

**Finance Committee Minutes
May 14, 2013**

Attendees: Alex Roberts, Lynn Fitch, Rolf Semperebon, Kurt Lauer, Gene Bradley, Mark Sherman, Jill Severson & Paula Small

Absences (excused): Debbie Rabidue, Andrew Geller & Erin Brand

April Financials Review (Debbie/FC)

Financial Summary and Budget Review

As of April 30 2013

Debbie Rabidue

Income

- **The Fall and Spring membership drives** have brought in about \$170,000 and is short of budget by \$10,000. The year-end direct mail appeal raised about \$37,000 which was close to \$12,000 higher than it has in the past. Part of this is due to successful marketing and in part to not having a winter pledge drive. 76% of the budgeted revenue from membership sources has already been raised in the 1st half of the fiscal year. The 2nd half of the fiscal year will be focused on a summer direct appeal, membership renewals and monthly sustained giving through EFTs.
- Income from **special events such as the Amy Goodman and BOO Moon** events has brought in about \$6,600 after the direct expenses were paid. The Center for Car Donations has been a nice resource for additional funds and has brought in close to \$7,000 in the 1st half of the year.
- **Underwriting and Advertising** revenue has already reached 73% of the full year budget. Underwriting has raised just under \$40,000 and is higher than this time last year by \$14,000. This is a 60% increase from the same period last year! The summer months are usually the months that bring the most revenue from underwriting agreements. I believe the large increase in local business support that comes from underwriting, is due to the successful outreach and marketing campaigns that Lynn has done.
- **The Board has raised \$1,200** of the \$12,000 that was budgeted for the year. The Board has been hosting a monthly movie benefit at Clinton Street Theater.

Expenses

- **Employee** costs account for 58% of the operating expenses. About 10% of the expenses are indirect costs to raise money through underwriting, membership donations and special events. The remaining 32% of our operating expenses are spent on equipment maintenance, supplies, music licenses, program fees, translator and transmitter leases, insurance coverage, utilities and fees paid to contractors and professional services. KBOO's employee costs run an average of 6 to 10% higher than similar community radio stations.

KBOO has been cutting more and more of the spending with each budget cycle since losing CPB funding in 2007. During 2009 through 2012, the Board has cut employee costs by ¼. These cuts included not being able to fund the retirement accounts, year-end COLA bonus for staff, taking a less expensive group

health insurance plan and cutting staff by 1.8 FTE. With member support declining each year, and budget cuts to employee and program costs, we find that KBOO is not and has not been in a self sustainable cash position in a few years.

We have nowhere else to cut but to continuing decreasing the number of staff and how much we spend on employee benefits. Increasing revenue is the only option remaining for the Foundation. We need to rebuild internal capacity with our staff, our programs, our volunteer pool, and our marketing/outreach in order to raise more money to support the needs of the station so that KBOO can fulfill its mission to the communities of Portland and elsewhere our signal can reach.