

# FINANCIAL OVERSIGHT FOR GENERAL MANAGERS

How to keep your finances in check

---

Erin Moran, President, Public Media Company  
Evrans Kavlak, Director, Public Media Company

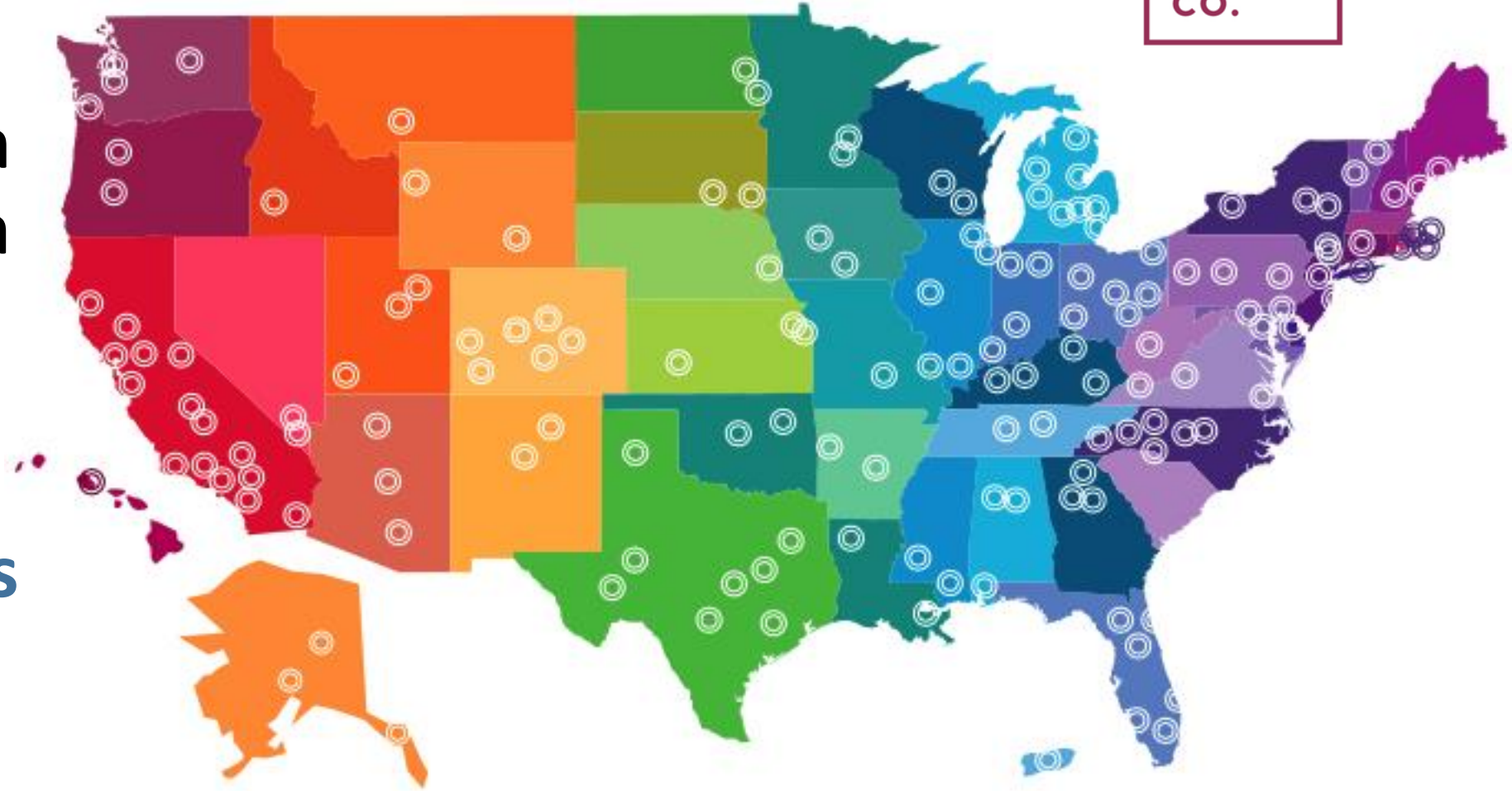
November 5, 2019

# WEBINAR PROCESS

- Other than speakers, everyone will be muted
- Questions can be typed in and submitted via the chat box on the Go-to-Meeting window
- There will be Q&A at the end of the webinar

We offer services to stations in both rural and urban areas – **and have worked with 281 radio and TV stations in all 50 states**

**PUBLIC  
MEDIA  
CO.**



# TODAY'S WEBINAR

- Role of a GM when it comes to station finances
- Financial statements 101
- Budgeting and forecasting
- Presenting financial results to the board
- Managing cash flow and liquidity
- Key data to track
- Actions to remedy negative trends

