



**Finance Committee Meeting – Wednesday, July 25, 2018 – 4:00 p.m.
DSO Office, 100 West 10th Street, Suite 1003, Wilmington, DE 19801
Meeting Minutes/DRAFT**

<u>Committee Members Present:</u>	Lanny Edelsohn, Chair Charles Babcock, President Jeff Ruben, Treasurer – <i>by phone</i> Brian Kelley – <i>by phone</i>
<u>Committee Members Not Present:</u>	Matt Di Guglielmo
<u>Ex-officio Members Present:</u>	Alan Jordan, Executive Director Libby Burgazli, Finance Manager Ruth Kreider, DSO Musician
<u>Guests Present:</u>	Jimi Honochick, Director David McBride, Director Patricia Zaharko, Director

The meeting was called to order at 4:08 p.m. Three Directors new to the DSO Board were invited to participate in the July Finance Committee meeting and continue as Committee members during FY2019.

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

It was moved by Zaharko and Babcock, and seconded by Kreider, that the July 25, 2018 minutes be approved as presented; motion passed.

2017-2018 Budget v Forecast

Burgazli reported preliminary results for the Balance Sheet and Statement of Operational Activities as of June 30, 2018.

- The 4-year comparative Balance Sheet report showed a detailed breakout of current assets and liabilities, in addition to defining the components of the DSO's Total Net Assets. While Total Assets are approx. \$1.5 million and Net Assets are approx. \$1.1

million, *Liquid Unrestricted* Net Assets account for only \$80,000 of the DSO's net worth and Edelson noted the importance of monitoring liquidity in the upcoming fiscal year. DSO is expected to report an annual decrease in Total Net Assets for FY18.

- The 2-year comparison of Operational Activities report provided a comparison of audit vs. operations results for FY17 and FY18. Operational results are specific to the respective fiscal year and more accurately reflect "how we did" on an annual basis. FY17 reported a <\$231,058> deficit, and FY18 expects to report a \$7,802 surplus pending audit review. The One-Twelve Fund Drive and Challenge Gift brought the total FY18 contributions to \$1,131,314 (up 21% over FY17) and helped ensure that the DSO covered its \$1.6 million of annual expenses. The Report also provides a side-by-side comparison of the approved operational budgets for FY18 (\$1,960,000) and FY19 (\$1,751,000). The FY19 budget reflects an approx. 8% increase over FY18 Operating Actuals.

Development Update and Benchmark Report

Jordan recounted the effort and success of the One-Twelve Fund Drive and \$50,000 challenge gift for FY18. Burgazli noted that nearly 50% of the total Contributions came from Major and Board Gifts categories, and Edelson added that the DSO depended on two donors for \$265,000 in FY18. Kreider asked how the DSO is generating new donors, and Jordan explained that the FY19 contribution budget process outlined a prospect list with expected goals. Jordan added that FY19 was beginning on a good note as the DDOA grant was recently announced with a \$7,500 increase over FY18.

Cash Projection for FY19

The July 24, 2018 report projects cash availability for the first six months of FY19 based on known revenue sources and budgeted expenses. The report suggests that the cash cycle will re-establish an Operating Reserve of \$150,000 upon receipt of the \$50,000 Challenge Gift and hold the Reserve at this level until needed for operational shortfalls. The report reflects a yellow status from October through November until major gifts and year-end appeal contributions are received.

Board Designated Fund and Audit

The Board Designated Fund value stood at \$758,131 as of July 23, 2018.

Gunnip and Company will resume audit field work on August 20 with DRAFT Financials and opinion expected prior to October 15, 2018.

Meeting Adjournment

The next meeting was tentatively scheduled for Thursday, September 20, 2018, beginning at 4:00 pm, at the DSO office. There being no other business, the meeting adjourned at 5:25 p.m.

Respectfully submitted,

Libby Burgazli, Finance Manager