

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

February 20, 2024

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

1. **Call to Order** – Treasurer Linda Whitaker @ 9:04

2. **Roll Call** – Linda Whitaker

a. Members:

Present: Linda Whitaker, James Snitzer, Sandy Navarrete, Richard Powers

Absent: Bruce Gwynn, Eric Flohr

b. Staff: Vincent Bradley, Sebastian Alt

3. **Minutes** – Approved as submitted.

4. **Call to the Public**– no members of the public present

5. **AHS Financial Overview** – Vincent Bradley

a. **990 Completed**

Linda Whitaker mentioned that almost half of the 990 form didn't pertain directly to AHS. She pointed out a section on page 47 requiring that the agency's Finance oversight structure had reviewed the form. Note that none of the committee members who were present had experience with the 990 form. Going forward, we are now better informed thanks to Sebastian's attention to detail and problem-solving. This was labor intensive work.

Sebastian noted that a technical glitch temporarily prevented the submission. The biggest challenge was locating all of the required information and figuring out how to submit it. He is exploring alternative submission platforms such as Appro and Mds which are authorized and free. Linda inquired about the timeline for submission. Sebastian stated that it should be completed that day, barring any unforeseen issues.

Linda expressed optimism that future submissions would be easier and requested a confirmation email once the submission was done. Linda emphasized the trust placed in Sebastian to guide and educate the team throughout the process. **Added note: confirmation of the 990 submittal**

was received.

b. Review of monthly financial reports

i. Revenue, Expenditures, YTD

During the meeting, Linda Whitaker discussed the monthly financials and expressed appreciation for the concise attachments. She referred to the January CSB report and noticed a negative revenue under miscellaneous receipts, Vince explained that the negative amount was due to reshuffling and reassigning of funds in January. Linda mentioned that AHS has freedom to move funds around based on lump sums received from the state. No other significant issues were found in the financials, and the revenue for January was reasonable despite being closed for half the month. The expenses were in line with facility improvements, and overall, the organization was in a positive financial position for the year. Linda paused to invite feedback from committee members, but no questions or comments were made at that time.

Linda asked if committee members preferred the current shortcut overview or if they would like to receive the full CSB report every month. Jim Snitzer responded positively to the current reporting and asked about the remaining appropriation and when the revenue streams will start picking up. Vince discussed recent events bookings and the increase in visitors, which will contribute to revenue growth. Upcoming bookings include a large event with the U.S.S. Arizona and various proms, weddings, and evening events. Linda asks about the level of bookings. Vince stated that weekends are well booked, but weekdays still have openings.

Vince said that they have been improving their financial management and systems over the past two months. He mentioned that they are still trying to determine the best approach and whether a complete budget restructuring is necessary. They have a meeting scheduled with state experts who will assess their current structures and discuss agency needs. The goal is to receive recommendations aligned with state expectations and tailored to specific requirements. Training and reinforcement will be necessary to ensure things are done correctly. Depending on the recommendations, AHS may need to change the budgeting structure. The state experts have also enlisted a team, including a grant specialist, to assist with grant tracking. Linda Whitaker acknowledged the challenges of finding reliable resources and expresses full support for the approach, requesting a report on the findings for the

next meeting. This is precisely the high level analysis and information that the Finance Committee needs. It may require a tutorial for this Committee pending the internal adjustments that are adopted.

ii. Investment Fund Balances Update

Vince reviewed the budget structure and allocation of funds. They considered reorganizing their funds to include sub-funds under the HI2025 fund, which represented statewide donations. The purpose was to simplify the structure and make it easier to track and allocate funds.

Donations referred to non-taxpayer money generated through fundraising. The discussion also touched on different types of donations, such as restricted and unrestricted funds, and the need to ensure clarity in labeling and interpretation. Overall, they aimed to make the budgeting process less complicated and more intuitive for the Finance Committee.

During the meeting, Jim Snitzer expressed his concern about the perception of the organization's reserves and the need to avoid appearing to have excess money. He suggested renaming the reserves to reflect a specific purpose, such as emergency funds or education, to make it less appealing for the legislature to target their funds. Linda Whitaker acknowledged the point and emphasized the importance of demonstrating that the funds are actively being used.

Vince discussed the need to track and allocate donations appropriately, separating out non-federal grants from statewide donations. They also discussed the significance of naming funds with non-round numbers to avoid drawing unnecessary attention. They mentioned that the investment funds would continue to accrue interest while waiting to be utilized. Committee members expressed gratitude for the progress made and shared in understanding and managing the organization's finances.

c. Grants process - work in progress and under policy review

Vince discussed the grant tracking and structural changes they are implementing. He mentioned that they are currently on the low side of their grants and are planning to make changes to assign duties to better support grant applications. He also mentioned that they will have two new staff members starting soon, an editor and an NHD Coordinator. They acknowledge that their previous grant tracking system was not being used correctly and that they were collecting multiple grants under

the same program, making it difficult to track expenses accurately. They plan to use a new structure where each new grant will be treated as a separate program to improve tracking and reporting. They also mention the challenges they face in researching and accurately accounting for grants from the past. Staff expressed their commitment to implementing the new structure correctly for new grants and not waiting until the new fiscal year to make these changes. They acknowledged that the previous timeframe management has caused issues and penalties in the past.

Linda Whitaker inquired about a \$25,000 grant from SRP dating back to 2019. Vince explained that the grant was intended for updates to the Steel Auditorium, specifically addressing lighting, sound, and electrical improvements. There are wiring issues in the Brown Theater, which is connected to the Steel Auditorium. They plan to allocate a portion of the grant to fix the wiring and ensure the front-of-house lights are operational. Whatever remains will be used to update the sound system and enhance lighting capacity, as both are outdated. These do not meet the expectations of larger events, such as the USS Arizona.

Jim Snitzer and Vince discussed fundraising potential, donation fatigue and anticipated budget falls. The discussion also touched on the need for a grant writer to explore opportunities with the Arizona Office of Tourism, as well as potential funding from Arizona Parks and Recreation for potential trails in Flagstaff. Vince expressed optimism about revenue generation and emphasized the importance of donations for their upcoming Juneteenth event. They also mentioned efforts to secure endowments.

Vince plans to interview candidates for a business development manager role to address their fundraising needs proactively. Linda raised concerns about the upcoming budgetary cycle, potential big changes, and unexpected assessments from risk management. Sebastian mentioned an upcoming financial audit to ensure transparency and avoid unexpected changes. Linda requested a report on the audit at the next finance committee meeting. The meeting concluded with sincere appreciation for the staff's efforts

6. Adjournment – Linda Whitaker @ 10:01

Dated this 22nd day of February 2024

Arizona Historical Society

Linda Whitaker

Linda Whitaker, Treasurer

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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

[March 19, 2024](#)

[April 16, 2024](#)

[May 21, 2024](#)

[June 18, 2024](#)

July 16, 2024

August 20, 2024

September 17, 2024

October 15, 2024

November 19, 2024

December 17, 2024 (tentative)

