

Iowa Center for Economic Success
and
Iowa Center Loan Fund

Board of Directors Meeting
August 17, 2023



Iowa Center for Economic Success
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www.THEIOWACENTER.org

Iowa Center for Economic Success

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Iowa Center Loan Fund

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Agenda

IOWA CENTER FOR ECONOMIC SUCCESS BOARD OF DIRECTORS

MEETING August 17, 2023 – 7:30 AM

- | | | |
|-------|--------------------------------|--------------------------------------|
| I. | Welcome | Mark Phillips, Chair |
| II. | Board Action | |
| III. | Minutes from June 2023 Meeting | Megan Milligan, President |
| IV. | Board Member Expectations | Megan Milligan, President |
| V. | President's Update | |
| | a. Administrative | |
| | b. Tax Services | |
| | c. Business Coaching | |
| | d. Credit + Lending | |
| VI. | June 2023 Finance Report | Donnell Wiskus, Director of Finance |
| VII. | July 2023 Finance Report | Donnell Wiskus, Director of Finance |
| VIII. | FY24 Budget Targets | Erin Strawn, Director of Advancement |
| IX. | Advancement Targets | Erin Strawn, Director of Advancement |
| X. | Open Discussion | Board |
| XI. | Adjourn | Mark Phillips, Chair |

**After adjournment, please plan to stay for an open house with the staff.

NEXT EXEC COMM MEETING – Thursday, September 21, 2023

NEXT BOARD MEETING – October 19, 2023



Minutes from June 22, 2023

IOWA CENTER FOR ECONOMIC SUCCESS BOARD OF DIRECTORS MEETING
MINUTES: June 22, 2023 – 7:30 AM

Welcome

Present: Megan Milligan, Mark Phillips, Bill Wright, Jodi Rhone, Nerma Mlivic

Present Staff: Mark Juffernbruch, Erin Strawn, Donnell Wiskus, Karla Evans, Jose Venales, Maddie Simmons

Absent: Ann Rolow, Semsá Didic, Kevin Chorniak, China Wong, Everett Miles, Franklin Codel, Mari Bunney, Taufeeq Shah

Due to absences, we were at 38% quorum. However, Franklin Codel did vote in absentia to approve the FY24 Executive Team and the FY24 budget, bringing us over the required 40% quorum.

7:34 meeting called to order by Mark.

Approval for April minutes. motion: Bill, second Kevin. All aye.

Maddie gives leadership introductions. Megan introduces Maddie.

Program Updates

Megan notes that moving forward, the Iowa Center leadership team will continue to join the board meetings, but the executive meeting will remain smaller and remain focused on diving more deeply into strategy and troubleshooting.

Megan requests the current board bring new board recommendations for August voting, would like a focus on attorneys, marketing, and Wells Fargo representation. Looking for 1-2 new board members. Bill asks if anyone is rolling off, Megan notes that one or two current members may roll depending on if they decide to re-up. Mark notes that Charles Hill, attorney and small business owner, has been introduced to Megan as a potential candidate.

Bill asks how things are going with advancement. Erin answers that she is making very good progress, her main focus at the moment being renewing all current grants. Mark asks about any hesitancy from potential donors. Erin has reached out and contacted all existing funders and has begun building relationships, no hesitancy that she has detected yet, but still working to build relationships.

Bill is chairing United Ways campaign for construction industry, has seen noted optimism among those who he is working with there in terms of funding. Hopefully that enthusiasm will spill over into The Iowa Center.

Nerma motions to approve Exec Team FY24. Bill seconds. All approve.

Donnell delivers FY24 report. The executive team has given the approval to present to the larger board. Budget made with information through May, so has a very strong basis. The biggest update will be revenue, especially in terms of expanding staffing in order to strengthen three services lines. Will launch a comprehensive advancement plan and strengthen existing grants/plans (while also looking for new growth). Marketing is another big focus, along with Eastern Iowa presence, in order to continue growing awareness of The Iowa Center.

Forecasting 30% revenue growth over the previous year, with expenses only growing 18%. We're creating a gap to strengthen our cash reserves and want to lessen reliance on government grants for cashflow.

Will have deficit built in, largely due to Kauffman Grant largely having been gifted over two years. Funds were recognized when grant was signed in the previous fiscal year, but expenses are largely in 2023 and 2024.

Overall, accounts receivable is forecasted to be less than last year, largely due to timing on certain grants (i.e., Kauffman Grant). We have issued new loans, so our loan liabilities have gone up.

The only thing questionable in June 2023 Forecasted Cash on Hand is the employee retention credit. No word yet on when it will come in, but will be the largest change to the forecast. Will be just \$19,000 short for goal desired for full FY24 reserve, so we are getting very close to meeting our goal. We are currently focused on paying down the loan fund line of credit. We plan to help use this to offset costs of staffing and InKind Dollars.

Planned deficit for FY24 of \$10,000. Contributions will be increased by about 30% to help us meet this deficit goal.

For revenue breakdown, planned increase of \$250k over this fiscal year. Have asked for increase of \$40k from IRS Vita Program to match the Iowa grant. Will hear back in October. Erin and Donnell will work on reporting back to the board so they can provide updates on goals and where they are throughout the year.

