

Minutes of the ATOS Board of Directors Telephone Conference  
Thursday, June 21, 2012  
9:00 p.m. E.D.T.

1. **Chairman of the Board COL Mike Hartley called the meeting to order at 9:05 p.m.**

2. **Secretary Bob Evans called the roll:**

**Officers Present:** COL Mike Hartley-Chairman of the Board, Bob Dilworth-Vice Chairman of the Board, Bob Evans-Secretary, Mike Hutcherson-Treasurer. Board Members Present:

**Board Members Present:** John Ledwon, Allen Miller, Jack Moelmann, Tim Needler, Donna Parker, Don Phipps, Bucky Reddish, Youth Representative-Nathan Avakian.

**Staff Members Present:** Ken Double-President/CE, Mike Kinerk-Convention Planning Coordinator, Mike Bryant-Parliamentarian, Don Feely-Co-Editor *Theatre Organ*, Jonas Nordwall-Summer Youth Adventure Coordinator, Jelani Eddington-Contract Administrator/Board Member Elect

**Guests:** Don Near-Chairman ATOS 2012 Annual Convention, Larry Fenner-Board Member Elect.

3. **Chairman Hartley declared a quorum.**

4. **Board accepted the minutes of the May 2, 2012 telephone conference.**

**Old Business:**

5. Reports:

- The Treasurer submitted his report:

**American Theatre Organ Society  
Statement of Financial Position  
June 20, 2012**

Unrestricted Funds / Assets:

Checkbook Balance	\$	24,928.69
Convention Advance		10,000.00
Reserve		406,229.35 *

**Total Unrestricted Funds \$ 441,158.04**

Restricted Funds / Assets:

Endowment Fund	\$	1,008,282.42 *
Endowment Grant Fund		10,389.00 **
Endowment Loan (NYTOS)		15,000.00
George Wright Fund		54,580.13 *

**Total Restricted Funds \$1,088,251.55**

**Total Funds \$1,529,409.59**

- \* Statement Balances as of 5/31/12
- \*\* 2011 Endowment Grants Awarded But Not Yet Paid

**8/1/11 to 6/20/12**

**(1) Budget      (2) Actual Revenue      (3) Balance To Date      (4) Actual Expenses      (5) Balance To Date**

\$342,291.66	\$220,003.97	\$ - 122,287.69	\$316,136.94	\$ - 26,154.72
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- (1) Budget: This figure is 88% of the total 8/1/11 to 7/31/12 budget amount of \$387,500.00.
- (2) Actual Revenue: \$220,003.97 is the total amount of all revenue that has been received during this time period.
- (3) Balance To Date: Actual revenue is \$122,287.69 below what was projected to be received by this time period. The revenue projections were just that.... projections since we did not have accurate past revenue figures from which to draw. There are several main factors that have contributed to this shortfall:
  - (a) \$60,000 projected to be received in Grants never materialized due to our organizational structure and lack of past financial history/budgets. Strides have been made as a result of our Strategic Planning to correct these problems going forward.
  - (b) \$20,000 was projected to come from investment income from our unrestricted funds. The actual investment income is not transferred into our revenue stream until the end of the budget year to maximize that amount since interest on the funds is compounded.
  - (c) Membership dues renewals are billed quarterly. We receive more money in the third and fourth quarters of the year than in the other two quarters since more members joined around convention times. The next billing period July 1<sup>st</sup> will result in more membership dues being received than in the previous months. The membership drive which offered memberships at half price also negatively impacted membership revenue, but did help stem the loss of memberships.
- (4) Actual Expenses: \$316,136.94 is the actual amount of expenditures during this time period.
- (5) Balance To Date: Expenditures are \$26,154.72 below budget. There are several small budget expenditure items that will not be funded this year that are not included in this figure. For example, since the Technical Experience will not be held until after August 1<sup>st</sup>, the expense funds in this year's budget will not be used.

