



**Finance Committee Meeting – Thursday, January 18, 2018 – 5:30 p.m.
DSO Office, 100 West 10th Street, Suite 1003, Wilmington, DE 19801
Meeting Minutes/DRAFT**

Committee Members Present:

Lanny Edelsohn, Chair
Charles Babcock, President
Jeff Ruben, Treasurer
Matt Di Guglielmo
Brian Kelley

Committee Members Not Present:

Cris Coconcea

Ex-officio Members Present:

Alan Jordan, Executive Director
Libby Burgazli, Finance Manager
Ruth Kreider, DSO Musician – *by phone*

The meeting was called to order at 5:32 p.m.

Upon a request from Edelsohn, no members noted conflicts of interest.

The December 12, 2017 minutes were approved by consensus.

2017-2018 Budget v Forecast

Burgazli offered highlights from the Operations Forecast (Profit and Loss) with actuals through December 31, 2017.

- The current forecast reflects a very slight surplus, but still relies on aggressive contributions projections. In addition to the \$954,337 of recorded actual revenue, deferred ticket sales for future concerts total approximately \$106,000 of additional income.
- An anticipated major gift brings the remaining contributions to be secured to \$377,220. Corporate and foundation gift targets will be the most challenging to reach.
- The One-Twelve Fund Drive status report shows \$129,287 of new/increased gifts secured. With an additional expense savings adjustment for the Explorer concerts, the remaining funds to be raised to achieve our \$500,000 goal (which now includes \$226,970

of expense savings) are \$143,743. Currently, there are nine requests totaling \$172,000 outstanding.

Cash Projection for FY18

The January 17, 2018 report reflects complete depletion of the operating reserve funds in February. Absent additional significant funds, we will need to make a special draw from the Board Restricted Fund. Essentially, there is a need for \$50,000 of revenues each month from February on to prevent us from using Board Restricted Funds. This projection report removes repayment of the Operating Reserve Fund, which has stood at \$250,000.

Board Restricted Fund

As of January 16, 2018, the fund value stood at \$874,312. This follows the FY18 annual 5% draw of \$42,299.

Preliminary FY19 Budget

Burgazli proceeded to walk members through the preliminary draft FY19 budget for core activities (Wilmington Classics, Chamber, and Explorer concerts) and overhead. Total preliminary expenses are projected at \$1,516,767. Figures from a separate distributed Development Budget Worksheet, forecasting FY19 contributions and reviewed by the Development Committee, were incorporated into the draft budget. Currently, the net result is a (\$13,707) deficit.

Work still must be done on ticket pricing and hall scaling to maximize sales revenue, and fees for The Grand Opera House must be negotiated. CBA service obligations to the musicians [in *addition to* Core activities] constitute an additional expense obligation, the amount for which will be included in the revised budget. The DSO Staff will present a revised budget to the Committee in February, which is expected to be recommended to the board for adoption at its February 26, 2018 meeting.

Edelsohn noted that what we raise in revenue this year should be what we budget for next year.

Meeting Adjournment

With the budget process underway, the committee agreed to advance its next meeting to Thursday, February 15, 2018, beginning at 5:30 pm. There being no other business, the meeting adjourned at 7:00 p.m.

Respectfully submitted,

Alan Jordan, Executive Director