

ASHLAND BUDGET COMMITTEE

OCTOBER 6, 2011

DRAFT MINUTES

MEMBERS PRESENT: C. Austin, S. Felton, S. Coleman, I. Heidenreich, D. Ruell, K. Stack, J. Stewart

MEMBERS EXCUSED: M. Brown, B. LaRiviere

MEMBERS NOT EXCUSED: S. Lake

OTHERS PRESENT: J. Harding (auditor) L. Nichols, K. Hughes, M. Evleth, D. Vaughn, L. Pack, A. Gilley, B. Boyle, J. Hughes, E. Badger, J. Felton, P. Branscombe, G. McCormick

The meeting came to order at 7:00pm in the Elementary school library.

The budget committee did an overview of what the auditor responsibilities are with performance, procedure, reports (detail, year end), balance sheet approach, cash receivables, payables, fixed assets, depreciation, cut off work.

Auditor Harding told us that he could advise but not manage.

Auditor does not determine format and line descriptions of financial statements beyond meeting basic accounting principles. It is up to the enterprise management.

If there are any financial problems, Harding has the right to either correct or report the problem.

Harding explained that looking back through the year isn't really done unless the year end doesn't add up to what the beginning of the year minus what was spent or added equals at the end of fiscal year.

Harding informed us that the power purchase bill is the last thing the electric company waits on to finish year end reports to ensure it is accurate.

Electric usage varies every month. Low months are spring and fall, high months are summer and winter. High peak to low peak varies roughly 600K kilowatts in usage.

The electric company is an enterprise fund with accrual method of accounting. Enterprise fund is part of the municipality.

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Expense accounting should include depreciation. Capital reserve accounts should be made for depreciation able assets.

Net income doesn't include: principle of bond paid on the 29th of each month. Interest is shown paid every month, principle is shown only at the end of the year.

Electric income is the amount billed whether or not amount has been paid.

Doubtful account balance is any amount that is given up on "dead" accounts. There are no set time criteria to determine when it should be classified as a doubtful account. The write off is roughly 8K to 15K per year which is roughly 1.5% total amount billed.

Accounts receivable figure of \$96,991. is outstanding monies due from rate payers only. It does not include New Hampton power purchase

To determine cash balance: balance sheet, payables, items incurred/due but not paid.

Harding needs to assess risk and the likelihood of fraud. Accounting is based on Harding's' opinions. No other accounting agency is used.

On the 6 year contract, if the electric dept. crashes, the electric dept. has an out clause for natural disasters. Anything else the debts will fall upon the town (all except the revenue bond).

At this time there is no set amount set aside for depreciation/capital expenses. We would like to see a five year projection of assets and depreciation.

Harding told us that we could call him anytime if we have any further questions.

L. Nichols gave the budget committee a copy of the 2012 proposed budget that did not include revenue.

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We finished with Harding and the electric dept. at 8:10pm.

K. Stack made a motion to send a letter to the electric commissioners to ask for monthly breakdown of the budget (RSA 32:4) including revenue. I. Heidenreich 2nd the motion. After some discussion by the budget committee, K. Stack made the motion to put a hold on above motion until S. Felton can call LGC to verify RSA 32:4 to determine if the budget committee can request a monthly budget breakdown. This motion was also 2nd by I. Heidenreich. We will vote on said motion next week after verification. All members ayed.

Heidenreich made the motion, 2nd by S. Coleman to dismiss S. Lake from Budget Committee on confirmation that S. Lake has missed 4 consecutive meetings unexcused. RSA 32:15 VI is the RSA referred to. Also a letter is to be sent to S. Lake confirming the dismissal and also a letter be sent to the town clerk to advertise the vacancy. All members ayed.

The next meeting for the budget committee to meet with the police dept. and administration is October 13, 2011 at 6:00pm.

Heidenreich made the motion, 2nd by K. Stack to adjourn the meeting at 8:25pm.

Christine Austin, Secretary