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## **Finance Committee Meeting**

January 5, 2022 at 11:30am (Virtual)

### **Attendance**

Present: Elizabeth Karle, Keri Franzoni, Melinda Humphrey, Heather Starzynski, Jennifer Yakunovich

### **AGENDA**

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

Meeting began at 11:30 am

#### **1. Monthly Financial Review for November 2021**

- Discussed the monthly highlights noting the changes to the forecasted loss.
- Minor changes from the previous month.
- Finances are stable at this point and things remain on track with the forecast.
- Keri asked about Line 13 in the Operating Statement and if there was an update on the status of those funds from Efficiency Vermont (EVT). Heather and Liz shared that it's likely to come in 2022. EVT tried to fast track the funds but since they come from ARPA, the process is slow.
- Keri also asked if Line 14, CDFI Financial Assistance was likely to be recognized in 2022. Liz explained that it will be included in the 2021 financials. It's a small amount, mostly including staffing costs, equaling about \$18,000.

#### **2. Dashboard Review**

- Not a huge difference from October 2021
- Cash on hand is still high due to loan payoffs and reduction of new loans deployed.
- The optimal reserve is 90 days cash and we are at 314 days cash. We need to strategize how to deploy more cash and reassess what a comfortable reserve would be.
- The self-sufficiency ratio needs improvement. Right now, it's at 28%.
  - Jen asked how that goal is determined. Liz and Heather shared that the agency could set the goal but NeighborWorks America provides suggestions and will look at this during the organizational assessment. While the goal is important, it's unlikely to be a factor when making financial and programming decisions.

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

- Update on the "maybes" in the 2022 budget.
  - VHIP funding, which supports the Rental Rehab program, likely to come. The funders have requested documents which suggests the grant agreement will come soon. Melanie has a list of landlords ready to apply for the funds so we know the money will be spent. This money has restrictions that require the landlords to rent to individuals experiencing

homelessness. The hope is that NWWVT can work with the funder, or find another funding source, to expand the program to include funds without such restrictions.

- Funds from the VT Community Foundation (VCF) to support the HEAT Squad activity in the Northeast Kingdom have been confirmed at a total of \$98,000, which is only \$4,000 less than last year. This amount is significant as VCF had said that funding would decrease substantially each year but Liz and Melanie did some great advocacy to make the case that costs have increased and the funds are necessary for continued impact.
- Next month the Finance Committee will get 10-year lending forecast versus the typical 5-year. This is important because it will allow us to get a long view of the impact of the current housing crisis on NWWVT. There was an increase in loan payoffs in 2021 and the housing crisis has meant a decrease in loans. This impacts the earned revenue that NWWVT comes to depend on. We have money in the bank but it's crucial that we are proactive.
- In the coming months, we'll be getting budget vs. actuals by program so that Board members can better understand programming needs and have more meaningful conversations. This is part of a strategic effort to educate Board members on the finances of the organization.
- We will also be getting a report that identifies the reports that NWWVT is required to submit to funders, the due dates, and status of those reports. This is a new requirement from NeighborWorks America.
- There is a potential request for proposal coming from Efficiency Vermont (EVT) to support income verification for EVT rebate customers. More information to come.

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

- No specific board action requested for the January board meeting, but Committee members were encouraged to reiterate the need to pay close attention to the housing crisis and its impact on NWWVT and our earned revenue.

**Next meeting:** February 2 at 11:30am

Meeting ended at 12:25

Minutes by: Jennifer Yakunovich