



SOCIETY OF ST. VINCENT DE PAUL

NEIGHBORS HELPING NEIGHBORS

Council Board Meeting – Minutes

April 25, 2024, 4:00-6:00 p.m.

Presiding: Carole Johnson, President

1. Attendance:

- Voting members present or participating virtually included: Carole Johnson, Dave Little, Mary Murphy, John Stephan, Russ Struttman, Ruth Klenke, Rene Lorio, R. B. Clark III, Bernie Sammons, Christine Novalis, Judy Belford, Brenda Vanderford, Kenneth Patterson, Paul Lodewyck, Melynie Blackshear, Yolanda Diaz, and Ellen Harshman.
- Voting members absent: Clay Whitener and Jeanette Aubuchon.
- Ex Officio or non-voting members present: John Foppe and Fr. Dan Thiess
- SVdP staff present: Jason Coleman, Gena Bast, John Fitzpatrick, Mike Goering, Julie Komanetsky, Steve Poppe, and Chris Winkelmann
- Guests: Mike Carosone (Gravois District) and Jennifer Chickey (BlueSummit Consulting)
- Quorum present: Yes

2. Welcoming Remarks and Agenda Review – Carole Johnson

The meeting came to order at 4 p.m. A roll call was conducted by Judy Belford. Paul was the timekeeper for the meeting and managed the “parking lot” for topics to be discussed later. Carole provided copies of John Berry’s Vision letter, thanked everyone for sharing the mission and asked for prayers for each other.

3. Opening prayer – Fr. Dan

- Fr. Dan described how Jesus was walking to Emmaus with two apostles, which could be considered the first Vincentian home visit.

4. Historical growth of SVdP, Archdiocesan Council of St Louis (see handout) – Judy Belford

- A timeline showed key events 2011-2024. The founding of St. Cecelia Conference in 2022 was left out, but added afterward, to be sent to members attending virtually and to district presidents to be shared with their conferences.
- The spreadsheet on the back of the timeline outlined data from the public Form 990 through 2021 and highlighted statistical information for the same time period.

5. Strategic Progress report – John Foppe

- John welcomed Chris Winkelmann, the new Director of Accounting and Finance. Chris will work with Jason Coleman to transition work in progress and will meet with John Stephan and the Finance Committee.
- The Strategic Progress Report:
 - Acknowledged the hard work of and progress made by the BlueSummit Team.
 - FY2022 financials were delivered to the auditors, and we expect audit results at the July Board meeting.

- John Stephen, Treasurer, acknowledged the significant progress made since the last Board meeting in January, and reminded everyone that the FY2023 numbers are preliminary.
- Refer to Summary of Preliminary Interim (Unaudited) Financial Results of Operations for FY2023.
- Refer to the Preliminary Interim (Unaudited) Statement of Activities. Jason Coleman carefully reviewed each item and said follow-up will include verify all data as actual and investigating the reasons for large variances.
- Regarding liquidity, we have sufficient cash through May, and we may need to draw on the line of credit starting in June or July.
- After a few questions, and due to time constraints, Jason encouraged members to submit financial questions through John Stephan.
- Mike Goering provided an overview of store operations. In summary, 5% over last year revenue but 4% below the aggressive goal in the plan. Per request, Mike will provide a copy of Power BI report to Board members.
- Julie Komanetsky reminded and encouraged attendance at the Spring Assembly Saturday, April 27. She reported 60% of bed vouchers have been used, but donated good Vouchers are only at 15% of budget.
- John Fitzpatrick said we have realized \$2.0M in donations (80% of the \$2.5M FY2024 goal), and welcomed new Development Chair Ellen Harshman and the new Committee members.
- John Foppe reported that liquidity remains a challenge and we are working to increase revenue and reduce costs. We may need to call a special meeting before July.

6. Decisions to be Made – Carole Johnson

- The Resolution to Form a Committee for Vincentian Vocation and Vitality was passed by consensus.
- The Resolution for Collection of Solidarity Dues was passed by consensus.
- Carole recommended using \$33,000 of BDF funds to provide each district with \$3000 to be used to help cover the costs (airfare, lodging, and registration) for the National Assembly August 14-17, Phoenix AZ. The decision was deferred to the District Presidents' meeting on May 16.

