

**Financial and Accounting, Auditing and Financial Reporting Policies
Addison County Communications Union District d/b/a/Maple Broadband**

Adopted by Maple Broadband Executive Committee August 19, 2021

ACCOUNTING

Accounting practices will conform to Generally Accepted Accounting Principles for local governments as established by the Governmental Accounting Standards Board. The Treasurer will establish and maintain a system of fund accounting and shall measure financial position and results of operations using the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary and fiduciary funds.

AUDITING

As per Vermont statute 30 V.S.A, Chapter 82, Sec. 3070, the Governing Board will cause financial statements to be audited by a qualified, properly licensed independent accounting firm on an annual basis.

REPORTING

Each month the Treasurer will present financial reports for the Executive Committee's management purposes. These will consist of:

- End of month Statement of Revenues, Expenses and Changes in Fund Net Position with YTD comparison
- End of month Budget report
- End of month Balance Sheet

The Treasurer will present quarterly financial reports to the Governing Board that consist of:

- End of quarter Statement of Revenues, Expenses and Changes in Net Fund Position with YTD comparison
- End of quarter Budget report
- End of quarter Balance Sheet

The Treasurer will also prepare an annual financial report. This report should include financial statements as well as appropriate additional disclosures as necessary for the complete understanding of the financial statements presented. In addition, the report should include a narrative discussion explain how the current financial position and results of financial activities compare with those of the prior year and with budgeted amounts. This report, together with the most recent independent auditor's report shall be reproduced in Maple Broadband's annual report each year.

FINANCIAL PROCEDURES

The Treasurer or, in his/her absence, a designated member of the Executive Committee shall receive and deposit all monies of Maple Broadband, pay its obligations, render regular written reports to the Executive Committee and the Governing Board.

Treasurer

Specific responsibilities of the Treasurer include:

- Approving all invoices – in consultation with the appropriate member of the executive committee – and coding all invoices prior submission to the bookkeeper for entry into financial software.
- Reviewing the monthly bank statements.
- Monitoring operating budget with the Executive Committee

- Reviewing the monthly financial statements after they are prepared by the Bookkeeper, prior to presentation to Executive Committee.
- Presenting reports on Maple Broadband's financial status to the Executive Committee on a monthly basis, to the Governing Board on a quarterly basis and to the membership at its Annual Meeting.
- Working with the Executive Committee to select and contract with an accountant for the annual financial review or audit.
- Ensuring that all paperwork granting check-signing privileges is correct and up to date at the National Bank of Middlebury or their successor.
- Supervising the bookkeeper.

Executive Committee

The Executive Committee is responsible for preparing and administering the budget, subject to the approval of the Governing Board.

Bookkeeper

- The Bookkeeper is responsible for maintaining Maple Broadband's financial records, monitoring the account balances, preparing Accounts Payable reports for the Treasurer, printing checks for the Treasurer's signature, tracking expenditures, revenues and expenses, cash flow and other financial activities.
- Maple Broadband's financial and accounting software is QuickBooks Online.

BUDGET PREPARATION

- Budget preparation is the responsibility of the Executive Committee with input from Board Committees and is subject to final approval by the Governing Board at its Annual Meeting.

BUDGET ADMINISTRATION AND REPORTING

- The Bookkeeper is responsible for preparing monthly financial reports, including a Statement of Activities, a comparison of budget to actual, and a Balance Sheet.
- Bank statements are reconciled monthly by the Bookkeeper. A completed reconciliation with an attached print-out of the month's check register will be reviewed and approved by the Treasurer.
- Completed monthly financials are presented to the Executive Committee for approval. Upon approval, they are filed electronically in Maple Broadband's shared file system. Corresponding hard copies will be printed and filed at Maple Broadband's office.

INCOME AND ACCOUNTS RECEIVABLE

- All income received by Maple Broadband shall be recorded by the Treasurer and reported to the Bookkeeper for entry into Maple Broadband's financial software prior to the Treasurer depositing said funds into Maple Broadband's bank account. Funds deposited electronically shall also be recorded by the Treasurer prior to the Bookkeeper making entries into financial software. Funds incrementally and automatically deposited electronically shall be matched back to their original documentation by the

Treasurer prior to reporting them to the bookkeeper for entry into Maple Broadband's financial software.

- All Accounts Receivable shall be recorded by the Treasurer and entered into Maple Broadband's financial software by the Bookkeeper who will also generate invoices as necessary. All payments received shall be processed in the same manner as other income.

ACCOUNTS PAYABLE

- All invoices are sent to the Treasurer, who reviews the expenditures, and forwards approved and coded invoices to the Bookkeeper for processing. Invoices for expenditures in excess of \$1,500 also require review and approval by the appropriate Executive Committee member.
- Upon approval, invoices are submitted to the Bookkeeper for processing.
- Payments will be processed bi-weekly by the Bookkeeper on the 1st and 15th of each month. Checks will be attached to corresponding invoices and are reviewed and signed by the Treasurer prior to release. A duly designated member of the Executive Committee has the authority to sign checks or make electronic payments if the Treasurer is not available.
- Check stubs, or printed confirmation receipts for electronic payments, will be attached to paid invoices and filed at Maple Broadband's office.

GRANTS ADMINISTRATION

- The Executive Committee is responsible for ensuring that Maple Broadband complies with all grant regulations and requirements and will work in concert with the Bookkeeper and Treasurer to maintain appropriate records regarding receipt and use of grant funds. The Executive Committee will report to the Governing Board quarterly on the status of all grants or other specially designated gifts to Maple Broadband.
- All grants are accounted for individually, and the accounting/reporting for each will mirror its approved budget. The Treasurer or appointed designee, consulting as necessary with other appropriate members of the Executive Committee, will review and approve all invoices to be paid with grant money and code invoices to match the approved budget lines of each grant.

AUDIT

Per Section 17 of the Maple Broadband Bylaws, "The Governing Board shall cause an audit of all ... accounts to be performed annually by an independent professional accounting firm or a certified public accountant." The Bookkeeper will provide the Auditor with end-of-year financials, trial balance, Balance Sheet, and any other information the Auditor requests. The draft audit will be reviewed by the Executive Committee and any necessary corrections made. The final audit will be presented to the Governing Board for approval, and then filed at Maple Broadband's office.