Summary: Our budget does not operate like your household budget. We have an inconsistent revenue stream and rely on donations in addition to our Membership dues to fund our operations. Although revenue has been less than projected, expenses have also been less than projected. There are basically two types of Non-Profits... (1) Non-Profit with a Zero Based Budget (you spend only what you receive) and (2) Non-Profit with a Reserve Fund (have "reserve funds" to use for operations when revenues are below projections). We have to remember that we operate as a Non-Profit with a Reserve Fund. We are moving in the right direction with our financial planning, although some financial things can't be fixed over night. This past year the Board placed a "floor" in our Reserve Fund of \$300,000. This means that the Reserve Fund cannot be brought below \$300,000 without approval from the Board of Directors. This year the Board passed a Balance Budget to make us more financially responsible.

When looking at our limited financial records, one is able to determine that our organization has been using the Reserve Fund for the past several years to help fund our operations. Prior to this budget year, at one point over \$70,000 and closer to \$100,000 in Reserve Funds were used. While projected revenue this year has to this point fallen below our expectations, we have better controlled and reduced our expenses. Although we may have to use some funds from the Reserve Fund this budget year, the amount projected is way far less than the amounts used in the past. The financial outcome of our LA convention will impact this number.

With our Unrestricted Funds at \$441,158.04 as of 6/20/12 our finances remain strong. While our revenues as of 6/20/12 are below projections we are far from being in a financial crunch. We are making inroads to better manage ATOS's monies and will continue to do even more as we all work together to construct our new Budget at the LA Convention.

- **Endowment Fund Update:** (Reddish, Needler) The Endowment Fund Board of Trustees has met and determined the grant awards for 2012. The recipients will be identified at the ATOS Annual Board Meeting in Los Angeles.
- **Secretary's Report:** The 2012 ATOS Annual Committee Reports have been electronically sent to Board members.
- **Annual Convention Update:** (Kinerk, Near): All is under control for the 2012 ATOS Annual Convention. 314 people have registered for the event.
- **Milestone Report:** (Dilworth) Bob Dilworth has recorded the updated job descriptions sent by Board members. He has also noted those job descriptions that did not require updating.
- **Technical Experience Update:** (Miller) Allen Miller presented an update on the ATOS Technical Experience to be held at the American Organ Institute at the University of Oklahoma. The update included budget, schedule, topics of instruction and staffing information.
- **Summer Youth Adventure Update:** (Nordwall) Jonas Nordwall presented an update on the ATOS Summer Youth Adventure to be headquartered at Dickinson High School in Wilmington, Delaware.
- **Strategic Plan Update:** (Double, Hartley) Ken Double briefly updated the Board on the progress of the ATOS Strategic Plan. The plan will be updated and discussed in detail at the ATOS Annual Board Meeting.

#### **New Business:**

**Motion: (Evans Phipps) That ATOS provide financial support to the International Youth Silent Film Festival event in Adelaide, Australia in July of 2012 in the amount of \$2500 as a demonstration of ATOS's commitment to this international opportunity to promote the organization and the instrument. (Carried: Unanimous)**

**Motion: (Moelmann, Evans) Increase the reimbursement of ground transportation and/or parking specified in policy 6© from 200 to \$300. This change to become effective immediately. (Carried: Unanimous)**

**Motion: (Evans, Phipps) That ATOS cover Larry Fenner's first night's lodging at the upcoming ATOS Annual Board Meeting to enable him to attend the first day of the ATOS Annual Board Meeting. (Carried: Unanimous)**

**Good of the Order:**

**Motion: (Moelmann, Evans) To suspend Paragraph 4,I (policy regarding Honorary Member) for the year 2012. (Carried: Unanimous)**

The Board went into Executive Session to discuss the recommendation of the Membership Secretary Selection Committee.

**Chairman Hartley adjourned the meeting at 11:45 p.m.**

Please Note: The meeting was conducted using Robert's Rules of Order.  
Mike Bryant-Parliamentarian

/s/ Bob Evans, Secretary