

Cash Forecasting

An essential strategic tool in the CFO toolkit

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STRENGTHMATTERS®

Cash forecasts by business line are an essential strategic tool in the CFO toolkit, yet too many groups still do not use them regularly. Hear from peers in multiple lines of business about the forecast tools they used to:

- Respond and adapt to financial challenges;
- Ensure your nonprofit organization stays healthy and viable; and
- Inform senior management and Board decision-making



PANELISTS

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Getting Started

- All participant lines are muted.
- You may use the **Chat** feature to ask questions.
- Please use the **Raise Hand** feature if you would like to speak.
 - The Raise Hand feature is located in the Participant panel.
- Any questions not answered during the presentation will be addressed at the end of the session.

Continuing Professional Education Requirements for CPAs

- **Polls are Required for CPEs**

- If you are seeking CPE credits, please submit ALL polls and the conference evaluations.
- We use **Polls** and the **Zoom attendance record** to verify participation throughout the webinar.
 - **Participants must submit ALL polls and be logged in no later than 10 minutes after the scheduled session start time to receive a certificate.**
- You may request a certificate of completion via the conference evaluations.
 - Links to the evaluations are emailed to all registrants.
- For more information on CPE credits, contact Lindsay Wells at consult.lwells@gmail.com.

Poll #1 – Using Cash Forecasts as a Tool

Panelist Questions

1. Tell us a little about yourself and your organization(s)?
2. Why is cash flow forecasting important to your organization?
3. How often do you develop cash flow forecasts, how is it communicated to management and the Board? How do they use the information?

Panelist Questions

1. 2020 has been a challenging year for many organizations. How were you impacted by the Pandemic and how did you use the cash flow tool to make strategic decisions.
2. How often do you develop cash flow forecasts, how is it communicated to management and the Board? How do they use the information?
3. Provide a few examples of how you have used cash flow forecasts:
 1. Predict **cash** shortages and surpluses.
 2. See and compare business expenses and income for periods.
 3. Estimate effects of business change (e.g., hiring an employee)

Panelist Demonstrations

Both of you have developed cash flow tools that we want to present to the audience.

- What prompted you to create this tool?
- How often is the forecast updated?
- What are the biggest benefits?

Organizational Overview

Since our founding in 1991, Avenue has leveraged \$117 million in investments in the communities we serve. These investments include our development of 200+ single-family homes, 800+ rental units and 140,000 square feet of commercial space.

Avenue serves over 5,000 people annually through several main lines of business:

- Real Estate Development
- Asset/Property Management
- Lending
- Homeownership Promotion/Preservation
- Realty
- Community Initiatives
- Resident Services

From Whence We Came...

2019 CASH FLOW TOOL

- Based on budget.
- Straight-line approach.
- Accounted for a few major projects.
- One calculation method used to project future years for all revenue and expense categories.
- Future years only presented in an annual summary format.
- Tool mostly updated once at the beginning of the year with approved budget numbers.
- Development Pipeline presented but did not allow for direct input of cash inflow and cash outflow for projects.
- Finance completed most of the tool.

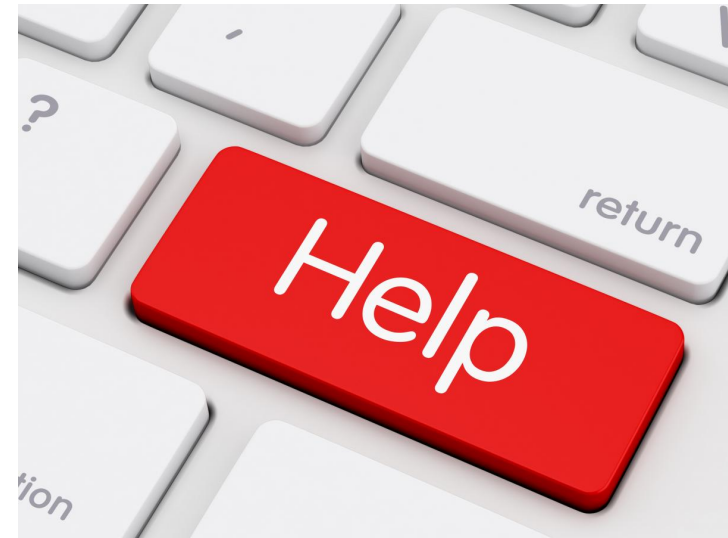
From Whence We Came...

2020 CASH FLOW TOOL

- Based on budget with a midyear budget modification feature.
- Straight-line approach in some areas but percentage change in other areas.
- Accounted for most major projects
- Different calculation method used to project future years for all revenue and expense categories
- Future years only presented in an annual summary format
- Tool mostly updated once at the beginning of the year with approved budget numbers.
- Development Pipeline tab expanded to calculate more inputs but did not allow for direct input of cash inflow and cash outflow for projects.
- Finance completed most of the tool.

UNRESTRICTED CASH BALANCE CONCERNS

- March 2020
 - Pandemic
 - Significant reduction in philanthropic giving
 - End of Capital Campaign
 - Office Building under construction
 - Single Family homes in inventory
 - Eviction moratorium



THE NEW (Still Evolving) TOOL

2020 CASH FLOW TOOL

- Based on budget with a midyear budget modification feature.
- Dynamic approach in all areas.
- Accounting for all Real Estate Development projects
- Calculation method used to project future years include option to use prior year budget, prior year budget with percentage or increase/decrease in dollar value changes for all revenue and expense categories
- Future years only presented in monthly format for two years and quarterly format for remaining five years.
- Monthly update of actual revenue, expenses, inflow/outflow of restricted cash.
- Development Pipeline tab expanded to calculate all inputs of cash inflow and cash outflow for projects.
- Finance and Real Estate Development completes the tool.
- Property Management tab added

