



FINANCE COMMITTEE MEETING

Integral Care's mission is to improve the lives of people affected by behavioral health and developmental and/or intellectual challenges.

DATE: Monday, August 28, 2017
TIME: 12:00 p.m.
PLACE: 1430 Collier St. – Board Room
Austin, Texas 78704

AGENDA

- I. Citizens' Comments** (Presentations are limited to 3 minutes)
- II. Approval of Finance Committee Minutes for July 24, 2017 and Budget Work Session Minutes for August 10, 2017** – pages 1-8
- III. Discuss and Take Appropriate Action on Cash & Investment Report – July, 2017** (Weden) – pages 9-11
- IV. Discuss and Take Appropriate Action on Financial Statements and Amendments (if applicable) for the Period Ending July 31, 2017 (Subject to Audit)** (Weden, Thompson) – pages 12-22
- V. Discuss and Take Appropriate Action to Approve FY 2018 Budget - Verbal Report** (Weden) – page 23
- VI. Discuss and Take Appropriate Action Authorizing the Chief Executive Officer and/or his Designee to sign a Promissory Note between Housing First Oak Springs, LP and Austin-Travis County Mental Health and Mental Retardation Center (dba Integral Care)** (Weden) – pages 24-32
- VII. Discuss and Take Appropriate Action to Approve Construction Contractor for Tenant Finish-Out at 1700 S. Lamar, Suite 332** (Spencer) – pages 33-34
- VIII. Update on Resource Development** (Richards) – pages 35-36
- IX. Announcements** – page 37
- X. New Business** – page 38
 - a. Identify Consent/Non-Consent Agenda Items
- XI. Citizens' Comments** (Presentations are limited to 3 minutes) – page 39



FINANCE COMMITTEE MINUTES

DATE: July 24, 2017
TIME: 12:00 p.m.
PLACE: 1430 Collier St. – Board Room
Austin, Texas 78704

MEMBERS PRESENT: Tom Young, Robert Chapa, Luanne Southern

MEMBERS ABSENT: Vince Torres

GUESTS PRESENT: Dennis Northington, Frost Insurance

Center staff were in attendance.

The meeting was called to order by Mr. Young at 12:00 p.m.

I. CITIZENS' COMMENTS

None.

II. APPROVAL OF FINANCE COMMITTEE MINUTES

No changes were noted to the minutes of the May 22, 2017 meeting. They stand approved as submitted.

III. DISCUSS AND TAKE APPROPRIATE ACTION ON CASH & INVESTMENT REPORTS FOR MAY, 2017 AND JUNE, 2017

Mr. Chapa made a motion to recommend to the Board the acceptance of the Cash and Investment Reports for May, 2017 and June, 2017.

Mr. Young seconded.

Mr. Weden reviewed the Cash and Investment Report for June, 2017 stating the interest earned in 6/2017 was \$18,354 and total market and book value at end of month was \$29,834,048. He also stated there were no significant changes for the month. A comparison of FY 2016 vs. FY 2017 cash and investment amounts was reviewed. Discussion followed.

All were in favor. Motion carried.

IV. DISCUSS AND TAKE APPROPRIATE ACTION ON FINANCIAL STATEMENTS AND AMENDMENTS (IF APPLICABLE) FOR THE PERIODS ENDING MAY 31, 2017 AND JUNE 30, 2017 (SUBJECT TO AUDIT)

Mr. Young made a motion to recommend to the Board the acceptance of the Financial Statements and amendments (if applicable) for the periods ending May 31, 2017 and June 30, 2017 subject to audit.

Mr. Chapa seconded.

Mr. Weden and Ms. Thompson discussed the following information from the schedules found in the packet: Financial Summary, Balance Sheet General Operating Fund and Notes (Schedule N2), Combined (Schedule C1), Statement of Revenue and Expenditures and Notes (Schedule C2), Waiver (Schedule C3), Capital Projects (Schedule C4), and HCC. Discussion followed.

All were in favor. Motion carried.

V. DISCUSS AND TAKE APPROPRIATE ACTION ON THE APPROVAL OF LIABILITY INSURANCE CARRIERS TO INCLUDE PROPERTY, LIABILITY, CRIME, BUSINESS AUTOMOBILE POLICY, DIRECTORS AND OFFICERS LIABILITY POLICY, AND WORKERS' COMPENSATION POLICY FOR FY 2018 AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE CONTRACT DOCUMENTS

Mr. Young made a motion to recommend to the Board approval of Liability Insurance Carriers to Include Property, Liability, Crime, Business Automobile Policy, Directors and Officers Liability Policy, and Workers' Compensation Policy for FY 2018 and authorize the Chief Executive Officer or his designee to execute Contract Documents.

Mr. Chapa seconded.

Ms. Spencer introduced Dennis Northington of Frost Insurance who distributed the handout "2017-2018 Property & Casualty Insurance Report" and stated they are the Center's Commercial Insurance Agent of Record pursuant to a Request for Proposal (RFP). Integral Care has participated in the Texas Council Risk Management Fund (TCRMF) since 2001. The Center's current commercial insurance package expires August 31, 2017. Frost Insurance has performed a review of the current insurance market and determined that Integral Care cannot procure coverage in the market at comparable rates.

The insurance premium for FY18 premium reflects an overall 9% increase over the FY17 premium. The expiring FY 17 TCRMF insurance premium was \$399,197 and the expected FY 18 premium is \$437,354. Overall, member contributions for 2017-2018 are flat. Changes in contributions are impacted by changes in exposures, claims experience, and Integral Care's net financial position in the Fund. Staff and Frost Insurance recommend that the Board continue participating in the Texas Council Risk Management Fund Program and authorize the Chief Executive Officer or his designee to execute contract documents for Fiscal Year 2018. Discussion followed.

All were in favor. Motion carried.

VI. DISCUSS AND TAKE APPROPRIATE ACTION ON THE APPROVAL OF THE FINANCIAL AUDIT FIRM FOR FY 2017

Mr. Chapa made a motion to recommend to the Board the approval of the financial audit firm for FY 2017.

Mr. Young seconded.

Mr. Weden stated that two firms submitted responses to the Request for Qualifications. R. Mendoza & Company, PC and Darilek, Butler & Associates, PLLC. Both responses were reviewed and scored by the Chief Administrative Officer/Chief Financial Officer, the Director of Accounting, and the Director of Budget and Financial Analysis. Of the two responses, R. Mendoza & Company, PC received the highest scores, completed all required assurances and is also a HUB (Historically Underutilized Business) Certified organization, which is a selection criteria for consideration in the CMHMRC Audit Guidelines.

Upon receiving the highest score, R. Mendoza & Company, PC submitted their fiscal year 2017 engagement letter for Finance Committee and Board approval. The fee rates cited in the engagement letter are \$79,000 and are consistent with the prior year audits.

R. Mendoza & Company, PC completed the last 5 years of audits for Integral Care based on a previous Invitation for Bids for audit firms. The CMHMRC Audit Guidelines issued by Health and Human Services Commission allow the same firm to perform audits for six consecutive years, meaning Fiscal Year 2017 would be the final year R. Mendoza & Company, PC could perform the Financial Audit.

Staff recommends that the Finance Committee and Board of Trustees approve the engagement letter submitted by R. Mendoza & Company, PC for the Fiscal Year 2017 Financial Audit. Discussion followed.

All were in favor. Motion carried.

VII. DISCUSS AND TAKE APPROPRIATE ACTION ON THE APPROVAL OF DVISD FUNDING TO SUBSIDIZE SALARIES FOR FOUR ADDITIONAL THERAPISTS IN DEL VALLE ISD

Mr. Chapa made a motion to recommend to the Board the approval of DVISD funding to subsidize salaries for four additional therapists in Del Valle ISD.

Mr. Young seconded.

Mr. Simmons and Ms. Spencer presented the information found in the packet on pages 44-52. They discussed the Overview, Contract Information, Del Valle Snapshot, Additional Revenue for Integral Care, and Financial Revenue and Expenses. Members asked for the number of students at each of the schools. Mr. Weden will provide the information prior to the Board meeting on the 27th. Discussion followed.

All were in favor. Motion carried.

VIII. UPDATE ON FISCAL YEAR 2017 BUSINESS PLAN

Mr. Weden reviewed the information found in the notebook that was distributed to all Board members. He discussed key areas of updated information. He also stated that this information is shared with the Executive Management Team at their weekly meeting. Discussion followed.

IX. UPDATE ON TRANSFORMATION 1115 WAIVER

Mr. Weden and Ms. Macakiage discussed the information found in the packet on pages 54-59. Review included DY 6 Achievements, Summary of 1115 Waiver Reporting, 1115 Waiver Transition Schedule, and Change Management in Action - including sustainability efforts. Discussion followed.

X. UPDATE ON NEW MILESTONES FOUNDATION

Ms. Irwin discussed the following information regarding NMF: 2017 Board of Directors; Board member orientation process; 2017 Bridging the Gap Gala; Formalizing annual fundraising focus; and next Board meeting on August 1, 2017. Discussion followed.

XI. UPDATE AND DISCUSSION ON DASHBOARD FINANCIAL METRICS

Dr. Baker reviewed the information from the “Finance Committee Dashboard Report through June 2017”. Discussion followed.

XII. ANNOUNCEMENTS

None.