# ROLE OF A GM

- Ask the right questions
- No “mysteries”
- If “accounting” or “numbers” are not your strength, find someone who can help you
- Work closely with your Finance and/or Audit Committee
- You have the ultimate responsibility

# FINANCIAL STATEMENTS 101

## Three Basic Statements:

- Statement of Financial Position (Balance Sheet)
- Statement of Financial Activities (Income Statement)
- Statement of Cash Flows

# FINANCIAL STATEMENTS 101

## Statement of Financial Position

- Snapshot at a given point in time
- As of June 30, 2019 . . .
  - we had this much cash,
  - we expect to receive this much from donors, funders, underwriters,
  - we owned assets at a book value of 'xxx',
  - we owe this much money to vendors,
  - we have collected 'x' amount of cash up front (deferred revenue)
  - we have overall earnings/losses of 'y' amount since inception (net assets)
  - we have 'z' amount of our net assets with donor restrictions

# STATEMENT OF FINANCIAL POSITION

	December 31	
	2018	2017
<b>Assets</b>		
Current Assets		
Cash and cash equivalents		
Unrestricted	\$ 26,391	\$ 61,374
Restricted	-	10,789
Accounts receivable	16,680	16,713
Grant receivable	49,510	62,555
Prepaid expenses	1,841	2,697
Total Current Assets	<u>94,422</u>	<u>154,128</u>
Fixes assets, net	<u>56,797</u>	<u>66,017</u>
Other Assets		
Intangible assets, net	409,093	466,759
Security deposits	8,426	8,417
Total Other Assets	<u>417,519</u>	<u>475,176</u>
Total Assets	<u>\$ 568,738</u>	<u>\$ 695,321</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 259,238	\$ 183,103
Accrued interest	82,227	65,283
Deferred revenue	3,855	4,916
Notes payable	470,500	-
Total Current Liabilities	<u>815,820</u>	<u>253,302</u>
Long Term Liabilities		
Notes payable	-	475,500
Total Liabilities	<u>815,820</u>	<u>728,802</u>
<b>Net Assets</b>		
Without donor restrictions	(247,082)	(44,270)
With donor restrictions	-	10,789
Total Net Assets	<u>(247,082)</u>	<u>(33,481)</u>
Total Liabilities and Net Assets	<u>\$ 568,738</u>	<u>\$ 695,321</u>

Assets – Liabilities =  
Net Assets



# STATEMENT OF FINANCIAL POSITION

	December 31	
	2018	2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents		
Unrestricted	\$ 26,391	\$ 61,374
Restricted	-	10,789
Accounts receivable	16,680	16,713
Grant receivable	49,510	62,555
Prepaid expenses	1,841	2,697
<b>Total Current Assets</b>	<u>94,422</u>	<u>154,128</u>
Fixes assets, net	<u>56,797</u>	<u>66,017</u>
<b>Other Assets</b>		
Intangible assets, net	409,093	466,759
Security deposits	8,426	8,417
<b>Total Other Assets</b>	<u>417,519</u>	<u>475,176</u>
<b>Total Assets</b>	<u>\$ 568,738</u>	<u>\$ 695,321</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 259,238	\$ 183,103
Accrued interest	82,227	65,283
Deferred revenue	3,855	4,916
Notes payable	470,500	-
<b>Total Current Liabilities</b>	<u>815,820</u>	<u>253,302</u>
<b>Long Term Liabilities</b>		
Notes payable	-	475,500
<b>Total Liabilities</b>	<u>815,820</u>	<u>728,802</u>
<b>Net Assets</b>		
Without donor restrictions	(247,082)	(44,270)
With donor restrictions	-	10,789
<b>Total Net Assets</b>	<u>(247,082)</u>	<u>(33,481)</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 568,738</u>	<u>\$ 695,321</u>

## At a Glance:

- Limited cash
- Minimal receivables
- Lots of bills
- Loan payment due within one year
- Big loss in current year
- Cumulative losses

# STATEMENT OF FINANCIAL POSITION

## Other Key Questions to Consider:

- How many months of operating costs can be covered by existing cash and near-term receivables?
- Have the fixed assets come to the end of their useful life?
- How soon can the donor restricted net assets be released from restrictions?

