

Minutes of the Lexington Arts and Crafts Society, Inc.
Board of Directors Meeting
October 11, 2023

Unless otherwise defined in the text of any Vote, all capitalized terms have the meanings as defined in the Bylaws of the Corporation, as adopted March 23, 2019 and subsequently amended.

Documents referenced in pre-meeting materials (“PMM”) will be included in record minutes.

The October 11, 2023 Board of Directors Meeting of the Lexington Arts and Crafts Society (LexArt) was called to order at 10:05 am, conducted in person at LexArt, 130 Waltham St., Lexington, and via videoconference, chaired by Wayne Davis, Chair of the Board.

The following Board members were in attendance: Peter Demuth, Crystal Ribich, Molly Nye, Nancy Cornelius, Diane Gordon, Christina Gamota (left at 12:04), Alison Lauriat, Rachel Rosenblum, Wayne Davis (Chair), Matthew Siegel (President and Executive Director), and Michael Lawson (Treasurer).

Also in attendance was Hannah Wolfe (Clerk).

1. Approval of Minutes (PPM. p.4)

Rachel Rosenblum moved that the minutes of the July 26, 2023 Board of Directors Meeting be approved. Seconded by Molly Nye. Thereafter it was:

VOTED: That the Board of Directors hereby approve the minutes of the Board of Directors Meeting of Members held July 26th, 2023.

The motion was adopted unanimously.

2. Executive Director’s Report (PPM. p.8)

Matthew Siegal started the discussion regarding his Executive Directors Report by reiterating that it is the responsibility of LexArt to be a resource that is as accessible as possible for the public. He stated that making the facility accessible is appropriate and necessary. He asked for the Board's continued support and assistance, particularly if they know anyone who can provide expertise.

Crystal Ribich suggested that individual Board Members serve as liaisons between the studio users and the Board in order to improve communication going forward with current and upcoming organizational changes, and Matthew noted that this was a good idea.

There was an initial discussion on membership. The discussion was as follows:

Matthew noted that although the first quarter data demonstrated that several revenue aspects were more successful than anticipated (including sales and the education program), studio membership is down with the new model.

Regarding studio users, Wayne and Matthew discussed that none of the non-equipped studio members signed up for building access with the new model. Wayne questioned if the value proposition for these non-equipped studio membership needed to be re-evaluated. Matthew noted that he had several discussions with the non-equipped studio users about the new model and lowered fee, and he was hoping that particular subset of membership would still contribute the extra amount for building access in order to support the organization.

Matthew stated that this new model and overall decline in studio membership could be evidence that pre-existing membership is interested in sales significantly more than access to the building.

Regarding the new quarterly studio membership option, Matthew noted that it was designed primarily to accommodate a greater number of people, such as students, and not as a way for members who are financially stable to pay less to the charity. He questions if certain members who treat their membership as a for-profit transaction fully understand that LexArt is a charitable non-profit organization.

Both Peter Demuth and Mike Lawson questioned if members who renewed as non-studio users plan to support the organization in different ways, or if they view their new discounted membership as their only charitable contribution to the organization.

Several board members questioned if all of membership understands that LexArt is a charity.

Rachel Rosenblum thinks that the quarterly membership should be eliminated. Matthew would like to reevaluate it after a year, and Peter would like to reevaluate it at the end of the second quarter, which would be six months into the model.

There is also an issue of former members who did not renew their membership as studio users continuing to use the studio, specifically at times when LexArt is closed to the public and they know staff members are not present. Peter noted that these members are trespassing onto the property. Alison Lauriat suggested that we send an email to members who have not signed up for studio use yet to remind them that they are overdue and the board agreed.

Matthew noted that LexArt cannot afford to lose the revenue from studio access and membership. He noted that with the new business model, even non-members have the opportunity to get involved with the organization and provided some examples. However, former members are still accessing the resource that is LexArt, but choosing not to otherwise participate.

Diane Gordon brought up the idea that if the organizational change supports the vision of the organization, then maybe it's just the nature of a major change that certain members are unable to see or support the new vision, and that doesn't need to be examined on a deeper level.

Matthew stressed the importance of this conversation, and mentioned that every other artist non-profit organization in the area is also struggling with moving from being a member oriented organization to a public organization.

Wayne then started the discussion on Matthew's three goals from the Executive Director's Report.

Goal 1: Broaden and deepen teen engagement and further develop our teen programming.

Rachel Rosenblum questioned if teens should be a primary investment of the organization going forward since teens inevitably go away.

In response, Crystal stated that whatever community the teens move to will benefit from what LexArt has offered the teens, and the teens themselves will benefit. Wayne noted that while some of our offerings are to help stay in business, others are purely mission driven.

Matthew pointed out the positive impact of connecting art instructors and teens from different communities with each other and reiterated that supporting teens is deeper than just offering teen art classes, it includes other programs, shows, and councils for teens who he considers an at risk group, a large part of the community, and the future.

Alison and Nancy Cornelius described the huge positive impact the new teenage studio users have had on the ceramics studio. Matthew pointed out that it has also been impactful for those teens to have adults in their lives, who are not their parents or teachers, that they interact with as fellow studio users.

Wayne mentioned a further benefit of teen engagement is that the parents of the teens LexArt serves will also see LexArt as an institution that is worth supporting.

Goal 2: Expand our offerings for people of differing abilities and atypical learning populations, better adapt our facility to serve individuals with disabilities, and better design our instruction to a universal approach to learning.

Matthew brought up some examples of accessibility at LexArt from the past year, and where LexArt should improve and reiterated his points from the start of the Executive Director Report discussion. All were in agreement that LexArt should continue to work on being more accessible for all learners and practitioners.

Goal 3: Strengthen our efforts to expose our community, both our LexArt community and the greater community, to differing voices and perspectives.

Matthew stated that historically LexArt tended to view the world as divided into “members” and the general public, who were the non-members. Now there is also an audience. He pointed out we can educate the audience, particularly through the exhibition program. He emphasized that audience development is critical because we are not just interested in selling to people within the community, we also need to educate people.

