

Finance Committee – April 20th, 2010

(Approved May 18th, 2010)

-Individual and Group Commitments are italicized and in bold

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

In Attendance

Erin Brand

Paula Small

Debbie Rabidue

Sun Lee

Mel Reslor

Nia Lewis - late

Excused Absence

Anthony Petchel

Rolf Semprobon

Meeting started at 6:15pm

Check-in/intro

Review March Meeting Minutes

Approved

OCF Endowment Update (Anthony)

Tabled due to the Anthony's absence, handout was given at March meeting.

Update on Draft Credit Card Security Policy (Debbie)

Policy has gone through staff, Debbie will email draft to the finance committee. It does not need to be approved by finance before going to the Board, it is less about finance and more about station operations. Andrew and Zale helped Debbie draft and Anthony Petchel looked over language.

Underwriting Update (Debbie)

Debbie clarified that Underwriting is run through Accounts Receivable which means that revenue is recorded after a contract is signed and according to how the billing is set up, ie: a 12 month contract may be billed each month or it may bill one time for the year. Cash receipts are recorded through Accounts Receivable and do not effect the recorded income. Justin's commissions are based on cash collected. We have had to write some underwriting off as uncollectable debt, but it is very minimal (maybe less than a half of a percent).

Internal Controls Update (Mel)

Linda Barkus came in today and worked with Mel to go through some of the procedures. Mel has been in his position for a few weeks and is working to develop a check list to ensure internal controls. Mel wants to make sure that the work he is doing would translate to whoever may have the position in the future. He hopes we won't have to work too much with the accountant, as far as the expense goes, but there are a lot of details.

Debbie suggested to Linda and Mel that they develop a summary report to bring to staff, finance and board if

necessary. She is not sure if this summary report will be done every month, they will figure out how often it is necessary.

#### Mid-Fiscal Year Budget Review (Debbie & Committee)

Debbie would like the YTD financials approved by Finance in May to go to the Board meeting that month.

On the balance sheet, one of the discussions is the KeyBank Money Market account. This account had \$49,000 at the end of March, it is currently at \$35,000. We may need to move cash from Bank of Cascades to KeyBank until pledge drive money comes in. This is something to bring up again at the May finance meeting.

Liabilities are low, we don't have much debt. What shows up as liabilities are payables at the end of a month, these are usually paid in the next week.

We have burned through about \$50,000 in cash so far this fiscal year. We will also focus on this item in May.

Membership department is \$20,000 over budget, about \$12,000 of that is WW GiveGuide. After the Spring drive we will have a fuller picture of membership revenue. Andrew anticipates a drop in listenership based on trends on the Arbitron (December 2009 was the last time we paid for Arbitron.) There's a good chance membership will be at or over budget. Andrew is doing less direct mail, and picking up revenue in other areas, such as unsolicited donations.

Underwriting requests usually pick up in the summer months because of summer events. Debbie predicts underwriting may not reach budgeted income.

Under expenses, salary is over budget by \$2,000, we will be saving money with the closing of the manager position, but for now we had to pay severance and vacation. Over the next 6 months we will find it going under budget.

We are saving about \$800 a month on what we budgeted for the newswire service. Debbie has not heard from Jenka if we need a satellite feed, we will probably save quite a bit on this line item by the end of the year. Utilities are under budget. Postage and printing is under budget, due to less direct mail in Membership. Pledge premiums are over budget at this point, due to Andrew pre-ordering t-shirts, etc. It will catch up to budget by the end of the year.

Our premium for liability insurance went up, we had a change in brokers that reviewed and audited our insurance. The broker is going to look at all of our insurance (D&O, broadcaster's insurance, etc.). Debbie has a goal to have all of our insurance policies renew in October so that we will be able to budget better.

Bankcard fees and services charges have increased quite a bit. Mel is volunteering to gather bids to compare fees and services and will review with Debbie to see what our best option is.

Sun asks what 'Dues' line item means. Debbie explains that they are things like Sesac, BMI, and other licensing dues.

For the first six months, on a cash basis (not our endowment, or depreciation) we have a \$37,000 deficit. We budgeted a deficit of \$70,000 for the year, mostly based on legal expenses.

Debbie and Sun worked on Development report, for the first six months the net development income is \$8,300, for events the net is \$6,200. Combined department income of \$17,500, with expenses at \$3,000, for a net of \$14,500, we are double where we were at for FY2009, in the first six months of this year. Raffle still to come.

Auxiliary budget will be reviewed by staff in more depth. The server budget may have been over estimated, Debbie has been in contact with John about this.

The Forrester lawsuit is probably going to end up with about \$40,000 in expenses. Debbie needs to get bills for the time of the summary judgment and trial preparation, she will have Chris contact Scott Pratt.

Debbie will email January and February financials and will do a write-up about it.

Debbie will get Andrew, Sun and Justin to give feedback on mid-year budget and projections for their departments. They may come up with some recommendations, for instance Dan and Justin working on advertising on the web, Board working more on development promotion to increase development/events income.

Debbie will work with Sun and Andrew to clarify printing and mailing costs for monthly flier and quarterly publication to make a more accurate budget projection for these line items.

The handout Debbie prepared projects an \$18,000 deficit on the Operating Budget, with a projection of spending \$49,000 off of Auxiliary that was budgeted at \$70,000 (legal expenses will not be as high as predicted). We budgeted for a deficit of \$79,000 and projecting a deficit of \$66,000.

Between this meeting and May finance meeting the mid-year controllership will happen in the finance department. The CPA will provide a written report after the controllership is completed.

Meeting Ends at 8:50pm

May's Meeting Date: Tuesday, May 18th at KBOO

Addendum Provided by Debbie Rabidue

February Finance Minutes: Update on Debbie commitments

Development Department Update(Sun) DONE

Sun asked for clarification about the expenses regarding the Amy Goodman event last November. Debbie will look into this discrepancy, line 35 of development spreadsheet. Debbie also needs to reissue the development income report and send to finance.

## Update on January Action Items

Debbie has not checked with John about server expenses....but will! DONE (The expense was/is correct. John says we will see a consulting bill when the server is done)

Debbie will footnote regarding \$4,000 on Pittman Grant. DONE

Debbie will present the historical income and expense analysis report for the March meeting reschedule to May meeting

## Finance Department Update(Debbie)

Debbie will talk with Bruce Silverman about getting a locked box for bank statements to be put in. DONE in February

## January Financial Statements Review(Debbie)

Debbie will look at monthly trends in underwriting over the last year. This will included as part of the historical income/expense report in May

## March Finance Minutes: Update on Debbie commitments

( I had no commitments, just the clarification that was part of the April minutes regarding Underwriting revenue)

“There can be a wide monthly variability based on getting timely response from underwriters. Justin’s unofficial goal is \$1,000 a week. There have been issues with collection in the past, Justin’s numbers are based on contracts that are signed, not accounts receivable.

Jim asked what the outstanding number is for accounts receivable, Justin estimates it’s about a few thousand. Justin feels that if all accounts were paid and online advertising were up and running that we would be ahead of budget.”

(Clarified that collecting Accounts Receivable does not effect the recorded income) Therefore, collecting past due accounts, would not put Underwriting on budget.