Addition of part time tax site coordinator and part time client services coach (this will be contracted). If we do see large increases in class attendance, the goal would be to continue expanding client services coaches.

Mark asks how the board can best help in making connections and introductions and requests that Erin and Donnell report back how these intros/connections can best be made. Bill mentions our landlord just bought a bank, Twin Cedars Bank. Might be a good opportunity for introductions. Will Brown currently runs the bank. Karla, Jose, Erin, and Bill will work together to make introduction.

Mark asks the staff what their gut says about meeting the budget. Erin answers that she feels very good, she is excited about the story we have to tell and the product that we are selling. Bill says that it will be a

hill to climb, but The Iowa Center is seeing tremendous growth and we have the team/resources to pull it off. Bill notes we have resources we have not had before. Erin mentions she will be reaching out to the board more often for assistance. Every lead will help, information flow and introductions/joining Erin for meetings to help build relationships will be instrumental.

Jodi motions to approve FY24 budget. Nerma seconds. All aye. Motion passes.

Donnell reviews May 2023 finance report. No surprises. Loan funds all distributed. Within 10% of budget on expense side.

Open Discussion

Mark calls for open discussion.

Megan mentions that Iowa Center Loan Fund will now follow full board meeting so that the full board can understand and be up to speed on it. Will begin in August. This will allow the Executive Board Meeting to get into tougher issues and dig in on strategic focus.

Mark asks for examples of how best to change the Executive Board Meeting going forward. Jodi says three buckets of things: governance angle (are we covered on how we are directing?), internal focused operational view (what decisions do we make as a group to ensure we're moving forward?), external affairs (how are we approaching the world around us and get our message out?).

Bill motions to adjourn at 8:13. Jodi seconds. All aye.



BOARD MEMBERS: WHAT YOU SHOULD KNOW

TIME COMMITMENT:

- The board of directors meets every other month (currently 7:30 -8:30am the 3rd Thursday of every other month: August, October, December, February, April, June).
- The Executive Committee meets the opposite months on the third Thursday.
- Attend events hosted by The Iowa Center (we will have a hybrid of in person and virtual events). The targeted goal for event attendance is six a year—or one bi-monthly event. The first Friday of every month we host a special session called The Story Of...and Small Business Essentials (normally hosted on Tuesdays at noon) are a great place to start.
- Setting up networking meetings for Megan Milligan and Erin Strawn.

BOARD MEMBER EXPECTATIONS:

- Attendance at the six board meetings is expected although we recognize that travel and other commitments means this is not always possible. There is not a mandated attendance policy.
- The Iowa Center holds public events monthly. Board Members are not required to attend; however their presence is beneficial to the other guests.
- While The Iowa Center does not have a minimum request, we do have a goal of 100% board giving and getting. We hope each board member will make a personal financial gift to The Iowa Center and help solicit, make introductions, advise on opportunities for fundraising with their employer, as well as individual and corporate community leaders. Likewise, board members are not expected to volunteer, however there are opportunities for them to lend their expertise if this is in an area of interest.

PRIORITIES FOR THE IOWA CENTER FY24:

- Empower and Strengthen the three direct service departments
 - Business Coaching
 - Credit + Lending
 - Tax Services
- Launch comprehensive advancement plan which includes:
 - Fundraising
 - Government Funding
 - Business Development
 - Marketing
- Grow Our Eastern Iowa presence
- Explore other state-wide partnership opportunities to expand footprint
- Develop new 3-5 year strategic plan (CY 2024)



President's Report

Megan Milligan
June 2023

Administrative Updates

Megan Milligan, Erin Strawn, Donnell Wiskus, Linda Salazar, Maddie Simmons

- Building development plan for continued growth and outreach
 - Staffing: currently planning for part-time Vita Site Coordinator and contract Business Coach
- Prioritizing fundraising meetings and grants to facilitate planned FY24 growth
 - Eastern Iowa continuing to remain a priority, with September meetings scheduled for key contacts in Muscatine
- Board nomination requested for FY24
 - Wells Fargo board presence needed ASAP
 - Other nominees will be appointed in January, with interviews planned for October/November

Tax Services Updates

Karla Evans

- Transitioning the United Way of Central Iowa tax sites to The Iowa Center has begun
 - The addition of these sites will make The Iowa Center the largest VITA site in the coalition
- Preparations underway for 2024 Tax Season
 - 12,629 returns filed (including 714 prepared at The Iowa Center tax sites) for 2023 tax season
- The Iowa Center was one of three organizations to be awarded The Hall of Fame award for outstanding dedication to SPEC and it's cause during the IRS SPEC (Stakeholder, Partnerships, Education & Communication) 2023 Partner Recognition Ceremony
 - also nominated for five awards, mentioned as a top nominee for three awards

