

MINUTES

Executive Committee Meeting

Thursday, October 26, 2023

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION

Executive Committee Meeting

Thursday, October 26, 2023 – 7:30 AM

WTPV

101 State Street

Peoria IL 61602

AGENDA

- 1. Call to Order – Andrew Rand**
- 2. Minutes – Andrew Rand**
- 3. Financials**
 - **September 2023 Financial Statements – NETA, Helen Barrick**
 - **Update on CLA Audit – NETA, Helen Barrick**
 - **Update on business manager role and responsibilities – Helen Barrick**
- 4. Station Manager's Report**
 - **Depot Street Agreement**
 - **Other business**
- 5. CPB Update – Andrew Rand**
- 6. Other Business**
- 7. Adjourn**

Next Executive Committee Meeting: tbd

The executive committee was called to order at 7:30. Present were Andrew Rand, Sid Ruckriegel, Helen Barrick, and Steve Shipley.

Financial report

Treasurer Barrick introduced Tamra Świderski from NETA who discussed in detail the financial statements for September. Attached are copies of the information supplied to the committee.

The committee discussed the former CEO's transfer of \$100,000 from the credit facility and the liquidation of invested assets in the amount of \$320,000.

October 10 board meeting comments were reviewed and discussion about the meeting with employees and October 11th were reported

Reviewed updates on the adjustments related to the June 30, 2023 closing statements. Discussed on-going revisions related to completion of CLA audit. Reviewed updated loss differences from reported June 2023 year-end and updated reconciliation.

Discussed CLA's pause on audit work until further investigation of procedures and process of expense classifications.

Discussed specifics of auction and special events as they related to income statement classification.

Discussed expenses on employee credit card and certain reimbursements for other unauthorized expenses.

Resignation

Reported Jessica Ford's resignation from the board and the executive committee

Role of part-time business manager

Business manager's role was discussed as needed in order to replace Treasurer Barrick's day-to-day work at WTVP. WTVP's treasurer has stepped in to replace the finance manager after her resignation.

Review of expenses, coding, payroll production, HR daily duties, communication with NETA, analysis of financial information, work with executive committee, banking duties, cash flow reviews, deposit processes, organization of files are all needed to replace the treasurer.

Depot Street

Reviewed and recommended request from the city of Peoria a property transfer and related improvement.

CPB

Call with CPB on October 10th included Rand, Barrick, Ruckriegel, Sanders and Attorney Meg Miller.

Discussed CPB call as constructive and helpful. CPB is aware of challenges from news sources. CPB indicated they would consider awarding a partial grant once they reviewed our letter of explanation.

WTVP advised the representatives from CPB that unforeseen circumstances were delaying completion of the annual financial statement audit. We indicated that our treasurer was working with the audit

firm since August to get certain clarification from WTVP to the audit team. WTVP suggested to CPB that we hoped to complete the CLA audit no later than January of 2024. CPB also wanted to better understand what new controls were implemented, and reminded the members on the call that the prior year's AFR was the basis for the grant award. Accuracy was important as the grant authority relies on the AFR to calculate the potential grant award. Also discussed was WTVP's plan to request our insurer to perform a forensic audit to assist WTVP in completing a review of potentially questionable, unauthorized, or improper expenses.

The board held a closed session to discuss personnel matters.

The meeting concluded at 9:05 am.

WTVP
Financial Narrative
For the month ending September 30, 2023

Summary

Annual Budget Net Income/(Loss) - \$0

Actual Net Operating Income/(Loss) Through September – (\$299,468)

Actual Total Net Income/(Loss) Through September – (\$383,746)

Profit & Loss Statement

Net operating gain or loss: Net operating loss YTD through September 2023 is \$299K.

Total Revenue: Total revenue YTD through September 2023 is \$879K, \$51K below budget.

Membership YTD is over budget by \$14K at \$148K

Underwriting YTD is under budget by \$29K at \$34K

Major Giving YTD is over budget by \$10K at \$152K

Special Events YTD is over budget by \$66K at \$80K

Peoria Magazine YTD is over budget by \$6K at \$116K

Total Expenses: Total expenses before depreciation YTD through September are \$1.2M, \$106K over budget.

Salaries YTD is over budget by \$24K at \$461K

Professional Services YTD is over budget by \$32K at \$156K

Programming YTD is over budget by \$19K at \$173K

Special Events expense is over budget by \$46K. Offset with revenue above (\$80K)

Balance Sheet

Cash is down \$410K over this time last year.

