



THE DELAWARE SYMPHONY ORCHESTRA

DAVID AMADO, MUSIC DIRECTOR

**Finance Committee Meeting – Thursday, December 16, 2016 – 8:35 a.m.
Panera Bread, Fairfax, DE
Meeting Minutes / DRAFT**

Committee Members Present: Jeff Ruben, Interim Chair
Charles Babcock, President
Myunghee Geerts, Director

Ex-officio Directors Present: Alan Jordan, Executive Director

Staff members Present: Libby Burgazli, Finance Manager

Mr. Ruben called the meeting to order at 8:35 a.m. Treasurer David Plaza was unable to attend.

The minutes of the November 10, 2016 meeting were previously approved by consensus via e-mail on November 14, 2016.

2016-2017 Forecast

Members reviewed the FY2017 Budget vs. FY2017 Operations Forecast report and the Cash Projection Report. Ms. Burgazli reported an overall deficit projection of (\$15,762) as a result of updated components to Income and Expense categories.

- The Forecast includes two activities not originally budgeted: 1) the BGD recording project includes \$50,000 in both Total Contributions and Total Program Expenses, and 2) Contracted Performance Fees now anticipates approximately \$7,000 of surplus to the bottom line.
- The Forecast no longer includes a Budgeted performance for a Chamber run-out downstate. The total budget for both Total Income and Program Expense was \$22,500 with no impact to the overall net deficit. The income components were \$6,000 ticket income and \$16,500 from contributions.
- Ticket Sales represent the current mix of subscription orders and projected single/group sales and Jordan noted that the organization budgeted sales at an average of \$50.52/ticket whereas current sales are averaging \$42.67/ticket due to price point mix at Classic concerts.
- The Total Contributions forecast continues to decrease based on known grant commitments. Of the \$1,358,663 in expected contributions, 48%, or \$656,423, have been collected or committed to date. The remaining \$702,240 of funding is necessary to meet budgeted program and other expense obligations. The Committee notes that approximately \$255,000 of new grant pledges are assumed to come from Corporate and Foundation sources for the remainder of the 2016-17 Season. The risk of not obtaining these pledges will require alternative funding in order to meet committed program costs.
- The reduction in staff compensation totals is the result of delayed hiring. The Development Director position is expected to be filled in February 2017.

- The Cash Projection Report indicates that the organization can maintain its liquidity through December due to regular year-end giving, but significant funds are still needed before receipt of the Longwood Grant (expected late January / early February). The organization will utilize \$100,000 of the \$300,000 Longwood Grant in FY17, and \$50,000 of the \$150,000 new monies from Challenge grants in FY17. The Longwood and Challenge grants will total \$450,000; of which, \$150,000 will be *spent* in FY17 and \$300,000 restricted for use for FY18 and FY19.
- Development initiatives are necessary for both FY17 cash flow and FY18 budget goals.

Operating Reserve

Previously, the Board approved borrowing up to \$200,000 from the operating reserve fund to cover expenses through January 2017. A current balance of \$150,000 has been drawn against the Reserve. A portion of outstanding borrowings will be repaid with an expected Major gift in January 2017 and the remainder is scheduled to be repaid in February 2017.

Board Restricted Fund

The fund value was \$642,800 on December 15, 2016.

FY18 Budget Planning

Burgazli referred to a proposed timeline for the FY18 operating budget. Initial programming budget details were provided in December and Mr. Jordan and Ms. Burgazli will review a first pass of the budget in early January. The January Finance Committee meeting will be deferred until later in the month to accommodate budget planning. The FY18 Budget will be presented for Board approval on February 13, 2017.

Meeting Adjournment

The next meeting is scheduled for Wednesday, January 18, 2017 at the DSO office; time TBD. There being no further business, the meeting was adjourned at 9:40 a.m.

Respectfully submitted,

Libby Burgazli, Finance Manager