XIII. NEW BUSINESS

- Non-Consent: Item IV
- Consent: Items III, V, VI, VII

- Proposed Budget Work Session – August 10, 2017 at 5:00 p.m.

XIV . CITIZENS’ COMMENTS

None.

There being no further business, the meeting adjourned at 12:55 p.m.

Tom Young, Chair
Finance Committee

Date

Libby Worsham

Libby Worsham,
Executive Assistant

BUDGET WORK SESSION MINUTES

DATE: August 10, 2017
TIME: 5:00 p.m.
PLACE: 1430 Collier St. – Board Room
Austin, Texas 78704

MEMBERS PRESENT: Tom Young, Robert Chapa and Luanne Southern

OTHER BOARD MEMBERS PRESENT: Matt Snapp and Richard Hopkins

MEMBER ABSENT: Hal Katz, Sarah Churchill Llamas, Vince Torres,
Guadalupe Zamora

Center staff were in attendance.

The Finance meeting was called to order by Tom Young at 5:03 p.m. and adjourned at 5:17 p.m.
The Board meeting was called to order by Matt Snapp at 5:17 p.m.

I. CITIZENS' COMMENTS

None.

II. DISCUSSION AND INFORMATION ON FY 2018 BUDGET

Mr. Weden thanked members for attending tonight's work session and thanked staff for all their hard work on the proposed budget. He then discussed the "Primary Challenges of Implementing FY18 Budget" including:

1. Keeping costs within budgets for major capital projects and having the Airport facility completed prior to November 30, 2017.
2. Completing the alignment to 2018-2019 state class compensation salaries. Budget amendment will occur mid-year to accommodate the class compensation adjustment.
3. Submitting waiver extension performance metrics to HHSC for their approval. Identifying areas for resource reallocation between current waiver projects and the overall system to achieve approved metrics.
4. Identifying a financing operation budget gap from fiscal year 2018 to fiscal year 2019 for the Herman Center.
5. Replacing 3 discontinued drugs from Patient Assistant Program (PAP) with generic drugs and adjusting budget upon completion of financial analysis.

6. Completing the registration process for Class A Retail Pharmacies in order to fill prescriptions for those with insurance.
7. Senate Bill 292 relating to grant programs to reduce recidivism, arrest and incarceration of individuals with mental illness.
8. Transitioning individuals to the STARKIDS program and receiving estimated reductions by center from HHSC.
9. Finding federal funds to replace the Transition Support Teams and Enhanced Community Coordination that end December 31, 2017.

Discussion followed.

Ms. Thompson presented the information found in the packet including:

- 2018 Proposed Annual Budget;
- 2018 Major Revenue Changes to Budget;
- 2018 Capital Projects Budget;
- 2018 Unrestricted Fund Balance Budget;
- 2018 Budget Challenges;
- 2018 Major Financing Issues;
- 2018 Revenue Reserves & Planned Mid-Year State Class Comp Alignment;
- FY 2018 Projected Consumers;
- FY 2018 Proposed Full Time Equivalent Position Budget;
- FY 2018 Proposed Revenue Budget by Funder Summary;
- FY 2018 Proposed Service Budget Summary;
- FY 2018 Proposed Expense Budget Summary.

Discussion followed.

No action by the Board – Discussion item only.

Board members thanked staff for all their hard work getting the detailed and accurate financial and program information to the Board.

Discussion of additional information from the budget work session and any appropriate action on the budget will take place at the next Finance Committee meeting to be held on August 28, 2017 @ 12:00 Noon.

V. CITIZENS' COMMENTS

None.

Meeting adjourned at 5:43 p.m.

Kendra Green

Tom Young, Finance Chair
Board of Trustees

Kendra Green,
Executive Assistant

Date

Robert T. Chapa, Jr., Secretary/Treasurer
Board of Trustees

Date



CASH AND INVESTMENT REPORT

For the month ended July 31, 2017

Cash and Cash Equivalents	Investments Market Value	Investments Book Value	Percentage of Portfolio	Monthly Interest	Interest Rates	Stated Maturity Term	Average Days to Maturity
Chase Bank of Texas							
Deposit Account	15,395,003	15,395,003	54.85%	3,179	0.35%	1	1
Frost Bank							
Deposit Account	10,441,782	10,441,782	37.20%	7,574	0.99%	1	1
Short-term Investments:							
TexPool Fund - Operating	1,918,726	1,918,726	6.84%	1,582	0.97%	1	1
TexPool Fund - Midelburg Trust	312,535	312,535	1.11%	258	0.97%	1	1
Totals and Averages, current month	28,068,047	28,068,047	100.00%	12,593	0.64%	1	1
Totals and Averages, previous month	\$ 29,834,048	\$ 29,834,048	100.00%	\$ 18,354	0.57%	1	1
Totals and Averages, previous year	\$ 20,158,339	\$ 20,158,339	100.00%	4,660	0.36%	10	2

Benchmark: 90-day T-bill rate at 7/31/17 - 1.07%

This report is in full compliance with the investment policy as established for the Investment Portfolio, the Public Funds Investment Act (Chapter 2256.023 and Generally Accepted Accounting Principles (GAAP).

(1) - The period change is the result of changes in cash position and not fluctuations in market value of investments.

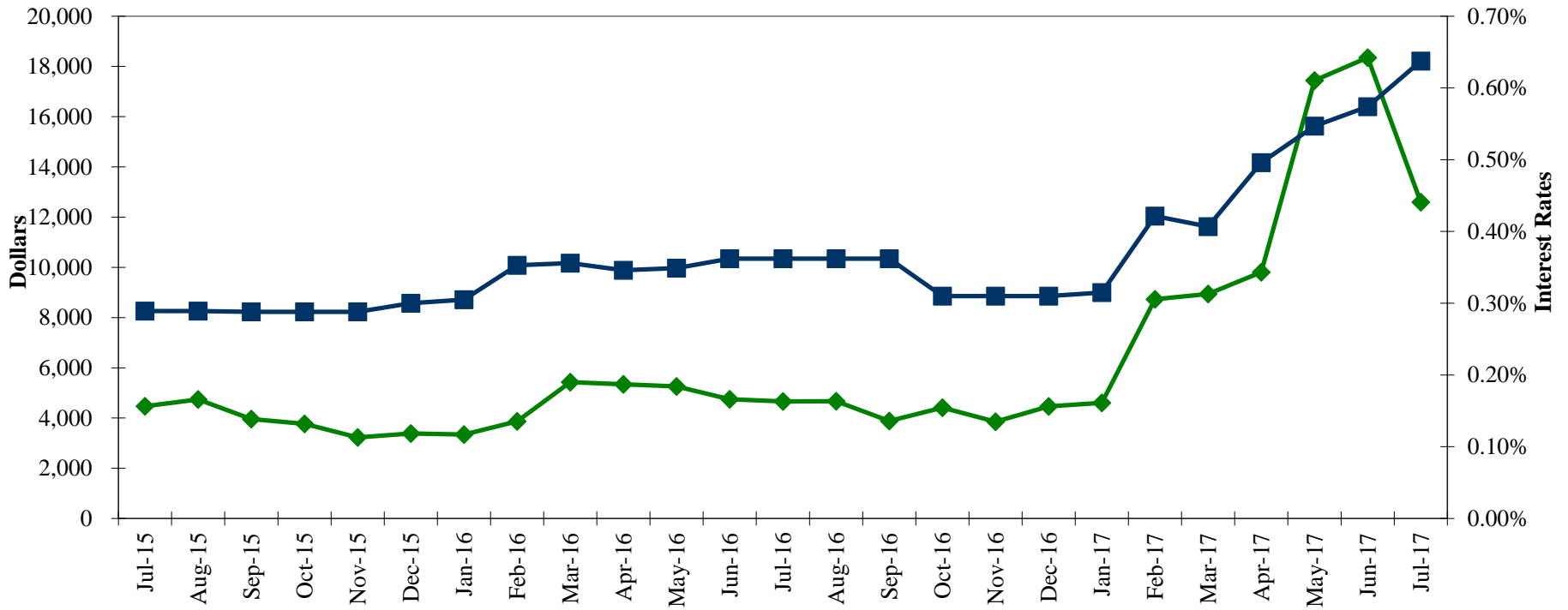

 David A. Weden, CAO/CFO

8/23/17


 Mark Watson, Director of Accounting

8/23/2017

Interest Rates and Earnings Comparison



Interest Rate
Earnings

July'15
0.29%
4,471

July'16
0.36%
4,660

July'17
0.64%
12,593



LIST OF SECURITIES

For the month ended July 31, 2017

<u>Cash and Cash Equivalents</u>	<u>Purchase Dates</u>	<u>Investments Book Values</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Average Days to Maturity</u>
<u>Chase Bank of Texas</u>					
Chase Bank Depository Account	6/1/2007	15,395,003	0.35%		1
<u>Frost Bank</u>					
Frost Bank Depository Account	2/1/2017	10,441,782	0.99%		1
<u>Short-term Investments:</u>					
TexPool Fund - Operating	6/1/2007	1,918,726	0.97%		1
TexPool Fund - Midelburg Trust	6/1/2007	312,535	0.97%		1
Total		<u>\$ 28,068,047</u>	<u>0.64%</u>		<u>1</u>

