

Friends of the Museums of Florida History, Inc.

MEETING MINUTES

10 a.m., Wednesday, April 5, 2023

Room 307, R.A. Gray Building

Participants

Directors: Ms. Laura Rogers, Chair; Mr. Andrew Collins; Ms. Lena Juarez; Mr. Bill Herrle; Mr. Lester Abberger; Dr. Dennis Moore

Staff: Ms. Alissa Lotane, Ms. Lisa Barton, Ms. Danila Coppola

Guests: Mr. Scott Hilton, Wells Fargo Advisors; Ms. Jessica Coates, Carr, Riggs & Ingram

I. Call to Order

Ms. Rogers, Chair, called the meeting to order at 10:01a.m.

II. Introduction of Board, Staff, and Guests

Ms. Rogers welcomed all board members, staff members, and guests attending the meeting. Ms. Rogers asked everyone at the meeting in person to introduce themselves to be followed by those on the conference call.

III. Adoption of Agenda

Ms. Rogers requested a motion to adopt the agenda.

MOTION TO PROCEED WITH AGENDA: Ms. Juarez

SECOND: Dr. Moore

MOTION PASSED WITH NO OBJECTION

IV. Chair's Comments

V. Consent Items

Ms. Rogers inquired if there were questions about any of the consent items. With no questions or comments, Ms. Rogers requested a motion to pass all the consent items on the agenda at once.

Note: Consent items up for vote were provided to the Board in advance via email.

A. Meeting Minutes from January 30, 2023, quarterly board meeting

B. Financial Report through February 2023

MOTION TO APPROVE THE CONSENT ITEMS: Mr. Collins

SECOND: Mr. Herrle

MOTION PASSED WITH NO OBJECTION

VI. Business Items

A. Financials

1. FMFH FY 2021-2022 Annual Audit

Ms. Jessica Coates, supervising senior auditor with Carr, Riggs & Ingram, presented the audited financial statements for the fiscal year ending June 30, 2022. Ms. Coates noted that assets totaled about \$1.7 million as of the year end, representing the net worth of the organization, and that net assets decreased by about \$64,000 from the prior year, mostly due to investment loss due to weaker market conditions. Total revenues were \$283,567, which is approximately \$37,000 less than the prior year, primarily due to the investment loss. Expenses totaled about \$148,000 for the year, which is about \$89,000 more than the previous year due to more spending during the year. The program services totaled about \$70,000 for the year, an increase of about \$13,000 from the

previous year, mostly due to Florida History Day held in person in fiscal year 2022, while supporting services were approximately \$277,000 for the year, an increase of about \$76,000 from the prior year, primarily due to the museum being open for the full year and the gift shop wages paid for the full year. The net cash that was provided by operating activities increased by approximately \$29,000 from the previous year primarily due to more revenues coming in from the gift shop, contributions, and educational programs. Ms. Coates then highlighted the breakdown of revenue and expenses and the areas of the report that explain the significant accounting policies. Also, she noted the amounts that are summarized within the statement and the required communications.

Ms. Coates reported that there were no past adjustments, but there were some adjustment of entries that were related to reclassification between accounts and entries. She also stated that there were no significant issues during the audit, and there were no disagreements or difficulties with management. Ms. Barton and Ms. Coppola were commended for being responsive and helpful during the audit. Furthermore, Ms. Coates explained that the organization was required to issue a report on the internal controls along with the audit report, and that there were no internal control findings noted. She concluded the presentation of the audit report and invited questions from the board.

Ms. Rogers expressed her gratitude to Ms. Coates. Mr. Collins mentioned that the audit was well done and highlighted the changes made to internal control procedures. He also pointed out that the effects of the COVID year were still being felt in revenue and expenses from the gift shop. He congratulated the management for successfully shifting to online sales. He anticipated that the museum closure and construction projects would result in a replication of the 2020 year with some salary shifts. Mr. Collins thanked everyone and expressed his appreciation for the opportunity to provide his input as the treasurer. Ms. Lotane mentioned that due to the decrease in revenue, one part-time store position became an OPS position. Ms. Rogers then made a motion to approve the audit.

