

FINANCE COMMITTEE MEETING NOTES 1/18/2024

In attendance: Danielle Schira, Nathan Vandiver, Dan Shramek, Gene Bradley, Mike Ftaclas,
Joyce Nance, James Draznin, Jill Blanchard, Emma Lugo *(for the last part of the meeting)*

Facilitator: Danielle

Note taker: Jill

AGENDA

- Audit
- Approval of FY24-Q1 meeting minutes
- December 2023 Financial Reports
- Set February's agenda

NOTES

Audit

- Joyce pointed out the intense writing, intended to obfuscate
- Nathan noted no going concern
- Danielle says that the numbers look fine; auditors are now reviewing KBOO's Annual Financial Report (AFR) that will be submitted to the Corporation for Public Broadcasting with our request for funding
- Communication letter and letter to the Board
 - not public documents
 - trial balances were off
 - breakdown in procedures
- Qualified opinion
- Auditors have not seen fraud,
 - KBOO couldn't prove there wasn't fraud
 - The auditors can't prove there wasn't fraud either
- Finance Committee will review the audit and discuss at the February meeting

Approval of FY24-Q1 meeting minutes

- December 2023
<https://docs.google.com/document/d/1mejZfTahsFGtitHP7fBzPGUQ0V5PZNXWHdZHTtOVCHU/edit?usp=sharing>
- November 2023
https://docs.google.com/document/d/1QCRkqTznIwtrnVizMVAi_bAfGAjTUtwHzouYZUbAn4/edit?usp=sharing
- October 2023
https://docs.google.com/document/d/1fTARmgx637Nba6vPQbl45JMdpToySAuDNKVTMWWxo_A/edit?usp=sharing
- Gene moved to approve the minutes, Dan, provided a second; no dissent

- Minutes for the last 3 months are approved unanimously
 - Jill will post on kboo.fm

Financial Reports

[December 2023 Financial Report](#)

[Budget vs. Actuals: Budget FY24](#)

Highlights:

- Revenues - 31% behind where KBOO planned to be after Q1 FY2024.
 - No Development income in Q1
 - The Development Director just started at KBOO and provided a schedule of grants and applications for while he is out on family leave.
 - We have submitted three grant applications so far in this fiscal year:
 - \$40K and \$25K for general operating support
 - \$15K to help fund Youth Collective programming
 - Dan requested a grant funding report that includes dates when KBOO might hear whether grant applications are accepted, and when KBOO can expect funds if awarded the grants. This information will be helpful when reviewing and updating cash flow projections.
 - Pace of mail is slower this year
 - Between Christmas and New Year's is usually a busy time for incoming mail
 - This year no mail parcels during this time.
 - The lag time is significant
 - Dan asked what percentage of the membership drive funds come through the website
 - Goal of \$34K from white mail
 - Still waiting to see
 - In years past, many people wait until the last week of the year to take care of year-end giving.
 - KBOO waits to see if checks that may have been mailed before the end of last year are still showing up.
 - End-of-year campaign mailers
 - 2 mailers - \$30K expected
 - First exceeded its goal
 - Second is going out now
 - Problem with printing delayed mailing before the end of the year.
 - Gene asked about sustaining members, this year vs. last year
 - Mike will send the numbers to Gene
 - Attrition rate - 5 to 10 members a month
 - Cancellations or failures to pay

- Focusing on bringing these people back
 - Membership Director is still on-boarding
 - More mailers and events for members in the future
- Government support - Corporation for Public Broadcasting
 - Timing issue
 - Annual Financial Report (AFR) is now complete
 - Auditors were reviewing, had one question; now at the end of the process.
 - KBOO can then apply for CPB funding.
 - KBOO will know shortly regarding the expected amount of funding that we can expect
- Underwriting
 - Behind where we expected to be to budget at this time
 - Ahead of where we were last year
 - Potential to expand this revenue source
 - Engaging with current and past underwriters and Nathan
- Interest on bank accounts
 - Lower than expected
 - Working to move funds to maximize interest potential while keeping funds liquid
- Actual Expenses - are on budget, only off by \$32
 - Working to renew contracts to save money - still in progress
 - For example, the phone system and the printer contract
 - \$10K over budget on staffing costs
 - Total variance for the year of \$16K
 - Off about \$1000 per month
 - Some expenses have not materialized yet
 - For example, legal fees
 - Still planning to spend these funds
 - PGE implemented an 18% increase in 2024
- Projected cash flow
- Reviewed Statement of Financial Position
- KBOO needs to change primary on the OnPoint account from the President to the Station Manager - for ease of access

Questions

- Emma asked about purchasing read.ai software for the KBOO zoom account
 - Cost = \$180, can the Executive Committee approve this cost between Board meetings?
 - Nathan stated that he was able to turn on the read.ai function for KBOO zoom account and he will look into whether that covers the Board's and committees' needs
- Emma asked if a thorough review of the budget was completed after the 1st quarter and if any recommendations for budget adjustments were made

- Gene responded in the affirmative
 - Gene also offered that staff were asked to develop contingency plans for the 6-month budget review
- Jill noted timing and that it is too soon to make adjustments
 - The Finance Committee will be prepared at the 6-month budget review to make budget adjustments.
- Nathan stated that KBOO now has the staff to grow the budget and hope to exceed budget expectations for the year
- Gene asked about KBOO membership
 - Mike responded that KBOO had 4300 members before the End-of-Year Drive
 - After the End-of-Year Drive, KBOO has 4500 members
 - Attrition is approximately 5 to 10 members a month due to cancelation and failures

Setting February's agenda

- Finance reports
- FY24 budget review
- Audit
- Finance policies
 - Capitalization
 - Fixed asset
- Equipment and facilities
 - Inventory
- Membership tracking

Next meeting

- Thursday, 2/15/2024 at 5:30pm
- Via Zoom