# FINANCIAL STATEMENTS 101

## Statement of Financial Activities

- Summary of activity for a given period (month, quarter, year)
- For the first three months of the year . . .
  - we raised 'x' in membership, 'y' in underwriting and 'z' in grants
  - we spent 'www' on personnel, programming, operations, etc.
  - we had 'xxxx' net increase or decrease in net assets for the period

# STATEMENT OF FINANCIAL ACTIVITIES

## Unaudited July 2019

	July 2019			Jan- July 2019			Jan-July 2018
	Actual	Budget	Variance	Actual	Budget	Variance	Actual
<b>Revenue and Support</b>							
Membership, net of bad debt	\$3,294	\$16,941	-\$13,647	\$323,622	\$386,233	-\$62,611	\$344,243
Grants <sup>1</sup>	\$100	\$2,500	-\$2,400	\$115,342	\$3,310	\$112,032	\$106,940
Underwriting, net of bad debt	\$10,133	\$12,900	-\$2,767	\$108,155	\$108,000	\$155	\$102,687
In-kind	\$2,091	\$0	\$2,091	\$18,983	\$0	\$18,983	\$0
Other Income	\$1	\$1	\$0	\$4,214	\$4,455	-\$241	\$5,895
<b>Total Revenue and Support</b>	<b>\$15,619</b>	<b>\$32,342</b>	<b>-\$16,723</b>	<b>\$570,316</b>	<b>\$501,998</b>	<b>\$68,318</b>	<b>\$559,765</b>
<b>Expenses</b>							
<b>Programing &amp; Production</b>	\$39,951	\$38,964	\$987	\$273,812	\$275,641	-\$1,829	\$222,873
<b>Engineering and Broadcasting</b>	\$12,893	\$13,349	-\$456	\$92,918	\$95,223	-\$2,305	\$89,365
<b>Total Program Services</b>	<b>\$52,844</b>	<b>\$52,313</b>	<b>\$531</b>	<b>\$366,730</b>	<b>\$370,864</b>	<b>-\$4,134</b>	<b>\$312,238</b>
<b>Supporting Services</b>							
<b>General and Administrative</b>	\$8,804	\$7,960	\$844	\$105,865	\$83,494	\$22,371	\$56,528
<b>Development</b>	\$11,163	\$19,527	-\$8,364	\$144,584	\$132,609	\$11,975	\$113,179
<b>Total Supporting Services</b>	<b>\$19,967</b>	<b>\$27,487</b>	<b>-\$7,520</b>	<b>\$250,449</b>	<b>\$216,103</b>	<b>\$34,346</b>	<b>\$169,707</b>
<b>Total Expenses</b>	<b>\$72,811</b>	<b>\$79,800</b>	<b>-\$6,989</b>	<b>\$617,179</b>	<b>\$586,967</b>	<b>\$30,212</b>	<b>\$481,945</b>
<b>Change in Net Assets</b>	<b>-\$57,192</b>	<b>-\$47,458</b>	<b>-\$9,734</b>	<b>-\$46,863</b>	<b>-\$84,969</b>	<b>\$38,106</b>	<b>\$77,820</b>
<b>Other Expenses</b>							
<b>Depreciation</b>	\$3,095	\$4,180	-\$1,085	\$21,084	\$29,260	-\$8,176	\$25,167
<b>Misc Expenses</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Other Expenses</b>	<b>\$3,095</b>	<b>\$4,180</b>	<b>-\$1,085</b>	<b>\$21,084</b>	<b>\$29,260</b>	<b>-\$8,176</b>	<b>\$25,167</b>
<b>Total Increase (Decrease) in Net Assets</b>	<b>-\$60,287</b>	<b>-\$51,638</b>	<b>-\$8,649</b>	<b>-\$67,947</b>	<b>-\$114,229</b>	<b>\$46,282</b>	<b>\$52,653</b>

1 - CPB CSG Grant

### At a Glance:

- Membership YTD is behind budget but not that far off from last year.
- Grants – why so far ahead?
- YTD UW is on track with budget and ahead of last year.
- YTD Expenses in general are exceeding budget – what is going on with G&A and Development?
- Decrease in Net Assets is not as large as budgeted, but if remove the grant – what does performance really look like?

# STATEMENT OF FINANCIAL ACTIVITIES

## Other Operational Aspects to Consider

- Which revenue streams may be underperforming and what is the plan to improve performance?
- How diverse are your funding sources?
- Which expenses are fixed, and which are flexible and can be 'managed' if revenue is falling short?
- Are events contributing to the bottom-line?

