

Present: Dan Joseph, Courtney Farrell, Jim McCollough, Mercedes Macias, Rob Davidson, Bobbi Tryon, LeAnn Cooley, Steve O'Bryan, Robert Jones

Absent: Paul O'Rourke-Babb, Jeanne Trizzino

Staff: Rick Anderson, Grant Parks, Ray Laager

Guests: Eliane (Lili) Sanchez

1. Meeting Opening:

1.1 Call to Order/Welcome: The meeting was called to order by Dan at 6:04 PM.

1.2 Amend/Approve Agenda: **Motion by Rob to approve the June 11, 2019 agenda as submitted. Second by Courtney. Unanimous.**

1.3 Amend/Approve Minutes: **Motion by Steve to approve the May 14, 2019 minutes as amended via email. Second by Rob. Unanimous.**

2. Announcements/ Reports:

2.1 Announcements:

Lili introduced herself to board members and explained she is training to be a programmer. Her idea for a program would feature Brazilian music, love and and female empowerment with live listener interaction. Lili was advised to submit her program proposal the Program Committee for consideration.

2.2 Staff Reports:

2.2.1 General Manager: Rick explained generator issues which knocked the station off the air from Saturday 9:00 PM until Sunday 4:00 PM. The settings on the generator switch possibly prevented the generator from coming on after PGE shut off the power. Dan stated he went up to the site and worked for four hours clearing brush. He said further work needs to be done on roof repair and general maintenance and suggests sending a work party up there. There was some talk about who is responsible for line maintenance.

Auditor Michael Wright is retiring and will not be available to do our audits. He will, however, continue to do our taxes. A new auditor needs to be found.

2.2.2 Office Manager, Grant:

The event analysis has been added to the Google Drive. Poor Man's Whiskey did the best. Tim Bluhm and Will Durst were good. Kaleo Phillips not so good.

Grant, Jim and Dolly have been working on finances.

Grant reiterated the need for new computers. Discussion about Windows7 vs Windows10. Rob stated he prefers Windows10.

Archives source now coming from the air monitor.

2.2.3 Underwriting Report, Ray:

This report includes all Underwriting activity for May 2019, involving 22 contracts: 16 renewals of existing accounts and 6 new or returning accounts; totaling \$10,945. Underwriting activity for May 2018 was \$10,927.00. May 2019 saw a slight increase of .16%, compared to 2018. Trade, Sponsorship and House accounts are not included in the monthly totals.

During the month of May I was able to convert 2, 6 month contracts to 1 year, annual contracts, putting more money in KZFR's account without waiting for the 6 month renewal. I was also able to bring in Explore Butte County to the KZFR family on a 1 year contract for \$1,200. And I continued to work with our new book keeper updating the Underwriting for the station.

Trade Accounts

Cartridge World	\$1,200.00	Chico Women's Club	\$1,200.00
Harrison, Daily, Wright	\$2,400.00	Chico News & Review	\$5,712.00
I.D. International	\$1,200.00	The Printed Image	\$5,400.00
Mt. Shasta Spring Water	\$1,200.00	BCAC.tv	\$1,200.00
Chico Velo	\$1,200.00	Center for the Arts	\$2,400.00
Chico Chamber of Comm.	\$1,200.00	Paradise Audio	\$600.00
Banana Grape Stomp	\$1,200.00	Paradise Guild	\$600.00
Total	\$26,712.00		

May Underwriters

3 Month & Short Term Contracts – Forebay Aquatic Center \$250, Feather Fiesta Days \$150, The Elderberry Apothecary \$100, Wagner & Jones \$150, and Chico Pet Works \$125 – Total \$775.

6 Month Contracts – Hall Marketing & Design \$432, Tim Kemper, Guild Mortgage \$300, GRID \$270, Apothecary Options \$432, Chico Certified Farmers Market \$432, Dahlmeier Insurance \$432, Mountain Sports \$432, Northern Star Mills \$432, Turner Chiropractic \$432, Payrol Plus \$432, and Chico Homes.com \$432 – Total \$4,458.

Annual Contracts – Explore Butte Co. \$1,200, Dr. Mike Shuell \$864, Alternative Energy systems \$864, D.A. Lampe Construction \$864, August Bullock Law \$960, and Climate and Energy Solutions \$960 – Total \$5,712.

