KUOW, Joint FIN/SPC Committee May 25 Meeting

KUOW
May 25, 2023 at 3:30 PM PDT to May 25, 2023 at 5:30 PM PDT

Agenda

I. Welcome & Call to Order 3:30 PM
Presenter: Sharon Kioko

A. Invitation to Disclose Possible Conflicts of Interests
B. Approval of April 4, 2023 FIN Meeting Minutes
C. Approval of March 6, 2023 SPC Meeting Minutes

II. Committee Business 3:35 PM

A. Form 990 Update
Presenters: Kerry Swanson, Jessica Dial

B. Director of Finance Update
Presenter: Kerry Swanson

C. Post Retreat Debrief
Presenter: Heidi de Laubenfels

III. FY24 Budget Presentation 4:00 PM
Presenters: Caryn Mathes, Kerry Swanson, Jessica Dial

A. FY23 Year End Report & FY24 Budget Presentation
B. Management Recommendation on FY24 Endowment Withdraw?
C. Q&A

IV. Next Upcoming Meetings

A. Next FIN/EXEC Meeting- June 8 2022
B. Next FISC Meeting- August 18, 2022

V. Public Comment/ Executive Session 5:25 PM
Presenter: Sharon Kioko

VI. Adjourn
Presenter: Sharon Kioko
I. Welcome & Call to Order
   i. Dr. Kioko called the meeting to order at 3:34 PM.
   ii. Invitation to Disclose Possible Conflicts of Interests
       i. Dr. Kioko asked the Committee to disclose any possible conflicts of interest; none were expressed.
   iii. Approval of April 4, 2023, FIN Meeting Minutes
       i. Due to a lack of time, approval of the April 4th Finance Meeting Minutes was moved to the following Finance Meeting.
   iv. Approval of March 6, 2023, SPC Meeting Minutes
       i. Due to a lack of quorum, approval for the March 6th Strategic Planning Committee (SPC) Meeting Minutes was moved to the following SPC Meeting.

II. Committee Business
   i. Form 990 Update
      i. Mr. Swanson and Ms. Dial stated the Form 990 had been filed and would be updated on the website soon.
   ii. Director of Finance Update
      i. Mr. Swanson mentioned that the Finance Department would meet with the three finalists for the Director of Finance position.
iii. Post-Retreat Debrief
   i. Ms. de Laubenfels will give an update regarding the Board Retreat at the August SPC Meeting.

III. FY24 Budget Presentation
   i. FY23 Year End Report & FY24 Budget Presentation
      i. Dr. Kioko welcomed Ms. Mathes to present to the Committee a review of the FY23 fiscal year and the proposal for the FY24 budget. Key points for this presentation included the change in how the station does business in the digital age, further hypothesis within the User, Usage, and Revenue model, and the significant investment categories for the FY24 budget. Ms. Mathes shared that the key goal of the approval of the budget by the Board is to support the staff and station in being competitive and viable in the digital age of news. Ms. Cosgrove and Ms. Hovance shared their projections for the audience and growth in members, respectively, and how KUOW will become more profitable within the next three years. Ms. Cosgrove shared that it is expected that within the first year, audience growth will be flat as the Station works towards pivoting from Broadcast to digital. It was assumed that Broadcast would continue to decline, and the goal within the Digital Product team is to make up for the loss in Broadcast and continue to grow within Digital.

      ii. Motion:
          Dr. Kioko asked for a motion to make a resolution to move the FY24 Budget to the Executive Committee. The motion was moved by Mark Ashida, and the motion was seconded by Christopher Jay. With no objections, the motion was moved.

IV. Public Comment
   i. There were no members of the public in person or virtually on Zoom; therefore, no public comment was made.

V. Executive Session
   i. Dr. Kioko adjourned the open session at 5:05 PM and called for an executive session to discuss privileged proprietary financial information.