Alison recommended we always have a guest book in the gallery where visitors can write comments to the organization. Matthew agreed that a comment book or a message board would be nice.

Wayne proposed the motion that the Executive Director’s Report be accepted as presented and that the board expresses its support for the organizational goals outlined therein. Mike Lawson moved the motion and Nancy Cornelius seconded the motion. Thereafter it was:

VOTED: That the Executive Director’s Report be accepted as presented.

The motion was adopted unanimously.

3. Treasurer's Report (PPM. p.12, p.17)

Mike suggested moving future Board Meetings until one week later in the month to accommodate when the bookkeepers provide the financials. Since there will be no new data until later on in the week, Mike noted that his report is quite similar to August.

Mike also mentioned that TD Bank, who had been slow in creating our two new requested accounts, resulting in him creating the intermediate Vanguard accounts, finally made the two new accounts since the last Board meeting. Therefore, Mike moved the money from the Vanguard accounts into the new TD Bank accounts.

Alison Lauriat moved to accept the Treasurer’s Report. Seconded by Molly Nye. Thereafter it was:

VOTED: That the Treasurer's Report be accepted.

The motion was adopted unanimously.

4. Board Chair’s Report and Discussion (PMM. p.14)

Wayne stated he would like Board members to cultivate relationships with people who could potentially be recruited for the Board of Directors. Also, he would like to get younger and newer members involved with the Board.

Wayne said he would also be interested in moving forward with Crystal's idea from earlier in the meeting of having board members serve as liaisons to the studio groups.

Wayne emphasized that we do need more engagement out of existing membership, as LexArt is a charity that is reliant on volunteer engagement, and the organization's new social fabric needs to be built. Mark agreed about the social fabric and stated that building a social fabric that is aligned with the organization's current mission is as important for the new model as the finances.

Matthew mentioned that he made it clear to the current studio managers that they are managing the users' relationship to the organization and not just the physical space.

Wayne noted as the last point of business from his report, that we might need to recruit someone new to be his successor and people should start thinking of ideas. He then concluded the meeting by requesting we move the annual meeting from May to September and make it more of a social occasion rather than just a meeting.

The meeting was adjourned at 12:15pm.

Respectfully submitted,

Hannah Wolfe
Clerk

APPROVED JANUARY 31, 2024



**Lexington Arts and Crafts Society, Inc.
Board Meeting
October 11, 2023**

- Who:** Board of Directors
- When:** October 11, 2023 10:00 am
- Location:** **In person – Seminar Room, LexArt** 130 Waltham St., Lexington
Zoom Video Conference. [LINK](#) or phone 689.278.1000
Meeting ID: 862 7527 3750 Passcode: 267624
- Contact:** Wayne Davis (978-505-2710, phone or text)
- Please Bring:** Documents distributed electronically
- Purposes:** **Votes:** Approve Minutes; Accept Director’s and Treasurer’s Reports
Review and discuss: Executive Director’s Report
- Agenda:**
- 10:00 Welcome and agenda review
 - Proposed votes ([p. 2](#))
 - Events ([p.3](#))
 - 10:05 Approval of July 26, 2023 Minutes ([p. 4](#))
 - 10:10 Executive Director’s Report ([p. 8](#))
 - 11:05 Treasurer’s Report ([p. 14](#)) [Financials, [p. 17](#)]
 - 11:15 Board Chair’s Report and Discussion ([p. 14](#))
 - 11:50 Wrap-up
 - 12:00 Meeting end

Proposed Votes

1. **Acceptance of Minutes**

That the minutes of the July 26 2023 meeting be accepted as presented [or as corrected].

2. **Acceptance of Executive Director's Report**

That the Executive Director's Report be accepted as presented and that the Board expresses its support for the organizational goals outlined therein.

3. **Acceptance of Treasurer's Report**

That the Treasurer's Report be accepted as presented.

4. **General Authority**

That the Primary Officers of the Corporation be, and each of them acting singly hereby is, authorized and directed, in the name and on behalf of the Corporation, to execute and deliver any and all certificates, agreements and other documents, take any and all steps and do any and all things which any such officer may deem necessary or advisable in order to effectuate the purposes of each and all of the foregoing votes.

VOTED: That any and all actions of the Corporation, or of any Officer, taken in connection with the actions contemplated by the foregoing resolutions prior to the execution hereof be and are hereby ratified, confirmed, approved and adopted in all respects as fully as if such action(s) had been presented to for approval and approved by, all the Directors prior to such action being taken.

Schedule of Upcoming Events

EXHIBITS and OPENINGS

Through October 22 *Making Paper, Sewing Seeds, Considering Our Environment: The Inspiring Work of Jongkuk Lee*. Annual exhibit of the Korean Cultural Society of Boston. In the Nye Gallery

October 28, 2023 (2-4pm). **HOME Opening Reception.** (Exhibit Oct. 28-Nov. 19). In collaboration with LexHAB, an affordable housing organization.

November 2: Housing Round Table

November 16: LexHAB Fundraiser

SALES

November 25-December 24: Holiday Marketplace.

BOARD MEETINGS

December 6, 2023

March 6, 2024

June 5, 2024

September 18, 2024

Minutes of the Lexington Arts and Crafts Society, Inc.
Board of Directors Meeting
130 Waltham St.
Lexington, MA 02421
July 26, 2023

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The July 26, 2023 Board of Directors Meeting of the Lexington Arts and Crafts Society (LexArt) was called to order at 10:07 am, conducted in person at LexArt and via videoconference, chaired by Wayne Davis, Chair of the Board.

The following board members were in attendance: Jessie Chen, Nicole Mordecai, Casandra Goldwater, Crystal Ribich, Molly Nye, Nancy Cornelius, Diane Gordon, Alison Lauriat, Rachel Rosenblum (left 12:02), Wayne Davis (Chair), Matthew Siegel (President and Executive Director), and Michael Lawson (Treasurer, left 12:08).

