



FINANCIAL LEADERSHIP

August 11, 2022

WEBINAR LOGISTICS

1. All microphones are muted and cameras off
2. We welcome conversation – please use chat function to share questions and thoughts
3. Contact Steve Holmes if you're experiencing technical issues (steve@publicmedia.co 202 802 7054)
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Financial Leadership

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WEBINAR PRESENTER



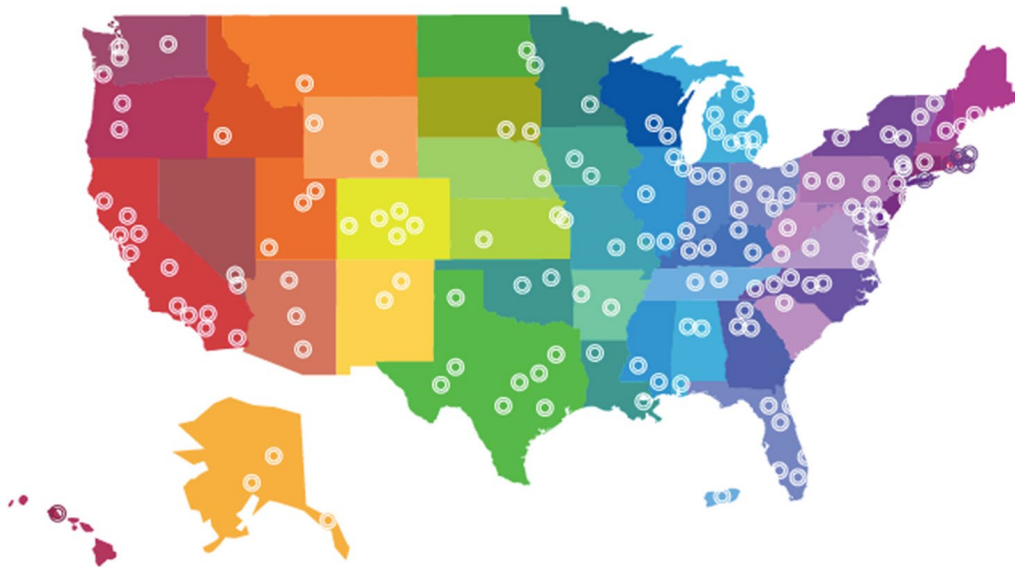
Erin Moran
CEO
Public Media Company
erin@publicmedia.co