Investments are down \$322K from this time last year due to market fluctuations and transfer of \$320K to maintain cash flow.

Accounts Receivable is down \$58K from this time last year.

Magazine Receivable is a new line to record the receivable for magazine advertising contracts.

Prepaid Expense is up \$7K.

Fixed Assets are down \$357K due to depreciation of equipment.

Deferred Revenue-Magazine is a new line to record the portion of AR Magazine revenue that is not yet earned.

Cash Flow

\$160K in cash has been used for operating activities during FY24.

\$400K has been provided by investments during FY24.

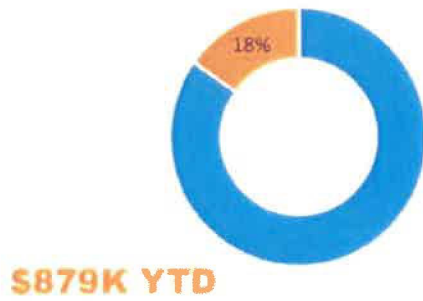
\$319K has been paid on lending agreements during FY24.

Overall cash has increased \$22K in FY24.

WTVP

For the Three Months Ending September 30, 2023

Revenue YTD*



Liquidity Ratios

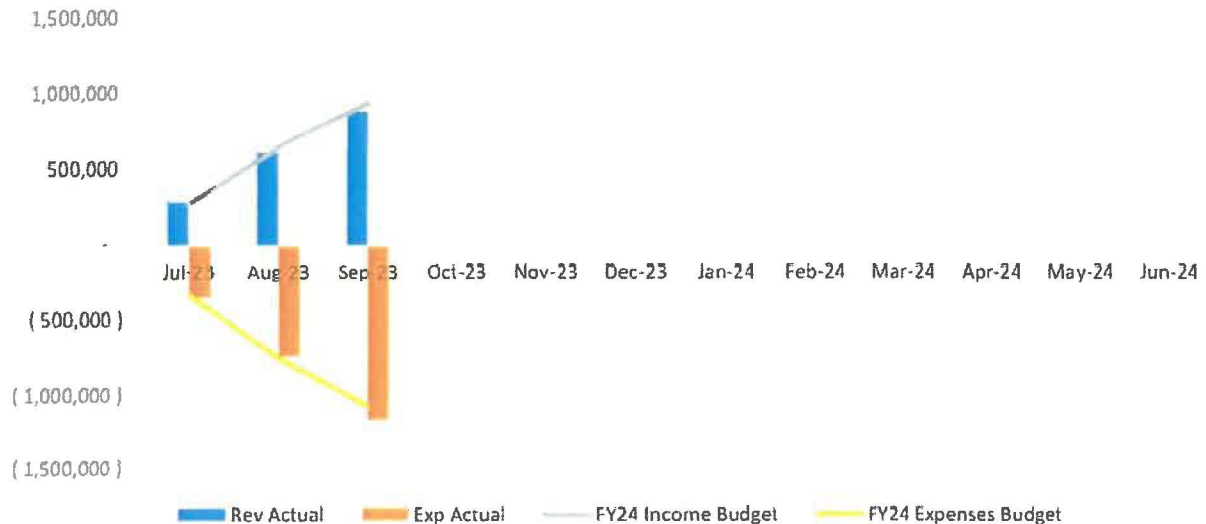
Current Ratio	◆	2.26
Current Ratio (Excl. Inv)	◆	1.32
Cash Ratio	◆	0.13
Debt to Assets Ratio	◆	0.26
Debt to Equity Ratio	◆	0.36
Debt to Tangible Assets	◆	0.15

*Excludes unrealized Gains/Losses.

Current Assets



FY23 YTD Revenues & Expenses



WTVP
Profit and Loss Prior Year Comparison
For the Three Months Ending September 30, 2023