Business Coaching Updates

Mark Juffernbruch, Sierra Smith, Lindsay Trumbull

- Revamping class structure
 - We will have six courses covering business basics in addition to an array of higher-level topics (20 to 25 individual courses) in the areas of:
 - accounting and finance
 - insurance and benefits
 - legal issues for small business ownership
 - marketing
 - real estate
 - These classes will be taught by Iowa Center staff along with 10 to 12 industry experts.
- Coaching sessions and loan applicants already benefitting from restructured class/triage requirements as they are much more prepared for next-level conversations
 - Clients are able to be directed to specific coaches to meet their business needs
- Working on identifying and meeting with volunteers for teaching some new course offerings and to supplement our coaching services; these volunteers will be content experts
 - New classes will begin in October

Credit and Lending Updates

Jose Venales, Piath Noi, Russ Dale

- We are now an official member of OFN (Opportunity Finance Network)
 - Major resource for CDFI to help with networking, policies, procedures, etc.
- SBA Loan was closed (\$500,000)
- Initial Draw for the loan is \$175,000
- We continue to work on moving the SBA microlending program from The Iowa Center to Iowa Center Loan Fund
- Q4 Reporting for WBC Microloan Grant completed and submitted



Financial Dashboard
June 2023
Fiscal Year Ending June 30, 2023

1	<p>YTD Surplus (Deficit) before depreciation</p> <p>The Iowa Center (\$174,963)</p> <p>The Iowa Center Loan Fund (\$2,084)</p> <hr style="width: 100px; margin-left: 0;"/> <p>(\$177,047) Which is \$95,000 better than budget.</p>																																																
2	<p>Total expenses for the Iowa Center + ICLF are \$12,000 less than budget YTD, with the following variances:</p> <table border="0" style="width: 100%;"> <tr> <td>Personnel - timing for the Director of Advancement</td> <td style="text-align: right;">43,609.75</td> </tr> <tr> <td>Net of Office Expense & Programming</td> <td style="text-align: right;">(17,696.86)</td> </tr> <tr> <td>Loan loss reserve</td> <td style="text-align: right;">(18,035.72)</td> </tr> </table>	Personnel - timing for the Director of Advancement	43,609.75	Net of Office Expense & Programming	(17,696.86)	Loan loss reserve	(18,035.72)																																										
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4	<p>Cash is in a much better position at the end of June. We recieved the full amount due from the SBA for the WBC through Q2, as well as Q1 and Q2 of the Employee retention credit.</p>																																																
5	<p>The total Accounts Receivable balance is \$191,000 less than June 30, 2022. Below is a comparison:</p> <table border="0" style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: right;">Jun-22</th> <th style="text-align: right;">Jun-23</th> <th></th> </tr> </thead> <tbody> <tr> <td>Employee Retention Credit</td> <td></td> <td style="text-align: right;">59,128</td> <td style="text-align: right;">59,128</td> </tr> <tr> <td>DHS</td> <td style="text-align: right;">16,250</td> <td style="text-align: right;">57,928</td> <td style="text-align: right;">41,678</td> </tr> <tr> <td>SBA CARES</td> <td style="text-align: right;">45,745</td> <td style="text-align: center;">-</td> <td style="text-align: right;">(45,745)</td> </tr> <tr> <td>SBA WBC</td> <td style="text-align: right;">37,500</td> <td style="text-align: right;">37,500</td> <td style="text-align: center;">-</td> </tr> <tr> <td>SBA Microlending</td> <td style="text-align: center;">-</td> <td style="text-align: right;">12,500</td> <td style="text-align: right;">12,500</td> </tr> <tr> <td>International Rescue Comm.</td> <td style="text-align: right;">16,666</td> <td style="text-align: right;">20,833</td> <td style="text-align: right;">4,167</td> </tr> <tr> <td>Individuals</td> <td style="text-align: right;">150</td> <td style="text-align: right;">250</td> <td style="text-align: right;">100</td> </tr> <tr> <td>Pledges</td> <td style="text-align: right;">110,000</td> <td></td> <td style="text-align: right;">(110,000)</td> </tr> <tr> <td>Kauffman Foundation</td> <td style="text-align: right;">147,153</td> <td></td> <td style="text-align: right;">(147,153)</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">10,000</td> <td style="text-align: right;">4,500</td> <td style="text-align: right;">(5,500)</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>383,464</u></td> <td style="text-align: right;"><u>192,639</u></td> <td style="text-align: right;"><u>(190,825)</u></td> </tr> </tbody> </table>		Jun-22	Jun-23		Employee Retention Credit		59,128	59,128	DHS	16,250	57,928	41,678	SBA CARES	45,745	-	(45,745)	SBA WBC	37,500	37,500	-	SBA Microlending	-	12,500	12,500	International Rescue Comm.	16,666	20,833	4,167	Individuals	150	250	100	Pledges	110,000		(110,000)	Kauffman Foundation	147,153		(147,153)	Other	10,000	4,500	(5,500)		<u>383,464</u>	<u>192,639</u>	<u>(190,825)</u>
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6	<p>Notes Receivable - loans issued - increased by \$365,000.</p> <table border="0" style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: right;">SBA Microloans</th> <th style="text-align: right;">ICLF Loans</th> <th style="text-align: right;">Total</th> </tr> </thead> <tbody> <tr> <td>New Loans Issued</td> <td style="text-align: right;">271,769</td> <td style="text-align: right;">258,686</td> <td style="text-align: right;">530,455</td> </tr> <tr> <td>Monthly Loan Payments - principal</td> <td style="text-align: right;">(10,378)</td> <td style="text-align: right;">(64,131)</td> <td style="text-align: right;">(74,509)</td> </tr> <tr> <td>Loan Payoff</td> <td style="text-align: right;">(41,285)</td> <td style="text-align: right;">(33,608)</td> <td style="text-align: right;">(74,893)</td> </tr> <tr> <td>Change to Loan Loss Reserve</td> <td></td> <td style="text-align: right;">(16,137)</td> <td style="text-align: right;">(16,137)</td> </tr> <tr> <td><u>Total Change</u></td> <td style="text-align: right;"><u>220,106</u></td> <td style="text-align: right;"><u>144,810</u></td> <td style="text-align: right;"><u>364,916</u></td> </tr> </tbody> </table>		SBA Microloans	ICLF Loans	Total	New Loans Issued	271,769	258,686	530,455	Monthly Loan Payments - principal	(10,378)	(64,131)	(74,509)	Loan Payoff	(41,285)	(33,608)	(74,893)	Change to Loan Loss Reserve		(16,137)	(16,137)	<u>Total Change</u>	<u>220,106</u>	<u>144,810</u>	<u>364,916</u>																								
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7	<p>Other liabilities increased by \$256,000. That consists of:</p> <table border="0" style="width: 100%;"> <tr> <td>Dec-22 Draw 2 from Original SBA Microloan</td> <td style="text-align: right;">162,500</td> </tr> <tr> <td>Less Loan payments (Apr-Jun)</td> <td style="text-align: right;">(6,825)</td> </tr> <tr> <td>Apr-23 Bank Iowa Loan (ICLF)</td> <td style="text-align: right;">100,000</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>255,675</u></td> </tr> </table>	Dec-22 Draw 2 from Original SBA Microloan	162,500	Less Loan payments (Apr-Jun)	(6,825)	Apr-23 Bank Iowa Loan (ICLF)	100,000		<u>255,675</u>																																								
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Financial Dashboard

