

Hope Shores Alliance
Finance Committee Agenda

Date: October 27, 2022

Attending: Nikki, Char, Edna, Natalie

Excused: Val

Called to Order: 12:14 pm

Topic	Discussion	Action
<p>Review September 2022 (tentative) financials</p> <p>Discuss Deficit Details/DeMinimis</p>	<p>Discussed and reviewed the Tentative September financials.</p> <p>Deficit reduction due to recognition of fundraising proceeds from August and September that we did not receipt in until October. Also, EFSP compliance issue was taken care of, confirmed prior to 9/30 that payment was being issued. Recognized first payment of the 3 awards. Will recognize 2nd payments in FY23.</p> <p>September Quarterlies were provided, however these are tentative as well. September financials will not be finalized until after the annual audit scheduled for the first week of December.</p>	<p>Enda to review with BOD.</p>
<p>Thrift Store Reports:</p> <p>Revolve</p> <p>Seconds on Third</p>	<p>Discussed store reports. Revolve posted its first profit since opening. Hope for a continued trend.</p> <p>Seconds on Third ended with a profit of \$16,476.92 for the year.</p> <p>Also reviewed 10 year store analysis, which still includes the original Oscoda Store. Edna noted that the original store didn't produce a lot of revenue. Nikki noted that the store was not on the US23 and was quite a bit smaller. Char also mentioned that management was part of the problem in Oscoda as well.</p> <p>Natalie provided some feedback on the overall operations and staffing at the stores as well as upcoming outreach and volunteer recruitment events coming up.</p>	<p>Edna to review with the BOD.</p>
<p>Insurance Renewal Discussions</p>	<p>Nikki discussed the review process and ultimate results with the insurance renewals for 2023.</p> <p>It was noted that 3 agencies were reviewed; with the decision to stay with our current agent. The main reason for the choice was due to electronic enrollment capabilities that the other agencies did not offer. Also, Franklin Benefit Solutions came with more insurance options and will continue to handle our COBRA letters without a raise in their fees.</p> <p>The insurance renewal will allow the agency to contribute the full \$2000 deductible to the employee's HSA account as well as the option to</p>	<p>N/A</p>

	add dental insurance (as long as we get 12 signed up).	
Audits	<p>Edna asked about the Unemployment Audit that was mentioned at last meeting.</p> <p>Nikki stated that the audit went great. As of right now there were no known adjustments and we are just waiting for the final report.</p> <p>The Work Comp audit documentation was submitted. This is an annual audit to determine our rates. Since the larger claims are still in the look back period of 3 years, our rate will likely be higher again this year. The largest claims should be falling off soon, however.</p>	N/A
PTO Package	Edna asked about the PTO package and whether it was rolled out to staff. Char confirmed that the PTO package was approved at the last BOD meeting. Nikki confirmed that the changes have been mentioned but without full context until policies can be drafted.	N/A
Next Meeting	December 1, 2022 3pm	

Adjourned: 1:05 pm
Respectfully Submitted: Nikki Amrich

Finance Meeting Notes:

Balance Sheet:

- Decrease in Loss from August of \$28,318.14
 - Recognized revenue
 - Bowling Event
 - Golf Shootout Event
 - EFSP 1st payments
- Increase in Accounts Payable to get all FY22 costs as possible
- Decrease in Accrued Compensated Absences - \$2,631.61
 - New staff have lower leave balances
 - Staff are using their leave time

Statement of Revenue & Expenses – Budgeted

- Revenues
 - Fund Revenue decreased \$26,161 from August
 - Received 100% of Besser Foundation funding for the year
 - Comstock – received full budgeted amount for the year
 - United Way – we have received the expected United Way funding for the year as budgeted.
 - Separated EFSP from United Way on reports as requested. I recognized the first payment from each of the 3 awards for FY22.
 - Misc. Grants – we are over the budgeted amount for this time-frame YTD.
 - Cash contributions is down \$10,534 from what we estimated for this time of year.
 - Thrift Stores is short \$1,739 from what we budgeted.
 - Fundraising over our budgeted amount by \$14,273
- Expenditures
 - Underspent in Salaries and Fringe due to open positions
 - Underspent in Staff Development – due to fewer in person trainings
 - Main Account overspent on the year is Dues, Subscriptions, and Fees
 - Bank fees
 - EmpowerDB Fees
 - Social Solutions – buy out fees
 - Chamber of Commerce membership fees
 - MCEDSV membership fees
 - Paypal fees
 - Web hosting fees

- Jamf fees – cell phone security
- Late fees

Statement of Revenues & Expenditures – Comparative

- Revenues
 - Fund revenue is about the same from September of last year
 - United Way, EFSP and Misc. Grants – In FY21 EFSP was moved from United Way to Misc Grants and in FY22 it is separated into its own category.
 - Overall – Increased Revenue from FY21 to FY22 - \$9,271
- Expenditures
 - Increased Salaries and decreased Fringe from September 21
 - Client Assistance is down from September 21
 - Contracted Services in FY21 consisted of significant one time agency training costs that didn't carry over into the new year.
 - Overall – decreased expenses from FY21 to FY22 - \$37,058

Summary Budget Comparison

- Revenues – received 70.24% of expected revenues. When removing the FVPSA-SA funding the Feds never approved we received 77.29% of expected funding. In addition, the FVPSA-MI wasn't approved until August so this funding was very limited for FY22.
- Most line items are close to target with these percentages.
 - Salaries and Fringes are down due to the various open positions throughout the year.
 - Advertising – has increased spending due to paying to sponsor job postings in Indeed as well as various ads to promote the thrift stores that weren't originally budgeted for.
 - Depreciation Expense – Leasehold Improvement – this will be adjusted once I work on closing entries to account for the assets that no longer have to be depreciated. I missed updating the automatic entry.
 - Dues, Subscriptions and fees – increased due to adding Tier 4, Nextiva, and transitioning to the cloud based accounting system.
 - Repairs & Maintenance is low – more improvements are coming with the use of the FVPSA-MI grant once approved for FY23.

- Staff Development is considerably low – most trainings staff have taken have been online/remote so there has been reduced need for training mileage, meals, and hotels that were budgeted.

Revolve Thrift Store

- First month with a profit.
- Telephone and Trash bills are paid ahead, will record current bills in new year.
- Ending the year with an operating loss of \$19,429.12 plus the start-up costs of \$31,439.65 totaling \$50,868.77 for the year.

Seconds on Third Thrift Store

- Taxable sales increased \$247.97 from August.
- Salaries are increased due to timing of new staffing.
- Most expenses have stayed consistent from previous months.
- Comparative Notes:
 - Increase in proceeds from this month last year is \$3,509.83 but down compared to year end by \$3,929.48.
 - Cash contributions also increased \$546.21
 - Salaries increased from year end last year but Fringes are down. This is due to hiring PT staff vs FT staff.
 - Credit card fees are higher than last year end due to adding Revolve and increased credit card usage.
 - Increase in overall expenditures compared to year end for last year of \$10,901.45.
- 10 Year Analysis
 - Seconds on Third Analysis
 - There was a decrease in net proceeds that steadied out between 2016 and 2019 before COVID hit.
 - 2020 resulted in the lowest net proceeds with 2021 coming back strong.
 - 2022 net proceeds dropped back down again
 - Revolve
 - A Net loss was expected for the first year of operation. September posted the first month with a profit, looking forward to see that trend continue.
 - Second Chances

- The original Oscoda Thrift Store that closed in 2018.
- Average Net Profits from 2013 to 2016 was approximately \$3,200 before posing a Net Loss in its final 2 years.