

## Accounting Department Prepares Year-End Financials

While most people begin the new year by looking ahead, the accounting department at Heritage Automotive Group is still looking back at last year. January brings a flurry of year-end activity to reconcile all accounts and prepare for the yearly audit.

"January and February are the busiest months for the accounting department because of all the information that needs to get to various places so the end-of-the-year statements are accurate," says Suzy Johnson, Controller.

To make sure the three dealerships, Autoshine and Heritage Automotive Group are prepared for the audit, all accounts must be reconciled, receivables reviewed, uncollectible accounts written off, used cars written down and parts inventory reconciled. Suzy, who has been involved in the process for 11 years, makes sure the year-end reconciliation runs smoothly.

John Craig, Accounting Manager for Heritage Toyota and White River Toyota, and Mary Benoit, Accounting Manager for Heritage Ford, Autoshine and Heritage Automotive Group, work with Suzy and David Bergeron, Chief Financial Officer, in overseeing this detailed, time-consuming process.

### Tabulating year-end inventory

On January 2, auditors from A.M. Peisch & Company arrived at the three dealerships to conduct an inventory of all new and used vehicles. John helped the sales department and outside auditors count cars and trucks, noting each vehicle's VIN and stock number, make, model and color. A couple weeks later, this information is compared to the vehicles listed on the books, to ensure no vehicle has been overlooked.

On Saturday, January 4, the auditors returned to conduct an inventory of each dealership's parts department. "They review our procedures, watch us perform our inventory counts of all the parts on the shelves, and then per-



Accounting department staff members (from left) Mary Benoit, Liza Lopez and Jody Watson look over some year-end figures.

form spot checks of our work," says John. "They check our work by tracing certain parts from the parts bins to our count sheets, and then going from the count sheets to the parts bins. They make sure the parts inventories are accurately counted by the dealership so they can rely on the parts inventory."

A CPA, John understands the auditing process well as he came to the dealership six years ago after conducting the Heritage Automotive Group audit for A.M. Peisch for five years. "I know the numbers pretty well and I know the situations and how we got to where we are today."

### Compiling year-end information

On January 10, Mary finished reconciling the four entities she is responsible for. This work includes compiling all the information received from the sales, service and parts departments. She is very familiar with the process as she has worked at the dealership her entire accounting career. Inputting all this information for all of Heritage Automotive Group's dealerships is the detail-oriented staff of the accounting department.

### 401(k) Retirement Presentations Planned

Concerned about the stock market? Do you have questions about Heritage's 401(k) retirement plan? Are you wondering if there is light at the end of the tunnel?

If you answered "yes" to any one of these questions, then mark your calendars for Thursday, February 6. Our 401(k) advisor, Gary Najarian, will be at Heritage and White River Toyota to conduct informational seminars about our 401(k) plan, the stock market, and retirement planning in general. Gary has visited the dealership before to provide information and answer questions. He is very knowledgeable and insightful.

Everyone is encouraged to attend. Reminders about the one-hour seminars will be posted around the dealerships.

### Happy New Year

And best wishes for another great year at the Heritage Automotive Group!

---

# Accounting Department Prepares Year-End Financials

*continued from front page*

Judy Lemay is in charge of collections on accounts receivable. Melissa Casey oversees accounts payable for the dealerships, including Autoshine, which is part of Heritage Ford. Liza Lopez handles payroll for the three stores, while Mary Benoit does payroll for Heritage Automotive Group. Dawn Walling is the title clerk who breaks down deals for the dealerships. Jody Watson is an accounting specialist responsible for inventory, contracts and reserves at the Toyota stores, while Judy Niquette does the same for Heritage Ford. Amanda Hannan (filling in for Deena Brouillard) makes bank deposits and does cash-ups each day.

“The work that comes through this office is very, very accurate,” says John. “When I was with the CPA firm, I saw lots of business offices and accounting staff. This is one of the better ones. They really do a good job and there are very few key punch errors with the volume of work.”

## Finishing year-end financials

Because Heritage utilizes full accrual-based accounting in which receivables and payables are recognized in the month they occur, utilizing a thirteenth month is helpful in reconciling the year-end books. The thirteenth month allows accounting staff to keep the fiscal year open to make corrections until the December books are finally closed before the end of January.

