



**ALBERTINA KERR CENTERS  
Finance, Audit & Compliance Committee**

**Meeting Agenda  
Tuesday, June 9, 2020  
5 to 7 p.m.  
Via Teams**

- 5 p.m.           **Convene** (Karen Rasmussen, Chair)
- 5  
pp. 2-3           **Approve Minutes of May 12, 2020 Meeting** (All)
- 5:01  
pp. 4-6           **Review Audit Plan** (Gary McGee, Janice Jacobs)
- 5:20  
pp. 7-20           **Review Corporate Compliance Plan** (Owen Gibson)
- 5:40  
pp. 21-27           **Financial Updates as of April FY2019-2020** (Janice Jacobs)
- 5:55  
pp. 28-35           **ACTION: Review and Recommend FY2020-2021 Operating,  
Capital & Cashflow Budgets for Board Approval** (Janice Jacobs,  
All)
- 6:45  
pp. 36-37           **Evaluate Committee performance against FY2019-2020 goals  
and establish goals for FY2020-2021** (All)
- 5:50           **Executive Session** (Karen Rasmussen)
- 6               **Adjourn** (Karen Rasmussen)

**ALBERTINA KERR CENTERS**  
**Finance, Audit & Compliance Committee Minutes**  
**May 12, 2020**  
**5 to 7:00 p.m.**  
Via Teams

**Members Present**

David Connell, David Lake, Paul Litwinczuk, Melissa May, Jill Nickerson, Craig Payne, Karen Rasmussen, Laura Shipley

**Community Member Present**

Tony Seashore

**Staff Present**

Jeff Carr, Owen Gibson, Janice Jacobs

**Approve Minutes of March 10, 2020 Meeting** (All)

David Lake moved that the minutes of the March 10<sup>th</sup> FAC Committee meeting be approved. Jill Nickerson seconded. The motion passed via unanimous vote.

**Financial Updates** (Janice Jacobs)

**March YTD**

Janice reported follow-up information from April's Joint Board and Foundation meeting. Shutdowns associated with the COVID-19 virus began mid-March and is reflected in the financials. PALS, Employment and Day Services, and TOKNA closed. Spending was controlled very well. Salaries and wages were over budget due to the low staffing vacancy rate. The \$500k+ gap in revenue was due to the following: 1) \$305k+ Swindells capital release; 2) \$96k Kaiser quality bonus; 3) PAL conversion correction from the transition to Paycom for payroll; 4) paper billing issue associated with CareOregon; and, 5) adjustments related to Kerr bikes and a bike grant. Actual March YTD is \$110k behind budget.

**Forecasting for Final Three Months of FY2019-2020**

A 10% increase in DD residential services was provided by the State for April through June. TOKNA is closed so there is no overhead that can be charged to this program. Closures and decreased census at subacute are reflected in the forecast, including a capital write-off at PALS. 401(k) match has been suspended. A 10% salary reduction will be implemented for 79 administrative support positions beginning May 17<sup>th</sup>. Staff may use their Paid Accrued Leave (PAL) for one day off per 10-day pay period, or they may take the day unpaid. A PAL bank will be established for those who would like to donate PAL for those who do not have enough to cover the reduction. A \$39k capital write-off for Epic implementation at CDHS will be reflected. Subacute census is slowly increasing and kids' group home census is better. Kerr's cash position is strong.

Governor Brown has requested state agencies reduce their budgets by 17% for the 2020-21 fiscal year. Cuts in OHA and DHS will impact Kerr. A revenue forecast will come out on May 20<sup>th</sup>, and a legislative special session to finalize cuts will follow. Proposed ODDS reductions start at 3% and step down to 9%. Kerr worked toward a 5% reduction. Cuts implemented so far will save \$1.8 million toward a projected \$2.09 million needed. Oregon has a rainy day fund of \$2.3 billion and

the federal government will likely continue assistance actions. Planning going forward will assume a 6% reduction in DD. Suspending PALS, Employment and Day Services, along with a 3% increase in benefits expenses are out of our control. Things we can control to mitigate losses are making the announced cuts, not increasing wages, getting kids into subacute faster, and keeping group homes full. Another step being taken is reducing the number of kids in four group homes from five to four, which gets a better reimbursement rate, and moving the fifth kids to 165<sup>th</sup> on Campus, since it will not be used for IDD/MH for the time being.

