



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, July 24, 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 May 22, 2017** – pages 1-6
- III. Discuss and Take Appropriate Action on Cash & Investment Reports – May, 2017 and June, 2017** (Weden) – pages 7-9; 16-18
- 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)** (Weden, Thompson) – pages 10-15; 19-28
- 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** (Spencer) – pages 29-30
- VI. Discuss and Take Appropriate Action on the Approval of the Financial Audit Firm for FY 2017** (Weden) - pages 31-43
- VII. Discuss and Take Appropriate Action on the Approval of DVISD Funding to Subsidize Salaries for Four Additional Therapists in Del Valle ISD** (Simmons, S. Spencer) – pages 44-52
- VIII. Update on Fiscal Year 2017 Business Plan** (Weden) – Verbal Report – page 53
 - a. (Notebook for Board Members)
- IX. Update on Transformation 1115 Waiver** – (Weden, Macakiage) – pages 54-59
- X. Update on New Milestones Foundation** (Irwin) – pages 60-71
- XI. Update & Discussion on Dashboard Financial Metrics** (Baker) – pages 72-77
- XII. Announcements** – page 78

XIII. New Business – page 79

- a. Identify Consent/Non-Consent Agenda Items
- b. Proposed Budget Work Session

XIV. Citizens' Comments (Presentations are limited to 3 minutes) – page 80

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FINANCE COMMITTEE MINUTES

DATE: May 22, 2017
TIME: 12:00 p.m.
PLACE: 1430 Collier St. – Board Room
Austin, Texas 78704

MEMBERS PRESENT: Tom Young, Robert Chapa, Vince Torres (via phone), Luanne Southern

GUESTS PRESENT: Valerie Hamstra and Jeff Kloc of Arthur J. Gallagher & Co.

Center staff were in attendance.

The meeting was called to order by Mr. Young at 12:00 p.m. He introduced the newest Board member, Luanne Southern.

I. CITIZENS' COMMENTS

None.

II. APPROVAL OF FINANCE COMMITTEE MINUTES

No changes were noted to the minutes of the April 24, 2017 meeting. They stand approved as submitted.

III. DISCUSS AND TAKE APPROPRIATE ACTION ON INTEGRAL CARE'S EMPLOYEE HEALTH CARE BENEFIT RECOMMENDATIONS FOR FY 2018

Mr. Chapa made a motion to recommend to the Board the acceptance of the employee health care benefit recommendations for FY 2018.

Mr. Young seconded.

Ms. Buie reviewed the benefit information on pages 4-10 including: Benefit Plan Renewal, Health Plan Renewal Stats, Current and Renewal Plans and Rates. She stated that the medical plan is the only plan up for renewal, with a decrease in premiums for FY 2018. All other plans are on a rate guarantee. Discussion followed.

All were in favor. Motion carried.

IV. DISCUSS AND TAKE APPROPRIATE ACTION ON CASH & INVESTMENT REPORT FOR APRIL, 2017

Mr. Young made a motion to recommend to the Board the acceptance of the Cash and Investment Report for April, 2017.

Mr. Chapa seconded.

Mr. Weden reviewed the Cash and Investment Report for April, 2017 stating the interest earned in 4/2017 was \$9,804 and total market and book value at end of month was \$26,096,301. 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.

V. DISCUSS AND TAKE APPROPRIATE ACTION ON FINANCIAL STATEMENTS AND AMENDMENTS (IF APPLICABLE) FOR THE PERIOD ENDING APRIL 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 period ending April 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), and Capital Projects (Schedule C4). Discussion followed.

All were in favor. Motion carried.

VI. DISCUSS AND TAKE APPROPRIATE ACTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND/OR THEIR DESIGNEE(S) TO HAVE EXPRESS AUTHORITY TO ACT FOR OR ON BEHALF OF INTEGRAL CARE IN MATTERS RELATING TO INTEGRAL CARE PHARMACY

Mr. Young made a motion to recommend to the Board the authorization for the CEO, CFO, and/or their designee(s) to have express authority to act for or on behalf of Integral Care in matters relating to Integral Care pharmacy.

Mr. Chapa seconded.

Mr. Weden stated that Integral Care Pharmacy is a closed door pharmacy which can only fill prescriptions for consumers of Integral Care. As part of the continuing process of advancing the pharmacy, it is prudent to designate which individuals outside of the day-to-day direct operations of the pharmacy, have express authority to act for or on behalf of Integral Care in matters relating to Integral Care Pharmacy. Such authorization is prudent as some potential contracts regarding the pharmacy request identification of individuals who have been expressly granted the authority to act for or on behalf of the pharmacy.

Staff recommends the Board authorize the Chief Executive Officer, Chief Financial Officer and/or their designee(s) to have express authority to act for or on behalf of Integral Care in matters relating to Integral Care Pharmacy. Discussion followed.

All were in favor. Motion carried.

VII. DISCUSS AND TAKE APPROPRIATE ACTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER AND/OR HIS DESIGNEE TO ENTER INTO CONTRACTS TO ENROLL IN MULTIPLE PHARMACY NETWORKS

Mr. Young made a motion to recommend to the Board the authorization for the CEO and/or his designee to enter into contracts to enroll in multiple pharmacy networks.

Mr. Chapa seconded.

Mr. Weden stated that Integral Care's Pharmacy is a closed door pharmacy which can only fill prescriptions for consumers of Integral Care. As part of the continuing process of advancing the pharmacy, Integral Care is in the process of completing applications to enroll in pharmacy networks for filling of prescriptions through various insurance plans.

Current contracts being considered include: Texas Medicaid & Healthcare Partnership, Prime Therapeutics, CVS/Caremark, MedImpact, Optum Rx, Express Scripts, National Pharmaceutical Services, Humana, ScriptSave Discount Card Program, Argus EFT, Caremark, Cigna, Envision Rx Options. Discussion followed.

All were in favor. Motion carried.

VIII. DISCUSS AND TAKE APPROPRIATE ACTION AUTHORIZING APPROVAL FOR THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER AND/OR HIS DESIGNEE TO SIGN THE HEALTH AND HUMAN SERVICES LOCAL MENTAL HEALTH AUTHORITY CONTRACT FOR FY 2018

Mr. Chapa made a motion to recommend to the Board authorizing approval for the Board Chair and Chief Executive Officer and/or his designee to sign the Health and Human Services Local Mental Health Authority Contract for FY 2018.

Mr. Young seconded.

Mr. Weden stated that this item is usually brought to the Board at the August meeting. However, HHSC will have a contract blackout period for the month of June and HHSC needs approval before this period. Discussion followed.

All were in favor. Motion carried.

IX. DISCUSS AND TAKE APPROPRIATE ACTION AUTHORIZING APPROVAL FOR THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER AND/OR HIS DESIGNEE TO SIGN THE HEALTH AND HUMAN SERVICES LOCAL INTELLECTUAL AND DEVELOPMENTAL DISABILITY AUTHORITY CONTRACT FOR FY 2018

Mr. Chapa made a motion to recommend to the Board authorizing approval for the Board Chair and Chief Executive Officer and/or his designee to sign the Health and Human Services Local Intellectual and Developmental Disability Authority Contract for FY 2018.

Mr. Young seconded.

Mr. Weden stated that this item is usually brought to the Board at the August meeting. However, HHSC will have a contract blackout period for the month of June and HHSC needs approval before this period. Discussion followed.

All were in favor. Motion carried.

X. DISCUSS AND TAKE APPROPRIATE ACTION TO APPROVE SUSPENDING THE JUNE FINANCE COMMITTEE MEETING DUE TO ANNUAL TEXAS COUNCIL CONFERENCE TO BE HELD JUNE 28TH – 30TH IN GALVESTON

Mr. Young made a motion to approve suspending the June Finance Committee Meeting due to the annual Texas Council Conference in June.

Mr. Chapa seconded.

Mr. Weden stated that the full Board and P&O meetings will not be held in June due to the conference. He recommends also suspending the Finance Committee. The next meeting will be July 24th. Discussion followed.

All were in favor. Motion carried.

XI. UPDATE ON RESOURCE DEVELOPMENT

Ms. Richards reviewed the information found in the “Resource Development Quarterly Report – Q3”. She discussed each Foundation; what phase they are in, i.e. awarded, pending, in development, or applied; the amount requested; and which initiative it was for, i.e. Healthy Community Collaborative, Housing First Oak Springs, Peer-Assisted Supportive Employment, Healthy Behaviors for Community First! Village. Discussion followed.

XII. MIS REPORT

As the new IT Director, Mr. Ball gave some background information about himself. He then reviewed the information in the packet, stating there were 19 ongoing MIS projects he was reporting on this month. He reviewed the following information for each: MIS Project Name, Potential/Desired Benefits, Detail, Next Steps, and Status/Notes. Discussion followed.

XIII. ANNOUNCEMENTS

- Mr. Weden reported that the HUD program fiscal review is ongoing this week.
- He also stated that although we haven’t received the final report yet, last month there was an HHSC fiscal review on the main performance contract.

XIV. NEW BUSINESS

- Non-Consent: Item V
- Consent: Item: III, IV, VI, VII, VIII, IX, X

XV . CITIZENS' COMMENTS

None.

There being no further business, the meeting adjourned at 12:45 p.m.

Tom Young, Chair
Finance Committee

Date

Libby Worsham

Libby Worsham,
Executive Assistant



CASH AND INVESTMENT REPORT


For the month ended May 31, 2017


<u>Cash and Cash Equivalents</u>	<u>Investments Market Value</u>	<u>Investments Book Value</u>	<u>Percentage of Portfolio</u>	<u>Monthly Interest</u>	<u>Interest Rates</u>	<u>Stated Maturity Term</u>	<u>Average Days to Maturity</u>
Chase Bank of Texas							
Deposit Account	15,861,260	15,861,260	56.47%	3,611	0.35%	1	1
Frost Bank							
Deposit Account	9,998,563	9,998,563	35.60%	6,191	0.81%	1	1
Short-term Investments:							
TexPool Fund - Operating	1,915,756	1,915,756	6.82%	1,250	0.77%	1	1
TexPool Fund - Midelburg Trust	312,051	312,051	1.11%	204	0.77%	1	1
Totals and Averages, current month	<u>28,087,631</u>	<u>28,087,631</u>	<u>100.00%</u>	<u>17,446</u>	<u>0.55%</u>	<u>1</u>	<u>1</u>
Totals and Averages, previous month	\$ 26,096,301	\$ 26,096,301	100.00%	\$ 9,804	0.50%	1	1
Totals and Averages, previous year	\$ 21,359,700	\$ 21,359,700	100.00%	5,261	0.35%	10	2

Benchmark: 90-day T-bill rate at 5/31/17 - 0.89%

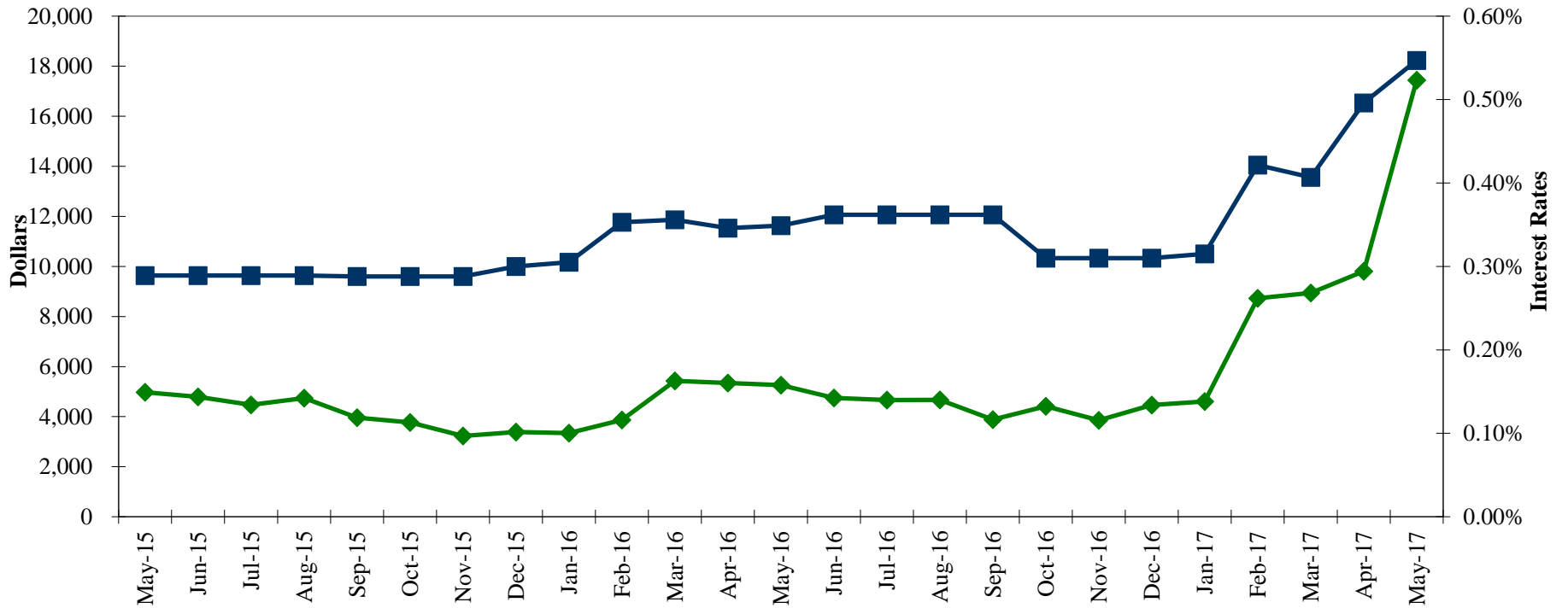
This report is in full compliance with the investment policy as established for the Investment Portfolio, the Public Funds Investment Act (Chapter 2256.023 and Generally Accepted Accounting Principles (GAAP).

