

Florida Oceanographic Society
Finance Committee Meeting Minutes
November 12, 2020

Call to Order: Matt King called the Finance Committee Meeting to order at 3:05 p.m.

Committee Members Present via Zoom Conference call: Matt King, Mark Cocorullo, Paul Hederman and Allen Herskowitz

Board Members Present via Telephone:

Not Present: Matt Hooks

Staff Attendance: Mark Perry, Abbie Flood, Susan Scheyder and Cathy Muir

Account Balance Review: The Account Balances for October 2020 show Operating funds of \$300,204, Capital Funds of 1,750,792. Endowment Funds total \$158,523.

The Balance Sheet for October 2020 shows total Assets of \$4,732,013. Total Liabilities of \$633,440. and total Net Assets of \$4,098,572.

Financial Reports Review: The Statement of Revenue and Expenses for the month of October 2020 shows Total Revenue of \$132,452. and Total Expenses of \$126,407 with a surplus of \$6,045.

Matt King asked if anyone had any changes to the October 15, 2020 Meeting Minutes.

There were no changes so the Minutes were approved

Discussion:

- Matt King asked Abbie Flood and Mark Perry to present their reports on the budget. Abbie Flood stated that Admissions came in at \$12,496 and Gift Shop at \$7,307 which is at 89% of the average of the last two years. We budgeted using the progressive model . October was good and we hope this trend goes forward to November.
- Membership Contributions were budgeted at \$9,500 and came in at \$17,000. We did receive early renewals which helped.
- Veterans ay had 125 visitors.
- The budget gap is at \$382K and Susan Scheyder has applied for the Martin County Cares Act Funding. We have a good chance to receive \$50K and the funds should be dispersed by the end of December.
- The Community Foundation of Martin and St. Lucie County has encouraged us to apply for their grant for the maximum of \$50K. The award will be announced at the end of December.
- The Board challenge is continuing and we are at \$47,500. Additional major gifts of \$45K have been received.
- The impact report has gone into print and will be mailed out with our year end appeal.
- Additional major gifts of \$45K have been received.
- Mark Perry reported that we will be giving the general contractor a check for \$273K.

- The Capital Campaign worksheet shows that we have \$570K left over from the Building plus the contingency funds of \$40K which gives us \$610K as of the end of October 2020. Since October 31 we have received \$110K. The Exhibits costs are \$914K so cash needed is \$193K. Of that number, \$106K is due by the end of December and \$54K is due by the end of January.
- Matt King stated that we are having a challenge with some of the terms proposed by Northern Trust for the Line of Credit. The bank had originally required a debt service covenant that we would not be able to comply with. Matt King talked to the bank and they revised their proposal to require that we maintain a minimum level of unencumbered liquidity on our balance sheet of \$300K. The Endowment Funds of \$150K would not be included in this calculation as they are restricted assets. We continue to try to negotiate the terms of the Line of Credit.
- Matt King stated that the money due for the exhibits is a small amount and the gap has narrowed substantially. Paul Hederman noted that the gifts are still coming in and if we owe only \$54K by the end of January, we should ask the Board for approval. Matt King suggested that we go back to the Board and amend the motion and engage the vendor based on expectations that we would raise the remaining funds between now and when the final contract payment for the exhibits is due. The motion by John Amerling was “That we authorize management to go forward with the Color Ad display contract, contingent on having a LOC or adequate cash to meet the payment schedule.”
- Allen Herskowitz suggested that we offer the Board the opportunity to finance the collection of the pledges receivable. There would be an opportunity to fund the remaining amount due on the exhibits via a loan secured by the collection of the pledges based on a short-term market rate.
- Allen Herskowitz also stated that if we needed to borrow from the Endowment Funds, it would take a Board resolution to amend the Endowment clause.
- Mark Cocorullo agreed that there is no reason to think we can’t continue to raise funds towards the capital project. Mark Perry suggested that we go forward and recommend to the Board on November 16, 2020 that we move ahead with the contract for completion of the displays.
- Mark Cocorullo made a motion that “We are closing in rapidly on funds needed and it is a low risk activity to move forward with the contract for completion of the displays. Should there be a cash flow deficit we will use one or more opportunities to borrow from the operating funds, endowment funds or ask the board to finance the receivables.” The motion was seconded by Matt King. It was voted on and unanimously approved.
- The cash flow forecast for Admissions is still running off the progressive model. Education programs have an adjustment because grants came in earlier than expected and the gift shop is modelling off the progressive model. January, February and March will have some adjustment. Research is a timing issue. Special Events forecasting is difficult because Oceans Alive will probably not be an in-person event. There is still some uncertainty because COVID numbers are going up. Thanksgiving week will be a real test. We will continue to track against the progressive model.
- Susan Scheyder has submitted paperwork for the PPP forgiveness and will keep us informed

- Matt King has drafted a Request for Proposal letter to send out to bid for our 990. We have been with Rehmann for three years and it is a good time to revisit the cost of these services.
- Abbie Flood pointed out that Rehmann has been a business partner and that was noted. It was decided that letters would go out to Rehmann, HBK and Berger and Tooms. The 990 is due on February 15, 2021 so we have requested responses back by December 4, 2020. Matt King requested that if anyone has any feedback to let him know.
- There was discussion about changing the BOD Meetings back to Wednesday with the Finance Committee Meeting right before it. This will be discussed at the BOD Meeting on November 16, 2020.

Matt King adjourned the meeting at 4:00 pm.
Minutes respectfully submitted by Matt King, Treasurer of the Board of Directors
and recorded by Cathy Muir, Administrative Assistant.

Respectfully submitted,

Matt King, Treasurer
Board of Directors