Also in attendance were Diane Remin (Development Consultant, joined at 11:02), Chase Jones, and Hannah Wolfe (Clerk).

1. Approval of Minutes (PPM. p.4)

Mike Lawson moved that the minutes of the March 21st, 2023 Board of Directors Meeting be approved. Seconded by Molly Nye. Thereafter it was:

VOTED: That the Board of Directors hereby approve the minutes of the Board of Directors Meeting of Members held March 21st, 2023.

The motion was adopted unanimously.

2. Election of Officers; Appointment of Executive Committee (PPM. p.1)

All present voted in favor that the following individuals be elected to the offices set forth opposite their names below:

Wayne Davis, Chair
Matthew Siegal, President
Michael Lawson, Treasurer
Hannah Wolfe, Clerk

Cassandra Goldwater then moved that Peter Demuth, along with the Chair, President, Vice President, and Treasurer, are appointed to the Executive Committee. Seconded by Nancy Cornelius. Thereafter it was:

VOTED: That in addition to the Chair, President, and Treasurer, the following member of the Board of Directors is appointed to the committee: Peter Demuth.

The motion was adopted unanimously.

3. Treasurer's Report (PPM. p.11, p.13)

Mike Lawson summarized his report and reviewed some changes from this past financial year. In addition to the creation of a future endowment, the old guild accounts were closed. There was too much cash in LexArt's basic checking account, so \$50,000 and the old guild accounts went into a new Vanguard account.

Mike Lawon indicated that there is now a line item in the budget for managing and tracking capital expenses. This coming year we will need to use reserve funds for capital expenses. However, we are balancing the budget and, with continued fundraising, creating a situation where in a few years we will no longer need to draw from the reserve funds on a regular basis.

After Mike Lawson's report, Wayne Davis added that the Finance Committee has been working for the past couple months to make the budget more manageable overall, and the committee will speak with Juna Financial Solutions in the next couple of weeks about how to make it easier to track actual expenditures.

Cassandra Goldwater moved acceptance of the Treasurer's Report. Seconded by Rachel Rosenblum. Thereafter it was:

VOTED: That the Treasurer's Report be accepted.

The motion was adopted unanimously.

4. Executive Director's Report and Presentation of Budget (PPM. p.33)

Matthew Siegal reported that this past financial year was a good year, and all the earned revenue streams were better than anticipated, but we need to continue to build new revenue streams and a new donor base. He said during the second half of the year, LexArt established the new operating model that will ensure it functions as a community arts center. He said now is the time to spend and invest some money in order to make the appropriate additional changes to grow and accommodate a greater number of people.

Matthew Siegal noted that for the first time in the 2024 financial year, capital expenses will be presented and tracked separately from the operating budget. It will be the first year taking money from the new endowment (\$20,000), and the endowment will hopefully grow more this fiscal year as well. The studios that will receive the largest number of investments in the 2023 financial year will be ceramics and woodworking. Health and safety upgrades have already begun in the ceramics studio.

He stated that for fundraising, although the budget is listed at a flat \$200,000 for the third year in a row, he hopes we will exceed that. For education, we exceeded the anticipated income by \$50,000 last year

and we hopefully will earn more this year as well. For membership, the income numbers appear greatly reduced on the budget, but that is only because with the new operating model the portion of dues previously directed towards studio upkeep and the guilds are now broken out separately as studio income. Payroll will greatly increase because the studios need skilled help and hiring skilled studio managers and instructors will cost money.

Matthew ended his review of the budget by noting that inflation has been considerable, and gave one example of the future cost of electricity going up by 30%. He noted that historically LexArt as an organization has not been good about raising prices when needed and that will need to change.

Molly Nye asked what the top priorities were in capital expenses. Matthew Seigal and Wayne Davis responded that fixing the drainage on the north side of the building is the top priority, and there is a new drainage system in the works that will lower the moisture level on the base floor of the building. Mike Lawson inquired about asking the Mass Cultural Council for more support for the upcoming capital upgrades. Wayne said there are plans to do so, and we have to use the data we have from the state to submit proposals to them as soon as possible.

Nancy Cornelius moved to approve the fiscal year 2024 budget. Seconded by Alison Lauriat. Thereafter it was:

VOTED: That the Proposed Operating Budget for the Fiscal Year June 1, 2023 through May 31, 2024 as shown in the attached document labelled "FY 2024 Budget" with projected Total Revenue of \$496,873 and Total Expenditures of \$658,856 be approved and authorized.

VOTED: That the Proposed Capital Budget Expenditures for the Fiscal Year June 1, 2023 through May 31, 2024 in the attached document labelled "FY 2024 Budget" with projected Total Capital Budget Expenditures of \$67,000 be approved and authorized.

VOTED: That the Treasurer, with the prior consent of the Finance Committee, be authorized to transfer up to \$213,983 from the Board-Designated Endowment funds to Operating Funds, when and as needed to fund current operations during the 2023-2024 Fiscal Year.

The motion was adopted unanimously.

5. Legacy Planning Presentation and Discussion with Diane Remin

Diane Remin, who has been advising and coaching the Board on fundraising since 2019, gave a presentation on legacy giving. (Slides to be included in minutes). She emphasized the importance of consistent and repeated marketing for legacy giving, and that it is important to have a written gift acceptance policy that explains what the requirements are for gifts. Diane Remin also reminded everyone that we should be sharing the names of legacy donors publicly if they are not anonymous and continue to be proactive and have conversations with loyal donors who have contributed to LexArt in the past.

After Diane Remin's presentation, Molly Nye brought up that there were people who agreed to leave legacy donations in the past. Diane Remin said it's time to find and contact them and re-commit them.

Diane Remin ended the discussion by mentioning she would be reaching out to each individual Board member to talk more about legacy donations.

6. General Authority. The motion to adopt general authority was moved by Cassandra Goldwater and seconded by Molly Nye. Thereafter it was:

VOTED: That the Primary Officers of the Corporation be, and each of them acting singly hereby is, authorized and directed, in the name and on behalf of the Corporation, to execute and deliver any and all certificates, agreements and other documents, take any and all steps and do any and all things which any such officer may deem necessary or advisable in order to effectuate the purposes of each and all of the foregoing votes.