THE NEW (Still Evolving) TOOL

2020 CASH FLOW TOOL

- Stress Testing Options
 - Scenario planning
 - Likely
 - Bad
 - Worst

Avenue CDC						
KEY DRIVERS IMPACTING CASH FLOW						
Scenario	Likely					
		Act. Collections	Collection	Budget	Revised	
Property Drivers	5-May		Loss	Cash Avail.*	Cash Avail.	Net Change
Las Brisas		70%	20%	\$ 455,362	\$ 350,315	\$ (105,047)
Washington Courtyards		78%	20%	\$ 408,757	\$ 207,647	\$ (201,110)
Oak Arbor		75%	20%	\$ 232,249	\$ 45,124	\$ (187,125)
Redwood Heights		86%	20%	\$ 128,705	\$ (112,243)	\$ (240,948)
Other properties		80%	20%	\$ 186,137	\$ 150,958	\$ (35,180)
				\$ 1,411,210	\$ 641,801	\$ (769,409)
<i>*Cash balance projected at year end using 2020 budget performance for each property.</i>						
Grants		Likely	Bad	Worst		
General Operating		0%	5%	10%	Less than Projected	
Special Projects		0%	5%	10%		
New Capital	Projected	Cash	Date Received	Account	Note	Debt Repayment
AHMI Loan	\$ 1,931,153	\$ 1,931,153	June	Restricted Cash	Net out of RED	
PPP	\$ 591,000	\$ 591,000	April	Operating Account Unrestricted		
Avenue Terrace	\$ 400,000	\$ 400,000	July	Operating Account Unrestricted		
Other	0	\$ -				

		Scenario 1		Scenario 2		Scenario 3
		Likely		Bad		Worst
Budget Cash Flow		\$ -		\$ -		\$ -
Forecast Revised Cash Flow						
Unrestricted Operating		\$ 4,217,786		\$ -		\$ -
Cash - Reserves		\$ 764,675		\$ -		\$ -
Cash - Designated Purpose		\$ 2,895,697		\$ -		\$ -
Liquidity Trigger (Op \$ <) # times	\$ 900,000	0		0		0
Property Assumptions		Stressed at property level w/collection losses from 10-30% for 3 months loss offset to working capital at property.		Stressed at property level w/collection losses from 10-30% for 6 months, loss offset		Stressed at property level w/collection losses from 10-30% for 9 months, loss offset
Development Assumptions	Drivers	Likely Avenue Station Settlement of \$2.17MM in Oct		Moderate Avenue Station Settlement of \$2.17MM in Oct AM III does not proceed AM II proceeds of \$1.3MM not received		Worst Avenue Station Settlement doesn't happen in 2020 Model homes not sold as expected AM III does not proceed AM II proceeds of \$1.3MM not received
Grants						
General Operating	Drivers	0%		5%		10%
Special Projects		0%		5%		10%

Forecast Assumption - Drivers											
		<u>2021</u>	Basis for Forecast	<u>2022</u>	Basis for Forecast	<u>2023</u>	Basis for Forecast	<u>2024</u>	Basis for Forecast	<u>2025</u>	Basis for Forecast
Revenue Drivers											
	Grants, general operating	1%	Budget	1%	Budget	2%	Budget	2%	Budget	2%	Budget
	Grants, special projects	0%	Reforecast	1%	Reforecast	2%	Reforecast	2%	Reforecast	2%	Reforecast
	Charitable contributions	0%	Reforecast	1%	Reforecast	2%	Reforecast	2%	Reforecast	2%	Reforecast
	Art on the Avenue event	0%	Reforecast	1%	Reforecast	2%	Reforecast	2%	Reforecast	2%	Reforecast
	Supportive Services fees	0%	Reforecast	1%	Reforecast	2%	Reforecast	2%	Reforecast	2%	Reforecast
	Homeownership Center fees & commissions	0%	Reforecast	1%	Reforecast	2%	Reforecast	2%	Reforecast	2%	Reforecast
	Interest and other income	0%	Reforecast	1%	Reforecast	2%	Reforecast	2%	Reforecast	2%	Reforecast
	Disaster response	0%	Reforecast	1%	Reforecast	2%	Reforecast	2%	Reforecast	2%	Reforecast
	Prior year revenue to support current activity										
	Special projects	0%	Reforecast	1%	Reforecast	0%	Reforecast	0%	Reforecast	0%	Reforecast
	General operating	0%	Reforecast	1%	Reforecast	0%	Reforecast	0%	Reforecast	0%	Reforecast
	Real estate development	0%	Reforecast	1%	Reforecast	0%	Reforecast	0%	Reforecast	0%	Reforecast
	Disaster response	0%	Reforecast	1%	Reforecast	0%	Reforecast	0%	Reforecast	0%	Reforecast
		<u>2021</u>		<u>2022</u>		<u>2023</u>		<u>2024</u>		<u>2025</u>	
Expense Adjusters											
	Personnel	3%	Reforecast	2%	Reforecast	4%	Reforecast	4%	Reforecast	4%	Reforecast
	Staff additions	\$110,000		\$ -		\$100,000		\$100,000		\$100,000	
	General & Admin	3%	Budget	2%	Budget	4%	Budget	4%	Budget	4%	Budget
	Special projects	3%	Budget	2%	Budget	4%	Budget	4%	Budget	4%	Budget
	Downpayment assistance	3%	Budget	2%	Budget	4%	Budget	4%	Budget	4%	Budget
	Art on the Avenue costs	3%	Reforecast	2%	Reforecast	4%	Reforecast	4%	Reforecast	4%	Reforecast
	Disaster response	3%	Reforecast	2%	Reforecast	4%	Reforecast	4%	Reforecast	4%	Reforecast
	Move to Avenue Center Reserve	3%	Reforecast	2%	Reforecast	4%	Reforecast	4%	Reforecast	4%	Reforecast
	Avenue operating reserves	3%	Reforecast	2%	Reforecast	4%	Reforecast	4%	Reforecast	4%	Reforecast
	Equip, software, furniture reserve	3%	Reforecast	2%	Reforecast	4%	Reforecast	4%	Reforecast	4%	Reforecast
	Other expenses	\$25,000		\$25,000		\$25,000		\$25,000		\$25,000	
Asset Mgmt - property escalators											
	Rent	2%		2%		2%		2%		2%	
	Collection Loss - small properties	10%		10%		10%		10%		10%	
	Collection loss - large properties	5%		5%		5%		5%		5%	
	Expenses	3%		3%		3%		3%		3%	



