

➤ **Finance Update**  
**Finance Subcommittee Meeting**  
**Monday, October 16th**

# Finance Update

| FY17 Results          |                      |                      |                       |             |
|-----------------------|----------------------|----------------------|-----------------------|-------------|
|                       | Final Budget         | Actuals              | Surplus/<br>(Deficit) | %           |
| AHCT                  | \$ 35,873,537        | \$ 36,634,771        | \$ (761,234)          | -2.1%       |
| DSS Shared Cost       | \$ 26,854,886        | \$ 23,142,995        | \$ 3,711,891          | 13.8%       |
| Grants                | \$ 1,516,781         | \$ 1,514,281         | \$ 2,500              | 0.2%        |
| <b>Gross Expenses</b> | <b>\$ 64,245,204</b> | <b>\$ 61,292,046</b> | <b>\$ 2,953,158</b>   | <b>4.6%</b> |

| Q1 FY18 Budget        |                      |                      |                       |             |
|-----------------------|----------------------|----------------------|-----------------------|-------------|
|                       | Original Budget      | Final Budget         | Surplus/<br>(Deficit) | %           |
| AHCT                  | \$ 30,665,479        | \$ 30,665,479        | \$ -                  | 0.0%        |
| DSS Shared Cost       | \$ 23,892,644        | \$ 23,861,490        | \$ 31,154             | 0.1%        |
| <b>Gross Expenses</b> | <b>\$ 54,558,123</b> | <b>\$ 54,526,969</b> | <b>\$ 31,154</b>      | <b>0.1%</b> |

| FY18 Year to Date Results (through Sept, 2017) |                      |                      |                       |              |
|--|----------------------|----------------------|-----------------------|--------------|
|  | Original Budget      | Actuals              | Surplus/<br>(Deficit) | %            |
| AHCT   | \$ 6,658,880         | \$ 7,254,999         | \$ (596,120)          | -9.0%        |
| DSS Shared Cost                                | \$ 4,548,325         | \$ 4,022,194         | \$ 526,131            | 11.6%        |
| <b>Gross Expenses</b>                          | <b>\$ 11,207,205</b> | <b>\$ 11,277,193</b> | <b>\$ (69,989)</b>    | <b>-0.6%</b> |

In addition:

- The annual Marketplace assessment expected to be collected for 2017 is now \$31.2M and \$24.5M has been received.
- Preparing Request For Proposal (RFP) for Audit Services.
- Currently going through the FY17 Financial and Programmatic Audit.

# 2017 Fiscal Year Final Budget vs. Actuals - AHCT

## Through 12 Months

|                                | FY17 FINAL BUDGET    | ACTUALS              | VARIANCE            |
|--------------------------------|----------------------|----------------------|---------------------|
| <b>Revenue</b>                 |                      |                      |                     |
| Grants                         | \$ 1,465,829         | \$ 1,506,829         | \$ (41,000)         |
| Marketplace Assessments        | \$ 32,149,039        | \$ 32,139,640        | \$ 9,399            |
| Interest Income                | \$ 56,046            | \$ 73,919            | \$ (17,873)         |
| <b>Total Revenue</b>           | <b>\$ 33,670,914</b> | <b>\$ 33,720,388</b> | <b>\$ (49,474)</b>  |
| <b>Budgeted Expenses</b>       |                      |                      |                     |
| Salaries                       | \$ 7,913,691         | \$ 7,758,067         | \$ 155,624          |
| Fringe Benefits                | \$ 2,648,871         | \$ 2,674,824         | \$ (25,952)         |
| Temporary Staffing             | \$ 796,279           | \$ 782,123           | \$ 14,155           |
| Contractual                    | \$ 16,615,234        | \$ 18,604,492        | \$ (1,989,258)      |
| Equipment and Maintenance      | \$ 3,903,988         | \$ 3,934,998         | \$ (31,010)         |
| IT Development                 | \$ 2,646,718         | \$ 1,525,972         | \$ 1,120,746        |
| Pre-Paid Expenses              | \$ (46,715)          | \$ (2,984)           | \$ (43,732)         |
| Supplies                       | \$ 18,792            | \$ 11,302            | \$ 7,490            |
| Travel                         | \$ 126,581           | \$ 90,322            | \$ 36,259           |
| Other Administrative           | \$ 1,250,097         | \$ 1,255,654         | \$ (5,557)          |
| <b>Total Budgeted Expenses</b> | <b>\$ 35,873,537</b> | <b>\$ 36,634,771</b> | <b>\$ (761,234)</b> |
| Costs Shared with DSS          | \$ 26,854,886        | \$ 23,142,995        | \$ 3,711,891        |
| AHCT Grants                    | \$ 1,516,781         | \$ 1,514,281         | \$ 2,500            |
| <b>AHCT and DSS Expenses</b>   | <b>\$ 64,245,204</b> | <b>\$ 61,292,046</b> | <b>\$ 2,953,158</b> |