June 2023

Fiscal Year Ending June 30, 2023

The Iowa Center financial statements are prepared and reported on the accrual basis of accounting

Statement of Activities (July 1st, 2022 to June 30, 2023)				
Consolidated	YTD Actual	YTD Budget	YTD Variance	2023 Annual Budget
Revenue				
Contributions	203,523	465,000	(261,477)	465,000
Government Grants	813,190	550,000	263,190	550,000
Contract Income	125,792	57,500	68,292	57,500
Program Income	22,405	8,000	14,405	8,000
Investment Income	1,459	2,000	(541)	2,000
Total Revenue	1,166,368	1,082,500	83,868	1,082,500
Expense				
Personnel	921,285	964,895	43,610	964,895
Professional Services	35,555	31,670	(3,885)	31,670
Occupancy	63,607	61,640	(1,967)	61,640
Office Expense	56,252	32,725	(23,527)	32,725
Marketing	8,579	500	(8,079)	500
Programming	38,674	44,505	5,831	44,505
Tax Sites	192,957	210,790	17,833	210,790
Insurance	8,470	8,200	(270)	8,200
Loan Loss Reserve/ Bad Debt expense	18,036	-	(18,036)	-
Total Expense	1,343,416	1,354,925	11,509	1,354,925
Net Revenue (Loss) Before Depreciation	(177,047)	(272,425)	95,378	(272,425)

Statement of Financial Position (As of June 30, 2023)			
Consolidated	6/30/2023	6/30/2022	Change
Assets			
Bank Accounts	533,637	592,658	(59,021)
Endowment Fund	27,363	26,166	1,197
Accounts Receivable	192,639	383,466	(190,827)
Prepaid Expenses	16,138	12,662	3,476
Note Receivable	572,071	207,156	364,915
Fixed Assets	29,108	44,056	(14,948)
Total Assets	1,370,957	1,266,163	104,793
Liabilities			
Accounts Payable	1,070	19,889	(18,819)
Payroll Liabilities	69,701	9,769	59,932
Deferred Income	38,750	38,750	0
Other Liabilities	343,175	87,500	255,675
Total Liabilities	452,696	155,909	296,788
Total Net Assets	918,260	1,110,255	(191,997)
Total Liab. & Equity	1,370,957	1,266,163	104,792

Accounts Receivables Detail		
Name	Amount	Description
IRS	-	VITA22 IRS: Oct-Sept
Health and Human Services (I	57,928	EITC DHS Grant: May & Jun
SBA WBC	37,500	The Iowa Center WBC - Apr-June
International Rescue Comm.	20,833	SBA CNPP Mar-Jun
Individuals	250	Class Fees
Employee Retention Credit	59,128	2021 Q3
Pledges	-	
Kauffman Foundation	-	Kauffman Foundation
In-Harmony	4,500	In-Harmony Farms Contract
SBA Microlending	12,500	SBA Micro: Apr-Jun
Total	192,639	

Statement of Activities Variance Notes
City of Marion and In Harmony contracts are fully recognized in Contract Income
Director of Development position filled May 1
Employee Retention Credit applied for first, second and third quarter of 2021 in January 2023. One time revenue impact.

