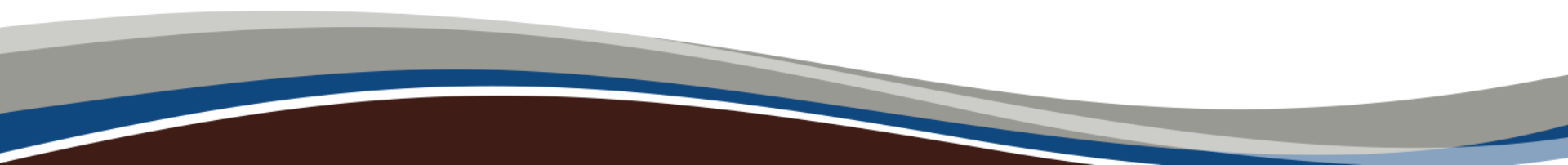




Board of Directors Meeting
September 20, 2017

Executive Director's Report

- Organizational Update
 - Strategic Focus Areas
 - Regulatory Update
 - Mill Levy
- 



Connect

Connect individuals with intellectual and developmental disabilities in their Denver **community** with a coordinated system of supports.



Engage

Make **talent** an advantage through employee engagement, retention, expertise and performance.



Perform

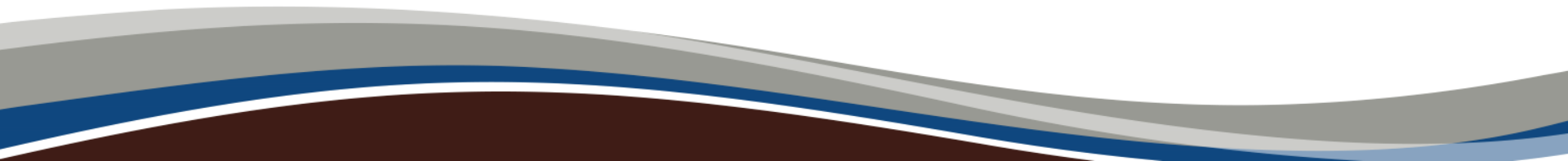
Commit to quality, compliance and continuous improvement while enhancing readiness, flexibility and resiliency.



Reach

Pursue options to reach populations and regions across Colorado through sustainable and efficient models.

Finance Committee Report



Finance Committee Report

YTD FY 18 August Financials

	Current Period			Year-to-Date			Annual
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
Revenues							
Medicaid	\$1,338,743	\$1,209,911	\$128,832	\$2,709,364	\$2,429,502	\$279,862	\$14,549,777
State Funding	\$817,662	\$619,557	\$198,105	\$1,399,773	\$1,239,115	\$160,658	\$7,825,131
Grants	\$300,466	\$336,425	(\$35,959)	\$581,972	\$649,833	(\$67,861)	\$3,672,915
Mill Levy	\$944,855	\$1,072,649	(\$127,794)	\$1,750,896	\$2,057,886	(\$306,990)	\$12,000,000
Other Revenue	\$104,813	\$137,753	(\$32,940)	\$341,960	\$277,007	\$64,954	\$1,605,639
Donations	\$1,438	\$542	\$897	\$7,197	\$1,083	\$6,114	\$15,000
Total	\$3,507,978	\$3,376,837	\$131,140	\$6,791,162	\$6,654,426	\$136,736	\$39,668,462