Colleen Sibthorp
Accounting Manager
Public Media Company
colleen@publicmedia.co

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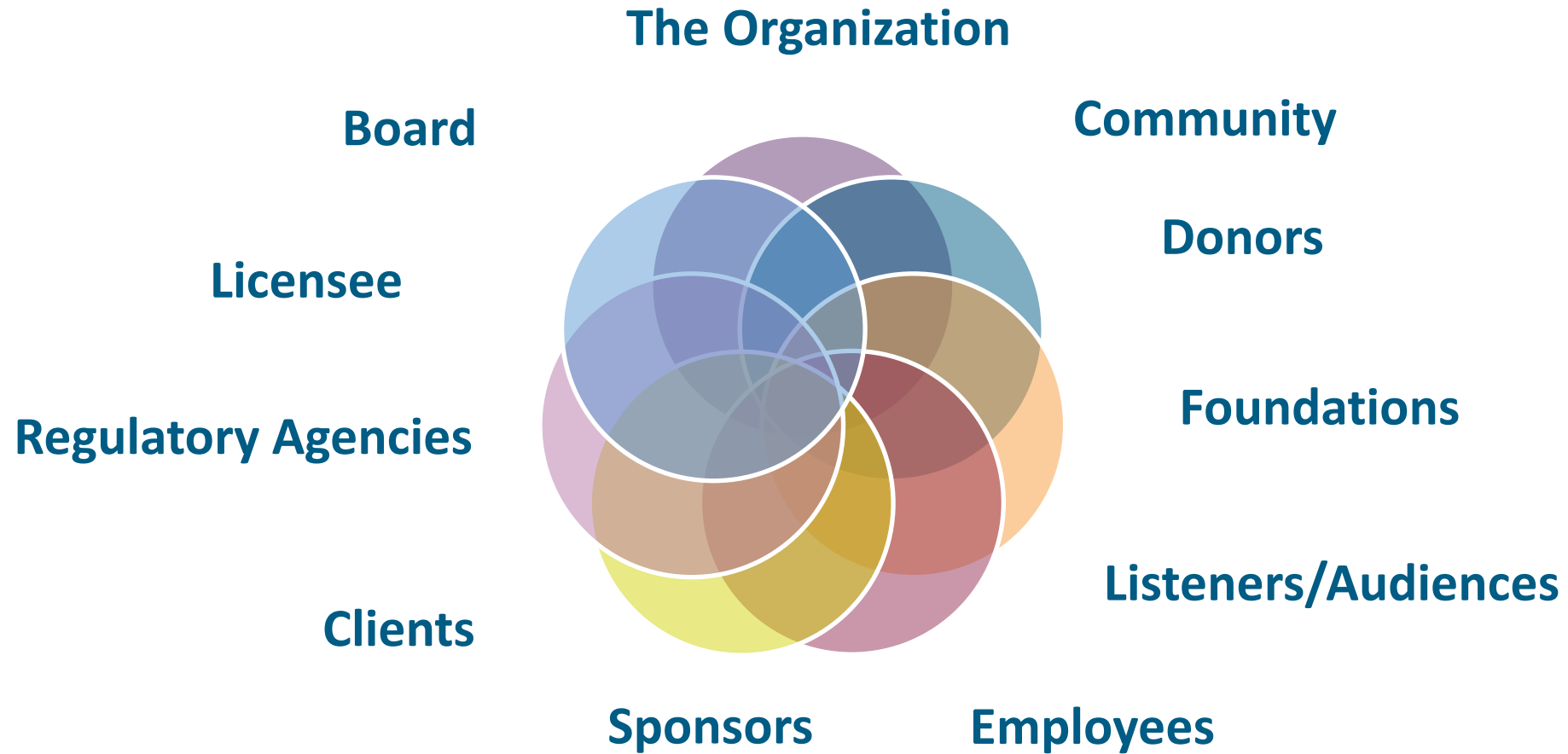
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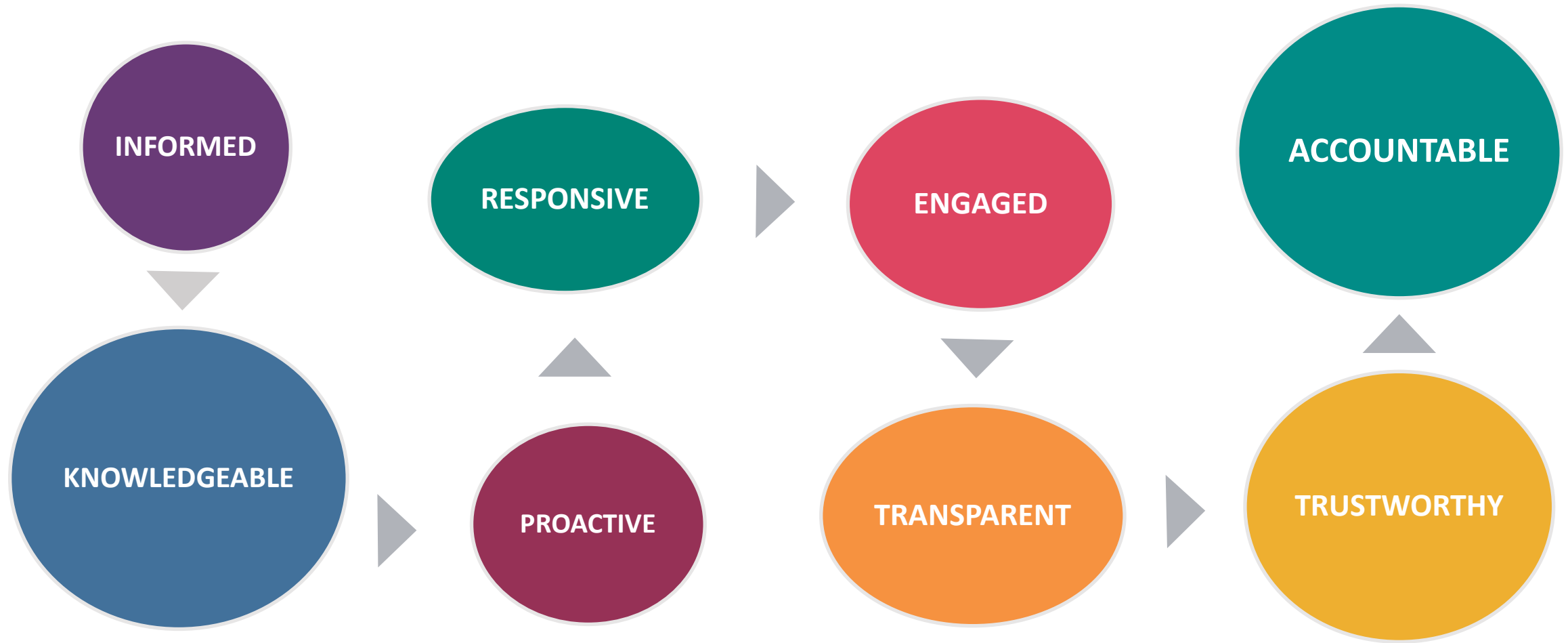
PURPOSE OF TODAY