Integral Care
Financial Summary Period Ending July 31, 2017

**Sub-Total
Operations &**

	<u>Operations</u>	<u>Waiver</u>	<u>Waiver</u>	<u>Capital Projects</u>	<u>Total</u>
Total Annual Budget - Current	\$ 75,857,211	\$ 17,378,996	\$ 93,236,207	\$ 26,352,978	\$ 119,589,185
Total Annual Budget - Original	\$ 74,299,518	\$ 17,313,179	\$ 91,612,697	\$ 26,352,978	\$ 117,965,675
Total Budget Amendments	\$ 1,557,693	\$ 65,817	\$ 1,623,510	\$ -	\$ 1,623,510
1) Year-to-Date (YTD) Net	\$ 493,455	\$ 4,289,647	\$ 4,783,102	\$ (2,657,890)	\$ 2,125,213
Year-to-Date Planned Fund Balance Exp	\$ (293,905)		\$ (293,905)	\$ (2,657,445)	\$ (2,951,350)
Year-to-Date Net (without FB planned loss)	\$ 787,360	\$ 4,289,647	\$ 5,077,007	\$ (444)	\$ 5,076,563

Note: Settlement & Interest on outstanding FFS claims and Interest late claims pmt, \$82,917

Notes:

- 1) a.) Central Health Funds reserved from contract end 2016, \$636,623, recognized in July, held until current contract year executed
b.) Medicaid Administrative Claim funds of \$600,000 were reallocated from admin to programs with operation losses (Central Health funds recognized in Authority division)
c.) Waiver Revenue - month of July recorded DY5 early reporting funds received of \$2,954,871, these funds were not included in the FY2017 budget

- 2) Included in budget are reserves, DSHS Adult (\$83,699) and Child (\$79,266)

<u>Reserve</u>
\$ 162,965

3) Fund Balance	<u>Fund Balance Category</u>	<u>2016 Ending Fund Balance</u>	<u>FY2017 YTD Net Operations</u>	<u>FY2017 YTD Fund Balance</u>		<u>Fund Balance Days of Operation</u>
Operations	Unassigned	\$ 9,854,862	\$ (599,877)	\$ 9,254,985	\$ 9,254,985	Total Unrestricted / Waiver FB \$ 20,217,877
Midelberg	Restricted	6,653	-	\$ 6,653		FY17 Fund Balance Budget-Bal (1,617,125)
Waiver	Assigned	6,673,245	4,289,647	\$ 10,962,892	\$ 10,962,892	FY2017 YTD Adj Fund Balance \$ 18,600,752
Sale of NLJ/Purchase Renovation 1165 Airport	Assigned	4,281,431	(1,564,558)	\$ 2,716,873		YTD Average Operations Expense \$ 226,814
Total Fund Balance		\$ 20,816,191	\$ 2,125,213	\$ 22,941,404	\$ 20,217,877	YTD Unrestricted Days of Operation 82

<u>2017 Fund Balance Budget</u>	<u>Annual Budget</u>	<u>Used to Date</u>	<u>Budget Balance</u>
Unrestricted:			
IT Project Plan Future EMR	\$ (1,000,000)	\$ (21)	\$ (999,979)
Collier Facility Roof Replacement	(600,000)	-	(600,000)
The Herman Center Facility Construction	(659,139)	(1,092,867)	-
Early Child Intervention (ECI) Program	(137,478)	(120,332)	(17,146)
Unallowable Type Expenses (recurring type expenses)	(150,000)	(173,573)	-
Total Unrestricted Fund Balance Budget	\$ (2,546,617)	\$ (1,386,792)	\$ (1,617,125)
Airport Facility Renovation (restricted sale of NLJ Property)	(4,500,000)	(1,564,558)	(2,935,442)
Total FY2017 Fund Balance	\$ (7,046,617)	\$ (2,951,350)	\$ (4,552,568)

Allocated MAC Revenues \$229K

4) **Capital Projects Include:**

	<u>Budget</u>	<u>YTD Revenue</u>	<u>YTD Expense</u>	<u>YTD Net</u>
IT Project Plan Future EMR	\$ 1,000,000	\$ 229,022	\$ 229,043	\$ (21)
Collier Facility Roof Replacement	600,000	-	-	-
The Herman Center Facility Construction	4,331,821	2,549,096	3,641,963	(1,092,867)
HCC Oaksprings Facility	15,921,157	1,477,459	1,477,459	-
Airport Facility Renovation	4,500,000	-	1,564,558	(1,564,558)
S. Lamar New Lease Build-Out	-	49,000	49,444	(444)
Total Capital Projects	\$ 26,352,978	\$ 4,304,577	\$ 6,962,466	\$ (2,657,890)

Allocated MAC Revenues \$229K

Balance Sheet - General Operating Fund - Schedule N2
As of 7/31/2017

	Beginning Balance 9/01/2016	Prior Period Balance 6/30/2017	Current Period Balance 7/31/2017	Notes	Current Period Change	Year To Date Change	Current Period % Change	Year To Date % Change
Schedule N2 Balance Sheet Gen. Op. Fund								
Assets								
Current Assets								
Cash	\$ 17,689,459	\$ 29,841,597	\$ 28,073,934		\$ (1,767,663)	\$ 10,384,475	(5.92%)	58.70%
Accounts Receivable	16,032,605	6,741,137	8,073,247	(1)	1,332,111	(7,959,358)	19.76%	(49.64%)
Deposits and Prepays	599,366	382,671	357,567		(25,105)	(241,799)	(6.56%)	(40.34%)
Inventory	-	-	-		-	-		
Total Current Assets	\$ 34,321,430	\$ 36,965,405	\$ 36,504,748		\$ (460,657)	\$ 2,183,318	(1.25%)	6.36%
Noncurrent Assets								
Investment in Tejas	\$ -	\$ -	\$ -		\$ -	\$ -		
Investment in NMF	128,649	128,649	128,649		-	-	0.00%	0.00%
Investment in Housing First Oak Springs	-	-	-		-	-		
Total Noncurrent Assets	\$ 128,649	\$ 128,649	\$ 128,649		\$ -	\$ -	0.00%	0.00%
Total Assets	\$ 34,450,079	\$ 37,094,054	\$ 36,633,397		\$ (460,657)	\$ 2,183,318	(1.24%)	6.34%
Liabilities								
Current Liabilities								
Interfund Payables	\$ 436,571	\$ 431,690	\$ 423,614		\$ (8,076)	\$ (12,957)	(1.87%)	(2.97%)
Accounts Payable	4,480,801	1,491,210	2,208,499	(2)	717,289	(2,272,302)	48.10%	(50.71%)
Deferred Revenue	4,631,854	10,523,307	6,712,235	(3)	(3,811,072)	2,080,381	(36.22%)	44.91%
Fringe Payables	2,506,735	2,202,885	2,592,546		389,661	85,811	17.69%	3.42%
Total Current Liabilities	\$ 12,055,961	\$ 14,649,091	\$ 11,936,894		\$ (2,712,197)	\$ (119,067)	(18.51%)	(0.99%)
Noncurrent Liabilities								
Accrued Compensated Absences	\$ 1,577,927	\$ 1,775,039	\$ 1,755,099		\$ (19,940)	\$ 177,172	(1.12%)	11.23%
Total Noncurrent Liabilities	\$ 1,577,927	\$ 1,775,039	\$ 1,755,099		\$ (19,940)	\$ 177,172	(1.12%)	11.23%
Total Liabilities	\$ 13,633,888	\$ 16,424,130	\$ 13,691,993		\$ (2,732,137)	\$ 58,105	(16.63%)	0.43%
Fund Equity								
Fund Balance - Operations								
Fund Balance - Operations	\$ 9,861,515	\$ 9,861,515	\$ 9,861,515		\$ -	\$ -	0.00%	0.00%
Net Income - Operations	-	102,774	493,455		390,680	493,455	380.13%	
Net Income - Capital Projects (excluding Airport)	-	(1,133,293)	(1,093,332)		39,961	(1,093,332)	(3.53%)	
Total Fund Balance - Operations	\$ 9,861,515	\$ 8,830,996	\$ 9,261,638	(4)	\$ 430,642	\$ (599,877)	4.88%	(6.08%)
Fund Balance - 1115 Waiver								
Fund Balance - 1115 Waiver	\$ 6,673,245	\$ 6,673,245	\$ 6,673,245		\$ -	\$ -	0.00%	0.00%
Net Income - 1115 Waiver	-	1,210,125	4,289,647		3,079,522	4,289,647	254.48%	
Total Fund Balance - 1115 Waiver	\$ 6,673,245	\$ 7,883,370	\$ 10,962,892	(5)	\$ 3,079,522	\$ 4,289,647	39.06%	64.28%
Fund Balance - Airport Building Capital Project								
Fund Balance - Airport Building Capital Project	\$ 4,281,431	\$ 4,281,431	\$ 4,281,431		\$ -	\$ -	0.00%	0.00%
Net Income - Airport Building Capital Project	-	(325,874)	(1,564,558)		(1,238,684)	(1,564,558)	380.11%	
Total Fund Balance - Airport Building Capital Project	\$ 4,281,431	\$ 3,955,557	\$ 2,716,874	(6)	\$ (1,238,684)	\$ (1,564,558)	(31.32%)	(36.54%)
Total Fund Equity	\$ 20,816,192	\$ 20,669,924	\$ 22,941,404		\$ 2,271,480	\$ 2,125,213	10.99%	10.21%
Total Liabilities and Fund Equity	\$ 34,450,079	\$ 37,094,054	\$ 36,633,397		\$ (460,657)	\$ 2,183,318	(1.24%)	6.34%

