

Finance Committee Report
December 2019

Dear Finance Committee Members:

I am requesting your review and comments on the attached engagement letter from our CPA related to this year's 990 filing which is due on 2/15/2020. The cost of the 990 preparation has increased to \$4,500 this year from \$3,500 in the past few years. Rehmann has prepared our 990s for several years after a request for proposal was completed and the preparation of the return was moved from HBK, CPAs. I would recommend that we proceed with this engagement and that we also put the return preparation out for bid for the 2020 return as it would be prudent to have these services reviewed every few years.

If there is no debate, we need to have a finance committee motion and vote to approve engaging Rehmann, our accountants, to prepare the Form 990 for fiscal year 2019.

On December 23, 2019 via email Allen Herskowitz made a motion to engage Rehmann for FY 2019 990 preparation. Paul Hederman seconded the motion. It was voted on and unanimously approved.

I have also included a summary of the major items from our November 2019 financial statements. The statement is attached for your review.

Balance Sheet as of 11/30/2019

- Cash decreased from \$3,884M to \$3,743M at 11/30/2019. This was largely due to the ongoing spending related to the construction project and a \$37M operating loss in November.
- Our unconditional promises to give increased to \$1,122M at month end from \$417M at the beginning of the month but this was largely due to the fact that we have submitted for the Tourist Development Council Grant of \$525M. That item was moved into accounts receivable as we have incurred the spending to allow us to offset against the grant.
- Our accounts payable decreased from \$130M in October to \$76M as of month end. This was largely due to the payment of a \$70M construction draw from Hooks Construction related to the building construction. The largest component of current liabilities are architecture and engineering fees and the remaining balance on the seagrass exhibit of approximately \$19M.
- Our Operating Fund balances decreased by \$42M in November due to the previously mentioned operating loss for the month of \$38M. Operating funds are \$177M as of month end.
- Capital funds were drawn down by approximately \$100M due to the payment of construction costs and exhibit design costs as well as the new lab facility expenses. Our construction fund balances are \$3,418M as of 11/30/2019.
- Endowment funds remain at \$148M.

Profit and Loss Statement of 11/30/2019

- We had a strong month for admissions, up 22% from last year's total for November.
- The admissions results helped to drive gift shop sales to a \$4,181 month over month increase.
- General contributions of \$15,209 for the month was a strong improvement over the results from October, however, we are significantly behind our forecast for YTD contributions at \$17,281 versus budget of \$57,071. This can be partially attributed to seasonality, however, we need to continue to focus on growing general contributions while we are focused on the capital campaign.
- Membership contributions improved in November from the prior month (up 18%) and are also well ahead of the levels from November of 2018 (up 49%).
- Program expenses are in-line with last year and budget. Facilities costs have continued to run slightly ahead of budget and compared to November of last year.
- General and Administrative costs are under budget and spending is below last year's levels.
- For the month, there was an operating loss of \$37,658. This is not unanticipated as we enter peak visitation and fundraising/special event season.

Please let me know if you have any questions. If the committee concurs, this summary will be provided to the operating board to take the place of the Treasurer's report for the December Board meeting.

I am also working on a report for the committee that will incorporate the cash on hand and pledges to date with the construction draw schedule provided by Zabick and Associates at the last meeting so we will have a better grasp of our funding situation. I will circulate a draft of that report prior to the next meeting.

Thanks,

Matt

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