

A community leader, network180 connects individuals and their families to services for mental illness, substance use disorders, or developmental disabilities.

Mission: Inspiring hope, improving mental health, supporting self-determined lives, and encouraging recovery.



DRAFT

NETWORK180 BOARD AGENDA

Monday, June 7, 2021

Business Meeting – 4:45 pm

The Network180 Board, in order to protect the public health, will conduct its meeting via electronic communications in combination with a limited amount of people at the Eaglecrest Office. Any member of the public wishing to listen to the proceedings or provide public comment may do so by using the following internet connection or phone number and pass code.

[Click here to join the meeting](#) – link to attend with video capability

Telephone [+1 616-552-9539](tel:+16165529539) and then dial the Conference ID: 704 813 302#

If you require special accommodations to attend the virtual meeting, please contact Brenda.Holquist@Network180.org by Monday at noon.

- | | |
|---|-------------------|
| I. CALL TO ORDER | Commissioner Stek |
| II. ROLL CALL | Commissioner Stek |
| III. PUBLIC COMMENT (Limited to agenda items) | Commissioner Stek |
| IV. APPROVAL OF AGENDA | Commissioner Stek |
| V. CONSENT AGENDA - All items listed under this item are considered to be routine and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda upon request of any board member and will be considered separately. | |
| a. Approval of prior minutes | Commissioner Stek |
| i. Finance Committee – May 3, 2021 | |
| ii. Work Session – May 17, 2021 | |
| b. Approval of Disbursements | |
| i. April 2021 | |
| VI. CHAIRPERSON’S REPORT | Commissioner Stek |
| VII. FINANCE AND HR COMMITTEE ITEMS | Mr. Oberst |
| a. April 2021 Financial Statements and Bucket Report | |
| b. Approval of Financial Statements October 2020 – March 2021 | |
| c. Budget Amendment #2 | |

d. Contracts over \$50,000

VIII. EXECUTIVE DIRECTOR'S REPORT

Mr. Ward

IX. PUBLIC COMMENT

X. BOARD COMMENT

XI. ADJOURNMENT

Next meeting dates:

June 9, 2021 – 11:30 am – Substance Abuse Advisory Committee

June 14, 2021 – 4:00 pm – Executive Committee

June 15, 2021 – 10:30 am – Recipient Rights Advisory Committee

June 21, 2021 – 4:00 pm – Program Committee

June 21, 2021 – 4:45 pm – Work Session

July 12, 2021 – 4:00 pm – Finance Committee

July 12, 2021 – 4:45 pm – Board Meeting

If you are unable to attend, please contact Brenda Holquist at 616.855.5205 or Brenda.Holquist@network180.org.

FINANCE & HUMAN RESOURCES COMMITTEE AGENDA

MONDAY, JUNE 7 – 4:00 PM

Location: Virtual/Eaglecrest Office Hybrid

the Network180 Finance Committee, in order to protect the public health, will conduct its meeting via electronic communications. Any member of the public wishing to listen to the proceedings or provide public comment may do so by using the following internet connection or phone number and pass code.

[Click here to join the meeting](#) – link to attend with video capability

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If you require special accommodations to attend the virtual meeting, please contact Brenda.Holquist@Network180.org by Monday at noon.

I. CALL TO ORDER

II. PUBLIC COMMENT

III. APPROVAL OF THE AGENDA

A. Additions, Corrections and Deletions

IV. MOTION ITEMS

A. Minutes for May 3, 2021

B. April 2021 Disbursements

C. April 2021 Financial Statements and Bucket Report

D. Approval of Financial Statements October 2020 – March 2021

E. Budget Amendment #2

F. Contracts over \$50,000

V. INFORMATION ITEMS

A. LRE 2021 March Bucket Report

B. Department of Treasury Deficit Letter & Corrective Action Plan Response

VI. HR UPDATE

VII. PUBLIC COMMENT

VIII. ADJOURNMENT

Note: If you have any questions as you review this material, please contact Amy Rottman at 616.855.5230 or Amy.Rottman@Network180.org so that research can be completed before the meeting.

Finance & HR Committee Members

Please contact Brenda Holquist at 616.855.5205 or Brenda.Holquist@network180.org if you are unable to attend the meeting.

DRAFT

**MINUTES OF THE
NETWORK180 FINANCE & HUMAN RESOURCES COMMITTEE**

May 3, 2021

LOCATION: Virtual

MEMBERS PRESENT: Emily Helder, Larry Oberst, Commissioner Stan Ponstein and Commissioner Stan Stek

OTHER BOARD MEMBERS PRESENT: Caroline Dellenbusch, John Matias and Nessa McCasey

MEMBERS ABSENT: Donna Moore-Brown

NETWORK180 STAFF: Clark Bowman, Joan Brown, Ross Buitendorp, Brenda Holquist, Stacey O'Toole, Izzy Rhodes, Amy Rottman, Beverly Ryskamp, Kristin Spykerman, Jill Thompson, Annette Tuitel, Bill Ward, Susan Webber and Ed Wilson

OTHERS PRESENT: Attendees were not identified as meeting was held virtually and no sign in was required.

I. CALL TO ORDER

Mr. Oberst called the meeting to order at 4:01 pm.

II. PUBLIC COMMENT

None

III. APPROVAL OF THE AGENDA with the removal of V.B. LRE February Bucket Report

Moved: Commissioner Ponstein

Supported: Commission Stek

Motion carried.

IV. MOTION ITEMS

- A. The Finance and Human Resources Committee recommends approval of the meeting minutes for February 19, 2021.

Moved: Ms. Helder

Supported: Commissioner Ponstein

Motion carried.

- B. The Finance Committee recommends that the Network180 Board approve February 2021 disbursements of \$15,449,103.11.

Moved: Commissioner Ponstein

Supported: Ms. Helder

Motion carried.

- C. The Finance Committee recommends that the Network180 Board accept the September 30, 2020 audited financial statements.

Mr. John LaFramboise from BDO presented the audited financials and was available for questions.

Moved: Commissioner Ponstein

Supported: Commissioner Stek

Motion carried.

V. INFORMATIONAL ITEMS

A. Preliminary March 2021 Financial Statements and Bucket Report

Ms. Rottman reviewed the document that was distributed and was available for questions.

VI. PUBLIC COMMENT

None

VII. ADJOURNMENT

Mr. Oberst adjourned the meeting at 4:43 pm.

Network180

**FINANCE & HUMAN
RESOURCES
COMMITTEE
ACTION REQUEST**

SUBJECT:
MEETING DATE:
PREPARED BY:

April 30, 2021 Disbursements
June 7, 2021
Joan Brown, Finance Director

RECOMMENDED MOTION:

The Finance Committee recommends that the Network180 Board approve the April 2021 disbursements of \$20,040,483.22

SUMMARY OF REQUEST/INFORMATION:

<u>Vendor Name</u>	<u>Amount</u>
Salary and Wages	\$2,167,825.53
CHERRY STREET SERVICES INC	1,561,771.28
SPECTRUM COMMUNITY SERVICES	1,514,154.16
PINE REST CHRISTIAN MH SERVICE	1,441,356.28
HOPE NETWORK BEHAVIORAL	1,437,025.31
CENTRIA HEALTHCARE LLC	1,175,702.28
HOPE NETWORK WEST MICHIGAN	1,006,333.57
MOKA CORPORATION	855,879.17
ARBOR CIRCLE CORPORATION	684,996.78
FOREST VIEW PSYCHIATRIC HOSPITAL, INC	664,133.87
BHT&D-GUSCO MONEY MGMNT LLC	506,070.72
THRESHOLDS	473,161.12
INTERACT OF MICHIGAN INC	434,695.98
WESTERN MI HEALTH INSURANCE POOL	309,764.37
D A BLODGETT FOR CHILDREN	304,260.66
FAMILY OUTREACH CENTER	250,066.95
SAINT MARY'S MERCY MEDICAL CTR	240,544.90
BRAINTRUST BEHAVIORAL HLTH LLC	237,657.99
ACORN HEALTH OF MICHIGAN, LLC	210,770.68
POSITIVE BEHAVIOR SUPPORTS CORPORATION	206,007.50
GUARDIANTRAC, LLC	197,916.11
DEVELOPMENTAL ENHANCEMENT PLC	130,667.36

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FLATROCK MANOR, INC.	127,790.62
FULL CIRCLE CARE	116,587.51
WEDGWOOD CHRISTIAN SERVICES	112,397.43
BEACON SPECIALIZED LIVING SERVICES	104,022.37
BCA OF DETROIT LLC	103,424.00
NATIONAL TRAINING SYSTEMS INC	101,700.00
STATE OF MICHIGAN-DEPT OF HEALTH & HUMAN SERVICES	99,806.37
HAVENWYCK HOSPITAL	98,132.84
DAVID'S HOUSE MINISTRIES	93,255.45
LOCUMTENENS HOLDINGS, LLC	92,620.80
TURNING LEAF RESIDENTIAL	84,347.83
LA BENEDICTION CO LLC	76,743.88
MERAKEY MIDWEST	76,404.44
Fringes	73,732.00
BENJAMIN'S HOPE	71,330.40
TAYLOR, THURMAN J	70,743.52
BRIGHTSIDE LIVING LLC	70,480.11
OUR HOPE ASSOCIATION	69,752.16
MUNICIPAL EMPLOYEES RETIREMENT	65,414.21
EASTER SEALS MICHIGAN INC	61,311.74
WALLOON LAKE RECOVERY LODGE, LLC	59,861.46
SPARKS BEHAVIORAL SERVICES LLC	59,840.00
SAKSHAUG GROUP HOME LLC	57,830.80
LAKESHORE REGIONAL ENTITY	56,380.00
NEW HOPE GROUP LLC	55,421.50
OTTAGAN ADDICTIONS RECOVERY	54,343.52
CENTER FOR AUTISM AND RELATED DISORDERS, LLC	51,402.50
MERCY HEALTH PARTNERS	47,667.54
STATE OF MICHIGAN	47,255.00