The internal review of accounting processes performed in March was overall good. Reconciliations are 96% complete. Jeff and Janice are monitoring all changes in payroll for accuracy and appropriateness. Financial transfers between operations and the Foundation will be eliminated if the new board structure is adopted.

Janice reviewed the status of departmental priorities. A new senior accountant was hired and staff is stabilizing. The conversion to Paycom is complete and operating well. Kerr is participating in a pilot reporting module designed to simplify allocations in Financial Edge. All is working well. The upgrades in Blackbaud are complete and the team is making good progress on configuring reports and budgeting.

### **Other Items**

A question was asked about the status of the workforce housing project, given the COVID-19 crisis. The project continues to make progress. The City of Gresham released a Notification of Funding Availability for between \$12 and \$20 million for one or two projects. Kerr has a very good chance at be awarded funds. The hope is, if approved, Kerr will break ground sometime in late September or early October 2020.

### **Executive Session**

Executive session was waived.

### **Adjourn** (Karen Rasmussen)

Karen adjourned the meeting at 5:00 p.m.

Recorded by Holly Edgar, Corporate Secretary

# Albertina Kerr Centers 2020 Audit Plan

## Client service team

- Gary McGee, *Partner*
- Nathan Bresser, *Senior Manager*
- Tom Wiederrecht, *Manager*
- Tiffany Chen, *Senior Associate*
- Joel Kosgey, *Associate*

## Scope of services

- 1. Report on the 2020 financial statements.**  
Audit and report on the consolidated financial statements of Albertina Kerr Centers as of June 30, 2020, under generally accepted accounting principles.
- 2. Management letter.** Issue a management letter commenting on the internal controls, fiscal management practices, and other observations resulting from the audit.
- 3. Letter to the Board.** Issue a report which comments on the significant accounting policies followed by the organization, management judgments and accounting estimates reflected in the financial statements, significant audit adjustments (if any), and major issues discussed with management.
- 4. Tax compliance.** Prepare the Forms 990, 990-T, and CT-12 for both Albertina Kerr Centers and the Albertina Kerr Centers Foundation for filing with, respectively, the Internal Revenue Service and the Oregon Department of Justice.
- 5. Deliverables.** Deliver appropriate presentations to the organization's senior management, audit and compliance committee, Board of Trustees, and other appropriate bodies following the conclusion of the audit.

## Audit timing and deliverables

- Planning meeting with **Janice Jacobs** and **Melody Tripp** — **June 2, 2020**
- Planning meeting with the finance committee — **June 9**
- Interim fieldwork — beginning **July 20**
- Principal fieldwork — beginning **September 8**
- Closing meeting with management (review drafts of financial statements and audit letters) — **week of November 2** (tentative)
- Finance committee meeting (review drafts of financial statements and audit letters) — **November 9** (tentative)
- Joint Board meeting (presentation of final financial statements and audit letters) — **November 16** (tentative)

## Potential areas of audit focus

- Cash, cash equivalents and investments (including investment return, the allocation of investment return, and the appropriation of endowment for expenditure)
- The measurement of investments and other assets carried at fair value, and the propriety of related financial statement disclosures
- The contract and behavioral health billing cycles (including receivables, related deferred revenues, write-downs and write-offs)
- The contribution and grant cycle (including outright gifts, pledges, bequests, in-kind contributions, and related receivables and refundable advances)
- Payroll and related expenses
- Balances and transactions associated with split-interest agreements
- All debt and financing arrangements
- Restricted gifts and their expenditure
- Consolidation of the Foundation
- Net asset and functional expense classification
- Any changes in accounting estimates and/or methods
- Controls associated with all significant transaction cycles (particularly in light of COVID-19)