1. Financial Stewardship
2. Role of Leadership
3. Role of Accounting
4. Budgeting
5. Forecasting
6. Managing Cash Flow
7. Q and A

FINANCIAL STEWARDSHIP



LEADER'S ROLE



ROLE OF ACCOUNTING - BASICS



Day-to-Day

- **Money in** - membership, underwriting, grants, institutional support, fees, other
- **Money out** - personnel, programming, broadcasting, operating, fundraising, capital expenditures

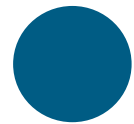


Create Financials

- **Report on progress/activities**
- **Annual audit and 990**
- **Grant reporting** (CPB, States, Other)



Create Budgets – collaborative process



Create Forecasts – anticipate results for the year (collaborative process)

ROLE OF ACCOUNTING – BEYOND THE BASICS

- **Process Improvements** – implementing efficiencies, best practices, streamlining
- **Business Planning** – future proofing the stations
- **Strategic Partner** –
 - collab with other Management team members to explore initiatives
 - Keep other Management team members update on financial status

BUDGETING BASICS







Involve other station personnel for input

Include priorities for next year

Start with historical information, look at trends

Include revenue, expenses, cash flow, and expected capital expenditures

BUDGETING DETAILS

-  **Personnel** – raises, fill vacant positions, temp help, new positions, benefits, outside consultants, interns, workers comp, training
-  **Programming** – fees and dues
-  **Broadcasting** – transmitter, utilities, rent, insurance, non-capital equipment, maintenance, etc.
-  **Fundraising expenses** – software, premiums, phone lines, mailings, etc.
-  **Operating Expenses** – memberships, accounting/audit, legal, postage, phone, website, insurance, conferences, board meetings, non-capital equipment, etc.
-  **Capital Expenses** – replacement and new

BUDGETING - REVENUE AND SUPPORT

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. Budget by the **Month**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2019 Budget	2018 Forecast	% Change	\$ Change from Forecast
Revenue and Support																
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 ¹	\$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
Total Revenue and Support	\$31,894	\$33,013	\$35,636	\$332,202	\$32,714	\$24,281	\$32,342	\$40,484	\$40,701	\$437,226	\$32,226	\$87,026	\$1,159,745	\$1,149,989	1%	\$9,756