VOTED: That any and all actions of the Corporation, or of any Officer, taken in connection with the actions contemplated by the foregoing resolutions prior to the execution hereof be and are hereby ratified, confirmed, approved and adopted in all respects as fully as if such action(s) had been presented for approval and approved by, all the Directors prior to such action being taken.

The motion was adopted unanimously.

The meeting was adjourned at 12:25pm.

Respectfully submitted,

Hannah Wolfe
Clerk

Director's Report

New Operating Model

It is hard to draw many conclusions from most of our membership and studio use numbers thus far. We have yet to understand how the option of quarterly studio use will be applied throughout the year. We can, however, recognize trends and incorporate that information into what must be an evolving approach towards policy and structure in our transition from a member-oriented organization to a community-oriented organization.

New membership and studio use is up, consistent with our projections for the first year of our new operating model. Studio use in particular, is way down amongst our existing members. Several studio groups have chosen to abandon the idea of use of the facility, even though the cost to do so is less than it was previously. As an example, the Painters group numbered 31 people in May 2023, but numbers 4 paid studio users currently, even though last year, the cost of membership and studio use totaled \$285 and this year totals \$175. They continue to communicate with each other as a group through LexArt email, coordinate classes, programming, and events together, but see no need to pay for studio access. The photography group which numbered 6 in FY 23 when the cost of combined membership and building access was \$260, currently numbers zero, even though the cost was reduced to \$150 annually. These numbers are particularly disappointing in light of the fact, that these groups argued vehemently for the reduction in fees. On the face of it, they indicate that our existing membership values the benefits of membership, primarily exhibition and sales, far above the value of studio and building access.

The division or segregating of membership and studio fees as well as the hiring of paid staff to manage the equipped shops, was done with the goal of promoting access to a larger, broader more diverse audience. To this end, it has been successful. There are many younger, less experienced, and individuals wholly new to our organization, signing up for studio use. Concurrently, many of our previous members either don't seem to value studio access at any price point, or as seems to be the case in Ceramics and Woodworking, have paid for membership, but have not been inclined to pay for studio use, even though they continue to make use of the facility, using the building at off hours to avoid both new members and staff.

These trends will necessitate reevaluating our fee structure, with the goal of recouping lost revenue, as well as addressing the issue of building access and security.

On a much more positive note, earned revenue in all other areas, sales, gallery submission fees, and classes, are doing better than projected.

Goals for the Coming Year

At the Board Meeting, I'd like to have a discussion and hear your feedback on organizational goals for the coming year.

Some Context for Where We Need to Go. I believe in the power of the arts to lift the human condition. This power exists in the arts in all its forms, but it is most effective in the act of making, the ability to tell and share stories, and our ability to see ourselves and our experiences in the stories of others. It is our

goal to make our resources accessible and available to everyone. Arts at the regional level are expensive and for the most part inaccessible to many. We can provide and deliver access to the arts in many forms at the community level. As we have been transitioning to a service-oriented organization, this goal has thus far become manifest primarily in four areas, offering need-based scholarships for membership dues, studio use, and class tuition, including offering transportation and chaperones when necessary, offering classes for people with disabilities, offering classes and programs for teens, which we identify as an at-risk population, and giving the platform of our gallery to other like-missioned organizations, under-served and resourced populations, to tell their stories, share and celebrate their cultures, promote understanding and build community.

These efforts are reflected in our high school scholarship program, serving seven area communities, providing cash awards and recognition to graduating seniors pursuing careers in the arts. Awards are weighted to applicant's need. This year we granted \$8,500 in high school scholarships. Awards are given in concert with our annual high school exhibition begun in the 1950s, featuring student work of up to ten area high schools.

Our need-based dues and tuition program grants unlimited class scholarships to clients of the Lexington Refugee Assistance Program and the Lexington Housing Assistance Board, as well as anyone else that requests financial relief, no questions asked.

LexArt has a growing program for atypical learners and people with disabilities, funded in part by the Lory D. Molesky scholarship fund. We are particularly proud of our program for neuro-diverse individuals in our woodworking shop and are working to make all our studios more accessible to individuals with disabilities.

The year before last, we shared the gallery with the Lexington Human Rights Committee to promote race amity, held the eighth annual exhibition of the Korean Cultural Society of Boston, reached out to LexSeeHer (a local organization dedicated to writing women into American history) in partnership with the Lexington Historical Society, to help us celebrate Black History month. We shared the stories of black women throughout Lexington's history, featuring Margaret Tulip, a freed slave who lived in Lexington in the latter half of the 18th century. We invited eight area community art centers (5 from MetroWest) to help us celebrate the re-opening of our gallery, by exhibiting artwork around our collective response to the pandemic, and we celebrated our Nonagenarians, mounting an exhibit of our nine, ninety-plus year-old members. We opened the gallery to the New England Sculpture Association, the foundation of Middlesex Community College, to display student and faculty work and host a fundraiser to support student financial aid, to the Refugee Artisans of Worcester, telling a great story of using the arts to help support and establish resettled refugees in the Worcester area. We gave one hundred percent of the sales proceeds to the refugee artists. This past year, we again opened the gallery to LexSeeHer to celebrate Black History month, the Korean Cultural Society of Boston, the Lexington Housing Assistance Board and Refugee Assistance Program to examine the theme of home, and LexArt hosted an exhibit of Chinese brush painting in tandem with a Chinese culture fair, celebrating Lunar New Year and our local Chinese community.

There are so few forums for people of different backgrounds to exchange ideas and perspectives, to celebrate their identities, process their experiences, to share and to learn from one another. We offer our exhibition space in support of other area organizations, provide a safe and supportive space to gather, celebrate our differences as well as our commonalities, provide instruction, the space, tools and

equipment to those who need to direct their resources elsewhere, work to give the opportunity of the creative process to people with disabilities, with the hope to be a truly public resource, to make a significant contribution to the health, vitality, unity and harmony of our community.