Unaudited - For Management Purposes Only

Finance Committee Report

YTD FY 18 August Financials

Expenses	Current Period			Year-to-Date			Annual
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
Direct Expenses							
Salaries & Payroll taxes	\$1,074,937	\$1,157,800	\$82,863	\$2,091,413	\$2,189,638	\$98,225	\$13,471,822
Employee Benefits	\$160,854	\$183,121	\$22,267	\$278,270	\$346,562	\$68,292	\$2,128,634
Staffing-Temporary & Contract	\$19,798	\$6,150	(\$13,648)	\$33,272	\$12,300	(\$20,972)	\$89,800
Professional Services	\$1,574,894	\$1,331,544	(\$243,350)	\$3,221,669	\$2,713,050	(\$508,619)	\$15,509,215
Legal & Audit Fees	\$5,047	\$9,185	\$4,139	\$10,093	\$18,371	\$8,277	\$110,225
Staff Development	\$2,150	\$12,577	\$10,426	\$6,049	\$28,503	\$22,454	\$168,670
Staff Travel	\$12,328	\$17,025	\$4,697	\$19,367	\$31,050	\$11,683	\$178,610
Vehicles	\$4,930	\$6,480	\$1,550	\$8,382	\$12,960	\$4,578	\$87,439
Occupancy	\$62,826	\$50,053	(\$12,772)	\$102,592	\$84,979	(\$17,613)	\$493,946
Equipment	\$4,322	\$10,437	\$6,115	\$12,502	\$21,628	\$9,126	\$124,484
Supplies & Software	\$43,302	\$33,006	(\$10,296)	\$54,383	\$83,818	\$29,435	\$493,449
Telephone	\$11,413	\$18,394	\$6,981	\$17,597	\$36,790	\$19,193	\$220,733
Dues, Subscriptions	\$1,046	\$1,074	\$28	\$4,509	\$3,763	(\$746)	\$31,575
Insurance	\$8,969	\$8,291	(\$678)	\$18,831	\$17,382	(\$1,450)	\$102,689
Interest	\$64,447	\$34,654	(\$29,793)	\$62,205	\$69,634	\$7,428	\$397,903
Client Assistance	\$196,235	\$194,063	(\$2,172)	\$390,694	\$376,695	(\$13,999)	\$2,314,061
Other	\$17,622	\$38,395	\$20,774	\$30,454	\$76,791	\$46,336	\$815,845
Purchased Services	\$29,897	\$59,090	\$29,193	\$50,529	\$129,613	\$79,084	\$847,748
Depreciation & Amortization	\$52,160	\$54,482	\$2,321	\$104,321	\$108,964	\$4,643	\$530,685
Total Direct Expenses	\$3,347,175	\$3,225,822	(\$121,353)	\$6,517,134	\$6,362,491	(\$154,643)	\$38,117,535
NET SURPLUS/(DEFICIT)	\$160,802	\$151,015	\$9,787	\$274,028	\$291,936	(\$17,907)	\$1,550,928

Unaudited - For Management Purposes Only

Finance Committee Report

July Balance Sheet

ASSETS

Current Assets	Current Period	Prior Year End
Cash & Equivalents		
Unrestricted Cash & Cash Equivalents	\$4,917,762.02	\$3,937,574.05
Restricted Cash - Debt Service & Agency	\$220,006.73	\$208,311.70
Total Cash & Equivalents	<u>\$5,137,768.75</u>	<u>\$4,145,885.75</u>
Receivables		
Direct Billable Services	\$5,515,542.21	\$5,681,182.63
State Grants	\$306,442.24	\$745,356.70
Mill Levy	\$2,198,435.97	\$2,035,481.49
Other Grants	(\$2,187,339.39)	(\$2,197,989.92)
Other Receivables	\$573,488.63	\$460,500.09
Allowance for Contractual Adj. & Bad Debt	(\$949,021.78)	(\$852,239.78)
Total Receivables	<u>\$5,457,547.88</u>	<u>\$5,872,291.21</u>
Prepaid Expenses & Other Current Assets	\$207,041.23	\$187,828.98
Total Current Assets	<u>\$10,802,357.86</u>	<u>\$10,206,005.94</u>
Non Current Assets		
Fixed Assets		
Land, Building, Furniture & Equipt (at cost)	\$13,624,668.30	\$13,624,668.30
Accumulated Depreciation	(\$8,179,574.00)	(\$8,128,635.85)
Total Fixed Assets	<u>\$5,445,094.30</u>	<u>\$5,496,032.45</u>
Other Non Current Assets		
Bond Issuance Cost	\$199,238.27	\$200,460.59
Total Other Non Current Assets	<u>\$199,238.27</u>	<u>\$200,460.59</u>
Total Non Current Assets	<u>\$5,644,332.57</u>	<u>\$5,696,493.04</u>
TOTAL ASSETS	<u>\$16,446,690.43</u>	<u>\$15,902,498.98</u>

