

BOARD MEETING

March 11, 2023 2:00 pm-3:30 pm Eastern Time

SATURDAY, MARCH 11, 2:00pm- 3:30pm-

In Attendance:

JEN BOARD MEETING (Agenda maybe subject to change)

1. 2:00pm EXECUTIVE SESSION Lonnie Davis, President (15 mins Lonnie Davis)
2. 2:15pm PRESIDENT'S REPORT, with APPROVAL OF MINUTES from previous board meeting Lonnie Davis, President David Kauffman, Secretary (10 mins Lonnie Davis)
 - a. 01/03/2023 - 2023 01 Jan 3 & 4 - Board Meeting Minutes
MOTION: Motion to approve minutes made by Mary Jo Papich, seconded by Ashley Shabankareh
3. 2:25pm - JEN FOUNDATION REPORT Tim Fellow, Audit & Risk Chair (15 mins Tim Fellow)

The JEN Foundation Task Force consists of: Lonnie Davis, Sean Jones, Tim Fellow, Todd Stoll, Dustin Rohrer, Dan Flores. The Task Force is working through the details in preparation for the launch of the Foundation. They have received soft commitments for funding, but funders want to see founding documents and government filings before committing fully.
4. 2:40pm - FINANCIAL REPORT Dustin Rohrer, Treasurer (20 mins Dustin Rohrer)
 - a. 2023 03 08 Statement of Financial Position
 - b. 2023 03 08 JEN Finance Update
 - c. 2023 03 08 Budget vs. Actuals

PRELIMINARY

Note: Cash basis presented here – note that there are some differences vs accrual basis

Key financial updates: July 2022-February 2022

Financial highlights

- **Overall:** Net Operating Revenue is ~\$(125K) fiscal YTD through February vs budget of ~\$(86K)
- **Revenues:** ~\$399K through December vs budget forecast of ~\$525K (~\$127K below budget)
 - Development funding behind budget YTD
 - Individual contributions below budget YTD (~\$39K vs ~\$72K budgeted)
 - Grants under budget YTD, NEA grant not distributed (expected early 2023)
 - Membership and event revenues under budget – slowdown in Nov/Dec/Jan vs expectations
 - Event revenues ~\$56K under budget through February
 - Membership dues ~\$24K under budget through February
- **Expenditures:** ~\$524K through February vs budget of ~\$612K
 - Lodging/travel expenditures ~\$47K below budget (largely driven by negotiated hotel savings)
- **Cash position:** ~\$144K through March 8 – *below 3-month op expense threshold (currently at ~2.3 months)*
 - Total current assets ~\$244K

Other updates

- Motion for additional registration updates
- Jazz Education Foundation effort kicked off – *update today*
- Exploring actions to reduce Conference expenses – *board recommendation in coming week*
- Audit process complete with new audit firm
- NEA grant distribution expected in H1 2023

Motion: Approve additional updates to conference registration pricing (for 2024 conference) – page 1 of 2

New rates to be approved

	Current Rate	Updated Rate	% Increase	Notes
Online Conference Registration				
Early Bird Registration (Member)	175	225	28.57%	
Early Bird Registration (Non-Member)	225	275	22.22%	
Early Bird Registration (Student)	50	100	100.00%	Suggested rate increase from staff
Early Bird Registration (Spouse/Domestic Partner)	75	105	40.00%	Suggested rate increase from staff
Advance Online Registration (Member)	200	250	25.00%	
Advance Online Registration (Non-Member)	250	300	20.00%	
Advance Online Registration (Student)	75	150	100.00%	Suggested rate increase from staff
Advance Online Registration (Spouse/Domestic Partner)	100	140	40.00%	Suggested rate increase from staff
Performer/Presenter Spouse Registration	50	75	50.00%	Suggested rate increase from staff
Onsite Conference Registration				
4 Day Pass (Members & Non-Members)	275	325	18.18%	
4 Day Pass (Spouse/Domestic Partner)	125	175	40.00%	
4 Day Pass (Student)	100	200	100.00%	
1 Day Pass (Wed/Thur/Sat)	120	170	41.67%	
1 Day Pass (Fri/Benefit Concert)	145	195	34.48%	
Single Session Pass	20	40	100.00%	
Evening Concert Pass (Wed/Thu/Sat)	60	110	83.33%	
Evening Concert Pass (Fri/Benefit Concert)	85	135	58.82%	

DRAFT Financials

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Motion: Approve additional updates to conference registration pricing (for 2024 conference) – page 2 of 2

