

DATE: June 28, 2017

TO: Texas Student Media Board

RE: Q3 Financial Documents

Dear Board,

Since we were unable to make quorum for our 6/16/2017 scheduled meeting, I am providing our Q3 financial reports via email. If you have any questions or concerns, please contact me immediately via email or phone. I will route the documents to the appropriate offices and ultimately, the Regents for final review at the end of the week.

As you review the documents, here are some notes to consider: Overall, we experienced a net positive cash flow of \$389,379 compared to a loss for this same period last year.

Balance Sheet/Page 1:

Cash on hand. Remember that transitional funds were transferred to our accounts this year, which is different than in prior years. Growth in ad revenue also contributes to an increase in this number.

Accounts Receivable. May was the end month for Q3 and a record for sales at TSM. We ended the month with \$170,000 in sales for Orientation program and summer campaigns. A large portion of these clients are credit pay clients. This number will reduce in the coming months and appear as cash on hand.

Statement of Operations/Page 2:

Advertising income: The continued success of our sales team is readily apparent on this line.

Other income: The increase reflects president's office support for Director salary and transitional funds mentioned above.

Salary and wages: Increase this year due to full-staff – last time this year our sales team was down three full-time staff members.

Other expense: As discussed at our budget approval, the organization has taken on more event expense that has resulted in new revenue streams. In addition, any spending of transitional funding appears on this line.

Statement of Cash Flow/Page 3:

Increase in Accounts Receivable: Our number increased due to the sales activity in May. These accounts will remit cash payments in June, July and August and will be reflected in the cash on hand number for future reports.

Decrease in Accounts Payable: At this time last year, the organization had outstanding balances of \$53,000. There are no outstanding balances at the time of this report.

Attached: Q3 Financial Report

END

Gerald Alan Johnson • Director - Texas Student Media

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Texas Student Media
Balance Sheet
For Month Ending May 31, 2017

	<u>FY 15-16</u>	<u>FY 16-17</u>
Cash on Hand	\$318,914	\$660,489
Cash -- Long Term Reserves	\$350,957	\$350,957
Endowments		\$47,804
Total Cash	<u>\$669,871</u>	<u>\$1,059,250</u>
Accounts Receivable	\$98,720	\$187,289
Merchandise Inventory	0	0
Total Current Assets	<u>\$768,591</u>	<u>\$1,246,539</u>
Capital Assets	\$838,292	\$838,292
Accumulated Depreciation	<u>(\$838,292)</u>	<u>(\$838,292)</u>
Total Long Term Assets	\$0	\$0
	<u>\$768,591</u>	<u>\$1,246,539</u>
Accounts Payable	\$53,622	0
Deferred Revenue	<u>\$205</u>	<u>\$205</u>
Total Current Liabilities	\$53,827	\$205
Net Assets	\$628,631	\$714,764
Current Income	<u>\$86,133</u>	<u>\$531,570</u>
Total Equity	<u>\$714,764</u>	<u>\$1,246,334</u>
	<u>\$768,591</u>	<u>\$1,246,539</u>

Texas Student Media
Statement of Operations
For Month Ending May 31, 2017

	<u>Actual YTD</u> <u>through May 16</u>	<u>Actual YTD</u> <u>through May 17</u>
REVENUE		
SSBC Allocation	\$437,127	\$440,297
Endowments		\$47,804
Advertising Income	\$484,317	\$764,727
Other Income	\$285,430	\$831,146
Total Revenue	<u>\$1,206,874</u>	<u>\$2,083,974</u>
EXPENSE		
Salaries and Wages	\$664,235	\$749,610
Fringe Benefits	\$180,410	\$230,056
Other Expense	\$364,275	\$545,437
Student Manager Tuition	\$20,594	\$16,250
Travel	\$8,014	\$11,051
Total Expense	<u>\$1,237,528</u>	<u>\$1,552,404</u>
Operating Income (Loss)	<u>(\$30,654)</u>	<u>\$531,570</u>
Non-Operating Revenue and Expense		
NET INCOME (LOSS)	<u>(\$30,654)</u>	<u>\$531,570</u>
Depreciation Expense net of Capitalized Equipment Prior Year Adjustments		
ADDITION TO (USE OF) OPERATING RESERVES	<u>(\$30,654)</u>	<u>\$531,570</u>

Texas Student Media
Statement of Cash Flows
For Month Ending May 31, 2017

Net Income	\$531,570
Adjustments	
Increase in Accounts Receivable	(\$88,569)
Decrease in Accounts Payable	(\$53,622)
Increase in Endowments	\$0
Net Cash Flow from Operating Activities	<u><u>\$389,379</u></u>