

Good Afternoon everyone,

Thank you so much for being here today. It's a real privilege to have this moment to connect with all of you, share some updates, and discuss our future at Homer Senior Citizens, Inc. I'd first like to express my deep gratitude to our Board for entrusting me with the responsibility of guiding this organization forward. I am both honored and excited to serve as your Executive Director, and I am genuinely committed to strengthening our foundation, addressing challenges head-on, and helping us grow together as a community.

As I reflect on my journey to this role, I'd like to give you a brief background so you can get to know me a bit better. My work in business, leadership, and human resources has always been centered around people and community, and I hold a BA in Business with a focus in Human Resources, a Master's in Management and Leadership, and a MBA. Currently, I serve as the Director-Elect of the Alaska Society for Human Resource Management, am the Vice President of the Stone Soup Group, and am a proud graduate of Leadership Anchorage Cohort 27. Through each of these experiences, I've developed a deeper understanding of the unique challenges and opportunities within non-profit organizations, especially in our vibrant yet unpredictable state of Alaska. This state is one of constant change, and as leaders, we must adapt to volatility, uncertainty, complexity, and ambiguity—often called the "VUCA" world. I am here to ensure that HSC not only navigates this VUCA landscape but also thrives within it.

Since stepping into this role six weeks ago, I have been conducting a comprehensive assessment of our organization to understand where we currently stand. I've been fortunate to meet many of our staff, hear about the day-to-day operations, and gain valuable insights into our financials and infrastructure. While we have a strong foundation in our mission and values, our financial and operational challenges require immediate attention.

To be transparent, we face a complex financial situation. There is an estimated \$643,000 in unpaid payroll taxes that have gone unreported for 18 months. This amount, which may incur penalties and interest, is a significant liability, and addressing it is one of my highest priorities. Additionally, we have over \$350,000 in unpaid invoices to vendors, resulting in strained relationships with those who

have supported us over the years. Inconsistent billing practices have further complicated our financial reporting. For FY25, accounting entries are virtually nonexistent, and records from FY24 are unreliable, making it difficult to gain a clear picture of where we stand.

In response to these challenges, I've engaged Tim Altman from Denali Consulting to conduct a forensic audit. He is supported by Be Squared Bookkeeping, who is also implementing our new QuickBooks system. This transition to QuickBooks is a significant step in improving transparency and accountability, allowing us to track every transaction, expense, and revenue stream with accuracy. I am committed to sharing the findings of this audit with the Board and community, so you can feel confident in our financial stewardship. Additionally, we have partnered with Manley, Brautigam, Brankson P.C. (MBB), a reputable firm, to handle negotiations with the IRS regarding our unpaid payroll taxes. I am pleased to report that all payroll taxes from October 1, 2024, forward have been accurately reported and paid, ensuring we stay current from this point onward.

One of the structural issues we face is a high volume of policies without accompanying procedures. Policies set the rules, but procedures bring them to life in practical, everyday terms. I will be working closely with each department to develop clear, consistent procedures, creating a framework that ensures accountability and transparency in every area of our operations. This will simplify processes and set expectations that everyone can follow with confidence.

In addition to these structural improvements, we are making strides with our technology systems to create a more efficient and connected organization. We've implemented QuickBooks for accounting, which will provide our Board Treasurer with real-time access to our financials, fostering transparency. For donor management, we're introducing a system that allows us to maintain accurate records, track donations, and issue year-end tax letters. In the past, these records were kept on paper, which made tracking and communicating with our donors challenging. With this system, we can express our gratitude to donors properly and ensure our records are precise. We're also rolling out new volunteer and member management software, connecting all of these tools in a way that

reduces costs and enhances our ability to serve our community. Our new website will be a key part of this connected system, providing an updated, accessible, and easy-to-navigate platform for both members and the public. This new site will be much more cost-effective, saving us significantly compared to our previous setup. Finally, we're implementing a new email marketing system, which will improve our ability to communicate with our members and donors, as the previous program was locked due to non-payment.

Our grant reporting has also been an area of focus. Due to past inaccuracies, we were unable to complete the most recent reporting cycle for reimbursements, which affected our revenue. However, I am pleased to report that all grants are now caught up in reporting, and I have received permission to include unreported expenses in the next cycle. This opens the door to additional grant opportunities, including funds that would allow us to refurbish our independent housing buildings, improving the quality of life for our residents.

I know there has been community concern about the Alzheimer's funds. After careful consideration, I recommend reallocating these funds to general operations. Given the current financial and operational state of HSC, it is not feasible to pursue an Alzheimer's unit at this time. My primary goal is to stabilize and strengthen HSC before considering new initiatives. If you are a donor and have specific questions about this reallocation, please reach out to me directly, as our records are incomplete. If we do not hear objections within the next 30 days, we will proceed with reallocating these funds to general operations.

On the staffing side, we have made some difficult but necessary changes. We reduced the administration team to manage payroll costs, allowing us to prioritize hiring more direct care staff, such as CNAs and Resident Assistants, to support our residents' needs. The safety, health, and care of our residents remain at the heart of our decisions, and this restructuring ensures we are fulfilling that commitment. We are also actively seeking a Registered Nurse (RN) to oversee our care team, as required by state licensing. This search is a priority, and we will share updates with the community as soon as we have new developments.

Another vital area we are addressing is staff training. We are collaborating with various organizations to develop a comprehensive training program that will

elevate the level of care provided at HSC. This program will be closely tied to our newly established procedures, ensuring that our staff has the skills, resources, and confidence to provide compassionate, high-quality care.

These past six weeks have been challenging but rewarding, and there is still much work ahead. Despite the hurdles, I am inspired by the resilience of our staff, the dedication of our Board, and the unwavering support of our community. There is a strong team here at HSC, one I am honored to be part of, and I am optimistic about our path forward.

My door is always open, and I believe open dialogue is the foundation of a strong community. If there is anything specific you would like to discuss or share, please don't hesitate to reach out to me. I would be happy to schedule time to connect with you directly.

Thank you for your trust, support, and commitment to Homer Senior Citizens, Inc. Together, we will move forward, build stronger foundations, and continue providing the care our seniors deserve. Thank you.