### Variance

- Savings from Salaries: \$0.1M
- Call Center settlement with prior vendor: \$0.3M
- IT and APCD Development Timing: \$1.5M
- Unreimbursed Call Center Expense from DSS: -\$2.7M

# FY18 Original Budget vs. Q1 Final Budget

## 12 Months

|                                    | FY18 ORIGINAL BUDGET | FY18 Q1 CHANGES    | FY18 Q1 FINAL BUDGET |
|------------------------------------|----------------------|--------------------|----------------------|
| <b>Revenue</b>                     |                      |                    |                      |
| Marketplace Assessments            | \$ 30,779,214        | \$ 131,058         | \$ 30,910,271        |
| Interest Income                    | \$ 43,287            | \$ 43,006          | \$ 86,293            |
| <b>Total Revenue</b>               | <b>\$ 30,822,501</b> | <b>\$ 174,064</b>  | <b>\$ 30,996,565</b> |
| <b>Budgeted Expenses</b>           |                      |                    |                      |
| Salaries                           | \$ 7,327,147         | \$ (33,782)        | \$ 7,293,365         |
| Fringe Benefits                    | \$ 2,427,628         | \$ 135,141         | \$ 2,562,768         |
| Temporary Staffing                 | \$ 515,738           | \$ 23,228          | \$ 538,966           |
| Contractual                        | \$ 12,946,850        | \$ 1,170,680       | \$ 14,117,530        |
| Equipment and Maintenance          | \$ 3,159,047         | \$ 391,528         | \$ 3,550,575         |
| IT Development                     | \$ 2,828,550         | \$ (1,567,559)     | \$ 1,260,991         |
| Pre-Paid Expenses                  | \$ 74,128            | \$ (45,123)        | \$ 29,005            |
| Supplies                           | \$ 26,206            | \$ (580)           | \$ 25,626            |
| Travel                             | \$ 131,299           | \$ 3,993           | \$ 135,292           |
| Other Administrative               | \$ 1,228,886         | \$ (77,526)        | \$ 1,151,360         |
| <b>Total Budgeted Expenses</b>     | <b>\$ 30,665,479</b> | <b>\$ 0</b>        | <b>\$ 30,665,479</b> |
| Costs Shared with DSS              | \$ 23,892,644        | \$ (31,154)        | \$ 23,861,490        |
| <b>AHCT and DSS Total Expenses</b> | <b>\$ 54,558,123</b> | <b>\$ (31,154)</b> | <b>\$ 54,526,969</b> |