Finance Committee Report

July Balance Sheet

LIABILITIES AND NET ASSETS

Liabilities	Current Period	Prior Year End
Current Liabilities		
Accounts Payable	\$1,652,769.32	\$1,526,444.41
Accrued Expenses	\$1,464,535.47	\$1,449,719.61
Deferred Revenue	\$1,112,332.82	\$737,295.73
Current Portion of Long Term Debt	\$1,340,578.20	\$1,340,872.76
Total Current Liabilities	<u>\$5,570,215.81</u>	<u>\$5,054,332.51</u>
Long Term Liabilities		
Long Term Debt	\$10,323,275.47	\$10,405,073.32
Deferred Rent	\$0.00	\$3,388.95
Total Long Term Liabilities	<u>\$10,323,275.47</u>	<u>\$10,408,462.27</u>
Total Liabilities	<u>\$15,893,491.28</u>	<u>\$15,462,794.78</u>
Net Assets		
2910-0000-00-0 Beginning Fund Balance	\$553,199.15	\$439,704.20
Total Net Assets	<u>\$553,199.15</u>	<u>\$439,704.20</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$16,446,690.43</u>	<u>\$15,902,498.98</u>

Finance Committee Report

The Board accepts the financials
as submitted.



IT/Security Update

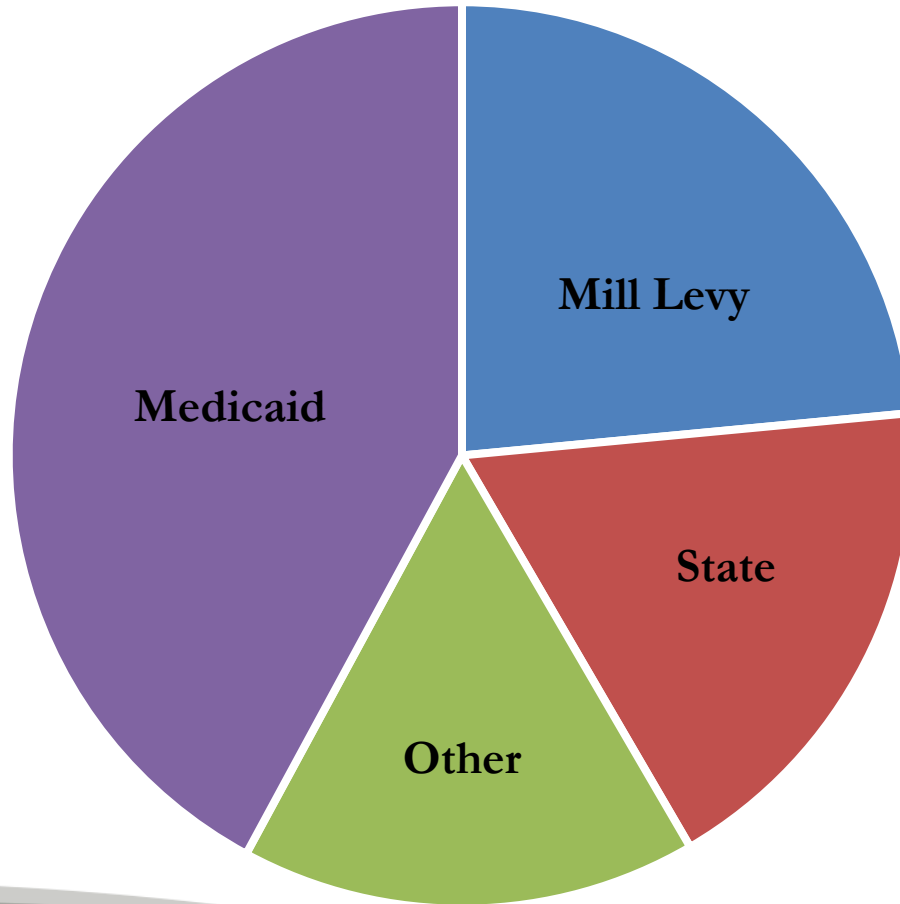
- Mimecast conversion
- Fire wall
- Cloud Options
- Phone System