	Current Rate	Updated Rate	% Increase	Notes
Other				
Additional Exhibitor Badge	50	75	50.00%	
Additional Chaperone	50	100	100.00%	
JJF Small Ensemble	150	150	No change	Rates changed in 2022 for 2023 conference
JJF Large Ensemble	225	225	No change	Rates changed in 2022 for 2023 conference
JJF Participant Fee	25	25	No change	Rates changed in 2022 for 2023 conference

YTD Actuals vs Budget (Jul 2022-Feb 2023)

Note: Cash basis presented here – note that there are some differences vs accrual basis

	Basis for FY23 Budget	YTD Actuals	YTD Budget	Actuals % over budget	Actuals \$ over budget
Revenue		Total			
4000 Direct Contributions	Assumes spring/fall fundraising campaigns and additional donor giving (\$120K total)	39,672	72,300	-45%	(32,628)
4400 Non-Government Grants	Herb Alpert grant; \$20k in additional grants	31,000	31,950	-3%	(950)
4500 Government Grants	Includes NEA grant distribution; Assumes no further grants	0	15,000	-100%	(15,000)
4900 Administrative Fees		975	0		
5100 Event Revenue	Assumes ~1065 registrations across members/non-members	203,908	259,097	-21%	(55,189)
5200 Membership Dues	Based on membership mgr. projections	121,878	146,021	-17%	(24,143)
5300 Investment Revenue	Includes investment return from Aebersold endowment	0	840		(840)
5900 Other Revenue	No loan forgiveness assumed (e.g., PPP)	830	185	-100%	645
Expenditure Revenue		419	0		419
Total Revenue		398,682	525,393	-21%	(126,711)
Expenditures					
6100 Payroll Expenditures		1,151	1,311	-12%	(161)
7000 Grants, Contracts & D.A.		25,765	20,332	27%	5,433
7200 Salaries & Related Exp.	Includes interim ED, Development Director	144,206	153,876	-6%	(9,670)
7500 Contract Service Expenses	Includes consultant services to support transition to interim staff	34,426	43,637	-21%	(9,211)
8100 Nonpersonnel Expenses	Includes fundraising and marketing expenses	37,074	56,308	-34%	(19,234)
8200 Event Production Expenses	Based on conference coordinator projections	171,321	179,390	-4%	(8,069)
8300 Travel & Meeting Expenses	Based on conference coordinator projections	95,113	141,852	-33%	(46,739)
8600 Other Org. Expenses		14,742	15,179	-3%	(437)
Total Expenditures		524,009	611,885	-14%	(87,876)
Net Operating Revenue		(125,326)	(86,491)	45%	(38,835)

-\$13K in event expenses (not included here) to be reflected in March

DRAFT Financials

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Historical conference financials

	2018 Dallas	2019 Reno	2020 New Orleans	2021 Virtual	2022 Dallas	2023 Orlando	Average ('18-'22 excl. 2021)
Registration	136,247	110,665	203,867	49,943	88,599	121,659	134,845
Sponsorship	41,000	18,500	20,000	27,600	35,000	41,000	28,625
Exhibit & Space Rental Fees	64,300	55,495	66,875	12,345	36,205	49,825	55,719
Pass Sales	4,620	2,400	3,680	0	4,955	10,174	3,914
Merch sales	6,243	209	4,607	345	-3,152	3,672	1,977
Refunds	-1,964	0	0	0	0	0	-491
Total Conference Revenue	251,902	187,605	299,797	90,233	161,432	226,331	225,184
Grants, Contracts, DA	0	1,679	382	1,000	1,000	0	765
Salaries	40,534	66,447	63,761	111,168	73,128	125,998	60,967
Contract Services	2,484	18,152	16,098	3,480	9,041	9,553	-
Nonpersonnel	8,597	7,802	23,449	16,284	7,679	7,675	11,882
Event Production	102,172	117,341	134,027	17,486	152,860	188,757	126,600
Travel & Meetings	67,053	58,844	45,885	1,982	98,495	82,052	67,569
Other Organizational	14,527	4,007	780	5,381	2,423	475	5,434
Total Conference Expenditures	235,368	274,270	284,382	156,781	344,626	414,722	284,661
Calculated Net Op Revenue	16,534	-86,665	15,415	-66,549	-183,195	-188,391	-59,478
Expenses % of revenues	93%	146%	95%	174%	213%	183%	126%

