



**Finance Committee Meeting – Thursday, March 22, 2018 – 5:30 p.m.
DSO Office, 100 West 10th Street, Suite 1003, Wilmington, DE 19801
Meeting Minutes/DRAFT**

Committee Members Present: Lanny Edelson, Chair – *by phone*
Charles Babcock, President
Brian Kelley – *by phone*
Jeff Ruben, Treasurer

Committee Members Not Present: Cris Coconcea
Matt Di Guglielmo

Ex-officio Members Present: Alan Jordan, Executive Director
Libby Burgazli, Finance Manager

Ex-officio Members Not Present: Ruth Kreider, DSO Musician

The meeting was called to order at 5:31 p.m.

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

The February 22, 2018 minutes were approved by consensus.

2017-2018 Budget v Forecast

Burgazli walked the committee through the March 20, 2018 report with actuals through February 28, 2018 (eight months). Progress was made during February in contributions: of the \$457,636 still to be raised, \$200,000 has been verbally committed. Edelson noted that achieving the \$50,000 challenge (which requires another \$75,000 in new and increased gifts) is critical this year. Earned income is on target as the forecast already includes advance ticket sales. Currently, we are within \$12,000 of reaching our FY18 forecasted income of total ticket sales. Burgazli noted that almost 40% of total forecasted expenses will be incurred in the remaining four months of the fiscal year which is representative of a normal operating cycle.

Development Update and Benchmark Report

Jordan reported we need to raise another \$69,273 to reach our One-Twelve Fund Drive goal and secure the \$50,000 challenge gift. Five major requests totaling \$70,000 are currently outstanding. The benchmarks chart shows us at 91% of income committed through February 28, 2018, a slight improvement over last month.

Cash Projection for FY18

With a \$30,000 major gift received today, it is possible to avoid drawing on the Board Restricted Fund until May, when \$100,000-\$120,000 might be needed to cover expenses. The Operating Reserve will be fully depleted in April. Discussion ensued about utilizing the same tactics for FY19, that is, of placing all FY19 Longwood Foundation funding and ½ of the annual ArtCo. Draw into the Operating Reserve Fund for cash flow needs in the summer and fall of 2018. Kelley noted that the Committee will need to revisit the purpose of the Operating Reserve.

Board Designated Fund

The fund value stood at \$854,515 as of March 20, 2018.

ArtCo Loan Renewal

Burgazli reported the annual renewal was taking place this week. The loan consists of \$180,000 for working capital, and annual interest is reset with the current yield on the 1-yr Treasury Note.

Preliminary FY19 Budget Expansion

The first draft of the budget for educational outreach and strategic plan expansion adds \$402,700 of revenue and \$376,900 of expenses to the core budget, for a total balanced budget of \$1,925,000. This includes \$44,000 for the break-even Longwood Gardens fee concert. Hesitation was expressed, but partially alleviated when it was noted that \$216,000 of the \$402,700 of income was already committed. A final draft, which will prioritize program costs & respective income sources, will be presented at the next meeting. A Finance Committee recommendation is needed for a vote at the April 23, 2018 board meeting.

Meeting Adjournment

The next meeting will take place Wednesday, April 18, 2018, beginning at 5:30 pm. There being no other business, the meeting adjourned at 6:15 p.m.

Respectfully submitted,

Alan Jordan, Executive Director