<u>2020</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>	<u>2022</u>	<u>2022</u>	<u>2023</u>	<u>2023</u>
<u>Budget</u>	<u>Reforecast</u>	<u>Budget</u>	<u>Reforecast</u>	<u>Budget</u>	<u>Reforecast</u>	<u>Budget</u>	<u>Reforecast</u>
\$ 3,466,847	\$ 2,812,586	\$ 3,501,515	\$ 3,501,515	\$ 3,536,531	\$ 3,536,531	\$ 3,607,261	\$ 3,607,261
\$ 549,053	\$ 549,053	\$ 549,053	\$ 549,053	\$ 554,544	\$ 554,544	\$ 565,634	\$ 565,634
\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,100	\$ 10,100	\$ 10,302	\$ 10,302
\$ 250,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 126,250	\$ 126,250	\$ 128,775	\$ 128,775
\$ 233,464	\$ 137,304	\$ 137,304	\$ 137,304	\$ 138,677	\$ 138,677	\$ 141,451	\$ 141,451
\$ 293,900	\$ 211,164	\$ 211,164	\$ 211,164	\$ 213,276	\$ 213,276	\$ 217,541	\$ 217,541
\$ 214,000	\$ 362,542	\$ 362,542	\$ 362,542	\$ 366,167	\$ 366,167	\$ 373,491	\$ 373,491
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
					\$ -	\$ -	\$ -
\$ 446,630	\$ 446,630	\$ 446,630	\$ 446,630	\$ 451,096	\$ 451,096	\$ 451,096	\$ 451,096
\$ 492,327	\$ 492,327	\$ 492,327	\$ 492,327	\$ 497,250	\$ 497,250	\$ 497,250	\$ 497,250
\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,450	\$ 45,450	\$ 45,450	\$ 45,450
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>2020 Budget</u>	<u>2020 Reforecast</u>	<u>2021 Budget</u>	<u>2021 Reforecast</u>	<u>2022 Budget</u>	<u>2022 Reforecast</u>	<u>2023 Budget</u>	<u>2023 Reforecast</u>
\$ 3,540,029	\$ 3,170,398	\$ 3,283,010	\$ 3,375,510	\$ 3,443,020	\$ 3,443,020	\$ 3,680,741	\$ 3,680,741
\$ 1,326,899	\$ 888,137	\$ 1,366,706	\$ 1,366,706	\$ 1,394,040	\$ 1,394,040	\$ 1,449,802	\$ 1,449,802
\$ 990,957	\$ 1,340,957	\$ 1,020,686	\$ 1,020,686	\$ 1,041,099	\$ 1,041,099	\$ 1,082,743	\$ 1,082,743
\$ 1,487,500	\$ 1,487,500	\$ 1,532,125	\$ 1,532,125	\$ 1,562,768	\$ 1,562,768	\$ 1,625,278	\$ 1,625,278
\$ 100,000	\$ 63,000	\$ 64,890	\$ 64,890	\$ 66,188	\$ 66,188	\$ 68,835	\$ 68,835
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 12,000	\$ 12,000	\$ 12,360	\$ 12,360	\$ 12,607	\$ 12,607	\$ 13,111	\$ 13,111
\$ 90,000	\$ 90,000	\$ 92,700	\$ 92,700	\$ 94,554	\$ 94,554	\$ 98,336	\$ 98,336
\$ 30,000	\$ 30,000	\$ 30,900	\$ 30,900	\$ 31,518	\$ 31,518	\$ 32,779	\$ 32,779
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



AVENUE

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R		
1	Real Estate Development																			
2	Monthly Projections																			
3																				
4		ACTUAL	ACTUAL	ACTUAL	ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED							
5		November																		
7	Project	January	February	March	April	May	June	July	August	September	October	November	December							
8	Avenue Center	\$ (1,784,382)	\$ (545,380)	\$ (615,841)	\$ (434,861)	\$ (579,359)	\$ (622,831)	\$ (511,056)	\$ (442,904)											
9	Avenue Station		\$ (71,680)	\$ (4,521)	\$ (39,502)	\$ (30,000)	\$ (30,000)	\$ (60,000)	\$ (210,000)	\$ (210,000)	\$ 2,170,000	\$ (210,000)	\$ (210,000)							
0	Avenue on 34th				\$ (8,271)	\$ 200,000				\$ 100,000										
1	Gale Winds						\$ 85,000		\$ (75,000)	\$ (150,000)	\$ (100,000)									
2	Avenue Gardens - Cancelled																			
3	East End Apts																			
4	Elder Street			\$ (1,875)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (10,000)							
5	Small Rental 1 (Fulton & James)					\$ 300,000	\$ (5,000)					\$ 500,000								
6	Small Rental 2 (Dipping)					\$ (5,000)						\$ 10,000								
7	AM2	\$ (57,498)		\$ (57,497)	\$ (31,191)	\$ (100,000)	\$ (25,000)	\$ 410,000		\$ 239,500	\$ 649,500									
8	AM3				\$ (175)	\$ (5,000)	\$ (3,000)					\$ (201,000)	\$ (201,000)							
9	Ave Park																			
0	Sale 813 McDaniel			\$ 260,900																
1	Sell Model Homes								\$ 275,000	\$ 315,000										
2	Acq/Rehab																			
3	Infill																			
4																				
5																				
6																				
7																				
8	TOTAL	\$ (1,841,880)	\$ (617,060)	\$ (418,834)	\$ (516,999)	\$ (222,359)	\$ (603,831)	\$ (164,056)	\$ (455,904)	\$ 291,500	\$ 2,716,500	\$ 96,000	\$ (421,000)							
9																				
10																				

