

# Annual Revenue and Expenditure Report – Adopted Budget June 30, 2016



- Proposed Budget – June 30, 2016
- Budget Narrative & Notes

**California Mental Health Services Authority**  
**Annual Revenue and Expenditure Report - Proposed Budget**  
**June 30, 2016**

|                                                                       | Approved Budget<br>2014/15 | Current Year 2014/15<br>Projected Actuals | Proposed Budget<br>2015/16 |
|-----------------------------------------------------------------------|----------------------------|-------------------------------------------|----------------------------|
| <b>A. Revenue to CalMHSA 2015/2016</b>                                |                            |                                           |                            |
| Phase 1 - Sustainability Contributions FY 15-16                       | 12,895,000                 | 6,133,998                                 | -                          |
| Phase 2 - Sustainability Contributions FY 15-16                       | -                          |                                           | 4,820,775                  |
| Statewide Hospital Beds                                               | 450,000                    | 438,642                                   | 438,642                    |
| <b>Total Revenue to CalMHSA 2015/16</b>                               | <b>13,345,000</b>          | <b>6,572,640</b>                          | <b>5,259,417</b>           |
| <b>B. Transfer of Funds to Programs</b>                               | <b>2,939,997</b>           | -                                         | -                          |
| <b>Total Funds Available 2015/16</b>                                  | <b>16,284,997</b>          | <b>6,572,640</b>                          | <b>5,259,417</b>           |
| <b>C. Expenditures</b>                                                |                            |                                           |                            |
| <b>Program Services Expenditures</b>                                  | -                          |                                           |                            |
| PEI Program Services                                                  | 42,676,123                 | 29,486,266                                | 8,099,737                  |
| WET Program Expenditures                                              | -                          | 148,470                                   | -                          |
| TTACB Contract                                                        | -                          | 89,597                                    | 120,000                    |
| State Hospital Beds                                                   | 450,080                    | 143,551                                   | 438,422                    |
| Short Doyle Fiscal Pilot                                              | 248,703                    | 21,134                                    | 210,527                    |
| <b>Total Program Services Expenditures</b>                            | <b>43,374,906</b>          | <b>29,889,018</b>                         | <b>8,868,686</b>           |
| <b>General And Administrative Expenses</b>                            | -                          |                                           |                            |
| General & Administrative Staffing                                     | -                          | 773,578                                   | 322,407                    |
| Legal                                                                 | -                          | 60,000                                    | 21,500                     |
| Travel & Meetings                                                     | -                          | 40,000                                    | 17,000                     |
| Other Contracts                                                       | -                          | 40,000                                    | 20,000                     |
| Insurance                                                             | -                          | 31,431                                    | 35,000                     |
| Financial Audit                                                       | -                          | 15,000                                    | 25,000                     |
| <b>Total General And Administrative Expenditures</b>                  | <b>3,155,583</b>           | <b>960,009</b>                            | <b>440,907</b>             |
| <b>Total Expenditures</b>                                             | <b>46,530,489</b>          | <b>30,849,027</b>                         | <b>9,309,593</b>           |
| <b>D. Net Increase/(Decrease) Unexpended funds (1)-(2)</b>            | <b>(30,245,492)</b>        | <b>(24,276,388)</b>                       | <b>(4,050,176)</b>         |
| <b>E. Total Unexpended Funds Available from Prior Fiscal Years</b>    | <b>34,016,422</b>          | <b>30,754,949</b>                         | <b>6,478,561</b>           |
| <b>F. Total Unexpended Funds/Reserves - June 30, 2016</b>             | <b>3,770,930</b>           | <b>6,478,561</b>                          | <b>2,428,385</b>           |
| Funds Restrictd for Run out of JPA Operations                         | -                          | 790,000                                   | 650,000                    |
| Restricted Program Obligations                                        | -                          | 4,191,696                                 | 681,369                    |
| Contingency for Phase 1 Funds not collected (Committed vs. Collected) | -                          | 1,243,865                                 | 1,097,016                  |
| Prudent Reserve                                                       | 3,770,930                  | 253,000                                   | -                          |
| <b>Total Unexpended Funds/Reserves</b>                                | <b>3,770,930</b>           | <b>6,478,561</b>                          | <b>2,428,385</b>           |

## Proposed Budget Notes

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### A. Revenue – During Fiscal year 15/16 is Estimated as:

|                                                     | Total              |
|-----------------------------------------------------|--------------------|
| Statewide Hospital Beds (1)                         | 438,642            |
| Phase 2 - Sustainability Contributions FY 15-16 (2) | 4,820,775          |
| Total estimated deposits as of June 30, 2016        | <u>\$5,259,417</u> |

1. State Hospital Bed program is currently in the second of a three year Participation Agreement
2. Phase 2 - Sustainability Contributions FY 15-16 – Member Counties have sent Letters of Acknowledgement of \$3,820,775 and an estimate of an additional \$1 million for other County commitments pending to be reported to CalMHSA. Final amounts are to be determined and no obligations will be made until funding sources are known.

