in for the digital archives. This was originally budgeted for FY09, and was carried over until FY12 ended. FC recognizes the expense and feels it falls within the professional services budget since it was previously approved by the Board. Debbie informs the FC that there could be an additional \$2,500 to \$3,500 in legal fees that will hit in the next couple of months due to actions within the Board from Sept/Oct.. The FC wants to make special mention to the Board regarding the unapproved spending on legal services by Board director(s). Unapproved spending is adding to the overall deficit and is a struggle for the station.

### **Commitments and assignments:**

- **The FC wants to make special mention to the Board regarding the unapproved spending on legal services by Board director(s). Unapproved spending is adding to the overall deficit and is a struggle for the station.**
- **The FC wants to inform the Board to prepare for the mid-year budget projection retreat in May.**
- Finance Committee will work on researching what extra costs would be incurred in the event of a natural disaster (such as generators, etc). Debbie will see if the staff has a disaster preparedness plan.
- Matt will work on reviewing the 3 month operating reserve amounts based on historical numbers. Debbie will send Matt historical financial material for analysis.
- Debbie will send Kurt and the FC a report on full time and FTE numbers for as many of the past years as she can locate. FC would like to look at the change in FTE and how many used to operate the station.

# Financial Summary for January 2013

## FY13

Debbie Rabidue, Finance Coordinator

### Balance Sheet Highlights

- Available fund balance is \$322,000 of which \$200,000 is the operating reserve.
- Accounts Receivable has some past due amounts that will be collected in the next month. We may be seeing the \$2,800 owed to us from the Pendleton group sometime this summer. We should be transferring the license in June or July. Per the contract agreement, KBLU/Pendleton needs to have KBOO paid back in full before the license can be transferred.
- Accounts Payable to be paid in February is \$9,975. \$253 in uncashed check payments was voided and new checks will need to be submitted.
- The OCF Endowment value is \$199,066 and had a gain of about \$5,000 in the 4<sup>th</sup> qtr of 2012. We received the semi-annual disbursement in December which was around \$4,200.

### Income Statement Highlights

#### Income

- **Membership** income is \$20,000 over budget; this is largely due to a successful year end appeal.
- **Events and Development** income (net) is over budget by \$3,700 and well over from this time last year. The expense ratio to income is a little high, as money was spent on important marketing and co-sponsorships that usually don't bring in much money.
- **Underwriting and Advertising** revenue is close to budget.
- **SCA Contract** income was not budgeted, but money is still coming in. This is helping to offset some of the unbudgeted expenses such as the HR services.
- **Board Led Fundraising** is about \$4,000 behind budget but will be showing some activity starting in February with the Clinton Street movie nights.
- **Local Business** program is budgeted to see income during March through June.

#### Expenses

- **Employee Wages & Taxes** are under budget due to fewer hours in some departments. This is above the amount of the payroll contingency that may be spent by the Manager during internal restructuring and if income supports the spending.
- **Professional Services** is over budget and this is due to the addition of the HR Services. Legal costs account for about half of the FYTD spending; \$2,500 has been spent on staffing/management assessment, \$1,000 on grant writing and the rest on HR and various other small services.
- **Premiums** are over budget by \$4,000, but within the full year budget of \$8,000 and should even out on the actual-to-budget during the year.
- **Other:** A bulk of the projected spending has not occurred yet, so we show a net surplus. These expenditures are expected and should be planned on when trying to project future deficit or surplus. We are still early in to the fiscal year, are going through some major organizational transitions, and we will be able to tell more on the financial picture in the next couple of months.

### Operating Bottom Line

- We are showing a current net surplus from cash activity of \$48,000. It expected that as the projected spending occurs that we will be a little closer to \$20,000-\$25,000 for a surplus, YTD.

### Upcoming financial information:

- **We need to keep in mind that we will not have a winter drive, so we may see a deficit in February. The Spring drive will start early, March instead of May.**
- **There is some unbudgeted spending for grant writing, but it still fits within the overall development budget.**