BUDGETING – EXPENSES AND CASHFLOW

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2019 Budget	2018 Forecast	% Change	\$ Change from Forecast
Expenses²																
Programing & Production	\$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
Engineering and Broadcasting	\$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
Total Program Services	\$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
Supporting Services																
General and Administrative	\$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
Development²	\$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
Total Supporting Services	\$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
Total Expenses	\$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
Change in Net Assets	-\$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
Other Expenses																
Depreciation	\$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
Misc Expenses	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000	\$0		\$6,000
Total Other Expenses	\$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
Total Increase (Decrease) in Net Assets	-\$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
Beginning Cash (Operating)	\$ 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			
Adjust for Cash																
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)			
Ending Operating Cash	\$ 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			

REPORTING AGAINST BUDGET

- Current Month compared to Budget
- YTD compared to Budget
- Current YTD compared to Prior YTD

Statement of Financial Activities Unaudited June 2020

	June 2020			Jan - June 2020			Prior YTD Actual
	Actual	Budget	Variance	Actual	Budget	Variance	
Revenue and Support							
Membership, net bad debt	\$4,891	\$41,900	-\$37,009	\$198,752	\$348,600	-\$149,848	\$302,589
Grants	\$24,852	\$0	\$24,852	\$99,852	\$0	\$99,852	\$26,852
Grants - Purpose Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Underwriting, net of bad debt	\$6,850	\$12,500	-\$5,650	\$58,479	\$108,598	-\$50,119	\$97,456
In-kind	\$2,091	\$2,091	\$0	\$11,589	\$15,805	-\$4,216	\$16,852
Other Income	\$158	\$1	\$157	\$2,401	\$8,546	-\$6,145	\$3,562
Total Revenue and Support	\$38,842	\$56,492	-\$17,650	\$371,073	\$481,549	-\$110,476	\$447,311
Expenses							
Programming & Production	\$40,089	\$42,158	-\$2,069	\$238,698	\$252,891	-\$14,193	\$235,698
Engineering and Broadcasting	\$12,541	\$14,258	-\$1,717	\$75,642	\$102,589	-\$26,947	\$78,452
Total Program Services	\$52,630	\$56,416	-\$3,786	\$314,340	\$355,480	-\$41,140	\$314,150
Supporting Services							
General and Administrative	\$9,898	\$10,858	-\$960	\$64,891	\$76,845	-\$11,954	\$78,456
Development	\$10,658	\$14,825	-\$4,167	\$66,945	\$108,493	-\$41,548	\$94,628
Total Supporting Services	\$20,556	\$25,683	-\$5,127	\$131,836	\$185,338	-\$53,502	\$173,084
Total Expenses	\$73,186	\$82,099	-\$8,913	\$446,176	\$540,818	-\$94,642	\$487,234
Change in Net Assets	-\$34,344	-\$25,607	-\$8,737	-\$75,103	-\$59,269	-\$15,834	-\$39,923
Other Expenses							
Depreciation	\$2,489	\$2,658	-\$169	\$14,934	\$15,948	-\$1,014	\$14,689
Misc. Expenses	\$0	\$500	-\$500	\$0	\$3,000	-\$3,000	\$0
Total Other Expenses	\$2,489	\$3,158	-\$669	\$14,934	\$18,948	-\$4,014	\$14,689
Total Increase (Decrease) in Net Assets	-\$36,833	-\$28,765	-\$8,068	-\$90,037	-\$78,217	-\$11,820	-\$54,612

FORECASTING

- Throughout the year track against budget and prepare forecasts against budget to monitor and anticipate financial outcomes during the course of the year
- Report regularly to the Board/Licensee in a proactive way
- Translate the finances into the expected financial performance/story of the organization

FORECASTING

- **Be conservative/realistic on revenue and include contingencies for expenses**
- **Plan for low cash points, communicate proactively with your board, donors, underwriters, employees and vendors**
- **Think of areas that may experience growth/or provide opportunity to attract new or different sources of revenue**