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JACQUELYN FAYLESE WILLIAMS	45,835.76
ETCH	39,579.12
CRC RECOVERY, INC	39,082.35
COMPREHENSIVE PROF SERV INC	38,855.28
DELTA DENTAL PLAN OF MICH	38,727.41
ZAWADI USA LLC	38,411.36
TURNING POINT PROGRAMS	38,192.74
PETER CHANG ENTERPRISES, INC	37,631.14
RHOADES MCKEE PC	35,897.60
EAGLE NUMBER TWO, LLC	35,117.98
B & V MECHANICAL INC	33,117.41
ACCIDENT FUND INSURANCE	32,931.00
INDIAN TRAILS CAMP INC	31,892.51
REHMANN LLC	31,693.24
UNLIMITED ALTERNATIVES	29,948.42
ARTHUR, MARLENE	29,897.21
MADISON NATIONAL LIFE INSURANCE COMPANY, INC	29,842.40
CONSULT2.CLOUD	29,496.29
EXTENDED CARE AT RAMSDELL	28,440.33
ENRICHED LIVING	26,486.74
BETHANY CHRISTIAN SERVICES	25,236.02
REAL LIFE LIVING SERVICES	24,318.06
COMMUNITY LIVING SERVICES, INC	24,232.95
WILSON & WYNN INTERVENTIONS, PLC	23,809.01
GRAND RAPIDS RED PROJECT	23,621.38
BOUCK, ROSE	23,358.81
TRIVALENT GROUP	23,350.74
JASON MURIITHI	21,839.93
COVENANT ENABLING RESIDENCES	20,730.36

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TRINITY 30/60/100	20,308.69
RODRIGUEZ, SHERRY	19,895.88
MAXIM HEALTHCARE SERVICES HOLDING, INC	19,869.78
BALLA, SABRI	19,276.55
DUHADWAY KENDALL & ASSOCIATES, INC.	19,164.69
IRIS TELEHEALTH MEDICAL GROUP, PA	18,786.00
HOPE DISCOVERY ABA SERVICES, LLC	18,280.50
MOSS AUDIO CORP	17,844.46
PURDY, LAURA L	17,664.11
MCGRAW CONSTRUCTION INC.	17,618.40
DIGNIFIED CARE LLC	17,548.30
CEDAR SANDS	16,999.08
HARBOR HOUSE MINISTRIES	16,602.94
MEDENDORP, WILLIAM	16,500.00
HANSMA, STEPHANIE	16,211.03
BOSHNIJAKU, NAILE	16,147.18
MAXIM HEALTHCARE SERVICES, INC	15,704.14
GUARDADO, MARTHA	15,192.68
CLUTCH SOLUTIONS LLC	15,184.14
KLECK, CONNALEE	14,543.82
MENGISTU, TENAGNE	14,443.71
RELIANCE COMM CARE PARTNERS	14,430.25
WOODCOCK, JENNIA MARI	13,649.42
BUSHNELL, CYNTHIA L	13,032.75
RECOVERY ROAD LLC	12,224.80
VISEL AFC INC	12,058.20
IDA MAE'S GROUP HOMES LLC	11,792.04
VISA CREDIT CARD	11,733.20
ACARE HUMAN SERVICES INC	11,377.24

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ANDREE, DEBRA L	10,764.49
DEBOSE, RONALD L	10,541.30
PLEASANT VIEW MANOR INC	10,273.60
195 vendor payments below \$10,000 each	<u>372,483.73</u>
TOTAL DISBURSEMENTS	<u><u>\$20,040,483.22</u></u>

I affirm that all payments identified in the monthly summary above are for previously appropriated amounts.

STAFF: Joan Brown, Finance Director

DATE: June 2, 2021

Network180 Finance Committee

FINANCE & HUMAN RESOURCES COMMITTEE

SUBJECT: April 30, 2021 Financial Statements
MEETING June 7, 2021
DATE:
PREPARED BY: Amy Rottman, Chief Financial Officer

Significant revenue and expense variances that exceed \$100,000 and 5% of line item budget at the end of April 2021 are explained as follows:

REVENUE

- **Autism Revenue:** Under budget by \$3,119,552 or 12%

Autism services have been lower than anticipated due to precautions taken by clients during the pandemic. In March of 2021, we noted that this trend is changing, as the number of clients served, and the units received per person is increasing significantly. We expect that as services increase, the actual expenditures will more closely align with the budget.

- **Grant Revenue:** Under budget by \$1,807,891 or 19%

	2021 Amended Budget	April 30, 2021 Actual	Difference
61st District Court Enhancing Adult Drug Courts	\$ 46,512	\$ 75,881	\$ 29,369
Care Management	153,541	102,635	(50,906)
Clubhouse Spenddown (LRE Pass through)	43,750	1,011	(42,739)
CCBHC Program	260,808	249,788	(11,020)
CCBHC Direct Service Programs	830,024	236,827	(593,197)
First Episode Psychosis	891,940	661,220	(230,720)
Healthy Transitions	183,868	91,289	(92,579)
Northwell Health	81,288	52,949	(28,339)
ITP Transportation Services	145,283	145,283	-
MDHHS OBRA - Medicaid Title XIX	276,267	189,433	(86,834)
Mental Health Court Grant - TASC Program	107,794	10,738	(97,056)
Mental Health Court Grant - TASC Program	-	12,168	12,168
SAPPHIRES	90,695	39,148	(51,547)
SOR michigan Reentry Project (MI-REP) (LRE Pass through)	206,574	214,348	7,774
SOR FY 2020 Carryforward (LRE Pass through)	284,056	-	(284,056)
SOR #2	-	44,499	44,499
Smoking Cessation (LRE Pass through)	-	3,521	3,521
SUD Block Grant (LRE Pass through)	1,892,352	1,578,244	(314,108)
Unlimited Alternatives Drop-In Center	4,375	1,871	(2,504)
Wayne State University	70,723	51,106	(19,617)
	\$ 5,569,850	\$ 3,761,959	\$ (1,807,891)

Network180 Finance Committee

EXPENDITURES

- **Direct run:** Under budget by \$1,131,939 or 7%

Direct run services are under budget due to staff vacancies in supports coordination, the mobile crisis, and integrated case management. We will be proposing a budget amendment to better align budget with actual expenditure expectations.

- **Grant expenditures:** Under budget by \$1,917,574 or 20%

- See explanations in the grant revenue section above.

- **Earned Contracts:** Over budget by \$225,265 or 25%

This is due to the addition of the HOT team contract with the City of Grand Rapids. A budget amendment is proposed to include HOT team expenditures and revenue.

Network 180

Statement of Net Position

April 30, 2021

	FY 2021	FY 2020
Assets:		
Cash and investments	\$ 31,274,593	\$ 11,574,041
Due from Lakeshore Regional Partners	-	9,030,954
All other assets	7,136,433	7,982,825
Total assets	38,411,026	28,587,820
Deferred outflows of resources:		
Pension related items	1,239,715	2,853,907
OPEB related items	45,753	55,523
Total deferred outflows of resources	1,285,468	2,909,430
Total assets and deferred outflows of resources	\$ 39,696,494	\$ 31,497,250
Liabilities:		
Due to Lakeshore Regional Entity	\$ 6,953,120	\$ 353,795
All other liabilities	26,628,948	25,898,870
Total liabilities	33,582,068	26,252,665
Deferred inflows of resources:		
Pension related items	-	175,405
OPEB related items	337,153	236,118
Total deferred inflows of resources	337,153	411,523
Net position:		
Investment in capital assets	4,136,112	3,986,713
Unrestricted	1,641,161	846,349
Total net position	5,777,273	4,833,062
Total liabilities and net position	\$ 39,696,494	\$ 31,497,250

For internal use only. These financial statements have not been audited, and no assurance is provided.

Network 180

Statement of Revenues and Expenses

For the 7 Months Ended April 30, 2021

	FY2021			
	Annual Budget	YTD Budget	YTD Actual	YTD Surplus (Deficit)
Revenues:				
Medicaid	\$ 121,369,498	\$ 70,798,873	\$ 70,248,476	\$ (550,397)
Healthy Michigan	19,652,605	11,464,020	12,330,137	866,117
General fund	6,656,887	3,883,184	3,883,182	(2)
Autism benefit	26,941,093	15,715,638	12,596,086	(3,119,552)
Grants	9,548,312	5,569,849	3,761,958	(1,807,891)
Local	5,884,393	3,432,563	3,276,015	(156,548)
	<u>190,052,788</u>	<u>110,864,127</u>	<u>106,095,854</u>	<u>(4,768,273)</u>
Expenses:				
Provider network service costs	146,712,613	85,582,358	83,066,091	(2,516,267)
Direct run services	16,145,474	9,418,193	8,286,254	(1,131,939)
Grants	9,725,813	5,673,391	3,755,817	(1,917,574)
Earned contracts	884,621	516,029	741,294	225,265
Board administration and access center	15,415,234	8,992,219	8,568,465	(423,754)
Total expenses	<u>188,883,755</u>	<u>110,182,190</u>	<u>104,417,921</u>	<u>(5,764,269)</u>
Increase (decrease) in net position	<u>1,169,033</u>	<u>681,937</u>	<u>1,677,933</u>	<u>995,996</u>
Total net position (beginning of year)	<u>4,099,340</u>	<u>4,099,340</u>	<u>4,099,340</u>	<u>-</u>
Total net position (end of period)	<u>\$ 5,268,373</u>	<u>\$ 4,781,277</u>	<u>\$ 5,777,273</u>	<u>\$ 995,996</u>

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Network 180

Statement of Revenues and Expenses

For the 7 Months Ended April 30, 2021

	YTD FY 2021 Actual	YTD FY 2020 Actual	Difference
Revenues:			
Medicaid	\$ 70,248,476	\$ 61,493,017	\$ 8,755,459
Healthy Michigan	12,330,137	9,637,466	2,692,671
General fund	3,883,182	3,664,187	218,995
Autism benefit	12,596,086	11,671,705	924,381
Grants	3,761,958	4,311,705	(549,747)
Local	3,276,015	3,509,434	(233,419)
	<u>106,095,854</u>	<u>94,287,514</u>	<u>11,808,340</u>
Expenses:			
Service provision	91,352,345	81,042,260	10,310,085
Grants	3,755,817	4,480,629	(724,812)
Earned contracts	741,294	560,374	180,920
Board administration and access center	8,568,465	8,023,909	544,556
Total expenses	<u>104,417,921</u>	<u>94,107,172</u>	<u>10,310,749</u>
Increase (decrease) in net position	<u>1,677,933</u>	<u>180,342</u>	<u>1,497,591</u>
Total net position (beginning of year)	<u>4,099,340</u>	<u>4,652,720</u>	<u>553,380</u>
Total net position (end of period)	<u>\$ 5,777,273</u>	<u>\$ 4,833,062</u>	<u>\$ 2,050,971</u>

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For internal use only. These financial statements have not been audited, and no assurance is provided.

