

→ Financial reports are included under a separate filing. My feeling on the station's finances is that we are recovering nicely from a cash flow crunch (thanks to Todd, Celia and Lupe for being able to completely catch up on underwriting billing!) and we are nicely in tune with our goals on both the revenue and expenditure side of the equation. All bills are paid and there is about \$11,000 in the checking account as of today.

Grants Status

Corporation for Public Broadcasting (CPB): We were approved for an extension on filing until May 30th. The auditor now has all of the needed materials to complete his audit of the year ending September 30, 2007. I am awaiting a final time frame from the auditor for the completion of this work. I will be able to take his final report and translate it into the CPB's website in one good afternoon. Other activities related to the grant (ex: completing the Certificate of Eligibility) have been completed.

Arizona Commission on the Arts (ACA): The grant application for next year was filed by Ryan Bruce prior to the March deadline, and the review panel will examine our request later this month. I do not anticipate any problems there; the ACA staff did request a letter from Hank and I explaining the station's management structure following Ryan's departure. That letter was sent within 48 hours of the request and there have not been subsequent requests for additional materials. The same audited financial reports referenced above (for the year ending 9/30/07) are also due to the ACA by May 30th to allow them to release the funding for this year's grant.

Underwriting

Todd's staff report provides more specifics on the underwriting department, which is up and running – and running well – after several months without proper staffing or leadership. All contracts are in the traffic system, the program logs no longer have handwritten spots on them (much to the relief of deejays!) and all spots through the end of April have been billed. Todd wrote a very good, apologetic letter to our underwriters about the delays in billing and the response from them has been positive. Those clients able to pay their full balance have; others are on structured payment plans to bring them up-to-date over time.

Todd has also generated good results in tracking down payments on dead accounts that were not paying from old balances (pre-2008). It's always good to receive payments that were basically given up for dead. He's also begun signing up new clients, and will over time be able to shift more of his week from cleaning up old accounts to generating new business. He also has a good plan for generating new leads from our deejays.

Programming

Summer is the time of year when KXCI program schedule changes often occur. I am not planning any proactive changes at this time, but there will be several reactive

changes occurring, and Duncan and Ginger and I in particular (but with the entire KXCI team, including the deejays) will be discussing these changes.

One very important change is that long-time KXCI deejay Don Jennings (*Locals Only*) is moving from the area in June; we are working hard to preserve this program with new hosts in order to maintain our commitment to Tucson's growing music scene. These new hosts might be current deejays, which would then involve finding new deejays for their old time slot. Nothing has been determined yet, but the right people are involved in finding the right solutions.

Also in programming, Amanda, Ginger and I have had some very preliminary discussions regarding the station's election coverage for this fall. We all agree that we want the station to do more coverage, we just need it to be both appropriate to Community Radio (for example, not just "covering the horse race") and within our financial means.

Personnel

We will need to briefly discuss one small private personnel matter in executive session and advise me on how to proceed.

To mitigate rising costs, our health insurance plan is being reduced from a PPO to an HMO, still through Health Net. This decision was made after reviewing twelve plans with our insurance broker. Overall plan cost will rise about 5.7% even after the change (keeping the same plan would have been a 21% increase). In real terms, the cost of each insured employee will be just less than \$12 a month. With only two employees on the health care plan, our costs for a year will increase roughly \$284. However, this past year we had more employees on the plan, so our overall health insurance costs will be going down significantly.

Other

I will be available to address other questions about station operations during my General Manager's report; many of these areas are already addressed in the staff reports from Ginger, Amanda, Duncan and Todd as well as in my regular membership/community outreach report.