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

 6/15/17
 David A. Weden, CAO/CFO

 6/15/17
 Mark Watson, Director of Accounting

Interest Rates and Earnings Comparison



Interest Rate
Earnings

May'15
0.29%
4,975

May'16
0.35%
5,261

May'17
0.55%
17,446



LIST OF SECURITIES

For the month ended May 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	15,861,260	0.35%		1
<u>Frost Bank</u>					
Frost Bank Depository Account	2/1/2017	9,998,563	0.81%		1
<u>Short-term Investments:</u>					
TexPool Fund - Operating	6/1/2007	1,915,756	0.77%		1
TexPool Fund - Midelburg Trust	6/1/2007	312,051	0.77%		1
Total		<u>\$ 28,087,631</u>	<u>0.55%</u>		<u>1</u>



Integral Care
Financial Summary Period Ending May 31, 2017

	Sub-Total				Total
	Operations	Waiver	Waiver	Capital Projects	
Total Annual Budget - Current	\$ 75,585,183	\$ 17,378,996	\$ 92,964,179	\$ 26,352,978	\$ 119,317,157
Total Annual Budget - Original	\$ 74,299,518	\$ 17,313,179	\$ 91,612,697	\$ 26,352,978	\$ 117,965,675
Total Budget Amendments	\$ 1,285,665	\$ 65,817	\$ 1,351,482	\$ -	\$ 1,351,482
Year-to-Date (YTD) Net	\$ 204,725	\$ 1,005,886	\$ 1,210,612	\$ (1,248,684)	\$ (38,072)
Year-to-Date Planned Fund Balance Exp	\$ (228,455)		\$ (228,455)	\$ (1,233,237)	\$ (1,461,692)
Year-to-Date Net (without FB planned loss)	\$ 433,181	\$ 1,005,886	\$ 1,439,067	\$ (15,447)	\$ 1,423,620

Note: Settlement on outstanding FFS claims and Interest late claims pmt, \$71,354

Notes:

- 1) Included in budget are reserves, DSHS Adult (\$83,699) and Child (\$79,266) Reserve
\$ 162,965

	Fund Balance Category	2016 Ending Fund Balance	FY2017 YTD Net Operations	FY2017 YTD Fund Balance	Fund Balance Days of Operation
2) Fund Balance	Operations	\$ 9,854,862	\$ (775,106)	\$ 9,079,756	\$ 9,079,756
	Midelberg	6,653	-	\$ 6,653	
	Waiver	6,673,245	1,005,886	\$ 7,679,131	\$ 7,679,131
	Sale of NLJ/Purchase Renovation 1165 Airport	4,281,431	(268,852)	\$ 4,012,579	
	Total Fund Balance	\$ 20,816,191	\$ (38,072)	\$ 20,778,119	\$ 16,758,887

2017 Fund Balance Budget	Annual Budget	Used to Date	Budget Balance
Unrestricted:			
IT Project Plan Future EMR	\$ (1,000,000)	\$ (118,887)	\$ (881,113)
Collier Facility Roof Replacement	(600,000)	-	(600,000)
The Herman Center Facility Construction	(659,139)	(845,497)	186,358
Early Child Intervention (ECI) Program	(137,478)	(72,211)	(65,267)
Unallowable Type Expenses (recurring type expenses)	(150,000)	(156,244)	6,244
Total Unrestricted Fund Balance Budget	\$ (2,546,617)	\$ (1,192,840)	\$ (1,353,777)
Waiver Fund Balance Contribution Budget (Profit)	417,761		417,761
FY2017 Unrestricted & Waiver Fund Balance Budget	\$ (2,128,856)	\$ (1,192,840)	\$ (936,016)
Airport Facility Renovation (restricted sale of NLJ Property)	(4,500,000)	(268,852)	(4,231,148)
Total FY2017 Amended Fund Balance Budget	\$ (6,628,856)	\$ (1,461,692)	\$ (5,167,164)

Total Unrestricted / Waiver FB	\$ 16,758,887
FY17 Fund Balance Budget	(936,016)
FY2017 YTD Adj Fund Balance	\$ 15,822,871
YTD Average Operations Expense	\$ 225,463
YTD Unrestricted Days of Operation	70

3) **Capital Projects Include:**

	Budget	YTD Revenue	YTD Expense	YTD Net
IT Project Plan Future EMR	\$ 1,000,000	\$ -	\$ 118,887	\$ (118,887)
Collier Facility Roof Replacement	600,000	-	-	-
The Herman Center Facility Construction	4,331,821	2,549,096	3,394,593	(845,497)
HCC Oaksprings Facility	15,921,157	1,451,896	1,451,896	-
Airport Facility Renovation	4,500,000	-	268,852	(268,852)
S. Lamar New Lease Build-Out	-	-	15,447	(15,447)
Total Capital Projects	\$ 26,352,978	\$ 4,000,992	\$ 5,249,676	\$ (1,248,684)



Integral Care
As of 05/31/2017

	Beginning Balance 9/01/2016	Prior Period Balance 4/30/2017	Current Period Balance 5/31/2017	Notes	Current Period % Change	Year To Date % Change
Schedule N2 Balance Sheet Gen. Op. Fund						
Assets						
Current Assets						
Cash	\$ 17,689,459	\$ 26,102,090	\$ 28,093,320		7.63%	58.81%
Accounts Receivable	16,032,605	12,787,750	8,458,309	(1)	(33.86%)	(47.24%)
Deposits and Prepays	599,366	450,725	463,596		2.86%	(22.65%)
Inventory	0	0	0			
Total Current Assets	\$ 34,321,430	\$ 39,340,565	\$ 37,015,226		(5.91%)	7.85%
Noncurrent Assets						
Investment in Tejas	\$ -	\$ -	\$ -			
Investment in NMF	128,649	128,649	128,649		0.00%	0.00%
Investment in Housing First Oak Springs	0	0	0			
Total Noncurrent Assets	\$ 128,649	\$ 128,649	\$ 128,649		0.00%	0.00%
Total Assets	\$ 34,450,079	\$ 39,469,214	\$ 37,143,875		(5.89%)	7.82%
Liabilities						
Current Liabilities						
Interfund Payables	\$ 436,571	\$ 403,431	\$ 436,429		8.18%	(0.03%)
Accounts Payable	4,480,801	1,546,022	1,639,497	(2)	6.05%	(63.41%)
Deferred Revenue	4,631,854	13,130,945	10,465,404	(3)	(20.30%)	125.94%
Fringe Payables	2,506,735	1,607,110	2,106,492		31.07%	(15.97%)
Total Current Liabilities	\$ 12,055,961	\$ 16,687,509	\$ 14,647,822		(12.22%)	21.50%
Noncurrent Liabilities						
Accrued Compensated Absences	\$ 1,577,927	\$ 1,729,495	\$ 1,717,933		(0.67%)	8.87%
Total Noncurrent Liabilities	\$ 1,577,927	\$ 1,729,495	\$ 1,717,933		(0.67%)	8.87%
Total Liabilities	\$ 13,633,888	\$ 18,417,003	\$ 16,365,756		(11.14%)	20.04%
Fund Equity						
Fund Balance - Operations						
Fund Balance - Operations	\$ 9,861,515	\$ 9,861,515	\$ 9,861,515		0.00%	0.00%
Net Income - Operations	0	296,474	204,725		(30.95%)	
Net Income - Capital Projects (excluding Airport)	0	(765,735)	(979,832)		27.96%	
Total Fund Balance - Operations	\$ 9,861,515	\$ 9,392,254	\$ 9,086,409	(4)	(3.26%)	(7.86%)
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	0	921,473	1,005,886		9.16%	
Total Fund Balance - 1115 Waiver	\$ 6,673,245	\$ 7,594,719	\$ 7,679,132	(5)	1.11%	15.07%
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	0	(216,193)	(268,852)		24.36%	
Total Fund Balance - Airport Building Capital Project	\$ 4,281,431	\$ 4,065,239	\$ 4,012,579	(6)	(1.30%)	(6.28%)
Total Fund Equity	\$ 20,816,192	\$ 21,052,211	\$ 20,778,119		(1.30%)	(0.18%)
Total Liabilities and Fund Equity	\$ 34,450,079	\$ 39,469,214	\$ 37,143,875		(5.89%)	7.82%



Integral Care
From 5/01/2017 Through 5/31/2017

Schedule C1 - Combined	Budget			Current Month			Percent	
	Original Budget	Revisions	Revised Budget	Actual	YTD Actual	YTD Budget	YTD Variance	Variance
REVENUES								
Local Funds								
City of Austin	\$ 8,101,521	\$ (224,501)	\$ 7,877,020	\$ 596,645	\$ 3,225,394	\$ 5,907,789	\$ (2,682,395)	(45.40%)
Travis County	5,454,161	476,008	5,930,169	323,169	3,627,392	4,447,638	(820,246)	(18.44%)
Central Health	10,085,269	-	10,085,269	678,684	6,706,139	7,563,951	(857,812)	(11.34%)
Other Local	19,522,655	235,103	19,757,758	309,106	4,902,399	14,818,347	(9,915,948)	(66.92%)
Total Local Funds	\$ 43,163,606	\$ 486,610	\$ 43,650,216	\$ 1,907,604	\$ 18,461,324	\$ 32,737,725	\$ (14,276,401)	(43.61%)
State Funds								
DSHS Mental Health	\$ 27,473,901	\$ 323,210	\$ 27,797,111	\$ 2,077,639	\$ 19,632,412	\$ 20,847,888	\$ (1,215,476)	(5.83%)
DSHS Substance Abuse	2,420,402	(191,031)	2,229,371	201,474	1,716,543	1,672,038	44,505	2.66%
DADS	4,226,581	169,957	4,396,538	331,861	2,916,263	3,297,438	(381,175)	(11.56%)
TCOOMMI	1,821,958	39,884	1,861,842	110,264	1,266,630	1,396,377	(129,747)	(9.29%)
DARS (Early Childhood Intervention)	636,610	-	636,610	57,583	485,166	477,459	7,707	1.61%
Other State	351,286	(96,808)	254,478	7,888	164,913	190,854	(25,941)	(13.59%)
Total State Funds	\$ 36,930,738	\$ 245,212	\$ 37,175,950	\$ 2,786,709	\$ 26,181,928	\$ 27,882,054	\$ (1,700,126)	(6.10%)
Federal Funds								
Medicare/Medicaid/HMO	\$ 10,738,243	\$ 382,498	\$ 11,120,741	\$ 917,871	\$ 7,613,560	\$ 8,340,552	\$ (726,992)	(8.72%)
HCS/Tx Hm Lvg Waiver	297,273	-	297,273	23,984	182,868	222,957	(40,089)	(17.98%)
Other Federal	3,747,123	125,000	3,872,123	307,168	2,527,561	2,904,093	(376,532)	(12.97%)
Total Federal Funds	\$ 14,782,639	\$ 507,498	\$ 15,290,137	\$ 1,249,023	\$ 10,323,990	\$ 11,467,602	\$ (1,143,612)	(9.97%)
Waiver Funds								
1115 Waiver	\$ 16,571,998	\$ -	\$ 16,571,998	\$ 1,258,794	\$ 11,795,292	\$ 12,428,991	\$ (633,699)	(5.10%)
Total Waiver Funds	\$ 16,571,998	\$ -	\$ 16,571,998	\$ 1,258,794	\$ 11,795,292	\$ 12,428,991	\$ (633,699)	(5.10%)
Total REVENUES	\$ 111,448,981	\$ 1,239,320	\$ 112,688,301	\$ 7,202,130	\$ 66,762,533	\$ 84,516,372	\$ (17,753,839)	(21.01%)
EXPENDITURES								
Operating expenditures								
Salaries	\$ 46,222,643	\$ 526,434	\$ 46,749,077	\$ 3,644,873	\$ 32,126,522	\$ 35,061,921	\$ 2,935,399	8.37%
Fringe benefits	12,844,427	(24,620)	12,819,807	931,173	8,118,868	9,615,186	1,496,318	15.56%
Travel/Workshop	892,265	56,794	949,059	85,789	664,363	711,936	47,573	6.68%
Prescription Drugs & Medicine	1,857,310	(38,767)	1,818,543	25,616	351,567	1,363,941	1,012,374	74.22%
Consumable Supplies	282,159	16,676	298,835	31,955	224,018	224,244	226	0.10%
Contracts & Consultants	21,586,868	339,810	21,926,678	1,605,483	14,177,596	16,445,007	2,267,411	13.79%
Capital Outlay	23,259,798	100	23,259,898	196,123	3,487,408	17,444,925	13,957,517	80.01%
Furniture & Equipment	1,063,383	61,915	1,125,298	84,701	836,476	844,137	7,661	0.91%
Facility/Telephone/Utility	5,199,584	212,781	5,412,365	481,050	4,080,768	4,059,666	(21,102)	(0.52%)
Insurance Costs	310,529	1,166	311,695	24,985	222,650	233,793	11,143	4.77%
Transportation Costs	120,270	-	120,270	6,794	59,804	90,207	30,403	33.70%
Professional Fees	651,427	-	651,427	117,443	756,145	488,547	(267,598)	(54.77%)
Other Operating Costs	2,442,398	63,285	2,505,683	78,180	580,220	1,879,281	1,299,061	69.13%
Client Support Costs	1,232,614	135,908	1,368,522	162,060	1,114,638	1,026,468	(88,170)	(8.59%)
Total Operating expenditures	\$ 117,965,675	\$ 1,351,482	\$ 119,317,157	\$ 7,476,226	\$ 66,801,042	\$ 89,489,259	\$ 22,688,217	25.35%
Total EXPENDITURES	\$ 117,965,675	\$ 1,351,482	\$ 119,317,157	\$ 7,476,226	\$ 66,801,042	\$ 89,489,259	\$ 22,688,217	25.35%
Total Gain/Loss Operating before FB	\$ (6,516,694)	\$ (112,162)	\$ (6,628,856)	\$ (274,096)	\$ (38,509)	\$ (4,972,887)	\$ 4,934,378	(99.23%)
Fund Balance								
Fund Balance	\$ 6,516,694	\$ 112,162	\$ 6,628,856	\$ 4	\$ 437	\$ 4,971,645	\$ (4,971,208)	(99.99%)
Total Fund Balance	\$ 6,516,694	\$ 112,162	\$ 6,628,856	\$ 4	\$ 437	\$ 4,971,645	\$ (4,971,208)	(99.99%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ (274,092)	\$ (38,072)	\$ (1,242)	\$ (36,830)	



