Attendees

Directors:
Present: Christine S. Manfredi and Robert C. Gore, Co-Chairs, Christopher J. B. Fincham, Susan Lavoie, John Pregmon
Absent: Martin W. Lynn, Maggie Fellner Hunt

Greenway Staff: Jesse Brackenbury, Renee C. Wood, Robert Gordon

Public: James Kalustian, John Finning, David Kelleher, Jeanie Gorlovsky-Schepp

With a quorum present, Co-Chair Manfredi called the meeting to order at 8.02 a.m.

Upon motion duly made and seconded, it was voted to approve the minutes of the June 10, 2014 FARMC meeting as presented.

There was a brief discussion regarding the Schedule O language for the FY2014 Form 990. The Committee agreed that it appeared comprehensive and portrayed the Conservancy’s initiatives accurately. After further review, new comments, if any, would be accepted at the next meeting.

Co-chair Manfredi then introduced Mr. Kelleher who is a partner at Alexander Aronson Finning CPA’s (AAF), the Conservancy’s independent auditor, Mr. Finning also a partner and Ms. Gorlovsky-Schepp, the audit manager.

Mr. Kelleher reviewed a draft of the June 30, 2014 financial statements. He first reviewed the opinion letter announcing that for the year ended June 30, 2014 the Conservancy will receive a clean opinion, i.e. the statements fairly present in all material respects the financial position, changes in net assets and cash flows in accordance with generally accepted US accounting principles. He also noted that the opinion requires a reference to the prior accounting firm that rendered an unmodified opinion for the year ended June 30, 2013. He concluded by noting that AAF applied auditing procedures to the June 30, 2014 supplementary information regarding the use of the Mass DOT funding and that the information is fairly stated in all material respects to the financial statements taken as a whole; the prior auditors rendered a similar opinion for the year ending June 30, 2013.

Mr. Kelleher next reviewed the statement of activities by first explaining the presentation changes that now reflect both the contributions for capital purposes and releases of restrictions for capital purposes that are now treated as non-operating. Both Co-Chair Manfredi and Mr. Brackenbury agreed that this change now presented more clearly how the Conservancy operates.
Mr. Kelleher then noted that the Conservancy operated nearly break-even due to an increase in earned revenue while expenses remained about the same as the prior year despite an increase in depreciation due to the carousel being placed in service last September. At June 30, 2014 the Conservancy has about $21.6M in net assets versus $20.3M at June 30, 2013.

In review of the footnotes, Mr. Kelleher explained the change in the presentation of the Conservancy’s investment in the TIFF Multi Asset fund that are now treated as Level 2 instead of Level 1 and that the portion of the footnote related to last year’s treatment was restated to be consistent.

Next Mr. Kelleher explained the presentation enhancement to the statement of financial position as now the assets and liabilities are categorized as unrestricted, temporarily restricted and permanently restricted on the face of the statement. He noted that unrestricted net assets grew slightly over $1.5M due to the completion of the carousel project and the profitable operations. Again he noted that the Conservancy operated with a positive cash flow for the year ended June 30, 2014.

Mr. Kelleher concluded that management focused on the quality of the financial information and was quite helpful in answering any questions AAF had during the audit. There are just three entries needed that have no bottom line effect as they are reclassifications.

It was agreed by the Committee and management that the draft was acceptable subject to a few footnotes being refined. The results of the IT audit will be reviewed at the upcoming September 23 meeting.

Mr. Brackenbury next reviewed a five-year history of the Conservancy’s operating expenses for FY10 through FY14. He noted that during that time, programmatic expenses increased from 73% of the operating budget to about 79%. During this time period, the percentage of the different initiatives remained relatively constant except for FY14 when the Green/Grow program was discontinued in September 2013. He then explained that the FY15 $1.0M public art initiative will affect the historical programmatic expense percentages as public art will have a larger proportion of the program costs.

Ms. Wood then reviewed the 2015 meeting schedule and the Committee agreed to the schedule.

At 9.33 a.m. the Conservancy’s management, including Jesse Brackenbury, Renee Wood and Robert Gordon, voluntarily exited the meeting to provide an opportunity for AAF to make any additional comments to the Committee. AAF’s comments were positive and no concerns were noted.

With no further business to conduct and upon motion duly made and seconded the meeting was adjourned at 9.45 a.m.