



Finance Committee Minutes

Date: 12/05/2017	Time: 5:30 p.m.	Location: District Office
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Call to Order	Marion Welborn, Committee Vice Chair, called the meeting to order.
Committee Members Attendance	JoAnn Layell, Marion Wellborn, Larry Johnson, Mary Olvera, Mickey Cartner, and Rebecca Vanhoy. There was a quorum with 6 of 8 members present.
Staff Attendance	Rick Seibert, Kathy Payne, Jeff Cockerham, and Lisa Sexton
Excused	Jim Brown
Absent	Jimmy Walker
Approval of Minutes	Minutes from the last Finance Committee meeting on October 10, 2017 were approved at the Board of Directors meeting held on October 26 2017.

Agenda Topic	Budgets and Financial Statements
Discussion	<p><u>September and October Financial Statements</u></p> <p>Rick provided the financial statements for September and October. He drew the Committee's attention to page 8 of the statements which shows a net surplus of \$59,000 at the end of October. Funds due for CSBG and Head Start at the end of October were received in November. Rick explained that OAA is running ahead of the budget and is on target to deliver 45,000 meals in Surry County. The program can make adjustments during the last half of the year if necessary to stay within the budget. The demand for Meals on Wheels (MOW) is high in Surry and Yadkin Counties. Yadkin county will fund MOW up to \$38,000 after grant funds are expended. Weatherization (WAP) received the majority of funding due as of the end October during the month of November. Transportation shows a deficit due mainly to bus purchases and slow funding through the NCTracks system. Rick explained that the accounting adjustments appear in the Indirect (IDC) column with most of the adjustments belonging to Transportation.</p> <p>Rick discussed the Fund Statement as of the end of October. The statement shows a comparison between FY 18 and FY 17 for the same period. Rick reported that the cash balance has improved compared to last year. The accounts receivable (AR) balance has increased due mainly to the implementation of NCTracks. Prior grants receivable is lower after receiving ROAP funds earlier this year. Other receivables include the MOW funding. Rick stated that the other assets line relates to the Yadkinville Head Start project. This project is progressing well. Rick explained the accounts payable (AP) balance has increased due to a shift in the timing of AP processing. The credit line balance at the end of October was \$175,000 compared to \$150,000 last year. Most lines on the Fund Statement are running consistent with last year's data.</p>

	<p>Rick directed the Committee the Revenue and Expense Statement through the end of October. This statement shows the same net surplus of \$59,000 as discussed earlier. Rick pointed out that the financial statements were printed by Lisa. The Accounting Department has taken steps to improve cross-training and reduce vulnerability. Lisa is capable of printing the statements should Rick need to be absent.</p> <p>Discussion ended on this topic with no further questions.</p> <p><u>Head Start Budget</u></p> <p>Rick distributed the Head Start budget as of the end of November. He explained that the \$110,000 was drawn from the grant funds after the end of the month. Head Start is performing well across the different budget line items.</p> <p>There was no further discussion on this topic.</p> <p><u>Credit Card Statement</u></p> <p>The Committee reviewed the most recent credit card statement. Rick explained that each Director has their own card. Most of the activity on the current statement came from license renewals for Head Start. Lisa reconciles the statement and tracks all charges as well as payments. Marion commented that it seems the cards are used more often now than in years past. Rick agreed, stating that credit card use has become a necessity in doing business.</p> <p>There were no questions concerning the credit card statement.</p>
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Agenda Topic	General
Discussion	<p><u>Agency FY 18 Budget Update</u></p> <p>Rick provided the Agency Statement of Revenues and Expenses for FY 18 as well as the Projected Cash Flow worksheet and the Financial Dashboard for October. The Agency Statement includes a comparison of FY 18 estimates to the audited figures for the previous two fiscal years. Rick expects revenues for FY 18 to reach \$11.1 million. This is less than FY 17 and FY 16 due to the Duke Helping Home program ending. Rick explained that YVEDDI will no longer incur the expenses associated with the Duke program which alleviates issues created by the loss of revenue. Rick listed a high estimate for depreciation at \$700,000. This will offset against the net assets additions for the year, but Rick believes that net asset additions will be higher than the depreciation amount.</p> <p>The Projected Cash Flow worksheet lists all cash receipts and disbursements. Rick explained that cash flow can be a difficult area to manage for YVEDDI. We rely on funding to come in at least bi-weekly to provide adequate cash flow. Rick used the Projected Cash Flow worksheet to demonstrate that YVEDDI does not maintain 3 months of operating reserves as most funders would prefer. Rick noted that the first quarter of the fiscal year requires YVEDDI to use its cash reserves of approximately \$1.3 million. This allows YVEDDI to operate without layoffs</p>

until such time that the funders start to reimburse. This typically catches up in November and December.

The Committee reviewed the Financial Dashboard for October. Rick briefly discussed each of the metrics listed. He concluded by stating that YVEDDI is doing well overall. Rick explained that there are several initiatives that are in progress including Head Start Timetrex integration, Nutrition Site and Senior Center software implementation, Yadkinville Head Start renovations, fiscal policies updates, and financial reporting changes.