BALANCE SHEET NOTES

Period Ending 7/31/2017

Note 1 Accounts Receivable, \$8,073,247

3rd Party FFS A/R	963,060
3rd Party FFS A/R - Allowance	(249,852)
Sub-Total 3rd Party FFS A/R	713,208
Contracts Receivable	6,038,845
Contracts Receivable - Accrued Revenue (DSHS HCC, MAC, etc.)	683,905
Employee Advances - Payroll Pay Period Conversion	465,931
Employee Insurance Receivable	162,704
Rental Operations	8,653
Total Accounts Receivable	8,073,247

Note 2 Accounts Payable, \$2,208,499:

Accrued Accounts Payable (mainly Contract Provider Exp and DSHS/DADS 2016 unspent cost reimb advances)	1,378,831
Other	829,667
Total Accounts Payable	2,208,499

Note 3 Deferred Revenue, \$6,712,235:

Waiver Funds	1,674,148
DSHS	957,938
St. David's EOU, MHFA, OakSprings Construction	1,532,363
DADS	426,282
City of Austin Interlocal	327,121
DSHS Match - Rehab/CM Match	489,116
HCC MATCH (NMF, DACC, Lola Wright)	872,947
All Other	432,320
Total Deferred Revenue	6,712,235

Note 4 Fund Balance Operations, \$9,261,638 (includes Midelberg):

Fund Balance Ending 8/31/2016 (includes operations & Midelberg)	9,861,515
FY2017 YTD Net Operations	493,455
FY2017 Capital Projects Net (excluding Airport Facility)	(1,093,332)
Fund Balance Ending (Operations & Midelberg)	9,261,638

Note 5 Fund Balance Waiver, \$10,962,892:

Fund Balance Ending 8/31/2016	6,673,245
FY2017 YTD Net Waiver	4,289,647
Total Waiver Fund Balance	10,962,892

Note 6 Fund Balance Airport Building Sale/Purchase/Renovation, \$2,716,874:

Fund Balance Ending 8/31/2016	4,281,431
2017 Renovation Airport Building	(1,564,557)
Total Building Sale/Purchase Fund Balance	2,716,874

Statement of Revenues and Expenditures - Schedule C1 - Combined
From 7/01/2017 Through 7/31/2017

	Original Budget	Budget Revisions	Revised Budget	Current Month Actual	YTD Actual	YTD Budget	YTD Variance	Percent Variance
Schedule C1 - Combined								
REVENUES								
Local Funds								
City of Austin	\$ 8,101,521	\$ 17,853	\$ 8,119,374	\$ 633,038	\$ 4,377,913	\$ 7,442,798	\$ (3,064,885)	(41.18%)
Travis County	5,454,161	476,008	5,930,169	411,120	4,411,556	5,436,002	(1,024,446)	(18.85%)
Central Health	10,085,269	-	10,085,269	1,596,866	9,226,669	9,244,829	(18,160)	(0.20%)
Other Local	19,522,655	235,103	19,757,758	5,670	5,356,629	18,111,313	(12,754,684)	(70.42%)
Total Local Funds	\$ 43,163,606	\$ 728,964	\$ 43,892,570	\$ 2,646,694	\$ 23,372,767	\$ 40,234,942	\$ (16,862,175)	(41.91%)
State Funds								
DSHS Mental Health	\$ 27,473,901	\$ 331,333	\$ 27,805,234	\$ 1,865,176	\$ 23,347,858	\$ 25,488,199	\$ (2,140,341)	(8.40%)
DSHS Substance Abuse	2,420,402	(191,031)	2,229,371	208,117	2,120,805	2,043,602	77,203	3.78%
DADS	4,226,581	169,957	4,396,538	316,469	3,565,004	4,030,202	(465,198)	(11.54%)
TCOOMMI	1,821,958	39,884	1,861,842	210,456	1,606,921	1,706,683	(99,762)	(5.85%)
DARS (Early Childhood Intervention)	636,610	16,714	653,324	51,371	598,472	598,884	(412)	(0.07%)
Other State	351,286	(96,808)	254,478	9,535	182,301	233,266	(50,965)	(21.85%)
Total State Funds	\$ 36,930,738	\$ 270,049	\$ 37,200,787	\$ 2,661,124	\$ 31,421,361	\$ 34,100,836	\$ (2,679,475)	(7.86%)
Federal Funds								
Medicare/Medicaid/HMO	\$ 10,738,243	\$ 374,375	\$ 11,112,618	\$ 726,577	\$ 9,190,908	\$ 10,186,561	\$ (995,653)	(9.77%)
HCS/Tx Hm Lvg Waiver	297,273	-	297,273	21,733	227,067	272,503	(45,436)	(16.67%)
Other Federal	3,747,123	137,960	3,885,083	500,540	3,338,774	3,561,327	(222,553)	(6.25%)
Total Federal Funds	\$ 14,782,639	\$ 512,335	\$ 15,294,974	\$ 1,248,849	\$ 12,756,749	\$ 14,020,391	\$ (1,263,642)	(9.01%)
Waiver Funds								
1115 Waiver	\$ 16,571,998	\$ -	\$ 16,571,998	\$ 4,258,217	\$ 17,292,349	\$ 15,190,989	\$ 2,101,360	13.83%
Total Waiver Funds	\$ 16,571,998	\$ -	\$ 16,571,998	\$ 4,258,217	\$ 17,292,349	\$ 15,190,989	\$ 2,101,360	13.83%
Total REVENUES	\$ 111,448,981	\$ 1,511,348	\$ 112,960,329	\$ 10,814,884	\$ 84,843,226	\$ 103,547,158	\$ (18,703,932)	(18.06%)
EXPENDITURES								
Operating expenditures								
Salaries	\$ 46,222,643	\$ 666,486	\$ 46,889,129	\$ 3,643,347	\$ 39,347,820	\$ 42,981,840	\$ 3,634,020	8.45%
Fringe benefits	12,844,427	(4,321)	12,840,106	920,147	9,938,379	11,770,517	1,832,138	15.57%
Travel/Workshop	892,265	57,461	949,726	53,966	798,179	870,760	72,581	8.34%
Prescription Drugs & Medicine	1,857,310	(38,767)	1,818,543	40,942	441,606	1,667,039	1,225,433	73.51%
Consumable Supplies	282,159	17,343	299,502	31,531	285,662	274,692	(10,970)	(3.99%)
Contracts & Consultants	21,586,868	438,150	22,025,018	1,481,691	17,277,706	20,189,609	2,911,903	14.42%
Capital Outlay	23,259,798	2,300	23,262,098	1,432,842	5,007,612	21,323,588	16,315,976	76.52%
Furniture & Equipment	1,063,383	68,265	1,131,648	103,480	1,088,075	1,037,542	(50,533)	(4.87%)
Facility/Telephone/Utility	5,199,584	215,764	5,415,348	516,625	5,167,787	4,964,553	(203,234)	(4.09%)
Insurance Costs	310,529	1,636	312,165	24,365	271,852	286,176	14,324	5.01%
Transportation Costs	120,270	-	120,270	9,228	76,734	110,253	33,519	30.40%
Professional Fees	651,427	-	651,427	113,350	946,141	597,113	(349,028)	(58.45%)
Other Operating Costs	2,442,398	63,285	2,505,683	63,577	724,454	2,296,899	1,572,445	68.46%
Client Support Costs	1,232,614	135,908	1,368,522	108,318	1,346,454	1,254,572	(91,882)	(7.32%)
Total Operating expenditures	\$ 117,965,675	\$ 1,623,510	\$ 119,589,185	\$ 8,543,409	\$ 82,718,460	\$ 109,625,153	\$ 26,906,693	24.54%
Total EXPENDITURES	\$ 117,965,675	\$ 1,623,510	\$ 119,589,185	\$ 8,543,409	\$ 82,718,460	\$ 109,625,153	\$ 26,906,693	24.54%
Total Gain/Loss Operating before FB	\$ (6,516,694)	\$ (112,162)	\$ (6,628,856)	\$ 2,271,475	\$ 2,124,766	\$ (6,077,995)	\$ 8,202,761	(134.96%)
Fund Balance								
Fund Balance	\$ 6,516,694	\$ 112,162	\$ 6,628,856	\$ 5	\$ 447	\$ 6,076,455	\$ (6,076,008)	(99.99%)
Total Fund Balance	\$ 6,516,694	\$ 112,162	\$ 6,628,856	\$ 5	\$ 447	\$ 6,076,455	\$ (6,076,008)	(99.99%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ 2,271,480	\$ 2,125,213	\$ (1,540)	\$ 2,126,753	

Statement of Revenues and Expenditures - Schedule C2 - Operations
From 7/01/2017 Through 7/31/2017