# FINANCIAL STATEMENTS 101

## Statement of Cash Flows

Years ended December 31	2018	2017
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (64,150)	\$ 108,661
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	34,789	30,451
Amortization	10,000	10,000
Loss on disposal of equipment	2,487	-
In-kind facilities lease expenses	42,000	42,000
Increase (decrease) from changes in assets and liabilities		
Accounts receivable	34,797	(10,405)
Contributions receivable	4,354	(12,895)
Prepaid expenses	215	617
Accounts payable	(3,901)	7,582
Accrued compensation and benefits	(3,953)	(6,942)
Deferred revenue	(9,417)	5,283
Net cash provided by operating activities	<u>47,221</u>	<u>174,352</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of property and equipment	(1,167)	(26,783)
Net cash used by investing activities	<u>(1,167)</u>	<u>(26,783)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>46,054</b>	<b>147,569</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>576,811</b>	<b>429,242</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 622,865</b>	<b>\$ 576,811</b>

- Analysis of activity affecting cash over a given period (month, quarter, year)

### Three Categories:

- Operating, Investing and Financing Activities
- During the year ending 12.31.18 we increased our overall cash position by \$46,000

# BUDGETING AND FORECASTING

- Involve department heads and other station personnel for input
- Think about your goals for the next year – what are your priorities?
- Start with historical information, look at trend lines
- Do a monthly budget for the entire year of revenue and expenses AND cash flow, including expected capital expenditures
- Throughout the year track against budget and prepare forecasts against budget to monitor and anticipate financial outcomes during the course of the year

# BUDGETING AND FORECASTING

This is a summary sheet of an Excel workbook that has about 10 tabs within the workbook that all end up rolling up to the Summary.

## Revenue and Support

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2019 Budget	2018 Forecast	% Change	\$ Change from Forecast
<b>Revenue and Support</b>																
Membership	\$14,463	\$15,176	\$14,534	\$314,558	\$15,828	\$14,733	\$16,941	\$14,757	\$15,200	\$315,225	\$15,225	\$66,000	\$832,640	\$712,095	17%	\$120,545
Underwriting	\$16,500	\$17,500	\$19,800	\$16,600	\$15,700	\$9,000	\$12,900	\$17,600	\$16,800	\$16,800	\$16,800	\$16,800	\$192,800	\$189,185	2%	\$3,615
Grants <sup>1</sup>	\$0	\$0	\$0	\$83	\$460	\$350	\$2,500	\$500	\$0	\$105,000	\$0	\$0	\$108,893	\$217,751	-50%	-\$108,858
In-kind	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200	\$0	\$0	\$0	\$4,000	\$5,200	\$5,200	0%	\$0
Other Income	\$931	\$336	\$1,301	\$961	\$726	\$199	\$1	\$6,427	\$8,701	\$201	\$201	\$226	\$20,213	\$25,759	-22%	-\$5,546
<b>Total Revenue and Support</b>	<b>\$31,894</b>	<b>\$33,013</b>	<b>\$35,636</b>	<b>\$332,202</b>	<b>\$32,714</b>	<b>\$24,281</b>	<b>\$32,342</b>	<b>\$40,484</b>	<b>\$40,701</b>	<b>\$437,226</b>	<b>\$32,226</b>	<b>\$87,026</b>	<b>\$1,159,745</b>	<b>\$1,149,989</b>	<b>1%</b>	<b>\$9,756</b>