Business Plan

Funding Sources

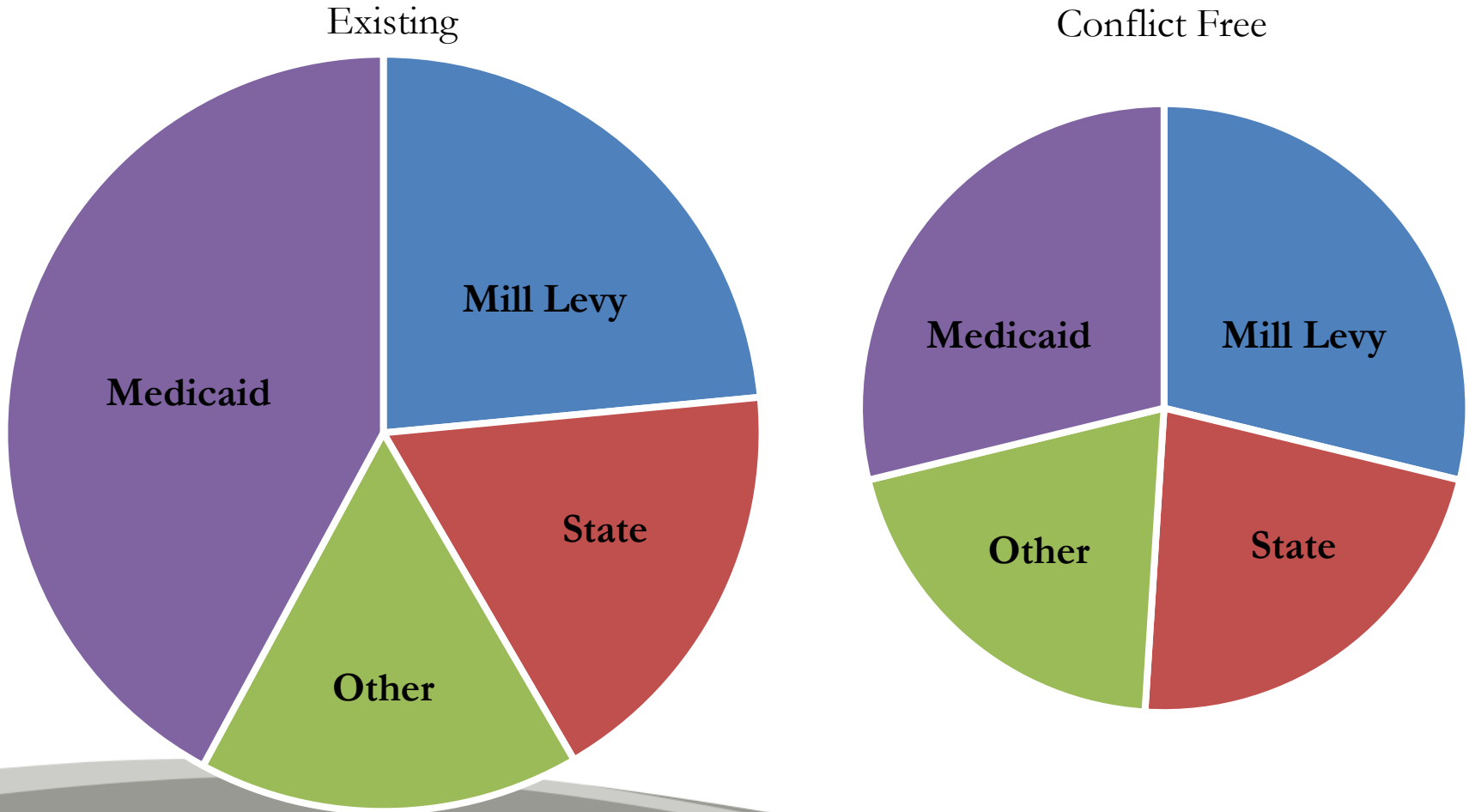
Current State



Business Plan

Funding Sources

Current State vs. Conflict Free

