

COMMITTEE: GSHNJ Finance Committee

DATE: August 10, 2020

TIME: 7PM

LOCATION: Zoom

CHAIR: Emil Menzies

SECRETARY: Tara Faquir

PURPOSE OF MEETING: The Finance Committee has been established by the Board of Directors of Girl Scouts Heart of New Jersey (the “Board”) to assist the Board in discharging and performing the duties and responsibilities of the Board with respect to the financial affairs of Girl Scouts Heart of New Jersey (the “Corporation” or the “Council”). In assisting the Board in fulfilling its fiduciary responsibilities related to ensuring that accumulated assets and current income are managed properly.

INVITEES / ATTENDEES:

Name	Present
Asia J. Norton	In person / phone / absent / excused / Zoom
Barbara Kocis	In person / phone / absent / excused / Zoom
Emil Menzies	In person / phone / absent / excused / Zoom
Mahlet Woldermariam	In person / phone / absent / excused / Zoom
Mike Manley	In person / phone / absent / excused / Zoom
Princess Palmer	In person / phone / absent / excused / Zoom
Shana Dadlaney	In person / phone / absent / excused / Zoom
Shelly Masi	In person / phone / absent / excused / Zoom
Tara Faquir	In person / phone / absent / excused / Zoom
Dianna Beck-Clemens, Ex- Officio	In person / phone / absent / excused / Zoom
Lori Grier	In person / phone / absent / excused / Zoom
Natasha Hemmings, Staff Ex-Officio	In person / phone / absent / excused / Zoom
Michael Forrestall, Staff Ex-Officio	In person / phone / absent / excused / Zoom

Next Meeting: August 24th at 7PM

Membership Overview

Concerns to membership are holding true. Estimating a 2021 girl membership of 13,050. Membership is often tied to public places of meeting: schools, places of worship, and community centers, etc.. Without those places operating, membership will likely take a significant hit and has started to trend that way.

Present day membership for 2021 is 1,300 girls for 2021 vs typical average girl membership of 5,000 for the previous year.

2020 membership year current numbers- 16,400 (plan was budgeted for 17,400).

Budget Overview

Budget expectation \$6.3 M EOY – Most significant revenue loss was due to Summer camp being unable to operate. Estimated revenue loss from camp equates to \$1M.

Camp 2021 Projections- Likely that Summer camp will run, however, at a reduced occupancy level thus bringing in less revenue than prior years. Additionally, camp property rentals will likely take a hit due to COVID.

Public support/fund development- current budget of \$660,000 will carry over to 2021 forecast rather than show an increase over LY. Funding has been trending towards community-based needs such as food banks and medical services/professionals rather than program-based need. Likely will continue to see that trend for as long as the pandemic continues.

Product Program Assumptions and Current Year:

Current \$3.2M, budget \$3.5M- should end within \$100K of budget. Will likely close out the 2020 product program by the end of August.

EMIL'S NOTE TO MIKE- Should normalize numbers between current and budget to reflect actual numbers including girl incentives.

Cookie: Moving parts

1. All boxes will increase price by \$1. Typically accounts for a 12% lift in overall revenue. During pandemic and loss of membership, that will not be the case because less girls will likely participate.
2. PGA (Per Girl Average) – estimating a decrease from 113 to 107.
3. 2021 Forecast – \$2.7M. In the absence of pandemic would have forecasted a 12% increase over 2020 due to per box price increase.
4. Raised cookie prices will benefit girls by increasing \$.25 total between proceeds and incentives.
5. 2021 digital cookie order platform will begin at the end of December (change from previous years)
6. Time of year – committed to baker for a specific time of year in order to honor GSHNJ/Bakery contract and not be disruptive to the baker supply chain. Start date of sale aligns with NJ/PA and NY

Fall Product Program

1. Similar assumptions to cookie program. Less girls registered = less girls participating in Fall product program. (28% participation rate vs 31% in prior years)
2. M2 Media has been a fantastic partner and created a dynamic platform for girls. However, given the circumstances, it is best to error on the side of a conservative forecast.

Operating Expenses: Reduction in staff

Projecting a 25% reduction in staffing levels. Dollar impact of reduction is approximately \$375K. Have not yet finalized actual reductions; still sorting out which positions are priority positions and who are the best people to fit those roles with potential new responsibilities.

With staff reductions, GSHNJ has built in an average of 8-week severance. GSHNJ severance program is based on years served with minimum severance being 2 weeks and maximum severance of 12 weeks.

New operating model has not been confirmed yet. Too early to share with the FC. Anticipate coming to a final decision within the next two weeks. FC needs to see final headcount. Total headcount as of today 49 (does not include camp or seasonal employees). Salary and fringe benefits correlates to regular employees. Temporary employees are included in professional fees.

Is the forecast feasible given the staff reduction and the additional responsibilities parents are facing with lack of school/extracurriculars, etc.? Is this the time to add to the plate of volunteers?

Additional Operating Expenses

Area of concern: Liability insurance has increased significantly vs LY. Driven by COVID

2020 Capital Plan- Budgeted \$175K but have not spent anywhere near that amount. Mike will get Emil and the FC the actual number spent. Surfacing of the Dewitt pool is a top priority but has been put on hold for the time being.

EM: Are there funds in the 2020 budget that can be transferred to the project of resurfacing the Dewitt pool- that is a priority due to safety concerns. Property committee meeting is scheduled for next week and they will review.

Old Business

LOC- in underwriting currently. Will give an updated report on the LOC at the next meeting

PPP- Have expended all of the funds that were earmarked for that program. Will be forgivable and turn over to revenue line item shortly.

Montclair Proceeds- \$350K replenished the operating reserves. Balance of funds in bank account. Should revisit with FC and board in the next few weeks.

Status of 990? – Will follow-up with Audit Committee and send an update out.