# BUDGETING AND FORECASTING

## Expenses and Cash Flow

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2019 Budget	2018 Forecast	% Change	\$ Change from Forecast
<b>Expenses<sup>2</sup></b>																
<b>Programming &amp; Production</b>	\$37,549	\$38,214	\$41,527	\$38,099	\$37,434	\$45,204	\$39,189	\$38,415	\$39,913	\$36,954	\$36,819	\$39,459	\$468,779	\$410,186	14%	\$58,593
<b>Engineering and Broadcasting</b>	\$13,448	\$14,650	\$14,026	\$13,448	\$13,448	\$13,448	\$13,448	\$13,448	\$13,808	\$13,478	\$13,478	\$13,478	\$163,604	\$155,363	5%	\$8,241
<b>Total Program Services</b>	\$50,997	\$52,864	\$55,553	\$51,547	\$50,882	\$58,652	\$52,637	\$51,862	\$53,721	\$50,432	\$50,297	\$52,937	\$632,383	\$565,549	12%	\$66,833
<b>Supporting Services</b>																
<b>General and Administrative</b>	\$8,588	\$10,203	\$11,550	\$16,688	\$17,898	\$7,638	\$7,466	\$7,274	\$8,000	\$10,188	\$10,088	\$12,610	\$128,193	\$134,436	-5%	-\$6,243
<b>Development<sup>2</sup></b>	\$16,123	\$15,515	\$23,902	\$24,605	\$19,019	\$14,000	\$19,537	\$19,339	\$29,156	\$25,503	\$17,869	\$27,119	\$251,688	\$209,998	20%	\$41,690
<b>Total Supporting Services</b>	\$24,711	\$25,719	\$35,453	\$41,293	\$36,918	\$21,637	\$27,003	\$26,613	\$37,157	\$35,691	\$27,957	\$39,729	\$379,881	\$344,434	10%	\$35,447
<b>Total Expenses</b>	\$75,708	\$78,583	\$91,006	\$92,840	\$87,800	\$80,289	\$79,640	\$78,475	\$90,878	\$86,123	\$78,254	\$92,666	\$1,012,264	\$909,983	11%	\$102,281
<b>Change in Net Assets</b>	-\$43,814	-\$45,570	-\$55,370	\$239,361	-\$55,086	-\$56,008	-\$47,298	-\$37,992	-\$50,177	\$351,103	-\$46,028	-\$5,640	\$147,481	\$240,006	-39%	-\$92,524
<b>Other Expenses</b>																
<b>Depreciation</b>	\$4,180	\$4,180	\$4,180	\$4,180	\$4,180	\$4,180	\$4,180	\$4,180	\$4,180	\$4,180	\$4,180	\$4,180	\$50,160	\$42,066	19%	\$8,094
<b>Misc Expenses</b>	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000	\$0		\$6,000
<b>Total Other Expenses</b>	\$4,680	\$4,680	\$4,680	\$4,680	\$4,680	\$4,680	\$4,680	\$4,680	\$4,680	\$4,680	\$4,680	\$4,680	\$56,160	\$42,066	34%	\$14,094
<b>Total Increase (Decrease) in Net Assets</b>	-\$48,494	-\$50,250	-\$60,050	\$234,681	-\$59,766	-\$60,688	-\$51,978	-\$42,672	-\$54,857	\$346,423	-\$50,708	-\$10,320	\$91,322	\$197,940	-54%	-\$106,618
<b>Beginning Cash (Operating)</b>	\$ 340,703	\$ 316,389	\$ 279,319	\$ 228,449	\$ 308,810	\$ 328,224	\$ 343,894	\$ 321,096	\$ 307,604	\$ 281,927	\$ 452,531	\$ 481,002	340,703			
<b>Adjust for Cash</b>																
Depreciation and Amortization	\$ 4,180	\$ 4,180	\$ 4,180	\$ 4,180	\$ 4,180	\$ 4,180	\$ 4,180	\$ 4,180	\$ 4,180	\$ 4,180	\$ 4,180	\$ 4,180	\$ 50,160			
Timing on Grants						\$ 32,178				\$ (30,000)			\$ 2,178			
Adjustment for Trade													\$ -			
Receivables/Prepays/Payables	\$ 20,000	\$ 15,000	\$ 15,000	\$ (150,000)	\$ 75,000	\$ 55,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ (150,000)	\$ 75,000	\$ 45,000	\$ 75,000			
Capital Expenditures		\$ (6,000)	\$ (10,000)	\$ (8,500)		\$ (15,000)							\$ (39,500)			
<b>Ending Operating Cash</b>	\$ 316,389	\$ 279,319	\$ 228,449	\$ 308,810	\$ 328,224	\$ 343,894	\$ 321,096	\$ 307,604	\$ 281,927	\$ 452,531	\$ 481,002	\$ 519,862	\$ 519,862			