Discussion ended on this topic.

Fiscal Policies and Procedures- Revision Update

Rick gave an update concerning the progress of the fiscal policies and procedures revision. He stated that staff are working on developing an internal control structure to comply with the Uniform Circular and other Federal regulations. He plans to have the internal control structure in place in the spring.

There was no further discussion concerning this topic.

Form 990 Submission

Rick provided a copy of the recently filed Form 990. He informed the Committee that the auditors, Dixon Hughes and Goodman (DHG), were able to file the form prior to the due date without requesting an extension. The figures were very similar between FY 17 and FY 16. Marion asked if DHG had presented any additional billing beyond the estimated pricing. Rick stated that DHG did bill for some additional charges for reasonable services provided.

Discussion ended on this topic.

New Reporting Requirements for 2018

Rick provided a copy of a recent letter addressed to the East Coast Migrant Head Start Project (ECMHSP) in response to a recent monitoring visit. The second page of the letter outlines reporting changes YVEDDI will need to make for 2018. Rick stated that we are in a good position currently to be able to address those changes.

There were no questions on this topic.

EBSC Stock

Rick distributed an analysis of the East Bend Senior Center (EBSC) stock. The stock was purchased in 1999 with a value of \$5,900. The current value is \$25,000. With the market at a high level currently, Rick believes now is a good time to sell the stock. Rick made a proposal to sell the EBSC stock. In his proposal, \$16,000 from the sale belonged to EBSC and \$9,000 belonged to YVEDDI. The YVEDDI portion of the stock proceeds resulted from the funding of prior year deficits at EBSC. The

	<p>cash resulting from the sale would be held as restricted funds for EBSC, while the YVEDDI portion of the cash would be held as unrestricted but would be used to help fund the other senior centers in Yadkin County. Rick stated that the proceeds from the stock will help bridge the funding gap for the Senior Centers in Yadkin County. Rick plans to inform the EBSC Advisory Council of the proposed sale of the stock. Rick asked the Committee to recommend his proposal to the Board.</p> <p>Mickey Cartner made a motion to recommend the sale of the EBSC stock with the proceeds being used as follows: \$16,000 of restricted funds for the EBSC and \$9,000 of unrestricted funds for YVEDDI. Larry Johnson seconded the motion. There was no further discussion concerning this topic. All voted in favor of the recommendation and the motion carried.</p> <p><u>CSBG Allocations FY 2018-19</u> Rick informed the Committee that YVEDDI will receive an approximate funding cut for the CSBG program or \$100,000 for FY 19. Funding will remain at current level for the remainder of FY 18.</p> <p>Discussion ended on this topic.</p> <p><u>For Profit Subsidiary</u> Rick announced that the C-Corporation for YVEDDI Weatherization Inc. has been formed. He provided the Committee with a copy of the Articles of Incorporation and a copy of the IRS letter that establishes the EIN for the corporation. Rick is working on a resource sharing agreement with the State. He is also working with a finance company to provide financing to consumers. YVEDDI WAP Inc. can begin once arrangements are complete with the financing company.</p> <p>There was no further discussion concerning this topic.</p>
Agenda Topic	Transportation
Discussion	<p><u>Revenues vs Expenses</u> Jeff distributed a packet of information and began his discussion with the first page. This page displayed the following information for July, August, September, and October for each County in the service area:</p> <ul style="list-style-type: none"> • Vehicle miles • Billed amounts • Revenue per vehicle mile • Estimated cost per vehicle mile • Net income/loss <p>The actual figures are a little better than his estimates. Jeff explained that Yadkin County is showing a net loss for each month listed on his report. He is working with the staff in Yadkin County to identify and troubleshoot any issues causing expenses to exceed revenues.</p> <p>Discussion ended on this topic.</p>

	<p><u>Other</u></p> <p>Jeff presented a copy of the brochure being distributed that provides information about the recently added Mocksville Circulator. The brochure provides information about the circulator including the route schedule. He also provided a copy of the direct-mail campaign in Davie County. Information concerning the circulator along with a free one day only ride pass was mailed to residences in the Mocksville area. Transportation has also distributed marketing flyers that provide information about the different ride passes that are available.</p> <p>In the information packet, Jeff also presented an estimated cost for a direct-mail campaign in Stokes County for the Stokes Connector route. Jeff plans to distribute brochures to agencies and area businesses. He also considering adding additional graphics to the bus for increased advertising of the service.</p> <p>Mickey asked if the Mocksville Circulator is being utilized for Davie DSS clients. Jeff stated that the circulator has not generated business with Davie DSS to date, but he plans to open up discussions with the County to address this matter.</p> <p>There was no further discussion concerning this topic.</p>
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Agenda Topic	Adjournment of Meeting
Motion/Second/Time	Mickey Cartner made a motion to adjourn the meeting. Larry Johnson seconded the motion. All members were in favor of the motion. The meeting was adjourned at 6:15 PM.

Date of Next Meeting: February 13, 2017 at 5:15 p.m.

Minutes Recorded By/Signature	
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