Integral Care
From 5/01/2017 Through 5/31/2017

Schedule C2 - Operations	Original	Budget	Current Month				Notes	Percent Variance
	Budget	Revisions	Revised Budget	Actual	YTD Actual	YTD Budget		
REVENUES								
Local Funds								
City of Austin	\$ 5,101,521	\$ (224,501)	\$ 4,877,020	\$ 596,645	\$ 3,225,394	\$ 3,657,789	\$ (432,395)	(11.82%)
Travis County	5,454,161	476,008	5,930,169	323,169	3,627,392	4,447,638	(820,246)	(18.44%)
Central Health	10,085,269	-	10,085,269	678,684	6,706,139	7,563,951	(857,812)	(11.34%)
Other Local	3,061,625	363,600	3,425,225	301,850	2,313,041	2,568,933	(255,892)	(9.96%)
Total Local Funds	\$ 23,702,576	\$ 615,107	\$ 24,317,683	\$ 1,900,349	\$ 15,871,965	\$ 18,238,311	\$ (2,366,346)	(12.97%)
State Funds								
DSHS Mental Health	\$ 25,394,036	\$ 323,210	\$ 25,717,246	\$ 2,040,576	\$ 18,180,517	\$ 19,287,990	\$ (1,107,473)	(5.74%)
DSHS Substance Abuse	2,420,402	(191,031)	2,229,371	201,474	1,716,543	1,672,038	44,505	2.66%
DADS	4,226,581	169,957	4,396,538	331,861	2,916,263	3,297,438	(381,175)	(11.56%)
TCOOMMI	1,821,958	39,884	1,861,842	110,264	1,266,630	1,396,377	(129,747)	(9.29%)
DARS (Early Childhood Intervention)	636,610	-	636,610	57,583	485,166	477,459	7,707	1.61%
Other State	351,286	(96,808)	254,478	7,888	164,913	190,854	(25,941)	(13.59%)
Total State Funds	\$ 34,850,873	\$ 245,212	\$ 35,096,085	\$ 2,749,647	\$ 24,730,032	\$ 26,322,156	\$ (1,592,124)	(6.05%)
Federal Funds								
Medicare/Medicaid/HMO	\$ 9,373,702	\$ 254,001	\$ 9,627,703	\$ 787,725	\$ 6,571,583	\$ 7,220,772	\$ (649,189)	(8.99%)
HCS/Tx Hm Lvg Waiver	297,273	-	297,273	23,984	182,868	222,957	(40,089)	(17.98%)
Other Federal	3,747,123	125,000	3,872,123	307,168	2,527,561	2,904,093	(376,532)	(12.97%)
Total Federal Funds	\$ 13,418,098	\$ 379,001	\$ 13,797,099	\$ 1,118,877	\$ 9,282,013	\$ 10,347,822	\$ (1,065,809)	(10.30%)
Waiver Funds								
1115 Waiver	\$ 2,040,493	\$ 46,345	\$ 2,086,838	\$ 104,889	\$ 1,426,267	\$ 1,565,127	\$ (138,860)	(8.87%)
Total Waiver Funds	\$ 2,040,493	\$ 46,345	\$ 2,086,838	\$ 104,889	\$ 1,426,267	\$ 1,565,127	\$ (138,860)	8.87%
Total REVENUES	\$ 74,012,040	\$ 1,285,665	\$ 75,297,705	\$ 5,873,761	\$ 51,310,277	\$ 56,473,416	\$ (5,163,139)	(9.14%)
EXPENDITURES								
Operating expenditures								
Salaries	\$ 36,708,192	\$ 320,378	\$ 37,028,570	\$ 2,928,882	\$ 25,636,590	\$ 27,771,516	\$ 2,134,926	7.69%
Fringe benefits	10,273,827	(22,220)	10,251,607	751,735	6,515,757	7,689,042	1,173,285	15.26%
Travel/Workshop	716,647	56,794	773,441	64,288	559,844	580,212	20,368	3.51%
Prescription Drugs & Medicine	446,567	(38,767)	407,800	18,930	306,766	305,874	(892)	(0.29%)
Consumable Supplies	237,512	16,676	254,188	26,853	188,079	190,728	2,649	1.39%
Contracts & Consultants	18,152,171	476,242	18,628,413	1,427,510	11,914,815	13,971,303	2,056,488	14.72%
Capital Outlay	111,362	100	111,462	1,127	49,656	83,601	33,945	40.60%
Furniture & Equipment	838,310	63,322	901,632	71,438	665,109	676,368	11,259	1.66%
Facility/Telephone/Utility	4,232,434	212,781	4,445,215	393,722	3,281,751	3,334,203	52,452	1.57%
Insurance Costs	244,544	1,166	245,710	20,059	180,254	184,293	4,039	2.19%
Transportation Costs	100,150	-	100,150	5,466	47,090	75,105	28,015	37.30%
Professional Fees	182,480	-	182,480	26,619	139,832	136,836	(2,996)	(2.19%)
Other Operating Costs	888,598	63,285	951,883	68,729	522,046	713,934	191,888	26.88%
Client Support Costs	1,166,724	135,908	1,302,632	160,155	1,098,400	977,040	(121,360)	(12.42%)
Total Operating expenditures	\$ 74,299,518	\$ 1,285,665	\$ 75,585,183	\$ 5,965,514	\$ 51,105,989	\$ 56,690,055	\$ 5,584,066	9.85%
Total EXPENDITURES	\$ 74,299,518	\$ 1,285,665	\$ 75,585,183	\$ 5,965,514	\$ 51,105,989	\$ 56,690,055	\$ 5,584,066	9.85%
Total Gain/Loss Operating before FB	\$ (287,478)	\$ -	\$ (287,478)	\$ (91,753)	\$ 204,288	\$ (216,639)	\$ 420,927	(194.30%)
Fund Balance								
Fund Balance	\$ 287,478	\$ -	\$ 287,478	\$ 4	\$ 437	\$ 215,613	\$ (215,176)	(99.80%)
Total Fund Balance	\$ 287,478	\$ -	\$ 287,478	\$ 4	\$ 437	\$ 215,613	\$ (215,176)	(99.80%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ (91,749)	\$ 204,725	\$ (1,026)	\$ 205,751	



Integral Care
From 5/01/2017 Through 5/31/2017

Schedule C3 - Waiver	Original	Budget	Current Month				Percent	
	Budget	Revisions	Revised Budget	Actual	YTD Actual	YTD Budget	YTD Variance	Variance
REVENUES								
Local Funds								
Other Local	\$ 1,947,056	\$ (128,497)	\$ 1,818,559	\$ 7,255	\$ 40,263	\$ 1,363,932	\$ (1,323,669)	(97.05%)
Total Local Funds	\$ 1,947,056	\$ (128,497)	\$ 1,818,559	\$ 7,255	\$ 40,263	\$ 1,363,932	\$ (1,323,669)	(97.05%)
Federal Funds								
Medicare/Medicaid/HMO	1,364,541	128,497	1,493,038	130,146	1,041,977	1,119,780	(77,803)	(6.95%)
Total Federal Funds	\$ 1,364,541	\$ 128,497	\$ 1,493,038	\$ 130,146	\$ 1,041,977	\$ 1,119,780	\$ (77,803)	(6.95%)
Waiver Funds								
1115 Waiver	14,531,505	(46,345)	14,485,160	1,153,905	10,369,025	10,863,864	(494,839)	(4.55%)
Total Waiver Funds	\$ 14,531,505	\$ (46,345)	\$ 14,485,160	\$ 1,153,905	\$ 10,369,025	\$ 10,863,864	\$ (494,839)	(4.55%)
Total REVENUES	\$ 17,843,102	\$ (46,345)	\$ 17,796,757	\$ 1,291,306	\$ 11,451,264	\$ 13,347,576	\$ (1,896,312)	(14.21%)
EXPENDITURES								
Operating expenditures								
Salaries	\$ 9,514,451	\$ 206,056	\$ 9,720,507	\$ 715,991	\$ 6,489,932	\$ 7,290,405	\$ 800,473	10.98%
Fringe benefits	2,570,600	(2,400)	2,568,200	179,438	1,603,110	1,926,144	323,034	16.77%
Travel/Workshop	175,618	-	175,618	21,501	104,519	131,724	27,205	20.65%
Prescription Drugs & Medicine	1,410,743	-	1,410,743	6,686	44,801	1,058,067	1,013,266	95.77%
Consumable Supplies	44,647	-	44,647	5,102	35,939	33,516	(2,423)	(7.23%)
Contracts & Consultants	2,161,170	(136,432)	2,024,738	172,754	1,177,968	1,518,561	340,594	22.43%
Furniture & Equipment	225,073	(1,407)	223,666	13,263	169,996	167,769	(2,227)	(1.33%)
Facility/Telephone/Utility	967,150	-	967,150	74,510	690,698	725,463	34,765	4.79%
Insurance Costs	65,985	-	65,985	4,926	42,396	49,500	7,104	14.35%
Transportation Costs	20,120	-	20,120	1,328	12,715	15,102	2,387	15.81%
Professional Fees	237	-	237	38	77	180	103	57.24%
Other Operating Costs	91,495	-	91,495	9,452	56,989	68,616	11,627	16.94%
Client Support Costs	65,890	-	65,890	1,905	16,238	49,428	33,190	67.15%
Total Operating expenditures	\$ 17,313,179	\$ 65,817	\$ 17,378,996	\$ 1,206,893	\$ 10,445,378	\$ 13,034,475	\$ 2,589,097	19.86%
Total EXPENDITURES	\$ 17,313,179	\$ 65,817	\$ 17,378,996	\$ 1,206,893	\$ 10,445,378	\$ 13,034,475	\$ 2,589,097	19.86%
Total Gain/Loss Operating	529,923	(112,162)	417,761	84,413	1,005,886	313,101	692,785	
Fund Balance								
Fund Balance	\$ (529,923)	\$ 112,162	\$ (417,761)	\$ -	\$ -	\$ (313,317)	\$ 313,317	(100.00%)
Total Fund Balance	\$ (529,923)	\$ 112,162	\$ (417,761)	\$ -	\$ -	\$ (313,317)	\$ 313,317	(100.00%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ 84,413	\$ 1,005,886	\$ (216)	\$ 1,006,102	