VI. Adjourn
   i. Dr. Kioko adjourned the Executive Session at 5:30 PM.
## FY24 Proposed Revenue & Expense Overview

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<td><strong>Revenue</strong></td>
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<td>Membership</td>
<td>11,734,900</td>
<td>12,500,000</td>
<td>11,920,000</td>
<td>1.6%</td>
<td>12,980,000</td>
<td>8.9%</td>
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<td>Business Support</td>
<td>4,932,396</td>
<td>4,900,000</td>
<td>4,400,234</td>
<td>(10.8%)</td>
<td>4,490,000</td>
<td>2.0%</td>
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<td>Philanthropy</td>
<td>2,936,397</td>
<td>3,300,000</td>
<td>3,751,693</td>
<td>42.3%</td>
<td>3,876,862</td>
<td>3.3%</td>
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<td>CPB</td>
<td>974,694</td>
<td>925,000</td>
<td>932,226</td>
<td>(4.4%)</td>
<td>950,000</td>
<td>1.9%</td>
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<td>Interest Income</td>
<td>241,785</td>
<td>110,000</td>
<td>110,000</td>
<td>(54.5%)</td>
<td>134,100</td>
<td>21.9%</td>
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<td>Univ. Of WA</td>
<td>131,615</td>
<td>130,356</td>
<td>138,140</td>
<td>(5.0%)</td>
<td>143,500</td>
<td>3.9%</td>
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<td>Other Revenue</td>
<td>574,935</td>
<td>60,000</td>
<td>60,000</td>
<td>(99.6%)</td>
<td>60,000</td>
<td>0.0%</td>
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<td>Restrictions Released</td>
<td>142,025</td>
<td>67,000</td>
<td>26,000</td>
<td>(91.7%)</td>
<td>50,000</td>
<td>92.3%</td>
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<td><strong>Draw on Prior Years’</strong></td>
<td><strong>1,690,670</strong></td>
<td><strong>1,690,670</strong></td>
<td><strong>1,690,670</strong></td>
<td><strong>71.0%</strong></td>
<td><strong>2,891,464</strong></td>
<td><strong>11.1%</strong></td>
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<td><strong>Operating Margin</strong></td>
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<td><strong>Total Gross Revenue</strong></td>
<td><strong>21,368,747</strong></td>
<td><strong>23,673,026</strong></td>
<td><strong>23,028,963</strong></td>
<td><strong>7.7%</strong></td>
<td><strong>25,575,926</strong></td>
<td><strong>11.1%</strong></td>
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<td>Agency Fees</td>
<td>(999,562)</td>
<td>(1,148,300)</td>
<td>(1,026,426)</td>
<td>2.7%</td>
<td>(1,099,960)</td>
<td>7.2%</td>
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<td><strong>Total Net Revenue</strong></td>
<td><strong>20,369,185</strong></td>
<td><strong>22,524,726</strong></td>
<td><strong>22,002,537</strong></td>
<td><strong>7.8%</strong></td>
<td><strong>24,475,966</strong></td>
<td><strong>7.2%</strong></td>
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<td><strong>Expenses</strong></td>
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<td>Personnel Expenses</td>
<td>12,183,549</td>
<td>16,518,240</td>
<td>14,367,874</td>
<td>17.9%</td>
<td>16,234,843</td>
<td>13.0%</td>
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<td>Other Expenses</td>
<td>8,891,352</td>
<td>7,777,500</td>
<td>7,834,401</td>
<td>13.7%</td>
<td>8,241,123</td>
<td>5.2%</td>
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<td><strong>Total Expenses</strong></td>
<td><strong>19,074,901</strong></td>
<td><strong>24,295,740</strong></td>
<td><strong>22,202,275</strong></td>
<td><strong>16.4%</strong></td>
<td><strong>24,475,966</strong></td>
<td><strong>18.2%</strong></td>
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<td><strong>Net Income</strong></td>
<td><strong>1,284,284</strong></td>
<td><strong>(771,014)</strong></td>
<td><strong>(199,738)</strong></td>
<td><strong>(115.4%)</strong></td>
<td><strong>0</strong></td>
<td><strong>(18.2%)</strong></td>
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