New & Returning Underwriters — Forebay Aquatic Center \$250, Feather Fiesta Days \$50, The Elderberry Apothecary \$100, Wagner & Jones \$150, Chico Pet Works \$125 and Explore Butte Co. \$1,200.

2.3 Treasurer Report, Jim:

KZFR Treasurer Report for BOD Meeting June 11, 2019 Prepared by Jim McCollough June 11, 2019

Reconciled data through April 30, 2019 is discussed in this report. Data reconciliation was completed May 14, 2019 by the Bookkeeper. Data was discussed briefly at the Board Meeting of May 14, 2019. Analysis is provided this month with revised reports. Both the Balance Sheet and P&L have changed since last meeting even though the data was reported as reconciled. Analysis has revealed that there are numerous data issues concerning the data entry in QuickBooks made at least since the last reconciliation in October. Reconciliation in general now means that the Balance Sheet Bank amounts listed match the actual Bank Statements for the month of April 2019. Data for the month of May is not complete. The Treasurer and Bookkeeper met with the Station Manager Monday, June 10, 2019 to review report and discuss data issues.

A. Financial Status:

1) KZFR Balance Sheet Report FY18-19 Total Liabilities and Equity as of April 30, 2019: \$233,229.99 (Reported last

month: \$212,514.83) a) See Attachment 1) for details. b) In general data is changed for the Balance Sheet for April 30, 2019 and may change some more as journal entries are made and reclassified. While not significant the changing data is a matter of monitoring and following what is being done as the Bookkeeper and Office Manager improve data entry and classification. The issue is accuracy and classification of data entry and nothing else. c) Accounts receivable is a large negative number. (-\$13,700.23) (Reported last month: -\$15,992.53) The Bookkeeper and Operations Manager have identified that there is a data entry process in QuickBooks created by the former Bookkeeper that appears to keep track of payments made by underwriters for payments that should not be accrued yet for tax purposes. While the negative number indicates money has been received and is in the bank, it is not understood why or how the process is in QuickBooks as of yet. The number was changed after data review and update. Review is ongoing by Bookkeeper and Office Manager. 2) KZFR Profit and Loss Budget vs Actual FY18-19 as of April 30, 2019: (Last month data in parens.) a) Total Income: \$344,564.61 (\$323,144.61) b) Total Expenses: \$264,268.99 (\$263,554.14) c) Net Ordinary Income: \$ 80,305.62 (\$ 59,590.46) (Grant Funding) d) See Attachment 2) for details. e) In general data is changing for the P&L Sheet for April 30, 2019 and may change some more as journal entries are made and re-classified. While not significant the changing data is a matter of monitoring and following what is being done as the Bookkeeper and Office Manager improve data entry and classification. The issue is accuracy and classification of data entry and nothing else. f) Underwriter Sales Discount is -\$12,549.32 (-\$12351.32). The Budget last year allowed \$0. The intent with the previous budget was to stop giving discounts. Discounts are being given for prior underwriting sponsors. It is recommended that no discount be given unless the contract is paid entirely in advance. In addition, it is recommended that no underwriter have airtime without paying the contract invoice before the ads are aired. A process to prevent free airtime should be set up by KZFR Staff. g) Status of Grant Funding in QuickBooks was not complete in the last P&L presented at the last meeting. Grant Funding received was not documented in the P&L Class in the P&L Report. All deposits are not documented correctly and proper journal entries made. The attached P&L report is now accurate for Grant Funding. h) Class item 4030 for Fundraisers requires review and change of data entry process. Expenses by Event cannot be pulled straight from QuickBooks because the setup is not specific to each Event for Expenses incurred. All Expenses are lumped together. The Bookkeeper and Operation Manager know what needs to occur going forward. After data classes are updated for Event data, a report from QuickBooks can be generated that shows income and expenses by Event.

B. Budget for FY 19-20. Budget is prepared. See Attachment 3) for details. Budget is based on last year budget and year before actual data. Continued Grant Funding is assumed. Discounts for underwriting is estimated.