# BUDGETING AND FORECASTING

2019 Forecast By Month																
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual					2019 Forecast	2019 Budget	Variance	2018 Actual
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
<b>Revenue and Support</b>																
Membership	\$4,949	\$7,780	\$21,092	\$272,269	\$11,992	\$2,247	\$3,294	\$24,045	\$15,200	\$310,225	\$15,225	\$66,000	\$754,318	\$832,640	-\$78,322	\$698,537
Underwriting	\$15,605	\$14,110	\$20,632	\$12,724	\$16,703	\$18,044	\$10,133	\$24,784	\$16,800	\$16,800	\$16,800	\$16,800	\$199,936	\$192,800	\$7,136	\$178,459
Grants	\$0	\$113,362	\$250	\$0	\$1,380	\$250	\$100	\$12,575	\$0	\$108,200	\$0	\$0	\$236,117	\$108,893	\$127,224	\$88,590
In-kind	\$2,091	\$2,091	\$2,931	\$5,597	\$2,223	\$2,091	\$2,091	\$2,091	\$3,291	\$2,091	\$2,091	\$6,091	\$34,770	\$5,200	\$29,570	\$3,900
Other Income	\$311	\$966	\$206	\$471	\$2,125	\$1	\$1	\$263	\$14,791	\$201	\$201	\$2,726	\$22,266	\$20,213	\$2,053	\$37,484
<b>Total Revenue and Support</b>	<b>\$22,956</b>	<b>\$138,309</b>	<b>\$45,112</b>	<b>\$291,061</b>	<b>\$34,423</b>	<b>\$22,634</b>	<b>\$15,619</b>	<b>\$63,759</b>	<b>\$50,082</b>	<b>\$437,517</b>	<b>\$34,317</b>	<b>\$91,617</b>	<b>\$1,247,406</b>	<b>\$1,159,746</b>	<b>\$87,660</b>	<b>\$1,006,970</b>
<b>Expenses</b>																
Programing & Production	\$39,588	\$34,671	\$41,063	\$41,762	\$36,399	\$40,490	\$38,943	\$38,322	\$44,343	\$41,306	\$40,955	\$43,940	\$481,779	\$468,779	\$13,000	\$415,804
Engineering and Broadcasting	\$12,958	\$15,704	\$13,143	\$13,144	\$12,835	\$12,260	\$12,895	\$12,708	\$13,271	\$12,943	\$12,943	\$12,943	\$157,745	\$163,604	-\$5,859	\$156,868
<b>Total Program Services</b>	<b>\$52,546</b>	<b>\$50,375</b>	<b>\$54,205</b>	<b>\$54,905</b>	<b>\$49,233</b>	<b>\$52,749</b>	<b>\$51,837</b>	<b>\$51,030</b>	<b>\$57,614</b>	<b>\$54,249</b>	<b>\$53,898</b>	<b>\$56,883</b>	<b>\$639,524</b>	<b>\$632,383</b>	<b>\$7,141</b>	<b>\$572,672</b>
<b>Supporting Services</b>																
General and Administrative	\$16,488	\$13,195	\$9,210	\$13,931	\$30,616	\$13,618	\$8,802	\$9,129	\$9,511	\$11,700	\$11,600	\$14,122	\$161,924	\$128,193	\$33,731	\$125,812
Development	\$14,136	\$10,660	\$19,242	\$54,021	\$21,262	\$14,096	\$12,170	\$11,579	\$30,655	\$19,608	\$15,459	\$47,209	\$270,098	\$251,688	\$18,410	\$242,603
<b>Total Supporting Services</b>	<b>\$30,624</b>	<b>\$23,856</b>	<b>\$28,452</b>	<b>\$67,952</b>	<b>\$51,878</b>	<b>\$27,715</b>	<b>\$20,972</b>	<b>\$20,708</b>	<b>\$40,166</b>	<b>\$31,309</b>	<b>\$27,059</b>	<b>\$61,331</b>	<b>\$432,022</b>	<b>\$379,881</b>	<b>\$52,141</b>	<b>\$368,415</b>
<b>Total Expenses</b>	<b>\$83,170</b>	<b>\$74,230</b>	<b>\$82,657</b>	<b>\$122,857</b>	<b>\$101,112</b>	<b>\$80,464</b>	<b>\$72,809</b>	<b>\$71,738</b>	<b>\$97,780</b>	<b>\$85,558</b>	<b>\$80,957</b>	<b>\$118,214</b>	<b>\$1,071,546</b>	<b>\$1,012,264</b>	<b>\$59,282</b>	<b>\$941,087</b>
<b>Change in Net Assets</b>	<b>-\$60,214</b>	<b>\$64,078</b>	<b>-\$37,546</b>	<b>\$168,204</b>	<b>-\$66,689</b>	<b>-\$57,830</b>	<b>-\$57,190</b>	<b>-\$7,979</b>	<b>-\$47,698</b>	<b>\$351,960</b>	<b>-\$46,640</b>	<b>-\$26,597</b>	<b>\$175,860</b>	<b>\$147,482</b>	<b>\$28,378</b>	<b>\$65,883</b>
<b>Other Expenses</b>																
Depreciation	\$2,879	\$2,879	\$2,917	\$3,087	\$3,113	\$3,113	\$3,095	\$3,092	\$4,180	\$4,180	\$4,180	\$4,180	\$40,894	\$50,160	-\$9,266	\$41,844
Misc Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	-\$6,000	\$0
<b>Total Other Expenses</b>	<b>\$2,879</b>	<b>\$2,879</b>	<b>\$2,917</b>	<b>\$3,087</b>	<b>\$3,113</b>	<b>\$3,113</b>	<b>\$3,095</b>	<b>\$3,092</b>	<b>\$4,180</b>	<b>\$4,180</b>	<b>\$4,180</b>	<b>\$4,180</b>	<b>\$40,894</b>	<b>\$56,160</b>	<b>-\$15,266</b>	<b>\$41,844</b>
<b>Total Increase (Decrease) in Net Assets</b>	<b>-\$63,093</b>	<b>\$61,200</b>	<b>-\$40,463</b>	<b>\$165,117</b>	<b>-\$69,802</b>	<b>-\$60,943</b>	<b>-\$60,285</b>	<b>-\$11,070</b>	<b>-\$51,878</b>	<b>\$347,780</b>	<b>-\$50,820</b>	<b>-\$30,777</b>	<b>\$134,966</b>	<b>\$91,322</b>	<b>\$43,644</b>	<b>\$24,039</b>
<b>Beginning Cash (Operating)</b>	<b>\$ 243,976</b>	<b>\$ 196,860</b>	<b>\$ 264,593</b>	<b>\$ 243,833</b>	<b>\$ 247,920</b>	<b>\$ 237,762</b>	<b>\$ 222,121</b>	<b>\$ 183,628</b>	<b>\$ 180,493</b>	<b>\$ 188,124</b>	<b>\$ 360,083</b>	<b>\$ 328,444</b>	<b>243,976</b>	<b>340,703</b>	<b>(96,727)</b>	
<b>Adjust for Cash</b>																
Depreciation and Amortization	\$ 2,879	\$ 2,879	\$ 2,917	\$ 3,087	\$ 3,113	\$ 3,113	\$ 3,095	\$ 3,092	\$ 4,180	\$ 4,180	\$ 4,180	\$ 4,180	\$ 40,894	\$ 50,160	(9,266)	
Timing on Grants		\$ (30,328)		\$ (25,478)			\$ 32,178		\$ 30,328	\$ (30,000)			\$ (23,300)	\$ 2,178	(25,478)	
Adjustment for Trade													\$ -	\$ -	-	
Receivables/Prepays/Payables	\$ 13,098	\$ 33,983	\$ 19,396	\$(116,100)	\$ 58,130	\$ 42,189	\$(13,481)	\$ 4,844	\$ 25,000	\$(150,000)	\$ 15,000	\$(15,000)	\$(82,941)	\$ 75,000	(157,941)	
Capital Expenditures			\$ (2,611)	\$(22,538)	\$(1,599)								\$(26,748)	\$(39,500)	12,752	
<b>Ending Operating Cash</b>	<b>\$ 196,860</b>	<b>\$ 264,593</b>	<b>\$ 243,833</b>	<b>\$ 247,920</b>	<b>\$ 237,762</b>	<b>\$ 222,121</b>	<b>\$ 183,628</b>	<b>\$ 180,493</b>	<b>\$ 188,124</b>	<b>\$ 360,083</b>	<b>\$ 328,444</b>	<b>\$ 286,847</b>	<b>\$ 286,847</b>	<b>\$ 519,863</b>	<b>\$(233,016)</b>	
<b>Change in Cash</b>													<b>\$ 42,871</b>	<b>\$ 179,160</b>		