Includes ~\$13K in outstanding expenses

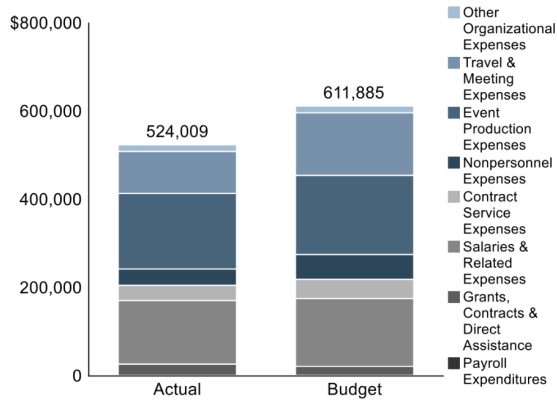
Note: Numbers above are not calculated by fiscal year, and will vary from audited and FY financials
 Source: JEN financials (Quickbooks) DRAFT Financials

PRELIMINARY

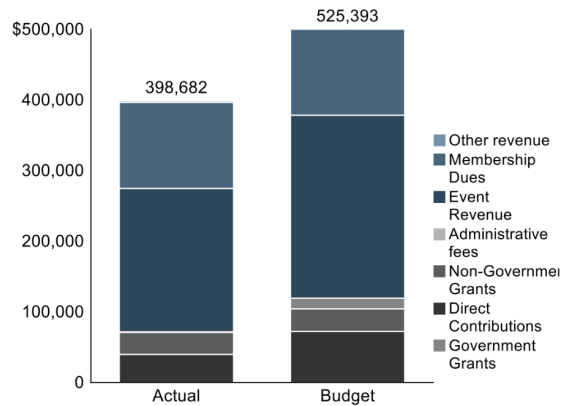
Note: Cash basis presented here – note that there are some differences vs accrual basis

2022-23 YTD snapshot

JEN Expenditures 2022-23 FY (Actuals vs Budget)



JEN Revenue 2022-23 FY (Actuals vs Budget)



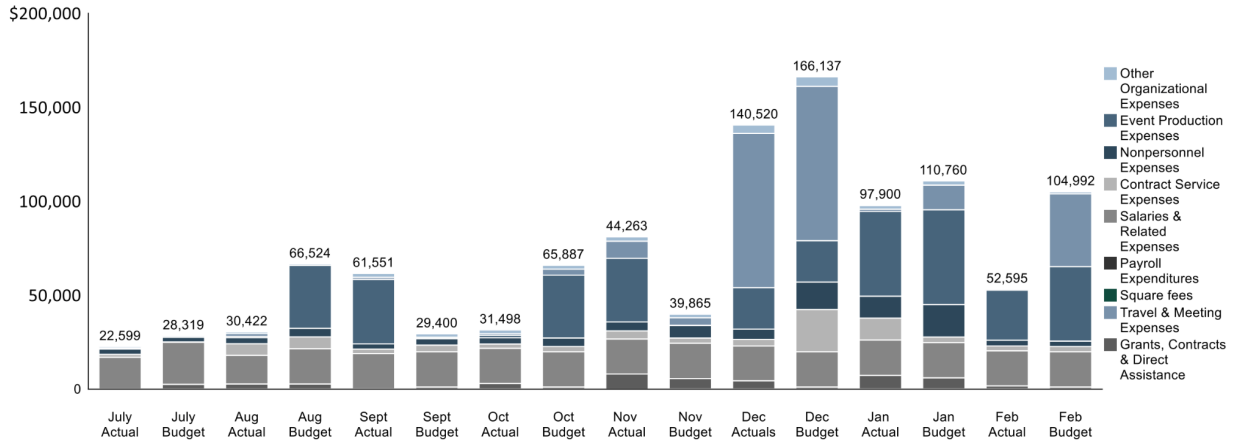
Note: Event revenue includes merchandise sales; Other revenue includes Investment revenue, billable expenditure revenue, unapplied cash payments and discounts given; December numbers preliminary – likely to change
 Source: JEN Financials (Quickbooks) – cash basis (pulled 3/6/2023)

JEN Monthly Expenditures

PRELIMINARY

Note: Cash basis presented here – note that there are some differences vs accrual basis

JEN Expenditures breakdown (Actuals vs Budget)