	Original Budget	Budget Revisions	Revised Budget	Current Month Actual	YTD Actual	YTD Budget	YTD Variance	Notes	Percent Variance
Schedule C2 - Operations									
REVENUES									
Local Funds									
City of Austin	\$ 5,101,521	\$ 17,853	\$ 5,119,374	\$ 633,038	\$ 4,377,913	\$ 4,692,798	\$ (314,885)	(1)	(6.71%)
Travis County	5,454,161	476,008	5,930,169	411,120	4,411,556	5,436,002	(1,024,446)	(2)	(18.85%)
Central Health	10,085,269	0	10,085,269	1,562,066	9,123,469	9,244,829	(121,360)	(3)	(1.31%)
Other Local	3,061,625	363,600	3,425,225	290	2,724,711	3,139,807	(415,096)	(4)	(13.22%)
Total Local Funds	\$ 23,702,576	\$ 857,461	\$ 24,560,037	\$ 2,606,514	\$ 20,637,649	\$ 22,513,436	\$ (1,875,787)		(8.33%)
State Funds									
DSHS Mental Health	\$ 25,394,036	\$ 331,333	\$ 25,725,369	\$ 1,853,908	\$ 21,900,399	\$ 23,581,657	\$ (1,681,258)	(5)	(7.13%)
DSHS Substance Abuse	2,420,402	(191,031)	2,229,371	208,117	2,120,805	2,043,602	77,203	(6)	3.78%
DADS	4,226,581	169,957	4,396,538	316,469	3,565,004	4,030,202	(465,198)	(7)	(11.54%)
TCOOMMI	1,821,958	39,884	1,861,842	210,456	1,606,921	1,706,683	(99,762)	(8)	(5.85%)
DARS (Early Childhood Intervention)	636,610	16,714	653,324	51,371	598,472	598,884	(412)		(0.07%)
Other State	351,286	(96,808)	254,478	9,535	182,301	233,266	(50,965)	(9)	(21.85%)
Total State Funds	\$ 34,850,873	\$ 270,049	\$ 35,120,922	\$ 2,649,856	\$ 29,973,902	\$ 32,194,294	\$ (2,220,392)		(6.90%)
Federal Funds									
Medicare/Medicaid/HMO	\$ 9,373,702	\$ 245,878	\$ 9,619,580	\$ 641,517	\$ 7,949,180	\$ 8,817,941	\$ (868,761)	(10)	(9.85%)
HCS/Tx Hm Lvg Waiver	297,273	0	297,273	21,733	227,067	272,503	(45,436)		(16.67%)
Other Federal	3,747,123	137,960	3,885,083	222,518	3,060,752	3,561,327	(500,575)	(11)	(14.06%)
Total Federal Funds	\$ 13,418,098	\$ 383,838	\$ 13,801,936	\$ 885,767	\$ 11,237,000	\$ 12,651,771	\$ (1,414,771)		(11.18%)
Waiver Funds									
1115 Waiver	\$ 2,040,493	\$ 46,345	\$ 2,086,838	\$ 97,100	\$ 1,620,490	\$ 1,912,933	\$ (292,443)	(12)	(15.29%)
Total Waiver Funds	\$ 2,040,493	\$ 46,345	\$ 2,086,838	\$ 97,100	\$ 1,620,490	\$ 1,912,933	\$ (292,443)		(15.29%)
Total REVENUES	\$ 74,012,040	\$ 1,557,693	\$ 75,569,733	\$ 6,239,236	\$ 63,469,041	\$ 69,272,434	\$ (5,803,393)		(8.38%)
EXPENDITURES									
Operating expenditures									
Salaries	\$ 36,708,192	\$ 460,430	\$ 37,168,622	\$ 2,926,892	\$ 31,450,863	\$ 34,071,345	\$ 2,620,482	(14)	7.69%
Fringe benefits	10,273,827	(1,921)	10,271,906	741,753	7,989,847	9,416,341	1,426,494		15.15%
Travel/Workshop	716,647	57,461	774,108	45,868	671,233	709,764	38,531		5.43%
Prescription Drugs & Medicine	446,567	(38,767)	407,800	38,556	389,778	373,846	(15,932)		(4.26%)
Consumable Supplies	237,512	17,343	254,855	25,363	238,908	233,728	(5,180)		(2.22%)
Contracts & Consultants	18,152,171	574,582	18,726,753	1,342,280	14,741,327	17,166,193	2,424,866	(15)	14.13%
Capital Outlay	111,362	2,300	113,662	(4,999)	39,680	104,192	64,512	(16)	61.92%
Furniture & Equipment	838,310	69,672	907,982	92,266	875,403	832,491	(42,912)		(5.15%)
Facility/Telephone/Utility	4,232,434	215,764	4,448,198	427,874	4,141,264	4,077,876	(63,388)	(17)	(1.55%)
Insurance Costs	244,544	1,636	246,180	19,774	220,273	225,676	5,403		2.39%
Transportation Costs	100,150	0	100,150	7,555	60,584	91,795	31,211		34.00%
Professional Fees	182,480	0	182,480	17,336	170,074	167,244	(2,830)		(1.69%)
Other Operating Costs	888,598	63,285	951,883	61,267	661,150	872,586	211,436	(18)	24.23%
Client Support Costs	1,166,724	135,908	1,302,632	106,776	1,325,649	1,194,160	(131,489)	(19)	(11.01%)
Total Operating expenditures	\$ 74,299,518	\$ 1,557,693	\$ 75,857,211	\$ 5,848,561	\$ 62,976,033	\$ 69,537,237	\$ 6,561,205		9.44%
Total EXPENDITURES	\$ 74,299,518	\$ 1,557,693	\$ 75,857,211	\$ 5,848,561	\$ 62,976,033	\$ 69,537,237	\$ 6,561,205		9.44%
Total Gain/Loss Operating before FB	\$ (287,478)	\$ -	\$ (287,478)	\$ 390,675	\$ 493,008	\$ (264,803)	\$ 757,811		(286.18%)
Fund Balance									
Fund Balance	\$ 287,478	\$ -	\$ 287,478	\$ 5	\$ 447	\$ 263,527	\$ (263,080)	(13)	(99.83%)
Total Fund Balance	\$ 287,478	\$ -	\$ 287,478	\$ 5	\$ 447	\$ 263,527	\$ (263,080)		(99.83%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ 390,680	\$ 493,455	\$ (1,276)	\$ 494,731		

REVENUE BUDGET VARIANCE NOTES - OPERATIONS

Period Ending 7/31/2017

Note 1: City of Austin - YTD Budget Variance (\$314,885):

City HCC Bond Operations	(\$71,049)	Will Expend full contract \$600K by end of August
City HOST	(154,228)	New Contract
City of Austin Interlocal	(60,133)	Will Expend full contract by end of September
City of Austin ACT (City's 1115 project)	(62,198)	
Other (4 cost reimbursement type contracts)	32,723	
Total City of Austin Budget Variance	(\$314,885)	

Note 2: Travis County - YTD Budget Variance (\$1,024,446):

Travis County Substance Use Contracts (2)	(\$63,214)	
Child System of Care	(134,182)	
Travis County Interlocal	(121,959)	Will Expend full contract by end of August
Travis County - Families With Voice (FWV)	(223,931)	
Travis County Correctional Complex	(409,507)	Contract Increase beg Feb, adding prescriber, full yr contract in Budget
All Other (5 contracts)	(71,653)	
Total Travis County Budget Variance	(\$1,024,446)	

Note 3: Central Health - YTD Budget Variance (\$121,360):

In-Patient	(\$175,005)	Cost Reimbursement, contract end 9/30 spend DSHS 1st
CommUnity Care- EMERGE Program	53,645	Anticipate contract increase
Total Central Health Budget Variance	(\$121,360)	

Note 4: Other Local -YTD Budget Variance (\$415,096):

St. David's Herman Center (EOU)	(856,588)	
St. David's Mental Health First Aid	(285,734)	Contract recently executed, variance based on ytd months of fiscal year
Seton In-School	(101,025)	
Cost Reimbursement - Contra Budget on Est Unearned Contract	736,340	Cost Reimbursement contracts that may not spend total contract
All Other (21 line items)	91,911	
Total Other Local Budget Variance	(415,096)	

Note 5: DSHS MH - YTD Budget Variance (\$1,681,258):

DSHS - General Revenue Reserve	(\$149,380)	
DSHS - In-Patient	(1,224,248)	Will Expend full contract by end of August
DSHS - Resident Program	(64,163)	
DSHS - All Other (10 programs)	(243,467)	
Total DSHS MH Budget Variance	(\$1,681,258)	

Note 6: DSHS Substance Abuse - YTD Budget Variance \$77,203:

TRM Contract (OP Clinic, Methadone, Ambulatory Detox)	(328,136)	
COPSD	(115,300)	
HIV Programs	(69,985)	
Opioid Program, Youth Prevention, Money Follows the Person	(112,276)	
Budget Reserve (anticipated unearned FFS contract Max)	702,900	
Total DSHS Substance Abuse Budget Variance	\$77,203	

Note 7: DADS - YTD Budget Variance (\$465,198):

Crisis Respite	16,257
Transitional Support (HUB)	(308,948)
Crisis Intervention Specialist	(100,900)
Enhanced Community Coordination	(43,558)
CLOIP	(28,161)
DADS - All Other,	112
Total DADS Budget Variance	(\$465,198)

Note 8: TCOOMMI - YTD Budget Variance (\$99,762):