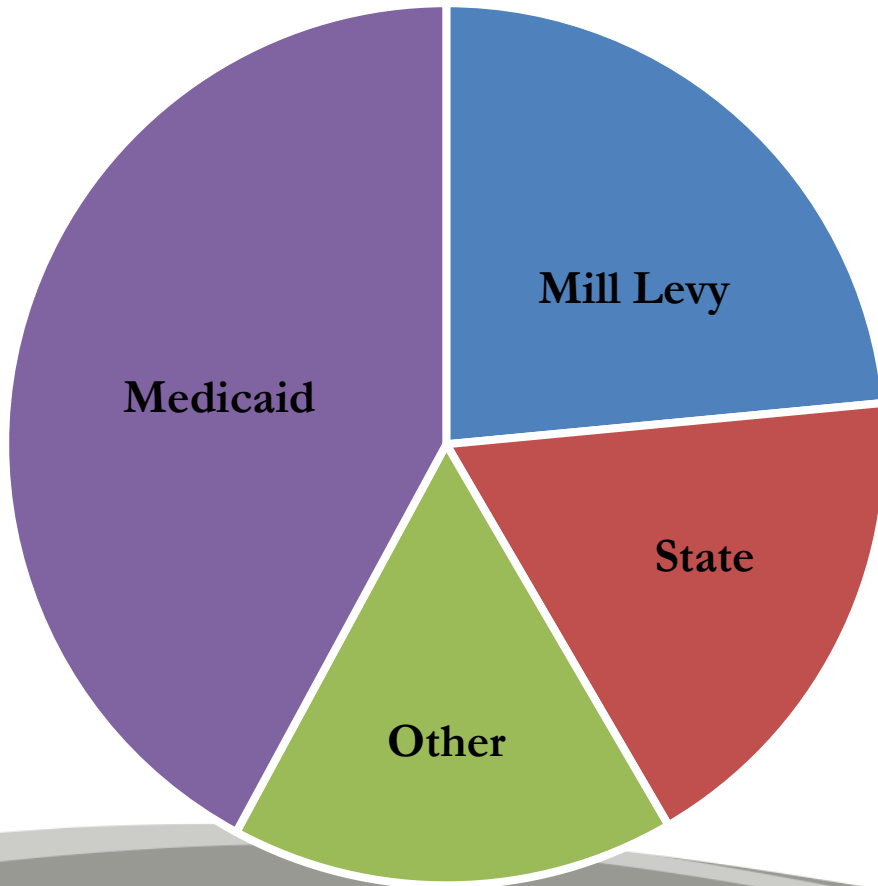


Business Plan

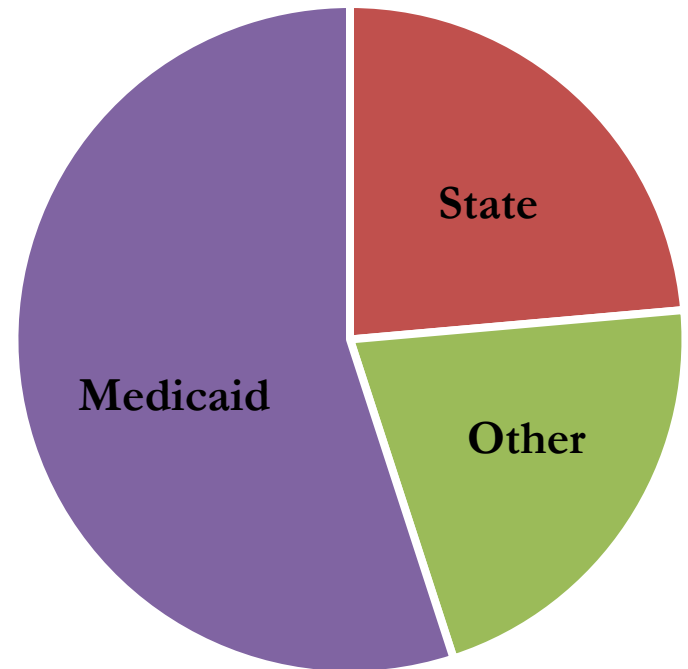
Funding Sources

Current State vs. No Mill Levy

Existing



