

High Hopes Therapeutic Riding, Inc.
Finance Committee and Investment Committee
Meeting Minutes
December 8, 2020 via Zoom

Attending: John Catlett, Betsy Dill, Cheryl Heffernan, Jeff Ridgway, Peter Watt, Deborah Welles, Jean Wilczynski, Kitty Stalsburg and Lesley Olsen.

Absent: Scott Douglas (Chair), Sarah Keenan, Jackie Kangley

The meeting was called to order at 4:00 p.m. via Zoom.

The meeting opened with a presentation by Tom Russo, Senior Investment Consultant from Vanguard and his colleague regarding our Portfolio Investments performance and market outlook. The presentation covered 2020 through the end of October. While there were modest gains in the past three months, it was noted that November was a month of good returns. The allocation of the Portfolio was rebalanced earlier in the year and is currently within the 5% drift allowance, but may need rebalancing again at the end of the year. High Hopes' Portfolio is tracking well when compared to the NACUBO returns in the past year for those with \$25 million and under invested. A general discussion was had regarding the market outlook going in to the New Year which is very dependent on the success and wide distribution of the COVID-19 vaccine. Those industries that saw large increases are not expected to retract and those that were significantly affected are expected to have a slow recovery that may take a couple of years. Interest rates are expected to continue to be low.

Lesley updated the Committee on the current financial metrics. The portfolio as of 12/8/2020 was at \$5,794,107 of which \$3,376,658 is permanently restricted per the 6/30/2020 Audited Financials. Program receivables were at \$45,955.54 with Academic Invoicing complete. Accounts Payable were at \$48,176 which includes the first payment of Workers Comp Insurance. Cash on Hand in local banks was at \$268,660.

The committee reviewed the July through October Actual verses 2020 Annual Budget. Training & Ed revenues are lower than hoped due to postponement of ESMHL to February and April 2021. The Appeal is moving along with the reminder cards going out recently. Hopefully we'll see donations continue through to year end. Holiday Market did better than expected with strong raffle ticket sales and increased Vendor Partners. Actual verses Budgeted Expenses for the year to date are tracking well with everyone focused on curtailing spending. With program coming up to the holiday break we expect to complete classes as scheduled and to be prepared if there is another shutdown in the New Year. Lesley noted that a total shut down would result in lost earned revenues of around \$5,000 per week.

Kitty reported that we are moving forward with the LED light conversion with the large incentive that Eversource is putting into the project. The portion that is being financed through Eversource at 0% interest will add approximately \$400 to the monthly invoice while also seeing a savings on usage so that the net should be about the same as prior. There is no pre-payment penalty, but also no reason to pay early if net invoice stays close to budget.

Lesley reported that the PPP loan forgiveness process has been challenging with numerous calculations required to decide the best route to total forgiveness. The result of which is to move forward using the 24 week alternative covered period calculation to receive full forgiveness. The application filing will be completed in the upcoming days. High Hopes has also applied for a \$5,000 CT Small Business Grant.

With no further business, the meeting was adjourned at 5:05 p.m. The next meeting will be in January.

Respectfully submitted,

Lesley Olsen, Finance Director