**Friends of SDPB Board Report**

**June 14, 2019**

Submitted by Ryan Howlett

Since the February board meeting a lot has transpired. I won’t spend a ton of time on the fundraising numbers (see the attached report) other than to say that FY19 is should be our biggest year ever in-terms of revenue. That is not to say that there are not significant headwinds, and, sadly, that fundraising success is counter-balanced with FY19 being easily the most expensive year we have had. Obligations are being met, but we are feeling the strain of a tight budget year.

**Membership**

I must congratulate Peggy, Janet, Theresa and Jerry for the successful implementation of the membership year. The effort that these four have done is no less than overwhelming, and their fundraising numbers are within $400 of where they were in FY18.

Twyla Olson began with Friends in January with the charge to reinvent the dated membership model, and that new look business model is now here. Our first monthly renewal mail series will go out with the new vendor, Allegiance Fundraising Group, in July. First Premier Bank will provide caging/lockbox services (mail and gift processing). First Bank & Trust will continue to be our primary bank.

Adam Davenport began with Friends at the beginning of June. Adam will serve as Friends’ database administrator. He replaces Janet, who is training Adam in June and July.

And lastly for Membership, July 31 will be our final day of operations in Brookings. We will celebrate the retirements of Peggy Bush, Jerry Cooley, Janet Gerjets and Kevin Samis at 4pm at McCrory Gardens in Brookings. Everyone is invited to this special event.

**Major Giving**

With the completion of the Sound Vision Strategic Plan that Julie and the SDPB Network wrapped up in March, the program fund portion of the Sound Vision Campaign is coming into focus. Meg Hentges began with Friends on February 19 as the Sound Vision Campaign Coordinator. Meg has brought fresh eyes and thoughts into the major giving program and greatly accelerated the campaign set-up process. That set-up is nearing completion and our goal is to have Meg and me meeting with donors at least 50% of the time by July 15. We expect Theresa Schake to be reassigned from Membership to the Major Giving team when her Membership duites end, which we expect to happen around Labor Day 2019. This will have the major giving team staffed at 3.5 FTE, a huge leap forward from the time when Carol was serving as the only major gifts officer. The most significant growth in Sound Vision fundraising numbers that you will see at the board meeting is in expected endowment gifts, with a huge jump in the numbers that Carol has been working with.

**Underwriting**

Underwriting is also going through an update, which is much more technical in nature than the Membership or Major Giving updates. Liz and Rochelle have been out selling, while also working with the SDPB Network to open more channels/properties for sponsorship support and re-tooling some of the existing properties to provide more revenue. With some minor structural changes, Liz was able to open another Tier 2 sports sponsorship! The biggest growth areas for Underwriting are dependent on the new structure at the SDPB Network with the updated Programming and Continuity department.

|  |
| --- |
| **Friends of South Dakota** |
| **Balance Sheet** |
| **As of May 31, 2019** |
|  |  |  |
|  | 05/31/19 | 05/31/18 |
|  | **FISCAL YEAR 2019** | **FISCAL YEAR 2018** |
|  |  |  |
| **ASSETS:** |  |  |
|  |  |  |
| **CURRENT NON-RESTRICTED ASSETS** |  |  |
|  CASH - CHECKING | $84,898 | $301,814 |
|  Underwriting Sales Receivable | 131,271 | 84,231 |
|  Other Receivable |  |  |
|  Pledges Receivable | 407,481 | 424,113 |
|  Other Prepaid Expenses |  | (3,900) |
|  Prepaid Insurance |   |   |
|  **TOTAL CURRENT ASSETS** | **623,650** | **806,258** |
|  |  |  |
| **TEMPORARILY RESTRICTED ASSETS** |  |  |
|  Restricted Cash |  |  |
|  First Bank & Trust - held by Friends of SDPB | 850,398 | 771,204 |
|  **TOTAL TEMPORARILY RESTRICTED ASSETS** | **850,398** | **771,204** |
|  |  |  |
| **PERMANENTLY RESTRICTED ASSETS** |  |  |
|  Beneficial Interest in assets held by SFACF | 2,616,686 | 2,556,989 |
|  Beneficial Interest in assets held by BHCF | 151,479 | 111,385 |
|  Beneficial Interest in assets held by SDCF | 214,482 | 113,898 |
|  **TOTAL PERMANENTLY RESTRICTED ASSETS** | **2,982,647** | **2,782,272** |
|  |  |  |
| **FIXED ASSETS** |  |  |
|  Computer and Office Equipment | 52,611 | 52,611 |
|  Accumulated Depreciation | (52,611) | (52,611) |
|  **TOTAL FIXED ASSETS** | **0** | **0** |
|  |  |  |
|  **TOTAL ASSETS:** | **4,456,695** | **4,359,734** |
|  |  |  |
| **LIABILITIES AND CAPITAL:** |  |  |
|  |  |  |
| **CURRENT LIABILITIES** |  |  |
|  Accounts Payable | 18,945 | 9,028 |
|  Accrued Leave Payable | 36,499 | 50,110 |
|  **TOTAL CURRENT LIABILITIES** | **55,444** | **59,138** |
|  |  |  |
| **NET ASSETS** |  |  |
|  |  |  |
|  Unrestricted | 568,206 | 747,120 |
|  Temporarily Restricted | 850,398 | 771,204 |
|  Permanently Restricted | 2,982,647 | 2,782,272 |
|  **TOTAL NET ASSETS** | **4,401,251** | **4,300,596** |
|  |  |  |
|  **TOTAL LIABILITIES AND CAPITAL:** | **4,456,695** | **4,359,734** |

