

**Finance Committee
Meeting Highlights
September 13, 2016**

JUNE 2016 FINANCIAL REPORT

Rhonda Pellicano, *Finance and Administration Director*, presented to the Committee the June 2016 Financial Report. The Financial Report for June 2016 covers the time period of July 1, 2015 through June 30, 2016. For Fiscal Year 2016, revenues of \$37,255,187 are \$3,159,634 or 9.27% more than FY 2015. Expenses of \$34,703,808 are \$1,660,818 or 5.03% more than FY 2015. The net revenue of \$2,551,379 is \$1,498,816 or 142.4% more than FY 2015.

The Committee unanimously approved a motion recommending the Board approve the June 2016 Financial Report as presented by staff.

JUNE 2016 FINANCIAL TREND REPORT

Rhonda Pellicano, *Finance and Administration Director*, presented to the Committee year-to-date revenue and expense trends in each of the major program areas for Fiscal Years 2014 to 2016. She indicated inter-department transfers and capital projects are not included in the report. The report provided graphs for the individuals served, revenue, expenses, and net revenue.

A motion by the Committee recommending the Board approve the June 2016 Financial Trend Report as presented by staff was unanimously approved.

JUNE 2016 INVESTMENT REPORT

Rhonda Pellicano, *Finance and Administration Director*, presented to the Committee a Summary of Cash and Investments by Depository for the month of June 2016.

Total investments through June 30, 2016 were \$20,450,125. This amount is \$3,301,603.95 or 19% more than the previous month. A total of \$20,420,263.67 is deposited at Union Bank & Trust and \$29,861.15 in the Local Government Investment Pool (LGIP).

Mrs. Pellicano attributed the increase in investments to RACSB receiving additional regional State General Funds for Discharge Assistance (DAP) and Local Inpatient Purchase of Service (LIPOS) at the end of FY 2016. In addition, she noted that RACSB inadvertently received State General Funds totaling \$1.1 million that was earmarked by DBHDS for distribution to Region Ten Community Services Board.

The Committee unanimously approved a motion recommending the Board approve the June [t](#)

JUNE 2016 REIMBURSEMENT REPORT

Rhonda Pellicano, *Finance and Administration Director*, presented to the Committee a report of fee collections for June 2016.

Total reimbursements through June 30, 2016 were \$23,791,548. This amount is \$1,236,659 or 6.83% more than June 30, 2015. Through June 2016, fee collections were at 98% of budget. Outstanding claims totaled \$3,821,276 as of June 30, 2016.

A motion by the Committee recommending the Board approve the June 2016 Reimbursement Report as presented by staff was unanimously approved.

JUNE 2016 OPEB TRUST FUND REPORT

Rhonda Pellicano, *Finance and Administration Director*, presented to the Committee the Other Post-Employment Benefits (OPEB) Report for June 2016.

The June OPEB cost value is 1,033,033.63 which is \$78,413.63 or 0.08% more than the total investments of \$954,620. As of June 30, 2016 the market value is \$1,473,688.79 or \$519,068.79 (54%) more than total investments. The market value variance increased by \$87,959.72 or 6% during June 2016.

The Committee unanimously approved a motion recommending the Board approve the June 2016 OPEB Trust Fund Report as presented by staff.

FOURTH QUARTER FY 2016 OPEB TRUST FUND REVIEW

Rhonda Pellicano, *Finance and Administration Director*, presented to the Committee the Fourth Quarter FY 2016 OPEB Trust Fund Performance Review, which highlights the performance of the portfolios that make up the trust fund.

For the fourth quarter, Portfolio I returned 2.16%. The year-to-date performance is -0.22% compared to the benchmark of -0.44%

A motion by the Committee recommending the Board approve Fourth Quarter FY 2016 OPEB Trust Fund Performance Review as presented by staff.

JUNE 2016 HEALTH INSURANCE ACCOUNT REPORT

Rhonda Pellicano, *Finance and Administration Director*, presented to the Committee information regarding the account established to track premium contributions and claims payments through the partially self-insured health insurance plan that RACSB adopted on July 1, 2009. Since that time, monthly deposits have been made based on the premiums for each health insurance plan. Anthem Blue Cross Blue Shield debits the account each month for administration and claims expenses.

As of June 30, 2016, the account balance totaled \$1,398,617.03 The year-to-date premiums deposited into the account totaled \$2,965,778.29.

Jack Rowley (Stafford County) suggested reducing the monthly premium amount to lower the cash reserve. **Executive Director Ron Branscome** said that staff would reduce the amount deposited for the account beginning with the October 2016 payment.

The Committee unanimously approved a motion recommending the Board approve the June 2016 Health Insurance Account Report as presented by staff.