Network180
FY2021 Summary Bucket Report for the LRE
as of April 30, 2021

	<u>Medicaid-MH</u>	<u>Medicaid-SUD</u>	<u>Healthy MI-MH</u>	<u>Healthy MI-SUD</u>	<u>Autism</u>	<u>SED Waiver</u>	<u>Childrens Waiver</u>	<u>General Fund</u>	<u>Local Revenue & Earned Contracts</u>	<u>Grants</u>	<u>SUD</u>	<u>Total</u>
Revenue	70,150,321	2,330,701	9,972,805	6,347,982	20,892,205	244,628	825,421	4,197,282	3,276,015	1,753,819	2,008,139	121,999,318
Expense	67,486,704	1,858,451	9,449,932	2,880,205	12,596,086	340,072	249,149	3,153,630	2,593,802	1,801,751	2,008,139	104,417,921
Difference	2,663,617	472,250	522,873	3,467,777	8,296,119	(95,444)	576,272	1,043,652	682,213	(47,932)	-	17,581,397
Due from LRE	(2,663,617)	(472,250)	(522,873)	(3,467,777)	(8,296,119)	95,444	(576,272)	-	-	-	-	(15,903,464)
Variance	-	-	-	-	-	-	-	1,043,652	682,213	(47,932)	-	1,677,933
Redirects	-	-	-	-	-	-	-	-	(47,932)	47,932	-	-
Total Variance	-	-	-	-	-	-	-	1,043,652	634,281	-	-	1,677,933
PROJECTION:												
	<u>Medicaid-MH</u>	<u>Medicaid-SUD</u>	<u>Healthy MI-MH</u>	<u>Healthy MI-SUD</u>	<u>Autism</u>	<u>SED Waiver</u>	<u>Childrens Waiver</u>	<u>General Fund</u>	<u>Local Revenue & Earned Contracts</u>	<u>Grants</u>	<u>SUD</u>	<u>Total</u>
LRE Revenue projection	127,109,107	4,124,868	15,129,662	8,792,973	29,753,596	399,274	1,398,547	6,656,887	4,985,111	4,353,179	3,615,673	206,318,876
Expense	116,914,565	3,241,315	16,301,133	4,971,949	22,993,290	686,624	429,782	6,487,316	4,985,111	4,353,179	3,615,673	184,979,937
Difference	10,194,542	883,553	(1,171,471)	3,821,024	6,760,305	(287,350)	968,765	169,571	-	-	-	21,338,940
Due from (to) LRE	(10,194,542)	(883,553)	1,171,471	(3,821,024)	(6,760,305)	287,350	(968,765)	-	-	-	-	(21,169,369)
Total N180 Net Position Impact	-	-	-	-	-	-	-	169,571	-	-	-	169,571

FY2021 Bucket Report - Full Year Projections Net Position By Member, By Fund Source

Mental Health (MH)								Substance Use Disorder (SUD)							MH & SUD
Time Period	Allegan	Healthwest	Network180	Ottawa	West MI	LRE & MCO Admin	Total	Allegan	Healthwest	Network180	Ottawa	West MI	LRE & MCO Admin	Total	Total
Oct - March															
Net Med: 1115/HSW/CW/SED	225,969	9,525,780	439,526	3,118,531	(583,169)	(592,356)	12,134,281	95,707	415,308	381,373	409,770	35,580	98,190	1,435,929	13,570,210
Net Med: HealthyMI	(207,122)	1,844,432	(106,668)	957,824	304,884	(294,709)	2,498,641	178,827	1,282,793	2,185,387	285,863	286,546	117,353	4,336,769	6,835,410
Net Autism	(116,991)	(178,598)	4,858,897	809,323	114,807	(13,648)	5,473,790	-	-	-	-	-	-	-	5,473,790
Net General Fund	309,949	463,752	963,902	837,430	139,997	-	2,715,030	-	-	-	-	-	-	-	2,715,030
Net Block Grant	-	-	-	-	1,748	(1,240)	508	-	(421,913)	-	-	-	64,336	(357,577)	(357,068)
Net PA2	-	-	-	-	-	-	-	-	-	-	(32,075)	-	-	(32,075)	(32,075)
Subtotal	211,805	11,655,366	6,155,657	5,723,108	(21,733)	(901,953)	22,822,251	274,534	1,276,188	2,566,760	663,558	322,127	279,879	5,383,046	28,205,297
March															
Full Year Projection															
Net Med: 1115/HSW/CW/SED	3,321,177	14,391,644	16,900,096	4,626,600	1,545,292	-	40,784,809	235,024	281,539	960,408	288,620	101,982	-	1,867,573	42,652,382
Net Med: DCW Lapse	(710,716)	(2,124,178)	(4,826,718)	(1,396,779)	(1,213,323)	-	(10,271,715)	-	-	-	-	-	-	-	(10,271,715)
Net Med: HealthyMI	(30,812)	2,209,016	(498,025)	1,203,877	363,343	-	3,247,399	499,700	2,549,956	3,821,025	1,348,423	496,617	-	8,715,721	11,963,120
Net Autism	544,267	169,970	8,396,454	1,498,231	219,872	-	10,828,793	-	-	-	-	-	-	-	10,828,793
Net General Fund	619,897	39,039	856,873	-	-	-	1,515,809	-	-	-	-	-	-	-	1,515,809
Net Block Grant	-	-	-	-	-	-	-	4,357	119,864	-	-	-	-	124,221	124,221
Net PA2	-	-	-	-	-	-	-	-	137,450	-	-	-	-	137,450	137,450
Total	3,743,812	14,685,492	20,828,680	5,931,929	915,184	-	46,105,096	739,081	3,088,809	4,781,433	1,637,043	598,599	-	10,844,965	56,950,061
Risk	3,123,915	14,646,453	19,971,807	5,931,929	915,184	-	44,589,287	734,724	2,831,495	4,781,433	1,637,043	598,599	-	10,583,294	55,172,581
%of Budget	10.14%	22.94%	11.49%	12.82%	4.04%	0.00%	12.80%	37.02%	52.01%	37.01%	49.86%	31.73%	0.00%	39.75%	PENDING

FY Changes in Projected Med/HMP Spending

	Feb 2021 MH	March 2021 MH	Difference	%of Budget	FY20 Spend
Allegan	27,259,085	26,958,911	(300,174)	-0.97%	24,939,541
Healthwest	45,384,467	47,079,515	1,695,048	2.65%	55,125,841
N180	154,102,253	148,991,661	(5,110,592)	-2.94%	139,484,202
Ottawa	37,547,340	38,936,375	1,389,035	3.00%	36,006,249
West MI	20,492,071	20,520,319	28,248	0.12%	17,637,237
LRE & Beacon	12,184,104	10,969,861	(1,214,243)	-11.07%	11,809,258
	296,969,320	293,456,642	(3,512,677)		285,002,328

	Feb 2021 SUD	March 2021 SUD	Difference	%of Budget	FY20 Spend
Allegan	1,672,717	1,249,804	(422,913)	-21.31%	899,734
Healthwest	3,107,047	2,612,310	(494,737)	-9.09%	4,623,426
N180	8,321,199	8,136,408	(184,791)	-1.43%	6,248,337
Ottawa	1,577,335	1,646,422	69,087	2.10%	1,569,919
West MI	1,316,485	1,288,237	(28,248)	-1.50%	1,614,656
LRE & Beacon	1,115,611	1,109,956	(5,656)	-0.51%	774,553
	17,110,395	16,043,137	(1,067,258)		15,730,625

Total Medicaid Surplus/(Deficit) Projection (Med 1115/HSW/CW/SED + Autism) 43,209,461

FY20 ISF	2,420,925
Projected FY21 ISF	13,110,365

Total Reserves: 15,531,290

Projected Medicaid ISF/Reserves At Year End: 58,740,751

Healthy Michigan Plan Surplus/(Deficit) Projection 11,963,120

Projected MDHHS Performance Bonus 2,419,516

Projected Reserve Total At Year End: 73,123,387

Network180

FINANCE & HUMAN
RESOURCES
COMMITTEE
ACTION REQUEST

SUBJECT: October 2020, November 2020,
December 2020, January 2021,
February 2021, and March 2021
Financial Statements

MEETING DATE:

June 7, 2021

PREPARED BY:

Amy Rottman, Chief Financial Officer

RECOMMENDED MOTION:

The Finance Committee recommends that the Network180 Board approve the October 2020, November 2020, December 2020, January 2021, February 2021, and March 2021 Financial Statements.

SUMMARY OF INFORMATION:

The October 2020, November 2020, December 2020, January 2021, February 2021 and March 2021 Statements of Revenue and Expenses were prepared in the month following those months based on our best estimates at that time and were previously presented as information items. With the completion of the fiscal year 2020 audit the Statement of Net Position has been finalized, thus we have prepared final Statements of Net Position and Statements of Revenue and Expenses for each month.

