

North Metro Community Services Board Minutes

For the meeting held on

October 25th, 2018

Dr. Ed Bertagnolli called the meeting to order at approximately 6:00 PM. He said he would entertain a motion to approve the minutes of the September 27, 2018 meeting, approve the agenda for the October meeting. Edie Wallace made the motion, which was seconded by Mona Valdez and passed unanimously. All board members were present.

2017/2018 Audit Report

Dr. Ed introduced Jill Korenek from JDS Professional Group. Jill began her presentation by covering the required communication. These included finding no errors or fraud, no issues with noncompliance with laws and regulations, or no significant or unusual transactions noted in the financial statements. Overall the audit went smoothly and JDS Professionals had full cooperation from management.

They did a review of internal control procedures, and did not find any significant areas that they would recommend we change. They did not identify any deficiencies in internal control that they would consider to be material weaknesses.

Jill then moved on to NMCS performance review. We currently have approximately 16.5 million dollars in total assets which is approximately 100,000 dollars more than last year. We have approximately 2.2 million in total liabilities and our accrued expenses are down from last year. We have 14.2 million dollars in unrestricted net assets, 3.3 million of which is in property and equipment and 10.9 million undesignated assets. Our cash and cash equivalents is just under 6 million dollar which is a decrease of 3.1 million from last year. This is because NMCS moved some of the cash into investments. North Metro has 71 days cash reserve which is a decrease from 109 days cash reserve that we had last year. Again this is due to investing more of the money.

Finance Committee Report:

September 2018

Statement of Activities

In the month of September 2018 we earned net revenue of \$264,385. This net revenue was earned on total revenues of \$2,836,066. Year to date net revenue is \$593,994 and is \$60,000 ahead of budgeted net revenues year to date. The \$264,385 in net revenue for September is slightly less than the budgeted \$279,951. The bulk of the net revenue for the month is related to net capital gain of \$298,280 from the sale of Adams House. This gain was budgeted for and is recorded in Administration. Without this sale we would have recorded a loss of \$33,895 in the month of September. The Labor Day holiday and additional expenses accrued at the end of the first quarter have an impact on September performance every year. Comparatively we recorded a \$66,000 loss in September 2017.

In comparison to budget Residential and Vocational services performed well against budget, while Support Living and Resource Coordination performed below budget. We received a back payment for the Buckley Contract of over \$20,000 in the month of September. This was a catch up for a prevailing wage increase that had not been previously added to the contract. This back payment creates the net revenues of \$39,901 in the month of September and accounts for much of the \$28,000 variance against budget. The Residential program continues to add new enrollments primarily in the Family Care Giver program which has helped overall revenues and net revenues.

The Resource Coordination department had losses beyond what was budget for the month. Most of this variance is related to salaries being over budget. Additional Resource Coordination positions are being added to address needs of our Spanish speaking population and alleviate the bottle neck in the enrollment process. We expect TCM revenues to increase when the new resource coordinators are fully trained. The Supported Living department has seen a loss of 13 people so far this year with as many as 15 more people they serve moving to comprehensive services. This has caused billable hours to be reduced by over 400 hours per month. On the other side of that equation is that our Residential Department has gained 12 new enrollments that have moved from SLS.

Day Services, Administration, and Early Intervention were comparable to budget with no extraordinary items to discuss. We are still awaiting the change in our Early Intervention contract to be finalized by the state. When this occurs there will be some adjustments made to our financials that will impact the Administration and Early Intervention departments. These changes will be positive as our new contract will provide some additional revenues.

Statement of Financial Position

Cash balance at the end of September is \$5,819,443 and reflects a reduction of \$158,647 from the prior month. This reduction is caused by an increase of accounts receivable of \$371,944 in the last month. The state receivable which reflects all state funded services and Early Intervention increased by \$478,000 from the prior month. As of September 30th we are holding three months of receivables for Early Intervention and two months for all other state programs. A payment was received for \$356,526 in early October. In addition to the cash balance we have \$3,026,820 in CDs. Current liabilities decreased \$81,000 from the prior month.

Capital Expenditure Report

In the month of September the following capital expenditures were completed:

RTU on the 1001 building that replaces the last remaining unit from when the building was first constructed. This new unit had a cost of \$15,143. Two new copiers in the mailroom were replaced at a total cost of \$16,833. A new SAN (Storage Area Network) virtual server was added to our network. This new server costing \$16,890 will provide redundancy to our network and additional stability. In total these items were under budget by \$6,056.

Paul Yantorno made the motion to accept the Finance Committee report, which was seconded by Mona Valdez and passed unanimously.

Executive Directors Report:

In order to continue with the conflict free case management they were planning on implementing new case manager qualifications and case management agency qualifications. Those changes/rules have to go through the Medical Services Board at the state and when they did that they ran all of the rules through, but those rules have not been updated in the last 15 years. That along with some other concerns that were brought up during the hearing caused the Medical Services Board to vote the rule changes down. This means that the Healthcare Policy and Finance Committee has to go back to the drawing board and go back through the stakeholder process. This will slow down the implementation of the conflict free case management.

Office of State Auditor's Review

We received the report back from the Office of State Auditor's review and overall North Metro is looking pretty good. We're in the process of responding to the audit for the hearing. We have some documentation errors to take care of, but nothing drastic.

Public Comment

There were no audience members present at the meeting.

Adjournment

Edie Wallace made a motion to adjourn the meeting which was seconded by Doug Shepherd and passed unanimously.

*The next Board Meeting will be held December 6th, 2018