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## **Finance Committee Meeting**

October 6, 2021 at 11:30am (Virtual)

### **Attendance**

Present: Elizabeth Karle, Jennifer Yakunovich, Keri Franzoni, Melinda Humphrey, Cindy Adams

Absent: Heather Starzynski

### **AGENDA**

1. Monthly Financial Review
2. Dashboard Review
3. FY 2022 DRAFT Budget Review
4. Items of Note to Discuss
5. Discuss/plan required board action(s)

Meeting began at 11:30 am

### **Monthly Financial Review for July 2021**

Deficit is down from the previous month.

We thought we would get money from Efficiency Vermont in 2021. However, we are not getting the \$100,000. So this has been removed from the year-end forecast.

We now have our customer service coordinator on staff so the forecast has been adjusted to reflect the official start date.

Larger operations loss for the year forecast at approx \$195 over budget due to the combination of these two changes to forecast.

We do not have updated production forecast reports. So those have not been updated in the budget yet, but with quarter ending the revised forecast will be coming.

\*Note the third paragraph below the Monthly Highlights header reiterating the forecasted loss.

### **2. Dashboard Review**

Cash reserves continues to grow.

Debt to equity ratio has changed due to payments we've made to our debt. We've crossed the threshold of our debt to equity ratio which should be at .5-1. We are not leveraging our resources to the extent we could be. We need to get the cash out the door in loans. We have the capacity to provide loans.

Cindy asked if there was continued discussion to invest the large number of unrestricted funds?

Liz commented, there is no board investment policy at this time. Although this may be something to discuss if the unrestricted funds continue to grow. But the decisions we make for 2022 will provide potential to provide loans and use these funds

### **3. FY 2022 DRAFT Budget Review**

Liz went over the budget as it stands with outstanding/unanswered items.

ARPA funds from the state are in progress. Liz discussed the TBD Yellow items and referred to the notes in the in the draft budget.

The committee would like to see the color coding with Green, Yellow, Red in the budget when it is presented to the board.

Bold items under Grant Revenue shows pass through funding on the expense side.

Keri requested an acronym glossary to be included when the budget is presented to the board.

There are items not on the budget that may become realized in 2022 from Tilitson or Federal funding as part of the infrastructure bill (Congressionally Directed Spending).

Reminder the organization assessment will happen in Spring of 2022.

Staffing is our biggest cost and the review and planning for 2022 is still in progress.

Board Development line item has been increased to \$15,000.

Due to early loan payoff we are down 20% in total interest incomes for operations year over year – a bigger loss than expected.

### **3. Items of Note to Discuss**

It is important for the board to discuss the 20% decrease in interest income. This is the time to think strategically and what other resources can we cultivate to recover this loss.

### **4. Discuss/plan required board action(s)**

No board action requested for October board meeting.

Give notice of plan for the annual budget process

### **5. Discuss the Annual Budget**

Budget process for operating budget for fiscal year 2022

October Finance Committee Meeting – present rough draft for review

November Finance Committee Meeting – present revised draft for review to present to board

November Board Meeting – present draft budget

December Board Meeting – board vote proposed budget for approval with the expectation the budget is approved one month prior to the start of the operating calendar year, January 1, 2022.

In future years, the timing would begin one month prior starting with September Finance Committee meeting presenting rough draft for review.

The idea is the strategic plan will guide the operating budget for the coming fiscal year. Due to the strategic planning schedule, development and completion by year end management and the finance committee will present a budget with the most accurate information available. However, the strategic plan may create a variance in the operating budget for 2022.

**Scheduled future meetings:** First Wednesday of the month at 11:30 a.m. Meetings will be virtual until further notice.

Meeting ended at 12:40

Minutes by: Keri Franzoni