## Other areas of potential audit interest

- The effects of COVID-19 on the organization's operations
- Implementation of FASB ASU No. 2014-09, *Revenue from Contracts with Customers*
- Ongoing restructuring of the AKC Foundation
- The organization's internal reporting of operating measures
- Accounting for the capitalized development phase costs of the Epic electronic health record software
- Status of the Gresham Metro housing bond
- Accounting for compensated absences and related accruals
- Investment practices
- Significant tax risks and tax positions on particular transactions
- Relationships with affiliated organizations
- Disaster recovery plans
- Changes to TOKNA
- Adherence to donor and grantor requirements
- Continuing program compliance of group homes and other grants funded through CDBG and other federal awards
- Compliance with debt covenants
- Adherence to organization policies and procedures over key accounting functions, due to the turnover in accounting staff
- Followup on the 2019 management letter observations and recommendations
- Capital campaign, interim funding of long-term campaign pledges, and capital construction projects
- New payroll systems
- Moving A/P processing in-house

## Independence

There were no non-audit services provided by Gary McGee & Co. during the past year, or other relationships that may reasonably be thought to bear on our independence.

In our professional judgment, we are independent with respect to Albertina Kerr Centers, as that term is defined by the professional standards.

## New pronouncements

- FASB ASU No. 2014-09, *Revenue from Contracts with Customers*. A single, principles-based revenue standard for both U.S. GAAP and International Financial Reporting Standards. The standard improves accounting for contracts with customers by providing a robust framework for addressing revenue issues as they arise, increasing comparability across markets, and requiring better disclosures. Effective for annual reporting periods ending after December 15, 2020.
- FASB ASU No. 2016-02, *Leases*. The new guidance requires organizations to report most leases on their balance sheets, and puts an end to the off-balance-sheet reporting of assets and liabilities related to the rights and obligations created by operating leases. Nonpublic entities (including nonprofit organizations without public debt) are required to apply the new leasing standard for fiscal years beginning after December 15, 2021.
- FASB exposure draft of a proposed ASU for Not-for-Profit Entities, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Issued August 3, 2017. In light of the issuance of FASB ASU No. 2014-09, this standard attempts to clarify the characterization of grants and similar contracts (particularly with governments) as either exchange transactions or contributions. It also provides guidance in distinguishing between conditional and unconditional gifts.
- FASB ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* requires presentation of the total change in cash, cash equivalents, restricted cash, and restricted cash equivalents for the period in the statement of cash flows. The ASU applies to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows. The ASU is effective for financial statements issued for fiscal years beginning after December 15, 2018. Early adoption is permitted.

Albertina Kerr Centers

## Professional Fees

2018 and 2019 Historical Fees, and 2020 Proposed Fees

	2018	2019	2020	Change
Audit of the Albertina Kerr consolidated financial statements	50,500	52,500	54,400	+3.6%
Additional audit services	–	13,500	–	n/a
Preparation of tax filings for Albertina Kerr Centers	3,600	3,750	3,900	+4.0%
Preparation of tax filings for the AKC Foundation	3,600	3,750	3,900	+4.0%
<b>Total fees</b>	<b>\$ 57,700</b>	<b>73,500</b>	<b>62,200</b>	<b>-15.4%</b>

# Albertina Kerr Corporate Compliance Plan

July 1~~st~~, 2020~~19~~ through June 30~~th~~~~30<sup>th</sup>~~, 2021~~20~~

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## Background

Albertina Kerr Center's mission is to empower people with intellectual and developmental disabilities, mental health challenges, and other social barriers to lead self-determined lives and reach their full potential.