STAFF: Amy Rottman, Chief Financial Officer

DATE: June 3, 2021

Network 180

Statement of Net Position

October 31, 2020

	FY 2021	FY 2020
Assets:		
Cash and cash equivalents	\$ 21,079,818	\$ 2,249,081
Accounts receivable	1,932,306	1,850,744
Due from Lakeshore Regional Partners	1,950,243	17,437,766
Due from State of Michigan	738,418	1,233,341
Due from County of Kent	669,490	441,111
Prepays and other current assets	553,290	307,346
Capital assets being depreciated, net	4,084,249	4,405,452
Net OPEB Asset	310,992	182,072
Total assets	<u>31,318,806</u>	<u>28,106,913</u>
Deferred outflows of resources:		
Pension related items	1,239,715	2,853,907
OPEB related items	45,753	55,523
Total deferred inflows of resources	<u>1,285,468</u>	<u>2,909,430</u>
Total assets and deferred outflows of resources	<u>\$ 32,604,274</u>	<u>\$ 31,016,343</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 22,090,083	\$ 19,509,800
Due to Lakeshore Regional Partners (Note 6)	-	353,795
Due to State of Michigan	469,969	746,292
Unearned revenue	349,657	-
Net pension liability	5,066,685	5,173,687
Total liabilities	<u>27,976,394</u>	<u>25,783,574</u>
Deferred inflows of resources:		
Pension related items	-	175,405
OPEB related items	337,153	236,118
Total deferred outflows of resources	<u>337,153</u>	<u>411,523</u>
Net position:		
Investment in capital assets	4,084,249	4,405,452
Unrestricted	206,478	415,794
Total net position	<u>4,290,727</u>	<u>4,821,246</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 32,604,274</u>	<u>\$ 31,016,343</u>

Network 180

Statement of Net Position

October 31, 2020

	FY 2021	FY 2020
Assets:		
Cash and investments	\$ 21,079,818	\$ 2,249,081
Due from Lakeshore Regional Partners	1,950,243	17,437,766
All other assets	8,288,745	8,420,066
Total assets	<u>31,318,806</u>	<u>28,106,913</u>
Deferred outflows of resources:		
Pension related items	1,239,715	2,853,907
OPEB related items	45,753	55,523
Total deferred outflows of resources	<u>1,285,468</u>	<u>2,909,430</u>
Total assets and deferred outflows of resources	<u>\$ 32,604,274</u>	<u>\$ 31,016,343</u>
Liabilities:		
Due to Lakeshore Regional Entity	\$ -	\$ 353,795
All other liabilities	27,976,394	25,429,779
Total liabilities	<u>27,976,394</u>	<u>25,783,574</u>
Deferred inflows of resources:		
Pension related items	-	175,405
OPEB related items	337,153	236,118
Total deferred inflows of resources	<u>337,153</u>	<u>411,523</u>
Net position:		
Investment in capital assets	4,084,249	4,405,452
Unrestricted	206,478	415,794
Total net position	<u>4,290,727</u>	<u>4,821,246</u>
Total liabilities and net position	<u>\$ 32,604,274</u>	<u>\$ 31,016,343</u>

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Network 180

Statement of Revenues and Expenses

For the 1 Months Ended October 31, 2020

	FY2021			
	Annual Budget	YTD Budget	YTD Actual	YTD Surplus (Deficit)
Revenues:				
Medicaid	\$ 116,720,156	\$ 9,726,679	\$ 9,422,971	\$ (303,708)
Healthy Michigan	17,005,292	1,417,108	1,464,526	47,418
General fund	6,656,887	554,741	554,740	(1)
Autism benefit	24,511,716	2,042,643	1,746,867	(295,776)
Grants	9,548,312	795,693	429,590	(366,103)
Local	5,884,393	490,366	443,223	(47,143)
	<u>180,326,756</u>	<u>15,027,230</u>	<u>14,061,917</u>	<u>(965,313)</u>
Expenses:				
Provider network service costs	139,878,614	11,656,551	11,442,828	(213,723)
Direct run services	13,979,430	1,164,952	867,508	(297,444)
Grants	9,725,813	810,484	445,428	(365,056)
Earned contracts	884,622	73,718	60,614	(13,104)
Board administration and access center	15,858,278	1,321,522	1,054,152	(267,370)
Total expenses	<u>180,326,756</u>	<u>15,027,227</u>	<u>13,870,530</u>	<u>(1,156,697)</u>
Increase (decrease) in net position	<u>(0)</u>	<u>3</u>	<u>191,387</u>	<u>191,384</u>
Total net position (beginning of year)	<u>4,099,340</u>	<u>4,099,340</u>	<u>4,099,340</u>	<u>-</u>
Total net position (end of period)	<u>\$ 4,099,340</u>	<u>\$ 4,099,343</u>	<u>\$ 4,290,727</u>	<u>\$ 191,384</u>

For internal use only. These financial statements have not been audited, and no assurance is provided.

Network 180

Statement of Revenues and Expenses

For the 1 Months Ended October 31, 2020

	YTD FY 2021 Actual	YTD FY 2020 Actual	Difference
Revenues:			
Medicaid	\$ 9,422,971	\$ 8,550,702	\$ 872,269
Healthy Michigan	1,464,526	1,312,641	151,885
General fund	554,740	513,678	41,062
Autism benefit	1,746,867	1,986,005	(239,138)
Grants	429,590	537,322	(107,732)
Local	443,223	403,161	40,062
	<u>14,061,917</u>	<u>13,303,509</u>	<u>758,408</u>
Expenses:			
Service provision	12,310,336	11,547,718	762,618
Grants	445,428	505,774	(60,346)
Earned contracts	60,614	48,403	12,211
Board administration and access center	1,054,152	1,033,087	21,065
Total expenses	<u>13,870,530</u>	<u>13,134,982</u>	<u>735,548</u>
Increase (decrease) in net position	<u>191,387</u>	<u>168,527</u>	<u>22,860</u>
Total net position (beginning of year)	<u>4,099,340</u>	<u>4,652,719</u>	<u>553,379</u>
Total net position (end of period)	<u>\$ 4,290,727</u>	<u>\$ 4,821,246</u>	<u>\$ 576,239</u>

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Network 180

Statement of Net Position

November 30, 2020

	FY 2021	FY 2020
Assets:		
Cash and cash equivalents	\$ 21,952,551	\$ 10,382,821
Accounts receivable	1,836,122	1,760,170
Due from Lakeshore Regional Partners	4,701,208	17,059,530
Due from State of Michigan	575,517	686,310
Due from County of Kent	232,385	161,925
Prepays and other current assets	474,420	329,761
Capital assets being depreciated, net	4,094,934	4,077,375
Net OPEB Asset	310,992	310,992
Total assets	35,489,370	34,768,884
Deferred outflows of resources:		
Pension related items	1,239,715	1,239,715
OPEB related items	45,753	45,753
Total deferred inflows of resources	1,285,468	1,285,468
Total assets and deferred outflows of resources	\$ 36,774,838	\$ 36,054,352
Liabilities:		
Accounts payable and accrued liabilities	\$ 24,822,447	\$ 26,189,206
Due to Lakeshore Regional Partners (Note 6)	-	-
Due to State of Michigan	585,838	349,969
Unearned revenue	180,829	12,000
Net pension liability	5,066,685	5,066,685
Total liabilities	30,655,799	31,617,860
Deferred inflows of resources:		
Pension related items	-	-
OPEB related items	337,153	337,153
Total deferred outflows of resources	337,153	337,153
Net position:		
Investment in capital assets	4,094,934	4,077,375
Unrestricted	1,686,952	21,964
Total net position	5,781,886	4,099,339
Total liabilities, deferred inflows of resources and net position	\$ 36,774,838	\$ 36,054,352

Network 180

Statement of Net Position

November 30, 2020

	FY 2021	FY 2020
Assets:		
Cash and investments	\$ 23,263,792	\$ 10,382,821
Due from Lakeshore Regional Partners	4,701,208	17,059,530
All other assets	7,524,370	7,326,533
Total assets	<u>35,489,370</u>	<u>34,768,884</u>
Deferred outflows of resources:		
Pension related items	1,239,715	1,239,715
OPEB related items	45,753	45,753
Total deferred outflows of resources	<u>1,285,468</u>	<u>1,285,468</u>
Total assets and deferred outflows of resources	<u>\$ 36,774,838</u>	<u>\$ 36,054,352</u>
Liabilities:		
Due to Lakeshore Regional Entity	\$ -	\$ -
All other liabilities	30,655,799	31,617,860
Total liabilities	<u>30,655,799</u>	<u>31,617,860</u>
Deferred inflows of resources:		
Pension related items	-	-
OPEB related items	337,153	337,153
Total deferred inflows of resources	<u>337,153</u>	<u>337,153</u>
Net position:		
Investment in capital assets	4,094,934	4,077,375
Unrestricted	1,686,952	21,964
Total net position	<u>5,781,886</u>	<u>4,099,339</u>
Total liabilities and net position	<u>\$ 36,774,838</u>	<u>\$ 36,054,352</u>

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Network 180

Statement of Revenues and Expenses

For the 2 Months Ended November 30, 2020

	FY2021			
	Annual Budget	YTD Budget	YTD Actual	YTD Surplus (Deficit)
Revenues:				
Medicaid	\$ 121,369,498	\$ 20,228,249	\$ 18,759,721	\$ (1,468,528)
Healthy Michigan	19,652,605	3,275,434	3,160,051	(115,383)
General fund	6,656,887	1,109,481	1,109,480	(1)
Autism benefit	26,941,093	4,490,182	3,559,735	(930,447)
Grants	9,548,312	1,591,385	987,844	(603,541)
Local	5,884,393	980,732	1,008,408	27,676
	<u>190,052,788</u>	<u>31,675,463</u>	<u>28,585,239</u>	<u>(3,090,224)</u>
Expenses:				
Provider network service costs	146,712,613	24,452,102	22,852,462	(1,599,640)
Direct run services	15,332,430	2,555,405	1,885,060	(670,345)
Grants	9,725,813	1,620,969	989,469	(631,500)
Earned contracts	884,621	147,437	210,413	62,976
Board administration and access center	16,228,278	2,704,712	2,276,530	(428,182)
Total expenses	<u>188,883,755</u>	<u>31,480,625</u>	<u>28,213,934</u>	<u>(3,266,691)</u>
Increase (decrease) in net position	<u>1,169,033</u>	<u>194,838</u>	<u>371,305</u>	<u>176,467</u>
Total net position (beginning of year)	<u>5,410,581</u>	<u>5,410,581</u>	<u>5,410,581</u>	<u>-</u>
Total net position (end of period)	<u>\$ 6,579,614</u>	<u>\$ 5,605,419</u>	<u>\$ 5,781,886</u>	<u>\$ 176,467</u>

