

Treasurer's November Helpful Shop Report

By Nelson Crandall

December 18, 2023

Introduction.

One should read this report in connection with the Statement of Activity and Statement of Financial Position that accompany this report. Each statement has three columns:

| Statement of Activity | Statement of Financial Position |
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| <ul style="list-style-type: none">• November (the most recently closed month) | <ul style="list-style-type: none">• November 30 (end of the most recently closed month) |
| <ul style="list-style-type: none">• January through October (the Helpful Shop's <i>grant</i> year) | <ul style="list-style-type: none">• October 31 (end of the Helpful Shop's <i>grant</i> year) |
| <ul style="list-style-type: none">• January through November (the <i>fiscal</i> year) | <ul style="list-style-type: none">• January 1 (start of the <i>fiscal</i> year) |

Statement of Activity.

The Statement of Activity shows how much money the Helpful Shop made, how much it spent, and the difference between the two. When money earned is more than money spent, the difference is called “**surplus.**” When money spent is more than money earned, the difference is called “**deficit.**”

Revenue and Support.

- **November Sales - \$5,896.** Average monthly sales are \$6,536. The Thanksgiving holiday might have contributed to lower sales.
- **November Donations - \$550.** Normally, monthly donations average almost \$50 per month. In November, an acquaintance of a parishioner donated \$500 for the second year in a row.

Expenses.

- **November AT&T - \$0.** At the beginning of the year, AT&T's fees were charged to the former Helpful Shop manager's credit card automatically. We removed the card from autopay before cancelling the credit card in connection with the former manager's retirement. Unfortunately, AT&T, like several vendors, no longer gives 30 days to pay an invoice, which is difficult when the mail is slow and we only open the mail once a week. Thus, we missed the November payment deadline and incurred a \$10 late fee. AT&T has been restored to autopay on the credit card of the new Helpful Shop manager.
- **Junk Fee - \$20.** AT&T assessed at \$20 “account fee” earlier in the year.
- **St. John's Tithe - \$6,543.** The St. John's tithe is 10% of net sales (sales minus sales taxes).
- **October Awards Pool - \$28,000.** The Awards Pool is an amount that is set aside for awarding grants. In mid-November, the Treasurer estimated that the Helpful Shop would have \$28,000 available for end of year grants. The Awards Pool of \$28,000 was established on that basis. Later it was determined that Awards Pool should have been only \$27,000. The Treasurer left

the Awards Pool at \$28,000 rather than exacerbate the confusion already existing about the calculation of the 2022 Awards Pool.

In a fiscal year that begins with a surplus, the Awards Pool would be an amount that would reduce the Net Total (the “bottom line”) to close to zero. Because 2023 started with an (\$5,726) deficit, however, the Awards Pool should not have reduced the “bottom line” to less than \$5,726.

Statement of Financial Position Highlights

The Statement of Financial Position shows what constitutes the Helpful Shop’s money in the Assets section and how the Helpful Shop has used or plans to use the money in the Liabilities & Net Assets section. Total Assets must always equal Total Liabilities & Net Assets.

Assets.

- **January Receivable from Parish - \$261.** For the last two years, the parish has borrowed the Helpful Shop’s Square account to process credit card sales at the annual Christmas crafts fair. Those sales are deposited in the Helpful Shop checking account. The Helpful Shop forwarded those sales proceeds to the parish in December 2022 and will do so again this year. However, sales taxes on those sales are not payable until January. In 2023, the parish’s obligation to pay those sales taxes was recorded on the Helpful Shop’s Statement of Financial Position as an asset. The parish then paid the taxes to the Helpful Shop in January 2023, reducing the asset to zero. If payment of those taxes is again deferred until January, the same thing will be true in 2024.
- **November Receivable from Employee - \$12.** A personal recurring expense was accidentally charged to the Helpful Shop credit card. The employee reimbursed the Helpful Shop for the expense after the November close.

Liabilities.

- **November Credit Card - \$57.** Expenses charged to the Helpful Shop credit card are recorded as expenses in the month charged and the obligation to repay the charges is recorded as a liability. The liability is zeroed out when the credit card charges are paid the following month. The \$44 liability recorded as of October 31 was repaid in November. The \$57 liability recorded as of November 30 was repaid earlier this month.
- **January Uncleared Checks - \$800.** The Helpful Shop landlord did not deposit its December rent check in December, so the obligation to pay the check was recorded as a liability. Typically, the landlord deposits the rent check in the month received. Rent is now \$850 per month.
- **Unpaid Sales Taxes.** Sales taxes owed is calculated and posted each month. Sales taxes are paid to the state in the month following the close of each quarter. Unpaid Sales Taxes is the amount of sales taxes owed that has not yet been paid.
- **Wages, Taxes, and Costs Advanced by Parish.** Historically, the parish has funded Helpful Shop employee wages, employer taxes, and worker compensation insurance premiums out of the parish’s checking account and then been reimbursed for those expenses from the Helpful Shop checking account. The Helpful Shop also reimburses the parish for the amount by which

the Helpful Shop operation increases the parish's total cost of insurance (according to the insurer).

- On January 1, the Helpful Shop owed the parish \$10,375, which was 9 months' worth of payroll. The Helpful Shop reimbursed that amount in January.
- On October 31, the Helpful Shop owed the parish \$10,523 for 10 months' worth of payroll. The Helpful Shop reimbursed the parish \$8,351 of that amount on November 7.
- The amount the Helpful Shop owes to the parish as of November 30 is \$3,500.

Beginning with the first payroll in December, Helpful Shop payroll is being paid directly from the Helpful Shop checking account.

- **Unpaid Tithes.** On January 1, the Helpful Shop owed the parish \$4,014 in unpaid tithes for the last three quarters of 2022. Those tithes were paid in January.

Through October 31, the Helpful Shop owed the parish \$6,006 in accrued tithes. The Helpful Shop paid the parish \$4,892 of that amount on November 7.

As of November 30, the total accrued unpaid tithe is \$1,651.

- **Grants Awarded (Paid).** Grants awards are treated as liabilities once the Helpful Shop has advised the recipients of the amount of the grant awarded to them. The award is shown as a liability until the award has been paid. Grant payments are broken out by the name of the group that received the grant.

As of January 1, the Helpful Shop had awarded grants but had not yet paid them. Thus, Total Grants Awarded (Paid) was \$44,550. After the grants were paid in February, Total Grants Awarded (Paid) was zero.

Net Assets.

- **January 1 Accumulated Deficit.** The Treasurer overestimated the Awards Pool in 2022. As a result, amount the Helpful Shop ended 2022 with negative net assets, meaning that the Helpful Shop owed more money than it possessed at that time. Consequently, the Helpful Shop began 2023 with an Accumulated Deficit of (\$5,726).