

KSUT Board Meeting Minutes

Feb 19, 2025

Attending: Gary Skiba, Kirsten Langmade, Wade Griffith, Mike Mays, Susan Kearns, Robert Ortiz, and Eddie Box, Jr.

Absent: Mikki Naranjo

Meeting called to order at 5:30 pm.

Gary made a motion to approve the agenda, Mike seconded. The agenda was unanimously approved.

January Minutes - Gary provided minor corrections and moved to approve with corrections. Eddie seconded and the minutes were unanimously approved.

Kirsten asked if there was any update regarding Linda Baker as a liaison from Tribal Council. Tami had not reached out on that issue. She said the liaison is at the pleasure of the Tribal Council Chair, so Linda may not be the Chair's choice. Wade and Tami will discuss further in the next few days.

Audit (*see MBE draft doc for details*) - Michelle Saino from MBE CPAs joined at 5:36 to discuss the audit. She said since the draft was provided, there were some minor changes that she would review as she went through the audit information. She went over the audit process (see the audit document) and said that MBE issued an "unmodified opinion", adding that is "the best you can obtain from an audit." She said Tami and Robb (Brantley) do a wonderful job and worked hard to provide MBE with information needed to complete the audit.

Statement of Financial position (pg 5) – Michelle highlighted that at the time of the audit the assets divided by liabilities did not yield an ideal ratio. Liabilities were greater than the assets available due to the funds owed to the Tribe and the Line of Credit (LOC) with Alpine Bank. However, due to the revenue received since then, this has improved as both liabilities have been paid down and are significantly decreased.

Other highlights/comments:

- Michelle pointed out the Rights-of-Use asset increased from 2023 to 2024 due to new leases. And, the total for Net Assets with Donor Restrictions will be revised in the final audit.
- Statements and Activities and Changes in Net Assets – Net Investment Income was not included and will be added; Net Assets Released will also be updated.
- Overall Expenses – down 11% in 2024. Michelle complimented Tami and Robb for their work to reduce expenses. The greatest decreases were related to contracted services for the festivals.
- The festivals had a goodwill component of \$203,700 at the time when the festivals were brought on, however, the expected value has declined.
- Interest expense – increased due to high balance on the Line of Credit.

- Michelle expressed optimism as actions taken by staff have things “Headed in the right direction”. She added that generally Covid recovery has taken longer for many organizations.

NOTES section highlights

- Allowance for credit losses – this is a new section due to new standards. (Bad debt allowance).
- New last year: Contributed nonfinancial assets.
- Property and Equipment – capital investments—this dollar amount needs to be updated to \$2500.
- Note C – Good job on paying off \$378,420 of debt!
- Employee Benefits – state regulations change all the time. This section needs to be reviewed and updated because Colorado has changed sick pay requirements.

Wade asked that discussion of Employee Policy and Procedures manual updates be added to the next Board meeting agenda.

- Note K – In Kind donations. Tribe services have been broken out. Michelle believes the rental amount listed for the building is not accurate and needs to be updated.
- Note L – Last year the Smelter Tower was purchased, but space is leased out to others, so some income comes back to KSUT. Michelle suggested the revenue from the space fee should be added as a line item.

Restricted funds and Establishment of Reserves

- It came to light that a policy and procedure need to be established regarding the use of restricted funds, as well as developing an accounting method to track restricted funds and their use.
- Additionally, the organization needs to work toward establishing reserves for the future should there be a need to navigate a shortfall. This reserve fund would be included in the Net Assets section.
- Michelle also recommended establishing a Capital Replacement budget in anticipation of future needs to replace station equipment.

Audit Approval

- Michelle said if the Board approves, she will work with Tami and Robb to make the revisions discussed and finalize the audit reporting.
- Once this audit is approved, the next step is to complete the CPB audit.
- There was some discussion regarding approvals. Susan made a motion to approve the audit with the following revisions (see below). Mike seconded and the motion passed unanimously.

Revisions

- Net Assets with Donor Restrictions will be revised in the final audit.
- In the Statement of Activities, the investment income will be broken out.
- The Smelter Tower income will be added.

- There will be some changes to the notes regarding leases.
- Property and Equipment dollar amount will be updated to \$2500.

After the board approved the audit with revisions, Michelle commented that “audits are not easy” and once again complimented Tami and Robb for making the process go smoothly.

Employee Manual - Additional discussion was held on the need to update the Employee Manual. Wade knows of an HR expert who can help bring the manual up to date with current Colorado employment law.

Q1 Budget to Actual

Summary page – ongoing expenses are leftover from festivals/special events – primarily due to payroll expense (festival director). Jill has transitioned into another position at the station.