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Network 180

Statement of Revenues and Expenses

For the 2 Months Ended November 30, 2020

	YTD FY 2021 Actual	YTD FY 2020 Actual	Difference
Revenues:			
Medicaid	\$ 18,759,721	\$ 17,396,821	\$ 1,362,900
Healthy Michigan	3,160,051	2,501,693	658,358
General fund	1,109,480	1,027,356	82,124
Autism benefit	3,559,735	3,805,238	(245,503)
Grants	987,844	1,241,166	(253,322)
Local	1,008,408	699,737	308,671
	<u>28,585,239</u>	<u>26,672,011</u>	<u>1,913,228</u>
Expenses:			
Service provision	24,737,522	23,353,299	1,384,223
Grants	989,469	1,214,251	(224,782)
Earned contracts	210,413	146,063	64,350
Board administration and access center	2,276,530	1,856,788	419,742
Total expenses	<u>28,213,934</u>	<u>26,570,401</u>	<u>1,643,533</u>
Increase (decrease) in net position	<u>371,305</u>	<u>101,610</u>	<u>269,695</u>
Total net position (beginning of year)	<u>5,410,581</u>	<u>4,652,720</u>	<u>(757,861)</u>
Total net position (end of period)	<u>\$ 5,781,886</u>	<u>\$ 4,754,330</u>	<u>\$ (488,166)</u>

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Network 180

Statement of Net Position

December 31, 2020

	FY 2021	FY 2020
Assets:		
Cash and cash equivalents	\$ 26,800,163	\$ 11,309,679
Accounts receivable	1,823,573	1,849,867
Due from Lakeshore Regional Partners	-	16,788,136
Due from State of Michigan	365,556	857,560
Due from County of Kent	139,763	350,210
Prepays and other current assets	395,550	307,346
Capital assets being depreciated, net	4,060,823	4,448,574
Net OPEB Asset	310,992	182,072
Total assets	<u>35,216,693</u>	<u>36,093,444</u>
Deferred outflows of resources:		
Pension related items	1,239,715	2,853,907
OPEB related items	45,753	55,523
Total deferred inflows of resources	<u>1,285,468</u>	<u>2,909,430</u>
Total assets and deferred outflows of resources	<u>\$ 36,502,161</u>	<u>\$ 39,002,874</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 21,785,962	\$ 25,049,785
Due to Lakeshore Regional Partners (Note 6)	3,074,615	353,795
Due to State of Michigan	353,981	849,155
Unearned revenue	12,000	2,000,000
Net pension liability	5,066,685	5,173,687
Total liabilities	<u>30,293,243</u>	<u>33,426,422</u>
Deferred inflows of resources:		
Pension related items	-	175,405
OPEB related items	337,153	236,118
Total deferred outflows of resources	<u>337,153</u>	<u>411,523</u>
Net position:		
Investment in capital assets	4,069,855	4,448,574
Unrestricted	1,801,910	716,355
Total net position	<u>5,871,765</u>	<u>5,164,929</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 36,502,161</u>	<u>\$ 39,002,874</u>

Network 180

Statement of Net Position

December 31, 2020

	FY 2021	FY 2020
Assets:		
Cash and investments	\$ 28,111,404	\$ 11,309,679
Due from Lakeshore Regional Partners	-	16,788,136
All other assets	7,105,289	7,995,629
Total assets	<u>35,216,693</u>	<u>36,093,444</u>
Deferred outflows of resources:		
Pension related items	1,239,715	2,853,907
OPEB related items	45,753	55,523
Total deferred outflows of resources	<u>1,285,468</u>	<u>2,909,430</u>
Total assets and deferred outflows of resources	<u>\$ 36,502,161</u>	<u>\$ 39,002,874</u>
Liabilities:		
Due to Lakeshore Regional Entity	\$ 3,074,615	\$ 353,795
All other liabilities	27,218,628	33,072,627
Total liabilities	<u>30,293,243</u>	<u>33,426,422</u>
Deferred inflows of resources:		
Pension related items	-	175,405
OPEB related items	337,153	236,118
Total deferred inflows of resources	<u>337,153</u>	<u>411,523</u>
Net position:		
Investment in capital assets	4,069,855	4,448,574
Unrestricted	1,801,910	716,355
Total net position	<u>5,871,765</u>	<u>5,164,929</u>
Total liabilities and net position	<u>\$ 36,502,161</u>	<u>\$ 39,002,874</u>

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Network 180

Statement of Revenues and Expenses

For the 3 Months Ended December 31, 2020

	FY2021			
	Annual Budget	YTD Budget	YTD Actual	YTD Surplus (Deficit)
Revenues:				
Medicaid	\$ 121,369,498	\$ 30,342,373	\$ 28,714,583	\$ (1,627,790)
Healthy Michigan	19,652,605	4,913,151	4,737,018	(176,133)
General fund	6,656,887	1,664,222	1,664,220	(2)
Autism benefit	26,941,093	6,735,273	5,376,417	(1,358,856)
Grants	9,548,312	2,387,078	1,644,106	(742,972)
Local	5,884,393	1,471,098	1,380,015	(91,083)
	<u>190,052,788</u>	<u>47,513,195</u>	<u>43,516,359</u>	<u>(3,996,836)</u>
Expenses:				
Provider network service costs	146,712,613	36,678,153	34,482,528	(2,195,625)
Direct run services	15,332,430	3,833,107	3,256,916	(576,191)
Grants	9,725,813	2,431,453	1,641,165	(790,288)
Earned contracts	884,621	221,155	301,687	80,532
Board administration and access center	16,228,278	4,057,069	3,372,879	(684,190)
Total expenses	<u>188,883,755</u>	<u>47,220,937</u>	<u>43,055,175</u>	<u>(4,165,762)</u>
Increase (decrease) in net position	<u>1,169,033</u>	<u>292,258</u>	<u>461,184</u>	<u>168,926</u>
Total net position (beginning of year)	<u>5,410,581</u>	<u>5,410,581</u>	<u>5,410,581</u>	<u>-</u>
Total net position (end of period)	<u>\$ 6,579,614</u>	<u>\$ 5,702,839</u>	<u>\$ 5,871,765</u>	<u>\$ 168,926</u>

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Network 180

Statement of Revenues and Expenses

For the 3 Months Ended December 31, 2020

	YTD FY 2021 Actual	YTD FY 2020 Actual	Difference
Revenues:			
Medicaid	\$ 28,714,583	\$ 26,609,354	\$ 2,105,229
Healthy Michigan	4,737,018	3,752,359	984,659
General fund	1,664,220	1,541,034	123,186
Autism benefit	5,376,417	5,451,922	(75,505)
Grants	1,644,106	1,854,346	(210,240)
Local	1,380,015	1,386,821	(6,806)
	<u>43,516,359</u>	<u>40,595,836</u>	<u>2,920,523</u>
Expenses:			
Service provision	37,739,444	35,325,585	2,413,859
Grants	1,641,165	1,832,280	(191,115)
Earned contracts	301,687	213,749	87,938
Board administration and access center	3,372,879	2,712,013	660,866
Total expenses	<u>43,055,175</u>	<u>40,083,627</u>	<u>2,971,548</u>
Increase (decrease) in net position	<u>461,184</u>	<u>512,209</u>	<u>(51,025)</u>
Total net position (beginning of year)	<u>5,410,581</u>	<u>4,652,720</u>	<u>(757,861)</u>
Total net position (end of period)	<u>\$ 5,871,765</u>	<u>\$ 5,164,929</u>	<u>\$ (808,886)</u>

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For internal use only. These financial statements have not been audited, and no assurance is provided.

Network 180

Statement of Net Position

January 31, 2021

	FY 2021	FY 2020
Assets:		
Cash and cash equivalents	\$ 30,885,147	\$ 7,097,384
Accounts receivable	2,059,675	1,780,360
Due from Lakeshore Regional Partners	-	17,803,678
Due from State of Michigan	565,673	595,576
Due from County of Kent	677,304	368,004
Prepays and other current assets	384,433	307,346
Capital assets being depreciated, net	4,027,773	4,255,573
Net OPEB Asset	310,992	182,072
Total assets	38,986,898	32,389,993
Deferred outflows of resources:		
Pension related items	1,239,715	2,853,907
OPEB related items	45,753	55,523
Total deferred inflows of resources	1,285,468	2,909,430
Total assets and deferred outflows of resources	\$ 40,272,366	\$ 35,299,423
Liabilities:		
Accounts payable and accrued liabilities	\$ 23,667,171	\$ 21,939,427
Due to Lakeshore Regional Partners (Note 6)	5,676,361	353,795
Due to State of Michigan	235,876	839,621
Unearned revenue	349,657	1,777,779
Net pension liability	5,066,685	5,173,687
Total liabilities	34,995,750	30,084,309
Deferred inflows of resources:		
Pension related items	-	175,405
OPEB related items	337,153	236,118
Total deferred outflows of resources	337,153	411,523
Net position:		
Investment in capital assets	4,103,674	4,255,573
Unrestricted	835,789	548,018
Total net position	4,939,463	4,803,591
Total liabilities, deferred inflows of resources and net position	\$ 40,272,366	\$ 35,299,423

