

**Florida Oceanographic Society**  
**Finance Committee Meeting Minutes**  
**October 23, 2019**

**Call to Order:** Matt King called the Finance Committee Meeting to order at 2:03 p.m. at the Coastal Center.

**Committee Members Present:** Matt King, Allen Herskowitz, Mark Cocorullo, Paul Hederman and Matt Hooks

**Board Members Present via Telephone:** none

**Not Present:**

**Staff Attendance:** Mark Perry, Abbie Flood and Cathy Muir

**Account Balance Review:** The Account Balances for September 2019 show Operating funds of \$277,066 Capital Funds of \$3,583,738 Endowment Funds total \$147,479 The Balance Sheet for September 2019 shows total Assets of \$6,376,755. Total Liabilities of \$58,315 and total Net Assets of \$6,318,439.

**Financial Reports Review:** The Statement of Revenue and Expenses for the month of September 2019 shows Total Revenue of \$38,547 and Total Expenses of \$126,584 with a shortfall of \$88,036 for the month of September.

The year-end for FY 2019 shows a surplus of \$80,121.

A motion was made to approve the minutes of the May 22, 2019 meeting. It was voted on and unanimously approved.

**Discussion:**

- We have \$4MM in cash on hand.
- Unconditional promises to give are down as pledges have been collected
- Accounts payable, the \$46K includes a \$29K ongoing accrual for Seagrass Grant
- Some of the unrestricted funds should be moved into temporarily restricted. This is usually done once a year but it was suggested that we should do it quarterly.
- The \$2.5MM Treasury Bill matured and the funds were transferred into the Northern Funds Account 5482. This was to provide liquidity due to the pending construction draws and the fact that the yield differential between the liquid money market fund and the 30-day Treasury Bill rates is not a meaningful differential at this time to compensate for the lack of liquidity afforded by the Treasury Bills.
- The second Treasury Bill matures on November 5, 2019 and has \$725,000.
- A review of the Fiscal Year Operating Results based on preliminary financial results indicated the following:
  - Admissions revenues were up by 7.3% compared to budget.
  - Education revenues are below budget off by 20% due to an anticipated grant which was not received.

- Research is off because part of a grant received was posted in 2018 and the rest in 2019.
- Gift Shop results were favorable, General Contributions are strong and memberships are down about 7% compared to budget.
- Oceans Alive was a great success in 2019 and special events revenues exceeded budget by 25%.
- For the year, overall revenue results exceeded our budget by 3.5%.
- Expenses for education exceeded budget by 2.5%
- Research expenses are down due to a vacant staff Director position
- Facilities expenses were up because we had to purchase an \$11M tractor and additional staffing expense. The average for expenses over the last three years is \$197M. There was a discussion to minimize any maintenance expenses that can be reasonably deferred in the upcoming fiscal year to minimize these costs in light the new building occupancy in the near term.
- Overall, it was a strong year with an \$80M operating surplus, largely due to positive revenue results and lower staffing costs.
- Fiscal Year 2020 Budget
- Admissions has been reduced. The average for the last three years is \$377M.
- Education grants will be a focus for the current fiscal year to support these programs.
- Healthcare is not in the budget but needs to be reinstated because it is proving challenging to hire new employees and is a concern for maintaining our current staff. Healthcare costs would be \$66M annually. It was discussed that Healthcare should be paid for in the upcoming fiscal year from a reserve fund created by holding back the operating surplus from FY 2019.
- Paul Hederman suggested that we hire a Compensation consultant for a one time cost of \$10M to evaluate salaries and benefits. The cost could come out of the surplus that we had for the year.
- The Capital Campaign report as of October 18, 2019 has a surplus of \$4,288,250.
- There was discussion about reducing the scope or phasing in some of the construction projects. To include delaying the splash pad, new visitors center and exhibits if we have not raised the funds or pledges.
- There was also discussion about looking into a line of credit to be secured by the current pledges receivable in order to provide liquidity to complete the construction project as budgeted.

**Adjourn:** Matt King adjourned the meeting at 3:05 pm. The next Finance Committee Meeting will be held on November 13, 2019 at 2:00 pm at the Coastal Center.

Minutes respectfully submitted by Matt King, Treasurer of the Board of Directors and recorded by Cathy Muir, Administrative Assistant.

Respectfully submitted,

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Matt King, Treasurer  
Board of Directors