### B. Transfer of Funds to Programs

Over the history of implementation of PEI programs, CalMHSA has maintained a contingent reserve. In 2015, \$2,939,997 was moved from contingent reserve to support programs.

### C. Expenditures

#### 1. Program Service Expenditures

- Sustainability Expenditures Phase I and II have been budgeted as follows:  
Program Partners (up to six contracts) 80% of current year county contributions projected of \$4,820,775 and \$1,100,000 carry over from Phase I is \$5,920,775.  $\$5,920,775 \times 80\%$  \$4,736,620  
Direct Management and Oversight 1,979,529  
Other Contracts 40,000  
Legal 28,500  
Evaluation 1,277,588  
Travel and Meetings 37,500  
PEI Program Services \$8,099,737

\* \$1,493,357 PEI Ph. I & II and \$486,172 other programs.

- TTACB, State Hospital Beds, and Feasibility Study Program Expenses have been estimated by participation agreements.

#### 2. General and Administrative Expenses

- General and Administrative Staffing – Staffing services to manage the general and fiscal operations of the JPA.
- Legal Expenses – CalMHSA has retained legal services to provide counsel to the board and support of the governing documents and contracts. Legal services will decrease for fiscal year ended 2016 due to number of contracts related to execution of the Phase 2 Plan.
- Travel and Meeting Expenses – CalMHSA is governed by a Board of Directors and has established standing committees and must conduct public meetings to carry out the regular business of the JPA. Conference attendance is also integral to the members maintaining and updating knowledge in Mental Health Services. The JPA currently has 55 counties participants.
- Other Contracts – CalMHSA has entered into contracts for general information dissemination and information technology.
- Insurance – CalMHSA procures its general liability insurance from CSAC-EIA on a policy term of July 1 to June 30.

- Financial Audit – As required by the government code, CalMHSA is audited annually by an independent Certified Public Accountant.

**D. Net Increase / Decrease Unexpended Funds**

Column (A) Current PEI & Current Programs – Net decrease of unexpended funds of \$4,050,176

**E. Unexpended Funds Available from Prior Years**

CalMHSA has projected the unexpended funds to be carried over to the Budget of Annual Revenue and Expenditure to be \$6,478,561. The actual amounts will be determined upon close out of year-end accounting records and contracts.

|                                                                        |                    |
|------------------------------------------------------------------------|--------------------|
| PEI & Current Programs                                                 | 6,341,535          |
| Fund Development/New Projects                                          | 137,026            |
| Total Funds Projected to be Carried to Budget Year Ended June 30, 2016 | <u>\$6,478,561</u> |

\*Carryover of individual funds from prior year are:

|                          |                    |
|--------------------------|--------------------|
| Operations               | \$950,000          |
| TTACB                    | 150,000            |
| Short Doyle Fiscal Pilot | 250,000            |
| State Hospital           | 489,401            |
| PEI & Phase I            | <u>4,502,134</u> * |
|                          | \$6,341,535        |

\* \$1,100,000 has been carried over for use for Phase II Program Funds

**F. Total unexpended funds as of June 30, 2016 are Estimated as:**

|                                                                       |                    |
|-----------------------------------------------------------------------|--------------------|
| Funds Restricted for Run Out of JPA Operations                        | 650,000            |
| Restricted Program Obligations                                        | 681,369            |
| Contingency for Phase 1 Funds not collected (Committed vs. Collected) | 1,097,016          |
| Prudent Reserve                                                       | 0                  |
| <b>Total</b>                                                          | <u>\$2,428,385</u> |

**G. Addition Budget Notes**

1. Staff has not included estimates for the following prospective activities of the Executive Director:

- Grants
- County Contracts
- Foundations
- State Funding
- Federal Funding

2. The Budget Variables included in this document are:

**Variables**

- Available Cash - County commitments versus county collections
- Prospective activities
- Funds available to contract with Program Partners
- No contract obligations will be made until funding known