

NKHS Board Meeting
MINUTES
10/23/2023

Board Present Denise Niemira, Chair; Linda Rhodes, Vice Chair; Jane Kitchel, Secretary; Amy Morley, Treasurer; Neil Peters, Director of Finance; Lisa Bostrom, Director of HR; Bob Bismant, Director of IT; Patrick Smith, Director of Sales; T. C. Pickett, Director of Operations; Perkins, Director of Communication and Community Engagement; Gould, Chief of IT; Julie Riffon Keith, Director of IT. This was the second time Bostrom had been present by unanimous vote of the Board present.

Finance Committee update: Amy Morley noted that projecting spending is difficult due to the seasonality of school based programs. August followed the summer trend, but those numbers are expected to even out over the next couple of months.

Denis Houle reviewed the finance reports. August had a gain of \$29k and targets were met for children and adult programs. On 11/11/23, the special IDDS service delivery reimbursement rules cease and will revert to the suspended pre-COVID methodology. This reversion to the prior reimbursement rules will have a negative impact on revenues. Year to date revenues are \$267k below budget, again this in part is a result of the seasonality of school programs in the summer months. August also had 3 pay periods, effecting the salary expense.

Expenses were under for the month by \$64k on fringe benefits and higher on client transportation by \$ 32k.

Margin is at .6% Month to Date and a margin Year to Date of 10%. Cash position: \$13million in the bank and 95 days cash on hand. NKHS currently has 15 school contracts and working with several others to negotiate contracts. More staff is needed to take on additional contracts.

The Mental Health budget has pressure and some programs are losing money; however, it was noted that we report agency finances as a whole. Kelsey Stavseth is working with the appropriate staff to address the behavioral health department issues. Jane Kitchel informed the Board that the increase that were included in this fiscal year's DMH budget to provide increased reimbursement to DAs was funded with a time limited enhanced federal match. Next fiscal year's budget will include the \$10 million General Fund cost of maintaining the current level of funding to DAs. Whether there will be an increase over and above making up for the lower match is unknown at this time.

Kelsey Stavseth reminded the Board present that any legislative advocacy should be a coordinated effort. The Board asked what they need to do at the Legislative breakfast. Board members are not expected to present; however, their presence is important to talk with area legislators about the important work of NKHS and to show their support of the Agency.

Motion to approve the August financial reports as presented was made by Lisa Boskind. This was seconded by Jane Kitchel and carried by unanimous vote of the Board present.

Amy Morley reminded the Board that as soon as the FY 2021 audit is complete the Board will be notified. FY 2022 is underway, and we expect a smoother audit with the new systems that are now in place.

A contract with the auditor were recently signed by Kelsey Stavseth and Denise Niemira and is retroactive to 7/1/2023. NKHS is currently not currently eligible to receive grant funds as it is out of compliance since our audits are not completed. This effects grant funds for 988, Front Porch, and loan 1.3 ()10

