DELAWARE SYMPHONY ORCHESTRA

DAVID AMADO
MUSIC DIRECTOR

DELAWARE SYMPHONY ORCHESTRA AUDIT COMMITTEE
OCTOBER 17, 2017 MEETING MINUTES

The meeting was called to order at 10:05 am by Chair Jeff Ruben. In attendance were Ruben, Myunghee Geerts (telephonically), Helen Zumsteg (telephonically), Finance Manager Libby Burgazli, Executive Director Alan Jordan, and Gunnip & Company representatives Katherine Silicato and Chris Erisman.

Silicato reported their work produced and unmodified opinion, which is the highest standard and is unchanged from last year. They did not test controls during FY17 as they know the organization and its internal controls after four years of auditing. They believe the internal reports provided to the Board throughout the year are in order. The "260 letter" will confirm they found no issues during the audit and they only needed to perform one adjusting journal entry to account for discounting a gift to present value. Accounting standards updates will require some changes to the FY19 report. Funds will be considered either unrestricted or donor restricted; there will no longer be a temporarily category. Also, a new liquidity report will be required. Silicato proceeded with walking the committee through the draft report:

p. 3 - Cash was up by $105,000 over FY16. Total cash presented in FY17 is $555,798; however, much of those funds are restricted for future periods. As of 6/30/17, the DSO sold approximately $119,000 of subscriptions for FY18. Investments saw strong gains, even with the $31,000 draw for operations. The increase in property and equipment is primarily due to the new website, which was capitalized with a five-year depreciation schedule.

pp. 4-5 – The first revenue item will be re-named, "Ticket sales and performance fees." This line was up by $53,000 over FY16. Total revenue was up by 30%, or $406,000, comprised mostly of new temporarily restricted contributions, performance fees, and in-kind gifts. Program expenses included $118,821 of non-recurring marketing expenses as part of the re-branding effort. Expense categories as a percentage of overall expenses saw the following changes:

	FY17	FY16	FY15
Program	73%	70%	65%
General and Administrative	24%	25%	26%
Fundraising	3%	5%	9%

p. 6 – Salaries, taxes, and benefits were mostly increased due to the addition of two new staff members. Hall rental increases were due to more productions. Recruitment expenses were due to the Development Director search. Fundraising printing was brought in-house.

p. 8 – The decrease in cash received from program activities was an anomaly as FY16 cash included FY15 receivables ticket revenue held by The Grand Opera House. The property and equipment purchase includes the new website.

p. 13 – Complete depletion of the cash operating reserve fund was noted.

p. 15 – The dissolution of the DSSF was noted subsequent to the close of FY17. The DSSF closing will be reported in the FY18 audit and 990 filing.

p. 23 – The second paragraph, second line, should read, "The actuarial information for the multi-employer plan as of March 31, 2016, indicates…

Following the closing of the DSSF, the supplementary information on pp. 25-28 will be unnecessary.

It was moved by Ruben, and seconded by Zumsteg, that the audit report, with discussed changes, should be recommended to the Board of Directors for adoption at its October 23, 2017 meeting; motion passed.

There being no further business, the meeting adjourned at 11:00 am.

Respectfully submitted,

Alan Jordan
Executive Director