7. The Motion to approve the consent agenda (14 items) was passed by consensus. One item in the Safeguarding report was corrected.

8. Other business:

- Renovation of the Vincentian Press Building – John Foppe: The Congregation of the Mission is considering renovation of their building at 9th & Park to create a Vincentian campus. Catholic Charities is interested in using some of the space. It could be a good office space for our Council. John proposed establishing a small Task Force to accompany him to future planning meetings. The Motion to establish a task force to investigate/explore use of space and attend meetings with John was passed by consensus.
- Governance Minutes - Paul Lodewyck reviewed the Board skills list, draft document control policy and draft Board member biography.

9. Parking lot item to be reviewed: Need English-Spanish interpreters, particularly for St. Cecelia's

conference

10. Closing prayer – Fr. Dan Thiess

The Meeting adjourned at 6:08 PM

Respectfully submitted by Judy Belford, acting Secretary and Steve Poppe, Executive Assistant and Council Office Manager



SOCIETY OF ST. VINCENT DE PAUL
ARCHDIOCESAN COUNCIL OF ST. LOUIS

Summary of Preliminary Interim (Unaudited) Financial Results of Operations As of September 30, 2023, and the Year then Ended

SUMMARY

The preliminary compilation of financial activity* for the Council in the fiscal year ended September 30, 2023, indicates the Council incurred a net deficit of \$3.57 million on total revenues of \$15.92 million versus the budgeted *funded* deficit of \$1.50 million. The organization finished the fiscal year with \$325,000 in cash on hand and \$2.75 million in investments, with \$3.83 million in equity.

REVENUE

Development beat its \$2.3 million goal, raising more than \$2.6 million, which with unbudgeted bequest donations resulted in \$3.47 million in funds raised for FY23.

Store sales, including donated goods, Special Buys, and Recycling achieved \$12.44 million, \$2.1 million under the amount budgeted. The FY23 revenue budget was established as a stretch goal. Actuals for FY23 equaled the FY22 actual.

Thus, **gifts and earned income totaled \$15.92 million in FY23**, about \$1.1 million below the planned level, but just \$0.5 million below the prior year. With stores even year-to-year and Development beating goals, this dynamic illustrates the value and impact of bequest donations.

COST OF GOODS SOLD

CoGS still requires analysis. The values recorded in the first three quarters of the fiscal year were running relatively high (between 17% and 21% of store sales versus a budgeted rate of 15.8%), but the fourth quarter is reported at only 10.5% for the overall year of 16.5% of store sales. Purchases were constrained in the latter portion of FY23 to save cash contributing to the lower CoGS value, but the fourth quarter value remains suspicious, and when combined with questions in the inventory accounts on the balance sheet, makes reporting CoGS quite soft.

Nonetheless, the preliminary compiled Cost of Goods Sold at \$2.05 million (16.5% of store sales as compiled) was \$250,000 below the budgeted \$2.30 million (but was \$88,000 more than expected at the budgeted rate of 15.8% of store sales).

EXPENSES & NET OPERATING SURPLUS/(DEFICIT)

Turning to operating expenses, a total of \$17.75 million was spent against a budgeted plan of \$16.49 million: \$1.27 million over budget. Significant contributors to the variance were Personnel costs (\$435,000 over budget), Occupancy costs (\$558,000 over budget), and Supplies (\$322,000 over budget), while other variable costs were constrained with Marketing, Program Services, Store & Truck Expenses, and Meetings & Travel combining to run \$219,000 under budget.

These variances are being investigated to confirm the validity of the compiled values and to question the composition of the budgeted values. The “Supplies” variance is largely attributable to changes in accounting practice when switching to the Sage system where a variety of costs previously categorized as Outside Services were recorded as “Supplies.” We will work to standardize (and document) consistent accounting practices.

The Council budgeted operations to return a deficit of \$1.77 million (which was to be funded with prior year bequest gifts) but **ran at a rate that resulted in a \$3.89 million deficit**, \$2.12 million worse than expected for the year.