We must believe in the primacy of the arts to our species, to our humanness, to our identity, to our health, and to the necessity of the arts for a just, open, and sustainable society. We are doing our utmost to deliver on these grandiose ideals in our community, and to grow the definition of our community to include all those for whom this particular resource (LexArt) provides their greatest opportunity of access.

Last year was almost wholly dedicated to imagining, debating, and devising a new operational model and then determining how to initiate it. This year we have turned our attention back outward and have set the following service-oriented goals.

PROPOSED GOALS

Goal 1. Broaden and deepen teen engagement and further develop our teen programming.

We aim to increase our number and types of offerings for teen-specific instruction in craft. We are currently working to develop a teen advisory board or council, made up of students from multiple area schools, to assist us to this end. We are also working with the Lexington High School arts program, to develop programs in arts education and management, for which students may receive school credit.

Goal 2. Expand our offerings for people of differing abilities and atypical learning populations, better adapt our facility to serve individuals with disabilities, and better design our instruction to a universal approach to learning.

We aim to increase our number and types of offerings for instruction in craft for people with disabilities. Concurrently, we will be working to adapt our facilities for these populations, including adding wheelchair accessible tools and equipment as funds allow. We will be working with existing area programs, i.e, the Cotting School here in Lexington, to advance these goals. While there are a number of similar area programs for school-age youth, we are unaware of any programs that serve these populations once they are beyond school-age. We will also be training staff in Universal Design for Learning to help instructors better design their teaching approach to include atypical learners.

Goal 3. Strengthen our efforts to expose our community, both our LexArt community and the greater community, to differing voices and perspectives.

While it remains a challenge to diversify our organization racially and economically at many levels, there are several areas that can be targeted, as they are within our control. Two of these areas include individuals that we hire, our instructors, and our exhibition curators or jurors. We aim to make progress in both areas. One of our efforts was thwarted this past year, when a brilliant South African potter that we had engaged to teach summer workshops, Clive Sithole, was denied a travel visa to enter the U.S.

The majority of our energies will be directed towards goal 2 above, expanding our programs for atypical learners and people with disabilities. Investment would take three forms; scholarships and transport for students, purchase and modification of studio equipment to provide accessibility, training staff in Universal Design for Learning and design for individuals with disabilities. Efforts will be directed at two studios, (woodworking and metalworking) that are both wheelchair accessible. 5/6 of our studios are

currently accessible. We will also be focusing efforts to raise the much greater funds required to make our facility fully accessible.

As referenced above, most if not all area programs for our targeted populations are for school-age individuals. We aim to provide access to studio space for these populations to continue their arts education and access. According to census statistics, people with disabilities comprise 10-12% of Metro West population. It is not clear if this statistic includes those with unseen disabilities.

We will continue to partner with other area arts and culture organizations, building on the relationships that we have developed. We will make unlimited class scholarships available to clients of the Lexington Housing Assistance Board and Lexington Refugee Assistance Program, and partner with up to a dozen area high schools to produce our annual regional high school exhibit. We will collaborate with a selection of our exhibition partners, Lexington Human Rights Committee, Lexington Historical Society, LexSeeHer, Middlesex Community College, Refugee Artisans of Worcester, Chinese American Association of Lexington, Lexington Field and Garden Club and Brookhaven Retirement Community,

We will be looking to several area organizations to help us with training staff to help meet our goals for next year of crafting instruction for Universal Learning and helping us design and adapt our studios for people with disabilities. We have begun to work with the Cotting School, Lexington, the Massachusetts Department of Developmental Services, Acton and the Tremont School, Concord, all towards this end. This year, students from Tremont School (for experiential and universal learning) will participate in our regional high school show for the first time.

I look forward to discussing these with you at the Board Meeting.

Treasurer's Report

FROM: Michael Lawson, Treasurer

DATE: October 6, 2023

This Treasurer's report contains two parts based on the August Management Report from our accountants (the latest we have from the accountants): 1) the aggregate balances in our various accounts for the Society as of August 31, 2023, and 2) budget versus actuals through the same period, and 31, 2023. Next, I provide a breakdown of our invested endowment funds as of October 6, 2023.

Account Balances as of August 31, 2023

Society Cash and CDs in various accounts:	\$ 444,531
Restricted assets:	\$ 203,134
Board Designated Endowment(s)	<u>\$ 535,391</u>
Total Financial Assets:	\$ 1,183,056

More detailed reporting is contained in the *Management Report*, pages 8 and 9 regarding the balance sheet.

Budget vs. Actuals Year-to-date

The Budget vs. Actuals Year-to-date can be found in the *Management Report* provided as part of the Trustees' packet on pages 5 through 7 prepared by our accountants, Juna. As this is the first report of the new fiscal year, there is nothing remarkable to report.

Invested Endowment Funds as of October 6, 2023

By Investment Class

Bond Funds	\$ 80,094.40
Equity Funds	\$ 181,063.93
Developed Market Fund	\$ 26,634.93
Treasury Bills	\$ 130,707.71
Money Market Funds	<u>\$ 54,162.71</u>
SUB TOTAL	\$ 472,663.68
Bank CDs	\$ 52,250.98
TOTAL	\$ 524,924.66

As we moved to implement the new operating model, we eliminated the individual Guild Accounts. After the consolidation, the Finance Committee agreed that the balance in the Society's primary account was too large.

With the approval of the Finance Committee, I took the following action. First, I closed all of the Guild cash accounts. Second, I transferred those balances, \$53,000 along with \$50,000 from the Society's cash account to a Vanguard Money Market Account. This was done while I created two new money market accounts at our primary bank, TD Bank. The first account is called Studio Maintenance Account and the second is called the Cash Management Account. Once the accounts were active, the \$53,000 was transferred back into the Studio Maintenance Account and the \$50,000 was transferred back into the Cash Management Account.

The accounts will be used as the names imply, one to pay for expenses associated with maintaining the studio and the second to manage our cash balance position in our primary account.

