**KUOW, PSPR Board of Directors**

**Finance and Audit Committee Meeting**

**Tuesday, October 27, 2020**

**3:30 PM – 5:00 PM**

Register in advance for this meeting:

[https://washington.zoom.us/meeting/register/tJMvceuspjopGdENoD7GlpcR7gRiGT7Wy1CM](https://washington.zoom.us/meeting/register/tJMvceuspjopGdENoD7GlpcR7gRiGT7Wy1CM)

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### MEETING OBJECTIVES

- Annual Audit Presentation and discussion
- Review and Approve Investment Statement Policy
- Review September Investment Report & YTD Financials

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### AGENDA

<table>
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<th>Time</th>
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| 3:30-3:35 pm | 1. Welcome and Call to Order - Introduction of Guests  
2. Invitation to Disclose Possible Conflicts of Interests | Jon Schorr |       |
| 3:35-4:05 pm | 3. Approval of Minutes  
- 01.28.20 FIN Meeting Minutes  
- 05.28.20 FIN/SPC Joint Meeting Minutes  
- 08.18.20 FISC Meeting Minutes |          | Exhibit 1 |
| 3:35-4:05 pm | 4. Audit Presentation – BDO LLC | Michaela Kay | Exhibit 4 |
| 4:05 -4:20 pm | 5. Investment Statement Policy (ISP)  
- Approval of Investment Statement Policy | Jon Schorr | Exhibit 5 |
| 4:30-4:40 pm | 7. September Investment Reports | Chris Jay | Exhibit 7a – Exhibit 7f |
| 4:40- 4:50 pm | 8. 2021 Workplan and Meeting Dates  
- Tentative Meeting Dates are listed | Jon Schorr | Exhibit 8 |
| 4:50-4:55 pm | 9. Topics for Executive Committee Meeting Agenda  
- New ISP  
- Audit | Jon Schorr |       |
| 4:55- 5:00 pm | 10. Other Topics/Public Comment |          |       |
| 5:00 pm | 11. Adjourn |          |       |

*An Executive Session can be called at any time during the meeting based on the following criteria: To consider matters relating to individual employees, proprietary information, litigation, and other matters requiring the confidential advice of counsel, commercial or financial information obtained from a person on a privileged or confidential basis, or the purchase of property of services whenever the premature exposure of such purchase would compromise the business interests of any such organizations.*
KUOW, PSPR Board of Directors
Finance and Audit Committee Meeting
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Supporting Documents

- Exhibit 1 – 01.28.20 FIN Meeting Minutes
- Exhibit 2 – 05.28.20 FIN/SPC Joint Meeting Minutes
- Exhibit 3 – 08.18.20 FISC Meeting Minutes
- Exhibit 4 – Annual Audit – BDO LLC
- Exhibit 5 – Investment Statement Policy
- Exhibit 6 – Financial Report/Cash Flow
- Exhibit 7 – September Investment Reports
- Exhibit 8 – 2021 Workplan and Meeting Dates

2021 Tentative Meeting Dates

FINANCE & AUDIT
3:30 PM – 5:00 PM
- Tue, January 26, 2021 (Joint with FISC; Bernstein Annual Report)
- Tues, March 23, 2021 (Deep Dive)
- Thu, May 27, 2021 (Joint w. SPC – Budget Hearing)
- Thu, June 10, 2021 (Joint w. EXEC – Budget Hearing)
- Tue, October 26, 2021

FINANCE, INVESTMENT SUBCOMMITTEE
3:30 PM – 5:00 PM
- Tue, January 26, 2021 (Joint with FIN; Bernstein Annual Report)
- Tue, August 17, 2021

An Executive Session can be called at any time during the meeting based on the following criteria: To consider matters relating to individual employees, proprietary information, litigation, and other matters requiring the confidential advice of counsel, commercial or financial information obtained from a person on a privileged or confidential basis, or the purchase of property of services whenever the premature exposure of such purchase would compromise the business interests of any such organizations.
Upon notice duly given, the MEETING of the FINANCE & AUDIT COMMITTEE (the “Committee”) of KUOW, Puget Sound Public Radio (PSPR) virtual meeting was held virtually on October 27th, 2020 at 3:30 pm via Zoom Conference.

ATTENDED: Jon Schorr (Chair), Christopher Jay, Irwin Goverman, Sharon Kioko, Caryn Mathes, Heidi de Laubenfels and Liam Lavery

ABSENT: Randy Hodgins

ALSO ATTENDING (STAFF): Caryn Mathes, Janice McKenna, Fieta Robinson, and Ryleigh Brimhall

GUESTS: Michaela Kay (BDO LLC) and Raymond Holmdahl (BDO LLC)

I. Meeting Called to Order
Chair Jon Schorr welcomed the Committee members and called the meeting to order at 3:31 PM.

II. Conflict of Interests
There was no conflict of interests expressed.

III. Approval of Minutes
Mr. Jon Schorr then called for the approval of the Minutes of January 28, 2020, May 28, 2020, and September 18, 2020 Meetings. Mr. Irwin Goverman moved to approve, Mr. Chris Jay seconded; the motion was carried, the Committee approved the minutes with one amendment to the May 28, 2020 Minutes.

IV. 2020 Audit Review - BDO LLC
Mr. Ray Holmdahl and Ms. Michaela Kay, with BDO LLC, provided a presentation of the drafted FY20 Financial Audit Statement. The financial statement audit received an unmodified, or “clean,” opinion with no adjustments or management letter for this year. No internal control deficiencies were noted during audit testing and walkthroughs of internal controls performed during fieldwork. BDO LLC reviewed significant accounting policies and the quality of those policies for revenue recognition, temporarily and permanently restricted net assets, investments at fair value and deferred revenue. BDO LLC provided independent judgments and accounting estimates on the allowance for delinquent accounts, functional allocation of expenses, valuation of in-kind expenses, and functional allocations of expenses. The next steps are getting board approval and the signed representation of the letter from management, and final quality control processes (including updating subsequent events). The CPB annual report and Form 990 are items still in progress that are expected to be completed in early 2021.

There was a request to have BDO, LLC review internal controls of Bernstein Financial Management.

V. Approval of Investment Statement Policy (ISP)
Mr. Jon Schorr then called for the approval of the Investment Statement Policy. Irwin Goverman moved to approve, Liam Lavery seconded; the motion was carried, the Committee approved the Investment Statement Policy as presented to the Full Board.
VI. **YTD Financial Report/Cash Flow**

Ms. Caryn Mathes gave an update on FY21 Q1 revenue and expenses. In total, gross revenue was up for the first quarter by 18.8%, and up 8.1%, over last year. Year to date (YTD) operating expenses were below budget by $191.8K. In summary, YTD net from operations was better than budget by $773.3K to increases in revenues and timing decreases in spending.

VII. **September Investment Report**

Mr. Chris Jay presented the September Investment Report and the balance is very similar to August 2020, $9.27M in August to $9.14 M in September.

VIII. **2021 Workplan and Meeting Dates**

The Committee confirmed the committee meeting dates for 2021.

IX. **Topics For Executive Committee Meeting Agenda**

Mr. Jon Schorr stated to approve the Investment Statement Policy and approved the Draft FY20 Financial Audit Statement.

X. **Adjournment**

With no further business, Jon Schorr adjourned the meeting of the Finance & Audit Committee meeting at 4:44 pm.

Respectfully Submitted by  
Jon Schorr, Chair  
Fieta Robinson, Board Liaison