MOTION TO APPROVE THE FY 2021–22 AUDIT: Ms. Rogers
SECOND: Mr. Abberger
MOTION PASSED WITH NO OBJECTION

2. Endowments Progress Report

Ms. Rogers invited Mr. Hilton to discuss the endowments. He provided a broad summary of economic conditions including rising interest rates, inflation, and higher mortgage rates resulting in a slowing market for housing. Mr. Hilton anticipated the travel and leisure markets may be affected by rising interest rates and that the Federal Reserve may raise rates again. Mr. Hilton mentioned the recent failure of two regional banks and that overall there was a real tightening of credit, especially for small businesses, which could have significant effects on the economy throughout the year. Mr. Hilton mentioned that inflation was expected to decrease to 3% by the end of the year. Economic growth was predicted to be slightly better than it was at that moment, and the GDP was anticipated to be around 1.1% by year-end. Mr. Hilton spoke about the unemployment rate and that companies are cutting costs. Mr. Hilton said he expects choppy markets to continue throughout the second quarter, but anticipates that the second half of the year will be better. Mr. Hilton noted that bonds have performed well.

Mr. Hilton discussed each individual endowment. The Cultural Endowment fund increased by 0.3% ending in March at \$626,493. The cash reserves at the end of February increased to over \$19,000. He discussed the investment strategy, noting that as the CDs become due, they are reinvested at higher rates. The Charles Knott Endowment stood at \$147,711 at the end of February and increased to \$150,079 by the end of March. The James Knott Endowment held \$203,000 at the end of February and increased to \$206,915 at the end of March. Mr. Hilton warned about volatility in the markets, noting that the Federal Reserve raising interest rates has been causing some nervousness in the market. He expects the market to improve once interest rate increases are paused. No questions were raised after the update.

B. Staff Updates

Ms. Rogers recognized staff for updates. Ms. Lotane provided an update on the status of the testing of the R.A. Gray building plaza. Ms. Lotane noted that there is \$300,000 included in the proposed State budget for a museum master plan that will allow the museum to work with an outside firm on space planning and developing a better visitor experience. There was also discussion about the R.A. Gray Building's humidity control project and the renovations occurring at the Capitol. Ms. Lotane noted there is no specific date for the Museum of Florida History reopening and discussion ensued about landscaping around the building and rent payments to DMS. Ms. Lotane mentioned the Museum's ongoing educational offerings for the public, including school outreaches, in addition to the renovation and exhibit project at the Union Bank.

Mr. Collins noted that staff are thinking about future programs and budget planning. Ms. Barton stated that next year's budget will be presented at the June board meeting. She explained that the budget will take into account the estimated closure period of 18-24 months. Other budget factors include recurring costs and the continued decrease in gift shop income due to the main store being closed. Ms. Barton noted that additional promotion of the two open stores and the online store could help increase revenue.

Ms. Barton mentioned the upcoming programs the Museum has planned for the next few months, including the collaborative exhibit at the Florida Historic Capitol Museum scheduled for the summer. In addition, she mentioned the possibility of directing some funds to permanent exhibit planning costs. Ms. Barton thanked Ms. Coppola for her efforts to maintain the operation of the stores. Ms. Coppola gave a brief update about hiring and store operations at the Capitol.

VII. Other Business

A. Upcoming events

Ms. Rogers provided an opportunity for additional updates. Florida History Day was mentioned and Mr. Collins shared that he volunteered to judge Florida History Day again this year. Ms. Lotane updated the board on the Knott House, which is currently closed for repairs and maintenance. Ms. Lotane discussed funding received through the American Rescue Plan Act, but the timeline remains uncertain. She also noted that funds for the repairs may be included in the State budget.

B. Wrap Up—Summary of Meeting Accomplishments

Ms. Rogers thanked everyone for attending the meeting.

VIII. Public Comment

Ms. Rogers opened the floor for questions or comments. There were no questions and no members of the public on the call. The meeting ended with a motion to adjourn.

IX. Adjourn

MOTION TO ADJOURN THE MEETING: Ms. Rogers
SECOND: Mr. Abberger
MOTION PASSED WITH NO OBJECTION

The meeting adjourned at 10:50 a.m.

Ms. Laura Rogers, Chair
Friends of the Museums of Florida History, Inc.

Date

Ms. Lisa Barton, Director
Museum of Florida History

Date

Ms. Alissa Lotane, Director
Division of Historical Resources

Date

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