Board Chair's Report

From: Wayne Davis

Since Matthew stepped in as Executive Director three years ago, I have generally relied on brief oral comments on general board matters or raised issues to you in reports from the various board committees. At this time, I'd like to more formally report to you on several key Board and governance issues and invite discussion on these topics at the meeting.

I. Board Member Recruitment

I have begun some informal discussions with several individuals for potential recruitment to the Board. We have a couple of openings and so could add promising individuals by Board vote at a future meeting. We will also have elections at the next Annual Meeting, and will likely have some openings as current members choose not to continue. I'd like your thoughts and help in two areas:

Who should we be recruiting?

Please help us identify potential candidates NOW.

- 1. *Who should we be recruiting?*** We have in recent years made a big push to include individuals who were outside the ranks of established LexArt membership. These "independent" directors have provided valuable expertise, insight, perspective and connections, and I personally believe LexArt should continue to have such independent directors as a significant proportion of our membership.

That said, I believe the Board could be more effective and the membership's understanding and support of our new directions would be stronger if we has more board members drawn from amongst newer members of the LexArt community, and especially those who seem to be developing strong social networks across the various studio groups. *Is that proposed recruitment focus desirable?*

A related question: Each year, the Nominating Committee looks at where we need particular types of expertise, *e.g.*, marketing, finance, education, *etc.*. We will do so again. *Beyond looking to fill expertise gaps, what other criteria should we be considering in recruiting board members?*

- 2. *Please help us identify potential candidates NOW.*** The sooner we can begin discussions, the better. It gives us time to explore with more people and gives them time to get to know us. As you meet people both at LexArt and in other places, please be on the lookout and send me your suggestions at any time.

II. Board Chair Succession Planning

I had hoped to step down as Board Chair this past May, but the succession plans previously in place did not quite work out, so I agreed to another term.

BUT I really must step down at the end of this fiscal year. Organizational leadership is always a balance between stability and change. By next May, I will have been President, Chair, or Acting Executive Director for five years. That's more than enough stability, so it is in LexArt's best interests for a change in board leadership. Fresh ideas, fresh energy.

We are already a bit late for this. Ideally, a successor would be working with Matthew, me and others on the Executive Committee. If any of you are interested in this role, please let me know. If we don't have anyone on the current board who wishes to step up, then we very urgently will need to recruit someone who has the skills and potential interest to grow into the position.

I would appreciate hearing your further thoughts and advice on this.

III. Bylaws Update

This topic is informational. We won't discuss at the meeting unless anyone has any questions or comments.

As you all know, we've moved to a membership structure that no longer includes guilds. That renders a variety of provisions in our bylaws superfluous. I plan to work with Peter Demuth over the coming months to draft proposed amendments to the bylaws. At this time, I'm aware of only one other aspect of our bylaws that requires adjustment (Annual Meeting timing, next topic below). However, we will take a look at that and let you know what we find. Of course, if anyone has some suggestions, please let us know.

IV. Shift in Annual Meeting

Historically, LexArt has held its Annual Meeting of members in May of each year. The logic for this timing appears to have been to make it a wrap-up social event for the "activity year" (September-June), preceded by a potluck dinner.

From a governance perspective, this didn't make too much sense for an organization which runs on a June 1-May 31 fiscal year. A more typical schedule would be to hold the Annual Meeting during the first fiscal quarter, so that the financial results from the just-ended fiscal year can be reported. From a practical perspective, in recent years, the May time frame has also become problematic, competing with other events on the schedule for both LexArt and other arts and community organizations involving our members and staff. The May timeframe also put enormous pressure on the Executive Director and board officers to complete both board member recruitment and budget development in the April-May timeframe.

Taking all this into account, I believe we would be better served to hold our Annual Meeting in September. That timing makes more sense from a governance perspective and would enable us to revive the social/community aspect so that the event becomes something of a "welcome

back from summer” and “fall kick-off.” The Executive Director and outgoing board could focus on budget approval in the spring, and new board members would join in the fall.

The Executive Committee concurred with this suggestion.

I’d like to hear the Board’s reaction. If favorable, the change will be incorporated into the Bylaw revision.

Lexington Arts and Crafts Society

MONTHLY FINANCIAL REPORT - August 2023

Prepared 12 September 2023



	YTD	Current Month vs Orig Budget			
	Actual	Actual	Budget	Variance	Variance %
Revenue					
Contributions					
Unrestricted	9,590	1,700	16,667	-14,967	-89.8%
Total Contributions	9,590	1,700	16,667	-14,967	-89.8%
Net Classes/ Workshops Income					
Class/Workshop Income					
Tuition	55,289	37,759	18,583	19,176	103.2%
Materials Fees & Other Income	0	0	358	-358	-100.0%
Total Class/Workshop Income	55,289	37,759	18,941	18,818	99.4%
Class/Workshop Expenses					
Instructors Pay	-14,082	-5,790	-8,920	3,130	35.1%
Class Expenses	-1,201	-365	-358	-7	-2.0%
Total Class/Workshop Expenses	-15,283	-6,155	-9,278	3,123	33.7%
Total Net Classes/ Workshops Income	40,006	31,604	9,663	21,941	227.1%
Studio Income					
Studio Fees	37,595	8,148	7,688	460	6.0%
Ceramics Clay Sales	630	245	125	120	96.0%
Ceramics Firing Fees	1,367	498	305	193	63.3%
Woodworking Locker Fee	675	575	223	352	157.8%
Total Studio Income	40,267	9,466	8,341	1,125	13.5%
Net Gallery/Show Income					
Gallery Show Income					
Taxable Gallery/Shows	26,338	1,171	11,083	-9,912	-89.4%
Non-Taxable Gallery/Show Sales	108	108	1,458	-1,350	-92.6%
Submission Fees	1,635	1,305	885	420	47.5%
Gallery/Show Donation	0	0	208	-208	-100.0%
Gallery/Show Other Income	684	0	83	-83	-100.0%
Total Gallery Show Income	28,765	2,584	13,717	-11,133	-81.2%
Gallery/Show Expenses					
Consignment Cost	-20,210	-1,794	-7,525	5,731	76.2%
Gallery/Show Expenses	-10,271	-623	-1,375	752	54.7%