# FY18 Original Budget vs. Q1 Final Budget - DSS Shared Costs

## 12 Months

|                                     | GROSS EXPENSE        |                     |                      | DSS ALLOCABLE        |                     |                      |
|-------------------------------------|----------------------|---------------------|----------------------|----------------------|---------------------|----------------------|
|                                     | FY18 Original Budget | FY18 Q1 Changes     | FY18 Q1 Final Budget | FY18 Original Budget | FY18 Q1 Changes     | FY18 Q1 Final Budget |
| BEST Staffing (80%)                 | \$ 1,621,251         | \$ (175,380)        | \$ 1,445,871         | \$ 1,297,001         | \$ (140,304)        | \$ 1,156,697         |
| <b>Temporary Staffing</b>           | <b>\$ 1,621,251</b>  | <b>\$ (175,380)</b> | <b>\$ 1,445,871</b>  | <b>\$ 1,297,001</b>  | <b>\$ (140,304)</b> | <b>\$ 1,156,697</b>  |
| IT Development (84%)                | \$ 800,000           | \$ -                | \$ 800,000           | \$ 672,000           | \$ -                | \$ 672,000           |
| Hosting & Enhancements (80%)        | \$ 1,540,000         | \$ (171,468)        | \$ 1,368,532         | \$ 1,232,000         | \$ (137,174)        | \$ 1,094,826         |
| Security (80%)                      | \$ 1,116,310         | \$ (237,761)        | \$ 878,549           | \$ 893,048           | \$ (190,209)        | \$ 702,839           |
| Testing (80%)                       | \$ 1,068,800         | \$ 9,600            | \$ 1,078,400         | \$ 855,040           | \$ 7,680            | \$ 862,720           |
| DSS Only Projects (100%)            | \$ 796,640           | \$ (15,423)         | \$ 781,217           | \$ 796,640           | \$ (15,423)         | \$ 781,217           |
| <b>Development</b>                  | <b>\$ 5,321,750</b>  | <b>\$ (415,052)</b> | <b>\$ 4,906,698</b>  | <b>\$ 4,448,728</b>  | <b>\$ (335,126)</b> | <b>\$ 4,113,602</b>  |
| Call Center (80%)                   | \$ 16,654,910        | \$ -                | \$ 16,654,910        | \$ 13,323,928        | \$ -                | \$ 13,323,928        |
| Operations (80%)                    | \$ 2,795,000         | \$ -                | \$ 2,795,000         | \$ 2,236,000         | \$ -                | \$ 2,236,000         |
| Maintenance (80%)                   | \$ 3,233,734         | \$ 555,346          | \$ 3,789,080         | \$ 2,586,987         | \$ 444,276          | \$ 3,031,264         |
| <b>Maintenance &amp; Operations</b> | <b>\$ 22,683,644</b> | <b>\$ 555,346</b>   | <b>\$ 23,238,990</b> | <b>\$ 18,146,915</b> | <b>\$ 444,276</b>   | <b>\$ 18,591,192</b> |
| <b>GRAND TOTAL</b>                  | <b>\$ 29,626,645</b> | <b>\$ (35,086)</b>  | <b>\$ 29,591,559</b> | <b>\$ 23,892,644</b> | <b>\$ (31,154)</b>  | <b>\$ 23,861,490</b> |