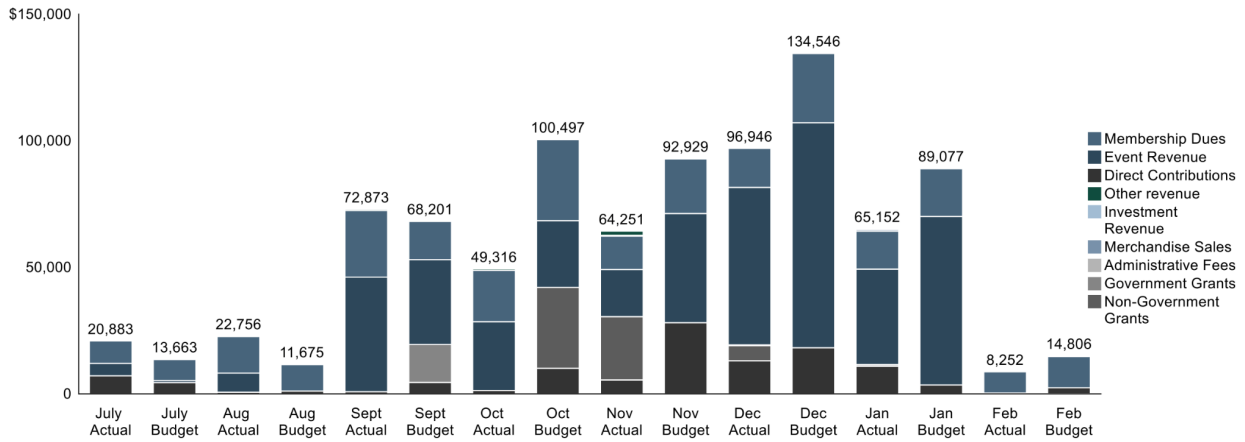
Source: JEN Financials (Quickbooks) – cash basis (pulled 3/6/2023)

JEN Monthly Revenues

PRELIMINARY

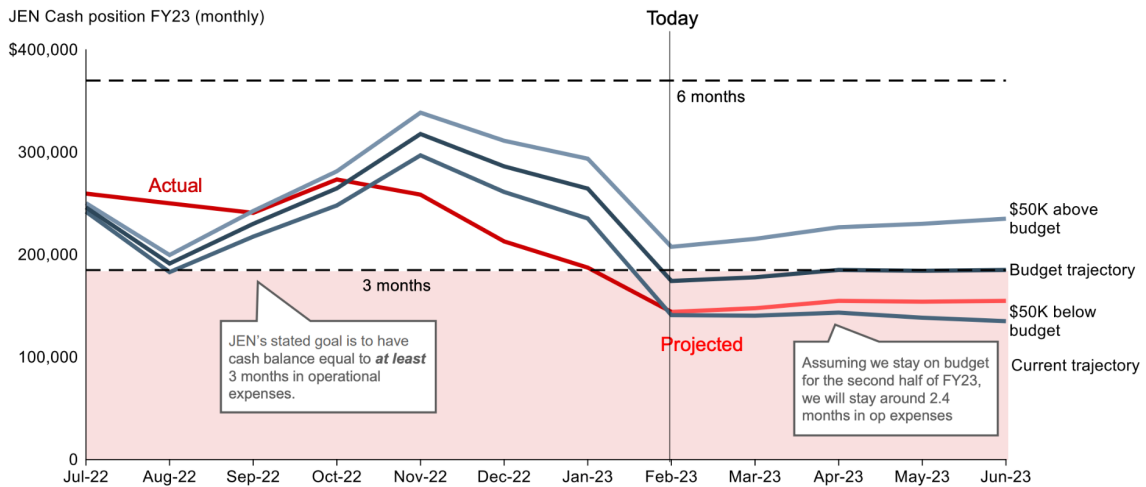
Note: Cash basis presented here – note that there are some differences vs accrual basis

JEN Revenues breakdown (Actuals vs Budget)



Note: Event revenue includes merchandise sales; Other revenue includes Investment revenue, billable expenditure, unapplied cash payments and discounts given; December numbers preliminary (as of 12/29) – likely to change
 Source: JEN Financials (Quickbooks) – cash basis (pulled 3/6/2023)

FY23 Monthly Cash position tracking



JEN Cash position trajectory

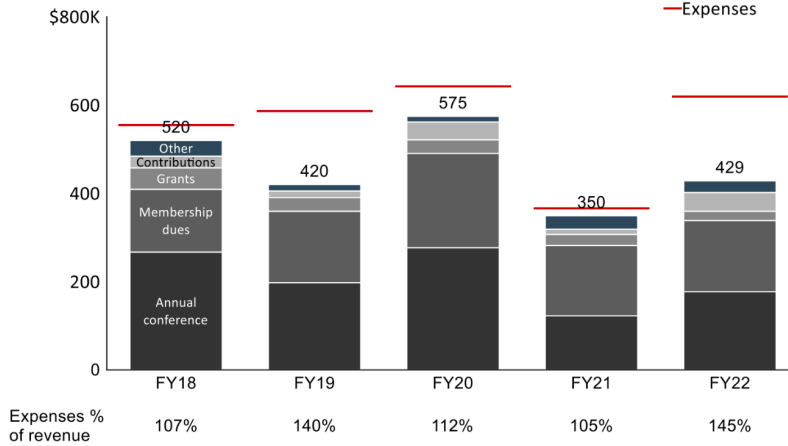
Average monthly expenditures	61,664
Cash reserve threshold (3 months op expenses)	184,992
Cash reserve threshold (6 months op expenses)	369,983

