



## Southwest Virginia Cultural Heritage Foundation Board of Trustees

Thursday, March 11, 2021 | 1:00 to 3:00 p.m.

Digital Meeting:

<https://zoom.us/j/6687672858>

Phone Number: +1 646 558 8656 US (New York)

Meeting ID: 668 767 2858

Due to the Governor's Declared State of Emergency due to COVID-19, it is impracticable and unsafe for the Board of the Southwest Virginia Cultural Heritage Foundation to assemble in a single location, so the Board meeting and public hearing will be held electronically, by video conference and telephone options, pursuant to 2020 Amendments to the 2020 Appropriation Act. The purpose of the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the Board and the discharge of its lawful purposes, duties, and responsibilities. The public is welcome to use the link and phone number options made available by staff to attend the meeting electronically. The Board will make available a recording or transcript of the meeting on its [website](#) in accordance with the timeframes established in Sections 2.2-3707 and 2.2-3701.1 of the Code of Virginia.

### Minutes

#### Call to Order

Delegate James W Morefield, Chair, called the meeting to order and gave welcome at 1:02 p.m.

The board recognized Senator Ben Chafin with a moment of silence and spoke of his service to the Southwest Virginia region.

#### **Jenna Wagner conducted roll call at 1:03 p.m. Quorum was met.**

Trustees in attendance:

Senator Todd Pillion

Delegate Will Morefield, Chair

Delegate Chris Hurst

Delegate Sam Rasoul

Dean Chiapetto

Tonya Triplett (for Jimmy Morani)

Robyn Raines

Ellen Reynolds

Julie Walters Steele

Kathy Shearer

Amanda Pillion

Dr. Adam Hutchison

Larry Yates

Erik Johnston

Becky Nave (for Rita McClenny)



Guests in attendance;

Juan Garcia - HBC CPAs

Caitlin Johnson - Virginia Tourism Corporation

Matt Weaver – Virginia Department of Housing & Community Development

Carrie Beck – The Crooked Road

Tyler Lester – Legislative Director to Senator Todd Pillion

Staff in attendance:

Jenna Wagner

Krystal Mosley

Ida Walker

Gwyn Hill

Chad Thompson

Tina Murray

No comments made during the public comment period.

#### **FY20 Final Audit Report** – Juan Garcia, HBC CPAs

Juan Garcia of HBC CPAs presented the audit performed for FY19/20. The audit was complete by 2.19.21. The numbers in the audited financial statements are without error after some small adjustments were made. The numbers as presented are fairly presented and the reports are reliable. They have a clean opinion. The second letter in the audit is regarding the internal controls. In the test of internal controls there were two findings that were recorded. These findings were immaterial but need to be addressed within the next 12 months.

Review of the financial statements are as follows:

- Balance Sheet and Income Statement
  - Total Assets - \$818,000
  - Total Liabilities - \$882,000 (675k of the 882k is the note payable with People Inc)
  - Total Revenue - \$1,752,000
  - Total Expenses \$1,743,000
  - Total Net Assets **(\$64,910)**
  - Presented statement of expenses by function
  - Presented Cash Flow statement
  - Presented notes to the financial statements
- Schedule of findings:
  - 2020-001 - One accounts payable item (approximately \$87,000) was recorded in FY20/21 rather than FY19/20. This was grant related. The receivable was recorded correctly in the current period. We had to make the adjustment to move the accounts payable item into the correct period.
  - 2020-002 – This finding is due to a few missing documents during the expense test of the audit. This was a very isolated occurrence due to prior staff not providing the documentation to the finance department. The amounts were immaterial. There should be no problem with this going forward.

Moving forward, we're going to come in after April 15<sup>th</sup> to meet with Krystal and Jenna to go through a couple of procedures that is going to assist in gathering these payables



and receivables. Krystal has already developed a spreadsheet and developed procedures that we call mitigating controls to pick these items up. We're going to review those controls, make any changes that we feel that needs to be changed at that time.

### **Financials – Jenna Wagner**

- These statements cover the period 7.1.20 – 12.31.20. The cash flow statement shows we have just over \$700,000 in total cash and receivables. We have received some of the funds that were in accounts receivable as of 12.31.20.
- The \$10,000 EIDL money is still being shown as a liability until confirmed this will be forgiven. (Per Juan Garcia as of 12.27.20, this will be forgiven)
- We have applied for the second draw of PPP for around \$82,000.
- First draw of PPP of about \$94,000 has been forgiven.
- Retail revenue is below what was budgeted. We are working to mitigate this short-fall and continuing to build our e-commerce platform.
- Miscellaneous revenue is higher due to selling unused equipment and items in the warehouse.
- Personnel revenue for the development programs is at 83% of total budget. As a reminder, we dropped this personnel total in the budget revision in December. We are dedicating those funds towards assistance from the Planning District Commissions. Ida is the only development program personnel on staff currently.
- Marketing reserve – We've added a reserve usage line item of \$28,153 that will now be reflected on our cash flow statement at the end of the financial report. We have around \$155,000 remaining in the marketing reserve fund.
- Insurance policies – This excludes employee insurance. These policies are for the Cultural Center and 'Round the Mountain. The number is \$8,799, which is over what we originally budgeted for, but that is the total for the year.
- Visitor Center supplies – Showing 474% over budget – We had a purchase of displays and shelving for the Visitor Center, which was an unanticipated expense.
- Development programs personnel expense – We have grant support for our development program personnel. The \$58,000 number reflected is the same number for the development program personnel revenue.

