

February 24, 2025

On behalf of the Board of Directors, I am happy to share the following highlights from the February 24th meeting of the Board of Directors of Southern Arizona. This was a hybrid meeting and was conducted both in person and by Zoom. As per our bylaws, we did have a quorum to conduct business.

Pamela Traficanti
Board Secretary

Present in person: Terry Flores, Pamela Traficanti, Nicholle Zarkower, Karen Riddle, Anne McLain Whipple, Melissa Arroyo, Bella Duncan, Lynn Borders

Present via Zoom: Rukiya Higgins, Pam Treadwell Rubin, Arcianna Jimenez, Elaine Becherer, Melissa Lopez; Cheree Meeks, Kabrina Lee, Maggie Shafer

Staff present: Kristen Hernandez, Melissa Tomlinson, MacGyver Tank, Elizabeth Locke Thomas, Timalee Nevels

Teresita Flores, Chair convened the meeting 5:07pm

CEO Update

Kristen Hernandez, CEO

Kristen shared a brief update with the following highlights which also serve as an update to her goals for the year:

- January and February have been tough months for the Council
- Looking to our KPI's, our membership is up and the team has been working hard. Our membership team has been innovating and working as Troop Leaders themselves. It's given them a hands on look at what our volunteer's experience. The whole project has been helpful in a number of ways.
- Mom's Across America has targeted Girl Scouts and the Cookie Program in a viral social media disinformation campaign. GSUSA was not forthcoming with enough of a response, or quickly enough leaving Council's to have to respond to the issue themselves.
- We had a Director of Program resign to take a full time camp position elsewhere. While it's always tough to see a key player decide to leave, our team has embraced the change and is looking forward to growth and chance to shine in their own leadership skills.
- We have upcoming Young Women of Distinction to look forward to, and with it, the celebration of 5 Gold Award Girl Scouts. You'll recall that last year we didn't have any. New staff member Cindy Chapman who heads up highest awards has done an amazing job of turning around the program.
- You'll also want to mark your calendars for December 6th for our big 90th anniversary celebration Scoutchella at Kino Sports Complex.

CFO Report

Melissa Tomlinson, CFO

Melissa Tomlinson, Consulting CFO, reviewed highlights from the financials of end of month February 2025. These documents were thoroughly reviewed and approved by the Finance Committee last week.

The month of January was good for us over all. Revenue came in at \$1.4m against a budget of \$1.6m. Timing is the major issue there, as we purchased 75% of our cookie product up front as opposed to 43% we had budgeted. Other revenue line items are very close to budget.

Expenses came in close to budget- \$360,000 vs. \$396,000 budgeted. We made some gains in recent investment losses as the investments had a very good month.

Net profit came in at \$1.1m against a budget of \$1.2m, but that variance will reverse quite a bit in February because of the timing of the cookie product purchase.

On the balance sheet, it should be noted that it reflects that we have \$1m in cash, which is under the 3mo target. As a reminder to the Board, this is just cash. We have many investments that can easily be converted should there be a need. We prefer to earn interest on as much as we can rather than have the funds just sitting in cash not making anything on it. Of note also is that we used the full line of credit in January to purchase the inventory up front to take advantage of a discount. Now that cookie revenue is flowing in, that begins to get paid back.

Motion: Motion to approve the February 2025 financials as put forward by the Finance Committee. Motion by Nicholle Zarkower Second by Lynn Borders **Motion Passes**

Acceptance of the Audit

Melissa Tomlinson, CFO

The Audit firm met with the Finance Committee last week. The audit was very smooth again this year. They issued a clean opinion, with no material adjustments, no findings.

Motion: Motion to accept the audit as forwarded by the Finance Committee this week.
Motion by Anne McLain Whipple Second by Melissa Arroyo **Motion Passes**

Product Program Update

Elizabeth Locke Thomas, CMDO

We are currently 137,824 boxes away from our goal and have made the decision to reset our target as we continue to trend downward. At this time, we are tracking 9% below our goal. For context, councils across the country that also implemented a price increase this year are averaging a 12% decline, as are councils that did not raise prices. This indicates that our numbers are in line with national trends.

Our focus now is on finishing the season as strong as possible. While many councils are holding excess inventory, our warehouse is completely empty, and we have approximately 6,000 cases remaining in our cupboards. A top priority is ensuring that our Troops and families are not left with unsold product at the end of the sale. We are hoping to offset some of this through Care to Share.

The team is actively analyzing the numbers and making necessary budget adjustments. We are not purchasing additional inventory, and the overall cost of rewards will be lower than originally projected. These factors will help us adjust the financial picture as we close out the sale.

Despite these challenges, our per-girl average remains an impressive 467 boxes—an achievement worth celebrating.

Fund Development Committee Update

Elaine Becherer, Director

The committee and staff team has been meeting monthly. The group has been strategizing in three particular ways. One approach is how to pre-sell tickets and sponsorships for the next event at the current event. Another avenue being explored is yearlong sponsorship approach instead of event specific. The last element that the group is working on is the approach to donor meetings and pitches. We have incredible and rich work being done with the staff supported team, but the current language isn't resonating with funders as it should.

Niki updated the Board on the progress to date for Cookies and Cocktails, which is coming up on 3/26. Last year we brought in \$55,000 year, which was \$20,000 over the prior year. To date, we are at about \$33,000

with half tickets yet to sell. The raffle usually comes in at \$10,000-11,000. We have new restaurants involved in the event this year which is exciting. Many thanks to all those who have brought in wine or raffle items.

Generative discussion-

Kristen Hernandez, CEO

With gratitude to the Strategic Alignment planning group and in consideration of the dues increase, we have decided to center our efforts on effectively telling our story. The belief is that by strengthening our storytelling, we will see benefits across key areas, including membership growth and retention, fund development, and community engagement.

The Board retreat on June 14th will focus on this topic, guided by a professional facilitator.

As part of this initiative, the group tested the Menti platform with initial questions related to storytelling. Key takeaways from the session include the importance of sharing authentic member stories whenever possible—while ensuring sensitivity and respect for members' experiences. Additionally, there is a need for greater consistency in distributing press releases, particularly for member stories and Highest Award announcements.

Consent agenda-

Motion to accept the consent agenda, which includes the dashboard, agenda and draft minutes from January 2025. Motion by: Nicholle Zarkower. Second by: Karen Riddle

Motion Passes

The meeting was adjourned at 6:30pm