

DRAFT
**Meeting Minutes for the Finance
Committee of the Board of
Directors of the Arizona Historical
Society**

September 20, 2022

Mission: Connecting people through the power of Arizona's history.

Meeting Minutes

1. Call to Order at 9:06 am by Committee Chair Jim Snitzer

2. Roll Call – Jim Snitzer

Present: Gene Kunde, Richard Powers, Colleen Byron, Jim Snitzer

Staff Present: David Breeckner- Executive Director, Kaydi Forgia- Executive Staff Assistant

Absent: Sandy Navarrete, Carole McQueen- VP Finance AHS

3. Minutes - Discussion and action, if any, to approve the draft Minutes of the August 16 ,2022 Finance Committee meeting.

No discussion or edits.

Motion to Approve- Gene Kunde

Second by- Richard Powers

Unanimously Approved

4. Call to the Public- Jim Snitzer

No Public Present

5. AHS Financial Overview – Jim Snitzer and David Breeckner

Financial Overview (EOY FY22 through the 12th month) documents shared with committee via Zoom and email. - The committee was informed that Carole McQueen has experienced an unexpected personal matter and that she will be completing her reports as soon as possible.

Jim Snitzer walked the committee through figures on the report. AHS revenue was more than expected, thanks to things like a Grant and unfilled staff positions. The figures combined to equal \$964,748. This was added to the reserves, bringing it to ~\$4.3m. Reported as a single number it does not represent the full picture of AHS' financials. How

AHS reports those numbers to give a more truthful picture of the figures will be addressed later in the agenda.

David Breeckner added commentary to Jim's overview and via Zoom presented AHS' Combined June Reports; The restructure of budget reporting in previous years has caused delays in AHS' current reporting process while Carole works on updating the system. Carole essentially runs two reports simultaneously in order to align with the State's expectations. This is the first year AHS has had to complete EOY reporting in the new accounting system. AHS is trying to simplify it's reporting process to better align with the State. Currently AHS has to account for types of revenue and types of expenditures, as well as the allocations for program services and departments. The Combined June Report Workbook is an attempt to consolidated the information. David asked the committee for its feedback, and to center their focus on two tabs, New Format Overall and New Format Expenditures. The tabs present AHS funds in two different ways and closely aligns with the State. AHS hopes this consolidates the reporting process in a way that enables our Financial department to minimize its current amount of reports drawn.

Conversation following presentation of Financial Overview:

Colleen Byron- Inquired why AHS hasn't been reporting in this manner. David Breeckner reassured Colleen that AHS has been reporting all the data being shown, and that AHS is attempting to reformat the reporting process to align with the State. David added that AHS has the highest amounts of codes being reported despite being one of the smallest agencies, and that consolidating the codes and reconciling with incorrect coding has been a complicated process.

Colleen Byron- Asked for clarification on how the codes are being consolidated, combined by like codes or decreasing the amount of codes. David clarified that it would consist of using both methods, and that Carole McQueen would be better suited to answer in more detail. Colleen asked for a document to be sent to the committee explaining how AHS will realign the line items. David offered to follow up with a document outlining the process.

Gene Kunde- Expressed gratitude for AHS taking on the reformatting process and understanding of the condition of the finances inherited by AHS' current Administration. Gene warned that historical data may be lost due to reformatting but knows that it must be done to realign AHS' reporting process with the State, and again expressed appreciation of the work AHS has done to reformat the reporting process.

Jim Snitzer- Noted that there may be concern for the line noted as "Misc. Revenue", but explained that it represents minimal amounts that would complicate reporting if it was broken out into separate codes. Jim also noted that 0 (zero) would be reported monthly in some instances.

David Breeckner- Noted that the report shared in the meeting is current through the 12th month (June) of FY22. The total expenditures ~\$3.8m which is under the budget of ~\$4.1m, representing in the allocation carry over to reserves at ~\$4.6m which is ahead of initial projections.

Colleen Byron- Inquired how accurately is the Budget vs Actual is represented in AHS monthly reporting; (annual and divided by 12, or clumped and intermittent throughout the year). David gave an example of how the advertising funds are reported, explaining the variables involved and how they are reported. David added that in the case of salaries AHS is able to budget monthly and that temporary salaries are based on historical data. Colleen asked for a list of categories where a month to month budget may not be reported, for example advertisement or events. David offered to follow up with Colleen's request.

