

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION

Special Board Meeting Minutes
Wednesday, September 6, 2023, 4 PM
Advanced Medical Transport
1718 North Sterling Avenue
Peoria, Illinois 61604

AGENDA

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| 1) Call to Order | Andrew Rand |
| 2) Review of Financial Matters | Helen Barrick |
| • Progress of CLA Audit 2023 | |
| • Year-end financial statements | |
| • Reconciliation of adjustments | |
| • Cash flow | |
| 3) Action Steps | Andrew Rand |
| • Approval of Board/Executive Committee
supervision and Strategic Planning exercise | |
| 4) Other business | Andrew Rand |
| 5) Adjourn | |

The board of directors for WTVP met today at the offices of Advanced Medical Transport. A special meeting was called by Chairman Rand to review financial concerns raised as a result of WTVP's missed operating goals and certain questions raised by WTVP's auditors. As a consequence and a necessity, the Chairman is recommending increased supervision of day-to-day operations. Chairman Rand also recommended a strategic planning exercise with the Board and staff of WTVP.

Treasurer Helen Barrick discussed the status of the 2023 audit by CLA, necessary adjustments to 2023 year-end financials, and the treasurer's work to reconcile the difference between the two. The expected loss for the fiscal year with the interim financial statements was approximately \$650 thousand. Entries through August 25 by the auditors brought the loss to a little more than \$820 thousand and then through further work by auditors and the Executive Committee the loss was reduced to \$641 thousand. Audit work was still in process. The Treasurer reported such results are not sustainable by WTVP. Attached to the minutes is the treasurer's interim worksheet reconciling 2023 operating results as reported plus adjustments as determined and proposed by our auditors at CLA.

Treasurer Barrick led a comprehensive discussion on the missed cash flow expectations. In April, the board was advised by Ms. Matuszak that we should expect approximately \$460,000 in cash for year ending June 30, 2023, based on cash projections. This goal was not achieved, and, to date, with the audit adjustments for year-end, is expected to be approximately \$160,000.

During an August review of the July 2023 draft P&L, and cash flow statements, the Treasurer discussed an expected operating loss for the first month of the new fiscal year (July 2023) and an unexpected finding in the draft July cash flow statement which was new information to the executive committee. NETA reported that WTVP used \$100,000 of credit capacity (PNC) and management had liquidated \$320,000 of the investment account. Neither of these items were known to the Treasurer or the executive committee prior to receipt of the draft July financial statements. The Treasurer reported without those borrowed cash infusions, our cash position at the end of July would have been a negative \$45,000. Also attached is a schedule of July's cash flow results as provided by NETA and our Treasurer.

The Chairman also discussed the following,

- Missed financial results from station operations require immediate improvement.
- Focus on the magazine's actual performance to determine precisely how it is doing.
- Our auditors have provided additional information that will revise June 2023 year-end results as reported at our last meeting.
- Our treasurer, Helen Barrick, has been very helpful to both Lesley and our auditors in reviewing revenues, expenses, and some likely reclassifications. She has been working with Lesley to help her respond to information requests from CLA.

- The executive committee needs board support and consensus on a critical two-part process that includes,
 - 1) a leadership-advisory relationship with Lesley and the executive committee, and
 - 2) members of the governing board should commit to a planning exercise facilitated by a third party.

Chairman Rand advised that strategic planning expert, Dr. Sheila Quirk-Bailey has agreed to facilitate a planning process that will likely govern board determined strategy and tactics for a 12-18 period. He added that Dr. Quirk-Bailey was made aware of the present financial challenges of WTVP.

Chairman Rand remarked, and the Treasurer concurred, that immediate corrective action is required or WTVP will continue to lose cash and create greater financial concerns. Board member Morris asked if a reduction in force was necessary given that compensation and benefits make up the largest percentage of expenses. He was told that a purposeful analysis needed to occur first. Board member Chambers asked if the magazine made any money. Lesley M. said it made \$750,000 and Helen Barrick said it grossed \$750,000.

Lesley has agreed to work closely with the Chairman, Vice-Chairman Sid Ruckriegel, and Treasurer Helen Barrick to substantially reduce the chronic operating losses and negative cash flow from the station's business operations.

Chairman Rand advised that Vice Chairman Ruckriegel has agreed to act as your supervising representative from the executive committee and with your support will continue working to better understand what actions need to be taken to reverse the negative cash flow. This includes a stop/start/pause exercise regarding the station's current business plan. The Treasurer will work with CLA, Lesley Matuszak, and Lin McLaughlin to gain a better understanding of WTVP's expense structure.

Vice-Chairman Ruckriegel, Treasurer Barrick will work and the executive committee to improve the financial results from operations. All members of the board were encouraged to assist in this effort.

The Board, by unanimous voice vote, authorized the executive committee to,

- Review and approve executive's workplan every 30-60 days
- Determine and implement budget modifications to meet board expectations,
- Cease or scale back operations that negatively impact cash flow,
- Improve reliability and timeliness of financial information,
- Review and approve/deny all expenditures prior to implementation,
- Pre-approve all fund disbursements prior to check generation or payments of any kind,

- Review all internal financial statements, including accounts receivable, deposits, financial transfers, or Quick Books records,
- Provide full access to information for the Treasurer and the executive committee,
- Borrow from WTVP's existing credit line and/or liquidate assets in our investment account (not to exceed \$750,000 unless board approved) until we can stabilize the cash burn.

This list will likely change over time as the progress towards correcting the financial results gets underway. There were no other comments by the Board members. Lesley Matuszak commented that she looks forward to working with the executive committee members and that her priority is WTVP and the team.