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	YTD	Current Month vs Orig Budget			
	Actual	Actual	Budget	Variance	Variance %
Total Gallery/Show Expenses	-30,481	-2,417	-8,900	6,483	72.8%
Total Net Gallery/Show Income	-1,716	167	4,817	-4,650	-96.5%
Membership Income					
Membership/Dues Income	23,354	3,410	1,917	1,493	77.9%
Total Membership Income	23,354	3,410	1,917	1,493	77.9%
Misc. Income	750	0	0	0	0.0%
Total Revenue	112,251	46,347	41,405	4,942	11.9%
Operating Expenses					
Buildings & Grounds					
Alarm/Extinguishers	2,094	0	208	-208	-100.0%
Gallery/Building Repair & Replacement	3,965	3,965	833	3,132	376.0%
Maintenance	5,209	1,305	2,500	-1,195	-47.8%
Trash	347	0	142	-142	-100.0%
Total Buildings & Grounds	11,615	5,270	3,683	1,587	43.1%
General & Administrative					
Advertising	2,623	110	2,500	-2,390	-95.6%
Equipment/Software	513	327	833	-506	-60.7%
Fees-Operational Services	4,719	2,032	1,392	640	46.0%
Misc. Expenses	0	0	62	-62	-100.0%
Office Expenses	1,893	717	655	62	9.5%
Postage/Printing	0	0	250	-250	-100.0%
Scholarships	0	0	708	-708	-100.0%
Total General & Administrative	9,748	3,186	6,400	-3,214	-50.2%
Payroll					
Payroll Invoice Expense	279	95	98	-3	-3.1%
Payroll Taxes - Employer	5,477	1,890	2,236	-346	-15.5%
Wages/Salaries Admin	49,627	17,337	19,489	-2,152	-11.0%
Wages/Salaries Studios	21,970	7,368	9,740	-2,372	-24.4%
Total Payroll	77,353	26,690	31,563	-4,873	-15.4%
Professional Services					
Consulting	6,117	0	2,533	-2,533	-100.0%
Financial Services	9,495	3,028	5,000	-1,972	-39.4%
Insurance Expense	1,611	0	1,208	-1,208	-100.0%

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	YTD	Current Month vs Orig Budget			
	Actual	Actual	Budget	Variance	Variance %
Total Professional Services	17,223	3,028	8,741	-5,713	-65.4%
Studio Operating Expenses					
Ceramics	1,836	109	1,005	-896	-89.2%
Decorative Arts	300	0	75	-75	-100.0%
Metalworking	1,061	233	242	-9	-3.7%
Needle Arts	-1	0	50	-50	-100.0%
Painting	0	0	125	-125	-100.0%
Photography	0	0	42	-42	-100.0%
Polymer & Beading	0	0	100	-100	-100.0%
Weaving & Fiber Arts	112	49	825	-776	-94.1%
Woodworking	1,287	371	563	-192	-34.1%
Total Studio Operating Expenses	4,595	762	3,027	-2,265	-74.8%
Utilities					
Electric	3,231	1,256	1,475	-219	-14.8%
Heat/Hot Water	644	83	875	-792	-90.5%
Phone	669	224	233	-9	-3.9%
Water/Sewer	0	0	100	-100	-100.0%
Total Utilities	4,544	1,563	2,683	-1,120	-41.7%
Total Operating Expenses	125,078	40,499	56,097	-15,598	-27.8%
Net Operating Revenue	-12,827	5,848	-14,692	20,540	139.8%
Other Revenue					
Gaines/Losses					
Unrealized Gain/Loss	18,249	-5,887	0	-5,887	0.0%
Total Gaines/Losses	18,249	-5,887	0	-5,887	0.0%
Interest/Dividend Investments					
Restricted	6,850	1,082	358	724	202.2%
Unrestricted	0	0	892	-892	-100.0%
Total Other Revenue	25,099	-4,805	1,250	-6,055	-484.4%
Net Revenue	12,272	1,043	-13,442	14,485	107.8%

	YTD	Actual vs Orig Budget		
	Actual	Budget	Variance	Variance %
Revenue				
Contributions				
Unrestricted	9,590	50,001	-40,411	-80.8%
Total Contributions	9,590	50,001	-40,411	-80.8%
Net Classes/ Workshops Income				
Class/Workshop Income				
Tuition	55,289	55,749	-460	-0.8%
Materials Fees & Other Income	0	1,074	-1,074	-100.0%
Total Class/Workshop Income	55,289	56,823	-1,534	-2.7%
Class/Workshop Expenses				
Instructors Pay	-14,082	-26,760	12,678	47.4%
Class Expenses	-1,201	-1,074	-127	-11.8%
Total Class/Workshop Expenses	-15,283	-27,834	12,551	45.1%
Total Net Classes/ Workshops Income	40,006	28,989	11,017	38.0%
Studio Income				
Studio Fees	37,595	23,064	14,531	63.0%
Ceramics Clay Sales	630	375	255	68.0%
Ceramics Firing Fees	1,367	915	452	49.4%
Woodworking Locker Fee	675	669	6	0.9%
Total Studio Income	40,267	25,023	15,244	60.9%
Net Gallery/Show Income				
Gallery Show Income				
Taxable Gallery/Shows	26,338	33,249	-6,911	-20.8%
Non-Taxable Gallery/Show Sales	108	4,374	-4,266	-97.5%
Submission Fees	1,635	2,655	-1,020	-38.4%
Gallery/Show Donation	0	624	-624	-100.0%
Gallery/Show Other Income	684	249	435	174.7%
Total Gallery Show Income	28,765	41,151	-12,386	-30.1%
Gallery/Show Expenses				
Consignment Cost	-20,210	-22,575	2,365	10.5%
Gallery/Show Expenses	-10,271	-4,125	-6,146	-149.0%