Albertina Kerr Centers management and Board of Directors are committed to supporting a Corporate Compliance Plan as a way of supporting Albertina Kerr Centers mission. The intent of the Compliance Plan is to ensure on-going compliance with State and Federal requirements regarding fraud, waste, and abuse in the Medicaid program, the requirements of the Center for Medicare & Medicaid Services (CMS) and regulatory requirements of Federal, State and local authorities, and to create an internal corporate culture of prevention, detection, and resolution of issues that do not conform to Federal or State law requirements or the high ethical standards of the Albertina Kerr Centers Board, management and staff. Albertina Kerr Centers will also monitor the compliance of business partners and delegated entities, service recipients, and providers for fraud, waste and abuse issues, and other CMS, Federal, State, and local requirements. The goal of the compliance program is to ascertain that all required compliance is met in a timely manner and that the organization develops and adheres to appropriate compliance policies and procedures.

## Compliance Program Oversight

Albertina Kerr Centers Chief Compliance Officer will report compliance activities, issues, and resolution of issues to the Finance, Audit and Compliance Committee of the Board of Directors on at least a quarterly basis. The Finance, Audit and Compliance Committee is composed of members of the Board of Directors and senior executives who have the oversight responsibility over the entities' management and outcomes. This oversight responsibility is achieved by the review and approval of compliance activities, including review and approval of internal audits, delegated audits, audit plan, and risk assessment as reported by the Chief Compliance Officer. The Finance, Audit and Compliance Committee is accountable for integrating the information provided by the Chief Compliance Officer relative to the results of compliance audits, internal audits and external audits of delegated entities in order to ensure that material risks are being evaluated and that the company is following all relevant laws and contractual obligations.

Results of compliance program activities, audits, and compliance issues will be reported by the Chief Compliance Officer to the CEO and the Finance, Audit and Compliance Committee, whose minutes will be reported to the Board of Directors on at least a semi-annual basis. Any potential significant compliance violations or issues detected and investigated will be brought to the attention of the Finance, Audit and Compliance Committee as soon as possible.

## Compliance Plan Elements

Albertina Kerr is dedicated to exceeding the minimum standards set forth by Health and Human Services as well as the Office of Inspector General in creating and maintaining a robust compliance program. Albertina Kerr's Corporate Compliance Plan includes the following elements:

1. Clear standards of conduct.

2. Written policy and procedures.\*
3. Designating a dedicated compliance officer with high level oversight and delegation of authority.\*
4. Maintaining a routine meeting with senior leadership and managers focusing on quality and compliance.
5. Effective employee training.\*
6. Open communication.\*
7. Monitoring and auditing of high-risk areas.\*
8. Enforcement and disciplinary mechanisms.\*
9. Corrective actions and prevention.\*

\*These elements are recommended by the Office of Inspector General for the U.S. Department of Health and Human Services as key elements of an effective compliance program.

## Standards of Conduct

Albertina Kerr has policies, procedures, and Standards of Conduct for all employees that clearly state commitment to comply with all applicable statutory, regulatory, and Medicaid program requirements. Kerr also maintains an Employee Handbook that outlines the Standards of Conduct for employees. Policies and procedures include the requirements for compliance with CMS's monitoring guides and all other Federal, State, and local laws, regulations, policies and procedures that deal specifically with fraud, waste, and abuse.

The Employee Handbook describes disciplinary consequences to employees for failure to comply with policies, procedures and Standards of Conduct. Human Resources policies and procedures also describe the disciplinary consequences for employees who know about fraud, waste, and abuse issues and violations but who do not report them.

Standards of Conduct reflect Albertina Kerr's commitment to high-quality service delivery.

