

FY11 Budget Narrative
Debbie Rabidue, Finance Coordinator
Revised - 9/27/2010

Budget Item	(decrease) on the FY11 Budget compared to FY10 Budget	Proposed Budget Change	Notes or Comments:	
Income:				
1)	Memberships:	(25,000)	Budgeted with a \$25,000 decrease. (Finance Committee has asked Memberships to review the FY11 budget for sustaining EFTS - to verify an anticipated drop in EFT membership income)	Needs Memberships follow up to FC.
2)	Development:	(25,000)	Major Giving Programs and other development programs: Last year the budget for this new income was aggressive and not obtainable. Proposed \$25,000 decrease for FY11 "Major Giving Program" 1) Major donor letters, calls, meetings and dinner; 2) Bequest; 3) Raffles and auction. 4) Car Donations 5.) GiveGuide	We were not selected for the GiveGuide.
	Events/Co-sponsorship	500	Net Event Income budgeted for \$16,000. Includes Event income \$20,000 and Cost of Events (\$4,000)	
3)	Underwriting:	(7,000)	Decrease in budgeted income by (\$7,000)	
4)	Web/Program Guide Advertising	1,000	Budgeted for zero, but may have some income if web advertising is started. Replacing Listener Guide will eliminate advertising, so we will migrate advertisers to underwriting and possibly web. As of now we still need to do some work on the web site to be able to go into a web advertising program	Needs a plan for web advertising if we are going to look at pursuing it.
5)	SCA Contracts	(4,500)	The Korea radio station was given a temporary decrease in rent due to having financial problems. They are currently paying \$875 a month. The Vietnam station is paying \$1,250. There is currently no plan to negotiate the contracts which might result in even less income according to the research done by Engineering on what the current value of SCA in the market.	Needs Board action if SCA contracts are to be renegotiated
6)	Interest Income	(4,000)	\$4,000 decrease due to declining cash balances and declining bank yields.	
"150k deficit spending cut about 2k in interest. Not to mention that interest rates have fallen a lot in the last two years. Until the budget deficit is resolved you will continue to loose interest income each year, and it will start to accelerate, since most deposit accounts have tiered interest rates." - Anthony Petchel, BOTC				
7)	Book & Record Sale	(500)	Income decreased by (\$1,500) Cost decreased by (\$1,000). Net was decreased by (\$500). Not spending money to advertise the annual sale. Seems to be a trend towards declining interest in used books and records according to Powell's.	
8)	Tape/CD Sales	(600)	Budgeted to ZERO - income decreased by (\$700) and cost decreased by (\$100)	

FY11 Budget Narrative
Debbie Rabidue, Finance Coordinator
Revised - 9/27/2010

Income Budget Summary (65,100) Budgeted income is \$660,950 a decrease of (\$65,100) from the FY10 budget.

Expenses:

1)	Staff Compensation:	(33,248)	Temporary decrease in salaries/taxes for paying less than full time for a PM News position while Jenka is on leave, no budget for manager, extra hours as listed below. <i>The Finance Committee recommended to maintain the budget for a Station Manager's position as those funds can be made available for current staff's increase in hours or a replacement Station Manager depending on the outcome of staff/management restructuring. Staff suggests cutting the budget line for Station Manager (\$38,372) Increase Erin Yanke to .5 FTE with benefits, funding the position for Mel Reslor at 5 hours a week for internal controls(also recommended by CPA) and funding Zale Chadwick's hours increase. Cost-\$19,068. Net savings in salary \$19,304. Staff proposes this scenario and to tie the staffing structure in with strategic planning.</i>	Will need decisions made concerning staff/management structure.
	Worker's Comp	4	increased hours for Erin Yanke and Zale and Mel's position of Finance Assistant (internal controls) were approved by the Board through 9/30/10. With the absence of a manager, if we want to continue doing this until a staff/management structure is in place, we will need the Board to approve an extension.	Debbie recommends a review of salaries and staffing structure during the mid-year budget review.
				Needs Board action.
2)	Fringe (Health Ins)	5,509	9% increase in health benefits. Additional \$6,060 for Erin Yanke benefits as .5 FTE	Follow up when renewal rates are out.
3)	Retirement:	(2,220)	Staff proposes to not budget for a retirement benefit for FY11. According to policy the Board will decide on a contribution rate of 0% up to 10% based on the fiscal deficit.	Requires Board action after FY10 year end
4)	Professional Services:	7,425	Finance committee recommends increasing the legal fees line item from \$6,000 to \$10,000 (our deductible on D&O insurance) FCC lawyer costs \$3,500 to \$4,000. May need to increase legal costs even more. (Previous years had a \$6,000 budget for legal) *** See Salaries worksheet or budget notes for detail breakout	Need review and follow up on legal costs.
5)	Contract Services:	0	Live remote \$1,200, Web \$6,000 and half of the Listener Guide at \$2,400 *** See Salaries worksheet	Staff follow up on live remote
6)	Utilities and Telephone	2,480	5% overall increase in cost.	
7)	Insurance	3,610	Increase on D&O/Employment Practices Ins.	
8)	Engineering Items	(1,000)	Computer, Broadcast Equipment Maintenance and Equipment Purchases	
9)	Record & CD Purchases	1,000	Chris would like to increase the budget for the music library	
10)	Newswire Service	(8,100)	Decrease budget from FY10 that would have paid for satellite service.	
11)	Program Purchases	(500)		

FY11 Budget Narrative
Debbie Rabidue, Finance Coordinator
Revised - 9/27/2010

				Dependant on Board decision on strategic planning
12)	Promotional Advertising	(2,000)	Budget for zero and work towards FY12 budget pending strategic planning	
13)	Development Expense	600	Increase for artist's hat promotion	
14)	Premiums	1,500	Increase for artist's t-shirt promotion, to be used as TY gifts and sold as promotional	
			Budget for zero - Staff still looking at staff training, budget may change. \$2,000 budgeted for "Healthy Conflict De-escalation"	
15)	Training:	(2,500)		Staff (Ani) follow up
			KEY BANK fees sky rocketed in FY10: Under budgeted Bankcard/Bank Service fees in FY10, actual spent will be \$2,000 over budget on Bankcard fees. and \$700 over budget on Bank Service fees. If we stay with KEY - increase budget by \$2800-\$3000. If we switch banks we can decrease the expense (\$2,200-\$2,500)	Finance Committee has recommended changing banks to save money. We will go to BOTC for checking/MMA and SwipeNow for credit card processing
16)	Bankcard & Bank Service Fees	(200)		
17)	Dues	1,000	Chris to verify FY11 dues. Reference budget notes for detail.	
			Temporary budget cut for FY11. Service increases to about \$8,000 to \$12,000 per year with the new people meters & monthly reports. Staff doesn't feel we get enough benefit from arbitron to justify the cost. Will revisit in FY12	
18)	Arbitron:	(1,830)		

Expense Budget Summary (28,470) Budgeted operating expense is \$707,129 a decrease of (\$28,470) from the FY10 budget.

(47,679) Operating Budgeted Deficit

<u>Auxiliary Budget</u>	12,906	Equipment (Carry Over Item): \$23,000 in engineering projects net of capital campaign and NTIA grant.
	(12,906)	FY09 Capital Campaign Deferred Revenue (to pay for S2 & Digital Editing Suite Upgrades)
	1,025	FY10 (Carry Over) Tape Archive - Grant Writing
	3,300	FY10 (Carry Over): Archive Computer for Web Site
	20,000	Strategic Planning: Discussion of \$20,000 for strategic planning, marketing and business plan. Not in current FY11 budget.
	0	Staff Bonus of \$15,000. Staff is proposing to not pay any bonus for FY11
	24,325	Requires Board Action

Bottom Line (Deficit) (72,004)

ESTIMATED FREE CASH BALANCE and operating reserve for start of FY11: Revised 7/31/10

\$349,935