Iowa Center for Economic Success

Cash Analysis

6/30/2023

Actual Cash On-Hand - 6/30/2023	
\$ 533,637	All Bank Accounts
\$ 54,422	Accounts Payable + Payroll Payable
\$ 94,968	Donor Restricted Kauffman (3-yr Grant Agreement)
\$ -	Grant Restricted VITA funds to be used for VITA23
\$ -	
\$ 83,216	SBA Microloan Program
\$ 232,606	Restricted Funds
\$ 318,000	Board Designated 3-month Operations
\$ -	Unrestricted Funds
\$ 318,000	Total Cash Reserves
\$ (16,969)	

Projected

Cash

Inflow/Outflow

-

-

06/30/2023 Cash Projection	
\$ 533,637	All Bank Accounts
\$ -	Accounts Payable + Payroll Payable
\$ 84,968	Donor Restricted Kauffman (3-yr Grant Agreement)
\$ -	Grant Restricted VITA funds to be used for VITA23
\$ -	
\$ 83,216	SBA Microloan Program
\$ 168,184	Restricted Funds
\$ 318,000	Board Designated 3-month Operations
\$ 318,000	Total Reserves
\$ 47,453	



Financial Dashboard - Revenue Detail
Jun-23
Fiscal Year Ending June 30, 2023

Contributions Income			
Organization	Annual Budget	Accrued YTD	Cash Received YTD
Wells Fargo-Grant	75,000	-	-
Principal-Grant	50,000	100,000	100,000
US Bank	10,000	-	-
Bankers Trust	2,500	2,500	2,500
Regions Bank	10,000	10,000	10,000
EMC Insurance	10,000	-	-
Bank Iowa	500	-	-
Iowa State Bank	500	1,000	1,000
Drake University	5,000	5,000	2,500
AARP	5,000	5,000	5,000
Two Rivers Bank & Trust	5,000	-	-
Lincoln Savings Bank	1,000	2,500	2,500
Green State Credit Union	15,000	15,000	15,000
Community Foundation	5,000	8,557	8,557
Individuals	20,500	15,642	15,642
New Contributions	250,000	40,000	35,000
Total	465,000	205,199	197,699

Government Grants Income			
Government Agency	Annual Budget	Accrued YTD	Cash Received YTD
IRS - VITA	155,000	155,000	155,000
DHS - EITC	195,000	225,123	112,361
SBA - WBC	150,000	150,000	122,031
SBA - Microlending	50,000	50,000	37,500
Employee Retention Credit		225,194	166,067
Total	550,000	805,318	426,892

Contract Income Update			
Organization	Annual Budget	Accrued YTD	Cash Received YTD
VITA Tax Site	7,500	-	-
CNPP - International Rescue Comm.	50,000	45,833	53,125
New Contracts	-	68,500	64,000
Total	57,500	114,333	117,125

Program Income			
Program	Annual Budget	Accrued YTD	Cash Received YTD
Women's Business Center Classes	8,000	3,278	2,094
Iowa Center Loan Fund Interest inc.	-	13,949	12,589
SBA Microlending interest & loan fees	-	4,041	2,991
Total	8,000	21,268	17,674

Fundraising & Contract Income Notes
New Contributions includes a \$30,000 pledge from United Way of Central Iowa and a \$10,000 pledge from Clifton Larson Allen
Community Foundation of Greater Des Moines gift not received FYE 6/30/2022 due to timing of notice of award, July gift recorded in current fiscal year
New \$50,000 contract with City of Marion to administer their small business growth and innovation grant

Government Grants Notes
SBA Microlending \$50,000 grant awarded for FYE 6/30/2023 but is not invoiced monthly. SBA is invoiced after microlending direct services are performed and reported to the SBA by The Iowa Center loan team

Program Income Notes
Classes provided by The Iowa Center for a fee include Dream Maker, Focus Me, Financially Savvy
The full class list can be found at https://theiowacenter.org/class-catalog/

Accrued Income Notes
IA DHHS November invoice payment expected in March
IRS VITA Receivables are following historical trends with next payments expected in March.
WBC Receivables are following historical trends with current balance expected to be paid in April.

Grant & Contract Terms
SBA (WBC) grant year: September 30, 2022 - September 29, 2023
SBA Microlending grant year: July 1, 2022 - June 30, 2023
VITA (IRS) grant year: October 1, 2022 - September 30, 2023
EITC (DHHS) grant year: October 1, 2022 - September 30, 2023
City of Marion Contract Completed December 2022
Merchant lease ends February 29, 2030



Financial Dashboard
July 2023
Fiscal Year Ending June 30, 2024

1		YTD Surplus (Deficit) before depreciation
	The Iowa Center	(\$28,803)
	The Iowa Center Loan Fund	<u>\$2,362</u>
		(\$26,442) Which is \$40,000 better than budget.

