

Florida Oceanographic Society
Finance Committee Meeting Minutes
September 16, 2020

Call to Order: Matt King called the Finance Committee Meeting to order at 3:01 p.m. through Zoom.

Committee Members Present via Zoom Conference call: Matt King, Mark Cocorullo, Allen Herskowitz, Paul Hederman, Larry Zabik and Lindsay Zabik Krutz.

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 August, 2020 show Operating funds of \$351,813. Capital Funds of \$1,951,673. Endowment Funds total \$158,523. The Balance Sheet for August 2020 shows total Assets of \$4,961,380. Total Liabilities of \$775,840 and total Net Assets of \$4,185,540

Financial Reports Review: The Statement of Revenue and Expenses for the month of August 2020 shows Total Revenue of \$69,206. and Total Expenses of \$147,733. with a shortfall of (\$78,526.)

Matt King requested that the Minutes from the September 2, 2020 meeting be tabled until the next meeting.

Discussion:

Zabik and Associates Report by Larry Zabik and Lindsay Krutz Zabik

- The exterior stucco, paint and boardwalks are underway.
- We have coordinated with Brittany Biber to bring the screen on the front of the new building down.
- The windows failed the initial water tests. Retesting will be later this month.
- The TCO has been pre-coordinated with the County.
- Two items are on the change order. The Game Fish Lagoon Platform will be slightly raised so it will be even with the boardwalk. The ADA regulation states that the sidewalk must go from the perimeter of the building into the facility. It will have to be moved to the north end of the parking lot to comply.
- ODP had no changes.
- Once we get the TCO we can move into the building but it might be better to have Hooks go in with a punch list and fix anything before we move in.
- The Financial Update shows that we are about \$180M shy of our goal for the exhibits, when accounting for verbal commitments and outstanding pledges receivable. Allen Herskowitz pointed out that this figure includes the booked pledges payable through 2024, which will not provide cash on hand to meet the expected funding needs for the exhibits when payment is due. After discussion, it was determined that we are actually \$632M short of our goal, based on cash on hand,

when including recently collected pledge payments. Larry Zabik made a recommendation that we release Color Ad. Matt King requested Color Ad requirements for down payment and draws. Larry Zabik will get that information. The fabrication timeframe is about 16 weeks. Forty-eight percent of our visitation comes between January and April so there would be an advantage to having the exhibitions ready in the spring. The new building will also justify an increase in admission prices.

- Abbie Flood asked what number the Committee would need to be comfortable and move ahead with the exhibits. Allen Herskowitz stated that we now have a cash flow deficit for the exhibits and in operations. He does not feel comfortable signing the contract until we have cash on hand. There also has to be a positive possibility that we will receive the funds pledged funds prior to having to meet our contract obligations for the exhibits.
- We have cash on hand to complete the building but not the exhibits.
- Allen Herskowitz said that Larry and Lindsay Zabik have been spectacular in managing the project and deserve recognition.

Capital Campaign Report by Nancy Perry, CFRE

- Last month we had \$150M in new gifts and this month we have \$60M.
- We have prospects who are coming back for the winter and are scheduling tours of the new building.
- Nancy Perry is going after the high end donors to raise money for exhibits. We are still soliciting and receiving funds.
- Allen Herskowitz commented that Nancy Perry is doing an amazing job even at this difficult time.

Cash Flow Analysis

- The cash flow does not have a lot of changes. Numbers have been refined and adjustments have been made for grants.
- The cash flow shows payroll savings if we go with 20% furlough for October, November and December and then down to 10% in January through September which will keep the bank balance positive through January and February. We have four open positions which will not be filled.
- The December General Contributions \$105K is conservative. We have appeals going out in early November and December, Giving Tuesday, targeted donor appeal and a possible Board match.
- We will maximize our admissions by being open when schools are closed, 7 days for Thanksgiving and Christmas through New Year's. Employees will be cross-trained so all shifts are filled.
- COVID is still a major problem. We have been extremely careful with our procedures and also very cautious with the staff.
- Schools have opened without major impact. Volunteers are not coming back in the way we hoped. It is difficult to recruit new volunteers but the Education Department is training five new exhibit guides.

- We are asking the Committee to approve a 90-day budget from October 1, 2020 to December 31, 2020. If we do our cost cutting now we may be in a better position in 90 days. Matt King said he had no objection to a 90-day budget but had to leave the meeting and would contact Mark Perry. Allen Herskowitz stated that the Finance Committee should make a recommendation to the Board to approve adopting a real time 90-day rolling budget. This should be an agenda item on the BOD Meeting October 19, 2020. The Board should also be alerted in advance.
- Mark Cocorullo stated that we need to bring all Board Members up to speed on our financial situation. Board Members might look at it differently and have some new ideas. Mark Perry and Allen Herskowitz will compose a memo to the Board.

Allen Herskowitz adjourned the meeting at 4:15 p.m. The next Meeting is Tentatively scheduled for September 29, 2020 at 3:00 p.m. through Zoom. 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