Once the dealership’s January bank reconciliation is complete, the auditors return in mid-February for an intense two- to three-week audit of the company. “We’re trying to get our current workload done then, as well as answer their questions,” says John.

The auditors thoroughly examine the balance sheet and income statements, spending the majority of their time on material items. They look at cash accounts, inventories, fixed assets and all of the company’s liabilities. With a new

car inventory of about \$10 million, the auditors spend a good deal of time examining these numbers. “The auditors are our first priority,” adds Suzy, “and they want documentation for dollars spent and dollars earned.”

The audit and fieldwork for the three dealerships are completed in early March. A draft report is received in June and a final report usually by September. “They issue a report at the end of the job saying they have looked at the books and they certify that the books are fairly stated and free from material misstatements,” says John.

## Monthly financial tasks

While most dealership departments seem to be busiest during the last week of each month, the accounting department is busiest the first week each month, says Suzy. The staff needs to create a financial statement for each of the stores for the factory, preferably within the first 10 days of the month.

Other tasks include ensuring all deals from the previous month are input, reconciliations are done, financial statements are created, commissions calculated, all previous month activity is posted, and accounts are reviewed to ensure they are in line with where they should be. Also, 401(k) contributions and payables information are transmitted to the 401(k) administrative office by the fifteenth business day of each month and year-end information is sent to be sure the plan complies with all regulations.

With tight deadlines each month, the fact that members of the accounting department are cross-trained on each other’s jobs helps ensure a smooth flow of work, even if someone is out.

As the new year unfolds, don’t be surprised if members of the accounting department are busier than usual and not giving their full attention to 2003. They still need to think about last year for a little longer.

## 2002 Salespeople of the Year

The Heritage Automotive Group’s 2002 Salespeople of the Year are Carmen Guttilla, Heritage Ford; Tina Witte, Heritage Toyota; and Don Rowe, White River Toyota. Congratulations to this trio for their outstanding sales performance.

## Short on Staff, Smooth on Service

Special thanks go to Eric Sansone, Cassie Bombard and Mary Turner for doing an excellent job in the service lane for the two days when they were the only staff out there. Usually there are at least six employees working the service lane. Customers never knew we were so short staffed. Many thanks!

*-Bev Barron*

## New Medical/Dental Open Enrollment Periods

Heritage Automotive Group has new medical and dental open enrollment periods. May is for medical and dental enrollment and November is for just medical. A reminder notice will be included with paychecks in April about May’s open enrollment.

# Welcome New Employees...

## Heritage Ford Service



**Jim Mumley**  
Shelburne, VT

## Parts



**Dan Hinson**  
Middlesex, VT

## Heritage Toyota Sales



**Tom Clohessy**  
Shoreham, VT

## Collision Center



**James Jones**  
Highgate Center, VT



**Jesse LaRock**  
St. George, VT

## BDC



**Kurt DeGraaf**  
Ferrisburgh, VT

## 2002 Annual Employee Survey

By Cuddy Marx

Sharpen those pencils...it's time for the 2002 Annual Employee Survey. This will be the fifth year that the Human Resources Department has conducted an employee survey.

The survey is your opportunity to give Heritage Ford/Toyota and White River Toyota a "report card." There will be 35 questions that ask for your opinion and comments—both positive and negative—regarding such areas as job satisfaction, benefits, compensation, management and more. It's a great way for you to give feedback so the dealership can identify strengths and improve on weaknesses.

The survey is easy to fill out and, as always, responses will remain anonymous. (Despite what

some say, I do not secretly code them!!!) I only ask that you reveal the department where you work. Survey results are tallied both company-wide and by individual departments.

To encourage participation from everyone, Dave and David will again buy lunch for those departments where 75 percent or more of the employees complete and return the surveys. Remember, the more employees who participate, the more valuable the survey becomes. I will summarize the survey results in the March issue of the Heritage Hotline.

Look for your survey during the last week of January in your home mailbox. Thanks in advance for taking a moment to share your thoughts in this year's survey.

