

**The Healthy Start Coalition of Flagler and Volusia Counties, Inc.  
FINANCE AND AUDIT COMMITTEE MEETING**

Date: February 10, 2017

Start Time: 10:29 a.m.  
End Time: 11:27 a.m.

Location: 109 Executive Circle, Daytona Beach, FL. 32114

Members Present: Steve Tacinelli, Tyler DeBord and Steve Forsyth

Staff/Guest Present: Dixie Morgese, Carrie Wilson, Don Young

Members Absent:

Agenda Item	Summary	Action	Follow-Up	Date
I. Welcome	The meeting convened at 10:29 a.m. Members present included Steve Tacinelli, Tyler DeBord and Steve Forsyth.	N/A	N/A	N/A
II. Approval of minutes	The minutes of the 12/02/16 meeting were approved by consensus.		N/A	N/A
III. FY16/17 YTD Financial Reports	<p>The second quarter year-to-date financial reports were presented for review. Mr. Young provided an overview of his quarterly report.</p> <p>Ms. Wilson reported that cash flow continued to be very strong. She also informed the committee that staff had inquired as to whether the agency needed to draw on its line of credit in order to ensure that the agency could maintain the line, and the bank indicated that was not necessary.</p> <p>The balance sheet reflects an increase in total assets from the same period in the prior fiscal year. There was</p>	Second quarter year-to-date financial reports were presented and reviewed.	Present to the Board of Directors	3/14/17

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	<p>discussion regarding establishing a designated reserve.</p> <p>Expenditures year to date are low, at 43% halfway through the fiscal year. The majority of the under-expenditures are due to prolonged vacancies in several positions, as is evidenced by the fact that salaries/fringe, the largest operational budget category, is only 43% expensed halfway through the fiscal year.</p>			
IV. Old Business	There was no old business for discussion.			
V. New Business  A. Updated FY16/17 Projected Funds  B. Proposed Budget Amendment #1	<p>Staff presented an updated projected funds summary and draft budget amendment. Ms. Wilson explained that the draft amendment presented incorporates operational and shared cost line item revisions, but that direct programmatic projections still needed to be flushed out with program management staff. As per the draft amendment, the agency is anticipating a significant amount of unspent funds at the end of the fiscal year.</p> <p>The committee discussed the importance of investing in human capital, and that this should be incorporated into the budget amendment, especially in relation to employees that have been covering multiple workloads due to position vacancies. There was also discussion regarding the agency's current facility lease and conducting a re-evaluation of current fair market value.</p> <p>Ms. Morgese stated that this would be a very good time for the agency to develop an emergency contingency fund with specified conditions under which funds could be used. Ms. Wilson shared that the challenge in doing so is that governance related to most of the agency's funding sources prohibits utilizing funds in this way. However, there is an opportunity to do so with funding designated as earned income. A lengthy discussion ensued regarding the logistics and parameters of establishing a</p>			

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	<p>contingency reserve. Ms. Morgese asked Mr. Young if he would be willing to assist with developing the fund, and Mr. Young indicated he would.</p> <p>Ms. Morgese reported on the projected funding in AHCA funding (the agency's HSMCN contract) in the third year of a three-year contract. Current projections indicate there will be an \$8 million dollar shortfall state-wide. She also reported that the Florida Association of Healthy Start Coalitions and the Healthy Start MomCare Network had submitted a request for a special appropriation from the state legislature to cover the estimated shortfall. The agency would not be negatively impacted during the current fiscal year if the special appropriation does not get approved; however, it would result in a significant impact on the agency's FY17/18 budget.</p> <p>Ms. Wilson wrapped up discussion of the budget amendment by reporting to the committee that the amendment incorporates an employer match for retirement savings.</p> <p>Staff indicated they would send out a final proposed budget amendment prior to the next Executive Committee meeting.</p>			
VI. Adjournment	The meeting was adjourned at 11:27 a.m.	N/A	N/A	N/A