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Budget trajectory	246,199	191,350	230,151	264,760	317,824	286,233	264,549	174,364	177,971	185,144	184,335	185,138
Current trajectory	259,644	250,147	240,844	273,441	258,628	212,988	187,401	144,151	147,758	154,932	154,123	154,925
Months of op ex in cash (current trajectory)	4.2	4.1	3.9	4.4	4.2	3.5	3.0	2.3	2.4	2.5	2.5	2.5

Numbers in blue are assumptions based on current budget (e.g., if net op revenue is in line with budget for each month)

Recurring revenues: Historical recurring revenues can offer a guide for FY24 expenses and development needs

JEN Revenues (fiscal year)



Summary insights

- Average annual recurring revenue is ~\$485K (excluding virtual conference year, FY21)
- Conference average of ~\$230K (New Orleans in FY20 was ~\$275K)
- Membership dues average ~\$170K
- Expenses are consistently above recurring revenue, requiring a **sustained increase in contributed revenue** to fill gaps

Note: Recurring revenues adjust for one-time and restricted funds (e.g., Aebersold, SVOG, PPP, Hotel incentive payments)
Source: Audited financial statements, JEN Financials (Quickbooks)

5. 3:00pm - CONFERENCE WRAP UP Dr. Lou Fischer, Conference Coordinator (5 mins Dr. Lou Fischer)

Dr. Fischer had technical trouble connecting to the Zoom meeting. He conveyed that the conference went well in Orlando. He also suggested/agreed with the implementation of a conference application fee to perform or present.

MOTION: To implement a conference application fee of \$30 per application, beginning with applications in April for the 2024 conference. Motion made by Todd Stoll, seconded by Mary Jo Papich. The motion passed unanimously.

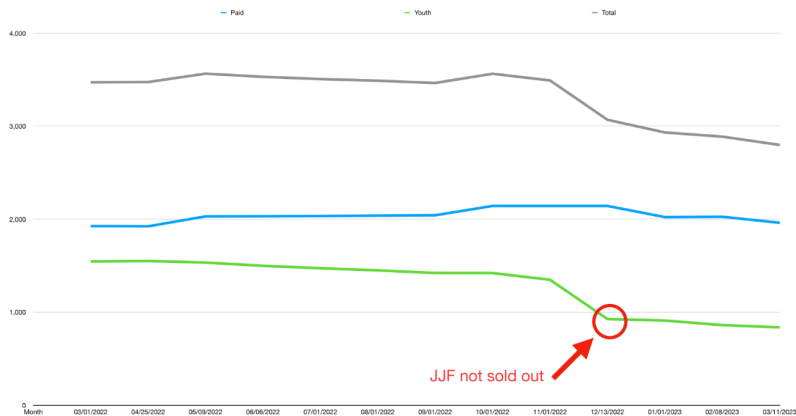
6. 3:05pm - PROGRAM/MEMBERSHIP/MARKETING REPORT Jesse Nolan, Program & Marketing Director (5 mins Jesse Nolan)

Comparative Membership Breakdown

Membership Type	03/11/2023	02/08/2023	1-mo change	As of 03/09/2022	12-mo change
Full Individual	1,029	1,035	(6)	900	129
Full Monthly	189	236	(47)	189	0
Chapter	55	56	(1)	61	(6)
eJEN	587	599	(12)	708	(121)
yJEN	837	861	(24)	1,546	(709)
Corporate	37	37	0	22	15
Institution	65	64	1	46	19
Total	2,799	2,888	(89)	3,472	(673)

12-Month Membership History

Month	Paid	Youth	Total	1-mo Change
03/01/2022	1926	1546	3472	
04/25/2022	1924	1551	3475	3
05/09/2022	2031	1534	3565	90
06/06/2022	2032	1499	3531	(34)
07/01/2022	2034	1473	3507	(24)
08/01/2022	2039	1450	3489	(18)
09/01/2022	2043	1422	3465	(24)
10/01/2022	2143	1421	3564	99
11/01/2022	2143	1349	3492	(72)
12/13/2022	2143	926	3069	(423)
01/01/2023	2023	910	2933	(136)
02/08/2023	2027	861	2888	(45)
03/11/2023	1962	837	2799	(89)
1-yr Change	36	(709)	(673)	