	Actual September	Budget September	\$ Variance	% Variance	Actual YTD FY 2024	Budget YTD FY 2024	\$ Variance YTD	% Variance YTD
Operating Income								
Memberships	\$52,876	\$31,533	\$21,343	67.68%	\$148,256	\$134,400	\$13,856	10.31%
Vehicle Donations	1,044	9,450	(8,406)	-88.95%	6,937	9,450	(2,513)	-26.59%
Underwriting	11,893	31,558	(19,665)	-62.31%	35,603	65,493	(29,890)	-45.64%
Auction	4,098		4,098	#DIV/0!	4,098		4,098	#DIV/0!
Major Giving	22,448	41,955	(19,507)	-46.50%	152,095	142,552	9,543	6.69%
Matching Gifts			0	#DIV/0!	17,401	14,876	2,525	16.97%
Grants - CPB	79,672	79,672	0	0.00%	239,015	239,015	0	0.00%
Grants - Other	4,885		4,885	#DIV/0!	4,885	77,300	(72,415)	-93.68%
Endowment		500	(500)	-100.00%		500	(500)	-100.00%
Unrealized Gains/Losses	(26,392)		(26,392)	#DIV/0!	572		572	#DIV/0!
Realized Gains/Losses	4,383		4,383	#DIV/0!	3,447		3,447	#DIV/0!
Contract Services		9,630	(9,630)	-100.00%	3,002	28,890	(25,888)	-89.61%
Video Sales		84	(84)	-100.00%	35	538	(503)	-93.49%
Tower Rentals	14,783	16,422	(1,639)	-9.98%	44,947	49,267	(4,320)	-8.77%
Facility Rentals	7,455	4,064	3,391	83.44%	19,995	12,077	7,918	65.56%
Inventory Income		25	(25)	-100.00%	213	20,025	(19,812)	-98.94%
Special Events	55,758	4,867	51,091	1094.73%	80,158	14,000	66,158	472.56%
Miscellaneous	408	4,758	(4,350)	-91.42%	2,963	12,521	(9,558)	-76.34%
Peoria Magazine Income	33,622	44,979	(11,357)	-25.25%	115,823	109,998	5,825	5.30%
Total Operating Income	266,933	279,297	(12,364)	-4.43%	879,445	930,902	(51,457)	-5.53%
Operating Expenditures								
Salaries & Benefits	157,787	152,346	5,441	3.57%	461,463	437,558	23,905	5.46%
Professional Services	87,832	33,254	54,578	164.12%	156,063	124,390	31,673	25.46%
Departmental Ops	5,707	4,176	1,531	36.66%	15,438	40,021	(24,583)	-61.43%
Postage/Shipping	10,770	19,545	(8,775)	-44.90%	36,938	33,440	3,498	10.46%
Printing	30,871	25,497	5,374	21.08%	81,626	74,203	7,423	10.00%
Association Dues	838	1,342	(504)	-37.56%	21,772	11,493	10,279	89.44%
Subscriptions			0	#DIV/0!	5,858	4,626	1,232	26.63%
Travel/Training		179	(179)	-100.00%	2,710	5,257	(2,547)	-48.45%
Programming Costs	58,252	48,231	10,021	20.78%	173,026	154,067	18,959	12.31%
Miscellaneous	2,070	1,786	284	15.90%	7,704	21,362	(13,658)	-63.94%
Marketing	7,068	4,280	2,788	65.14%	35,338	32,877	2,461	7.49%
Special Events Expense	23,034		23,034	#DIV/0!	45,688		45,688	#DIV/0!
Communications	2,414	3,211	(797)	-24.82%	7,858	8,341	(483)	-5.79%
Occupancy/Utilities	43,564	16,689	26,875	161.03%	89,078	78,530	10,548	13.43%
Vehicle Expense			0	#DIV/0!	692	426	266	62.44%
Maintenance	8,612	7,638	974	12.75%	37,661	47,794	(10,133)	-21.20%
Total Operating Expenses	438,819	318,174	120,645	37.92%	1,178,913	1,074,385	104,528	9.73%
Net Operating Income	(171,886)	(38,877)	(133,009)	342.13%	(299,468)	(143,483)	(155,985)	108.71%
Non-Operating Activity								
Depreciation	28,093	29,015	(922)	-3.18%	84,278	87,256	(2,978)	-3.41%
Total Non-Operating Activity	28,093	29,015	(922)	-3.18%	84,278	87,256	(2,978)	-3.41%
Total Net Income	(199,979)	(67,892)	(132,087)	194.55%	(383,746)	(230,739)	(153,007)	66.31%

WTVP
Balance Sheet with Prior Year Comparison
For the Three Months Ending September 30, 2023