Network 180

Statement of Net Position

January 31, 2021

	FY 2021	FY 2020
Assets:		
Cash and investments	\$ 30,885,147	\$ 7,097,384
Due from Lakeshore Regional Partners	-	17,803,678
All other assets	8,101,751	7,488,931
Total assets	<u>38,986,898</u>	<u>32,389,993</u>
Deferred outflows of resources:		
Pension related items	1,239,715	2,853,907
OPEB related items	45,753	55,523
Total deferred outflows of resources	<u>1,285,468</u>	<u>2,909,430</u>
Total assets and deferred outflows of resources	<u>\$ 40,272,366</u>	<u>\$ 35,299,423</u>
Liabilities:		
Due to Lakeshore Regional Entity	\$ 5,676,361	\$ 353,795
All other liabilities	29,319,389	29,730,514
Total liabilities	<u>34,995,750</u>	<u>30,084,309</u>
Deferred inflows of resources:		
Pension related items	-	175,405
OPEB related items	337,153	236,118
Total deferred inflows of resources	<u>337,153</u>	<u>411,523</u>
Net position:		
Investment in capital assets	4,103,674	4,255,573
Unrestricted	835,789	548,018
Total net position	<u>4,939,463</u>	<u>4,803,591</u>
Total liabilities and net position	<u>\$ 40,272,366</u>	<u>\$ 35,299,423</u>

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Network 180

Statement of Revenues and Expenses

For the 4 Months Ended January 31, 2021

	FY2021			
	Annual Budget	YTD Budget	YTD Actual	YTD Surplus (Deficit)
Revenues:				
Medicaid	\$ 121,369,498	\$ 40,456,498	\$ 39,178,928	\$ (1,277,570)
Healthy Michigan	19,652,605	6,550,868	6,487,533	(63,335)
General fund	6,656,887	2,218,962	2,218,960	(2)
Autism benefit	26,941,093	8,980,364	6,347,278	(2,633,086)
Grants	9,548,312	3,182,771	2,663,174	(519,597)
Local	5,884,393	1,961,464	1,873,874	(87,590)
	<u>190,052,788</u>	<u>63,350,927</u>	<u>58,769,747</u>	<u>(4,581,180)</u>
Expenses:				
Provider network service costs	146,712,613	48,904,204	45,229,904	(3,674,300)
Direct run services	15,332,430	5,110,810	4,791,548	(319,262)
Grants	9,725,813	3,241,938	2,699,300	(542,638)
Earned contracts	884,621	294,874	442,140	147,266
Board administration and access center	16,228,278	5,409,425	4,766,732	(642,693)
Total expenses	<u>188,883,755</u>	<u>62,961,251</u>	<u>57,929,624</u>	<u>(5,031,627)</u>
Increase (decrease) in net position	<u>1,169,033</u>	<u>389,676</u>	<u>840,123</u>	<u>450,447</u>
Total net position (beginning of year)	<u>4,099,340</u>	<u>4,099,340</u>	<u>4,099,340</u>	<u>-</u>
Total net position (end of period)	<u>\$ 5,268,373</u>	<u>\$ 4,489,016</u>	<u>\$ 4,939,463</u>	<u>\$ 450,447</u>

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Network 180

Statement of Revenues and Expenses

For the 4 Months Ended January 31, 2021

	YTD FY 2021 Actual	YTD FY 2020 Actual	Difference
Revenues:			
Medicaid	\$ 39,178,928	\$ 35,818,086	\$ 3,360,842
Healthy Michigan	6,487,533	5,740,923	746,610
General fund	2,218,960	2,054,712	164,248
Autism benefit	6,347,278	7,703,270	(1,355,992)
Grants	2,663,174	2,393,699	269,475
Local	1,873,874	1,772,408	101,466
	<u>58,769,747</u>	<u>55,483,098</u>	<u>3,286,649</u>
Expenses:			
Service provision	50,021,452	48,308,108	1,713,344
Grants	2,699,300	2,368,807	330,493
Earned contracts	442,140	297,678	144,462
Board administration and access center	4,766,732	4,357,634	409,098
Total expenses	<u>57,929,624</u>	<u>55,332,227</u>	<u>2,597,397</u>
Increase (decrease) in net position	<u>840,123</u>	<u>150,871</u>	<u>689,252</u>
Total net position (beginning of year)	<u>4,099,340</u>	<u>4,652,720</u>	<u>553,380</u>
Total net position (end of period)	<u>\$ 4,939,463</u>	<u>\$ 4,803,591</u>	<u>\$ 1,242,632</u>

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Network 180

Statement of Net Position

February 28, 2021

	FY 2021	FY 2020
Assets:		
Cash and cash equivalents	\$ 19,349,737	\$ 10,891,095
Accounts receivable	2,245,228	2,048,391
Due from Lakeshore Regional Partners	7,910,561	13,559,858
Due from State of Michigan	453,541	851,380
Due from County of Kent	245,871	789,388
Prepays and other current assets	373,316	307,346
Capital assets being depreciated, net	3,992,985	4,206,095
Net OPEB Asset	310,992	182,072
Total assets	<u>34,985,436</u>	<u>32,835,625</u>
Deferred outflows of resources:		
Pension related items	1,239,715	2,853,907
OPEB related items	45,753	55,523
Total deferred inflows of resources	<u>1,285,468</u>	<u>2,909,430</u>
Total assets and deferred outflows of resources	<u>\$ 36,270,904</u>	<u>\$ 35,745,055</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 25,341,687	\$ 22,197,051
Due to Lakeshore Regional Partners (Note 6)	-	353,795
Due to State of Michigan	236,194	256,707
Unearned revenue	180,829	2,408,331
Net pension liability	5,066,685	5,173,687
Total liabilities	<u>30,825,395</u>	<u>30,389,571</u>
Deferred inflows of resources:		
Pension related items	-	175,405
OPEB related items	337,153	236,118
Total deferred outflows of resources	<u>337,153</u>	<u>411,523</u>
Net position:		
Investment in capital assets	4,096,190	4,206,095
Unrestricted	1,012,166	737,866
Total net position	<u>5,108,356</u>	<u>4,943,961</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 36,270,904</u>	<u>\$ 35,745,055</u>

Network 180

Statement of Net Position

February 28, 2021

	FY 2021	FY 2020
Assets:		
Cash and investments	\$ 19,349,737	\$ 10,891,095
Due from Lakeshore Regional Partners	7,910,561	13,559,858
All other assets	7,725,138	8,384,672
Total assets	<u>34,985,436</u>	<u>32,835,625</u>
Deferred outflows of resources:		
Pension related items	1,239,715	2,853,907
OPEB related items	45,753	55,523
Total deferred outflows of resources	<u>1,285,468</u>	<u>2,909,430</u>
Total assets and deferred outflows of resources	<u>\$ 36,270,904</u>	<u>\$ 35,745,055</u>
Liabilities:		
Due to Lakeshore Regional Entity	\$ -	\$ 353,794
All other liabilities	30,825,395	30,035,777
Total liabilities	<u>30,825,395</u>	<u>30,389,571</u>
Deferred inflows of resources:		
Pension related items	-	175,405
OPEB related items	337,153	236,118
Total deferred inflows of resources	<u>337,153</u>	<u>411,523</u>
Net position:		
Investment in capital assets	4,096,190	4,206,095
Unrestricted	1,012,166	737,866
Total net position	<u>5,108,356</u>	<u>4,943,961</u>
Total liabilities and net position	<u>\$ 36,270,904</u>	<u>\$ 35,745,055</u>

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Network 180

Statement of Revenues and Expenses

For the 5 Months Ended February 28, 2021

	FY2021			
	Annual Budget	YTD Budget	YTD Actual	YTD Surplus (Deficit)
Revenues:				
Medicaid	\$ 121,369,498	\$ 50,570,623	\$ 50,015,110	\$ (555,513)
Healthy Michigan	19,652,605	8,188,585	8,476,741	288,156
General fund	6,656,887	2,773,703	2,773,700	(3)
Autism benefit	26,941,093	11,225,455	7,948,250	(3,277,205)
Grants	9,548,312	3,978,463	2,875,899	(1,102,564)
Local	5,884,393	2,451,831	2,309,773	(142,058)
	<u>190,052,788</u>	<u>79,188,660</u>	<u>74,399,473</u>	<u>(4,789,187)</u>
Expenses:				
Provider network service costs	146,712,613	61,130,255	58,310,251	(2,820,004)
Direct run services	16,145,474	6,727,281	5,804,914	(922,367)
Grants	9,725,813	4,052,422	2,922,074	(1,130,348)
Earned contracts	884,621	368,592	511,086	142,494
Board administration and access center	15,415,234	6,423,013	5,842,132	(580,881)
Total expenses	<u>188,883,755</u>	<u>78,701,563</u>	<u>73,390,457</u>	<u>(5,311,106)</u>
Increase (decrease) in net position	<u>1,169,033</u>	<u>487,097</u>	<u>1,009,016</u>	<u>521,919</u>
Total net position (beginning of year)	<u>4,099,340</u>	<u>4,099,340</u>	<u>4,099,340</u>	<u>-</u>
Total net position (end of period)	<u>\$ 5,268,373</u>	<u>\$ 4,586,437</u>	<u>\$ 5,108,356</u>	<u>\$ 521,919</u>

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Network 180

Statement of Revenues and Expenses

For the 5 Months Ended February 28, 2021

	YTD FY 2021 Actual	YTD FY 2020 Actual	Difference
Revenues:			
Medicaid	\$ 50,015,110	\$ 45,012,567	\$ 5,002,543
Healthy Michigan	8,476,741	7,038,683	1,438,058
General fund	2,773,700	2,636,188	137,512
Autism benefit	7,948,250	9,494,710	(1,546,460)
Grants	2,875,899	3,218,024	(342,125)
Local	2,309,773	2,366,292	(56,519)
	<u>74,399,473</u>	<u>69,766,464</u>	<u>4,633,009</u>
Expenses:			
Service provision	64,115,165	60,244,984	3,870,181
Grants	2,922,074	3,293,372	(371,298)
Earned contracts	511,086	399,486	111,600
Board administration and access center	5,842,132	5,537,381	304,751
Total expenses	<u>73,390,457</u>	<u>69,475,223</u>	<u>3,915,234</u>
Increase (decrease) in net position	<u>1,009,016</u>	<u>291,241</u>	<u>717,775</u>
Total net position (beginning of year)	<u>4,099,340</u>	<u>4,652,720</u>	<u>553,380</u>
Total net position (end of period)	<u>\$ 5,108,356</u>	<u>\$ 4,943,961</u>	<u>\$ 1,271,155</u>

