

Treasurer's report January 2023

Jake Claro

After a challenging couple of years navigating the impacts of the pandemic, a goal at the start of 2022 was to begin the transition to a new “normal” for the organization that put us on more stable ground - something that resembled the financial picture we would have expected to see in 2019 before the pandemic. This involved rebuilding our core financial resources by reintroducing pre-pandemic programming, namely the Annual Forum, and bringing our membership dues back-up in parallel with the pace of recovery of the restaurant industry. Additionally, as we did during 2020 and 2021, we continued to diversify our funding channels.

From a financial perspective, there's no doubt that PPP loans and Covid relief funds the organization received in 2020 and 2021 helped bridge some financial gaps and get us into 2022 in relatively good shape. However, it's really important to recognize the resilience, determination, and creativity of ED Tara Pereira in making this possible and getting the organization through these difficult times and back on track. She hustled to get those funds, she formed new partnerships with other associations that brought in new revenue and reduced expenses, and provided thoughtful leadership that made this year's Annual Forum and membership outreach a resounding success.

For those noticing the net deficit in revenue for this year, one of our major grants was intended to end this past November, but we have chosen to extend it into 2023. The extension pushed remaining revenue on the grant to 2023, and this accounts for the income/expense deficit for 2022.

Our current operating reserves are within bounds for the recommended levels of cash on hand. The Vermont Fresh Network is ending the year with more than 4 months operating expenses in reserves (the recommended reserves level for nonprofits is 3-6 months). In 2023, our plan is to continue towards a balanced budget that supports healthy staff levels and valued programming and services to members, and focusing on making the most of the projects we have in place, while also supporting new projects with grant funding and strategic partnerships.

Thank you to our key sponsors

- **Sponsors** are vital to our ability to continue to refine our programming and look for opportunities for members. In particular our Affiliate Partners who have invested in VFN as an organization: Farrell Distributing, Foley Services, and Sodexo - Vermont First.
- **Events and Fundraising:** The funds we raised with our Annual Forum Dinner accounts for close to a third of our budget. It substantially helped us this year as we continue to get back on track.

- **Building a strong network:** In Jan.2020 we had over 280 Partner Members. Because of pandemic-related depression of the market, paid membership dues dropped substantially in 2020 and 2021. However, this year membership renewals have continued to increase and new members have joined the Network. New membership and recruitment continues to grow with 39 new members joining us in 2022. As of today, we're at just over 207 Partner Members and look forward to building on the successful membership efforts going forward.
- **Strengthening our Foundation:** In 2022, We received two grants, a Working Lands Enterprise Fund and a Specialty Crop Producer Association Grant. Both grants came in at the right time as we continue to transition out of the pandemic. They work together to strengthen the foundation of our organization so that we may better serve members and our mission. The grants include funding for staff professional development, staff capacity building in 2023, and a VFN strategic planning project this coming year. The grant projects also include new ways for VFN members and the public to engage. Tara will be discussing this in a moment.

All of our work and our programs are enhanced and supported by having a strong network of Partner Members. Membership growth and retention has an impact on the financial wellbeing of our organization. It also is vital to VFN's mission to connect more farmers, food producers, chefs and other culinary professionals - It allows us to celebrate their work and their partnerships.