	\$ -		

Avenue Property Portfolio 12-month projections								
	2020							
	November Budget	November Reprojected		ACTUAL	ACTUAL	ACTUAL	ACTUAL	PROJECTED
Summer Street	DQ			January	February	March	April	May
Effective gross income	66,000		20%	5,500	5,500	5,500	5,500	5,500
Additional collection loss exp.					-	-	1,100	1,100
Cash expenses	29,919			2,493	2,493	2,493	2,493	2,493
Net cash flow	36,081	-		3,007	3,007	3,007	1,907	1,907
Available for distribution (end bal)	20,000			23,007	26,014	29,020	30,927	32,834
Beginning reserve balance	-			-	-	-	-	-
Drawn from/ (deposited to) reserves				-	-	-	-	-
Cash to/(from) Avenue				-	-	-	-	-
Decatur				January	February	March	April	May
Effective gross income	19,200		20%	1,600	1,600	1,600	1,600	1,600
Additional collection loss exp.					-	-	320	320
Cash expenses	5,143			429	429	429	429	429
Net cash flow	14,057	-		1,171	1,171	1,171	851	851
Available for distribution (end bal)	10,000			11,171	12,343	13,514	14,366	15,217
Beginning reserve balance	-			-	-	-	-	-
Drawn from/ (deposited to) reserves					-		-	-
Cash to/(from) Avenue				-	-	-	-	-



AVENUE

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	Real Estate Development																	
2	Monthly Projections																	
3																		
4		ACTUAL	ACTUAL	ACTUAL	ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED					
5		November																
6	Project	January	February	March	April	May	June	July	August	September	October	November	December					
8	Avenue Center	\$ (1,784,382)	\$ (545,380)	\$ (615,841)	\$ (434,861)	\$ (579,359)	\$ (622,831)	\$ (511,056)	\$ (442,904)									
9	Avenue Station		\$ (71,680)	\$ (4,521)	\$ (39,502)	\$ (30,000)	\$ (30,000)	\$ (60,000)	\$ (210,000)	\$ (210,000)	\$ 2,170,000	\$ (210,000)	\$ (210,000)					
0	Avenue on 34th				\$ (8,271)	\$ 200,000				\$ 100,000								
1	Gale Winds						\$ 85,000		\$ (75,000)	\$ (150,000)	\$ (100,000)							
2	Avenue Gardens - Cancelled																	
3	East End Apts																	
4	Elder Street			\$ (1,875)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (3,000)	\$ (10,000)					
5	Small Rental 1 (Fulton & James)					\$ 300,000	\$ (5,000)					\$ 500,000						
6	Small Rental 2 (Dipping)					\$ (5,000)						\$ 10,000						
7	AM2	\$ (57,498)		\$ (57,497)	\$ (31,191)	\$ (100,000)	\$ (25,000)	\$ 410,000		\$ 239,500	\$ 649,500							
8	AM3				\$ (175)	\$ (5,000)	\$ (3,000)					\$ (201,000)	\$ (201,000)					
9	Ave Park																	
0	Sale 813 McDaniel			\$ 260,900														
1	Sell Model Homes								\$ 275,000	\$ 315,000								
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4																		
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8	TOTAL	\$ (1,841,880)	\$ (617,060)	\$ (418,834)	\$ (516,999)	\$ (222,359)	\$ (603,831)	\$ (164,056)	\$ (455,904)	\$ 291,500	\$ 2,716,500	\$ 96,000	\$ (421,000)					
9																		
10																		