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Network 180

Statement of Net Position

March 31, 2021

	FY 2021	FY 2020
Assets:		
Cash and cash equivalents	\$ 28,028,184	\$ 12,194,934
Accounts receivable	2,313,637	1,819,665
Due from Lakeshore Regional Partners	-	12,020,182
Due from State of Michigan	319,762	839,470
Due from County of Kent	195,426	400,667
Prepays and other current assets	362,200	307,346
Capital assets being depreciated, net	3,961,224	4,159,705
Net OPEB Asset	310,992	182,072
Total assets	<u>35,646,329</u>	<u>31,924,041</u>
Deferred outflows of resources:		
Pension related items	1,239,715	2,853,907
OPEB related items	45,753	55,523
Total deferred inflows of resources	<u>1,285,468</u>	<u>2,909,430</u>
Total assets and deferred outflows of resources	<u>\$ 36,931,797</u>	<u>\$ 34,833,471</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 25,166,347	\$ 22,149,604
Due to Lakeshore Regional Partners (Note 6)	546,263	353,795
Due to State of Michigan	238,866	979,621
Unearned revenue	12,000	1,333,337
Net pension liability	5,066,685	5,173,687
Total liabilities	<u>31,030,161</u>	<u>29,990,044</u>
Deferred inflows of resources:		
Pension related items	-	175,405
OPEB related items	337,153	236,118
Total deferred outflows of resources	<u>337,153</u>	<u>411,523</u>
Net position:		
Investment in capital assets	4,116,128	4,159,705
Unrestricted	1,448,355	272,199
Total net position	<u>5,564,483</u>	<u>4,431,904</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 36,931,797</u>	<u>\$ 34,833,471</u>

Network 180

Statement of Net Position

March 31, 2021

	FY 2021	FY 2020
Assets:		
Cash and investments	\$ 28,028,184	\$ 12,194,934
Due from Lakeshore Regional Partners	-	12,020,182
All other assets	7,618,145	7,708,925
Total assets	35,646,329	31,924,041
Deferred outflows of resources:		
Pension related items	1,239,715	2,853,907
OPEB related items	45,753	55,523
Total deferred outflows of resources	1,285,468	2,909,430
Total assets and deferred outflows of resources	\$ 36,931,797	\$ 34,833,471
Liabilities:		
Due to Lakeshore Regional Entity	\$ 546,263	\$ 353,795
All other liabilities	30,483,898	29,636,249
Total liabilities	31,030,161	29,990,044
Deferred inflows of resources:		
Pension related items	-	175,405
OPEB related items	337,153	236,118
Total deferred inflows of resources	337,153	411,523
Net position:		
Investment in capital assets	4,116,128	4,159,705
Unrestricted	1,448,355	272,199
Total net position	5,564,483	4,431,904
Total liabilities and net position	\$ 36,931,797	\$ 34,833,471

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Network 180

Statement of Revenues and Expenses

For the 6 Months Ended March 31, 2021

	FY2021			
	Annual Budget	YTD Budget	YTD Actual	YTD Surplus (Deficit)
Revenues:				
Medicaid	\$ 121,369,498	\$ 60,684,748	\$ 60,315,409	\$ (369,339)
Healthy Michigan	19,652,605	9,826,303	10,223,144	396,841
General fund	6,656,887	3,328,444	3,328,441	(3)
Autism benefit	26,941,093	13,470,547	10,178,571	(3,291,976)
Grants	9,548,312	4,774,156	3,518,076	(1,256,080)
Local	5,884,393	2,942,197	2,750,694	(191,503)
	<u>190,052,788</u>	<u>95,026,395</u>	<u>90,314,335</u>	<u>(4,712,060)</u>
Expenses:				
Provider network service costs	146,712,613	73,356,307	70,544,493	(2,811,814)
Direct run services	16,145,474	8,072,737	7,051,377	(1,021,360)
Grants	9,725,813	4,862,906	3,476,420	(1,386,486)
Earned contracts	884,621	442,311	625,991	183,680
Board administration and access center	15,415,234	7,707,616	7,150,911	(556,705)
Total expenses	<u>188,883,755</u>	<u>94,441,877</u>	<u>88,849,192</u>	<u>(5,592,685)</u>
Increase (decrease) in net position	<u>1,169,033</u>	<u>584,518</u>	<u>1,465,143</u>	<u>880,625</u>
Total net position (beginning of year)	<u>4,099,340</u>	<u>4,099,340</u>	<u>4,099,340</u>	<u>-</u>
Total net position (end of period)	<u>\$ 5,268,373</u>	<u>\$ 4,683,858</u>	<u>\$ 5,564,483</u>	<u>\$ 880,625</u>

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Network 180

Statement of Revenues and Expenses

For the 6 Months Ended March 31, 2021

	YTD FY 2021 Actual	YTD FY 2020 Actual	Difference
Revenues:			
Medicaid	\$ 60,315,409	\$ 54,401,487	\$ 5,913,922
Healthy Michigan	10,223,144	8,455,009	1,768,135
General fund	3,328,441	3,082,068	246,373
Autism benefit	10,178,571	10,350,319	(171,748)
Grants	3,518,076	3,849,119	(331,043)
Local	2,750,694	2,651,515	99,179
	<u>90,314,335</u>	<u>82,789,517</u>	<u>7,524,818</u>
Expenses:			
Service provision	77,595,870	72,134,479	5,461,391
Grants	3,476,420	3,821,210	(344,790)
Earned contracts	625,991	444,766	181,225
Board administration and access center	7,150,911	6,609,878	541,033
Total expenses	<u>88,849,192</u>	<u>83,010,333</u>	<u>5,838,859</u>
Increase (decrease) in net position	<u>1,465,143</u>	<u>(220,816)</u>	<u>1,685,959</u>
Total net position (beginning of year)	<u>4,099,340</u>	<u>4,652,720</u>	<u>553,380</u>
Total net position (end of period)	<u>\$ 5,564,483</u>	<u>\$ 4,431,904</u>	<u>\$ 2,239,339</u>

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Network180

FINANCE COMMITTEE
MOTION REQUEST

SUBJECT:

2021 Budget Amendment 2

MEETING DATE:

June 2, 2021

PREPARED BY:

Amy Rottman, Chief Financial Officer

RECOMMENDED MOTIONS:

The management recommends that the Network180 Board approve an increase to the FY 2021 revenue and expenditure budget as follows:

	1st Amended Annual Budget	2nd Amended Annual Budget	Difference
Revenues:			
Medicaid	\$ 121,369,498	\$ 123,988,498	\$ 2,619,000
Healthy Michigan	19,652,605	19,943,605	291,000
General fund	6,656,887	6,656,887	-
Autism benefit	26,941,093	26,941,093	-
Grants	9,548,312	8,286,010	(1,262,302)
Local	5,884,393	6,146,269	261,876
Total operating revenue	<u>\$ 190,052,788</u>	<u>\$ 191,962,362</u>	<u>\$ 1,909,574</u>
Expenses:			
Provider network service costs	\$ 146,712,613	\$ 150,222,613	3,510,000
Direct run services	16,145,474	15,545,474	(600,000)
Grants	9,725,813	8,463,511	(1,262,302)
Earned contracts	884,621	1,146,497	261,876
Board administration and access center	15,415,234	15,415,234	-
Total operating expense	<u>\$ 188,883,755</u>	<u>\$ 190,793,329</u>	<u>\$ 1,909,574</u>
Total Revenue over Expenditures	<u>\$ 1,169,033</u>	<u>\$ 1,169,033</u>	<u>\$ (0)</u>
Lapse to Lakeshore Regional Entity		<u>14,356,514</u>	
Net Income (loss)		<u>\$ 1,169,033</u>	

Network180

SUMMARY OF REQUEST/INFORMATION:

MEDICAID, HEALTHY MICHIGAN AND AUTISM BUDGETS

	2021 Budget Amendment 1	2021 Budget Amendment 2	Difference
Medicaid	\$ 121,369,498	\$ 123,988,498	\$ 2,619,000
Healthy Michigan	19,652,605	19,943,605	291,000
Autism Benefit	26,941,093	26,941,093	-
	<u>\$ 167,963,196</u>	<u>\$ 170,873,196</u>	<u>\$ 2,910,000</u>
LRE revenue projection		184,909,895	
Projected lapse		\$ 14,036,699	
Specialized Residential Stabilization:			
Increase Premium Pay		\$ 1,270,000	
Hiring bonuses		30,000	
Quarterly longevity pay		585,000	
Provider stabilization payments		875,000	
Emergency staff pool for CLS		<u>750,000</u>	
Total Expense Increase		\$ 3,510,000	

Network180

GRANTS REVENUE AND EXPENSE

	2021 Budget Amendment 1	2021 Budget Amendment 2	Difference
Drug Court	\$ 79,724	\$ 79,724	\$ -
Mental Health Court	184,789	184,789	-
Healthy Transitions	315,203	186,551	(128,652)
Care management adult mental health	263,212	196,396	(66,816)
First episode psychosis	1,529,040	1,297,660	(231,380)
FEP - Northwell (Feinstein)	139,351	139,351	-
UA Health and Wellness Grant	7,500	7,500	-
Jail diversion	298,740	298,740	-
ITP Transportation	249,057	249,057	-
OBRA/PASARR	473,600	301,364	(172,236)
SUDBG - Treatment	2,704,236	2,704,236	-
SUDBG - Prevention	424,127	424,127	-
SUDBG - Women's Specialty Services	115,669	115,669	-
SOR Michigan Reentry Project (MI-REP) Grant	354,127	178,727	(175,400)
SAPPHIRES	155,477	155,477	-
Clubhouse	75,000	22,590	(52,410)
SOR	486,953	486,953	-
CCBHC	447,099	447,099	-
CCBHC - Direct Services	1,422,899	810,000	(612,899)
	\$ 9,725,803	\$ 8,286,010	\$ (1,439,793)

Network180

LOCAL REVENUE AND EARNED CONTRACT EXPENSE

	2021 Budget Amendment 1	2021 Budget Amendment 2	Difference
GR HOT Team	\$ -	\$ 261,875	\$ 261,875
KC Wraparound	24,183	24,183	-
KC DHHS Liaisons	183,212	183,212	-
KC Family Engagement Program	341,103	341,103	-
KC PSP Staff	60,000	60,000	-
Detention	114,797	114,797	-
MST Program (DHHS)	40,088	40,088	-
WSU-Health Endowment Fund	121,240	121,240	-
	<hr/>	<hr/>	<hr/>
	\$ 884,622	\$ 1,146,497	\$ 261,875

STAFF: Amy Rottman, Chief Financial Officer

DATE: June 3, 2021

Network180

FINANCE COMMITTEE MOTION REQUEST

SUBJECT: 2021 Capital Contracts over \$50,000
MEETING DATE: June 7, 2021
PREPARED BY: Amy Rottman, Chief Financial Officer

RECOMMENDED MOTIONS:

Management requests Board amend its contract with Plante Moran Cresa, L.L.C for owner representation services related to the real estate and renovation of Network180's Fuller site. Network180 shall pay Plante Moran Cresa, L.L.C an hourly fee, but the total contract not-to-exceed balance will be increased from \$50,000 to \$85,000, plus actual out of pocket expenses incurred in the performance of the contract.