Integral Care
From 5/01/2017 Through 5/31/2017

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	\$ -	\$ -	\$ 2,250,000	\$ (2,250,000)	(100.00%)
Other Local	14,513,974	-	14,513,974	-	2,549,096	10,885,482	(8,336,386)	(76.58%)
Total Local Funds	\$ 17,513,974	\$ -	\$ 17,513,974	\$ -	\$ 2,549,096	\$ 13,135,482	\$ (10,586,386)	(80.59%)
State Funds								
DSHS Mental Health	2,079,865	-	2,079,865	37,063	1,451,896	1,559,898	(108,002)	(6.92%)
Total State Funds	\$ 2,079,865	\$ -	\$ 2,079,865	\$ 37,063	\$ 1,451,896	\$ 1,559,898	\$ (108,002)	(6.92%)
Total REVENUES	\$ 19,593,839	\$ -	\$ 19,593,839	\$ 37,063	\$ 4,000,992	\$ 14,695,380	\$ (10,694,388)	(72.77%)
EXPENDITURES								
Operating expenditures								
Contracts & Consultants	\$ 1,273,527	\$ -	\$ 1,273,527	\$ 5,219	\$ 1,084,814	\$ 955,143	\$ (129,671)	(13.58%)
Capital Outlay	23,148,436	-	23,148,436	194,996	3,437,751	17,361,324	13,923,573	80.20%
Furniture & Equipment	-	-	-	-	1,370	-	(1,370)	#DIV/0!
Facility/Telephone/Utility	-	-	-	12,818	108,319	-	(108,319)	0.00%
Professional Fees	468,710	-	468,710	90,786	616,235	351,531	(264,704)	(75.30%)
Other Operating Costs	1,462,305	-	1,462,305	-	1,185	1,096,731	1,095,546	99.89%
Total Operating expenditures	\$ 26,352,978	\$ -	\$ 26,352,978	\$ 303,819	\$ 5,249,676	\$ 19,764,729	\$ 14,515,053	73.44%
Total EXPENDITURES	\$ 26,352,978	\$ -	\$ 26,352,978	\$ 303,819	\$ 5,249,676	\$ 19,764,729	\$ 14,515,053	73.44%
Total Gain/Loss Operating	(6,759,139)	-	(6,759,139)	(266,756)	(1,248,684)	(5,069,349)	3,820,665	
Fund Balance								
Fund Balance	\$ 6,759,139	\$ -	\$ 6,759,139	\$ -	\$ -	\$ 5,069,349	\$ (5,069,349)	(100.00%)
Total Fund Balance	\$ 6,759,139	\$ -	\$ 6,759,139	\$ -	\$ -	\$ 5,069,349	\$ (5,069,349)	(100.00%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ (266,756)	\$ (1,248,684)	\$ -	\$ (1,248,684)	

FUND BALANCE NOTE	Balance	Actual	YTD Actual	to Balance Sheet
FY2017 Renovation Airport Blvd Building	(216,193)	(52,660)	(268,852)	- Fund Balance Airport Building Sale/Purchase/Renovation
FY2017 Capital Projects (excluding Airport Facility)	(765,735)	(214,096)	(979,832)	- Fund Balance Operations
Capital Projects Total	(981,928)	(266,756)	(1,248,684)	



CASH AND INVESTMENT REPORT

For the month ended June 30, 2017

<u>Cash and Cash Equivalents</u>	<u>Investments Market Value</u>	<u>Investments Book Value</u>	<u>Percentage of Portfolio</u>	<u>Monthly Interest</u>	<u>Interest Rates</u>	<u>Stated Maturity Term</u>	<u>Average Days to Maturity</u>
Chase Bank of Texas							
Deposit Account	17,606,063	17,606,063	59.01%	3,427	0.35%	1	1
Frost Bank							
Deposit Account	9,998,563	9,998,563	33.51%	6,657	0.90%	1	1
Short-term Investments:							
TexPool Fund - Operating	1,917,145	1,917,145	6.43%	1,388	0.88%	1	1
TexPool Fund - Midelburg Trust	312,277	312,277	1.05%	226	0.88%	1	1
Totals and Averages, current month	<u>29,834,048</u>	<u>29,834,048</u>	<u>100.00%</u>	<u>18,354</u>	<u>0.57%</u>	<u>1</u>	<u>1</u>
Totals and Averages, previous month	\$ 28,087,631	\$ 28,087,631	100.00%	\$ 17,446	0.55%	1	1
Totals and Averages, previous year	\$ 22,867,957	\$ 22,867,957	100.00%	4,744	0.36%	10	2

Benchmark: 90-day T-bill rate at 6/30/17 - 0.98%

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.

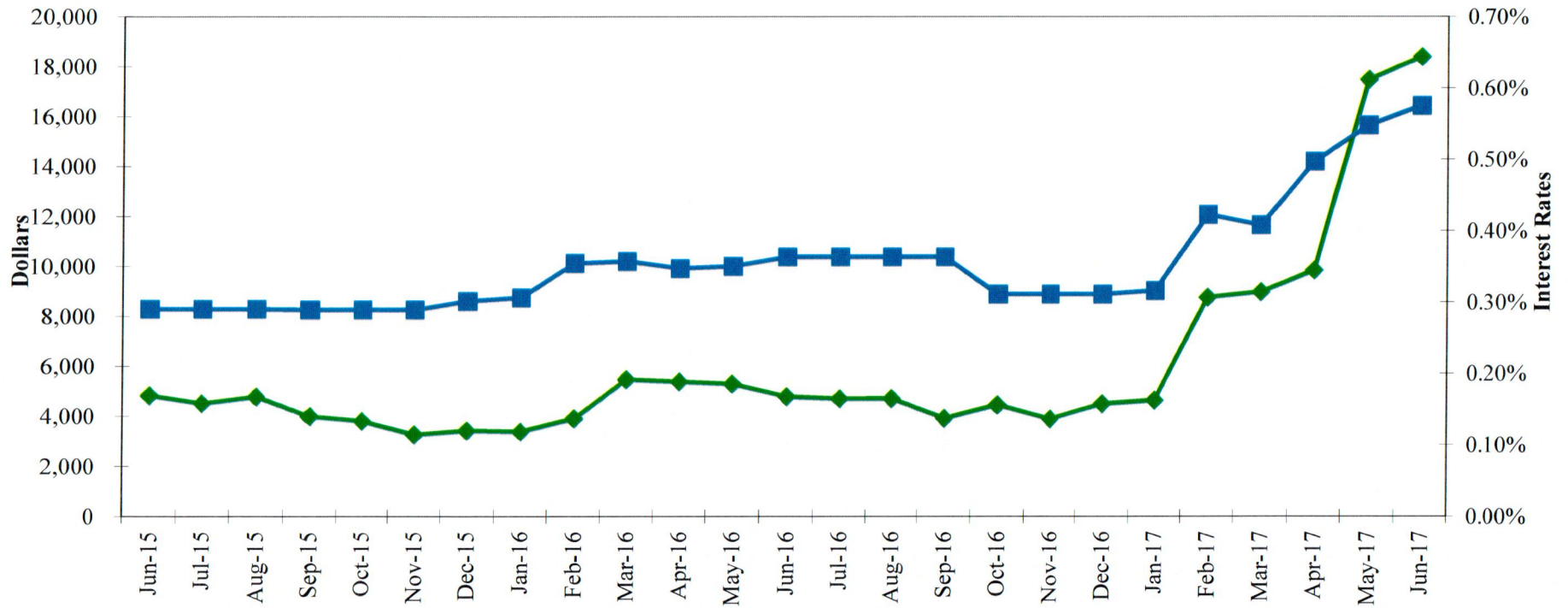

 David A. Weden, CAO/CFO

7/18/17


 Mark Watson, Director of Accounting

7/18/2017

Interest Rates and Earnings Comparison



Interest Rate
Earnings

June'15
0.29%
4,792

June'16
0.36%
4,744

June'17
0.57%
18,354



LIST OF SECURITIES

For the month ended June 30, 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	17,606,063	0.35%		1
<u>Frost Bank</u>					
Frost Bank Depository Account	2/1/2017	9,998,563	0.90%		1
<u>Short-term Investments:</u>					
TexPool Fund - Operating	6/1/2007	1,917,145	0.88%		1
TexPool Fund - Midelburg Trust	6/1/2007	312,277	0.88%		1
Total		<u>\$ 29,834,048</u>	<u>0.57%</u>		<u>1</u>

Integral Care
Financial Summary Period Ending June 30, 2017

	Sub-Total				Total
	Operations	Waiver	Waiver	Capital Projects	
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
Year-to-Date (YTD) Net	\$ 102,774	\$ 1,210,125	\$ 1,312,900	\$ (1,459,167)	\$ (146,268)
Year-to-Date Planned Fund Balance Exp	\$ (239,926)		\$ (239,926)	\$ (1,410,126)	\$ (1,650,052)
Year-to-Date Net (without FB planned loss)	\$ 342,701	\$ 1,210,125	\$ 1,552,826	\$ (49,042)	\$ 1,503,784

Note: Settlement & Interest on outstanding FFS claims and Interest late claims pmt, \$88,048

Notes:

- 1) Included in budget are reserves, DSHS Adult (\$83,699) and Child (\$79,266) Reserve
\$ 162,965

	Fund Balance Category	2016 Ending Fund Balance	FY2017 YTD Net Operations	FY2017 YTD Fund Balance	Fund Balance Days of Operation
2) Fund Balance	Operations	\$ 9,854,862	\$ (1,030,519)	\$ 8,824,343	\$ 8,824,343
	Midelberg	6,653	-	\$ 6,653	
	Waiver	6,673,245	1,210,125	\$ 7,883,370	\$ 7,883,370
	Sale of NLJ/Purchase Renovation 1165 Airport	4,281,431	(325,874)	\$ 3,955,557	
	Total Fund Balance	\$ 20,816,191	\$ (146,268)	\$ 20,669,923	\$ 16,707,713

2017 Fund Balance Budget	Annual Budget	Used to Date	Budget Balance
Unrestricted:			
IT Project Plan Future EMR	\$ (1,000,000)	\$ (133,845)	\$ (866,155)
Collier Facility Roof Replacement	(600,000)	-	(600,000)
The Herman Center Facility Construction	(659,139)	(950,406)	
Early Child Intervention (ECI) Program	(137,478)	(69,137)	(68,341)
Unallowable Type Expenses (recurring type expenses)	(150,000)	(170,789)	
Total Unrestricted Fund Balance Budget	\$ (2,546,617)	\$ (1,324,178)	\$ (1,534,496)
Waiver Fund Balance Contribution Budget (Profit)	417,761		417,761
FY2017 Unrestricted & Waiver Fund Balance Budget	\$ (2,128,856)	\$ (1,324,178)	\$ (1,116,735)
Airport Facility Renovation (restricted sale of NLJ Property)	(4,500,000)	(325,874)	(4,174,126)
Total FY2017 Amended Fund Balance Budget	\$ (6,628,856)	\$ (1,650,052)	\$ (5,290,861)

Total Unrestricted / Waiver FB	\$ 16,707,713
FY17 Fund Balance Budget-Bal	(1,116,735)
FY2017 YTD Adj Fund Balance	\$ 15,590,978
YTD Average Operations Expense	\$ 226,733
YTD Unrestricted Days of Operation	69

3) **Capital Projects Include:**

	Budget	YTD Revenue	YTD Expense	YTD Net
IT Project Plan Future EMR	\$ 1,000,000	\$ -	\$ 133,845	\$ (133,845)
Collier Facility Roof Replacement	600,000	-	-	-
The Herman Center Facility Construction	4,331,821	2,549,096	3,499,502	(950,406)
HCC Oaksprings Facility	15,921,157	1,466,191	1,466,191	-
Airport Facility Renovation	4,500,000	-	325,874	(325,874)
S. Lamar New Lease Build-Out	-	-	49,042	(49,042)
Total Capital Projects	\$ 26,352,978	\$ 4,015,286	\$ 5,474,454	\$ (1,459,167)



