

April 2, 2008

UAACOG
Board of Directors
Fiscal Officer Report

Financial Sustainability: Carol, Judy, Audrey and Ron Goodrich met on March 19 concerning financial stability. Our plan for increasing UAACOG's financial stability is as follows:

- Increased COG dues in 2008 by \$4940.00
- Implemented the sweep bank account which will generate approximately \$6000.00 in 2008.
- Conduct at least one grant class in 2008, which will generate approximately \$2500.00 in 2008.
- Fundraising dinner "An Evening in Paris" April 12, 2008 to generate approximately \$4000.00 in profit.
- Regional Service Council fees to COG as of March 31, 2008 \$100.00.
- Write letters to the member counties stating COG's financial situation to see if this can generate additional funds.
- Write a letter, signed by COG's Board President, to all municipalities in member counties explaining COG's financial situation and requesting funds.
- Write a letter to DOLA requesting increase in Energy Assistance technical assistance funds.
- Re-structure CSBG dollars; allocate to programs COG operates to promote long range self sufficiency rather than just emergency funding.
- Look at the services we provide outside of our programs and charge a fee for service.
- Charging programs for copies/faxes and 50% of the credit to COG General along with COG General paying 50% of paper products.
- Move Energy Impact dollars "contract-newspaper reader" to Cog General as this is a fee for service in the amount of \$6000.00.
- Move some Area Agency on Aging old nutrition dollars to COG General as directed by Steve Holland, approximately \$4000.00.
- Look into charging loan servicing fees.
- Increase Workforce Center in Salida to \$10.00 a sq. ft. beginning 7-1-08.
- Look at contracts that only pay direct costs and factor in a per hour rate for my time that would cover all costs associated with indirect costs.

CSBG: The contract, with a start date of March 1, 2008 came late from the state and was just routed to Jerry on April 1, 2008 for signature. The contract amount is \$115,915.00 which is an increase of \$3,455.00 over the projected budget of \$112,460.00. The additional dollars will go into operating. The inter governmental agreements are being completed and will go out to Chaffee, Lake & Custer counties within the next week. The contract is very specific as to how the dollars can be spent. Indirect costs are allowable, but Lucia Smead, State Monitor at the state, is telling us that legal fees will not be an allowable expense in our indirect pool because the CSBG Act does not allow legal expenses. However I have a policy summary which states that legal fees for the organization are an allowable expense.

Transportation: We have not reimbursed Neighbor to Neighbor any transit related expenses in 2008. There has to be a determination as to the percentage of dollars of the organization's expenses that are transit related. The organization is billing transit for 100% of most agency

expenses that benefit the agency as a whole. They have sent us their detailed general ledger and in turn we have forwarded this to our contact at CDOT for further interpretation and help from them in determining what percentage of Neighbor to Neighbor's expenses are transit related. There may have to be an audit conducted by CDOT before any reimbursements can be processed.

Training for fiscal staff: Carol Roberts and Audrey Sandefur will be attending the GMS (Grants Management System) financial conference beginning April 21 through April 25. This conference will be held in Buffalo NY this year. Both will also be attending training in Denver for Association of Government Accountants "Significant Changes in Government Accounting, Auditing and Finance". This training will be held May 14 and 15, 2008. Lara Dieringer will be attending a work session on transit April 3, 2008 in Pueblo. Mary Lytle obtained a Certificate of Attendance for the Outstanding Receptionist on March 17, 2008. Beth Lenz attended SWANA (Solid Waste Association of North America) and is designated as a Certified Recycling Systems Manager. Beth also attended The Grantsmanship Center training along with JoBeth Palmer and both are now certified to teach grantsmanship classes.

Recap of financials, using closed books for February 2008:

- Cash in checking = \$45215.61
- Cash in payroll checking \$-45654.71
- Cash in sweep account = \$361017.30
- Cash in savings = \$43149.90

- Indirect cost at 2-28-08 = 8.1859%.

DEPUTY FISCAL OFFICER REPORT:

The 2008 Indirect Cost Proposal is included for review and approval by the Board. Also included are two pages of 'notes' that further explain the proposal calculations.

The proposed provisional rate is 10.3222 %.

A comparison to the 2007 proposal, the 2007 actual at 12-31-07, and the 2008 proposed is as follows:

2007 Indirect Salaries & Fringe proposed	\$243,658
2007 Indirect Salaries & Fringe actual	\$229,284 (appr. 6% less than proposed)
2008 Indirect Salaries & Fringe proposed	\$260,036 (appr. 13% higher than 2007)
2007 Indirect non-salary charges proposed	\$103,066
2007 Indirect non-salary charges actual	\$ 95,280 (appr. 8% less than proposed)
2008 Indirect non-salary charges proposed	\$121,200 (appr. 27% higher than 2008)
2007 Direct Costs (base) proposed	\$3,273,002
2007 Direct Costs (base) actual	\$3,711,604 (appr.13% higher than proposed)
2008 Direct Costs (base) proposed	\$3,693,365 (appr. 1% lower than 2007)

The higher amounts for 2008 than 2007 are attributed to many factors including a 35% increase in the audit fee, the 16% increase in health insurance premiums, wage increases not exceeding

3%, the calculation of 'eligibility' costs for deferred comp vs. actual current elections, provisions for an increase in agency insurances (liability, etc.) and some equipment replacement provisions, if needed.

The 2007 Annual Report for expenditures reflects a total of just over \$4 million, with approximately 42% being gross payroll (excluding fringe benefits).

A comparison of total payments per county follows:

CHAFFEE Gross Payroll	15 %
CUSTER Gross Payroll	3 %
FREMONT Gross Payroll	76 %
LAKE Gross Payroll	2 %
PARK Gross Payroll	less than 1 %
TELLER Gross Payroll	none
OTHER COUNTIES Gross Payroll	4 %

CHAFFEE Vendors	10 %
CUSTER Vendors	1 %
FREMONT Vendors	31 %
LAKE Vendors	2 %
PARK Vendors	less than 1 %
TELLER Vendors	less than 1 %
OTHER COUNTIES Vendors	56 %

(this includes utilities, insurances, etc.)

Ron Goodrich will return the week of May 5th to complete the field work for the 2007 audit for presentation to the Board of Directors for approval at the June meeting. We expect to distribute the 2007 audit to all funders no later than June 30, 2008.

There are no current requests for loan write-offs or bad debt allowances.

Respectfully submitted,

Audrey Sandefur
Fiscal Officer
Carol Roberts
Deputy Fiscal Officer