Adult	(70,028)
Juvenile	(29,734)
Total TCOOMMI Budget Variance	(\$99,762)

Note 9: Other State - YTD Budget Variance (\$50,965):

CPRIT	(50,965)
Total Other State Budget Variance	(\$50,965)

Note 10: Medicare/Medicaid/HMO - YTD Budget Variance (\$860,761):

MH - HMO & Medicaid	(\$27,138)
SUD - HMO & Medicaid	21,969
Case Management - HMO & Medicaid	(86,102)
Rehab - HMO & Medicaid	(833,314)
Medicare	(82,065)
IDD Service Coordination	(55,986)
Reserve - Unearned FFS contra budget	193,875
Total Medicare/Medicaid/HMO Budget Variance	(\$868,761)

Note 11: Other Federal - (\$500,575):

VA Safehaven	(\$116,016)
HUD Lifeworks	(\$61,144)
HUD Supported Housing	(109,459)
MAC	(143,339)
All Other, 5 programs	(70,617)
Total Other Federal Budget Variance	(\$500,575)

Note 12: Waiver - (\$292,443):

Waiver in Program Indirect-reserve match expenses Program Indirect	
Total Waiver Budget Variance	(\$292,443)

Note 13: Fund Balance - (\$263,080):

Total Annual Fund Balance Budget Unallowable \$150,000, no rev, ytd budget is variance	(\$137,500)
Total Annual Fund Balance Budget ECI \$137,478, no rev, ytd budget is variance	(126,027)
Midelberg Interest Income	447
Total Fund Balance Budget Variance	(\$263,080)

EXPENSE BUDGET VARIANCE NOTES - OPERATIONS
 Period Ending 7/31/2017

	<u>Note 14:</u>	<u>Note 15:</u>	<u>Note 16:</u>	<u>Note 17:</u>	<u>Note 18:</u>	<u>Note 19:</u>
Major Funding Types:	Salaries & Fringe Benefits	Contracts & Consultants	Capital Outlay	Facility / Telephone / Utility	Other Operating	Client Support Cost
1.) Cost Reimbursement	\$ 2,418,547	\$ 2,347,395	\$ 70,616	\$ (52,794)	\$ 47,312	\$ (14,862)
2.) FFS Contract Max	318,605	(192,024)	-	(6,457)	6,637	(54,831)
3.) DSHS Adult & Child / Housing	423,614	14,139	(509)	76,850	12,549	(512)
4.) DADS	223,785	120,881	3,300	(1,851)	(2,702)	(2,589)
5.) TxHmLvg	28,249	(10,686)	-	(1,368)	(351)	(4,387)
6.) Program Support & Community Collaboratives	79,665	26,293	(221)	(5,252)	118,754	(54,987)
7.) Admin / Authority	554,511	118,868	(8,674)	(72,516)	29,237	679
Total Expense (over)/under YTD Budget	\$ 4,046,976	\$ 2,424,866	\$ 64,512	\$ (63,388)	\$ 211,436	\$ (131,489)

General Note: All contracts are budgeted at contract amount. In some instances we will budget a contra budget if we believe that we do not have the capacity to earn all funds, ie some DSHS SUD contracts.

Major Funding Category Notes YTD Budget Variances \$50,000 & >:

Note 15	Contracts & Consultants - Cost Reimbursement	\$ 2,347,395	DSHS In-Patient \$1.224M; Central Health \$431K; DSHS HCC \$103K; Travis County Family with Voices \$161K; Travis County System of Care \$242K; Extended Observation Program \$124K; St. David's MHFA \$84K; Community Care (\$128K); All Other 25 programs \$106K under budget
	Contracts & Consultants - FFS Contract Max	\$ (192,024)	YES Waiver (\$218K); 5 Other programs \$26K under budget
	Contracts & Consultants - DADS	\$ 120,881	Respite Out of Home \$142K under budget; 17 Other Programs total (\$21K) over budget
	Contracts & Consultants - Admin / Auth	\$ 118,868	16 Programs in this category no one program with large variances
Note 16	Capital Outlay - Cost Reimbursement	\$ 70,616	EOU \$82K; Crisis Respite (\$23K); 4 Other Programs \$11K under budget
Note 17	Facility/Telephone/Utility - Cost Reimbursement	\$ (52,794)	32 Programs in this category no one program with large variances
	Adult/Child/Housing	\$ 76,850	28 Programs in this category no one program with large variances
	Facility/Telephone/Utility - Admin/Authority	\$ (72,516)	Mainly building rent for new lease space S. Lamar
Note 18	Other Operating - Program Support & Comm	\$ 118,754	Central Texas African American Conference \$61K expense in other line items; 8 Other Programs \$58K under budget
Note 19	Client Support Cost - FFS Contract Max	\$ (54,831)	YES Waiver (\$39K); 3 Other programs (\$15K) over budget
	Client Support Cost - Program Support & Comm	\$ (54,987)	Unallowable Expense unit



Statement of Revenues and Expenditures - Schedule C3 - Waiver
From 7/01/2017 Through 7/31/2017

Schedule C3 - Waiver

	Original Budget	Budget Revisions	Revised Budget	Current Month Actual	YTD Actual	YTD Budget	YTD Variance	Percent Variance
REVENUES								
Local Funds								
Central Health	\$ -	\$ -	\$ -	\$ 34,800	\$ 103,200	\$ -	\$ 103,200	0.00%
Other Local	1,947,056	(128,497)	1,818,559	5,380	52,822	1,667,028	(1,614,206)	(96.83%)
Total Local Funds	\$ 1,947,056	\$ (128,497)	\$ 1,818,559	\$ 40,180	\$ 156,022	\$ 1,667,028	\$ (1,511,006)	(90.64%)
Federal Funds								
Medicare/Medicaid/HMO	\$ 1,364,541	\$ 128,497	\$ 1,493,038	\$ 85,060	\$ 1,241,728	\$ 1,368,620	\$ (126,893)	(9.27%)
Total Federal Funds	\$ 1,364,541	\$ 128,497	\$ 1,493,038	\$ 85,060	\$ 1,241,728	\$ 1,368,620	\$ (126,893)	(9.27%)
Waiver Funds								
1115 Waiver	\$ 14,531,505	\$ (46,345)	\$ 14,485,160	\$ 4,161,117	\$ 15,671,859	\$ 13,278,056	\$ 2,393,803	18.03%
Total Waiver Funds	\$ 14,531,505	\$ (46,345)	\$ 14,485,160	\$ 4,161,117	\$ 15,671,859	\$ 13,278,056	\$ 2,393,803	18.03%
Total REVENUES	\$ 17,843,102	\$ (46,345)	\$ 17,796,757	\$ 4,286,358	\$ 17,069,609	\$ 16,313,704	\$ 755,905	4.63%
EXPENDITURES								
Operating expenditures								
Salaries	\$ 9,514,451	\$ 206,056	\$ 9,720,507	\$ 716,455	\$ 7,896,957	\$ 8,910,495	\$ 1,013,538	11.37%
Fringe benefits	2,570,600	(2,400)	2,568,200	178,394	1,948,532	2,354,176	405,644	17.23%
Travel/Workshop	175,618	-	175,618	8,098	126,946	160,996	34,050	21.15%
Prescription Drugs & Medicine	1,410,743	-	1,410,743	2,386	51,828	1,293,193	1,241,365	95.99%
Consumable Supplies	44,647	-	44,647	6,168	46,754	40,964	(5,790)	(14.13%)
Contracts & Consultants	2,161,170	(136,432)	2,024,738	136,973	1,435,538	1,856,019	420,481	22.66%
Furniture & Equipment	225,073	(1,407)	223,666	10,669	207,981	205,051	(2,930)	(1.43%)
Facility/Telephone/Utility	967,150	-	967,150	82,717	859,838	886,677	26,839	3.03%
Insurance Costs	65,985	-	65,985	4,591	51,579	60,500	8,921	14.75%
Transportation Costs	20,120	-	20,120	1,673	16,150	18,458	2,308	12.51%
Professional Fees	237	-	237	54,859	54,936	220	(54,716)	(24871.07%)
Other Operating Costs	91,495	-	91,495	2,310	62,120	83,864	21,744	25.93%
Client Support Costs	65,890	-	65,890	1,542	20,805	60,412	39,607	65.56%
Total Operating expenditures	\$ 17,313,179	\$ 65,817	\$ 17,378,996	\$ 1,206,835	\$ 12,779,962	\$ 15,931,025	\$ 3,151,063	19.78%
Total EXPENDITURES	\$ 17,313,179	\$ 65,817	\$ 17,378,996	\$ 1,206,835	\$ 12,779,962	\$ 15,931,025	\$ 3,151,063	19.78%
Total Gain/Loss Operating	529,923	(112,162)	417,761	3,079,522	4,289,647	382,679	3,906,968	
Fund Balance								
Fund Balance	\$ (529,923)	\$ 112,162	\$ (417,761)	\$ -	\$ -	\$ (382,943)	\$ 382,943	(100.00%)
Total Fund Balance	\$ (529,923)	\$ 112,162	\$ (417,761)	\$ -	\$ -	\$ (382,943)	\$ 382,943	(100.00%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ 3,079,522	\$ 4,289,647	\$ (264)	\$ 4,289,911	



Statement of Revenues and Expenditures - Schedule C4 - Capital Projects
From 7/01/2017 Through 7/31/2017

