



Finance Committee Meeting Minutes
April 20, 2010
Hartford Municipal Building 3-5pm

Present: Tom Kennedy, Steve Long, George Watkins, Larry Reed, Peter Gregory, Sharon Francis, Theresa Darling

1. Approval of minutes. Minutes of the March 26, 2010 meeting were approved on a motion from Tom Kennedy, seconded by Steve Long.

2. Review of Financial Reports. Larry Reed explained each report.

A) Financial Statements as of March 31, 2010. Tom asked about the first line in of the third paragraph on page 1. Larry explained that it means the report does not contain full footnotes or details and that it is not necessary for this report. **footnote disclosures on monthly financial statements used by management are generally not necessary because management should have a sufficient understanding of the statement of financial position and statement of activities to understand the balances reported. The additional cost to a small nonprofit organization generally outweighs the benefit of monthly footnote preparation. (To date, monthly footnote preparation has not been requested.)** Sharon and Theresa need to figure out what is billable for line # 3. Tom asks Larry what he has for concerns after reviewing this report. Larry stated that it is typical for non-profits to borrow from restricted funds, **Larry never stated that it is "typical" for nonprofits to borrow against restricted funds. However, he made it clear that these funds needed to be restored as soon as possible and before the June 30 year end date. The restoration needs to be accomplished through the collection of existing receivables and timely invoicing of unbilled costs.** and it is important to make sure that all things that can be billed are. **Larry explained that management needs to review all unbilled costs reported as "cost in excess of billings" and determine how much of those costs are actually billable. To the extent that amounts reported as unbilled costs are not billable, an allowance for unbillable cost needs to be recorded.** Tom says we need to address billing time. Sharon and Theresa respond that they are now on top of billing in a timely manner, but stress that all staff have full plates. Everyone agrees that the report is useful with Larry's descriptions.

B) Net Assets - Cash Basis. Tom asked about the grant ending date for NHDOT. Sharon replied that she discussed that with Dean and we were ok. Tom asked when would we

write it off the unpaid amount? Larry answered when the audit is done. **Larry explained that based on discussions with Sharon regarding how much may not be collectible, \$7,000 has currently been reserved for and that this amount will be adjusted when additional information becomes available.** Tom would like to see worst case scenario. VTtrans Byway and Itineraries invoices are going out this week. George would like to see a column for status added. Concerning the Byway Signs grant, Peter is concerned about not being able to pay the fabricator bill when it comes. He is worried that board members will be responsible and that VTtrans will not pay on time. Sharon indicated that VTtrans is aware that we will have a tight reimbursement schedule. Installation labor and equipment on the part of towns will provide the required match. She is working with towns to provide timely match verification.

C) Accounts receivable and Payable. Steve would like to see AR and AP on one report.

D) Match Tracking. Sharon asked Larry how matches are tracked in QuickBooks. Larry responded that they are being held in QB but not flagged as a match. **Larry explained that matching funds are currently tracked by Sharon. Actual cost incurred for matching funds are recorded on QuickBooks when those funds are paid. A review of how to best track matching cost, either via sub-classes or otherwise, needs to be conducted.**

E) Cash Flow projections. Larry states that the Finance Committee needs to do preliminary cash flow and budget for next year in the beginning of May. **A time line for preparing the fiscal 2011 budget was discussed and that Sharon will prepare a preliminary budget for the finance committee's review.** Steve noted that we are at 24.65% for cash receipts and 42.34% for cash disbursements at 75% of the way through the current fiscal year.

3. Formats or reports. Discussed which reports to do and whether to do accrual or cash. Tom would like to see a full accrual balance sheet and a cash income statement. Steve would like AR and AP together with cash position. **Steve requested, and it was agreed, that the balance sheet will report quarterly balances for five quarters.**

4. Management Letter from Larry and response from Sharon. Approved.

5. NHDOT. Sharon talked about the status of the NHDOT grant. Glenn and Sharon are waiting for a date to meet with NHDOT. Currently, NHDOT is not paying personnel costs like Social Security, Medicare, NH Unemployment. The Code of Federal Regulations says these are allowable. They don't want to pay the indirect cost rate due to non approved rate. VTRANS has approved a provisional rate of 90.8% until May 30. We are only asking NHDOT for 29.6%. They do not want to reimburse for any of the time spent over the last year on the website. Sharon has put together a chronological list of website communications between CRJC and NHDOT for the meeting.

6. Negotiations and restoration of NH state support. Sharon is meeting with the director of the NH Office of Energy and Planning tomorrow.

7. Discuss options for reimbursements cash flow against restricted funds. Not discussed
Discussed as a part of the financial statement presentation.

8. Timetable for development of FY '11 budget. Everyone agrees that budget discussions should be undertaken jointly with the Steering Committee. The date will be May 17.

9. Other Business. Theresa showed a sample of the "Grant Binders" she is working on to make information more organized and accessible.

4:50 adjourned.