



Finance Committee Minutes

Date: 04/10/2018	Time: 5:15 p.m.	Location: District Office
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Call to Order	Jim Brown, Committee Chair, called the meeting to order.
Committee Members Attendance	Marion Wellborn, Jim Brown, Jimmy Walker, JoAnn Layell, and Rebecca Vanhoy. There was a quorum with 5 of 8 members present. Marion Welborn was excused at 6:45. There was no quorum past this time.
Staff Attendance	Rick Seibert, Kathy Payne, Jeff Cockerham, Janet Phillips, and Lisa Sexton
Excused	Mickey Cartner, Larry Johnson, and Mary Olvera
Approval of Minutes	Minutes from the last Finance Committee meeting on February 13, 2018 were approved at the Board of Directors meeting held on February 22, 2018.

Agenda Topic	Budgets and Financial Statements
Discussion	<p><u>January and February Financial Statements</u></p> <p>Rick distributed the Financial Statements for January and February. He began discussion on page 4 of the February statements. This page showed the net income/ (loss) across the programs at the end of February. This data is on a cash basis with accounting adjustments appearing in the Indirect General and Admin column. Rick explained that there was a \$46,000 net income at the end of February, which is comparative to the same period last year.</p> <p>On page 8, Rick stated that the cash in checking is much improved compared to last year. The grants receivable balance is lower due to some grantors funding quicker. The accounts receivable (AR) balance is elevated due to slow funding from NCTracks. Rick included an AR Aging Report in the Financial Statements to support the AR figure. He informed the Committee that \$250,000 was due from NCTracks for Surry DSS alone. Fortunately, \$100,000 of the balance was collected on the day of the meeting.</p> <p>Discussion continued to the Cash Flow spreadsheet on the last page of the statements. Rick explained that cash flow must be closely managed week to week to ensure adequate cash availability.</p> <p>Marion asked for an explanation of the Sales Tax Receivable accounts. Rick explained that the sales tax is paid and recorded in separate accounts. A sales tax refund request is submitted to the State semiannually.</p> <p>Discussion ended on this topic with no further questions.</p>

Head Start Budget

Rick distributed the Head Start budget as of April 10th. Head Start has performed well year-to-date. The deficit showing on this budget was drawn down from the Federal system last week. Rick stated that the main challenges with this budget are facility related.

There was no further discussion on this topic.

Credit Card Statement

The Committee reviewed the most recent credit card statement. Rick stated that there are no issues with the accounts at this time. He expects activity to increase over the last months of the fiscal year. Lisa reconciles the accounts, and a copy of the reconciliation was attached to the statement.

There were no questions concerning the credit card statement.

Agency FY 19 Budget

Rick presented the proposed Agency Budget for FY 19. The figures do not include in-kind and matching funds, so it is mainly grant funds and program income. As of now, Rick believes total revenues could drop below 11 million for FY 19 causing the budget to be top heavy with personnel costs. CSBG is expecting a funding reduction of \$98,000. In order to maintain personnel costs at the current 41% of total expenses, it will be necessary to make adjustments. Rick expects CSBG to reduce wages and benefits by \$100,000 with some service reduction resulting. He also looks to trim \$50,000 from DV/SA and additional reductions in personnel costs from adjustments in the off season for MHS. Rick remains optimistic that the CSBG funding cuts will eventually be restored. Also, Rick expects an additional \$350,000 in funds for Weatherization in Rowan County as recently awarded by the State.

Jim Brown made a motion to approve the FY 19 Agency Budget as presented. Marion Welborn seconded the motion. After no further discussion, the Committee voted. **All voted in favor and the motion carried.**

Stock Sale Results

After the Board approved the sale of the stock once donated to the EBSC, Rick began the steps necessary to complete the transaction last November. Rick stated that the value of the stock was first recorded at \$6,000. After a lengthy process and with the assistance of Jim Brown, the stock finally sold on March, 9th with net proceeds of \$27,800. Rick explained that \$17,000 will be restricted funds for the EBSC. Approximately \$10,000 will go to YVEDDI to replace funds used for funding deficits for the EBSC in previous years.

Discussion ended on this topic.