2 Expenses are \$23,000 better than budget, with the largest variance being timing for VITA tax site reimbursement.

3 The revenue variances for the year are:

Contributions Variance	23,100.00
Government Grants Variance	321.67
Contract Income Variance	(3,416.60)
Program Income Variance (Includes Loan interest)	<u>(2,479.61)</u>
Total Fundraising Variance	17,525.46



Financial Dashboard

Jul-23

Fiscal Year Ending June 30, 2024

The Iowa Center financial statements are prepared and reported on the accrual basis of accounting

Statement of Activities (July 1st, 2023 to June 30, 2024)				
Consolidated	YTD Actual	YTD Budget	YTD Variance	2024 Annual Budget
Revenue				
Contributions	31,600	8,500	23,100	720,000
Government Grants	35,505	35,183	322	590,000
Contract Income	12,708	16,125	(3,417)	170,323
Program Income	2,910	5,389	(2,480)	61,289
Investment Income	27	167	(140)	2,000
Total Revenue	82,750	65,364	17,386	1,543,612
Expense				
Personnel	86,247	90,574	4,327	1,099,104
Professional Services	5,688	6,188	501	34,200
Occupancy	5,308	5,240	(68)	63,580
Office Expense	4,257	4,773	516	46,204
Marketing	125	-	(125)	5,800
Programming	1,360	4,108	2,748	49,300
Tax Sites	5,133	19,500	14,367	234,000
Travel	1,034	971	(63)	11,650
Insurance	721	775	54	9,533
Loan Loss Reserve/ Bad Debt expense	(681)	-	681	-
Total Expense	109,191	132,129	22,938	1,553,371
Net Revenue (Loss) Before Depreciation	(26,442)	(66,765)	40,323	(9,759)

Statement of Activities Variance Notes	

Statement of Financial Position (As of July 31, 2023)			
Consolidated	7/31/2024	6/30/2023	Change
Assets			
Bank Accounts	603,026	533,637	69,389
Endowment Fund	27,363	27,363	(0)
Accounts Receivable	199,079	192,639	6,440
Prepaid Expenses	13,689	16,138	(2,449)
Note Receivable	587,528	572,071	15,457
Fixed Assets	27,863	29,108	(1,245)
Total Assets	1,458,549	1,370,955	87,593
Liabilities			
Accounts Payable	-	1,069	(1,069)
Payroll Liabilities	26,234	69,701	(43,467)
Deferred Income	25,833	38,750	(12,917)
Other Liabilities	515,907	343,175	172,732
Total Liabilities	567,975	452,696	115,280
Total Net Assets	890,573	918,260	(27,689)
Total Liab. & Equity	1,458,549	1,370,955	87,593

Accounts Receivables Detail		
Name	Amount	Description
Health and Human Services (I	25,671	EITC DHS Grant: Jun& July
SBA WBC	50,000	The Iowa Center WBC - Apr-July
International Rescue Comm.	7,916	SBA CNPP Jun-Jul
Individuals	250	Class Fees
Employee Retention Credit	59,128	2021 Q3
Pledges	26,425	United Way and Two Rivers
ICLF	8,522	LOC transfer July
In-Harmony	4,500	In-Harmony Farms Contract
SBA Microlending	16,667	SBA Micro: Apr-Jul
Total	199,079	



Financial Dashboard - Revenue/Giving Summary
Jul-23
Fiscal Year Ending June 30, 2024

Contributions Income					
Organization	YTD Actual	YTD Budget	YTD Variance	2024 Annual Budget	Cash Received
Bank Iowa	-	-	-	-	-
Bankers Trust	-	-	-	2,500	-
Community Foundation (Golden Circle)	-	-	-	7,000	-
Clifton Larson Allen (CLA)	-	-	-	10,000	-
Drake University	-	-	-	5,000	-
EMC Insurance	-	-	-	-	-
Green State Credit Union	-	-	-	15,000	-
Iowa State Bank	2,500	1,000	1,500	1,000	-
Lincoln Savings Bank	-	-	-	2,500	-
Principal-Grant	-	-	-	100,000	-
Regions Bank	-	-	-	10,000	-
Two Rivers Bank & Trust	3,000	5,000	(2,000)	5,000	3,000
United Way	26,100	2,500	23,600	30,000	2,175
United Way VITA	-	-	-	20,000	-
US Bank	-	-	-	-	-
Wells Fargo-Grant	-	-	-	100,000	-
Individuals	-	-	-	10,000	-
New Contributions	-	-	-	387,000	-
Total	31,600	8,500	23,100	705,000	5,175

Government Grants Income					
Government Agency	YTD Actual	YTD Budget	YTD Variance	2024 Annual Budget	YTD Cash Received
IRS - VITA	12,917	12,917	-	185,000	-
DHS - EITC	5,921	5,600	321	195,000	38,179
SBA - WBC	12,500	12,500	-	150,000	-
SBA - Microlending	4,166	4,166	-	60,000	-
Employee Retention Credit	-	-	-	-	-
Total	35,504	35,183	321	590,000	38,179

Contract Income Update					
Organization	YTD Actual	YTD Budget	YTD Variance	2024 Annual Budget	YTD Cash Received
AARP	10,000	10,000	-	10,000	10,000
CNPP - International Rescue Comm.	2,708	4,167	(1,459)	20,833	15,625
Existing Contracts	-	1,958	(1,958)	23,500	-
New Contracts	-	-	-	115,990	-
Total	12,708	16,125	(3,417)	170,323	25,625