Balance Sheet - General Operating Fund - Schedule N2
As of 06/30/2017

	Beginning Balance 9/01/2016	Prior Period Balance 5/31/2017	Current Period Balance 6/30/2017	Notes	Current Period % Change	Year To Date % Change
Schedule N2 Balance Sheet Gen. Op. Fund						
Assets						
Current Assets						
Cash	\$ 17,689,459	\$ 28,093,320	\$ 29,841,597		6.22%	68.70%
Accounts Receivable	16,032,605	8,458,309	6,741,137	(1)	(20.30%)	(57.95%)
Deposits and Prepaids	599,366	463,596	382,671		(17.46%)	(36.15%)
Inventory	0	0	0			
Total Current Assets	\$ 34,321,430	\$ 37,015,226	\$ 36,965,405		(0.13%)	7.70%
Noncurrent Assets						
Investment in Tejas	\$ -	\$ -	\$ -			
Investment in NMF	128,649	128,649	128,649		0.00%	0.00%
Investment in Housing First Oak Springs	0	0	0			
Total Noncurrent Assets	\$ 128,649	\$ 128,649	\$ 128,649		0.00%	0.00%
Total Assets	\$ 34,450,079	\$ 37,143,875	\$ 37,094,054		(0.13%)	7.67%
Liabilities						
Current Liabilities						
Interfund Payables	\$ 436,571	\$ 436,429	\$ 431,690		(1.09%)	(1.12%)
Accounts Payable	4,480,801	1,639,497	1,491,210	(2)	(9.04%)	(66.72%)
Deferred Revenue	4,631,854	10,465,404	10,523,307	(3)	0.55%	127.19%
Fringe Payables	2,506,735	2,106,492	2,202,885		4.58%	(12.12%)
Total Current Liabilities	\$ 12,055,961	\$ 14,647,822	\$ 14,649,091		0.01%	21.51%
Noncurrent Liabilities						
Accrued Compensated Absences	\$ 1,577,927	\$ 1,717,933	\$ 1,775,039		3.32%	12.49%
Total Noncurrent Liabilities	\$ 1,577,927	\$ 1,717,933	\$ 1,775,039		3.32%	12.49%
Total Liabilities	\$ 13,633,888	\$ 16,365,756	\$ 16,424,130		0.36%	20.47%
Fund Equity						
Fund Balance - Operations						
Fund Balance - Operations	\$ 9,861,515	\$ 9,861,515	\$ 9,861,515		0.00%	0.00%
Net Income - Operations	0	204,725	102,774		(49.80%)	
Net Income - Capital Projects (excluding Airport)	0	(979,832)	(1,133,293)		15.66%	
Total Fund Balance - Operations	\$ 9,861,515	\$ 9,086,409	\$ 8,830,996	(4)	(2.81%)	(10.45%)
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	0	1,005,886	1,210,125		20.30%	
Total Fund Balance - 1115 Waiver	\$ 6,673,245	\$ 7,679,132	\$ 7,883,370	(5)	2.66%	18.13%
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	0	(268,852)	(325,874)		21.21%	
Total Fund Balance - Airport Building Capital Project	\$ 4,281,431	\$ 4,012,579	\$ 3,955,557	(6)	(1.42%)	(7.61%)
Total Fund Equity	\$ 20,816,192	\$ 20,778,119	\$ 20,669,924		(0.52%)	(0.70%)
Total Liabilities and Fund Equity	\$ 34,450,079	\$ 37,143,875	\$ 37,094,054		(0.13%)	7.67%

BALANCE SHEET NOTES

Period Ending 6/30/2017

Note 1 Accounts Receivable, \$6,741,137

3rd Party FFS A/R	1,010,768
3rd Party FFS A/R - Allowance	(283,424)
Sub-Total 3rd Party FFS A/R	727,344
Contracts Receivable	4,397,616
Contracts Receivable - Accrued Revenue (DSHS HCC, MAC, etc.)	597,197
Employee Advances - Payroll Pay Period Conversion	469,378
Payroll Accrued Exp - Match Revenue Cost Reimbursement Contracts	387,138
Employee Insurance Receivable	149,746
Rental Operations	12,718
Total Accounts Receivable	6,741,137

Note 2 Accounts Payable, \$1,491,210:

Accrued Accounts Payable (mainly Contract Provider Exp and DSHS/DADS 2016 unspent cost reimb advances)	1,347,741
Other	143,469
Total Accounts Payable	1,491,210

Note 3 Deferred Revenue, \$10,523,307:

Waiver Funds	2,977,494
DSHS	2,539,758
St. David's EOU, MHFA, OakSprings Construction	1,518,533
DADS	725,153
Central Health	391,626
City of Austin Interlocal	470,768
DSHS Match - Rehab/CM Match	453,353
HCC MATCH (NMF, DACC, Lola Wright)	885,203
All Other	561,418
Total Deferred Revenue	10,523,307

Note 4 Fund Balance Operations, \$8,830,996 (includes Midelberg):

Fund Balance Ending 8/31/2016 (includes operations & Midelberg)	9,861,515
FY2017 YTD Net Operations	102,774
FY2017 Capital Projects Net (excluding Airport Facility)	(1,133,293)
Fund Balance Ending (Operations & Midelberg)	8,830,996

Note 5 Fund Balance Waiver, \$7,883,370:

Fund Balance Ending 8/31/2016	6,673,245
FY2017 YTD Net Waiver	1,210,125
Total Waiver Fund Balance	7,883,370

Note 6 Fund Balance Airport Building Sale/Purchase/Renovation, \$3,955,557:

Fund Balance Ending 8/31/2016	4,281,431
2017 Renovation Airport Building	(325,874)
Total Building Sale/Purchase Fund Balance	3,955,557



Statement of Revenues and Expenditures - Schedule C1 - Combined
From 6/01/2017 Through 6/30/2017

Schedule C1 - Combined	Budget			Current Month			Percent Variance
	Original Budget	Revisions	Revised Budget	Actual	YTD Actual	YTD Budget	
REVENUES							
Local Funds							
City of Austin	\$ 8,101,521	\$ 17,853	\$ 8,119,374	\$ 519,482	\$ 3,744,876	\$ 6,766,180	\$ (3,021,304) (44.65%)
Travis County	5,454,161	476,008	5,930,169	372,966	4,000,436	4,941,820	(941,384) (19.05%)
Central Health	10,085,269	-	10,085,269	923,664	7,629,803	8,404,390	(774,587) (9.22%)
Other Local	19,522,655	235,103	19,757,758	448,560	5,350,959	16,464,830	(11,113,871) (67.50%)
Total Local Funds	\$ 43,163,606	\$ 728,964	\$ 43,892,570	\$ 2,264,671	\$ 20,726,073	\$ 36,577,220	\$ (15,851,147) (43.34%)
State Funds							
DSHS Mental Health	\$ 27,473,901	\$ 331,333	\$ 27,805,234	\$ 1,850,269	\$ 21,482,682	\$ 23,171,090	\$ (1,688,408) (7.29%)
DSHS Substance Abuse	2,420,402	(191,031)	2,229,371	196,145	1,912,688	1,857,820	54,868 2.95%
DADS	4,226,581	169,957	4,396,538	332,272	3,248,535	3,663,820	(415,285) (11.33%)
TCOOMMI	1,821,958	39,884	1,861,842	129,834	1,396,464	1,551,530	(155,066) (9.99%)
DARS (Early Childhood Intervention)	636,610	16,714	653,324	61,935	547,101	544,440	2,661 0.49%
Other State	351,286	(96,808)	254,478	7,854	172,767	212,060	(39,293) (18.53%)
Total State Funds	\$ 36,930,738	\$ 270,049	\$ 37,200,787	\$ 2,578,309	\$ 28,760,237	\$ 31,000,760	\$ (2,240,523) (7.23%)
Federal Funds							
Medicare/Medicaid/HMO	\$ 10,738,243	\$ 374,375	\$ 11,112,618	\$ 850,772	\$ 8,464,331	\$ 9,260,510	\$ (796,179) (8.60%)
HCS/Tx Hm Lvng Waiver	297,273	-	297,273	22,466	205,335	247,730	(42,395) (17.11%)
Other Federal	3,747,123	137,960	3,885,083	310,673	2,838,234	3,237,570	(399,336) (12.33%)
Total Federal Funds	\$ 14,782,639	\$ 512,335	\$ 15,294,974	\$ 1,183,911	\$ 11,507,900	\$ 12,745,810	\$ (1,237,910) (9.71%)
Waiver Funds							
1115 Waiver	\$ 16,571,998	\$ -	\$ 16,571,998	\$ 1,238,840	\$ 13,034,132	\$ 13,809,990	\$ (775,858) (5.62%)
Total Waiver Funds	\$ 16,571,998	\$ -	\$ 16,571,998	\$ 1,238,840	\$ 13,034,132	\$ 13,809,990	\$ (775,858) (5.62%)
Total REVENUES	\$ 111,448,981	\$ 1,511,348	\$ 112,960,329	\$ 7,265,731	\$ 74,028,342	\$ 94,133,780	\$ (20,105,438) (21.36%)
EXPENDITURES							
Operating expenditures							
Salaries	\$ 46,222,643	\$ 666,377	\$ 46,889,020	\$ 3,577,951	\$ 35,704,473	\$ 39,074,310	\$ 3,369,837 8.62%
Fringe benefits	12,844,427	(4,321)	12,840,106	899,365	9,018,232	10,700,470	1,682,238 15.72%
Travel/Workshop	892,265	57,461	949,726	79,849	744,212	791,600	47,388 5.99%
Prescription Drugs & Medicine	1,857,310	(38,767)	1,818,543	49,098	400,664	1,515,490	1,114,826 73.56%
Consumable Supplies	282,159	17,343	299,502	30,113	254,131	249,720	(4,411) (1.77%)
Contracts & Consultants	21,586,868	438,150	22,025,018	1,618,420	15,796,016	18,354,190	2,558,174 13.94%
Capital Outlay	23,259,798	2,300	23,262,098	87,362	3,574,770	19,385,080	15,810,310 81.56%
Furniture & Equipment	1,063,383	68,265	1,131,648	148,119	984,595	943,220	(41,375) (4.39%)
Facility/Telephone/Utility	5,199,584	215,873	5,415,457	570,395	4,651,163	4,513,320	(137,843) (3.05%)
Insurance Costs	310,529	1,636	312,165	24,836	247,486	260,160	12,674 4.87%
Transportation Costs	120,270	-	120,270	7,701	67,505	100,230	32,725 32.65%
Professional Fees	651,427	-	651,427	76,646	832,791	542,830	(289,961) (53.42%)
Other Operating Costs	2,442,398	63,285	2,505,683	80,658	660,878	2,088,090	1,427,212 68.35%
Client Support Costs	1,232,614	135,908	1,368,522	123,498	1,238,136	1,140,520	(97,616) (8.56%)
Total Operating expenditures	\$ 117,965,675	\$ 1,623,510	\$ 119,589,185	\$ 7,374,009	\$ 74,175,052	\$ 99,659,230	\$ 25,484,178 25.57%
Total EXPENDITURES	\$ 117,965,675	\$ 1,623,510	\$ 119,589,185	\$ 7,374,009	\$ 74,175,052	\$ 99,659,230	\$ 25,484,178 25.57%
Total Gain/Loss Operating before FB	\$ (6,516,694)	\$ (112,162)	\$ (6,628,856)	\$ (108,278)	\$ (146,709)	\$ (5,525,450)	\$ 5,378,741 (97.34%)
Fund Balance							
Fund Balance	\$ 6,516,694	\$ 112,162	\$ 6,628,856	\$ 5	\$ 442	\$ 5,524,050	\$ (5,523,608) (99.99%)
Total Fund Balance	\$ 6,516,694	\$ 112,162	\$ 6,628,856	\$ 5	\$ 442	\$ 5,524,050	\$ (5,523,608) (99.99%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ (108,274)	\$ (146,268)	\$ (1,400)	\$ (144,868)



Statement of Revenues and Expenditures - Schedule C2 - Operations
From 6/01/2017 Through 6/30/2017

