



**Finance Committee Meeting – Thursday, October 19, 2017 – 5:30 p.m.
DSO Office, 100 West 10th Street, Suite 1003, Wilmington, DE 19801
Meeting Minutes/DRAFT**

Committee Members Present: Lanny Edelson, Chair
Charles Babcock, President
Matt Di Guglielmo
Brian Kelley

Ex-officio Directors Present: Alan Jordan, Executive Director

Other Members Present: Libby Burgazli, Finance Manager
Ruth Kreider, DSO Musician representative

The meeting was called to order at 5:39 p.m.

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

It was moved by Kelley, and seconded by Babcock, that the September 14, 2017 minutes be approved as presented; motion passed.

Audit and Development Committees Updates

Burgazli informed the Committee that the June 30, 2017 audit report was completed in a timely manner and Gunnip and Company LLP provided an unmodified opinion on the financial statements and notes. Based on their independent review, the Audit Committee will recommend that the Board accept the final audit report. Burgazli also noted that Gunnip reviewed the financial presentation analytically and noted a stronger balance sheet and growth in the organization's net assets. However, seasonal liquidity and reliance on major contributors indicate financial risk.

Jordan reported that \$70,000 of new contributions have been committed thus far and 378 new prospects identified. A calendar year-end appeal has been planned for late November as well as personal visits to two major contributors.

2017-2018 Budget v Forecast and Cash Projection for FY18

Burgazli presented the Operations Forecast with three months of actuals through September 30. The Operations Forecast was adjusted (decreased) based on program budget cuts and now reflects an annual forecast just under \$1.7 million. The new forecast indicates that \$260,000 of new contributions will be necessary in FY18 in order to meet the currently forecasted annual costs of \$1.7 million (0% growth in expenses from FY17). Approximately 36% of the annual income, and 17% of the annual expense, is recognized in the first 3 months of FY18 and the DSO will rely on its Operating Reserve until significant contributions are collected from major donors and year-end giving. The Committee was informed that a \$25,000 draw on the Operating Reserve is necessary for cash requirements for the remainder of October. An updated Benchmarks Chart shows the DSO trending below the 90% Yellow target metric.

Board Restricted Fund

On October 4, 2017, the DSSF certificate of deposit was liquidated and transferred to the Board Restricted Fund (with the Beekhuis bequest) in the Merrill Lynch investment account. As of October 18, the fund value stood at \$882,708. Due to the transfer of funds from PNC to Merrill Lynch, the DSO no longer has use of a revolving line of credit for short-term liquidity needs.

Meeting Adjournment

The next meeting will take place Thursday, November 16, 2017 beginning at 5:30 pm at the DSO office.

There being no further business, the meeting adjourned at 6:57 p.m.

Respectfully submitted,

Libby Burgazli, Finance Manager