Program Income					
Program	YTD Actual	YTD Budget	YTD Variance	2024 Annual Budget	
Class Fees	-	833	(833)	10,000	-
Loan Fund Interest inc.	2,810	4,406	(1,596)	49,489	-
New Loan Fees	100	150	(50)	1,800	-
Total	2,910	5,389	(2,480)	61,289	-

Interest Income/Unrealized Gain(Loss)	27	167	(140)	2,000	-
Grand Total	82,749	65,364	17,385	1,528,612	68,979

**Iowa Center for Economic Success
Cash Analysis
7/31/2023**

Actual Cash On-Hand - 7/31/2023			08/31/2023 Cash Projection	
\$ 603,026	All Bank Accounts		\$ 603,026	All Bank Accounts
\$ 9,778	Accounts Payable + Payroll Payable		\$ -	Accounts Payable + Payroll Payable
\$ 79,968	Donor Restricted Kauffman (3-yr Grant Agreement)		\$ 69,968	Donor Restricted Kauffman (3-yr Grant Agreement)
\$ -		Projected	\$ -	
\$ 244,606	SBA Microloan Program		\$ 244,606	SBA Microloan Program
\$ 334,352	Restricted Funds	Cash	\$ 314,574	Restricted Funds
\$ 318,000	Board Designated 3-month Operations	Inflow/Outflow	\$ 318,000	Board Designated 3-month Operations
\$ -	Unrestricted Funds	-		
\$ 318,000	Total Cash Reserves	-	\$ 318,000	Total Reserves
\$ (49,326)			\$ (29,548)	

**The Iowa Center - SBA Microloans
Loans Analysis**

Description	Actual 7/31/2023
Number of loans outstanding	8
Average original loan amount	\$ 31,627
Current outstanding loans balance	\$ 241,696
Average current outstanding balance	\$ 30,212
Cash available for new loans in August	\$ 7,098

Grant Funding	Cycle	FY23 Accrued	FY24 Budget	FY24 Request	FY24 Pledge	Pledge Date	FY24 Received	Received Date
Two Rivers Bank and Trust	January	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 3,000.00	7/26/2023	\$ 3,000.00	7/31/2023
EMC	March	\$ -		\$ 15,000.00				
Wells Fargo	April	\$ -	\$ 100,000.00	\$ 90,000.00				
Principal	April	\$ 100,000.00	\$ 100,000.00					
US Bank Foundation	April	\$ -		\$ 10,000.00				
Regions Bank	June	\$ 10,000.00	\$ 10,000.00	\$ 20,000.00				
Community Foundation Golden Circle Func	June	\$ 6,550.00	\$ 7,000.00	\$ 6,500.00	\$ 5,000.00	7/25/2023		
Iowa State Bank	June	\$ 1,000.00	\$ 1,000.00	\$ 2,500.00	\$ 2,500.00	7/1/2023		
CLA	September	\$ 10,000.00	\$ 10,000.00					
Bank Iowa	November	\$ -						
Lincoln Savings Bank	November	\$ 5,000.00	\$ 2,500.00	\$ 5,000.00				
Greenstate Credit Union	November	\$ 15,000.00	\$ 15,000.00		\$ 15,000.00			
Bankers Trust	November	\$ 2,500.00	\$ 2,500.00					
United Way	December	\$ 30,000.00	\$ 30,000.00	\$ 50,000.00	\$ 26,100.00	7/1/2023	\$ 4,350.00	monthly
United Way - Vita	New process	\$ -	\$ 20,000.00	\$ 55,000.00	\$ 40,000.00			
Drake University	Undefined	\$ 2,500.00	\$ 5,000.00	\$ -	\$ -			
New Contributions			\$ 387,000.00					
100 Men Who Care - Norwalk				\$ 10,000.00	\$ -	8/8/2023		
Nationwide				\$ 25,000.00				
West Bank				\$ 2,500.00				
Prosperity Now - VITA Coalition				\$ 10,000.00				
TOTAL		\$ 187,550.00	\$ 695,000.00	\$ 306,500.00	\$ 88,600.00		\$ 7,350.00	
Individual/Donor Advised								
Individuals	Fiscal Year	\$ 18,452.26	\$ 25,000.00					
Goal: 100% board participation								
TOTAL		\$ 18,452.26	\$ 25,000.00	\$ -	\$ -			
Contract Income								
AARP	June 30 MOU	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00	\$ 10,000.00		\$ 10,000.00	7/31/2023
Existing Contracts		\$ 13,500.00	\$ 23,500.00					
IRC - CNPP		\$ 50,000.00	\$ 20,833.00					
New Business		\$ 50,000.00	\$ 115,990.00					
TOTAL		\$ 118,500.00	\$ 165,323.00	\$ 10,000.00	\$ 10,000.00			