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	YTD	Actual vs Orig Budget		
	Actual	Budget	Variance	Variance %
Total Gallery/Show Expenses	-30,481	-26,700	-3,781	-14.2%
Total Net Gallery/Show Income	-1,716	14,451	-16,167	-111.9%
Membership Income				
Membership/Dues Income	23,354	5,751	17,603	306.1%
Total Membership Income	23,354	5,751	17,603	306.1%
Misc. Income	750	0	750	0.0%
Total Revenue	112,251	124,215	-11,964	-9.6%
Operating Expenses				
Buildings & Grounds				
Alarm/Extinguishers	2,094	624	1,470	235.6%
Gallery/Building Repair & Replacement	3,965	2,499	1,466	58.7%
Maintenance	5,209	7,500	-2,291	-30.5%
Trash	347	426	-79	-18.5%
Total Buildings & Grounds	11,615	11,049	566	5.1%
General & Administrative				
Advertising	2,623	7,500	-4,877	-65.0%
Equipment/Software	513	2,499	-1,986	-79.5%
Fees-Operational Services	4,719	4,176	543	13.0%
Misc. Expenses	0	186	-186	-100.0%
Office Expenses	1,893	1,965	-72	-3.7%
Postage/Printing	0	750	-750	-100.0%
Scholarships	0	2,124	-2,124	-100.0%
Total General & Administrative	9,748	19,200	-9,452	-49.2%
Payroll				
Payroll Invoice Expense	279	294	-15	-5.1%
Payroll Taxes - Employer	5,477	6,708	-1,231	-18.4%
Wages/Salaries Admin	49,627	58,467	-8,840	-15.1%
Wages/Salaries Studios	21,970	29,220	-7,250	-24.8%
Total Payroll	77,353	94,689	-17,336	-18.3%
Professional Services				
Consulting	6,117	7,599	-1,482	-19.5%
Financial Services	9,495	15,000	-5,505	-36.7%
Insurance Expense	1,611	3,624	-2,013	-55.5%

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	YTD	Actual vs Orig Budget		
	Actual	Budget	Variance	Variance %
Total Professional Services	17,223	26,223	-9,000	-34.3%
Studio Operating Expenses				
Ceramics	1,836	3,015	-1,179	-39.1%
Decorative Arts	300	225	75	33.3%
Metalworking	1,061	726	335	46.1%
Needle Arts	-1	150	-151	-100.7%
Painting	0	375	-375	-100.0%
Photography	0	126	-126	-100.0%
Polymer & Beading	0	300	-300	-100.0%
Weaving & Fiber Arts	112	2,475	-2,363	-95.5%
Woodworking	1,287	1,689	-402	-23.8%
Total Studio Operating Expenses	4,595	9,081	-4,486	-49.4%
Utilities				
Electric	3,231	4,425	-1,194	-27.0%
Heat/Hot Water	644	2,625	-1,981	-75.5%
Phone	669	699	-30	-4.3%
Water/Sewer	0	300	-300	-100.0%
Total Utilities	4,544	8,049	-3,505	-43.5%
Total Operating Expenses	125,078	168,291	-43,213	-25.7%
Net Operating Revenue	-12,827	-44,076	31,249	70.9%
Other Revenue				
Gaines/Losses				
Unrealized Gain/Loss	18,249	0	18,249	0.0%
Total Gaines/Losses	18,249	0	18,249	0.0%
Interest/Dividend Investments				
Restricted	6,850	1,074	5,776	537.8%
Unrestricted	0	2,676	-2,676	-100.0%
Total Other Revenue	25,099	3,750	21,349	569.3%
Net Revenue	12,272	-40,326	52,598	130.4%

	Now
	As at Aug 23
Cash & Short Term- Unrestricted	
CD Acct 6617	69,224
Ceramics - Fidelity	2,945
Enterprise Investment Acct 1999	100
Main Operating Ckg 3283	222,586
Metals - Savings Lincoln	217
Office Safe	131
Paypal	12,490
Wix	32,838
TD Cash Management MM x6936	50,000
TD Studio Maintenance MM x7091	54,000
Total Cash & Short Term- Unrestricted	444,531
Donor Restricted (Purpose & Principal)	
Masumi Mary Nagatomi CD 0337-Restr	14,546
Metals - Savings Beesley	8,005
Rawding Vanguard 3490- Restr	52,486
Total Donor Restricted (Purpose & Principal)	75,037
Donor Restricted (Purpose Only)	
Ceramics SOC 8812	675
Ferrara Vanguard 6425-Restr	103,769
Nye MM 6957-Restr	3,541
Powell Scholarship CD 2706 - Restr	8,414
SOC	11,698
Total Donor Restricted (Purpose Only)	128,097
Endowment- Board Designated	
Permanent Fund CD 1725-Restr	49,848
Vanguard Money Mkt 8791	485,543
Total Endowment- Board Designated	535,391
Total Current Assets	1,183,056
Fixed Assets	
Building	198,159
Furniture	4,724
Furniture, Fixture, & Equipment	26,963

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	Now
	As at Aug 23
Guild Equipment	101,747
Guild Improvements	11,831
Improvements	759,476
Land	9,387
Land Improvements	13,460
Total Fixed Assets	1,125,747
Accumulated Depreciation	
Building	-198,159
Equipment	-77,410
Furniture	-1,349
Furniture, Fixture, & Equipment	-10,286
Improvements	-161,250
Total Accumulated Depreciation	-448,454
Total Fixed Assets	677,293
Total Assets	1,860,349
Accounts Payable	17,879
Other Current Liabilities	
Gift Certificates Outstanding	3,586
MA Sales Tax Payable	73
Total Other Current Liabilities	3,659
Total Current Liabilities	21,538
Total Liabilities	21,538
Opening Bal Equity	404,816
Retained Earnings	1,416,729
Current Year Earnings	12,272
Rounding	4,994
Total Equity	1,838,811
Total Liabilities and Equity	1,860,349