



**Finance Committee Meeting
Thursday, February 12th, 2026
GMT | 101 Queen City Park Road | Burlington, VT 05401**

Present at GMT:

Nick Foss, Director of Finance
Tim Bradshaw, Director of Grants
Rich Carmo, Senior Staff Accountant
Tammy Masse, Controller
Jon Moore, Assistant General Manager

Present via ZOOM:

Commissioner Paul Bohne
Commissioner Susan Grasso
Commissioner Paul Conner
Clayton Clark, General Manager
Ross MacDonald, VTRANS
Christopher Mette, Auditor from RHR Smith and Co.

Present from the Public, via ZOOM:

Kimberly Clark

Absent:

Commissioner Austin Davis

Meeting Called to Order:

Commissioner Paul Bohne called the meeting to order at 8:00 a.m.

Adjustment to the Agenda:

N/A

Public Comments/Questions:

Kimberly Clark recommended Jon Moore for General Manager of Green Mountain Transit. In addition, she stated that Jon does a very good at GMT.

Approval of Minutes:

Minutes from December 11th, 2025 was moved to approval by Commissioner Conner; Commissioner Grasso seconded, the motion was approved unanimously.

Overall Summary

The Finance Committee reviewed the FY26 year-to-date financial position and received the FY25 Federal Compliance Audit presentation. The organization received a clean (unmodified) audit opinion with no findings, reflecting strong financial management and internal controls. While current financial performance remains stable, future liquidity and funding challenges remain for FY27 and beyond.



1. Director of Finance Report

Presentation by Director of Finance, Nick Foss

Audit Status Update:

- GMT received another unmodified (clean) audit opinion.
- No management comments were issued this year.
- There were no repeat findings from prior years.

Chittenden County O&D (On-Demand) Program:

- Original award: \$470K.
- Additional funding from VTrans: \$260K.
- Despite supplemental funds, a potential shortfall remains projected for the end of FY26.
- Program constraints were adjusted to begin March 2 (pushed from February 23) to allow time for communication.
- Any deficit will be covered by the rural fund balance, as O&D is a rural program.
- Settlement issues with Colchester have been resolved.
- Rural fund balance will absorb any shortfall.

Rural Transfer & Net Asset Payment

- First payment to RCT (Rural Community Transportation): approximately \$530K.
- Included a secondary payment (\$50K) for Compensated Time-Off (CTO) liabilities transferred with employees.
- Employees were offered the option of payout or transfer of accrued vacation time.
- The payment reflected the liability transferred to RCT's balance sheet.

Governor's Proposed Budget

- Statewide public transit increased approximately 10%.
- GMT's anticipated allocation is \$100K lower than expected.
- Likely impact areas: preventive maintenance or CMAC flex funding lines.
- Updated projections will be provided in a future report.

Medicaid Program Update

- Estimated current loss: \$60K (approx. 4% margin).
- VMTA reportedly secured additional Medicaid funding.
- Awaiting confirmation to determine if losses will stabilize.

Liquidity & Cash Position

As of November:

- Cash: \$2M
- Cash equivalents & investments: \$4M
- Line of credit: \$2.7M
- Approximately 45 days of cash and equivalents (65 days including LOC).



Key considerations:

- Majority of cash resides on the rural side.
- Urban side cash flow impacted by grant billing delays (2 months behind).
- Rural funds have historically supported urban cash flow.
- When rural operations transition out, liquidity will tighten.

Fund Balance Policy:

- Target: 2 months of unrestricted, undesignated net position.
- Currently below that benchmark, 1.7 months.
- Policy will require review post-rural transition.
- Line of credit established proactively to manage short-term liquidity risk.

November FY'26 Financial Review

Combined (Urban + Rural)

- Operating surplus: \$41K.
- Net assets decreased \$1.6M.

Urban Division

- Operating deficit: \$26K.
- Deficit driven by unallowable expenses (lobbying, staff Holiday gifts).
- Net assets down \$1.2M.

Rural Division

- Operating surplus: \$66K.
- Net assets down \$374K.
- Current budget does not yet reflect rural transfer adjustments.
- Updated FY26 operating budget forthcoming

Balance Sheet Overview

- Total assets \$50.6M.
- Fund equity \$43M.
- Capital assets \$38M.
- Positive operating cash flow YTD, \$1M.
- Urban 5307 grant is being spent more slowly than projected, which may benefit FY27 planning.
- FY28 projected to remain challenging.

2. FY25 Federal Compliance Audit Presentation:

**Presentation by our Auditor, Christopher Mette and Director of Finance, Nick Foss –
Start Time 8:21 am**

The Committee reviewed

- Independent Auditor's Report
- Federal Compliance Audit
- Management Letter



Audit Opinion

- Unmodified (Clean) Opinion issued.
- No disagreements with management.
- No findings or management letter comments.
- Audit conducted in accordance with AICPA standards.

Financial Highlights

Balance Sheet

- Cash decreased 53%, offset by \$2.16 million increase in investments.
- Capital assets: \$37.7 million (80% of total assets).
- Net position: \$44.3 million.
- Unrestricted net position \$4.3M (1.7 months operating coverage).
- Current ratio 5.23.
- Quick ratio 4.58.
- Ratios exceed industry norms (2:1).

Urban Operations

- Revenues \$19.6M (+5.3% YoY).
- Increased fare revenue (return of fares).
- Federal subsidies decreased due to lower utilization.
- Expenses increased 5.5%.
- Net position declined 2.8%.

Rural Operations

- Revenues \$10.1M (-1.7% YoY).
- Medicaid revenue decline noted.
- Expenses increased 7.5%.
- Net position increased 6.9%.

Industry Benchmarking

- Unrestricted net position of 1–2 months considered acceptable.
- GMT is 1.7 months falls within acceptable industry range.
- Auditors noted strong financial footing relative to peers.

Committee Discussion

- Board members commended Finance staff.
- Acknowledgment of strong internal controls and audit preparation.
- Recognition of Finance Team

Motion & Approval:

Commissioner Grasso moved to recommend approval of the FY25 Federal Compliance Audit Results to the GMT Board of Commissioners; Commissioner Conner seconded.

Motion to Adjourn:

No additional business. Commissioner Conner moved to adjourn the meeting; Commissioner Grasso seconded; all others were in favor and the meeting was adjourned at 8:45 am.