## Written Policies and Procedures

Comprehensive written compliance policies and procedures are developed at the direction of the Chief Compliance Officer and the Finance, Audit, and Compliance Committee. The written policies and procedures include:

1. Duties and responsibilities of the Chief Compliance Officer, Compliance staff and the Finance, Audit and Compliance Committee
2. Process for identifying and modifying high-risk areas of vulnerability and procedures for the handling and routing of such information
3. Procedures for compliance with HIPAA
4. Procedures for conducting internal auditing and monitoring and the handling and routing of such information
5. Procedures for compliance with the False Claims Act and Whistleblower Protections
6. Procedures for the chart and billing review process

**2020/21 Goals**

1. Finalize Board of Director Policy Manual.
2. Implement an agency-wide policy management system.
3. Finalize Epic PHI access audit plan in conjunction with Legacy.
4. Update Privacy and Security Policy to address staff working from home.
1. Evaluate 2-factor authorization for off-site staff access to PHI, Continue staff compliance tips, emails, and other staff engagement tools and incentive programs
2. Update and deliver Board of Director's Training
3. Complete Annual Conflict of Interest Attestation for Board and senior leadership

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7. Procedures for compliance with the Deficit Reduction Act of 2005 and the Economic Recovery Act of 2009
8. Procedures for the communication of suspected fraud, waste and/or abuse, how such reports will be handled, and the responsibilities of management in promoting compliance
9. Procedures for content, method, and timing of training for board members, corporate officers, employees, contractors and agents of Kerr
10. Guidelines on how the Compliance Officer will interact with the Human Resources department
11. Procedures to ensure that prospective employees receive appropriate background screening and agree to abide by the Company's Standard of Conduct
12. Procedures on how the Chief Compliance Officer will keep up to date on changes in compliance laws, rules and regulations

#### Chief Compliance Officer

Albertina Kerr will maintain a dedicated Chief Compliance Officer on staff as a part of the Senior Leadership Team. The Chief Compliance Officer is responsible for coordinating the company's compliance program. The Chief Compliance Officer and Quality Improvement and Compliance staff will not be charged with programmatic, revenue/accounting, or other duties within the agency that may create a conflict of interest in their responsibility in implementing the compliance plan. The Chief Compliance Officer reports to both the CEO and the Finance, Audit and Compliance Committee of the Board of Directors.

The Chief Compliance Officer will:

1. Ensure that the Compliance Plan elements are incorporated into the company's compliance activities. They will report Compliance Plan activities to the CEO and the Finance, Audit, and Compliance Committee, whose minutes will be distributed to the Board of Directors at least semi-annually.
2. Ensure that written policies and procedures are maintained outlining the Standards of Conduct and the expectation that all employees will follow the organizations' standards for strict compliance with Federal, State, and local laws, CMS requirements, and the organizations' ethical and business policies and procedures.
3. Ensure that all employees have attested that they have received, read, and understood the Standards of Conduct.
4. Develop and coordinate a compliance training program. The compliance training program, which will be conducted at hire and on an annual basis, will consist of training in compliance requirements and new policies and procedures.
5. Investigate and act on potential compliance issues or violations, including performing internal investigations, responding to problems, and coordinating the implementation of corrective action plans. This will include maintaining written records of reported potential compliance issues, the action taken, and resolution. The Chief Compliance Officer will coordinate with outside counsel as needed.

6. Develop policies and procedures that require managers and employees to report suspected fraud, waste and abuse issues or potential violations without fear of retaliation.
7. Establish and coordinate the audit risk assessment of all internal departments in order to develop an audit plan to conduct audits of internal departments, delegated entities and compliance activities.
8. Lead the Albertina Kerr Quality Improvement and Compliance Department.
9. Work closely and coordinate effort with personnel involved with HIPAA privacy and security and act as Albertina Kerr's Privacy and Security Officer.
10. Stay abreast of current and new developments.
11. Be certified, within eight months of hire, in Healthcare Compliance, and adhere to the ethical guidelines as set forth by the Health Care Compliance Association. This includes escalating unethical or illegal activity within the agency to the highest authority as needed to resolve or mitigate the issue.