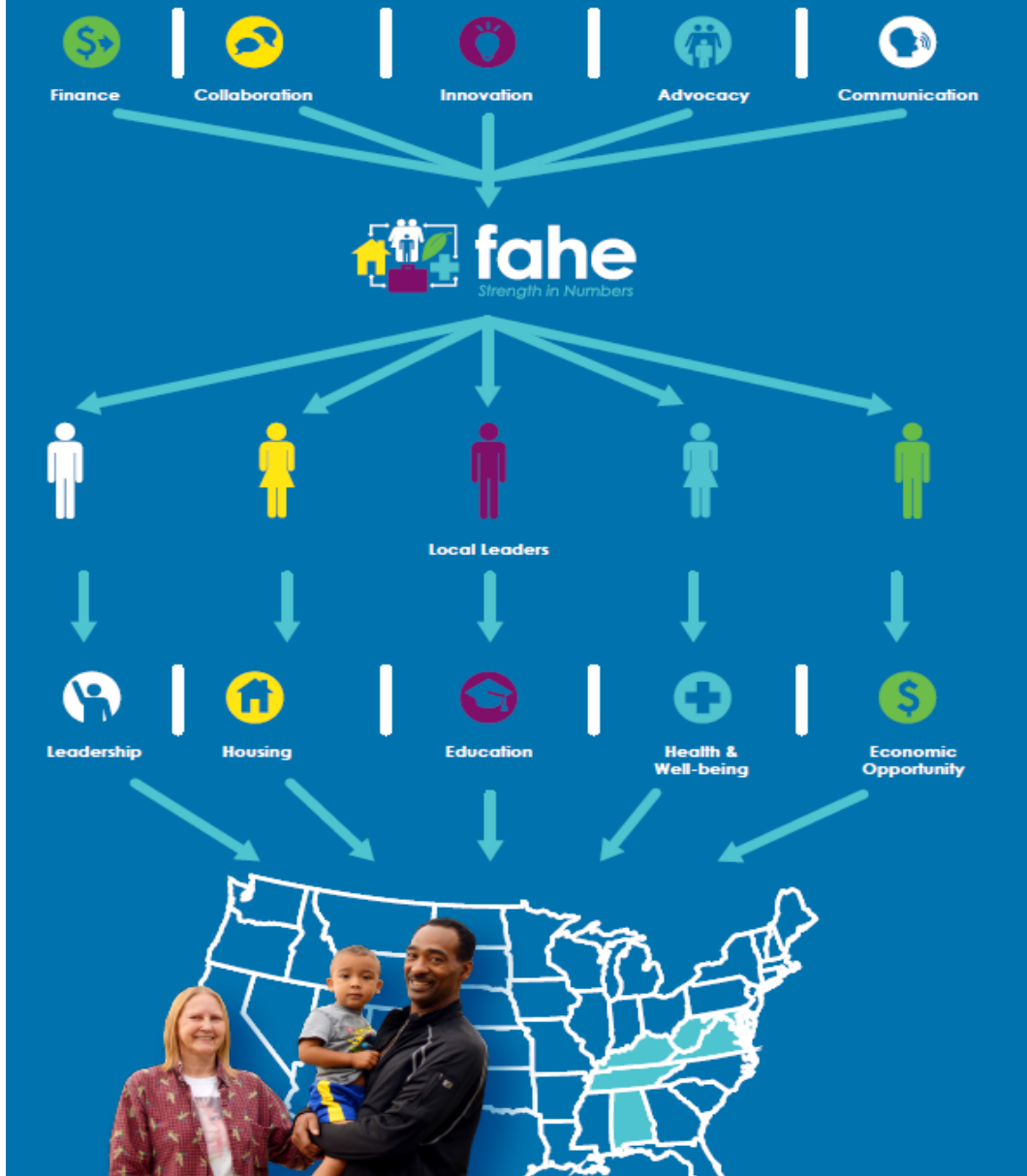
	\$ -		

Avenue CDC 60 Month Cash Flow Model					
Start date:					
	PROJECTED	PROJECTED	2025 Budget	2025 Forecast	PR
Revenues	November	December			Ji
Grants, general operating	306,617	306,617	3,752,995	3,752,995	
Grants, special projects	48,079	48,079	588,486	588,486	
Charitable contributions	876	876	10,718	10,718	
Art on the Avenue event	10,946	10,946	133,978	133,978	
Supportive Services fees	12,023	12,023	147,165	147,165	
Homeownership Center fees & commissions	18,491	18,491	226,330	226,330	
Interest and other income	31,747	31,747	388,580	388,580	
Disaster response	-	-	-	-	
Prior year revenue to support current activity					
Special projects	37,591	37,591	455,607	455,607	
General operating	41,438	41,438	502,223	502,223	
Real estate development	3,788	3,788	45,905	45,905	
Disaster response	-	-	-	-	
Non-Real Estate Revenues	511,595	511,595	6,251,986	6,251,986	
Expenses					
Personnel	327,331	327,331	4,185,089	4,185,089	
General & Admin	125,649	125,649	1,568,106	1,568,106	
Special projects	93,838	93,838	1,171,095	1,171,095	
Downpayment assistance	140,857	140,857	1,757,901	1,757,901	
Art on the Avenue costs	5,966	5,966	74,452	74,452	
Disaster response	-	-	-	-	
Move to Avenue Center Reserve	1,136	1,136	14,181	14,181	
Avenue operating reserves	8,522	8,522	106,360	106,360	
Equip, software, furniture reserve	2,841	2,841	35,453	35,453	
	-	-	-	-	
Total Expenses	706,141	706,141	8,912,639	8,912,639	
Real Estate Development cash (likely)	-	-			
Real Estate Development cash (bad)					
Real Estate Development cash (worst)					
Loan Proceeds					
Asset Management cash (from worksheet)	-	-			
Cash inflow/(outflow)	(194,546)	(194,546)			
Operating Account Designated deposited to/(drawn from)					
Operating Account Restricted deposited to/(drawn from)					
Operating Account Reserves – from Operating Expenses above					



10	Cash inflow/(outflow)	(194,546)	(194,546)
11			
12	Operating Account Designated deposited to/(drawn from)		
13	Operating Account Restricted deposited to/(drawn from)		
14	Operating Account Reserves – from Operating Expenses above		
15	Operating Account Unrestricted		
16	Ending balance, Operating Account Designated	2,895,697	2,895,697
17	Ending balance, Operating Account Restricted	-	-
18	Ending balance, Operating Account Reserves	764,675	764,675
19	Ending balance, Operating Account Unrestricted	4,217,786	4,217,786
20	Ending balance, available for distribution from properties	3,319,533	-
21	Ending balance, unrestricted cash (operating account & properties)	7,537,319	4,217,786
22			
23	Liquidity Minimum Check		
24			

Poll #2 – Using Cash Forecasts as a Tool



Fahe's Network of local leaders and partners builds communities and economies that work. We have cultivated the deepest reaching platform to connect investment to boots on the ground leadership throughout one of the most difficult places to serve in the country (Appalachia). Our Network builds resilient communities through our multi-tiered commitments to housing, education, health and well-being, economic opportunity, and well-resourced leadership that create local solutions and lasting impact.