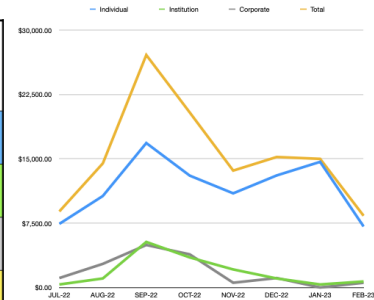
Fiscal 2022-2023 Membership Goals Update

Membership Type	As of 06/06/2022	03/11/2023	6-mo Change	Goal as of 07/01/2023	Estimated 6-mo Change	Budget Impact
Full Individual	966	1,029	63	1,100	71	\$5325.00
Full Monthly	221	189	-32	275	86	\$8256.00
Chapter	61	55	6	90	35	\$3360.00
eJEN	710	587	123	900	313	\$3390.00
yJEN	1,499	837	662	1,100	263	\$0.00
Corporate	25	37	12	50	13	\$7150.00
Institution	49	65	16	65	0	\$0.00
Total	3,531	2,799	732	3,580	781	\$27,481.00

yJEN membership goal was originally reported as 1,700, however, loss of yJEN memberships due to JJF have caused a revision of this number.

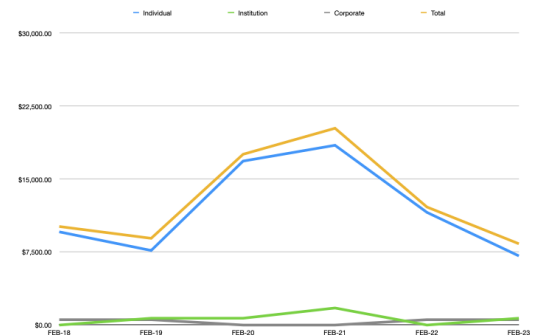
Fiscal Year 2022-2023 Membership Sales

Membership Category	JUL-22	AUG-22	SEP-22	OCT-22	NOV-22	DEC-22	JAN-23	FEB-23	TOTAL
Individual	\$7,413.00	\$10,659.00	\$16,831.00	\$13,033.00	\$10,969.00	\$13,053.00	\$14,638.65	\$7,107.00	\$93,703.65
Institution	\$350.00	\$1,050.00	\$5,309.00	\$3,500.00	\$2,100.00	\$1,050.00	\$350.00	\$700.00	\$14,409.00
Corporate	\$1,100.00	\$2,750.00	\$4,950.00	\$3,859.00	\$550.00	\$1,100.00	\$0.00	\$550.00	\$14,859.00
Total	\$8,863.00	\$14,459.00	\$27,090.00	\$20,392.00	\$13,619.00	\$15,203.00	\$14,988.65	\$8,357.00	\$122,971.65



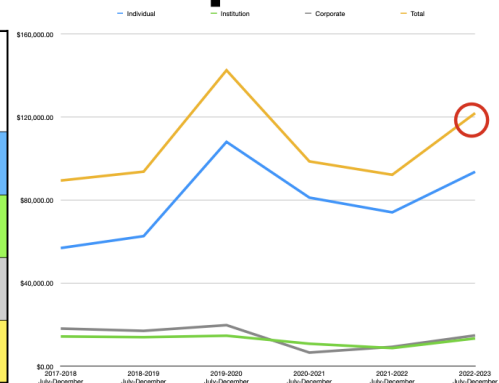
Historical February Membership Sales

Membership Category	FEB-18	FEB-19	FEB-20	FEB-21	FEB-22	FEB-23
Individual	\$9,578.00	\$7,665.00	\$16,854.00	\$18,478.00	\$11,581.00	\$7,107.00
Institution	\$0.00	\$700.00	\$700.00	\$1,750.00	\$0.00	\$700.00
Corporate	\$550.00	\$550.00	\$0.00	\$0.00	\$550.00	\$550.00
Total	\$10,128.00	\$8,915.00	\$17,554.00	\$20,228.00	\$12,131.00	\$8,357.00



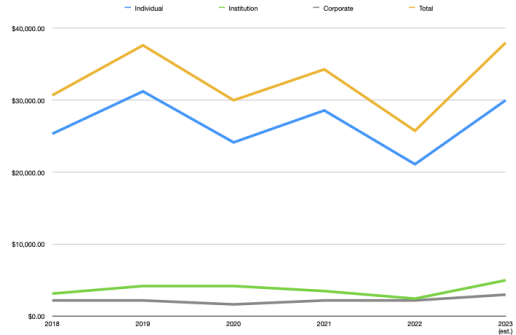
6-Year Fiscal Comparison Membership Sales

