



Finance Committee Meeting Minutes

August 22, 2023

Virtual Meeting: <https://zoom.us/j/89278596600>

You may be prompted to enter a meeting ID: 892 7859 6600

Attendees: Marty Feltus, Michael Strait, William Piper, Danielle Sukkaew, Denise Sullivan, Paul Fixx, Christa Shute

Agenda Review

Updates

Motioned: William Piper Seconded: Michael Strait	For	Against	Abstain
Motion: to approve minutes from July 7, 2023	3	0	0

- **Discussion Summary: None**

New Business

- Review Reports
 - Statement of Activities
 - Make Ready is happening in multiple locations
 - Statement of Financial Position
 - Denise to research other accounts for a higher interest rate
 - Working on changing the invoice process
 - Finance Committee Charter
 - Role of the Committee
 - Reporting
 1. Participate in the development of useful and readable reports to facilitate the duties of the Committee or as requested by the Executive Committee.

2. Participate in the presentation of the financial reports to the Executive Committee and NEK Broadband - December 2022 - Governing Board Packet 11 of 17 Governing Board.
3. Create, approve, support and update, as may be necessary, policies that help ensure the assets and operations of the District are protected.
4. Ensure policies and procedures for financial transactions are documented, and, ensure that approved financial policies and procedures are being followed.

The Finance Committee reports actions to the Executive Committee to ensure policies become a part of the Executive Committee minutes as a Consent Agenda item.

Changes of the charter to be sent to the Executive Committee for review and then sent to the Governing Board for review and approval.

Motioned: William Piper Seconded: Marty Feltus	For	Against	Abstain
Motion: Finance Committee charter change to create a new category with the Finance Committee role called "Financial Oversight" and to move items #3 and #4 out of the "Reporting" area and under the new "Financial Oversight" category.	3	0	0

Discussion-

Amend motion to add a request to the Executive Committee recommendation to the Governing Board.

Motioned: Marty Feltus Seconded: William Piper	For	Against	Abstain
Amendment- Executive Committee and Governing Board to be presented the modification for approval	3	0	0

Audit Update

1. Auditors working on the audit this week
2. Presentation from auditors on September 7th Executive Committee meeting- invite Finance Committee members to this meeting

Next meeting September 18th at 3pm

Adjourn

Motioned: Michael Strait Seconded: William Piper	For	Against	Abstain
Motion: to adjourn at 3:35 pm.	3	0	0

*Drafted by Shannon LaCasse
Clerk*

NEK Community Broadband
FINANCE AND AUDIT COMMITTEE

Statutory Basis and Structure

Pursuant to Title 30, Chapter 82, Section 3071 of the Vermont Statutes and Section 18 of its Bylaws, the Governing Board of NEK Community Broadband (the “District”) created a Finance and Audit Committee (“Committee”) on May 28, 2020, the function of which is to oversee the financial affairs and condition of the District, and, with the Treasurer, to make periodic reports thereof to the Governing Board.

On July 8, 2021 the Bylaws of the District were modified to shift certain responsibilities from the Governing Board to the Executive Committee, including some of the “management, control and direction of the financial affairs of the District.” Pursuant to Section 13 of the Bylaws of the District, the District Treasurer “shall be appointed annually and as needed by the Executive Committee.” The Treasurer may not be a member of the Governing Board. The Treasurer shall be the Chair of the Finance and Audit Committee.

Members of the Finance and Audit Committee shall be appointed by either the Executive Committee or the Governing Board, and shall consist of not less than three (3) and not more than seven (7) members. The Executive Committee may accept a resignation from a member of the Committee or remove a member of the Committee for cause.

Committee membership shall not be limited to Governing Board members, but shall be residents of the District.

Role of the Committee

The role of the Finance and Audit Committee is primarily to provide financial oversight on behalf of the District’s Executive Committee and Governing Board. Task areas include budgeting and financial planning, financial reporting, bonding recommendations, and the creation and monitoring of internal controls and accountability policies.

Budgeting and Financial Planning

1. Prepare and recommend to the Executive Committee, for recommendation to the Governing Board, an annual operating budget.
2. Review and monitor adherence to the budget.
3. Review long-range financial goals along with funding strategies to achieve them.
4. Review multi-year operating budgets that integrate strategic plan objectives and initiatives.
5. Participate in the presentation of all financial goals and proposals to the Executive Committee for approval.
6. Conduct and monitor debt affordability studies and analyses.

Reporting

1. Participate in the development of useful and readable reports to facilitate the duties of the Committee or as requested by the Executive Committee.
2. Participate in the presentation of the financial reports to the Executive Committee and

Governing Board.

3. Create, approve, support and update, as may be necessary, policies that help ensure the assets and operations of the District are protected.
4. Ensure policies and procedures for financial transactions are documented, and, ensure that approved financial policies and procedures are being followed.

Internal Controls and Accountability Policies

Although the Executive Committee carries fiduciary responsibility for the District, the Finance Committee serves in a leadership role in this area to ensure that appropriate internal control procedures for all financial transactions are imposed and documented.

The Committee shall participate in developing other policies that further serve to protect the District and its assets, and to manage its exposure to risk, including, but not limited to:

- Long-term contracts and/or leases
- Loans or lines of credit
- Capital expenditures and financing
- Insurance

Meet with Independent Accountants

The Finance and Audit Committee also assumes the following responsibilities related to audits:

- Periodic selection of an auditor for the District through an open procurement process for approval by the Executive Committee
- Meeting with the auditors and ascertain that the scope of their work satisfies the needs of the District
- Discussing the results of the audit
- Reviewing the draft audit report and management recommendations letter from the auditor
- Insuring that any issues flagged in the audit process are appropriately followed up
- Presenting the audit to the Executive Committee and to the Governing Board

Bonding

The Finance and Audit Committee shall assume primary responsibility for recommendations to the Executive Committee regarding the incurring of indebtedness to finance capital acquisitions.

Amended by the Governing Board on 12-08-2022