Queen Bee

Cash in the bank
without it you close
the doors - lifeblood
of organization

Drone

Critical high mission,
low cash return –
balance is important,
can suck resources dry

**Cash is
Queen!!**

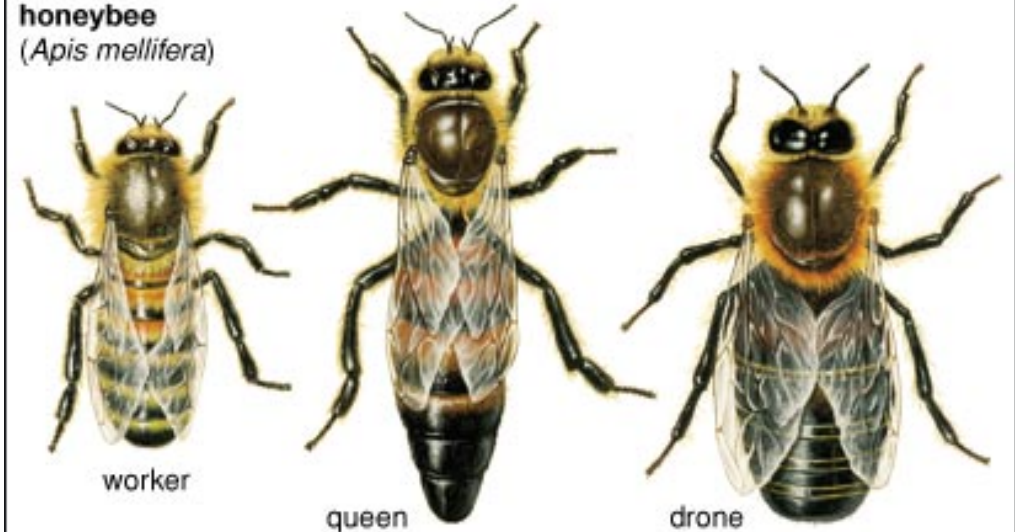
Worker

The necessities,
monitor/safeguard,
bring in resources

Seasonality

When resources are
available and how
much you need to get
through the low cash
seasons

honeybee
(*Apis mellifera*)



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How to Build Your Cash Flow Tool (Org Operations/Service-based Organization)

1. Determine if you can combine all cash or need separate projections for each type of cash.
2. Pick a month end for your cash balance.
3. Identify revenue generators & schedule out for next 12 months
 - a. How does the timing flow?
 - b. What triggers increase/decrease?
4. Identify grant sources and obligations
 - a. Schedule out cash in/out – is it restricted or not?
 - b. What is cash available to cover operational expense?
 - c. When is it available?
5. Map out monthly expenses
6. Determine capital needs if have times of low cash balances.

Tips for your tool:

1. Reach out to friends – what do they use?
2. Use formulas to gather instead of link (allows easier updating)
 - a. SUMIF
 - b. INDIRECT
 - c. Google it!
3. I recommend monthly projections for 12 month projections, annual any further out than that.
4. Put it together in a way that flows with how you talk to senior management about finances. This will make it easier for them to look at the details.
5. Have staff responsible for budgets turn in that budget spread over 12 months. Drill down and differentiate between cash/accrual method.
6. Identify your teams responsible for fundraising and financing and review the cash flow projection together. Does it change your strategy?



		Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
CASH FLOWS FROM OPERATING ACTIVITES							
Changes in Net Assets		30,898.90	459,039.02	596,339.37	17,703.56	535,808.86	505,101.91
Adjustments to reconcile increase in net assets to net cash							
	provided by operating activities						
Capital Grants		-	(750,000.00)	(750,000.00)	-	(750,000.00)	(750,000.00)
Depreciation		188,150.35	188,826.17	189,468.20	190,078.12	190,657.55	191,208.00
Amortization		29,522.53	31,522.53	33,522.53	35,522.53	37,522.53	39,522.53
MLF Loan Provision		341,550.00	341,550.00	341,550.00	341,550.00	341,550.00	341,550.00
CLF Loan Provision		75,671.53	33,762.90	12,485.71	12,485.71	12,485.71	12,485.71
Gain on investments using equity method		(3,606.36)	(3,606.36)	(3,606.36)	(3,606.36)	(3,606.36)	(3,606.36)
Gain on purchase of loan portfolios		(470,000.00)	(470,000.00)	(470,000.00)	(470,000.00)	(470,000.00)	(470,000.00)
Add'l provision for port purchase							
Net Charge Offs							
(Increase) decrease in operating assets							
	Accounts receivable	-	-	-	-	-	-
	Grants receivable	-	-	-	-	-	-
	Accrued interest receivable	-	-	-	-	-	-
	Prepaid expenses	-	-	-	-	-	-
	Deferred compensation	(33,113.55)	(34,106.96)	(35,130.17)	(9,582.01)	(36,184.07)	(9,954.45)
	Deposits	-	-	-	-	-	-
Increase (decrease) in operating liabilities							
	Accounts payable	-	-	-	-	-	-
	Client advances and deposits	-	-	-	-	-	-
	Accrued interest payable	-	-	-	-	-	-
	Accrued expenses	-	-	-	-	-	-
	Deferred revenue	-	-	-	-	-	-
	Deferred compensation	33,113.55	34,106.96	35,130.17	9,582.01	36,184.07	9,954.45
NET CASH PROVIDED BY OPERATING ACTIVITIES		192,186.96	(168,905.73)	(50,240.55)	123,733.56	(105,581.72)	(133,738.21)

		Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
CASH FLOWS FROM INVESTING ACTIVITIES							
	Purchase of property and equipment	1,522.53	3,522.53	5,522.53	7,522.53	9,522.53	11,522.53
	(Gain) loss on disposal of assets	-	-	-	-	-	-
	Proceeds from sale of property and equipment						
	Purchase of loan portfolios	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	-	-	-
	Purchase of intangible assets	(10,000.00)	(10,000.00)	-	-	-	-
	Net Single family portfolio cash in(out)flow	423,959.40	423,959.40	423,959.40	(556,967.62)	(1,003,913.27)	(1,008,865.28)
	Net Community portfolio cash in(out)flow	(7,567,153.17)	(3,376,290.18)	(1,248,571.00)	(0.00)	0.00	0.00
	Net Consumer lending cash in(out)flow	-	-	-	-	-	-
NET CASH USED BY INVESTING ACTIVITIES		(8,151,671.24)	(3,958,808.25)	(1,819,089.07)	(549,445.09)	(994,390.74)	(997,342.75)
CASH FLOWS FROM FINANCING ACTIVITIES							
	Net proceeds debt in(out)flow	7,442,358.58	3,848,880.27	1,639,209.26	859,555.43	833,768.77	808,755.71
	Capital Grants	-	750,000.00	750,000.00	-	750,000.00	750,000.00
NET CASH PROVIDED BY FINANCING ACTIVITIES		7,442,358.58	4,598,880.27	2,389,209.26	859,555.43	1,583,768.77	1,558,755.71
NET INCREASE IN CASH		(517,125.70)	471,166.29	519,879.64	433,843.90	483,796.31	427,674.74
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		11,452,547.45	10,935,421.74	11,406,588.04	11,926,467.67	12,360,311.58	12,844,107.89
CASH AND CASH EQUIVALENTS AT END OF YEAR		10,935,421.74	11,406,588.04	11,926,467.67	12,360,311.58	12,844,107.89	13,271,782.63
	Check to Balance Sheet Cash Balance	-	-	-	-	-	-