Membership Category	2017-2018 July-February	2018-2019 July-February	2019-2020 July-February	2020-2021 July-February	2021-2022 July-February	2022-2023 July-February
Individual	\$56,938.01	\$62,665.00	\$108,060.50	\$81,214.00	\$74,116.00	\$93,640.00
Institution	\$14,350.00	\$14,000.00	\$14,700.00	\$10,845.00	\$8,750.00	\$13,396.00
Corporate	\$18,150.00	\$17,050.00	\$19,800.00	\$6,590.00	\$9,350.00	\$14,850.00
Total	\$89,438.01	\$93,715.00	\$142,560.50	\$98,649.00	\$92,216.00	\$121,886.00



Upcoming Membership Renewal Estimates (Conference)

Membership Category	2018	2019	2020	2021	2022	2023 (est.)*
Individual	\$25,345.00	\$31,236.00	\$24,150.00	\$28,588.00	\$21,113.00	\$35,000.00
Institution	\$3,150.00	\$4,200.00	\$4,200.00	\$3,500.00	\$2,450.00	\$7,500.00
Corporate	\$2,200.00	\$2,200.00	\$1,650.00	\$2,200.00	\$2,200.00	\$5,000.00
Total	\$30,695.00	\$37,636.00	\$30,000.00	\$34,288.00	\$25,763.00	\$47,500.00



*based on previous conference application window membership sales and increase in membership fees as of 04/01/2023

CONFERENCE

- Conference applications open April 1
- Conference application process is 50% tested.
- Adding an application *could* require considerable work.
- “How to Apply to JEN 2024” Webinar planned for April

7. 3:10pm - DEVELOPMENT REPORT Christopher Walker, Director of Development (10 mins Christopher Walker)

03•11•2023 Development Report

Christopher Walker
Interim Director of Development



Strategic Momentum

- Preparation to maximize 2023 spring appeal campaign
- Comprehensive update to Conference Sponsorship tiers, accurately quantifying our marketable assets
- Jazz Education Foundation incorporating documents, collateral, and initial pledges coming together

	FY18		FY19		FY20		FY21		FY22		FY23 up to 03/10/23	
	Amount	Unique Center	Amounts	Unique Center	Amounts	Unique Center	Amounts	Unique Center	Amounts	Unique Center	Amounts	Unique Center
RESTRICTED												
REST - AEBERSOLD	\$ 4,395.00	20	\$ 52,752.00	61	\$ 27,000.00	1					\$ 4,000.00	1
REST - BAKER	\$ 3,000.00	1	\$ 3,000.00	1							\$ 1,000.00	1
REST - BRURECK LL											\$ 1,000.00	1
REST - COREA (SEA)											\$ 1,000.00	1
REST - DD DANIELS											\$ 6,000.00	1
REST - EFCF RESEARCH	\$ 6,000.00	1	\$ 6,000.00	1	\$ 6,000.00	1					\$ 2,000.00	1
REST - FISCHER	\$ 2,000.00	1	\$ 2,000.00	1	\$ 2,000.00	1	\$ 2,000.00	1	\$ 2,000.00	1	\$ 2,000.00	1
REST - HAL LEONARD	\$ 1,000.00	1	\$ 1,000.00	1	\$ 1,000.00	1	\$ 1,000.00	1	\$ 1,000.00	1	\$ 1,000.00	1
REST - JAZZU	\$ 20,000.00	1	\$ 25,000.00	1	\$ 25,000.00	1	\$ 25,000.00	1	\$ 25,000.00	1	\$ 15,000.00	1
REST - KAY (DANA)											\$ 1,000.00	1
REST - LANDON									\$ 32,253.00	126	\$ 2,350.00	4
REST - LaPORTA	\$ 2,000.00	1	\$ 2,000.00	1	\$ 1,000.00	1	\$ 2,000.00	1			\$ 4,000.00	1
REST - PAPICH	\$ 1,000.00	1	\$ 2,000.00	1	\$ 1,000.00	1	\$ 1,000.00	1	\$ 1,000.00	1	\$ 1,000.00	1
REST - WEBINARS (NEA)											\$ 15,000.00	1
REST - WIDNER											\$ 2,000.00	1
RESTRICTED TOTAL	\$ 38,395.00		\$ 83,753.00		\$ 63,000.00		\$ 31,000.00		\$ 62,253.00		\$ 48,350.00	
UNRESTRICTED (SP ANNUAL FUND)	\$ 15,111.14	88	\$ 22,972.13	131	\$ 13,245.49	81	\$ 11,022.53	61	\$ 12,111.21	40	\$ 27,211.31	80
UN - MONTHLY RECURRING	\$ 120.00	1	\$ 2,125.00	5	\$ 1,650.00	4	\$ 1,200.00	6	\$ 2,670.00	7	\$ 2,031.06	10
UN - SISTERS IN JAZZ							\$ 3,884.83	1			\$ 206.28	1
UN - YOUNG COMPOSERS											\$ 51.80	1
UN - RESILIENCE (SP21)							\$ 22,181.00	143	\$ 14,048.02	28		
UN - SUPPORT JAZZ ED (FY21)									\$ 3,718.08	31		
UN - WIDNER									\$ 4,495.00	41		
UN - RESILIENT (SP22)									\$ 9,786.00	51	\$ 2,965.84	32
UN - GIVING 529 (FY22)											\$ 10,558.18	40
UN - FOUN GEN OP GRANTS											\$ 25,000.00	1
UN - MGMT FEES											\$ 975.00	7
UNRESTRICTED TOTAL	\$ 25,822.24		\$ 25,002.33		\$ 14,896.99		\$ 38,988.36		\$ 46,806.33		\$ 34,296.47	
TOTAL	\$ 55,206.14	96	\$ 118,755.33	209	\$ 77,896.99	90	\$ 69,988.36	216	\$ 109,059.33	328	\$ 94,546.47	147