### Finance, Audit and Compliance Committee

The CEO and the Finance, Audit, and Compliance Committee will be responsible for analyzing information presented to them by the Chief Compliance Officer. This information will include the legal requirements and high-risk areas of compliance; evaluation of policies and procedures that address specific elements of the compliance program; discussions with departments or others to develop Standards of Conduct; and policies and procedures that promote the compliance program. The Chief Compliance Officer, CEO and the Finance, Audit and Compliance Committee will determine the appropriate strategies to promote the adherence to all compliance requirements and detection of fraud, waste, and abuse, and will assist the Chief Compliance Officer in developing a system to solicit, evaluate, and respond to complaints of potential compliance issues and violations. The CEO and the Finance, Audit, and Compliance Committee will also review internal and external audit and investigation reports. The Chief Compliance Officer will participate in an executive session with the committee members at each scheduled meeting.

2020/21 Goals
1. <del>Start rotation in SLT a designated time to review compliance issues</del>
2. <del>Work with CEO on agenda for SLT/D and all manager meetings to add compliance elements</del>
3.1. Deliver compliance trainings or topics of discussion for annual all manager meetings

### Management focus on quality and Compliance

As a part of Kerr's commitment to quality and compliance, the Chief Compliance Officer will facilitate, on a monthly basis, at the Senior Leadership Team meeting, a review and discussion of the compliance program and review of issues or factors impacting Albertina Kerr's adherence to compliance. The Chief Compliance Officer will also facilitate training or discussion of compliance issues regularly at other meetings of Albertina Kerr management including Directors, Assistant Directors and program management and supervisors.

## Compliance Training

Board of Directors, executives, managers, employees, and independent contract personnel will receive mandatory general training on compliance on an annual basis. General compliance training will occur within the first 30 days of employment/contracting. Emphasis will be placed on high-risk areas of compliance. After the training sessions a ~~post~~-training test will be administered and the results will be kept in Human Resources department training records for Albertina Kerr staff.

The Chief Compliance Officer will also conduct ~~an~~ annual training for the Board of Directors on compliance issues and trends, and all new members of the board will receive an orientation to compliance within 60 days of active participation as a Board Member of Albertina Kerr Centers.

The compliance education program includes: Standards of Conduct; Albertina Kerr Centers standards of integrity and doing the right thing; the commitment to compliance with the law and contractual requirements; explaining the purpose and importance of complying with applicable Federal, State and local regulations; the applicable anti-retaliation policies and procedures when reporting a potential compliance issue; how to anonymously report a compliance issue; acts that are considered wrong-doing and acts that are subject to criminal or civil violations; appropriate service contract requirements and standards and any updates on new requirements and standards; the importance of on-going monitoring and internal audits, delegated audits, external audits, and report generation; and corrective action plan implementation training for managers.

The Chief Compliance Officer will send out periodic compliance reminders to all employees, managers and members of the Board of Directors with "compliance tips."

Every employee and independent contractor will be required to attest to a compliance statement that states that they have received compliance training, and that they are committed to the standards of conduct. This statement will be kept in the employee's personnel or independent contractor file for ~~10~~-seven years.

Members of the Board of Directors will also be required to sign and date a Medicaid compliance statement when they are oriented to the organization. The document will be kept by the Corporate Secretary for ~~7~~-seven years. All Senior Leadership, Directors and Assistant Directors, Licensed Medical Providers, Albertina Kerr Board Members, and other key staff will complete an annual Conflict of Interest Attestation, which will be maintained by the Chief Compliance Officer.

## Routine Communication and Access to the Chief Compliance Officer

The organization has an "open door" policy for employee access to the Chief Compliance Officer. Employees are advised and encouraged to contact the Chief Compliance Officer with any concerns regarding compliance or ethical issues. The Chief Compliance Officer will make themselves available outside of their normal work site for both formal and informal opportunities for staff to express compliance concerns.

2020/21 Goals
<del>4</del> 1. Continue staff compliance tips, emails, and other staff engagement tools and incentive programs
5.2. Update and deliver Board of Director's Training
6.3. Complete Annual Conflict of Interest Attestation for Board and Senior Leadership

### Reporting Compliance Violations

The organization has an anonymous telephone line for employees to report potential compliance violations in the event they need a confidential method of reporting. Employees and contractors who feel comfortable doing so can call or send an email to the Chief Compliance Officer reporting a potential compliance violation. Managers and others will not engage in any retaliatory activities in any way against employees who report compliance violations.