FORECASTING

2020 Forecast By Month

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual					2020 Forecast	2020 Budget	Variance	2019 Actual
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
Revenue and Support																
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
Total Revenue and Support	\$22,956	\$138,309	\$45,112	\$291,061	\$34,423	\$22,634	\$15,619	\$63,759	\$50,082	\$437,517	\$34,317	\$91,617	\$1,247,406	\$1,159,746	\$87,660	\$1,006,970
Expenses																
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
Total Program Services	\$52,546	\$50,375	\$54,205	\$54,905	\$49,233	\$52,749	\$51,837	\$51,030	\$57,614	\$54,249	\$53,898	\$56,883	\$639,524	\$632,383	\$7,141	\$572,672
Supporting Services																
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
Total Supporting Services	\$30,624	\$23,856	\$28,452	\$67,952	\$51,878	\$27,715	\$20,972	\$20,708	\$40,166	\$31,309	\$27,059	\$61,331	\$432,022	\$379,881	\$52,141	\$368,415
Total Expenses	\$83,170	\$74,230	\$82,657	\$122,857	\$101,112	\$80,464	\$72,809	\$71,738	\$97,780	\$85,558	\$80,957	\$118,214	\$1,071,546	\$1,012,264	\$59,282	\$941,087
Change in Net Assets	-\$60,214	\$64,078	-\$37,546	\$168,204	-\$66,689	-\$57,830	-\$57,190	-\$7,979	-\$47,698	\$351,960	-\$46,640	-\$26,597	\$175,860	\$147,482	\$28,378	\$65,883
Other Expenses																
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
Total Other Expenses	\$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	\$56,160	-\$15,266	\$41,844
Total Increase (Decrease) in Net Assets	-\$63,093	\$61,200	-\$40,463	\$165,117	-\$69,802	-\$60,943	-\$60,285	-\$11,070	-\$51,878	\$347,780	-\$50,820	-\$30,777	\$134,966	\$91,322	\$43,644	\$24,039
Beginning Cash (Operating)	\$ 243,976	\$ 196,860	\$ 264,593	\$ 243,833	\$ 247,920	\$ 237,762	\$ 222,121	\$ 183,628	\$ 180,493	\$ 188,124	\$ 360,083	\$ 328,444	243,976	340,703	(96,727)	
Adjust for Cash																
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	
Ending Operating Cash	\$ 196,860	\$ 264,593	\$ 243,833	\$ 247,920	\$ 237,762	\$ 222,121	\$ 183,628	\$ 180,493	\$ 188,124	\$ 360,083	\$ 328,444	\$ 286,847	\$ 286,847	\$ 519,863	\$(233,016)	
													Change in Cash	\$ 42,871	\$ 179,160	

FORECASTING/MANAGING CASH FLOW

Focus on access to cash

- Existing lines of credit
- Existing credit cards
- Endowments that are board designated
- Timing of grants

PRESENTING FINANCIAL RESULTS

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

- Find the right balance between too much and too little
- Use a consistent reporting style. Supplement at various times
- Use a dashboard for KPIs if it would be helpful
- Avoid providing financials or reports without some form of narrative to set context. Work with your CFO/Finance Committee/Board Treasurer.

PRESENTING FINANCIAL RESULTS

- Think about the overall story: “what happened?”, “what does it mean?”, “what’s next?”. Be transparent
- Tie back to the goals for the year
- Go beyond the numbers, focus on the insights, achievements, areas of concern etc.
- Anticipate activities and avoid ‘bad’ surprises
- Be visual
 - charts or graphs showing % of income from main sources

PRESENTING FINANCIAL RESULTS

Examples

- At March 31st we had \$700,000 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.

PRESENTING FINANCIAL RESULTS TO OTHERS

- Depending on your 'audience' emphasize relevant and pertinent information for them
- Don't shy away from negatives, address what your plans are, or what is needed, to fix them
- If you don't know the answer to a question you are asked, say you will investigate it further and get back to them

TAKE AWAYS

- Be transparent
- If there are gaps in your knowledge, work on your financial literacy
- Find the balance between too much and too little information
- If you are not getting what you need as a CEO/GM – find out what changes are needed and make those changes

Q & A

THANK YOU

If you need more hands-on support, we're here to help:

- **Financial support and insight**
 - Virtual accounting
 - Financial management advice
 - Performance analysis
 - Business modeling
- **Strategic consulting**
 - Contingency planning
 - Strategic planning
 - Organizational analysis

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