Schedule C2 - Operations	Original	Budget	Current Month				Notes	Percent
	Budget	Revisions	Revised Budget	Actual	YTD Actual	YTD Budget		
REVENUES								
Local Funds								
City of Austin	\$ 5,101,521	\$ 17,853	\$ 5,119,374	\$ 519,482	\$ 3,744,876	\$ 4,266,180	\$ (521,304)	(1) (12.22%)
Travis County	5,454,161	476,008	5,930,169	372,966	4,000,436	4,941,820	(941,384)	(2) (19.05%)
Central Health	10,085,269	-	10,085,269	855,264	7,561,403	8,404,390	(842,987)	(3) (10.03%)
Other Local	3,061,625	363,600	3,425,225	411,380	2,724,421	2,854,370	(129,949)	(4) (4.55%)
Total Local Funds	\$ 23,702,576	\$ 857,461	\$ 24,560,037	\$ 2,159,092	\$ 18,031,135	\$ 20,466,760	\$ (2,435,625)	(11.90%)
State Funds								
DSHS Mental Health	\$ 25,394,036	\$ 331,333	\$ 25,725,369	\$ 1,865,974	\$ 20,046,491	\$ 21,437,870	\$ (1,391,379)	(5) (6.49%)
DSHS Substance Abuse	2,420,402	(191,031)	2,229,371	196,145	1,912,688	1,857,820	54,868	(6) 2.95%
DADS	4,226,581	169,957	4,396,538	332,272	3,248,535	3,663,820	(415,285)	(7) (11.33%)
TCOOMMI	1,821,958	39,884	1,861,842	129,834	1,396,464	1,551,530	(155,066)	(8) (9.99%)
DARS (Early Childhood Intervention)	636,610	16,714	653,324	61,935	547,101	544,440	2,661	0.49%
Other State	351,286	(96,808)	254,478	7,854	172,767	212,060	(39,293)	(18.53%)
Total State Funds	\$ 34,850,873	\$ 270,049	\$ 35,120,922	\$ 2,594,015	\$ 27,324,046	\$ 29,267,540	\$ (1,943,494)	(6.64%)
Federal Funds								
Medicare/Medicaid/HMO	\$ 9,373,702	\$ 245,878	\$ 9,619,580	\$ 736,081	\$ 7,307,664	\$ 8,016,310	\$ (708,646)	(9) (8.84%)
HCS/Tx Hm Lvg Waiver	297,273	-	297,273	22,466	205,335	247,730	(42,395)	(17.11%)
Other Federal	3,747,123	137,960	3,885,083	310,673	2,838,234	3,237,570	(399,336)	(10) (12.33%)
Total Federal Funds	\$ 13,418,098	\$ 383,838	\$ 13,801,936	\$ 1,069,220	\$ 10,351,233	\$ 11,501,610	\$ (1,150,378)	(10.00%)
Waiver Funds								
1115 Waiver	\$ 2,040,493	\$ 46,345	\$ 2,086,838	\$ 97,123	\$ 1,523,390	\$ 1,739,030	\$ (215,640)	(11) (12.40%)
Total Waiver Funds	\$ 2,040,493	\$ 46,345	\$ 2,086,838	\$ 97,123	\$ 1,523,390	\$ 1,739,030	\$ (215,640)	12.40%
Total REVENUES	\$ 74,012,040	\$ 1,557,693	\$ 75,569,733	\$ 5,919,449	\$ 57,229,804	\$ 62,974,940	\$ (5,745,136)	(9.12%)
EXPENDITURES								
Operating expenditures								
Salaries	\$ 36,708,192	\$ 460,321	\$ 37,168,513	\$ 2,887,381	\$ 28,523,971	\$ 30,973,860	\$ 2,449,889	(13) 7.91%
Fringe benefits	10,273,827	(1,921)	10,271,906	732,337	7,248,095	8,560,310	1,312,215	15.33%
Travel/Workshop	716,647	57,461	774,108	65,521	625,365	645,240	19,875	3.08%
Prescription Drugs & Medicine	446,567	(38,767)	407,800	44,456	351,222	339,860	(11,362)	(3.34%)
Consumable Supplies	237,512	17,343	254,855	25,466	213,545	212,480	(1,065)	(0.50%)
Contracts & Consultants	18,152,171	574,582	18,726,753	1,484,232	13,399,047	15,605,630	2,206,583	(14) 14.14%
Capital Outlay	111,362	2,300	113,662	(4,977)	44,679	94,720	50,041	(15) 52.83%
Furniture & Equipment	838,310	69,672	907,982	118,028	783,137	756,810	(26,327)	(3.48%)
Facility/Telephone/Utility	4,232,434	215,873	4,448,307	431,639	3,713,390	3,707,250	(6,140)	(0.17%)
Insurance Costs	244,544	1,636	246,180	20,245	200,499	205,160	4,661	2.27%
Transportation Costs	100,150	-	100,150	5,940	53,029	83,450	30,421	36.45%
Professional Fees	182,480	-	182,480	12,905	152,737	152,040	(697)	(0.46%)
Other Operating Costs	888,598	63,285	951,883	77,837	599,882	793,260	193,378	(16) 24.38%
Client Support Costs	1,166,724	135,908	1,302,632	120,473	1,218,873	1,085,600	(133,273)	(17) (12.28%)
Total Operating expenditures	\$ 74,299,518	\$ 1,557,693	\$ 75,857,211	\$ 6,021,483	\$ 57,127,472	\$ 63,215,670	\$ 6,088,198	9.63%
Total EXPENDITURES	\$ 74,299,518	\$ 1,557,693	\$ 75,857,211	\$ 6,021,483	\$ 57,127,472	\$ 63,215,670	\$ 6,088,198	9.63%
Total Gain/Loss Operating before FB	\$ (287,478)	\$ -	\$ (287,478)	\$ (102,033)	\$ 102,333	\$ (240,730)	\$ 343,063	(142.51%)
Fund Balance								
Fund Balance	\$ 287,478	\$ -	\$ 287,478	\$ 5	\$ 442	\$ 239,570	\$ (239,128)	(12) (99.82%)
Total Fund Balance	\$ 287,478	\$ -	\$ 287,478	\$ 5	\$ 442	\$ 239,570	\$ (239,128)	(99.82%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ (102,029)	\$ 102,774	\$ (1,160)	\$ 103,934	

REVENUE BUDGET VARIANCE NOTES - OPERATIONS

Period Ending 6/30/2017

Note 1: City of Austin - YTD Budget Variance (\$521,304):

City HCC Bond Operations	(\$159,434)
City HOST	(\$182,300)
City Municipal Court	(61,198)
City of Austin ACT (City's 1115 project)	(84,587)
Other (4 cost reimbursement type contracts)	(33,785)
Total City of Austin Budget Variance	(\$521,304)

Note 2: Travis County - YTD Budget Variance (\$941,384):

SAMSO contract	\$94,859
Child System of Care	(163,598)
Travis County - Families With Voice (FWV)	(230,466)
Travis County Correctional Complex	(393,019)
All Other (6 contracts)	(249,160)
Total Travis County Budget Variance	(\$941,384)

Note 3: Central Health - YTD Budget Variance (\$842,987):

In-Patient	(\$857,633)
CommUnity Care- EMERGE Program	14,646
Total Central Health Budget Variance	(\$842,987)

Cost Reimbursement, contract end 9/30 spend DSHS 1st
Anticipate contract increase

Note 4: Other Local - YTD Budget Variance (\$129,949):

St. David's Herman Center (EOU)	(\$880,674)
St. David's Mental Health First Aid	(\$270,550)
Seton In-School	(\$139,365)
Cost Reimbursement - Contra Budget on Est Unearned Contract	669,400
Payroll Accrued Exp - Match Revenue Cost Reimbursement Contracts	387,138
All Other (21 line items)	104,102
Total Other Local Budget Variance	(\$129,949)

Contract recently executed, variance based on ytd months of fiscal year
Cost Reimbursement contracts that may not spend total contract
No Budget

Note 5: DSHS MH - YTD Budget Variance (\$1,391,379):

DSHS - General Revenue Reserve	(\$135,800)
DSHS - In-Patient	(956,059)
DSHS - Resident Program	(58,330)
DSHS - HCC (billing HCS 1st then COA \$600K end of year)	(110,280)
DSHS - All Other, 8 programs	(130,910)
Total DSHS MH Budget Variance	(\$1,391,379)

Note 6: DSHS Substance Abuse - YTD Budget Variance \$54,868:

TRM Contract (OP Clinic, Methadone, Ambulatory Detox)	(300,158)
COPSD	(101,560)
HIV Programs	(80,145)
Opiod Program, Youth Prevention, Money Follows the Person	(102,269)

Budget Reserve (anticipated unearned FFS contract Max)	639,000
Total DSHS Substance Abuse Budget Variance	\$54,868

Note 7: DADS - YTD Budget Variance (\$415,285):

Crisis Respite	32,367
Transitional Support (HUB)	(276,001)
Crisis Intervention Specialist	(93,537)
Enhanced Community Coordination	(41,344)
CLOIP / Enhanced Community Coordination	(40,684)
DADS - All Other,	3,914
Total DADS Budget Variance	(\$415,285)

Note 8: TCOOMMI - YTD Budget Variance (\$155,066):

Adult	(113,390)
Juvenile	(41,676)
Total TCOOMMI Budget Variance	(\$155,066)

Note 9: Medicare/Medicaid/HMO - YTD Budget Variance (\$708,646):

MH - HMO & Medicaid	(\$16,926)
SUD - HMO & Medicaid	20,504
Case Management - HMO & Medicaid	(59,277)
Rehab - HMO & Medicaid	(735,304)
Medicare	(72,544)
IDD Service Coordination	(21,350)
Reserve - Unearned FFS contra budget	176,251
Total Medicare/Medicaid/HMO Budget Variance	(\$708,646)

Note 10: Other Federal - (\$399,336):

VA Safehaven	(99,366)
HUD Lifeworks	(69,849)
HUD Supported Housing	(78,070)
MAC	(90,847)
All Other, 5 programs	(61,204)
Total Other Federal Budget Variance	(\$399,336)

EOU

Note 11: Waiver - (\$215,640):

Waiver in Program Indirect-reserve match expenses Program Indirec	(215,640)
Total Waiver Budget Variance	(\$215,640)

UT medical school collaboration & Admin, will match exp fund bal exp in July financials

Note 12: Fund Balance - (\$239,128):

Total Annual Fund Balance Budget Unallowable \$150,000, no rev, ytd budget is variance	(125,000)
Total Annual Fund Balance Budget ECI \$137,478, no rev, ytd budget is variance	(114,570)
Midelberg Interest Income	442
Total Fund Balance Budget Variance	(\$239,128)

EXPENSE BUDGET VARIANCE NOTES - OPERATIONS
 Period Ending 6/30/2017

	<u>Note 13:</u>	<u>Note 14:</u>	<u>Note 15:</u>	<u>Note 16:</u>	<u>Note 17:</u>
Major Funding Types:	Salaries & Fringe Benefits	Contracts & Consultants	Capital Outlay	Other Operating	Client Support Cost
1.) Cost Reimbursement	2,236,998	2,138,346	57,120	39,740	(22,021)
2.) FFS Contract Max	307,136	(170,895)	-	5,636	(50,747)
3.) DSHS Adult & Child / Housing	395,966	11,562	(695)	8,153	(2,075)
4.) DADS	191,988	97,644	3,000	(3,088)	(2,475)
5.) TxHmLvg	26,670	(6,299)	-	(351)	(1,696)
6.) Program Support & Community Collaboratives	69,519	13,083	(229)	109,790	(54,826)
7.) Admin / Authority	533,827	123,142	(9,155)	33,498	567
Total Expense (over)/under YTD Budget	\$ 3,762,104	\$ 2,206,583	\$ 50,041	\$ 193,378	\$ (133,273)

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 14	Contracts & Consultants - Cost Reimbursement	\$ 2,138,346	DSHS In-Patient \$956K; Central Health \$481K; DSHS HCC \$114K; Travis County Family with Voices \$158K; Travis County System of Care \$253K; Extended Observation Program \$139K; St. David's MHFA \$76K; Community Care (\$128K); All Other 25 programs \$89K under budget
	Contracts & Consultants - FFS Contract Max	\$ (170,895)	YES Waiver (\$188K); 5 Other programs \$17K under budget
	Contracts & Consultants - DADS	\$ 97,644	Respite Out of Home \$126K; 17 Other Programs total \$28K over budget
	Contracts & Consultants - Admin / Auth	\$ 123,142	15 Programs in this category no one program with large variances
Note 15	Capital Outlay - Cost Reimbursement	\$ 57,120	EOU \$70K; Crisis Respite (\$23K); 4 Other Programs \$10K under budget
Note 16	Other Operating - Program Support & Comm	\$ 109,790	9 Programs in this category no one program with large variances
Note 17	Client Support Cost - FFS Contract Max	\$ (50,747)	YES Waiver (\$37K); 3 Other programs (\$14K) over budget
	Client Support Cost - Program Support & Comm	\$ (54,826)	Unallowable Expense unit



Statement of Revenues and Expenditures - Schedule C3 - Waiver
From 6/01/2017 Through 6/30/2017

Schedule C3 - Waiver	Original	Budget	Current Month				Percent	
	Budget	Revisions	Revised Budget	Actual	YTD Actual	YTD Budget	YTD Variance	Variance
REVENUES								
Local Funds								
Central Health	\$ -	\$ -	\$ -	\$ 68,400	\$ 68,400	\$ -	\$ 68,400	0.00%
Other Local	1,947,056	(128,497)	1,818,559	7,179	47,442	1,515,480	(1,468,038)	(96.87%)
Total Local Funds	\$ 1,947,056	\$ (128,497)	\$ 1,818,559	\$ 75,579	\$ 115,842	\$ 1,515,480	\$ (1,399,638)	(92.36%)
Federal Funds								
Medicare/Medicaid/HMO	1,364,541	128,497	1,493,038	114,691	1,156,668	1,244,200	(87,532)	(7.04%)
Total Federal Funds	\$ 1,364,541	\$ 128,497	\$ 1,493,038	\$ 114,691	\$ 1,156,668	\$ 1,244,200	\$ (87,532)	(7.04%)
Waiver Funds								
1115 Waiver	14,531,505	(46,345)	14,485,160	1,141,717	11,510,742	12,070,960	(560,218)	(4.64%)
Total Waiver Funds	\$ 14,531,505	\$ (46,345)	\$ 14,485,160	\$ 1,141,717	\$ 11,510,742	\$ 12,070,960	\$ (560,218)	(4.64%)
Total REVENUES	\$ 17,843,102	\$ (46,345)	\$ 17,796,757	\$ 1,331,987	\$ 12,783,251	\$ 14,830,640	\$ (2,047,389)	(13.81%)
EXPENDITURES								
Operating expenditures								
Salaries	\$ 9,514,451	\$ 206,056	\$ 9,720,507	\$ 690,569	\$ 7,180,501	\$ 8,100,450	\$ 919,949	11.36%
Fringe benefits	2,570,600	(2,400)	2,568,200	167,027	1,770,138	2,140,160	370,022	17.29%
Travel/Workshop	175,618	-	175,618	14,328	118,848	146,360	27,512	18.80%
Prescription Drugs & Medicine	1,410,743	-	1,410,743	4,641	49,442	1,175,630	1,126,188	95.79%
Consumable Supplies	44,647	-	44,647	4,647	40,586	37,240	(3,346)	(8.98%)
Contracts & Consultants	2,161,170	(136,432)	2,024,738	120,597	1,298,565	1,687,290	388,725	23.04%
Furniture & Equipment	225,073	(1,407)	223,666	27,316	197,312	186,410	(10,902)	(5.85%)
Facility/Telephone/Utility	967,150	-	967,150	86,424	777,121	806,070	28,949	3.59%
Insurance Costs	65,985	-	65,985	4,591	46,987	55,000	8,013	14.57%
Transportation Costs	20,120	-	20,120	1,762	14,476	16,780	2,304	13.73%
Professional Fees	237	-	237	-	77	200	123	61.52%
Other Operating Costs	91,495	-	91,495	2,821	59,810	76,240	16,430	21.55%
Client Support Costs	65,890	-	65,890	3,025	19,263	54,920	35,657	64.93%
Total Operating expenditures	\$ 17,313,179	\$ 65,817	\$ 17,378,996	\$ 1,127,748	\$ 11,573,126	\$ 14,482,750	\$ 2,909,624	20.09%
Total EXPENDITURES	\$ 17,313,179	\$ 65,817	\$ 17,378,996	\$ 1,127,748	\$ 11,573,126	\$ 14,482,750	\$ 2,909,624	20.09%
Total Gain/Loss Operating	\$ 529,923	\$ (112,162)	\$ 417,761	\$ 204,239	\$ 1,210,125	\$ 347,890	\$ 862,235	
Fund Balance								
Fund Balance	\$ (529,923)	\$ 112,162	\$ (417,761)	\$ -	\$ -	\$ (348,130)	\$ 348,130	(100.00%)
Total Fund Balance	\$ (529,923)	\$ 112,162	\$ (417,761)	\$ -	\$ -	\$ (348,130)	\$ 348,130	(100.00%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ 204,239	\$ 1,210,125	\$ (240)	\$ 1,210,365	



