



**Finance Committee Meeting – Thursday, November 15, 2018 – 4:00 p.m.
DSO Office, 100 West 10th Street, Suite 1003, Wilmington, DE 19801
Meeting Minutes/DRAFT**

Committee Members Present:
(all telephonic)

Lanny Edelsohn, Chair
Charles Babcock, President
Jeff Ruben, Treasurer
Patricia Zaharko
Jimi Honochick
Brian Kelley
David McBride

Committee Members Not Present:

Matt Di Guglielmo

Ex-officio Members Present:
(telephonic)

Libby Burgazli, Finance Manager

Ex-officio Members Not Present:

Alan Jordan, Executive Director
Ruth Kreider, DSO Musician

The meeting was called to order via conference call at 4:08 p.m.

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

It was moved by Edelsohn and seconded by Zaharko, that the October 11, 2018, minutes be approved as presented; motion passed.

2017-2018 Budget v Forecast

- Burgazli reported first on a comparative balance sheet as of September 30 with a focus on current assets and net worth (particularly Unrestricted Net Assets) as compared to 3 years of fiscal year-end current assets and net worth. The DSO shows a “more liquid” cash cycle in the first quarter of the fiscal year (July – Sept) and then typically decreases in liquidity during the last half of the fiscal year.

- The Operational Activities report provided a comparison of annual Budget and annual Forecast results for FY19. The current Forecast reported a <\$17,087> deficit based on improved ticket sales offset by lower investment earnings, a staff change and new consultant costs.
- The Contributions Outlook Table shows that 46%, or \$632,373, of total forecasted contributions have been identified as of November 15. The remaining \$748,822 are amounts expected, but not yet committed, for the remainder of FY19. Edelson again emphasized the need to plan for replacing Longwood Foundation support that will not be available in FY20. Major contributors have not yet committed and Edelson also commented that our auditors consistently report to the Board that a reliance on three major donors poses a risk.

Development Update and Benchmark Report

The FY19 Benchmark report showing known sources of income through November 14, 2018 revealed a decline to our red income target due to a delay in securing commitments from the three largest individual donors. Significant delay in these commitments may result in cash planning measures.

Cash Projection for FY19

The November 14, 2018, report projects cash availability for the first nine months of FY19 based on known revenue sources and budgeted expenses. The report reflects a yellow status in November, and devolving to red status in January unless adequate major gifts and year-end appeal contributions are received. Operating Reserve Funds of \$85,000 (previously approved) will be fully utilized by December 31, leaving \$65,000 available for January activity. An estimated \$50,000 in year-end appeal contributions are also expected, but not yet reported until received.

Board Designated Fund

The Board Designated Fund value stood at \$733,067 as of November 13, 2018. Market volatility continues to erode previous fiscal year gains. The Committee did not discuss updates to the Investment Policy due to time constraints on the conference call and will revisit at a later time.

FY20 Budget Planning

Budget Planning was quickly discussed regarding initial review and approval dates. Various committee members voiced concern regarding the sustainability of current budget levels of \$1,750,000. Discussion continued regarding current marketing initiatives and loss of audience, future service commitments yet to be determined, and (lack of) major donor commitments.

Meeting Adjournment

The next meeting was scheduled for Thursday, December 13, 2018, beginning at 4:00 pm, at the DSO office. There being no other business, the telephonic meeting adjourned at approximately 5:30 p.m.

Respectfully submitted,
Libby Burgazli, Finance Manger