	<p><u>Rowan County Weatherization Award</u> Rick announced that YVEDDI was the top-scoring applicant for Weatherization (WAP) service in Rowan County. The application was originally for the last 3 months of FY 18. Since the application was approved later than expected, the State has also awarded WAP funding for Rowan County for all of FY 19. Rick stated that the program will need 2 additional staff members, otherwise, Tommy Eads and the WAP staff are prepared to enter into Rowan. Salisbury-Rowan Community Action has agreed to allow YVEDDI to use space at their location to help with logistics. Kathy added that our services there may be announced on the Duke Energy utility bills. She commended Tommy on the great impression he has made on State officials for WAP. Tommy and Kathy have been invited to participate in a panel discussion concerning employee retention at the NCCAA State conference.</p> <p>Kathy also announced that WAP had recently been audited by the Duke program resulting in zero findings for the third time. She stated that YVEDDI may receive funding from Duke for Rowan County as well.</p> <p>There was no further discussion on this topic.</p>
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Agenda Topic	General
Discussion	<p><u>Fundraising Event Update</u> Janet gave an update concerning the progress of the upcoming fundraiser on April 21st. Needed items such as tents have been provided by staff and Board members. The event has been well marketed and Janet believes there will be a sizable attendance. Thus far, 880 raffle tickets have been distributed and 120 are remaining. All money and unsold tickets are due at the next Board meeting on April 19th. Kathy provided a map with a layout of the event. Transportation will provide 2 shuttle buses for the event with parking overflow at the old Southland Trucking company location. Marion volunteered to arrange this with the Southland owners. Janet stated that there are 3 food vendors that have committed thus far, and she continues to search for additional vendors.</p> <p>Kathy commended Larry Johnson for his efforts to organize and work the event. The Committee discussed follow up activities after the fundraiser.</p> <p>Discussion ended on this topic.</p> <p><u>Facilities Improvement Loan Balance</u> Rick directed the Committee back to the Agency Budget. The bottom left corner of page listed initiatives for FY 19. Rick stated that these initiatives will use the remaining loan balance of \$125,000. The Transportation office in Yadkinville, which houses the call center and vital servers, needs a new heat pump and roof leak repairs. Work is being done to demolish the building adjacent to the Danbury Head Start facility. YVEDDI has entered into a contract with Stokes County. Kathy explained that the</p>

contract states YVEDDI will fund \$9,500 of the Danbury Head Start project.

Rick provided detailed information concerning the Yadkinville Head Start project. The total grant including the required match was \$260,000. To date, expenses for the project totals \$248,000. YVEDDI is working with the owner of the building to resolve some roofing issues.

There was no further discussion concerning this topic.

EBSC Countertops

Kathy explained that the EBSC nutrition site had again be cited by Sanitation Department for the worn countertops. These countertops need to be replaced. Larry Johnson looked at the job. He stated that the business that his family operates can install quartz countertops for \$2,900. Kathy received two other bids at \$3,900 for granite and \$2,500 for less durable Formica. The proceeds from the recent stock sale will fund the replacement of the countertops. Kathy would prefer to use the \$2,900 quote.

Rebecca Vanhoy made a motion to accept the \$2,900 quote to replace the countertops at the EBSC using the proceeds from the stock sale. Jimmy Walker seconded the motion. The Committee wishes to disclose that Larry Johnson is a current member of the Board of Directors but is retired from the company providing the quote. There was no further discussion. The motion carried with a unanimous vote.

Payroll Outsourcing/IDC Changes/IT

Rick explained that many improvements have been made in the Accounting system. In order to continue to make improvements for YVEDDI overall, it is necessary to shift resources from bookkeeping services to IT related areas. As reporting and program functions become increasingly more web based and the number of data breach incidents continue to rise, processing efficiently and protecting information adequately are imperative. YVEDDI will need to supplement services from the current IT provider by hiring a part-time IT position to handle more of the day-to-day desktop issues.

There were no questions on this topic.