Richard Powers- Asked for clarification on the Capital Outlay line item. David explained that AHS currently does not budget for Capital Improvement Plan (CIP). Part of the reporting is vestigial and that AHS in no longer receiving direct funds for CIIP. There has been a shift in how other State Agencies provide support through expending their funds.

Gene Kunde- Asked if this was "In Kind" services. David confirmed that the other agencies were offering their services and expending their funds. Gene asked David to expand on his explanation. David conveyed that it is a combination of AHS evaluation of Capital Improvement Plan scale of work and what ADOA agrees to fund by way of services. This year ADOA agree to fund ~\$2m in CIP.

Colleen Byron- Is interested in how this will be reported. David noted that it will be reported the Sunset Audit and in AHS' Annual Report because AHS is not receiving direct funding for the CIP. Colleen asked if it was possible to create monthly reports. David conveyed that the reporting is in process for In Kind and will be available soon.

6. FY24 Budget Submission – David Breeckner

Document shared with committee via Zoom, a link was provided in the chat and the committee was shown the path to the document via AHS website.

AHS is asking for an increase in appropriations of \$181,303 based on the projected budget of \$4.566m. AHS has justified this request through the 10% salary increase to State Employees causing AHS to report a deficit despite proactive budget cuts to meet the 2013 Sunset request to balance AHS' budget. AHS is still waiting for the determination of the request. It was recommended that AHS act on its investment fund.

Jim Snitzer- Recommended the committee read through the budget submittal narrative. Jim expressed appreciation for how delicate issues were addressed.

7. Investment Funds Proposal- David Breeckner

Documents shared via Zoom and emailed to the committee.

David Breeckner walked the committee through the figures reported. Expressing the challenge of accurately reporting the investment funds and how inaccurate labeling has limited the transparency of the report. There are figures hidden in the report that should be broken out to provide clarity on where the funds are allocated.

Colleen Byron- Suggested a re-do of the chart of accounts be submitted to the Finance Committee for approval. This segued into the action item being presented to the committee.

David Breeckner explained the proposed changes to AHS Investment Accounts reporting. Condensing accounts by removing non-active accounts and restructuring the report. Grouping the accounts into two categories, Operations and Restricted. Operations refers to anything used to support Annual Operations for AHS, broken down into four subcategories; Federal Grants, Non-Federal Grants, Credit Card Clearance and Operational Reserves. Descriptions will provide guidance on how the funds can be used. Restricted refers to funds that can be used exclusively for multi-year capital improvements outside of AHS' annual budget. It will be broken into Interdepartmental subcategories; Capital Projects, Non-expendable, Historic Properties, Matching Grant Funds, Facilities, L.A.C.E., and Capitol Campaign Support.

Colleen Byron- Expressed gratitude for the extensive journal items being made for the reformatting.

Action Item: Finance Committee's approval of proposed restructure to the chart of accounts.

Motion to approve- Colleen Byron

Second by- Richard Powers

Unanimously Approved

8. Announcements and other matters for consideration in future board or committee Meetings.

Brief conversation:

Jim Snitzer- Thanked all for the conversation and input.

Colleen Bryon- Requested financial reports be available sooner. Stated she understands the current circumstances and appreciates AHS' dedication to transparency.

Richard Powers- Asked for confirmation that meetings will start at 9 am on future scheduled dates. 9 am start was confirmed by Jim Snitzer and David Breeckner.

David Breeckner- Conveyed that he is available for follow up questions anytime and that he appreciates the committee's understanding while AHS is striving to be more prompt.

Finance Committee Schedule: 9:00 a.m. and Virtual unless announced otherwise

*Click the date to register for the meeting All meetings
are hosted live-streamed via Zoom*

[October 18, 2022](#)

[November 22, 2022](#)

[December 20, 2022](#)

Adjournment at 10:12 am, Monday, September 20, 2022

Arizona Historical Society

A handwritten signature in black ink that reads "Jim Snitzer". The signature is written in a cursive style and is positioned above a thin horizontal line.

James Snitzer, Finance Committee Chair

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