

Southeast Enterprises Board Meeting
April 18, 2023

On April 18th the Southeast Enterprises Board of Directors met in the Conference Room.

Directors present: M. Baldinger, Treasurer J. Beaudet, L. Heck, President A. Morgan, M. Presser, Vice President R. Sauve, W. Knoles.

Directors absent: J. Moning and Secretary S. Wurth

Staff present: L. Hall (CEO) and D. Melton (Dev Dir)

Special guest: Rick Swearingin of Novak Birks P.C. joined via zoom to present the 2022 audit.

Meeting **called to order** at 4:43 p.m. by President Morgan

The **minutes** from April's meeting written by Secretary Wurth was moved by R. Sauve, seconded by M. Baldinger to approve. Motion carried.

Treasurer Beaudet introduced Mr. Rick Swearingin, SE's independent auditor with Novak Birks, to present the **2022 audit**. Swearingin shared the audit via zoom and Directors followed along with hard copies. Mr. Swearingin complimented Hall and staff for clean and reliable books, accessibility to all documents requested, and knowledgeable explanations of processes and practice. All SE assets are in equity with no restrictions. After review of Statement of Activities, Functional Expenses and the percentages of services to overhead/administration expenses, confirmation of a financially strong organization with no material weaknesses was confirmed. Treasurer Beaudet asked for questions. He then thanked Mr. Swearingin for his time and service to the organization. The board took a small break before attending to the rest of the agenda.

The **Finance Report** presented by Treasurer Beaudet consisted of the YTD budget versus actual profit and loss statement and balance sheet. First quarter P&L financial highlights are as follows: Total income of \$665,497.25 (25% of annual budget), Gross Profit of \$646,976.78 (24%); Total expenses for the first quarter stand at \$614,163.76 (23% of annual budget) for a Net Operating Income of \$32,813.02. Other income of \$431.71 added to the net income for a total of \$33,244.73 at the end of the first quarter.

The Balance Sheet as of March 31, 2023 noted the following assets: bank accounts of \$990,963.61, accounts receivables of \$348,801.41, other current assets of \$22,658.21, fixed assets of \$97,314.31, and other investments of \$850,746.91 for Total Assets of \$2,310,484.45. Total liabilities of \$83,961.49 and Total equity of \$2,226,522.96 for a combined Total Liabilities and Equity of \$2,310,484.45.

M. Presser moved a motion to approve the financial report as presented, L. Heck seconded. Motion carried.

CEO Report presented by L. Hall covered the following highlights: 22% increase in annual DOL mandated survey of prevailing wage which now stands at \$14.84, rising wages for all personnel creating pressure on operating budget as SE also loses annual revenue volume of \$285,000 as one customer pulls work due to price only; however, Associates on the Move program growing in participation (at 14%), community partners/teams, and acquisition of 6-pax van through an in-kind gift from eitas; the new KU Med OT internship program is developing into meaningful activities benefiting associates development through vocational classes and ergonomic assessments and will establish the means for a robust vocational training program helping SE to diversify programming and funding.

Committee Reports

Executive Committee: no report this period

Governance: Annual board review is under development to be presented to Directors in June

Board Development: Four viable candidates have been identified and are being nurtured by L. Hall with additional vetting to come from board development committee members.

Insurance: all insurance renewals due by July 1st with some premium increases anticipated, especially in cyber-security. Premiums yet unknown.

Strategic Planning: Phase II is in process, Denise McNerney working with SE staff to establish goals, KPIs, and tactics for the 2024 – 2026 plan.

External Affairs: small “retail-style fundraisers in the works. Should be able to report out in June

Government Relations: no report at this time

Security, Building & Capital Improvement, Equipment Acquisitions: report on the in-kind van acquisitions and on-going new tables and chairs installations in every work area

Associate Services: no committee report at this time

Unfinished Business – needed and received conflict of interest statements from two directors

New Business – important dates for SE: June 30th (Friday from 11:00 to 1:30 p.m.) SE family picnic at SE and volunteer closure on July 3rd with all personnel taking PTO or time without pay to enjoy a four-day holiday weekend for Fourth of July observance.

Meeting adjourned at 6:13 p.m. after President Morgan asked for the motion. M. Baldinger moved, seconded by J. Beaudet. Motion carried.

Respectfully submitted by Lauren Hall in Secretary Wurth’s absence,

Lauren Hall