# 2018 Fiscal Year Original Budget vs. Actuals - AHCT

Through 3 Months - September, 2017

|                                    | FY18 ORIGINAL BUDGET | ACTUALS              | VARIANCE            |
|------------------------------------|----------------------|----------------------|---------------------|
| <b>Revenue</b>                     |                      |                      |                     |
| Marketplace Assessments            | \$ 7,738,000         | \$ 7,869,058         | \$ (131,058)        |
| Interest Income                    | \$ 21,646            | \$ 47,741            | \$ (26,095)         |
| <b>Total Revenue</b>               | <b>\$ 7,759,646</b>  | <b>\$ 7,916,799</b>  | <b>\$ (157,153)</b> |
| <b>Budgeted Expenses</b>           |                      |                      |                     |
| Salaries                           | \$ 1,636,710         | \$ 1,736,037         | \$ (99,328)         |
| Fringe Benefits                    | \$ 593,550           | \$ 589,469           | \$ 4,081            |
| Temporary Staffing                 | \$ 221,796           | \$ 93,317            | \$ 128,479          |
| Contractual                        | \$ 2,993,348         | \$ 3,166,851         | \$ (173,503)        |
| Equipment and Maintenance          | \$ 615,226           | \$ 1,436,766         | \$ (821,541)        |
| IT Development                     | \$ 375,000           | \$ 60,000            | \$ 315,000          |
| Pre-Paid Expenses                  | \$ (50,659)          | \$ (70,501)          | \$ 19,842           |
| Supplies                           | \$ 5,395             | \$ 3,763             | \$ 1,632            |
| Travel                             | \$ 34,640            | \$ 20,934            | \$ 13,707           |
| Other Administrative               | \$ 233,875           | \$ 218,363           | \$ 15,512           |
| <b>Total Budgeted Expenses</b>     | <b>\$ 6,658,880</b>  | <b>\$ 7,254,999</b>  | <b>\$ (596,120)</b> |
| Costs Shared with DSS              | \$ 4,548,325         | \$ 4,022,194         | \$ 526,131          |
| <b>AHCT and DSS Total Expenses</b> | <b>\$ 11,207,205</b> | <b>\$ 11,277,193</b> | <b>\$ (69,989)</b>  |

## Variance

- IT Development and Maintenance and Operation timing: -\$0.6M

# FY18 Fiscal Year Original Budget vs. Actuals Cash Statement as of Sept, 2017

|                                      | FY18 ORIGINAL BUDGET | ACTUALS               | VARIANCE              |
|--------------------------------------|----------------------|-----------------------|-----------------------|
| Beginning Cash Balance               | \$ 14,895,818        | \$ 23,020,727         | \$ 8,124,909          |
| Assessment                           | \$ 6,587,565         | \$ 9,502,331          | \$ 2,914,765          |
| DSS Shared Cost Recovery             | \$ 8,728,868         | \$ 81,720             | \$ (8,647,148)        |
| Other                                | \$ 10,554            | \$ 72,594             | \$ 62,040             |
| <b>Total Cash Receipts</b>           | <b>\$ 15,326,988</b> | <b>\$ 9,656,645</b>   | <b>\$ (5,670,343)</b> |
| Total Cash Payments                  | \$ 14,005,885        | \$ 11,764,028         | \$ (2,241,857)        |
| <b>Cash Flow Surplus/Deficit (-)</b> | <b>\$ 1,321,103</b>  | <b>\$ (2,107,383)</b> | <b>\$ (3,428,487)</b> |
| <b>Ending Cash Balance</b>           | <b>\$ 16,216,921</b> | <b>\$ 20,913,343</b>  | <b>\$ 4,696,423</b>   |

### Reserves\*

- **Actuals:** 8 months

*\*Based on Ending Cash Balance over Fiscal Year Operating Budget.*

# Proposed Timeline for 2018 Audit Services RFP

| Milestones   | Target Dates |
|--|--------------|
| RFP Issued   | 1/31/18      |
| Proposal Due Date  | 2/15/18      |
| Proposal Evaluations Complete (2-3 Finalists Identified) | 3/1/18       |
| Oral Presentations by Finalists                          | 3/9/18       |
| Oral Evaluations Complete (1-2 Finalists Identified)     | 3/23/18      |
| Due Diligence (Reference checks if necessary)            | 4/6/18       |
| Vendor Award Announced                                   | 4/15/18      |
| Contract Negotiations and Signing                        | 5/31/18      |



# Financial Update Summary

- FY17 Year End results of \$0.8M deficit
- On Budget
- Request For Proposal - 2018 Audit Services
- Developing a 5 Year Financial Plan
  - Past experience and strategy
  - Completed 5 year Marketplace Assessment forecast
- Continuing to evaluate all contracts for savings

➤ Meeting Adjournment