



THE DELAWARE SYMPHONY ORCHESTRA

David Amado, Music Director

**Finance Committee Meeting – Thursday, June 1, 2017 – 9:00 a.m.
DSO Office, 100 West 10th Street, Suite 1003, Wilmington, DE 19801
Meeting Minutes/DRAFT**

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

Ex-officio Directors Present: Alan Jordan, Executive Director

Staff members Present: Libby Burgazli, Finance Manager

The meeting was called to order at 9:00 a.m. Myunghée Geerts and David Plaza were unavailable.

The draft May 4, 2017 meeting minutes were not available and action on these was deferred.

2016-2017 Forecast; Public Notice of FY17 Operating Results

The May 31, 2017 FY2017 Budget vs. FY2017 Operations Forecast report and the June 1, 2017 Cash Projection Report were reviewed. The deficit projection has been significantly revised, based on actual and anticipated contributions through June 30, 2017. In addition to the forecasted <\$176,187> operating deficit, \$134,905 of uncommitted contributions remain to achieve the projection; therefore, the deficit risk could be as much as <\$300,000>. Discussion ensued regarding how to report this, with the understanding that the FY17 audit will possibly show a \$126,188 surplus. While the public report should be clear and in-line with the audit and 990, transparency is necessary in relating the current year's situation to the Board. The Annual Meeting presentation should include:

- We did not meet our fund raising goals for 2016-2017;
- increased fund raising will be required if the DSO is to sustain the growth envisioned in the strategic plan;
- our unrestricted net assets declined during FY17; and
- expenses grew by \$100,000 in programming and with a \$100,000 investment in marketing initiatives, while overhead was held level.

Discussion turned to cash flow. One option for summer funding is to transfer the restricted strategic plan funding of \$150,000 into operations. Another would be to take our annual Beekhuis draw early, taking advantage of recent market growth. Both these would effectively advance funds already anticipated during FY18 and require new unbudgeted operating revenues to "fill in" when these funding sources were originally expected. Returning to a 7% ArtCo. Fund draw (the budget

anticipated 6%) would provide unbudgeted operating revenue, but defer the desire to help the fund re-grow long-term.

Operating Reserve

The FY17 deficit will have completely utilized the \$250,000 Operating Reserve.

Board Restricted Fund

As of May 31, 2017, the fund value stood at \$653,575.

Meeting Adjournment

A late July Board meeting to review finances is anticipated, in which case a Finance Committee meeting prior to the Board meeting will be scheduled.

There being no further business, the meeting adjourned at 10:30 a.m.

Respectfully submitted,

Alan Jordan, Executive Director