C. Significant Issues for KZFR Resolution. (Status should be reviewed monthly going forward. Once item is resolved, it will be reported as resolved in the current report and then removed in subsequent month report.) 1) The new Bookkeeper requires more time to learn the journal entry classifications and business processes. Routine meetings with the Station Manager and Office Manager are required to learn the business process and data keeping. Work is continuing. 2) The new Bookkeeper requires CPB Grant training so that requirements for Grant Funding can be met. CPB Grant Funding requires specific tracking and reporting to remain eligible. Training has not started or been scheduled. Next Grant Funding report date is not known. 3) The KZFR Auditor for CPB for the last audit completed June 30, 2018 terminated for personal reasons. The company will continue to prepare KZFR Tax Returns and act as the KZFR CPA. An auditor is required to audit KZFR every two years to qualify for Grant Funding. KZFR currently does not have an auditor that is familiar with the Grant Funding Audit requirements although I believe the KZFR CPA is still available for consultation. Next audit is due late 2020. 4) An EDD audit is scheduled in the near future. The audit is problematic for the Station with respect to privacy, 1099 generation from last tax year (1099's were not created for 2018), and data journal entry that still may not be correct. There may be issues that the current Bookkeeper will not be able to answer. Both the prior Bookkeeper and auditor may be needed to answer the EDD audit questions. 5) Document Event expenses by Event. That accounting was not done by the prior Bookkeeper and in fact may have been prevented by the prior Bookkeeper's way of keeping track of Expenses by broad classification. The current Bookkeeper is working with the Office Manager is changing data entry to correct the issue. Status reports should be provided going forward. 6) Board of Directors determine and obtain new sources of funding. Fundraising Committee will report status of current efforts. All BOD members should be involved in Fundraising.

D. Business Actions / Recommendations and Status: (As a result of hiring a new Bookkeeper, various business improvements were documented. Status is provided in this section until items are resolved. Once item is resolved, it will be reported as resolved in the current report and then removed in subsequent month report.) 1) KZFR Staff and Bookkeeper work together to maintain reconciliation within a month of the end of the report month. Need quicker access to bank account

statements. Allow Bookkeeper online access. Status: Working but not complete for all bank accounts. 2) Develop process to maintain current 1099 data for all payments made for work or performances provided during the year by non-employee personnel. Report W-9 obtained whenever a band is hired and placed on the schedule. Status: Unknown. 3) Maintain Event cash accounting so that monies collected are secured and traced through deposit. Status: Process in place and working for last three Events. While resolved, the BOD must monitor the process and at least one Board member should be present at ALL Events to count and sign for the cash and seal it for delivery to the Bookkeeper. 4) Automate payroll process. Status: Completed. Payroll is automated in QB. Station Manager provides timesheets to Bookkeeper for data entry and payroll processing from QuickBooks. 5) Utilize automated check writing process. Eliminate manual checks. Checking account should utilize machine-generated checks for record permanence and process improvement. Document all expense payments with checks matching invoices. Minimize or stop cash payments. Any cash payment must have a receipt for the record. Status: Not started. 6) All bank accounts require signature verification/change. Status: Not changed. 7) Provide a locked filing cabinet to secure private information for employees and contractors and allow security for the Bookkeeper records. Status: Not completed.

Reconciled data through April 30, 2019 is discussed in this report. It is of significant note that reconciliation is as of April 30, 2019 and it was completed by today, May 14, 2019. The last reconciliation was October 31, 2018. The Staff and the new Bookkeeper have worked diligently to get to this status. I believe reconciliation will occur in a timely fashion going forward. Issues remain from the end of last calendar year to correct. There is an EDD audit pending that is problematic for the Station with respect to privacy and 1099 generation. The KZFR Auditor terminated the KZFR account for personal reasons and so KZFR currently does not have an auditor. CPB Grant Funding tracking, reporting and auditing is an issue for KZFR going forward.

- a. KZFR Balance Sheet Report FY18-19 Total Liabilities and Equity as of: Apr 30, 2019:
\$212,514.83 (See Attachment a.) (Note: Accounts receivable requires review.)
Jun 30, 2018: \$171,711.55 (End of FY 17-18 as reported 20181009) Shown for comparison.
- b. KZFR Profit and Loss Budget vs Actual FY18-19: (See Attachment b.)
Total Income: \$323,144.61
Total Expenses: \$263,554.14
Net Ordinary Income: \$ 59,590.46
- c. KZFR Open Invoice Report as of 20190514: \$1910.00 (See Attachment c.)