Statement of Revenues and Expenditures - Schedule C4 - Capital Projects
From 6/01/2017 Through 6/30/2017

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	\$ -	\$ -	\$ 2,500,000	\$ (2,500,000)	(100.00%)
Other Local	14,513,974	-	14,513,974	30,000	2,579,096	12,094,980	(9,515,884)	(78.68%)
Total Local Funds	\$ 17,513,974	\$ -	\$ 17,513,974	\$ 30,000	\$ 2,579,096	\$ 14,594,980	\$ (12,015,884)	(82.33%)
State Funds								
DSHS Mental Health	\$ 2,079,865	\$ -	\$ 2,079,865	\$ (15,705)	\$ 1,436,191	\$ 1,733,220	\$ (297,029)	(17.14%)
Total State Funds	\$ 2,079,865	\$ -	\$ 2,079,865	\$ (15,705)	\$ 1,436,191	\$ 1,733,220	\$ (297,029)	(17.14%)
Total REVENUES	\$ 19,593,839	\$ -	\$ 19,593,839	\$ 14,295	\$ 4,015,286	\$ 16,328,200	\$ (12,312,914)	(75.41%)
EXPENDITURES								
Operating expenditures								
Contracts & Consultants	\$ 1,273,527	\$ -	\$ 1,273,527	\$ 13,591	\$ 1,098,405	\$ 1,061,270	\$ (37,135)	(3.50%)
Capital Outlay	23,148,436	-	23,148,436	92,339	3,530,091	19,290,360	15,760,269	81.70%
Furniture & Equipment	-	-	-	2,775	4,145	-	(4,145)	0.00%
Facility/Telephone/Utility	-	-	-	52,333	160,652	-	(160,652)	0.00%
Professional Fees	468,710	-	468,710	63,741	679,976	390,590	(289,386)	(74.09%)
Other Operating Costs	1,462,305	-	1,462,305	-	1,185	1,218,590	1,217,405	99.90%
Total Operating expenditures	\$ 26,352,978	\$ -	\$ 26,352,978	\$ 224,778	\$ 5,474,454	\$ 21,960,810	\$ 16,486,356	75.07%
Total EXPENDITURES	\$ 26,352,978	\$ -	\$ 26,352,978	\$ 224,778	\$ 5,474,454	\$ 21,960,810	\$ 16,486,356	75.07%
Total Gain/Loss Operating	(6,759,139)	-	(6,759,139)	(210,483)	(1,459,167)	(5,632,610)	4,173,443	
Fund Balance								
Fund Balance	\$ 6,759,139	\$ -	\$ 6,759,139	\$ -	\$ -	\$ 5,632,610	\$ (5,632,610)	(100.00%)
Total Fund Balance	\$ 6,759,139	\$ -	\$ 6,759,139	\$ -	\$ -	\$ 5,632,610	\$ (5,632,610)	(100.00%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ (210,483)	\$ (1,459,167)	\$ -	\$ (1,459,167)	

FUND BALANCE NOTE	Balance	Actual	YTD Actual	to Balance Sheet
FY2017 Renovation Airport Blvd Building	(268,852)	(57,022)	(325,874)	- Fund Balance Airport Building Sale/Purchase/Renovation
FY2017 Capital Projects (excluding Airport Facility)	(979,832)	(153,462)	(1,133,293)	- Fund Balance Operations
Capital Projects Total	(1,248,684)	(210,483)	(1,459,167)	

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

Donna Spencer

Background:

Frost Insurance is 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), a comprehensive insurance program for its members, since 2001.

Current Status:

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.

The Frost Insurance representative will discuss this in more detail.

Recommendation:

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.



VI. Discuss and Take Appropriate Action on the Approval of the Financial Audit Firm for FY 2017

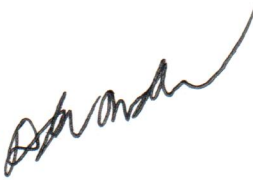
David Weden



MEMORANDUM

Date: July 24, 2017

To: Board of Trustees

From: David Weden, CAO/CFO 

Subject: Recommendation for Approval of the Engagement Letter with R. Mendoza & Company, P.C. for Fiscal Year 2017 Financial Audit

Background: Integral Care released a Request for Qualifications for Audit Services in order to engage a firm to complete the Fiscal Year 2017 Financial Audit.

Current Status: 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.

Recommendation: 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.

msw/2017AuditEngagementLetterMemoForBoard/mendoza

July 12, 2017

Board of Trustees, Austin Travis County Integral Care
David Evans, Chief Executive Officer
ATCIC Robert T. Chapa SR. Building
1430 Collier Street
Austin, Texas 78704

We are pleased to confirm our understanding of the services we are to provide Austin Travis County Integral Care (“ATCIC”) for the year ended August 31, 2017. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of ATCIC as of and for the year ended August 31, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement ATCIC’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to ATCIC’s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

1. Management’s Discussion and Analysis.

We have also been engaged to report on supplementary information other than RSI that accompanies ATCIC’s financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of Expenditures of Federal and State awards.
2. Combining Nonmajor Governmental Funds

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

1. Statistical Section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major federal and state programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major federal and state program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of Texas Single Audit Circular (if required).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance and the State of Texas Single Audit Circular report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, the State of Texas Single Audit Circular; and the current Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers promulgated by the Texas Health and Human Services Commission (THHSC); and will include tests of accounting records, a determination of major program(s) in

accordance with the Uniform Guidance and the State of Texas Single Audit Circular, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Trustees of Austin Travis County Integral Care. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements, schedule of

expenditures of federal and state awards; federal and state award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance and the State of Texas Single Audit Circular, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and the State of Texas Single Audit Circular.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance, and the State of Texas Single Audit Circular.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of ATCIC's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance and the State of Texas Single Audit Circular require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* and the current Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers promulgated by the Texas Health and Human Services Commission for the types of compliance requirements that could

have a direct and material effect on each of ATCIC's major programs. The purpose of these procedures will be to express an opinion on ATCIC's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State of Texas Single Audit Circular.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of ATCIC in conformity with U. S. generally accepted accounting principles, the Uniform Guidance and the State of Texas Single Audit Circular and the current Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers promulgated by the Texas Health and Human Services Commission based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and state awards, and related note services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance and the State of Texas Single Audit Circular, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review on November 10, 2017.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in conformity with the Uniform Guidance and the State of Texas Single Audit Circular. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and the State of Texas Single Audit Circular; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is fairly presented in accordance with the Uniform Guidance and the State of Texas Single Audit Circular; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary

information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period; and (4) you have disclosed to us any significant assumption or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we

are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to ATCIC; however, management is responsible for providing the report to the Texas Health and Human Services Commission by February 1st of the following year. Management is also responsible for providing to any other appropriate governmental agencies with copies of the audit report according to the instructions in the current edition of the Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers promulgated by the Texas Health and Human Services Commission. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of *R. Mendoza & Company, P.C.* and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Texas Health and Human Services Commission Office of Inspector General or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of *R. Mendoza & Company, P.C.* personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the oversight agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on mutual agreed upon dates and to issue our reports no later than January 31, 2018. Rosie Mendoza, CPA is the engagement partner and is responsible for

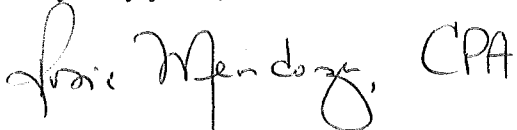
supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$79,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Should the Medicaid Administrative Claiming grant be required to be audited annually as a federal major program, there will be an additional \$4,500 fee added to the gross fee noted above.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2015 peer review report accompanies this letter. There was no letter of comment.

We appreciate the opportunity to be of service to ATCIC and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

A handwritten signature in black ink that reads "Rosie Mendoza, CPA". The signature is written in a cursive style, with the first name "Rosie" and the last name "Mendoza" connected together. The letters "CPA" are written in a simpler, more blocky font to the right of the signature.

Rosie Mendoza, CPA
Managing Shareholder
R. Mendoza & Company, P.C.

Enclosure: Peer Review Report

RESPONSE:

This letter correctly sets forth the understanding of Austin Travis County Integral Care.

Management Signature: _____

Title: CEO

Date: _____

Governance Signature: _____

Title: Board Chair

Date: _____

PS&A Peterson, Scott & Associates, P.C.
Certified Public Accountants

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System Review Report

January 29, 2015

To the Shareholders of R. Mendoza & Company, P.C.
and the Peer Review Committee of the Texas State Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of R. Mendoza & Company, P.C. (the firm) in effect for the year ended July 31, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of R. Mendoza & Company, P.C. in effect for the year ended July 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. R. Mendoza & Company, P.C. has received a peer review rating of *pass*.

Peterson, Scott & Associates, P.C.

Peterson, Scott & Associates, P.C.

VII. Discuss and Take Appropriate Action on the Approval of DVISD Funding to Subsidize Salaries for Four Additional Therapists in Del Valle ISD

Hugh Simmons
Stacy Spencer



**Recommendation to Approve:
DVISD Funding to Subsidize Salaries for 4 therapists in
Del Valle**

Presented by:

**Hugh Simmons, LCSW, Director of Child and Family Services
Stacy Spencer, LCSW, Program Manager Integrated Care in Schools**

Overview

Integral Care currently provides counseling services by four designated therapists and one team lead in 8 schools in Del Valle ISD

Del Valle recognizes the need for counseling at every single school (12 schools plus OC and DAEP)



Contract Information



Integral Care will hire and supervise four QMHPs to provide skills training and case management to two schools each in Del Valle ISD

Funder:	Del Valle ISD
Unit:	652 Integrated Care in Schools
Amount:	\$120,000 total
Dates:	August 2017-July 2018
Renewal:	Possible

Del Valle Snapshot

- Census: 11,278
- Economically disadvantaged: 86.82%
- Square miles in district: 174
- Primary care providers: 1
- Public transport: Extremely limited
- Population change since 2000: 33%

Additional Revenue for Integral Care

- Fee for Service
 - Since 86.82% of youth are economically disadvantaged (the highest among all four districts Integral Care is in), most youth will have Medicaid.