## ...to the Heritage Team

## Rich Maddaloni Plays Santa



Rich Maddaloni, Ford Parts Route Sales Driver, got dressed in costume to attend the holiday party of Orvis Company, where his wife, Kathy, works. Rich was a big hit with the 65 children who attended the party. He says he loved the kids and they certainly loved him.

## Ford Service Prank



Darrell Brown, Ford Service Shop Foreman, arrived early one morning to find this interesting vehicle all prepped and waiting for him in his bay. Rumor has it this was just a practical joke cooked up by the night crew.

## Photo from the Past



Can you name these people and when this photo was taken?

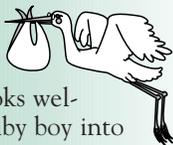
## Employees Enjoy Holiday Luncheon

Heritage employees enjoyed a catered buffet-style lunch on Christmas Eve. They munched on sandwiches, salads and many other tasty items, including Christmas cookies. Many thanks to Suzy Johnson who planned the lunch for the Burlington dealerships.

White River Toyota also enjoyed a catered holiday lunch on Christmas Eve, featuring lasagna, sandwiches and much more. Thanks go to Pete Stoddard for organizing the lunch.

And thanks to Dave and David for the nice holiday fare!

### Births



Chris and Debra Brooks welcomed a baby boy into their family on November 17, 2002. Colby Christopher weighed in at 7 pounds, 13 ounces and was 21 inches. Mom, baby, and dad are doing great. Congratulations, Chris and Debra!

Gary Hallock and Bethany Filion are the proud parents of a baby boy. Trevor Wayne was born on December 23, 2002 and weighed 8 pounds, 2 ounces and was 22 inches. Mom, baby, and dad are doing fine. Congratulations, Gary and Bethany!



Heritage employees go through the buffet line at the holiday luncheon.



Gordy Perkins, Bill Green and Lee Martin enjoy the dealerships' holiday lunch.



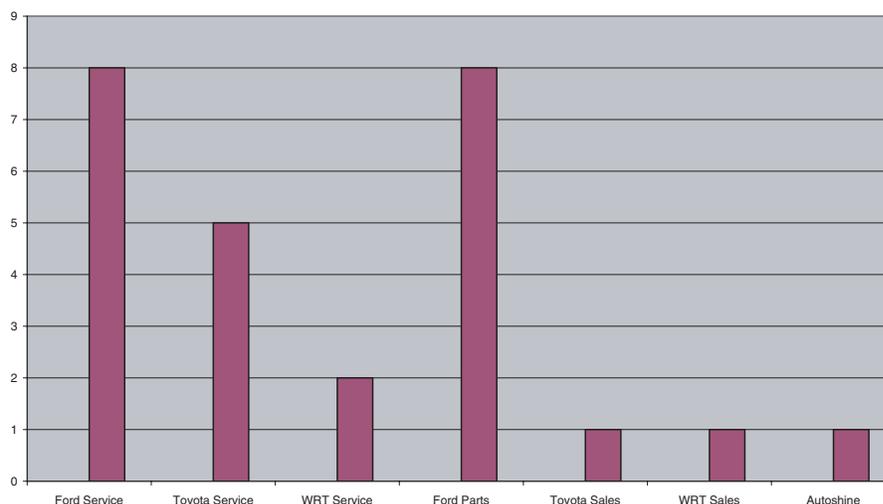
Employees sample items at the luncheon on Christmas Eve.



Paul Brown, Ron Rollins, Duane Sorrell and Marcel Lemay take a break during the Heritage Toyota holiday luncheon.

## Heritage Tallies Injuries for 2002

Heritage Automotive reported a total of 26 injuries during 2002. These numbers are up slightly from the 19 injuries recorded in 2001, but the good news is the severity of injuries is down. OSHA records only those injuries that require medical treatment. Of the 26 injuries in 2002, only 18 will make the OSHA reporting form. The OSHA reporting form will be posted on Heritage bulletin boards by February 1.



### THE HERITAGE HOTLINE

is published by  
The Heritage  
Automotive Group  
P.O. Box 1100  
Burlington, VT  
05402-1100  
1-800-833-6017