



Finance Committee Meeting Minutes

November 22, 2022 - 3:00 to 4:15pm

Virtual Meeting: <https://zoom.us/j/97010889475>

You may be prompted to enter a meeting ID: 97010889475

Attendees: Michael Strait (joined after 1st motion), Woodman Page, William Piper, Andrea Bergeron, Christa Shute (Treasurer), Danielle Sukkaew

Agenda Review

Updates

- Action Items Check In - Approve 9-26, 10-17 & 10-27 Minutes

Motioned: William Piper Seconded: Woodman Page	For	Against	Abstain
Motion: to approve 9-26, 10-17 & 10-27 Minutes	2	0	0

- Discussion Summary: No Discussion**

New Business

Review Monthly Reports

- Danielle is to look into \$40,000 currently under 6733 Communications. Amount is for NRTC and was posted to Item 'Administrative Grant & Development', which points to Communication. Per CS, this needs to be moved.
- Bill asked if it's ok for grant monies to pay for grant assistance. The work from NRTC is to design the project for the grant, which goes to the PreConstruction grant. CS said the answer is I don't know which is why she secured outside funds to pay for the CTC portion (writing of the grant).
- We discussed inventory with Berry Dunn - the -\$11,506.96 looks to be the difference between the TelCom Plant Expenses and the Capital Investment Grant. AB said the difference is possibly due to adjustments that were or need to be made. We need to confirm why there's a difference, timing or something else.
- Grants Receivable includes October PreC invoice. VCF receivable was paid in November.

- Inventory increase due to fiber which is shipping from IN to Brighton on 11-25. We took ownership of the fiber in IN and are insuring it.
- AP consists of invoices from NRTC, Wild Blue Yonder and Andrea, which were paid in November.

Berry Dunn Discussion

- We are engaging with them for a just under \$10K contract. They want to learn more about the CUDs and will be judicious in their billing in trade for learning things that will benefit them. They know that any further work that we need with an accounting firm will have to be put out to bid.
- The biggest question is if it's appropriate to recognize revenue at the time you incur the expense, as we have been doing. The general answer is yes.
- We will make a modification around inventory. For example, we have a PreC grant that provided roughly \$1.375M for the prepurchase of parts. And we also have a ~\$16M Construction grant which is for 215 miles of construction, 500 miles of parts and 1,000 miles of fiber, roughly. We want the flexibility to use the inventory we have in any of the grants. So it is in our interest to not recognize inventory as revenue when we pay for it and not run inventory through the P&L any more.
- Christa has asked Andrea to look at the GJEs and submit them to CS for signature. Kristen did a lot of work before she left for her new job and it's hard for Andrea and Christa to get through the GJEs.
- One goal is to be able to justify, understand and explain any transaction in QuickBooks. It's likely that the work to sort out and simplify inventory, JEs, etc, will be part of the accounting work we need to send an RFP for and it should be done by someone other than our auditors. It's a bit of a tangle and we're addressing it before our audit.
- We need to identify the starting point of 2022. A lot of the confusion came from the CARES grant which was due 12-20-21. We needed our Eustis invoice and found out after inspection there was a 30-40% overcharge and that meant we had to reallocate \$80K from 2021.
- Step one: Identify the GJEs that the auditors asked for, which took us from 2021 to audited statements.
- Step two: Here are the GJEs that represent what needed to happen in order to reallocate expenses to CARES in order to make up that \$80K. Then we'll have our starting point for 2022.
- Andrea suggests that we do this by grant.

- We also discussed finding a new system to replace QuickBooks. It is very easy for QB to be manipulated and it's not very friendly for inventory and tracking. We may look at implementing a new system at the end of Q1 and post audit, possibly add all of Q1 into the new system so all of 2023 is together.
- Andrea points out we should get something better suited to fund accounting.

Finance Committee Volunteers

- We have 3 volunteers: Marty Feltus, John Kascenska from Burke (where we also need a new primary), and Linda Markin (formerly an applicant for the CFO position). Under the FC Charter, you can be a member of the FC without being a member of the board.
- Mike Strait is available until we can find a replacement.
- Christa suggests we talk about process in this meeting and invite volunteers to the next meeting.
- The Charter needs to be modified since putting more responsibility on the EC. CS will put together a red-line of the charter for updates - to be approved by the GB.
- Bill suggests we have 5 member FC. Three members is too few. Per the charter, the FC can have up to seven members.
- Each of the three current volunteers would be a great addition to the FC.

Motioned: Michael Strait Seconded: William Piper	For	Against	Abstain
Motion: to recommend the EC appoint all three candidates to the FC.	3	0	0

CFO search update

Motioned: Michael Strait Seconded: William Piper	For	Against	Abstain
Motion: to go into Executive Session with staff under 1 VSA 313, finding that the discussion of personnel would substantially disadvantage the CUD and the parties involved were it to be made public at this time.	3	0	0

- No action was taken. In Executive Session from 3:44 to 4:16pm.
- Next meeting would be 12-19 and we may need to call a meeting before that date.
- Discussed how to onboard new FC members.

- Christa suggested we start new members in January 2023.

Adjourn

Motioned: William Piper Seconded: Michael Strait	For	Against	Abstain
Motion: to adjourn at 4:21pm	3	0	0

Draft Respectfully Submitted,

Nedah Warstler, NEK Broadband Clerk

Drafted by:

Danielle Sukkaew

NEK Broadband Bookkeeper and Grants Manager