We have paid down \$452,000 of debt (wow!). This was through a combination of using significant donations secured by Tami as well as using funds from deferred revenue. Some of that was front-loading of CPB money to put KSUT into a better position.

Tami commented that she needs to work with the Tribe to improve timeliness of financial reporting. The organization does not have real-time access on expenses vs. income and must request reports to get that data. Otherwise, this information is reported once a month by the Tribe. Robb commented that today (Feb 19), he just received the January reports.

Tami and Robb have spoken with Christine about this delay and will address it when working on MOU update. The Tribe is in the process of procuring a new comprehensive financial system that might help improve delivery of this information and KSUT’s access.

Station Ops – variances highlighted in yellow. It was noted that grant income is shown when it is received. Not amortized. However, CPB revenue is amortized throughout the year. We have rec’d 2/3 of that money.

Meals/Entertainment is high due to two major sponsorship events that occurred in first quarter. This should even out in future quarters. The audit expense also occurred in the first quarter and was under budgeted for by \$1,150. In the past, some of the audit fees were offset in underwriting trade. This is not the case in 2025.

Print/Postage – The YE appeal production cost falls in FY2025.

There are more expenses that occur in the first half of year, rather than in last half.

Loan interest is a similar situation, as it is posted in the beginning of the year.

The CCI grant (related to festivals): Tami is working to see if it can be moved to another event. Funds have not been received yet.

RMCR conference – Jessica got sponsorships to help cover this, so there was a \$200 profit (go Jessica!).

Robb said we are on track to stay on budget, but it will be tight. Development/membership targets are very important. The ERT funds are also coming soon, which will be a positive addition to the financial situation.

Kirsten moved to approve the 1st Quarter Budget report. It was seconded by Mike and unanimously approved by the board.

ED Report

Tami had a great meeting with the Tribal Council. So far, KSUT is keeping up on repayment commitment.

The audit on the ERT funds is completed and the funds will be released. Checks should be in the mail. LLP (vendor who assisted) asked that we hold on to the checks because they haven't received the audit report from IRS. However, we have received notice that the distribution was approved. The plan is to continue to pay down debt to Alpine Bank, as well as other obligations with those funds.

Today Tami received an email from the CFO of CPB regarding the FEMA funds. The email said CPB does not have access to the funds (see email in Board records) and recipients must pause on any purchases.

Tami asked if the board would approve a revolving loan with Alpine bank – term of 18 months to cover monthly expenses for the FEMA project. To ensure the project does not affect operational cash flow, the loan would cover expenses until reimbursement by CPB is received (see the ED report). KSUT would submit expenses to Alpine, who would make payment to contractors/suppliers after confirming the expense is valid and budgeted. However, after some discussion, it was decided that Tami will wait on pursuing the loan until it is certain that funds will be released by the current administration and the contract is fully executed.

Due to delays, an extension for project execution (EOY 2026) is expected to be approved by CPB. If all things fall into place, work could begin in April, with the first priorities being the Missionary Ridge and Farmington sites.

Tami will inform Alpine Bank that the loan is on hold until we have more secure understanding of whether the funds will be available to us.

Gary said this is an issue to email Jeff Hurd about. Tami has done so.

On a positive note, Tami reported that this may be best year ever for membership contributions—aside from larger donations. She anticipates a strong spring fund drive.

Tami is working on getting funding from Ballentine to pay Clark Adomitis for some freelance reporting related to Indigenous and Immigrant issues. Clark recently covered the story about ICE hitting churches.

Southern Ute Tribal Member open board seat – Tami, asked Eddie his thoughts about extending to First Descendants of Southern Ute Tribal members. Eddie responded, saying it's a hard position to fill and there are several reasons why tribal members might not want to participate. He believes it would be good to increase exposure at different Tribal functions such as Bear Dance to create more awareness.

As far as First Descendants, he said that could possibly help us fill the position and we should move forward with that thought. Robert and Kirsten both agreed with Eddie and the benefits he shared.

Eddie said there may be some push back from some organizations, but despite that, it would be a good move on our part.

Wade suggested the Executive Committee look at developing a revision to the bylaws to amend accordingly and run it by the rest of the board. Tami will also reach out to Linda Baker to get her take on this matter as well.

Robert commented that if we change the bylaws, there needs to be a visible notice. Gary asked if this action required approval from the Tribal Council. Because KSUT/KUTE is a separate entity from the Tribe, that is not necessary. However, it would be proper etiquette to provide notification.

Next meeting March 19, 5:30 pm.

Gary made a motion to adjourn; Kirsten seconded, and the motion was approved unanimously.