Schedule C4 - Capital Projects

	Original Budget	Budget Revisions	Revised Budget	Current Month Actual	YTD Actual	YTD Budget	YTD Variance	Percent Variance
REVENUES								
Local Funds								
City of Austin	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ -	\$ 2,750,000	\$ (2,750,000)	(100.00%)
Other Local	14,513,974	-	14,513,974	-	2,579,096	13,304,478	(10,725,382)	(80.61%)
Total Local Funds	\$ 17,513,974	\$ -	\$ 17,513,974	\$ -	\$ 2,579,096	\$ 16,054,478	\$ (13,475,382)	(83.94%)
State Funds								
DSHS Mental Health	\$ 2,079,865	\$ -	\$ 2,079,865	\$ 11,268	\$ 1,447,459	\$ 1,906,542	\$ (459,083)	(24.08%)
Total State Funds	\$ 2,079,865	\$ -	\$ 2,079,865	\$ 11,268	\$ 1,447,459	\$ 1,906,542	\$ (459,083)	(24.08%)
Federal Funds								
Other Federal	\$ -	\$ -	\$ -	\$ 278,022	\$ 278,022	\$ -	\$ 278,022	0.00%
Total Federal Funds	\$ -	\$ -	\$ -	\$ 278,022	\$ 278,022	\$ -	\$ 278,022	0.00%
Total REVENUES	\$ 19,593,839	\$ -	\$ 19,593,839	\$ 289,290	\$ 4,304,577	\$ 17,961,020	\$ (13,656,443)	(76.03%)
EXPENDITURES								
Operating expenditures								
Contracts & Consultants	\$ 1,273,527	\$ -	\$ 1,273,527	\$ 2,438	\$ 1,100,842	\$ 1,167,397	\$ 66,555	5.70%
Capital Outlay	23,148,436	-	23,148,436	1,437,841	4,967,931	21,219,396	16,251,465	76.59%
Furniture & Equipment	-	-	-	546	4,691	-	(4,691)	0.00%
Facility/Telephone/Utility	-	-	-	6,034	166,686	-	(166,686)	0.00%
Professional Fees	468,710	-	468,710	41,154	721,131	429,649	(291,482)	(67.84%)
Other Operating Costs	1,462,305	-	1,462,305	-	1,185	1,340,449	1,339,264	99.91%
Total Operating expenditures	\$ 26,352,978	\$ -	\$ 26,352,978	\$ 1,488,012	\$ 6,962,466	\$ 24,156,891	\$ 17,194,425	71.18%
Total EXPENDITURES	\$ 26,352,978	\$ -	\$ 26,352,978	\$ 1,488,012	\$ 6,962,466	\$ 24,156,891	\$ 17,194,425	71.18%
Total Gain/Loss Operating	(6,759,139)	-	(6,759,139)	(1,198,722)	(2,657,890)	(6,195,871)	3,537,981	
Fund Balance								
Fund Balance	\$ 6,759,139	\$ -	\$ 6,759,139	\$ -	\$ -	\$ 6,195,871	\$ (6,195,871)	(100.00%)
Total Fund Balance	\$ 6,759,139	\$ -	\$ 6,759,139	\$ -	\$ -	\$ 6,195,871	\$ (6,195,871)	(100.00%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ (1,198,722)	\$ (2,657,890)	\$ -	\$ (2,657,890)	

**V. Discuss and Take Appropriate Action to Approve
FY 2018 Budget
(Verbal Report)**

David Weden

VI. Discuss and Take Appropriate Action Authorizing the Chief Executive Officer and/or his Designee to sign a Promissory Note between Housing First Oak Springs, LP and Austin-Travis County Mental Health and Mental Retardation Center (dba Integral Care)

David Weden

Background:

Housing First Oak Springs will be located at 3000 Oak Springs Drive, Austin, TX and will include 50 fully-furnished single occupancy efficiency apartments, an integrated health clinic offering primary care and behavioral health services, a community room, parking garage, and retail space.

Current Status:

Integral Care is currently in the midst of developing Housing First Oak Springs. As part of the financing structure, funds received from the Texas Health and Human Services Commission are loaned to the Limited Partnership in order to make the financing available for construction.

Recommendation:

Staff recommends the Board authorize the Chief Executive Officer and/or his designee, to sign a Promissory Note between Housing First Oak Springs, LP and Austin-Travis County Mental Health and Mental Retardation Center (dba Integral Care) in an amount not to exceed \$1,458,049.

PROMISSORY NOTE

Date: August 31, 2017

Borrower: **HOUSING FIRST OAK SPRINGS, LP,**
a Texas limited partnership

Borrower's Mailing Address: 1430 Collier Street
Austin, Texas 78704

Lender: **AUSTIN-TRAVIS COUNTY MENTAL HEALTH and MENTAL
RETARDATION CENTER dba INTEGRAL CARE,**
a publicly funded community center organized and operated under Chapter
534 of the Texas Health and Safety Code

Place for Payment: 1430 Collier Street
Austin, Texas 78704

(or any other place that Lender may designate in writing)

Principal Amount: One Million Four Hundred Fifty Eight Thousand Forty Nine Dollars
(\$1,458,049.00)

1. **Annual Interest Rate on Unpaid Principal:**

No interest will accrue on the outstanding principal balance of this Promissory Note (the "**Note**"), unless an Event of Default (as defined below) has occurred and is continuing, in which case interest on the unpaid principal balance of this Note will (a) accrue at the rate equal to the lower of (i) eight percent (8%) per annum, or (ii) the highest interest rate per annum allowed by applicable law (the "**Default Interest Rate**"), until such Event of Default is cured, and (b) be added to the outstanding principal balance of the Loan.

2. **Net Cash Flow:**

"**Net Cash Flow**" means the excess of gross revenues actually received by Borrower, less all expenses of Borrower, including but not limited to operating expenses, debt service, and the establishment of reserves.

3. **Proceeds:**

The proceeds of this Note will be used solely for the construction of a 50-unit permanent supportive housing complex for chronically homeless individuals, strictly in accordance with contract number 2016-048882 between the Department of State

Health Services and Integral Care along with any associated fully-executed contract amendments to the same, on the land described on Exhibit A hereto (the "**Property**").

4. **Terms of Payment (Principal and Interest):**

a. Beginning in calendar year 2018, the loan evidenced by this Note (the "**Loan**") will be repaid in forty (40) annual installments of accrued interest only (each an "**Annual Installment**"), and in addition to the fortieth (40th) Annual Installment, all outstanding principal and accrued interest will be due and payable on the date the fortieth (40th) Annual Installment is due (the "**Maturity Date**"). The Annual Installments will be due and payable (i) at the Place for Payment within thirty (30) days after the distribution of Net Cash Flow is made pursuant to Borrower's Agreement of Limited Partnership (the "**Partnership Agreement**"), and, (ii) from, and only to the extent of, Net Cash Flow available for that purpose as set forth in Borrower's Partnership Agreement.

b. The application of Net Cash Flow to pay amounts due under this Note will be in the priority set forth in the Partnership Agreement.

c. In the event Borrower is unable to make all or any portion of an Annual Installment because sufficient Net Cash Flow is not available, such unpaid Annual Installment(s) (or the unpaid portion thereof, as applicable) will (i) be added to the outstanding principal balance of the Note, (ii) accrue interest at the Interest Rate, and (iii) if not paid earlier, be due and payable on the Maturity Date. Borrower's failure to make all or a portion of an Annual Installment due to lack of Net Cash Flow will not constitute a default, an event of default, or an Event of Default under this Note.

d. Subject to the terms and conditions of any applicable Subordination Agreement, if an Event of Default occurs and is continuing, Lender may declare the unpaid principal balance and accrued interest on this Note immediately due and payable.

e. Notwithstanding anything to the contrary contained in this Note, from the date of this Note until the end of the Tax Credit Compliance Period (as defined in Section 42 of the Internal Revenue Code of 1986, as amended), Lender agrees that it will not accelerate any indebtedness under this Note. Lender further agrees that it will not assign or otherwise transfer its rights with respect to the Loan or the indebtedness under this Note.

5. **Prepayment:**

This Note may be prepaid in whole or in part at any time without notice or penalty. Partial prepayments will be applied first to accrued and unpaid interest with the balance to the outstanding principal balance of the Loan.

6. **Security for Payment of this Note:**

This note is unsecured, but may be later secured by the Property upon request of Lender.

7. **Subordination:**

Borrower and Lender acknowledge and agree that the terms of this Note are expressly subject and subordinate to the terms of the extended low-income housing commitment

(as such term is defined in Section 42(h)(6)(B) of the United States Internal Revenue Code of 1986, as amended (the "**Code**") recorded or to be recorded against the Property in accordance with Section 42(h)(6)(E) of the Code.

8. **Attorneys' Fees:**

If this Note is given to an attorney for collection or enforcement, or if suit is brought for collection or enforcement, or if it is collected or enforced through probate, bankruptcy, or other judicial proceeding, then Borrower will pay Lender all reasonable out-of-pocket costs of collection and enforcement incurred by Lender, including reasonable attorneys' fees and court costs, in addition to any other amounts due from Borrower to Lender, unless Borrower prevails in any such suit or other judicial proceeding.