2020

		April Cash Activity	May Cash Activity	June Cash Activity	July Cash Activity	August Cash Activity	Sept Cash Activity	October Cash Activity	Nov. Cash Activity	De Act
Rest. Cash available (for info only...not added in formulas)			53,485.00							
	ACTUAL ENDING CASH		250,613.27	259,682.34	293,785.51	116,361.28				
Beginning Cash		282,269.60	285,663.47	253,043.23	259,682.34	274,485.51	116,361.28	1,487,657.40	757,280.46	
	Cash transferred for:									
	NW grant Round II for Staffing Ashland Office									
	1/2 of NW Grant for Salesforce Training									
	Grant for NTI travel									
	NW grant for Staff Participation in the 2019 Rural Membership Conf.									
	Unrestricted Customer and Bank Interest									
	CHDO Proceeds Loan Servicing fees									
	Total Cash transferred	-	-	-	-	-	-	-	-	
	Construction									
This is linked from the Construction Activity tab	HOME Reimbursable Expenditures	-	-	-	-	-	(94,089.00)	(135,000.00)	(113,000.00)	
	HOME funds drawn	-	-	-	-	-	45,000.00	110,000.00	103,000.00	
	NonHOME Cash Expenses	(59,750.00)	(66,243.26)	(56,796.03)	(111,196.50)	(34,466.66)	(215,870.82)	(275,000.00)	(415,000.00)	
	NonHOME Cash Generated	-	-	9,145.00	60,591.50	-	281,000.00	-	148,482.00	
	FHLB AHP Draws	-	24,143.00	-	-	-	50,500.00	-	-	
	ARC Draws	-	-	-	-	-	7,503.00	-	-	
	Other Draws	-	-	46,506.04	133,928.00	-	237,526.00	90,000.00	45,000.00	
	AHTF HB Draws	-	-	-	49,500.00	-	24,604.70	-	216,000.00	
	AHTF HR Draws	-	-	-	-	-	56,924.00	-	-	
	CHDO Proceeds Released for Operations	-	-	60,000.00	-	28,000.00	99,000.00	10,000.00	-	
	Net Construction Activity for Ops	(59,750.00)	(42,100.26)	58,855.01	132,823.00	(6,466.66)	492,097.88	(200,000.00)	(15,518.00)	

	April Cash Activity	May Cash Activity	June Cash Activity	July Cash Activity	August Cash Activity	Sept Cash Activity	October Cash Activity	Nov. Cash Activity	Dec. Cash Activity	Jan. Cash Activity	February Cash Activity	March Cash Activity
LOAN INTEREST (net)												
INTEREST REV.- LOAN PORTFOLIO	5,915.66	5,182.99	7,051.33	4,189.85	6,384.45	6,050.00	6,050.00	6,050.00	6,050.00	6,050.00	6,050.00	6,050.00
New Deployment												
INTEREST EXPENSE												
LENDING FUNDS	(282.02)	(143.33)	(2,357.80)	(269.10)	(1,055.20)	(354.52)				(243.11)	(592.96)	(1,133.22)
evolving in principal payments that												
Total LOAN INTEREST (net)	5,633.64	5,039.66	4,693.53	3,920.75	5,329.25	5,695.48	6,050.00	6,050.00	6,050.00	5,806.89	5,457.04	4,916.78
CONTRIBUTIONS												
CONTRIB - INDIVIDUALS & SMALL BUSINESS	25.00	25.00	100.00	55.00	2,125.00	75.00	75.00	275.00	10,000.00	1,000.00	50.00	50.00
FUNDRAISING REVENUE							12,000.00					
CONTRIBUTIONS - CORPORATIONS								12,000.00				
Total CONTRIBUTIONS	25.00	25.00	100.00	55.00	2,125.00	12,075.00	75.00	12,275.00	10,000.00	1,000.00	50.00	50.00

	April Cash Activity	May Cash Activity	June Cash Activity	July Cash Activity	August Cash Activity	Sept Cash Activity	October Cash Activity	Nov. Cash Activity	Dec. Cash Activity	J A
RD - 523 GRANT MUTUAL SELF HELP	10,278.00		12,860.00	2,654.00	7,481.00	20,259.00	20,259.00	20,259.00	20,259.00	
KHC - AHTF GRANT - PROGRAMS			8,000.00							
NEIGHBORWORKS - NON FEDERAL GRANT										
NEIGHBORWORKS - UNRESTRICTED GRANT				34,560.00					15,000.00	
EIG completion grant								10,000.00		
NEIGHBORWORKS-HUD COMPREHENSIVE HOUSING COUNSELING GRANT					10,312.80					
OTHER GRANTS										
RENTAL INCOME	7,314.00	9,104.00	5,626.09	9,306.00	7,947.00	7,947.00	7,947.00	7,947.00	7,947.00	
RENTAL LATE & MAINT. FEES										
INTEREST REVENUE ON INVESTMENT	81.00	31.98	23.25	50.00	50.00	50.00	50.00	50.00	50.00	
LOAN FEES -EXTERNAL LOANS	-	-	959.59			2,000.00	2,000.00	2,000.00	1,000.00	
COUNSELING FEES	207.00	138.00	4,557.00	1,200.00	3,894.00	1,200.00	1,200.00	1,200.00	1,200.00	
COUNSELING PROGRAM MANUFACTURED COUNSELING	4,166.66	4,166.66								
NEW BORROWING...						836,000.00				
NEW BORROWING...										
COVID Loan	25,000.00									
PPP forgivable loan from SBA	163,400.00									
RENTAL	1,175.00	1,175.00	1,175.00							
OTHER REVENUES - misc.	3,759.36	2,330.21	1,605.35	98.44						
OTHER REVENUE	8,408.07			2,272.19						
Total OTHER REVENUES										
	224,155.76	17,312.52	35,172.95	50,507.30	30,051.47	879,072.67	31,822.67	41,822.67	49,572.67	