# PRESENTING FINANCIAL RESULTS TO THE BOARD

- Think about the overall story: “what happened?”, “what does it mean?”, “what’s next?”. Be transparent
- Tie back to the goals for the year
- Never provide financials or reports without some form of narrative to set context
- Go beyond the numbers, focus on the insights, achievements, areas of concern etc.
- Anticipate activities and avoid ‘bad’ surprises
- Be visual
- Use a consistent reporting style. Supplement at various times

# PRESENTING FINANCIAL RESULTS TO THE BOARD

## General Approach

- Overall status as of the date of the financials – cash, revenue, expenses, net asset positions
- Revenue and Support synopsis - highlight key aspects
- Expense synopsis - highlight key aspects
- Looking ahead – what is being forecasted for the year – over or under budget, more or less cash than expected, etc.

# PRESENTING FINANCIAL RESULTS TO THE BOARD

## Examples

- At June 30, 2019, we had \$311,000 in cash, representing approx. 3 months of operating reserves.
- The Decrease in Net Assets is expected because three pledge drives happen in the second half of the year and the CPB grant is awarded in November.
- During the past six months changes have taken place in the membership department including the hiring of a new Membership Director, and a change in the software we are using.
- YTD Expenses across all categories are all less than budgeted. Most, but not all savings, are tied to the staffing composition being slightly different than budgeted.

# OTHER FINANCIAL MANAGEMENT TIPS

# MANAGING CASH FLOW AND LIQUIDITY

## Low Liquidity: Short-Term Considerations

- Are the receivables collectible? Can they be collected faster?
- How do you plan to reduce the payables and liabilities over time?
- Have you incurred unplanned debt, or spent deferred revenue as a way to access cash to fund operations?
- Do you have a line of credit and have you used it to manage cash flow?
- Lease or financing versus cash purchase?
- Extra pledge drive?