Financial Snapshot: Revenue

Revenue	
DVISD Contract	\$120,000
Fee for service	\$98,714
TOTAL REVENUE	\$218,714

Financial Snapshot: Expenses

Expenses	
Salaries for 4 QMHPs	\$144,020
Benefits (approx. 32%)	\$ 46,086
Mileage	\$1128
Cell phone	\$1680
Additional Expenses (mifi, bilingual stipend, etc)	\$16,000
TOTAL EXPENSES (excluding Start Up)	\$208,914
Start up: Computer equipment	\$8800
Start up: therapeutic supplies	\$1000
TOTAL EXPENSES (including Start up cost)	\$218,714

Questions/Comments

VIII. Update on Fiscal Year 2017 Business Plan (Verbal Report)

David Weden

IX. Update on Transformation 1115 Waiver

David Weden

Kimberly Macakiage



Update on Transformation 1115 Waiver

July 2017
Kim Macakiage; David Weden

DY6 Achievements

- ✓ April DY6 Reporting Approved for July Payment
- ✓ Completed DY5 Myers & Stauffer Review

April DY 6 Reporting Valuation reported as achieved	\$5,259,649.91
Associated IGT (43.82%)	\$2,304,778.60
Federal Funds (56.18%)	\$2,954,871.31

Summary of 1115 Waiver Reporting

Summary of 1115 Waiver Reporting Metric Valuation			
Demonstration Years 1 through 6			
Reporting Date	Total Funds	IGT Amount	Federal Funds
May 13	\$ 3,582,419	\$ 1,458,044	\$ 2,124,374
Aug 13	\$ 3,855,733	\$ 1,592,803	\$ 2,262,930
Oct 13	\$ 13,083,693	\$ 5,404,873	\$ 7,678,819
Apr 14	\$ 3,590,228	\$ 1,483,124	\$ 2,107,104
Oct 14	\$ 18,920,453	\$ 7,937,131	\$ 10,983,322
Apr 15	\$ 4,827,768	\$ 2,025,249	\$ 2,802,519
Oct 15	\$ 29,478,351	\$ 12,637,368	\$ 16,840,983
Apr 16	\$ 232,097	\$ 99,500	\$ 132,597
Oct 16	\$ 28,500,581	\$ 12,488,954	\$ 16,011,627
Apr 17*	\$ 5,259,650	\$ 2,304,779	\$ 2,954,871
Total Metrics Reported Achieved	\$ 111,330,972	\$ 47,431,826	\$ 63,899,146
DY5 Remaining	\$ 1,522,114	\$ 666,990	\$ 855,124
DY6 Remaining	\$ 30,648,356	\$ 13,430,110	\$ 17,218,246
Total Metric Value	\$ 143,501,442	\$ 61,528,926	\$ 81,972,517
*IGT will occur in July 2017			



1115 Waiver Transition Schedule

Schedule	Estimated End Date
HHSC Submits Request for 21 Month Extension to CMS	January 26, 2016
HHSC Publishes Draft DY7-8 Measure Bundle Protocol	June 22, 2017
Integral Care Completes Stakeholder Survey on DRAFT DY7-8 Measure Protocols	July 7, 2017
Central Health Kicks off Stakeholder Community Needs Assessment for RHP 7	July 19-20, 2017
HHSC Submits Draft DY7-8 PFM to CMS including Measure Menu and Payment Protocols	July/August 2017



Change Management in Action!

- ✓ On track to meet DY6 Targets
 - ✓ Closely monitoring metrics while also focusing on transition plans
- ✓ CCBHC planning & implementation
- ✓ Ongoing sustainability efforts
 - ✓ Cost/Benefit studies
 - ✓ Program one-pagers for partner discussions
 - ✓ EMCOT proposal to Travis County
 - ✓ School District support of Integrated Care in Schools
 - ✓ MCO discussions
- ✓ Report programming
 - ✓ Completed test reports for BMI Adults & Children, Depression Remission and Tobacco Cessation
- ✓ Ongoing discussions with partners
 - ✓ Central Health Community Needs Assessment
 - ✓ Psych Stakeholders Crisis System Assessment
 - ✓ Data Evaluation Workgroup, Texas Council



X. Update on New Milestones Foundation

Fran Irwin



Supporting Mental Health
Through Integral Care

New Milestones Foundation Report

July 24, 2017





The 2017 Board of Directors

NMF has added 4 new board members:

Nickie Froiland

Bill Robbins

Stacy Strakowski

Luis R. Valadez



The 2017 NMF Board of Directors

President: Scott Hector, Ph.D.
President-Elect: Rachel Gunner, LCSW, BCD
Past President: Susan Hawkins Sager
Secretary: Neil Diaz

Nickie Froiland	Richard E. Hopkins
Hal Katz	Lynley Prather
Bill Robbins	Matthew Snapp, Ph.D.
Stacy Strakowski	Luis R. Valadez



NMF Board Member Orientation Process

The revised board orientation process includes four parts:

- * New Milestones Foundation Overview
- * Integral Care Overview
- * Integral Care Communications
- * Integral Care Program and Facility Tours



2017 Bridging the Gap Gala

Spotlight on Mental Health:

Lights, Camera, Auction

Old Hollywood Red Carpet Theme

Thursday, November 9, 2017

Hyatt Regency Austin

6:00 p.m. – 9:00 p.m.

Fundraising Target is \$100,000



2017 Bridging the Gap Gala



Keynote Speaker

Sheila Hamilton,

Five-Time Emmy Award Winning

Journalist and Author of

“All the Things We Never Knew”

A story of her family’s mental health crisis and recovery



2017 Bridging the Gap Gala
Honorary Chairs
Lee and Sharon Easter





2017 Bridging the Gap Gala
Master of Ceremonies
Rev. Susan Hawkins Sager



New Milestones Foundation

Formalizing Annual Fundraising Focus

- A work group comprised of NMF Board members, Integral Care Trustees and staff has convened to develop a process for selecting NMF's annual fundraising focus.
- The work group is developing mutually beneficial funding criteria; a method for receiving and reviewing input from Integral Care; internal communication plans and a timeline to coincide with the annual budget process.

New Milestones Foundation

Formalizing Annual Fundraising Focus





**The next New Milestones Board of Director's
meeting is
Tuesday, August 1, 2017.**

XI. Update & Discussion on Dashboard Financial Metrics

Dr. James Baker

Integral Care Board of Directors Dashboard

Data through end-June 2017

Dimension	KPI	Definition	Annual Target Goal	Month Actual	FYTD Actual	Status	Comment
Access	Psychiatric Evaluation Access	Percent of all psychiatric evaluations completed in less than 15 days of request	100%	NA	15%	●	
	IDD Intake Access	Percent of eligibilities evaluations completed in less than 15 days	100%	25%	20%	●	
Efficiency	Budgeted Services Delivered	Percent of Medicaid budget services delivered	100%	92%	89%	●	
	Staff Productivity	Direct service targets reached or exceeded across all divisions, regardless of insurance status of customers	95%	77%	79%	●	
Financial Strength	DSRIP Goal Attainment	Percent of DSRIP metrics achieved at level required for 100% payment	100%	92%	92%	●	
	Medicaid Collections	Percent of Medicaid claims collected at 90 days post billing	95%	97%	97%	●	
Quality	Customer Satisfaction	Percent of customers who are satisfied	95%	96%	97%	●	
	Abuse/Neglect Allegations	Of all customers served, the percent of abuse/neglect allegations filed	<1%	0%	0%	●	
People	Turnover Rate	Turnover of staff, including voluntary and involuntary separations	<20%	23.9%	24.8%	●	NEW
	Vacant Position Fill Rate	Vacant revenue-generating positions filled within 60 days of posting	100%	N/A	74%	●	NEW

Integral Care Planning and Operations Committee Dashboard Report through June 2017

Dimension	KPI	Definition	Annual Target Goal	Month Actual	FYTD Actual	Status	Comment
Access	Psychiatric Evaluation Access	Percent of all psychiatric evaluations completed in less than 15 days of request	100%	NA	15%	●	
	Adult Psychiatric Evaluation Access	Percent of all adult psychiatric evaluations completed in less than 15 days of request	100%	21%	20%	●	
	Child Psychiatric Evaluation Access	Percent of all child psychiatric evaluations completed in less than 15 days of request	100%	<1%	1%	●	
	IDD intake Access	Percent of eligibilities evaluations completed in less than 15 days	100%	25%	20%	●	
Efficiency	Budgeted Services Delivered	Percent of Medicaid budget services delivered	100%	92%	89%	●	
	Staff Productivity	Direct service targets reached or exceeded across all divisions, regardless of insurance status of customers	95%	77%	79%	●	NEW
Financial Strength	DSRIP Goal Attainment	Percent of DSRIP metrics achieved at level required for 100% payment	100%	92%	92%	●	
	Medicaid Collections	Percent of Medicaid claims collected at 90 days post billing	95%	97%	97%	●	
Quality	Customer Satisfaction	Percent of customers who are satisfied	95%	96%	97%	●	
	Abuse/Neglect Allegations	Of all customers served, the percent of abuse/neglect allegations filed	<1%	0%	0%	●	
People	Turnover Rate	Turnover of staff, including voluntary and involuntary separations	<20%	24%	25%	●	NEW
	Vacant Position Fill Rate	Vacant revenue-generating positions filled within 60 days of posting	100%	55%	74%	●	

Integral Care Finance Committee Dashboard Report through June 2017

Dimension	KPI	Definition	Annual Target Goal	Month Actual	FYTD Actual	Status	Comment
Access	Psychiatric Evaluation Access	Percent of all psychiatric evaluations completed in less than 15 days of request	100%	12%	15%	●	
Efficiency	Budgeted Services Delivered	Percent of Medicaid budget services delivered	100%	89%	88%	●	
	Staff Productivity	Direct service targets reached or exceeded across all divisions, regardless of insurance status of customers	95%	77%	79%	●	NEW
Financial Strength	DSRIP Goal Attainment	Percent of DSRIP metrics achieved at level required for 100% payment	100%	92%	92%	●	
	Medicaid Collections	Percent of Medicaid claims collected at 90 days post billing	95%	97%	97%	●	
	Timely Medicaid Billing	Percent of Medicaid services billed in under 7 days from service delivery	100%	90%	86%	●	
	Appropriate Reserves	Days of unrestricted fund balance	60 days	69	70	●	
	Financial Penalties	Total dollars paid in financial penalties	<\$25,000	\$3000	\$3000	●	
Quality	Customer Satisfaction	Percent of customers who are satisfied	95%	97%	96%	●	
	Abuse/Neglect Allegations	Of all customers served, the percent of abuse/neglect allegations filed	<1%	0%	0%	●	
People	Turnover Rate	Turnover of staff, including voluntary and involuntary separations	<20%	24%	25%	●	NEW
	Vacant Position Fill Rate	Vacant revenue-generating positions filled within 60 days of posting	100%	55%	74%	●	NEW

Integral Care EMT Dashboard Report for June, 2017

Dimension	KPI	Definition	Annual Target Goal	Month Actual	FYTD Actual	Status	Comment
Access	Psychiatric Evaluation Access	Percent of all psychiatric evaluations completed in less than 15 days of request	100%	12%	15%	●	
	Adult Psychiatric Evaluation Access	Percent of all adult psychiatric evaluations completed in less than 15 days of request	100%	21%	20%	●	
	Child Psychiatric Evaluation Access	Percent of all child psychiatric evaluations completed in less than 15 days of request	100%	1%	<1%	●	
	IDD Intake Access	Percent of eligibilities evaluations completed in less than 15 days	100%	25%	20%	●	
	State Hospital Bed Allocation	Percent of state hospital bed allocation used	<100%	158%	161%	●	
	Acute care availability	Percent of Emergency Department wait times under 4 hours	100%	75%	91%	●	
Efficiency	Budgeted Services Delivered	Percent of Medicaid budget services delivered	100%	91%	92%	●	
	MH Budgeted Services Delivered	Percent of MH Medicaid budget services delivered	100%	95%	89%	●	
	IDD Budgeted Services Delivered	Percent of IDD Medicaid budget services delivered	100%	92%	90%	●	
	Staff Productivity	Direct service targets reached or exceeded across all divisions, regardless of insurance status of customers	95%	77%	79%	●	NEW
	MD/Advance Nurse/PA Productivity	Direct service targets combined across all MH programs for MD/APN/PA, regardless of insurance status of customers	95%	70%	76%	●	NEW
	MH non- medical Staff Productivity	Direct service targets combined across all MH programs for all positions except MD/APN/PA, regardless of insurance status of customers	95%	77%	76%	●	NEW

	IDD Staff Productivity	Direct servicetargets combined across all IDD programs, regardless of insurance status of customers	95%	82%	90%	●	
Financial Strength	DSRIP Goal Attainment	Percent of DSRIP metrics achieved at level required for 100% payment	100%	92%	92%	●	
	Medicaid Collections	Percent of Medicaid claims collected at 90 days post billing	95%	97%	97%	●	
	TimelyMedicaid Billing	Percent of Medicaid services billed in under 7 days from service delivery	100%	82%	86%	●	
	Appropriate Reserves	Days of unrestricted fund balance	60days	N/A	68	●	
	Financial Penalties	Total dollars paid in financial penalties	<\$25,000	\$3000	\$3000	●	
	ClaimsDenial Rate	Rate of claims denied by third- party payers	<5%	6%	5%	●	NEW
Quality	Customer Satisfaction	Percent of customers who are satisfied	95%	97%	96%	●	
	Abuse/Neglect Allegations	Of all customers served, the percent of abuse/neglect allegations filed	<1%	0%	0%	●	
	DSHSContract Targets Met	Percent of DSHS withhold targets achieved	100%	100%	100%	●	
People	TurnoverRate	Turnover of staff, including voluntary and involuntary separations	<20%	24%	25%	●	NEW
	VacantPosition FillRate	Vacant revenue-generating positions filled within 60 days of posting	100%	55%	74%	●	NEW

XII. Announcements

XIII. New Business

- Identify Consent/Non-Consent Agenda Items
 - Consent: Items III, V, VI, VII
 - Non-Consent: Item IV
- Date for FY 2018 Budget Work Session

2017 AUGUST						
SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10 Proposed Budget Work Session	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28 Finance Meeting	29	30	31 Board Meeting		

XIV. Citizens' Comments