Actions:

- a. KZFR Staff and Board of Directors develop and implement more fundraising opportunities for KZFR.
- b. KZFR Staff and Bookkeeper work together to maintain reconciliation within a month of the end of the report month.
- c. Develop a training program for the bookkeeper for CPB reporting and tracking information and report generation.
- d. Find and hire an auditor that knows CPB rules and regulations and will audit in the office over the phone.
- e. Additional issues and appropriate actions remain to be corrected by Staff and Bookkeeper:
 - i. 2018 Year End 1099's were not issued. Late generation is required before EDD Audit. Program to maintain current 1099 data for the current year is required.
 - ii. Cash accounting and process requires consistent application. Last two events had cash counted, secured and traced through deposit. That process should continue.
 - iii. Payroll process improvement and automated check writing processes were recommended by Bookkeeper. Resolution continues being worked between Station Manager and Bookkeeper.
 - iv. Checking account should have machine generated check-writing implemented for record permanence and process improvement. Payments for all expenses should be documented by check and or printed receipts
Cash payments, particularly for work, should be stopped.
 - v. All bank accounts require signature verification/change. BOD action pending.
 - vi. A locked filing cabinet is required to secure private information for employees and contractors and allow security for the Bookkeeper records.

2.4 Committee Reports:

2.4.1 Program Committee:

The committee met June 3. In attendance were Steve, Chris, Elena, Rose and Jake. A programmer self evaluation created by Steve Scarborough was discussed. It is comprised of twelve questions. One new program was considered but the programmer would like to do the show Saturdays at 6:00 AM. Access into the building at this time of the mornings would be an issue. The owner of the building needs to be contacted first. Next Program Committee meeting is scheduled for July 1 at noon at the station.

2.4.2 Fundraising Committee:

The committee did not meet since May BOD meeting. Courtney revisited the need to help Grant with wrapping up outstanding pledges and returned premiums. He is requesting help on Fridays.

Courtney presented her process for cultivating our donor base by making contact and expressing our gratitude. She would like each board member to contact at least two donors before next meeting. Grant has the list of names of donors. Courtney will send out clarification of the process which will include a script and sign up sheet.

3. Matters for Discussion:

3.1 Bylaws Committee Report and Discussion:

Bobbi reported the ad hoc committee met two times, May 24 and June 7. Attending May 24 were Paul, Bobbi, Mercedes, Rob, Jim, Steve Scarborough and Robert. Attending June 7 were Paul, Bobbi, Mercedes, Rob, Jim, Steve Scarborough. The meetings were productive. See Mercedes report/minutes of the committees recommendations. Attachment 1.

There was discussion and agreement to continue the bylaws committee to further review any inconsistencies between Bylaws, Board Policy Handbook and Programmer Handbook. Recommendations will be an action item at July Board meeting.

3.2 Board Seats:

Sarah Amarall submitted an application for the Board which Grant sent out to the Board to review. Members discussed her qualifications. **Motion by Bobbi to approve Sarah Amarall's appointment to the KZFR Board. Second by Robert. Unanimous.**

Applications for Board members were extended for another month. PSA will continue.

3.3 Leave of Absence Policy:

Rob presented a leave of absence policy written by Paul. BOD members will be sent a copy and it will be an action item at July meeting.

3.4 Election of New Officers:

Nominations were submitted by secret ballot.

Chair: Mercedes, Rob and Steve tied for Chair nomination. After discussion Rob declined due to his possible leave of absence in January and Steve declined due to time constraints. Mercedes was concerned with her lack of experience but most of the board was encouraging. A vote was taken.

Mercedes was elected as Chair by majority vote with one nay vote by Jim.

Vice Chair: Rob, Steve and Courtney were nominated. . Steve and Courtney declined. **Rob was unanimously approve as Vice Chair.** If Rob takes a leave of absence in January, a new election for Vice Chair will be held.

Secretary. **Courtney agrees to remain Secretary. She was approved unanimously.**

Treasurer. Jim announced his retirement from the Board. Appointment of treasurer is tabled until July meeting and hopefully we will get new applicants. Board members will think about candidates with financial experience. Lili expressed interest in being Board Treasurer and stated she had experience with non-profits. She was advised to submit an application.

3.6 Station Diversity Training:

Conducting the training was discussed with Robert. Robert is willing to do the training. Timing of the training is an issue due to Robert leaving town and seating of new Board members. Ray suggested possibly video taping the training to use for future trainings.

4. July Meeting Items

Leave of Absence Policy
Bylaw Committee Report.

The meeting was adjourned at 8:19 PM.

Next meeting Tuesday, July 9, 2019 at 6:00 PM in the KZFR Conference Room.