

## **FINANCE COMMITTEE MEETING NOTES 10/19/2023**

In attendance: Danielle Schira, Nathan Vandiver, Dan Shramek, Mike Ftaclas, Joyce Nance, Jill Blanchard

Facilitator: Danielle

Note taker: Jill

### AGENDA

- Review of Board's actions from previous meeting
- 9/30/2023 Finance report
- Finance Committee's plan for FY24
- Review of other September actions items
- Audit and CPB funding
- Financial reporting
- Cash accounts
- Unlimited Power Supply (UPS)
- New board process
- Next meeting

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### NOTES

#### **Review of Board's actions from previous Meeting**

- The board voted to increase the balance of the board-designated Operating Reserves to \$310,000, which represents three months worth of projected operating expenses.
- Board passed the Budget, 11 - 1
- Dan asked if the Board had enough info and time to review the proposed Operating Budget
  - Jill felt it was good info and timing
  - Joyce felt that the vote was enthusiastic
  - Dan mentioned that giving Board members the opportunity to attend the Finance Committee meeting before the Board meeting and to ask questions might have helped them better understand the proposed budget
  - Danielle asked about the info requests before the voter regarding reports and market analysis - would that be helpful to the Board in the future and on what timeframe?
  - Nathan asked about the timeframe: budget buildup at 6-month budget review, present the budget to the Board in August?
  - Danille is an advocate of taking more time to review the budget. One thing missing now is time to check on details, so more time will be good.

- Joyce asked why there was only 1 budget to vote on. All or nothing. Could there have been 2 budgets or a way to build pieces and parts into 1 budget?
- Danielle agrees that there can be layers/options, but Finance Committee reviews other opportunities to decide what goes into the final budget.
- Joyce: For example, the last staff position that is not hired. Should we hire this position? Rev Ops staff need to cover their salary.
- Danielle, bargaining is also a component of the budget.
- Nathan's experience has been to funnel ourselves into the final product with a vote at the end to approve it. Rather than choosing between 2 directions the organization can take.
- Joyce did we have a discussion on which things we can live without.
- Nathan - budget process went fast this year there may be more opportunity next year.
- Danielle - In December create the budget process for next year.
- Joyce: did we have the opportunity to discuss the expenses and decide to take part in spending?
- Nathan: this committee is the board's tool for taking these looks are the budget. Maybe we can audit throughout the year to see if things are a good idea.
- Danielle - come back to this in January

### **9/30/2023 Finance Report**

- Finance reports [available here](#).
- FY23
  - 1 hire left to make before full staff
  - STL and UPS to account for
  - Calculate depreciation
  - Spending policy
  - Check signing policy
  - KBOO realized interest on CD savings account
  - OCF endowment - can only be used if KBOO goes out of business
  - Total cash = just under \$1.2 million; unrestricted cash = \$568,948
  - Dan recommended to move the OCF endowment out of cash in the report into a restricted section. Danielle was able to move this in the discussion,
  - Spending down Juan Young trust funds and CPB funds, may need more investigation
  - Dan asked how the updated Board designated operating reserve amount will be reflected on the Finance Report going forward
    - Danielle explained that once she makes a journal entry, the Balance Sheet will reflect the new amount and then it will show in the Board reserves section of the Financial Report cover sheet
  - Project activities and costs "box" - what the expenses are, some fixed assets.
    - Server room update - maintenance repair

- Sonitrol cost realized in April
  - Capital/expense projects costs are listed and whether or not they have been paid for.
- Danielle changed spending outside the budget, like contracted services that were budgeted but we paid more, notes will show why and it will be tracked by expense account.

## Finance Committee's plan for FY24

- [Gene's document](#)
  - Mike suggested some of this list could be more relevant for the Development Committee as they are fundraising activities.
  - Audit recommendations - review 2020-21 recommendations and talk about how we can adopt financial policy going forward to put recommendations into practice/action.
- Conflict of interest and financial policy update
  - Nathan also suggested Whistleblower policy
- Past Audit recommendation reviews
  - Ona has friends who offered to review our policies, procedures and bylaws.
  - Document retention policy
  - Working to update old financial policies.
  - Danielle will create new financial policy packet
- Dan suggested that we consider prioritizing the development of a multi-year Capital Budget that details a prioritized list of potential capital projects to be considered. The budget would include estimated material costs and installation costs for each project. This was a major goal in the most recent board-approved Strategic Plan. Ideally, staff, the finance committee and the board could review this updated budget each year alongside the operating budget when considering how much cash to allocate to capitalized expenditures as well to as operating expenses in the coming year.
  - Dan: How do we compare and prioritize various capital projects? How do we decide which capital projects to fund and when, who is involved in the budget development and decision making, where the capital funds come from, etc.?
  - Danielle's sheets on depreciation are out of date, there is software to better track this.
  - Danielle has been talking with Open Signal to see what works for them and their volunteers.
  - Danielle, How does equity play into this? Accessibility?
  - Dan asked how we currently decide how to handle windfall bequests. Do we have a process for deciding how to allocate these funds? If not, we should consider developing a policy that addresses this.

- Danielle - Marla Davis funds, request process doesn't currently have a lot of equity

### **Review of September action items**

- Did the board pass the proposed increase to the Operating Reserves - YES

### **Audit and CPB funding**

- Expected to wrap up around the end of October, could potentially affect donor decisions
- CPB funds could be affected if the audit drags on longer than October
- Auditors researched terms for Community Service grant and audit is not a factor in the decision to fund.

### **Financial reporting**

- Discussion of financial reporting and info we can provide to the board on a monthly basis to help them understand KBOO's current financial health and potential risks, and help with their general oversight and decision making
  - What reports and info does the board find most helpful now?
  - Gene is going to come to the board to do a mini training - we will review again in Nov. or Dec.
- Dan's 6-month Projected Cash Flow report request
  - This would project how much unrestricted cash might be available six months out, and the projections would be updated monthly. Ideally, reviewing this information would help us spot and address cash flow issues well in advance, and take action when necessary.
  - The report would factor in projected monthly operating results over the next six months, projected unbudgeted expenses, and projected capital expenditures that are not included in the operating budget.

### **Cash accounts**

- Discussion of moving cash to new accounts to have as many funds insured as possible
  - Currently \$400K in Advantis - move portion into higher yielding account, researching accounts, more in November.

### **Unlimited Power Supply (UPS)**

- Discussed the install of up to \$5,000 for an electrician to install the UPS
  - The Finance committee considered and recommends this expenditure

- This decision was made with the goal of scheduling for a Nov. 14th install
- We have had this piece of equipment since Apr and the batteries so there is a push to get this work done sooner rather than later
- Questions regarding how is emergency defined?
- Nathan will send a paragraph to the board and Jill will write up that the finance committee recommends this expenditure

### **New board process**

- Fridays prior to board meeting - all documents and info that needs to be considered for the board meeting will be sent to Mike Frost so the board can review and get questions answered over the weekend.

### **Next meeting**

- Thursday, 11/16/2023 at 5:30pm
- Via Zoom