|  |
| --- |
| **Friends of South Dakota** |
| **Statement of Revenue and Expense** |
| **For the Eleven Months Ending May 31, 2019** |
|  |  |  |
|  | **05/31/19** | **05/31/18** |
|  | **FISCAL YEAR 2019** | **FISCAL YEAR 2018** |
|  |  |  |
| **OPERATING REVENUE:** |  |  |
|  Membership Contributions (includes Matching Gifts) | $1,496,484 | $1,496,875 |
|  Grant/Program Revenue | 2,100 | 4,600 |
|  Endowment Distributions | 63,271 | 39,931 |
|  Underwriting Sales Income | 702,163 | 757,045 |
| **TOTAL OPERATING REVENUE:** | **2,264,018** | **2,298,451** |
|  |  |  |
| **OTHER INCOME:** |  |  |
|  Interest Income | 298 | 194 |
|  Unrealized Market Gain (Loss) | 219,046 | 269,059 |
|  Bequest | 238,249 | 30,664 |
|  Special Event Income | 26,474 | 26,040 |
|  Rent Transfer from SDPB | 64,085 |  |
|  Black Hills Bureau | 46,000 | 102,833 |
|  Sioux Falls Bureau | 298,113 | 332,096 |
|  Miscellaneous Income | 3,539 | 2,778 |
| **TOTAL OTHER INCOME** | **895,804** | **763,664** |
|  |  |  |
| **TOTAL REVENUE:** | **3,159,822** | **3,062,115** |
|  |  |  |
|  |  |  |
| **OPERATING EXPENSE:** |  |  |
|  Administration Expense | 893,901 | 768,099 |
|  Income Processing Expense | 23,454 | 23,859 |
|  Direct Mail Expense | 40,776 | 79,059 |
|  On-Air Pledge Expense | 3,359 | 12,109 |
|  Member Recognition/Appreciation Expense | 90,054 | 102,661 |
|  Visionary Expense | 69,685 | 68,808 |
|  Public Relation Expense | 19,963 | 28,585 |
|  Underwriting Expense | 9,186 | 8,632 |
| **TOTAL OPERATING EXPENSE:** | **1,150,378** | **1,091,812** |
|  |  |  |
| **OTHER EXPENSE:** |  |  |
|  SDHSAA Expense | 91,470 | 137,636 |
|  Transfers to SDPB | 1,050,105 | 1,050,000 |
|  Transfers to SDPB - BH Bureau Rent | 19,895 |  |
|  Transfers to SDPB - SF Studio Equipment | 125,000 |  |
|  Transfers to SDPB - Brookings Boutique | 5,000 |  |
|  Transfers to SDPB - Sports | 100,000 | 100,000 |
|  SDPB Support-SF Studio Buildout | 76,881 |  |
|  Expenses on behalf of SDPB | 128,461 | 132,061 |
|  Black Hills Bureau | 158,368 | 201,583 |
|  Sound Vision Campaign | 68,575 | 44,948 |
|  Grant Expenditures |  | 4,327 |
|  Trade outs |  | 14,550 |
|  Other Program Expense | 17,522 | 34,127 |
| **TOTAL OTHER EXPENSE:** | **1,841,277** | **1,719,232** |
|  |  |  |
| **TOTAL EXPENDITURES:** | **2,991,655** | **2,811,044** |
|  |  |  |
| **NET INCOME (LOSS):** | **168,167** | **251,071** |