DV/SA Budget Management

Rick described to the Committee what a tremendous amount of personnel resources are consumed managing the DV/SA budgets. The program has 19 different budgets for the 3 counties it serves. He also reminded the Committee that YVEDDI does not receive any funding for administration for this grant. Jimmy recalled this being an issue for several years. Kathy stated that YVEDDI is discussing options with grant officials to combine the counties as a whole for the agency in efforts to simplify the budgeting and reporting process. Kathy and Rick explained

	<p>that making budget changes this time of year is cumbersome and time-consuming making it difficult to effectively spend all grant funds. The program may need to revert funds back to the grantor at the end of the year due to this difficulty. This is a major problem for the grant administrator. Jimmy stated that it would be best to find someone at the State level that has the authority to invoke change for the program.</p> <p>Discussion ended on this topic.</p> <p><u>Per Diem Rates</u></p> <p>Kathy informed the Committee that the out of area travel per diem rates have not been adjusted since July of 2010. The current rates are as follows:</p> <ul style="list-style-type: none"> • In-State: \$10 for breakfast, \$10 for lunch, and \$16 for dinner with a 15% gratuity for a daily total of \$41.40 • Out-of-State: \$10 for breakfast, \$12 for lunch, and \$20 for dinner with a 15% gratuity for a daily total of \$48.30 <p>Kathy recommends changing the rates to \$42.00 per day for in-State travel and \$49.00 per day for out-of-State travel. She also recommends tracking only the daily totals instead of tracking each meal. Kathy informed the Committee that the proposed rates remain below the Federal rates.</p> <p>Discussion ended on this topic.</p> <p>A quorum was not present for this discussion. However, the members present concurred to approve the proposed out-of-area per diem rates as presented by Kathy Payne.</p>
Agenda Topic	Transportation
Discussion	<p><u>Revenues vs Expenses</u></p> <p>Jeff distributed a packet of information and began his discussion with the first page. The top half of this page displayed the following information for January and February 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>Jeff explained that the program is running close to even as of the end of February.</p> <p>There were no questions concerning this topic.</p> <p><u>FY 19 Vehicle Mileage Rate</u></p> <p>The middle section of the first page of Jeff’s packet of information listed total revenues verses total expenses for the previous 12-month period (March 2017 – February 2018). Jeff explained that a portion of the operating expenses will decrease in FY 19 due to an increased budgeted</p>

	<p>amount for vehicle insurance in the Transportation Administrative grant. Jeff used this information to analyze the vehicle mile billing rate.</p> <p>The bottom portion of the first page gave details concerning Jeff's proposed FY 19 vehicle mile billing rate and the direct mile billing rate. Jeff explained that he proposes to keep the vehicle mile rate at the current \$1.85 per vehicle mile. He also proposes to continue to adjust the direct mile rate for each contracted agency according to the efficiency of use for each agency.</p> <p>There was no further discussion on this topic.</p> <p>Jim Brown made a motion to accept the vehicle mile billing rate of \$1.85 per mile for FY 19 as proposed. The motion included accepting the direct mile billing rate method as proposed. Rebecca Vanhoy seconded the motion. All voted in favor of the motion and the motion carried.</p> <p><u>Replacement of Wrecked Vehicle</u></p> <p>Jeff informed the Committee that the Transportation Program lost a vehicle due to an accident last July. He shared a letter that YVEDDI received from the State DOT. He explained that the State requires the program to replace the vehicle in order to avoid return the 90% funding the State provided to purchase the original vehicle. Jeff shared a copy of the \$18,000 insurance payout from the vehicle loss. He also provided three preliminary cost quotes for a replacement vehicle. Jeff asked for the Committee's permission to purchase a replacement vehicle using the insurance proceeds. Committee members were in agreement that returning funds to the State is not the best option.</p> <p>Discussion ended on this topic.</p> <p>A quorum was not present for this discussion. However, the Committee members present concurred to approve the purchase of a replacement vehicle due to the loss of a vehicle from an accident instead of returning funds to the State DOT.</p>
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Agenda Topic	Adjournment of Meeting
Motion/Second/Time	The Committee concurred to adjourn the meeting. The meeting was adjourned at 6:55 PM.

Date of Next Meeting: June 12, 2018 at 5:15 p.m.

Minutes Recorded By/Signature	
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