JUNE 2016 CERTIFIED COMMUNITY BEHAVIORAL HEALTH CENTER MONTHLY REPORT

Rhonda Pellicano, *Finance and Administration Director*, presented to the Committee the Certified Community Behavioral Health Center (CCBHC) Report for June 2016. She reminded the Committee that the Department of Behavioral Health and Developmental Services requires

Community Services Boards participating in the CCBHC planning grant submit a monthly report of revenues and expenses.

As of June 30, 2016, RACSB reported state and federal fund revenues of \$122,850 and expenses of \$21,911 related to the CCBHC planning grant. The expenses incurred are for staff time and travel to the planning meetings.

Jane Yaun, *Deputy Executive Director*, said remaining funds will be used for a data management subscription which will help develop internal dashboards. The funds will also provide a consultant through MTM to assist RACSB in implementing Same Day Access. A motion by the Committee recommending the Board approve the June 2016 Certified Community Behavioral Health Center Report as presented by staff was unanimously approved.

BANK RESOLUTIONS

Rhonda Pellicano, *Finance and Administration Director*, presented to the Committee a memo requesting approval of updated Corporate Banking Resolutions with Union Bank for five (5) RACSB bank accounts that replaced FY 2016 Board Officers with the FY 2017 Officers as signatories on the accounts.

Linda Ball (Spotsylvania County) would replace **Matthew Zurasky (Stafford County)** as Chairperson; **Debra Draper (King George County)** would replace Linda Ball as Vice Chairperson; and **Jack Rowley (Stafford County)** would replace **Warren Samuel (Caroline County)** as Secretary.

The Committee unanimously approved a motion recommending the Board approve the updated Corporate Bank Resolutions and Account Agreements as presented by staff.

FISCAL YEAR 2016 PART C FISCAL REPORT

Rhonda Pellicano, *Finance and Administration Director*, presented to the Committee a report detailing the revenue and expenses for the three program areas of the Part C System.

Expenses for the year were \$1,737,571.21, leaving a balance of \$524,034.92. During FY 2016, Part C programs provided services to 817 infants and toddlers and processed 587 referrals. A motion by the Committee recommending the Board approve the FY 2016 Part C Fiscal Report as presented by staff was unanimously approved.

FISCAL YEAR 2016 ANNUAL AUDIT

Rhonda Pellicano, *Finance and Administration Director*, presented to the Committee a request to hire Robinson, Farmer, Cox Associates, LLC to perform the annual audit for the Rappahannock Area Community Services Board, Rappahannock Community Services, Inc. and Rappahannock Adult Activities, Inc. The audit would cost \$17,500 for RACSB; \$4,350 for Rappahannock Community Services, Inc.; and \$2,750 for RAAI.

The Committee unanimously approved a motion recommending the Board approve the annual audit contract as presented by staff.

DBHDS FISCAL SERVICES REVIEW

Kelly Young, *Internal Auditor*, presented to the Committee an operating review conducted by the Department of Behavioral Health and Developmental Services in April 2016.

The report did not identify any material weaknesses but noted concerns regarding fixed assets, system access, gas card authorizations, payroll procedures, and bank reconciliations. Ms.

Young reviewed the audit recommendations and the responses by RACSB.

A motion by the Committee recommending the Board accept Management's Response to the DBHDS Fiscal Services Review as presented by staff was unanimously approved.

FISCAL YEAR 2016 DBHDS END OF YEAR REPORT

Rhonda Pellicano, *Finance and Administration Director*, presented to the Committee the DBHDS FY 2016 End of the Fiscal Year Performance Contract Report.

The report shows end of year revenues totaling \$35,955,936 and expenses of \$30,327,571.

The Committee unanimously approved a motion recommending the Board approve the Fiscal Year 2016 DBHDS End of the Fiscal Year Performance Contract Report.

CONSTRUCTION PROJECT UPDATES

Executive Director Ron Branscome provided the following construction project updates:

- **Wolfe Street Intermediate Care Facility Expansion/Renovation:** Mr. Branscome reported that a contract has been signed with Trinity Construction to complete punch list items and work is scheduled to begin on September 19, 2016.
- **Rappahannock Adult Activities - 750 Kings Highway:** A walk through for Phase Two of construction is planned for September 19, 2016 and work is starting on Phase Three.
- **401 Bridgewater Street Renovation/Addition:** Trinity Construction submitted the lowest bid and has six (6) months to complete the project.
- **River Club Property Purchase:** Mr. Branscome reported that the sale is close to being finalized. Zoning confirmation has been received and issues with an easement and trash collection have been resolved. The sale should happen in late October or early November.