### **New Business**

- a. Consent Agenda – Delegate James W Morefield, Chair
  - i. Adoption of Agenda
  - ii. Approval of Minutes from December 2020
  - iii. FY21 Q2 Financials
  - iv. FY21 Budget Revision
  - v. FY20 Final Audit Report

Delegate Morefield - Advised what is in block to be voted on and asks if anyone would like to remove an item from the block. No one asked for anything to be removed. Delegate Morefield asked for a motion to approve the block. Senator Todd Pillion made a motion to adopt the agenda as presented, approval of the December 2020 minutes, FY20 audit and FY21 Q2 financials. Robyn Raines seconded the motion. All were in favor.

### **Executive Director Report – Jenna Wagner**



Staff has been navigating and having conversations over the last several months about how to best approach creative economy development as we move forward out of the pandemic. Jenna asked Erik to give a staffing update, prior to continuing with her report.

Erik Johnston – Update on the Executive Director search. The Executive Director position is a state position through DHCD. Recently received approval to post this position.

Jenna – Jenna continued with the staffing update and notified the board that Jamee Gillespie, Marketplace Manager, departed from the organization in February.

Annual Report – Jenna gave a detailed overview of the most recent annual report which includes information for the SWVA Cultural Heritage Foundation, Friends of Southwest Virginia, 'Round the Mountain, and The Crooked Road. This report is also in a PDF format available to the public. The report is prepared each year for the Virginia Department of Housing & Community Development and General Assembly. Some of the topics that were discussed are outlined below:

- Programming
- The pandemic and its effect on the organization
- Staff transitions
- AmeriCorps VISTA positions – Final approval
- Product and contract development
- POWER 15 conclusion and final paperwork
- POWER 16 construction projects
- Sustainability, partnership potential, and community impact.
- Four master plans are under way in the Mount Rogers and Cumberland Plateau regions.
- 'Round the Mountain programs and transition
- Marketing programs
  - Marketing Access Program (MAP)
- The Crooked Road (Carrie Beck will give a more in-depth overview)

### **Becky Nave & Caitlin Johnson gave an overview of Virginia Tourism's statewide tourism plan - Drive 2.0**

- Focuses on two key questions – What should we be promoting now? What should we be building now?
- Statewide plan has 11 key takeaways, with three main categories emerging.
  - The first being outdoor recreation is a major priority, vibrant communities, and promotion. This plan also has a competitive analysis and a game plan.
  - The second component is our regional plans. There is one for each region. The regional plans cover situation analysis.
- The combination of Drive 2.0 comes down to the strategic imperatives, which are outlined in the game plan.
- “How-To” guides – Five original in total, each focusing on a different aspect that research showed the industry wanted help with. In addition to these five is a sixth that was created this past fall called “Recovery Guide”. It gives more context and relevance to the guides based on where we are now given all the changes that we saw in 2020.



- Implementation process consists of three grant rounds. We are currently in grant round one. A total of 30 DMO's, 10 communities per round, will be participating by June 2022. Each community is eligible for a \$10,000 grant that can be used towards any promotion or product development.
- The ten communities that are currently working through Drive 2.0 in round one, are Bristol, Charlottesville, Albemarle County, Prince George County, Nelson County, Norfolk, Pulaski County, Richmond region, Virginia's Blue Ridge region, Scott County, and Tazewell County.
- The next round begins in July.

#### **Partner Organization Reports:**

- Ellen Reynolds, President of 'Round the Mountain
  - A board meeting was held on 3.9.21
  - The Cultural Center is the only place for several of the artisans to sell their work due to craft shows being cancelled and other venues being closed due to the pandemic.
- Carrie Beck, Executive Director of The Crooked Road
  - First half of the year we are focusing on promotion and partnership.
  - Have begun to place paid advertising.
  - We've had consistent inquiries on our website from people that want to travel to the region.
  - Maintained current partnerships as well as making new partnerships.
  - Engaging in partnership initiatives and projects with the Town of Abingdon and William King Regional Art Center, as well as Ferrum and the Blue Ridge Music Trail.
  - Initiated a musician's advisory board.
  - The second half the year we are looking to expand our programs for youth musicians

#### **Approval of Next Board Meeting Date**

Julie Walters Steele made a motion to approve the next board meeting that will be held virtually on June 10, 2021 at 1:00 pm. Senator Pillion seconded the motion. All were in favor.

#### **Adjournment**

Delegate Morefield called the meeting adjourned.