	<u>September</u> <u>FY 2024</u>	<u>September</u> <u>FY 2023</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$181,653	\$591,505	(\$409,852)	-69.29%
Investments	1,348,681	1,670,247	(321,566)	-19.25%
Current Portion of Receivables:				
Pledge Receivable (net)	84,999	78,683	6,316	8.03%
Account Receivable (net)	117,667	175,857	(58,190)	-33.09%
CSG Receivable	956,061	905,520	50,541	5.58%
Magazine Receivable	64,534		64,534	#DIV/0!
Employee Receivable	(145)	(1,120)	975	-87.05%
Net Receivables	<u>1,223,116</u>	<u>1,158,940</u>	<u>64,176</u>	<u>5.54%</u>
Inventory	1,022	3,564	(2,542)	-71.32%
Prepaid Expenses	484,281	477,201	7,080	1.48%
Total Current Assets	<u>3,238,753</u>	<u>3,901,457</u>	<u>(662,704)</u>	<u>-16.99%</u>
PROPERTY AND EQUIPMENT				
Land	478,035	524,557	(46,522)	-8.87%
Magazine Acquisition (non-Depreciable)	80,000	90,000	(10,000)	-11.11%
Transmitter Building and Improvements	565,181	565,181	0	0.00%
Building	5,177,029	5,177,029	0	0.00%
Equipment, Furnitures & Fixtures	1,516,916	1,407,971	108,945	7.74%
FCC Repack Equipment	1,147,980	1,147,980	0	0.00%
Work In Progress		60,724	(60,724)	-100.00%
	<u>8,965,141</u>	<u>8,973,442</u>	<u>(8,301)</u>	<u>-0.09%</u>
Less Accumulated Depreciation	<u>(3,945,282)</u>	<u>(3,597,022)</u>	<u>(348,260)</u>	<u>9.68%</u>
Net Property and Equipment	<u>5,019,859</u>	<u>5,376,420</u>	<u>(356,561)</u>	<u>-6.63%</u>
TOTAL ASSETS	<u>8,258,612</u>	<u>9,277,877</u>	<u>(1,019,265)</u>	<u>-10.99%</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	111,528	(17,271)	128,799	-745.75%
Interest Payable		3,835	(3,835)	-100.00%
Accrued Expenses	37,279	54,112	(16,833)	-31.11%
Accrued Expenses - PBS	571,000	544,776	26,224	4.81%
Deferred Revenues	717,046	679,140	37,906	5.58%
Deferred Revenue-Magazine	(6,550)		(6,550)	#DIV/0!
Total Current Liabilities	<u>1,430,303</u>	<u>1,264,592</u>	<u>165,711</u>	<u>13.10%</u>
LONG-TERM LIABILITIES				
Note Payable - Equipment	399,982	560,000	(160,018)	-28.57%
Mortgage Payable - PNC	338,758	490,100	(151,342)	-30.88%
Mortgage Payable - IFF		20,854	(20,854)	-100.00%
Total Liabilities	<u>2,169,043</u>	<u>2,335,546</u>	<u>(166,503)</u>	<u>-7.13%</u>
NET ASSETS				
Unrestricted Net Assets	6,473,313	7,098,163	(624,850)	-8.80%
Net Income	<u>(383,745)</u>	<u>(155,833)</u>	<u>(227,912)</u>	<u>146.25%</u>
Total Net Assets	<u>6,089,568</u>	<u>6,942,330</u>	<u>(852,762)</u>	<u>-12.28%</u>
TOTAL LIABILITIES AND NET ASSETS	<u>8,258,612</u>	<u>9,277,877</u>	<u>(1,019,265)</u>	<u>-10.99%</u>

WTVF
Statements of Cash Flows - Preliminary
For the Three Months Ending September 30, 2023

	August
Change in net assets	(383,746)
<i>Adjustments to reconcile change in net assets to net cash provided by operations</i>	
Depreciation	84,278
Net realized and unrealized (gain) / loss	(4,019)
<i>Changes in operating assets and liabilities</i>	
Contributions and other receivables	(699,376)
Prepaid expenses	(417,050)
Inventory	-
Accounts payable and accrued expenses	79,313
Deferred revenue	703,094
Accrued PBS dues	571,000
Accrued Vacation	(40,701)
Accrued Payroll & Benefits	(52,682)
Net cash provided by (used in) operating activities	(159,889)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from investments	320,100
Investment in property and equipment	-
Proceeds from sale of property and equipment	80,000
Net cash provided by (used in) by investing activities	400,100
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from borrowings	100,000
Repayments on borrowings	(318,646)
Net cash provided by (used in) financing activities	(218,646)
Net increase (decrease) in cash	21,562
Cash - beginning of FY24	160,093
Cash - end of period	<u>181,655</u>

