

**MUSEUM OF SCIENCE & INDUSTRY, INC.**  
**FINANCE & AUDIT COMMITTEE MEETING**  
**Tuesday, February 19, 2019**  
**MOSI, 4801 E. Fowler Avenue, Tampa 33617, 2<sup>nd</sup> Floor Boardroom**

**Present: Tom Fesler, Briget Hart, Karrie Hebert, Rob Lamke, Michael Morris, Lori Nissen (phone), Robert Thomas (phone), Kenyetta White-Johnson (recording)**

**From Rivero Gordimer: Sam Lazzara, Aaron Parke, Dennis Paleveda**

The meeting was called to order by Committee Chair, Michael Morris at 10:05am

**Audit Update-** Sam Lazzara, Aaron Parke and Dennis Paleveda of Rivero, Gordimer gave a high-level overview of the FY2018 Audit results.

Report on 2018 Audit of Financial Statements

- Unmodified Opinion
- No disagreements with management

Responsibilities under Generally Accepted Auditing Standards (GAAS)

- Audits performed in accordance with GAAS
- Objective is reasonable-not absolute-assurance that the financial statements are free of material misstatement

Responsibilities under Government Auditing Standards

- Compliance with laws, regulations, contracts and grants

Internal Accounting Controls

- Reviewed controls to the extent necessary to render an opinion on the financial statements
- No material weaknesses noted

Management Cooperation

- Received full cooperation
- Full access to books and records

Auditing Standards Requirement

- Illegal Acts- None Noted for 2018
- Consideration of Fraud in a Financial Statement Audit- none noted for 2018
- Significant Changes in Accounting policies- No significant changes
- Adjusting Journal Entries- Depreciation, Deferred Revenue, Construction in Progress, Endowment Investments
- Other Matters

Following the overview, there was discussion surrounding the implementation of a program/process to depreciation. MOSI will need to look into a process to record depreciation.

**Consent Agenda-** Lori Nissen, made a motion to approve the minutes of the January 19, 2019 meeting minutes. The motion was seconded by Robert Thomas, and approved by the Finance Committee.

**January Financials**

- Operating Revenues of \$193k for the month, were \$20k or 9% below budget. Operating Revenues for the four months ended January 31st of \$831k, were \$24k or 7% above budget. Most revenue categories performed at, or well above budget for the four months, with the exception of

Development, which was below budget \$31k or 90% for the month and \$54k or 35% YTD. Development is budgeted smoothly over the year. VR Simulator revenue is trending slightly below budget, partially because revenue share was forecast at 50%, but it is only 45% until the 100% threshold is reached. Education revenue was \$21k or 33% above budget YTD, but \$9k or 35% below budget for January due mostly to underperformance of school groups and programs. General admission and Membership revenue continue to exceed budget YTD, with strong monthly performance.

- Operating Expenses of \$231k for the month, were \$14k or 6% below budget. Overall, expenses appear to be on track. Significant individual MTD variances for Education, Facilities & Maintenance, IT & Data Processing and Office & Graphic supplies appear to be the result of timing. There do appear to be some questions on whether some costs were included in the budget for IT & Data Processing, Office & Graphic Supplies and Exhibit Maintenance/Enhancements, that might explain variances in said categories. The under budget Utilities YTD, is the result of electricity below budget. Operating Expenses of \$930k for the four months ended January 31<sup>st</sup>, were \$49k or 5% below budget.
- The operating deficiency before depreciation for the four months ended January 31<sup>st</sup> was \$99k compared to a budgeted deficiency of \$172k. Exceptional Income of \$261k, represents reimbursements of prior year expenditures, much of which related to reconfiguration.
- Operating cash at December 31<sup>st</sup> was \$838k
- Accounts Receivable is almost entirely due from public support.
- \$33k in Accounts Payable and \$28k on Credit Cards is almost entirely current, with only \$2k being 30 days aged and \$2k being 60 days aged. These \$2k monthly invoices are from a consultant, whose performance accomplishments are being evaluated against contracted responsibilities.

There was further discussion and some concern surrounding the Development revenue, and the lack of having a clear development plan/pipeline in place to reach the budgeted goal. Members of the Finance Committee suggested that if there is no development plan in place, should MOSI consider cutting costs in other budgeted areas.

There was also discussion about regarding IT, it was communicated that MOSI is still being billed at the previous contracted amount. MOSI has asked the vendor for a detailed report, and is waiting to receive the report.

The Finance Committee meeting was adjourned at 11:01am.

***The next Finance Committee meeting is scheduled for March 19, 2019 at 10:00am***