No Mill Levy

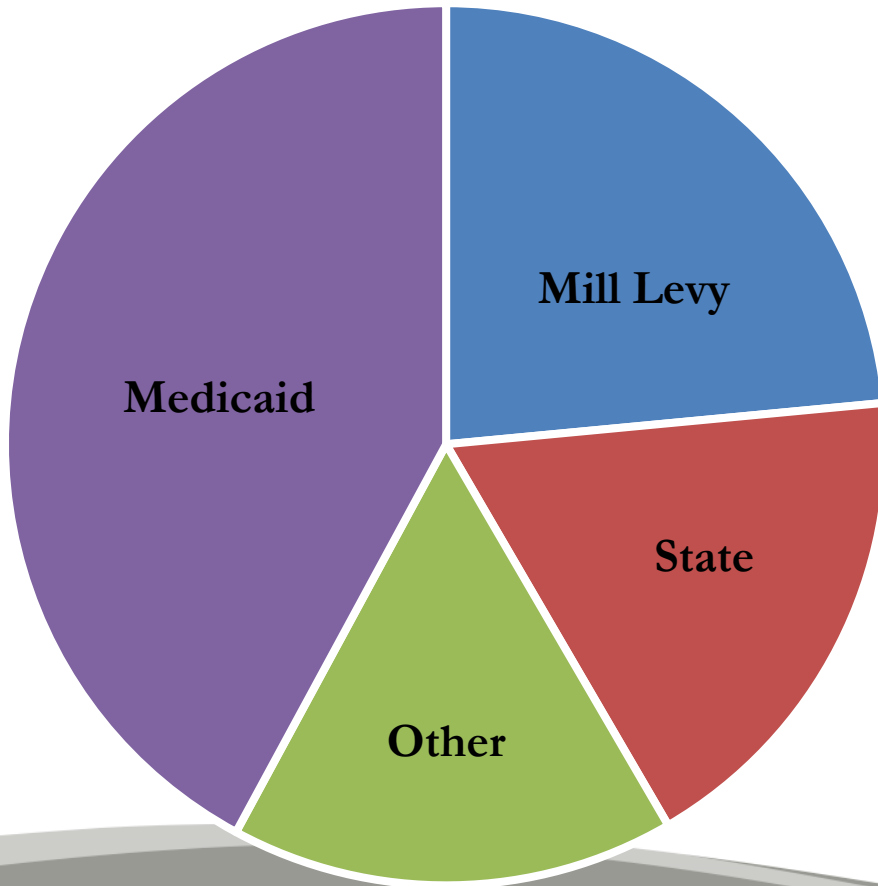


Business Plan

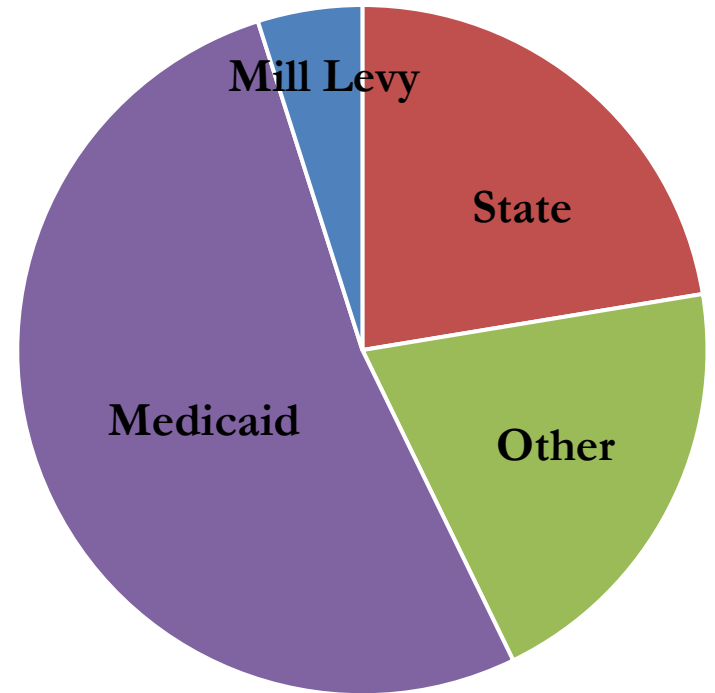
Funding Sources

Current State vs. No “Gap Funding”