	April Cash Activity	May Cash Activity	June Cash Activity	July Cash Activity	August Cash Activity	Sept Cash Activity	October Cash Activity	Nov. Cash Activity	Dec. Cash Activity
DEBT SERVICE (PRINCIPAL PAYMENTS)									
Unrestricted Loan Payments	17,592.23	11,658.46	18,074.75	39,031.49	39,132.49	13,500.00	13,500.00	13,500.00	13,500.00
cash inflow that offsets the repayments of these amounts									
payments? We need to be mindful of restrictions and if excess can be used for operations									
Loan 1									
Loan 2									
Loan 3									
Loan 4									
Loan 5			(4,170.79)						
Loan 6			(2,067.47)						
Loan 7					(4,694.81)				
Loan 8					(1,719.35)				
Loan 9					(3,507.83)				
Loan 10						(4,909.93)			
Loan 11									
Loan 12				(60,000.00)			(1,326.90)	(1,331.88)	(1,336.87)
Loan 13			-				(400,000.00)	(200,000.00)	
Loan 14	(12,768.90)					(12,768.90)			
Loan 15	(4,059.88)								
Loan 16									(100,000.00)
Loan 17				(24,315.65)					
Loan 18				(1,867.43)					
Loan 19	(429.63)	(204.29)			(207.32)				
Loan 20	(483.48)	(229.89)			(233.30)				
Loan 21							(25,000.00)		
Loan 22					(91,680.00)				
Total DEBT SERVICE (PRINCIPAL PAYMENTS)	(149.66)	11,224.28	11,836.49	(47,151.59)	(62,910.12)	(4,178.83)	(412,826.90)	(187,831.88)	(87,836.87)

	April Cash Activity	May Cash Activity	June Cash Activity	July Cash Activity	August Cash Activity	Sept Cash Activity	October Cash Activity	Nov. Cash Activity	Dec. Cash Activity
SALARY AND WAGES	(27,251.00)	(17,558.09)	(17,690.00)	(16,659.02)	(17,690.00)	(17,690.00)	(26,535.00)	(17,690.00)	(17,690.00)
Contract Staff	(48,664.98)	(37,834.28)	(17,877.86)	(39,796.67)	(46,226.00)	(46,226.00)	(69,336.00)	(46,226.00)	(46,226.00)
Total SALARY & BENEFITS	(86,434.71)	(65,951.92)	(45,244.84)	(65,892.37)	(70,881.99)	(75,705.27)	(108,515.06)	(73,293.63)	(73,293.63)
OTHER EXPENDITURES									
OTHER EXPENDITURES									
capital outlay on Rental									
STORAGE LEASE	-	-	-	-	-	-	-	-	-
Office lease	(390.00)	(195.00)	(195.00)	(195.00)	(195.00)	(195.00)	(195.00)	(195.00)	(195.00)
UTILITIES	(1,035.14)	(1,241.06)	(1,196.87)	(170.21)	(170.21)	(170.21)	(170.21)	(170.21)	(170.21)
OFFICE EQUIPMENT									
RENTAL	(1,075.68)	(942.21)	(1,210.14)	(668.72)	(668.72)	(668.72)	(668.72)	(668.72)	(668.72)
CREDIT REPORTS	-	(1,786.15)	(1,786.15)	(1,786.15)	(1,786.15)	(1,786.15)	(1,786.15)	(1,786.15)	(1,786.15)
FUNDRAISING EVENT									
EXPENSES	-	-	-	(2,500.00)	-	(250.00)	-	(500.00)	(750.00)
LOSS ON ASSETS	-	-	-	-	-	-	-	-	-
BAD DEBT EXPENSE	-	-	-	-	-	-	-	-	-
Total OTHER EXPENDITURES	(50,621.15)	(32,250.94)	(40,081.91)	(80,821.37)	(45,216.84)	(49,260.80)	(80,206.92)	(47,802.41)	(49,425.47)
TOTAL EXPENDITURES	(137,055.86)	(98,202.86)	(85,326.75)	(146,713.74)	(116,098.83)	(124,966.07)	(188,721.98)	(121,096.04)	(122,719.10)
Net Cash Activity	3,632.21	(32,583.13)	6,531.23	(11,559.28)	(147,969.89)	1,371,296.13	(927,101.22)	(291,073.98)	(172,733.31)
Adjust to actual cash end balance (use this line to add or subtract \$\$ to get ending to cash to match actual data)	(238.34)	(37.11)	107.88	26,362.45	(10,154.34)				
Ending Cash Balance	285,663.47	253,043.23	259,682.34	274,485.51	116,361.28	1,487,657.40	560,556.19	269,482.20	96,748.90
	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Restricted Cash for Const.	53,485.00	53,485.00	53,485.00	127,485.00	127,485.00	127,485.00	117,485.00	117,485.00	63,385.00

Poll #3 – Using Cash Forecasts as a Tool

QUESTIONS

COMMENTS

FEEDBACK

THANK YOU!