Advancement Targets – August 2023



Corporate

IMT Insurance Company
Farm Bureau
Sammons
Wellabe (American Enterprise group)
Business solver
Athene
Caseys
Homesteaders
Polk County/Prairie Meadows
City of Des Moines
Fareway
Ford Foundation
AARP Iowa (separate from Foundation)
Farm Bureau
Ryan Companies
Midamerican
Collins Aerospace
Molina Cares Foundation
Nationwide
Caseys
Hyvee
NCMIC
Google Fiber
F&G
Aureon
Equifax
Hurd
Iowa Realty
Fareway
Vizy Pay
Corteva
John Deere
Delta Dental
Wellmark
Hubbell
Foster Group
Iowa Wolves

Holmes Murphy
Iowa Cubs
ITA Group
Iowa Wild

Banks and Credit Unions

Great Southern
Northwest Bank
First Interstate Bank
Central Bank
Fidelity Bank
Dupaco
Community Choice (outreach to Josh Cook)
DB&T
Security National Bank
West Bank
Bank of the West
Peoples Bank
West Bank
Midwest one (outreach to Dan Clute)
Great Southern
Northwest Bank
First Interstate Bank
Central Bank
Fidelity Bank



Agenda

IOWA CENTER LOAN FUND BOARD OF DIRECTORS MEETING

August 17, 2023 – 8:15 AM

- | | | |
|------|--------------------------------------|--------------------------------------|
| I. | Welcome | Mark Phillips, Chair |
| II. | Board Action | |
| | i. Minutes from May 25, 2023 Meeting | |
| III. | Loan Fund Director's Update | Jose Venales, Director of Microloans |
| IV. | June 2023 Finance Report | Donnell Wiskus, Director of Finance |
| V. | July 2023 Finance Report | Donnell Wiskus, Director of Finance |
| VI. | Open Discussion | Board |
| VII. | Adjourn | Mark Phillips, Chair |

**After adjournment, please plan to stay for an open house with the staff.
NEXT EXEC COMM MEETING – Thursday, September 21, 2023

NEXT BOARD MEETING – October 19, 2023



Minutes from June 22, 2023

IOWA CENTER FOR ECONOMIC SUCCESS BOARD OF DIRECTORS MEETING

MINUTES: June 22, 2023 – 7:30 AM

Welcome

- Present: Megan Milligan, Mark Phillips, Franklin Codel, Jodi Rhone, Bill Wright, Jose Venales, Donnell Wiskus, Erin Strawn, Maddie Simmons
- Mark called the meeting to order at 8:23 a.m.

Program Updates

- Jose provided updates on the lending program.
- All CDFI's will have to go through recertification process in coming months.. The treasury has not come up with rules for recertification, but the consultant will reach out when those are ready.
- \$100,000 from Bank Iowa have all been utilized. The Iowa Center has approved \$500,000 SBA, this has been put on hold as Jose looks into transferring SBA microlending into the CDFI. This will allow more flexibility to pursue grants and funding.
- Currently have \$353k in outstanding CDFI, \$250k in SBA. 2023 interest income is \$10,174.54. 23 loans with 1 pending.
- \$95k in bank account, \$50k going out, \$35.5k will be in loan loss reserve. 80% equity policy on CDFI, so \$4k will be available for lending.
 - Franklin asks if this holdback percentage will be adjusted as our funds increase. Jose says for now we should be conservative, but as we grow, we can revisit periodically and look at adjusting.
 - All payments received from CDFI will go into paying line of credit, which can act as a case study of borrowing practices/history when asking for additional funds from other financial institutions.
 - Jose will send documents for SBA next week, expecting to hear back within a month.
- Franklin moved to approve last meeting's minutes. Bill seconded. All aye.
- Discussed need for an evergreen tier sheet detailing CDFI/SBA loan and an annual report that celebrates successes, including client testimonials. Mark suggests borrowing ideas from bank marketing. Jodi confirms how specific, personal stories will continue to draw in interest and help build The Iowa Center story and community.

Open Discussion

- Discussed moving the Loan Fund Meeting to piggyback off full board meeting as the full board does have to approve the full budget. Moving forward, the executive committee will be reserved for a confidential working session.
- Jodi motioned moving Loan Fund Meeting to follow full board meeting. Bill seconded. All aye.

- Next full board meeting will be June 22nd. Next executive committee meeting will be July 20th.
- Motion to adjourn at 8:45 by Mark. Bill seconded. All voted aye.

Action Items

- Erin and Maddie to look into creation of annual report celebrating successes and client testimonials.

Iowa Center Loan Fund
Cash & Loans Analysis
6/30/2023

Description	Actual 6/30/2023
Number of loans outstanding	17
Average original loan amount	\$ 28,752
Current outstanding loans balance	\$ 391,072
Average current outstanding balance	\$ 23,004
Cash available for new loans in July	\$ 6,800
Line of Credit available for new loans	\$ 62,537
	\$ 69,337

Iowa Center Loan Fund
Cash & Loans Analysis
7/31/2023

Description	Actual 7/31/2023
Number of loans outstanding	17
Average original loan amount	\$ 28,752
Current outstanding loans balance	\$ 384,258
Average current outstanding balance	\$ 22,603
Cash available for new loans in August	\$ 6,040
Line of Credit available for new loans	\$ 71,060
	\$ 77,100