9. **Usury Savings Clause:**

Lender does not intend to contract for, charge or receive more than the maximum amount and rate of interest that is permissible under applicable state and federal law for the type of loan evidenced by this Note. To prevent such an occurrence, Lender and Borrower agree that all amounts of interest, whenever contracted for, charged or received by Lender, with respect to the loan of money evidenced by this Note, will be spread, prorated or allocated over the full period of time this Note is unpaid, including the period of any renewal or extension of this Note. If demand for payment of this Note is made by Lender prior to the full stated term, the total amount of interest contracted for, charged or received to the time of such demand will be spread, prorated or allocated along with any interest thereafter accruing over the full period of time that this Note thereafter remains unpaid for the purpose of determining if such interest exceeds the maximum lawful amount. At maturity (including maturity due to Lender's acceleration of this Note) or on earlier final payment of this Note, Lender will compute the total amount of interest that has been contracted for, charged or received by Lender or payable by Borrower under this Note and compare such amount to the maximum lawful amount that could have been contracted for, charged or received by Lender. If such computation reflects that the total amount of interest that has been contracted for, charged or received by Lender or payable by Borrower exceeds the maximum lawful amount, then Lender will apply such excess to the reduction of the principal balance and not to the payment of interest; or if such excess interest exceeds the unpaid balance, such excess will be refunded to Borrower. This provision concerning the crediting or refunding of excess interest will control and take precedence over all other agreements between Borrower and Lender, including without limitation, this Note, so that under no circumstances will the total interest contracted for, charged or received by Lender exceed the maximum lawful rate or the maximum lawful amount.

10. **Partners' Cure Rights:**

Lender hereby agrees that, if Borrower is a limited partnership, any partner of Borrower may, but will not be obligated to, cure any default, event of default and/or Event of Default by Borrower hereunder, and for the purposes hereof such curative actions will be considered the actions of Borrower.

11. **Nonrecourse:**

Neither Borrower nor the direct and indirect equity owners of Borrower, including without limitation Borrower's general and limited partners, shareholders, members and/or venturers (collectively, the "**Borrower Parties**"), will assume or be held to any personal liability for the payment of the amounts due under, or evidenced or secured by, this Note, or for the performance or the breach of any of the other obligations, covenants, representations, and warranties of Borrower. Upon any Event of Default, Lender's sole recourse will be limited to such collateral as may then be held by Lender, and Lender will take no personal or direct action against Borrower or any of the Borrower Parties.

12. **Miscellaneous:**

a. When the context requires, singular nouns and pronouns include the plural.

b. This Note is binding upon and will inure to the benefit of Borrower and Lender and their respective successors and assigns.

c. This Note may only be amended by a written agreement executed by Borrower and Lender.

d. All notices demands, requests or other communications required or permitted to be given pursuant to the provisions of this Note will be in writing and will be considered properly given if (i) mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested, (ii) by depositing same with a reputable private courier service for next business day delivery, (iii) by delivering same in person to the intended addressee, or (iv) sent via facsimile with confirmation of delivery. All notices, demands and requests will be effective upon such personal delivery, or one (1) business day after being deposited with the private courier service, or three (3) business days after deposit in the custody of the U.S. Postal Service. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given as herein required will be deemed to be receipt of the notice, demand or request sent. For purposes of notice, the parties' addresses are set forth on the first (1st) page of this Note. Any party has the right to change its address for notice hereunder to any other location within the continental United States by the giving of twenty (20) days' notice to the other party in the manner set forth herein.

e. THIS NOTE WILL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PRINCIPALS OR RULES. IF ANY PROVISION OF THIS NOTE IS DETERMINED TO BE ILLEGAL OR UNENFORCEABLE, ALL OTHER TERMS AND PROVISIONS HEREOF WILL NEVERTHELESS REMAIN EFFECTIVE AND WILL BE ENFORCED TO THE FULLEST EXTENT PERMITTED BY LAW. JURISDICTION AND VENUE FOR ANY CLAIM UNDER THIS NOTE WILL BE EXCLUSIVELY IN THE STATE AND FEDERAL COURTS WITH LOCAL JURISDICTION IN AUSTIN, TEXAS.

f. Lender represents and warrants that the Loan is not funded, in whole or in part, from the proceeds of tax exempt bonds.

13. **Event of Default:**

As used herein, the term "**Event of Default**" includes the following:

- a. Monetary. Any failure in the payment of any installment in accordance with the terms hereof, and such failure continues for a period of thirty (30) days after the date due.
- b. Non-Monetary.
 - (i) Borrower's failure to perform or its breach of any of the covenants or obligations herein contained, and such continues for thirty (30) days after written notice thereof is delivered by Lender to Borrower; provided, however, if the default is not of the type that can be cured in said 30-day period, Borrower will have such additional time as is necessary to cure such default provided Borrower is using commercially reasonable efforts to do so.
 - (ii) Borrower: (A) files (as debtor) or has filed against it, a petition for the appointment of a receiver or for bankruptcy or insolvency, (B) becomes or is adjudicated insolvent or bankrupt or admits in writing the inability to pay debts as they mature, (C) petitions or applies to any tribunal for or consents to or does not contest the appointment of a receiver, trustee, custodian or similar officer for Borrower or for any principal or general partner of Borrower or for a substantial part of the assets of Borrower, or (D) commences any case, proceeding or other action under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect. In any involuntary proceeding Borrower will have ninety (90) days to have such matter dismissed.

NOTICE. THIS NOTE AND ALL OF THE OTHER LOAN DOCUMENTS CONSTITUTE A WRITTEN LOAN AGREEMENT THAT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES RELATING TO THIS NOTE AND THE INDEBTEDNESS EVIDENCED HEREBY.

[Signature page follows]

EXECUTED to be effective as of the date first written above.

BORROWER: **HOUSING FIRST OAK SPRINGS, LP,**
a Texas limited partnership

By: Housing First Oak Springs GP, LLC,
a Texas limited liability company,
its general partner

By: Integral Care,
its sole member

By: _____
Name: David Evans
Title: Manager

EXHIBIT A

Lot A, Resubdivision of Tract 2, Oak Springs Subdivision, an addition in the City of Austin, Travis County, Texas, according to the map or plat thereof, recorded in Book 19, Page 57, Plat Records of Travis County, Texas (the "Land")

VII. Discuss and Take Appropriate Action to Approve Construction Contractor for Tenant Finish-Out at 1700 S. Lamar, Suite 332

Donna Spencer

Background:

The Center issued a Request for Proposal (RFP) for the Construction of Suite 332 at 1700 S. Lamar on July 5, 2017. The RFP closed July 31, 2017.

Advertisements were placed in the Austin American Statesman, The Villager, and La Prensa and notices were sent to the minority chambers of commerce. The RFP was also posted on the electronic state business daily and the Integral Care website.

Current Status:

There were five (5) proposals received in response to the RFP. Proposals were reviewed and evaluated by the Director of Facilities and the architectural team of BSA Life Structures.

Recommendation:

Staff recommends awarding a contract for the construction of 1700 S. Lamar, Suite 332 to DKC Construction.

VIII. Update on Resource Development

Ellen Richards
Jodie Eldridge

FOUNDATION	STAGE	AMOUNT	INITIATIVE
Bank of America Charitable Foundation	AWARDED	\$10,000.00	HCC/HFOS
Lola Wright Foundation	AWARDED	\$150,000.00	HFOS Capital
Alice Kleberg Reynolds Foundation	PENDING	\$50,000.00	HFOS Capital
Dougherty Foundation	PENDING	\$20,000.00	HFOS Capital
Home Depot Foundation	PENDING	\$100,000.00	HFOS Capital
Lola Wright Foundation	REMAINING PLEDGE	\$100,000.00	HFOS Capital
Paul & Debbie Trylko	PLEDGED	\$3,000.00	HFOS Capital
Rachael & Ben Vaughan Foundation LOI	PENDING	\$20,000.00	HFOS Capital
Rathgeber Challenge Grant	PENDING	\$1,000,000.00	HFOS Capital
Religious Coalition to Assist the Homeless	BOARD PRESENTATION 8/22	\$10,000.00	HFOS Capital
Shield-Ayres Foundation LOI	PENDING	\$20,000.00	HFOS Capital
Tingari-Silverton Foundation	PENDING	\$25,000.00	HCC
SAMHSA	PENDING	\$2,000,000.00	Zero Suicide Initiative
St. David's Foundation	IN DEVELOPMENT	TBD	MHFA
National Council for Behavioral Health	AWARDED	Training Activities	Chronic Disease Management
New Milestones Foundation	PLEDGED	\$5,000.00	Central Texas African American Conference Support

TOTAL \$3,348,000.00

Foundation for Excellence in Mental Health Care	DECLINED	\$100,000.00	Supportive Employment
Aetna Foundation	DECLINED	\$100,000.00	Healthy Behaviors for Community First! Village
Albert & Margaret Alkek Foundation	DECLINED	\$50,000.00	HFOS
Austin Board of Realtors Foundation	DECLINED	\$25,000.00	HFOS Capital

TOTAL \$275,000.00

IX. Announcements

X. New Business

- **Identify Consent/Non-Consent Agenda Items**
 - **Consent: Item III, VI, VII**
 - **Non-Consent: Items IV, V**

XI. Citizens' Comments