Existing



No “Gap Funding”

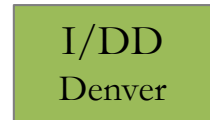
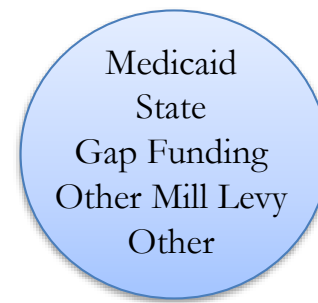
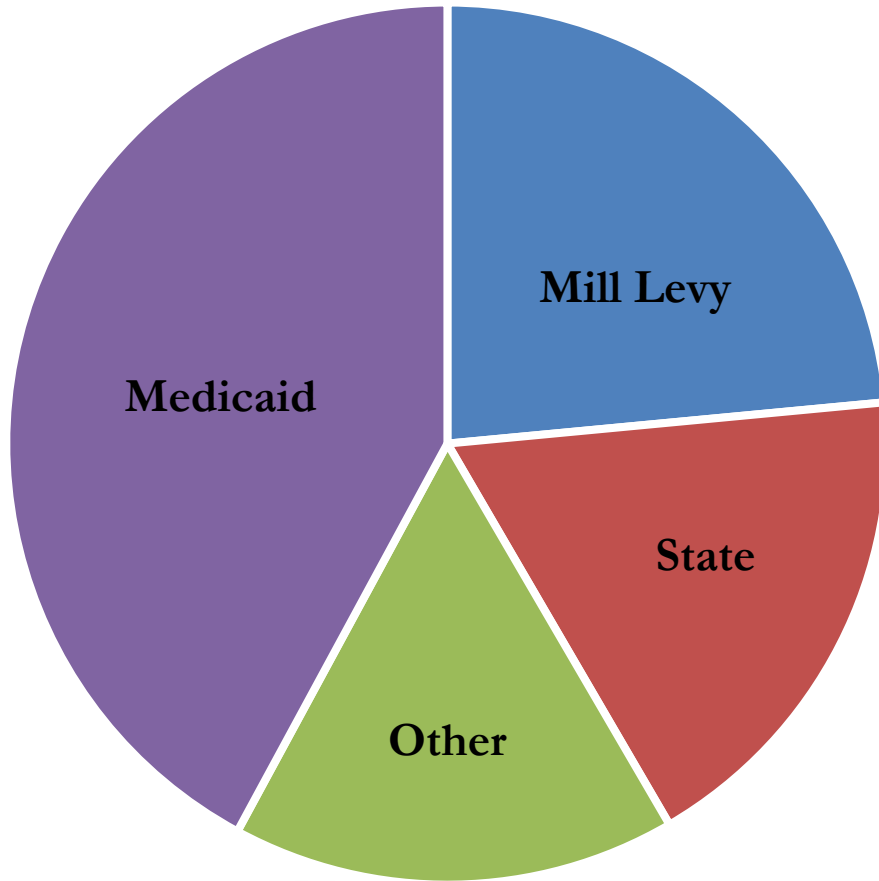


Business Plan

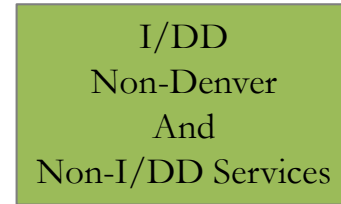
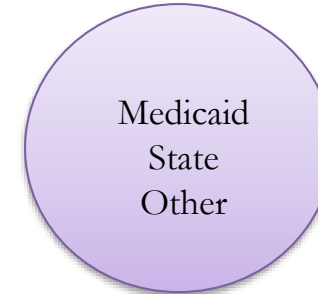
Funding Sources