Restricted vs Unrestricted Income

*includes pledges or invoices that have not yet been received.

\$40,350 Restricted
\$54,196.47 Unrestricted
(\$29,146.47 indiv)

Outlining
the ask this
spring

Spring Appeal - May 1 through June 7

GOALS


- \$60,000+ in individual and corporate giving just to approach FY23 budget goals
- Goal of 150-200+ contributors (sp'21 - 171; fl'21 - 31; sp'22 - 63; fl'22 - 42)
 - Expand donor base by at least 50 new contributors
 - Recapture lapsed 2021 contributors, at least 35
- Emphasize stability in recurring gifts

Qualifying
the ask this
spring

Spring Appeal - May 1 through June 7

NARRATIVE AND FRAME OF APPEAL

- Impact and effect of JEN in the members' ongoing activities – classroom, bandstand, tours, research, albums, connections, cultural capacity
 - *what impact can "you" have / what impact can JEN have "through you"?*
- Articulating pressing need to keep JEN sustained and solvent; deferred financial hits from COVID and the rising costs even before that are catching up to JEN
 - Emphasis on being truthful and transparent without writing through desperation
 - Give indication of what JEN has done up to now to work against this trend
- Herald the new things coming to JEN
 - New directions, localized impacts in Conference host cities
 - New scholarships and effect on student lives and careers
 - New Jazz Education Foundation, a supporting organization for JEN and the field at large



Acting upon the ask this spring

Spring Appeal - May 1 through June 7

ACTION ITEMS AND NEW DELIVERABLES

- Single letter and at least two segmented postcard follow-ups
 - Christopher is parsing down the segmentation of donors across the last five years to seek maximized returns from physical mail actions
- 3x-weekly emails across all six weeks of campaign
 - The 14-17 times appeal theory
- Every other day social media posting, hoping to leverage into Tik-Tok with our "JEN Stories" collected from past Conference
- SMS and text messaging CTAs
 - New availability through Active Campaign
- Social follow-along mini-campaigns
 - What do we know the most? *People give to people / on behalf of people / at the behest of people.*
 - Structure individual board members and prominent JEN community leaders to lead matching mini-campaigns (Dee Daniels, Carl Allen, Jeff Coffin, Dawn Clements, Joseph Jefferson, Tom "Bones" Malone, M-pact, et al.)
 - 3-4 days at a time small matching runs per musical focus or interest group (\$5,000 each)
 - Ex.: Tia Fuller leads the saxophonists, Ashley Shabankareh the trombones, Dr. Trineice Robinson-Martin the vocalists, etc.



8. 3:20pm -EXECUTIVE SESSION Lonnie Davis, President Discussion Items: Reduce size of conference by one day to reduce costs (10 mins Lonnie Davis) Discussion, but no motions. Discussion will continue online and at the next board meeting in May.
9. 3:30PM- Adjournment - **Motion to adjourn made by Mary Jo Papich, seconded by Dustin Rohrer.**