# MANAGING CASH FLOW AND LIQUIDITY

## Low Liquidity: Long-Term Considerations

- Can you create operating efficiencies to free up cash?
- Lease buyback of tower or other property
- Collaborations – share resources



# KEY DATA TO TRACK

- Audience data
- Membership/ sustainer/ pledge drive data
- Status and timing of pledge drives
- Underwriting data
- Major and planned giving (goals, amounts, etc.)
- Capital campaign updates
- Capital asset requirements

# COMMON KEY PERFORMANCE INDICATORS (KPIs)

REVENUES/ EXPENSES	NET ASSETS/ CASH FLOW	STATEMENT OF FINANCIAL POSITION	BROADCAST AND DIGITAL AUDIENCE, SOCIAL MEDIA
<ul style="list-style-type: none"> <li>• % Change in membership, major giving, sustainers</li> <li>• Cost to raise a dollar</li> </ul>	<ul style="list-style-type: none"> <li>• Earnings before interest, depreciation and amortization (EBIDA)</li> </ul>	<ul style="list-style-type: none"> <li>• Current ratio (short-term assets/ short-term liabilities)</li> <li>• Months of operating cash and liquid/ unrestricted investments</li> </ul>	<ul style="list-style-type: none"> <li>• Change in CUME, Share and TSL</li> <li>• Loyalty</li> <li>• % of Core Audience</li> </ul>
<ul style="list-style-type: none"> <li>• % Change in underwriting</li> <li>• Underwriting revenue per FTE</li> <li>• Cash/ trade underwriting</li> <li>• Cost to raise a dollar</li> </ul>	<ul style="list-style-type: none"> <li>• Increase/ decrease in unrestricted net assets before and after depreciation</li> </ul>	<ul style="list-style-type: none"> <li>• Change in short-term and long-term interest-bearing debt</li> <li>• Short and long-term liabilities to net assets</li> <li>• Liabilities to total assets</li> </ul>	<ul style="list-style-type: none"> <li>• Website users <ul style="list-style-type: none"> <li>• Users, users w/3+ sessions/ month</li> <li>• Time/ sessions per user</li> <li>• Emails/ registrations</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Operating revenues after/ before licensee support</li> </ul>	<ul style="list-style-type: none"> <li>• Increase/ decrease in total net assets before and after depreciation</li> </ul>	<ul style="list-style-type: none"> <li>• Working capital (current assets - current liabilities)</li> </ul>	<ul style="list-style-type: none"> <li>• Live Streams <ul style="list-style-type: none"> <li>• CUME</li> <li>• Time per user</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• CPB funding/ total revenue</li> <li>• Licensee direct and indirect support/ total revenues</li> </ul>	<ul style="list-style-type: none"> <li>• Unrestricted net assets invested in capital assets</li> </ul>	<ul style="list-style-type: none"> <li>• Change in net working capital: Working Capital (Current Period) - Working Capital (Previous Year)</li> </ul>	<ul style="list-style-type: none"> <li>• Podcasts/ on-demand <ul style="list-style-type: none"> <li>• Users or downloads</li> <li>• Time or downloads per user</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Listener/ viewer sensitive income/ total revenues</li> </ul>		<ul style="list-style-type: none"> <li>• % of fixed assets depreciated/ not depreciated</li> </ul>	<ul style="list-style-type: none"> <li>• Video <ul style="list-style-type: none"> <li>• Users or views</li> <li>• Time per user or sessions per user</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Investment in programming and production / total expenses</li> </ul>		<ul style="list-style-type: none"> <li>• Debt coverage ratio (EBIDA/ Interest and Principal Payments on Interest-bearing debt)</li> </ul>	<ul style="list-style-type: none"> <li>• Email <ul style="list-style-type: none"> <li>• Subscribers</li> <li>• Opens per email</li> <li>• Unsubscribe rate</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Cost to raise a dollar in membership and underwriting</li> </ul>			<ul style="list-style-type: none"> <li>• Social Media <ul style="list-style-type: none"> <li>• Users who engage or impressions or followers</li> <li>• Emails, earned mentions</li> <li>• Engagements per impression or total engagements or session referrals</li> </ul> </li> </ul>

# ACTIONS TO TAKE TO REMEDY NEGATIVE TRENDS



# ACTIONS TO TAKE TO REMEDY NEGATIVE TRENDS

## Negative Revenue Trends

- Have you identified any areas where the station is underperforming?  
Are the main causes personnel-related or market related?
  - If personnel related, can you reassign staff or add capacity?
  - If market related, can you expand your services or coverage area to fuel growth?
- Plans to invest in future revenue-generating capacity?

# ACTIONS TO TAKE TO REMEDY NEGATIVE TRENDS

## Negative Expense Trends

- Did costs increase because of investments in areas that could have positive revenue implications in the future?
- What are the flexible expenses that can potentially be reduced?
- Are there any services that the station can outsource?
- Are you spending more to generate the same revenue? What are the variable fundraising costs?

# QUESTIONS?

Please type your questions into the chat box

THANK YOU FOR JOINING US.

The slide deck will be provided via email and available on  
the [publicmedia.co](https://publicmedia.co) website

Erin Moran, President  
[erin@publicmedia.co](mailto:erin@publicmedia.co)

Evrans Kavlak, Director  
[evran@publicmedia.co](mailto:evran@publicmedia.co)

[publicmedia.co](https://publicmedia.co)