INVESTMENT ACTIVITY & NET SURPLUS/(DEFICIT)

Investments contributed \$322,000 to the organization in FY23, more than the \$52,000 budgeted. This reduced the Operating Deficit to arrive at a **bottom-line Net Deficit for FY23 of \$3.57 million** versus the bottom-line budgeted deficit of \$1.50 million.

BALANCE SHEET

Looking at assets and liabilities, **the Council ended FY23 on September 30, 2023, with \$325,000 cash in the bank and \$2.75 million in investments.** Various other current assets (inventories and prepaid expenses, among others) bring total current assets to \$1.44 million and fixed assets net of accumulated depreciation and amortization totaled \$2.56 million for Total Assets of approximately \$6.46 million.

Payables liabilities totaled \$1.92 million with other (accrued liabilities, among others) liabilities bringing Total Liabilities to approximately \$2.62 million—leaving \$3.83 million in Equity.

* It should be noted that the summary and discussion above are based on the very preliminary compilation of financial activities undertaken by the Council during the 2023 fiscal year. This compilation is not complete with several areas—notably inventory accounts (and COGS) reconciliations, receivables and payables cleanup, restricted funds and board designated funds accounting, right of use assets accounting, among other topics—still to be completed. As this work is completed it may be necessary to revise the presentation of FY23 Statement of Activities which revisions would necessarily change reported bottom-line performance.

Society of St. Vincent de Paul Archdiocesan Council of St. Louis
Preliminary Interim (Unaudited) Statement of Activities
For the Fiscal Years Ended September 30, 2022 and 2023
(\$000)

	TOTAL FY22	TOTAL FY23	Budget FY23	Variance to Budget	Actual as % of Total Income	Budget as % of Total Budgeted Income
Ordinary Income/Expense						
Income						
Contributions	\$ 3,927.8	\$ 3,466.6	\$ 2,473.1	\$ 993.4	21.8%	14.5%
Sales - Stores	12,440.5	12,435.8	14,551.6	(2,115.8)	78.1%	85.5%
Total Income	16,439.2	15,915.5	17,024.8	(1,109.3)	100.0%	100.0%
Cost of Goods Sold	2,670.1	2,053.1	2,303.3	(250.1)	12.9%	13.5%
Gross Profit	13,769.1	13,862.4	14,721.5	(859.1)	87.1%	86.5%
Expense						
Personnel	8,457.8	9,662.9	9,227.5	(435.4)	60.7%	54.2%
Occupancy	2,650.7	3,142.5	2,584.4	(558.1)	19.7%	15.2%
Marketing	283.1	265.5	301.6	36.0	1.7%	1.8%
Client Services	2,566.4	2,781.5	2,841.6	60.1	17.5%	16.7%
Store & Truck Expenses	427.1	363.2	437.4	74.1	2.3%	2.6%
VS Program Expenses	17.2	5.0	9.5	4.5	0.0%	0.1%
Outside Services	721.7	529.4	502.7	(26.7)	3.3%	3.0%
Supplies	62.8	364.2	42.5	(321.6)	2.3%	0.2%
Meetings & Travel	133.5	83.9	132.7	48.8	0.5%	0.8%
Bank Fees	134.6	297.5	212.3	(85.1)	1.9%	1.2%
Bad Debt	0.5	(4.2)	2.3	6.6	0.0%	0.0%
Miscellaneous	148.6	77.1	37.7	(39.4)	0.5%	0.2%
Total Expense	15,779.4	17,752.0	16,486.7	(1,265.3)	111.5%	96.8%
Net Operating Surplus/(Deficit)	(1,810.4)	(3,889.6)	(1,765.2)	(2,124.4)	(24.4%)	(10.4%)
Other Income/Expense						
Investment Income	(583.3)	321.7	269.2	52.5	2.0%	1.6%
Net Surplus/(Deficit)	\$ (2,393.7)	\$ (3,570.4)	\$ (1,496.0)	\$ (2,074.4)	(22.4%)	(8.8%)



SVdP St. Louis Lookback Timeline

Mission creep and weakened Vincentian charism/mission leads to operating deficit:

Government grant-funded programs to which Vincentians could not refer Neighbors in Need

- Grant-funded Housing Programs
- Criminal Justice Ministry

Negligible financial help for Conferences

In 2011, Council operating at a \$1.4M budget deficit

Four existing underperforming Thrift Stores

New legal structure: Board decides that the Arch Council and Conferences will serve as a single civil law entity Consolidated 990

Conference support becomes an ongoing focus of strategic plans

New strategic priorities:

- Conference Support
- Board Governance
- Thrift Stores Profitability
- Improve Development

Thrift Store Growth: Lemay Store Opens

New Strategic Plan focuses on better training and support of Vincentians

Vincentian Program Utilization and Support Strengthens

- Creation of Bridges, Bed and Car Programs
- Developed Program handbook

Board reinforces organizational purpose: Spirituality, Friendship and Service

SVdP Sunday event launched

Collaborated with Catholic Charities to conduct “Understanding Two Americas: When Race & Poverty Divide”

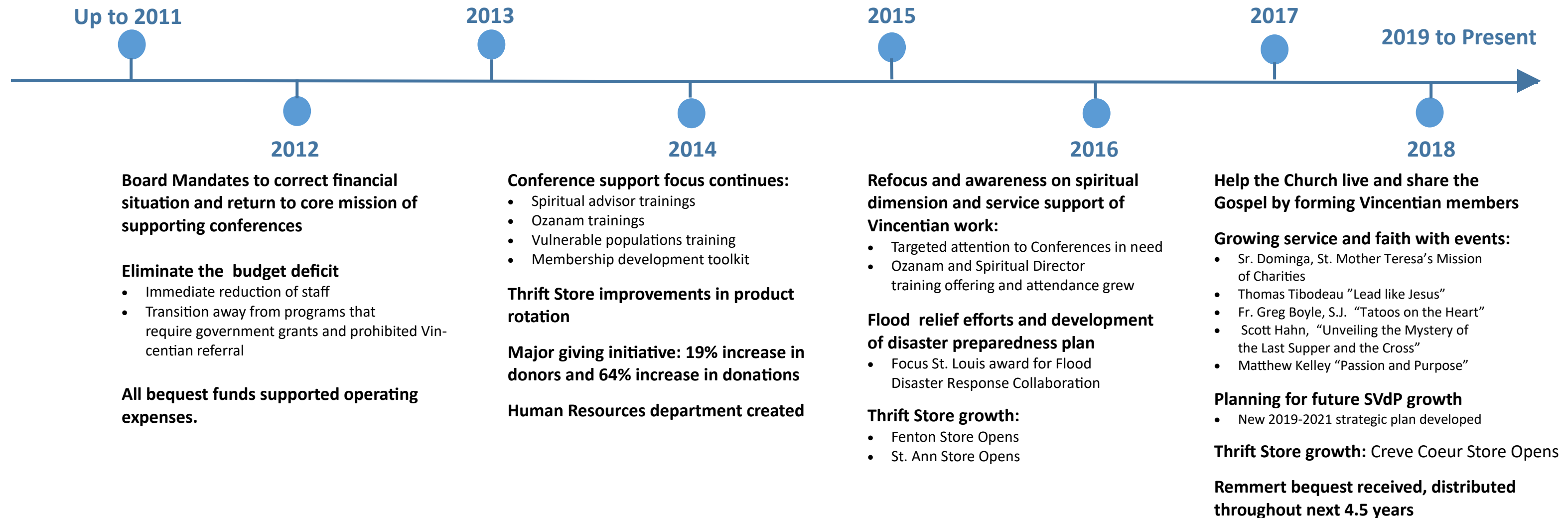
Marketing & Communications department created

Created a servant leader culture and spirituality focus grows:

- “Why” statement developed
- Co-sponsored Archdiocese first Social Justice Conference
- New investment on SVdP Formation efforts

Systemic change partnerships created: Catholic Charities, Family Forward, CJM, Women’s Safe House and American Jobs Center, etc

Thrift Store Growth: Florissant Store Opens





SVdP St. Louis Lookback Timeline

