



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

**Committee Members Present:** Lanny Edelson, Chair  
Charles Babcock, President  
Jeff Ruben, Treasurer

**Committee Members Not Present:** Cris Coconcea  
Matt Di Guglielmo  
Brian Kelley

**Ex-officio Members Present:** Alan Jordan, Executive Director  
Libby Burgazli, Finance Manager  
Ruth Kreider, DSO Musician

The meeting was called to order at 5:35 p.m.

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

It was moved by Ruben, and seconded by Babcock, that the March 22, 2018 minutes be approved as presented; motion passed.

**2017-2018 Budget v Forecast**

Burgazli walked the committee through the April 17, 2018 report with actuals through March 31, 2018 (nine months). The FY18 Forecast anticipates Total Income and Total Expense to offset equally at \$1,635,201 which is approximately \$325,000 lower than Budget.

- The report was re-designed to display Gain/(Loss) from investments below *Net Operating Surplus/(Deficit)* so that volatile market changes were not masking true operational activity.
- Significant progress was made during March in *Contributions* inclusive of a \$100,000 collection from one major donor. Of the \$286,001 still to be raised, two major donors are committed to \$100,000 PLUS an additional \$50,000 if \$62,000 in new and increased gifts is achieved before the end of FY18. The Spring Appeal is underway and individual contributions are anticipated with subscription renewals. Edelson again noted that

achieving the \$50,000 challenge is critical this year to ensure that the organization does not report an operating deficit.

- Earned income is on target as the forecast already includes advance ticket sales. Currently, we are within \$10,132 of reaching our FY18 forecasted income of total ticket sales.

### **Development Update and Benchmark Report**

Jordan reported we need to raise another \$62,073 to reach our One-Twelve Fund Drive goal and secure the \$50,000 challenge gift. Seven major requests totaling \$100,000 are currently outstanding. The benchmarks chart shows us at 92% of income committed through March 31, 2018, a slight improvement over last month.

### **Cash Projection for FY18 and Board Designated Fund**

Cash Needs for the final three months of FY18 are heavily concentrated in the month of May. The Operating Reserve will be fully depleted and the Finance Committee recommends drawing up to \$200,000 from the Board Designated Fund to cover expenses until the One-Twelve Fund Drive and other committed Major Gifts are received. The Board Designated Fund value stood at \$856,948 as of April 17, 2018.

### **Preliminary FY19 Budget Expansion**

A budget for educational outreach and strategic plan expansion totaling \$388,700 was discussed in detail with the Committee. The total expansion budget was segmented into three priorities in order to identify *no risk/low risk* programs with committed funding from *higher risk* programs with potential barriers or minimal commitments for funding. A detailed list of the programs and expected risk level was distributed to the Committee. Upon further discussion, some on the Committee suggested adding all of the First Priority program costs to the Approved Core Budget for a Total FY19 Operating Budget of \$1,689,500 [an expected increase of 3.3% over the FY18 Forecast]. Contributions of \$204,000 have been secured or pledged for the programs across each of the priority categories; however, the First Priority programs can claim at least 50% of all secured funding. Edelson and other members expressed concern with committing any additional costs to the approved Core Budget. The Committee could not reach a consensus regarding the three priorities but agreed to bring final deliberations to the April 23, 2018 board meeting.

### **Meeting Adjournment**

The next meeting is TBD and will be scheduled upon further review of the DSO and Finance Chair calendars. There being no other business, the meeting adjourned at 7:15 p.m.

Respectfully submitted,

Libby Burgazli, Finance Manager