SUPPLEMENTARY INFORMATION:

- 1) In December 2020, the Board approved a contract with Plante Moran Cresa, L.L.C.
- 2) Plante Moran Cresa, L.L.C is a member of the Michigan MiDeal program and the contract rates reflect the state procured rate.
- 3) In accordance with the scope of this contract, Plante Moran Cresa, L.L.C will provide owner representation services to Network180 related to the renovation of the 3rd floor of the Fuller site.
- 4) This work is anticipated to last approximately 10 months.
- 5) Scope of services includes:
 - a. Project liaison
 - b. Program development
 - c. Architect contract implementation
 - d. Construction manager and/or general contractor selection
 - e. Construction manager and/or general contractor negotiations
 - f. Design process review
 - g. Contractor selections
 - h. Construction process review
 - i. Move coordination
 - j. Building startup and project closeout

BUDGET CONSIDERATIONS:

This professional service will be capitalized along with the leasehold improvements made to the Fuller site. Therefore, this is not a FY 2021 expense, but rather will be expensed over the life of the lease of the Fuller site.

STAFF: Amy Rottman, Chief Financial Officer

DATE: June 2, 2021



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

May 7, 2021

**Request for Improvement
of Deficiencies -
Corrective Action Plan**

Fiscal Year: 2020

Municipality Code: 417529

Report ID Number: 111921

Sent Via Email

Kent County Community Mental Health Authority
amy.rottman@network180.org

Dear Governing Body:

The Community Engagement and Finance Division has received the audit report for the fiscal year referenced above. It is the responsibility of this division to administer certain State statutes. Consequently, your audit has been reviewed to determine compliance with budgeting, accounting, auditing, and statutory compliance related activities. This review has identified issues that we believe need your attention.

Please note the following issues corresponding to response(s) on the auditing procedures report:

- Expenditures have exceeded revenues for the last three years. Please provide an explanation for this trend.

The matter(s) described above are either violations of state statute or are deficiencies of the local unit that may impede the local unit's ability to comply with state statute.

Additional deficiencies in your report are usually found in the form of comments and recommendations located toward the end of the report or may be filed separately. The plan should identify each Auditing Procedure Report question listed above, each additional deficiency, the corrective action to be taken, the supporting documentation requested, if any, and the date in which the action is to be implemented.

Therefore, within **30 days** from the date of this letter, please submit to us a detailed Corrective Action Plan to resolve the above-mentioned matter(s), including other deficiencies noted in your audit report. To submit your Corrective Action Plan, visit the

department's online filing site at Michigan.gov/localfinancialreporting and select the File Online Reports tab. You must request local unit user access if one does not already exist. We do not accept hard-copy or emailed responses. Please combine multiple documents as only one document can be uploaded.

Failure to respond within 30 days or an inability to demonstrate that corrective action has been implemented may result in one or more of the following:

- Denial of subsequent year qualified status under Public Act 34 of 2001, the Revised Municipal Finance Act (possibly preventing your municipality the ability to borrow money);
- Subject the local unit to an audit and/or review performed by Department of Treasury auditors at the expense of the local unit.

Please contact the audit review staff at LAFD_Audits@michigan.gov if you have any questions.

Sincerely,



Cary Jay Vaughn, CPA, CGFM
Audit Manager
Community Engagement and Finance Division



June 2, 2021

State of Michigan
Department of Treasury
P.O. Box 30728
Lansing, MI 48909

***Re: Request for Improvement of Deficiencies (Corrective Action Plan)
Fiscal year 2020, MuniCode 417529***

Local Fiscal Accountability Division:

We received your letter dated May 7, 2021 requesting a corrective action plan as a result of the auditing procedures report completed by our certified public accountant in relation to our September 30, 2020 audit.

The matter reported on the accounting procedures report that requires corrective action is that Network180's expenditures have exceeded revenues for the last three years. This trend is a result of organizational and funding changes to the State-wide community mental health system. During the last 5 years, Network180 has been adapting programs and services to fit expenditures within the new models, while still fulfilling its obligation to provide entitled services. In 2020, funding levels improved state-wide because of more Medicaid enrollment. Although this allowed the organization's short-term operations to stabilize, the organization still experienced a reduction in net position. This is due to the change in net pension liability creating pension expense beyond the actuarially required pension contribution.

While expenditures have exceeded revenue in the last three years, the changes implemented to spending had resulted in improvement for FY 2017, 2018, 2019, and 2020. Each year, losses have been reduced with expenditures exceeding revenue by \$2,663,282, \$1,910,195, \$1,022,475, and \$553,380 in 2017, 2018, 2019 and 2020 respectively.

This trend is not unique to Network180 and the Michigan Department of Health and Human Services announced a new funding allocation formula in 2018 that will result in an additional \$2,463,726 annually after allocation is phased in over 5 years. During the next 5 years, Network180's annual allocation will grow approximately \$500,000 per year.

Please accept this letter as our formal response to your request for a corrective action plan.

Respectfully,

A handwritten signature in black ink, appearing to read "Amy Rottman", is written over a horizontal line.

Amy Rottman, CPA, CGFM
Chief Financial Officer

Network180 Board Work Session Minutes

Location: Virtual

May 17, 2021 – 4:45 pm

Network180 Board Present: Shellie Cole-Mickens, Caroline Dellenbusch, Tom Dooley, Emily Helder, Commissioner LaGrand, Nessa McCassey, Donna Moore-Brown, Larry Oberst, Commissioner Stan Ponstein, Clyde Sims and Commissioner Stan Stek

Network180 Board Absent: John Matias

Network180 Non-voting Board Members Present: Amanda Rostic

Network180 Non-voting Board Members Absent: Samuel Jones

Network180 Staff Present: Andrew Boekestein, Clark Bowman, Joan Brown, Ross Buitendorp, Brenda Holquist, Dawn Rasmussen, Izzy Rhodes, Beverly Ryskamp, Kristin Spykerman, Bill Ward and Ed Wilson

Other Present: Attendees were not identified as meeting was held virtually and no sign in was required.

I. CALL TO ORDER

Commissioner Stek called the meeting to order at 4:51 pm.

II. ROLL CALL

Roll call was taken, and a quorum was reached.

III. PUBLIC COMMENT

None

IV. APPROVAL OF THE REVISED AGENDA

Moved: Commissioner LaGrand

Supported: Ms. Helder

Motion carried.

V. CONSENT AGENDA – no quorum at Program Committee minutes tabled

a. May 3, 2021 – Board Meeting Minutes

Moved:

Supported:

Motion carried.

VI. PROGRAM COMMITTEE ITEMS

Ms. Dellenbusch gave an update on Program Committee and the presentation from Mr. Garvin and was available for questions.

VII. SPECIALIZED RESIDENTIAL STAFFING

Mr. Buitendorp and Ms. Rottman presented on Specialized Residential Staffing and were available for questions. There was significant discussion about state funding and rates.

VIII. PROJECT PORTFOLIOS/STREGIC PLAN

Mr. Boekestein and Ms. Ryskamp presented on the Portfolio Projects and Strategic Plan and were available for comment.

IX. PUBLIC COMMENT

Jacquie Johnson, Thresholds – thanks the board for taking time tonight to thoughtfully consider the circumstances that the providers of I/DD services have been under in these unprecedented times. She also thanks Network180 for working so diligently to listen to the providers and present a great overview of the reality of staffing issues. Wages are not the only issue; other employers are offering start today and get paid at the end of the week. While in the public health system, we don't have that advantage. Jacquie encourages others to advocate for the changes.

Linda Kristiansen, Parent – she has proposed using college students and offering credit. Maybe with someone with more backing would be able to get it off the ground. Linda invites the board to visit the “kids” where they are and see what the services are doing for the kids.

Marissa VanderWeele, Full Circle Care – she echoes Jacquie and Linda. They are facing the same problems even though a smaller scale. She thanks everyone for their advocacy for the longevity of the wage increases.

X. BOARD COMMENT

Commissioner Ponstein – thanks the staff. He realizes it takes a special kind of person to work in the mental health field and taking care of others. Thanks to Bill and staff for the 55 projects that are currently being worked on. We need to step up our advocacy and keep up the fight for the most vulnerable people in our community. He suggests that the legislators should be the one to visit the “kids” where they are.

Ms. Cole-Mickens – echoes Commissioner Ponstein and thanks him for his comments.

Commissioner Stek – the plan for the June 7 meeting is scheduled to be in person at the Eaglecrest office, but we will be able to keep the virtual capability.

XI. ADJOURNMENT

Commissioner Stek adjourned the meeting at 7:00 pm.