Current State vs. Future State

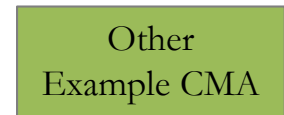
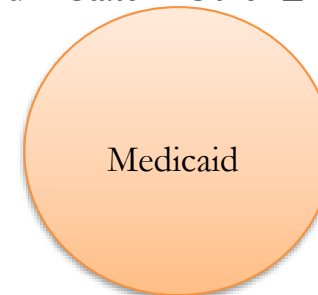
Existing



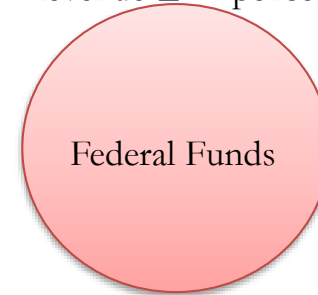
$$\text{Medicaid} + \text{State} + \text{Gap Funding} = \text{Expenses}$$



$$\text{Medicaid} + \text{State} + \text{Other} \geq \text{Expenses}$$

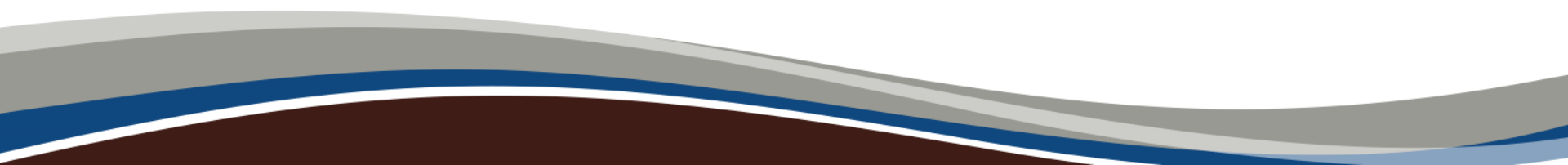


$$\text{Revenue} \geq \text{Expenses}$$



$$\text{Revenue} = \text{Expenses}$$

Audit Update



Compliance Update



DRAFT

CODE OF CONDUCT AND ETHICS

I. YOUR OBLIGATIONS

This Code of Conduct and Ethics (the "Code") is designed to promote **honest, ethical and lawful conduct** by all employees, subcontractors, business associates, volunteers, officers and directors of Rocky Mountain Human Services and all of its affiliates (collectively, "RMHS"). This Code is intended to help you understand RMHS' standards of ethical business practices and to stimulate awareness of ethical and legal issues that you may encounter in carrying out your responsibilities as an employee at RMHS. In addition, independent contractors, consultants and agents who represent RMHS are expected to apply the same high standards while working on RMHS business.

The actions of every employee, subcontractor, business associate, volunteer, officer and director affect the **reputation and integrity** of RMHS. Therefore, it is essential that you take the time to review this Code and develop a working knowledge of its provisions. You are required to complete a certificate attesting to compliance with the Code upon becoming an employee, subcontractor, business associate, volunteer, officer and director and, thereafter, on an annual basis.

At all times, **you are expected to:**

- **Avoid conflicts** between personal and professional interests where possible;
- **Comply with RMHS' Conflict of Interest Policy and disclose any conflict** to your supervisor, the RMHS Compliance Officer, Compliance Committee members, Executive Director or Board Member and otherwise **pursue the ethical handling of conflicts** (whether actual or apparent) when conflicts or the appearance of conflicts are unavoidable;
- **Provide accurate and complete information** in the course of fulfilling your obligations and communicate information in a timely manner;
- **Provide full, fair, accurate, timely, and understandable disclosure** in reports required to be filed by RMHS with regulators and in other public communications made by RMHS;
- **Comply with all applicable laws, regulations and RMHS policies;**
- **Seek guidance** where necessary from a responsible supervisor;