The organization maintains an EthicsPoint telephone and web-based compliance hotline. Employees and contractors may report compliance violations or potential fraud, waste and abuse using a toll-free number, 1-888-274-8314, or on the internet at [www.ethicspoint.com](http://www.ethicspoint.com) to file a report. EthicsPoint provides complete anonymity for the reporter if he or she chooses. Reports gathered by EthicsPoint are forwarded to the Chief Compliance Officer, the Chief Human Resources Officer, and the chair of the Finance, Audit and Compliance Committee.

2020/21 Goals
1. Complete audits noted in Appendix 1
2. <del>Finalize auditing process for Employment/Studios</del>
2. <del>Finalize tracking and intervention plan for staff with history of reported abuse/neglect within</del>

The Chief Compliance Officer will log all potential violations and will begin the investigation of potential violations within a reasonable amount of time, but not to exceed 30 days of receiving the reported violation. The results of the investigation will also be kept, and these activities will be reported to the CEO and the Finance, Audit, and Compliance Committee on at least a quarterly basis.

### Auditing and Monitoring

Periodic audits and monitoring activities will be conducted by the Chief Compliance Officer and/or designated Quality Improvement and Compliance managers or staff. The criteria used in these audits will be based on organization-wide risk analysis and standards, policies, and procedures. Results of these audits and monitoring activities will be reported to the CEO and the Finance, Audit, and Compliance Committee.

2020/21 Goals
1. Finalize the investigation process used at Kerr including developing documentation standards

The Chief Compliance Officer will participate in the planning and selection of compliance audits and monitoring activities to be conducted by Quality Improvement Management and Specialists and other employees and will review and approve all compliance audits and activities.

2020/21 Goals
1. <del>Update/Refresh/Continue</del> education campaign on how to report concerns

The compliance audits and monitoring activities will focus on high-risk areas identified in the organization-wide risk analysis. Results of all audits performed by external and internal auditors will be reported to the Chief Compliance Officer. Please see Appendix 2 for the current Risk Mapping.

### Responding to Offenses and Developing Corrective Action Plans

When potential violations or issues are discovered, they are immediately reported to the Chief Compliance Officer. The Chief Compliance Officer or designee investigates the complaint within a reasonable amount of

time, not to exceed 30 days. If it is discovered that criminal, civil, or administrative laws have been broken, this information will be promptly reported to the appropriate law enforcement or government agency. The Chief Compliance Officer will access outside counsel as needed to maintain Albertina Kerr's compliance program.

A description of the process of investigation of the violation will be maintained by the Chief Compliance Officer. Copies of the interview notes and other documentation, a list of individuals that the Chief Compliance Officer interviewed, copies of the documents reviewed, and the result of the investigation will be retained by the Chief Compliance Officer. The Chief Compliance Officer will ensure that documents needed by the investigation are not modified or destroyed.

Violations of compliance plan criteria and relevant policies and procedures that are discovered as part of an audit will be reported to the Chief Compliance Officer, who will develop a corrective action plan with the assistance of the Chief Human Resources Officer (or designee) and the employees' manager, as appropriate. The Chief Compliance Officer will work with the appropriate Senior Leadership Team member when an audit reveals an issue with an independent contractor. The Compliance Officer will obtain the approval of the CEO and the Finance, Audit and Compliance Committee for corrective action plans that involve serious violations of State or Federal laws or regulations. On-going monitoring of the effectiveness of the corrective action plan will be conducted by the Chief Compliance Officer.

### Process Improvement

Identification and improvement efforts focus on high-risk areas. High-risk areas are

organized into compliance initiatives which are established and updated annually by the Chief Compliance Officer. Evaluation of compliance initiatives document effort to recognize and correct risks. The Chief Compliance Officer will also coordinate efforts with the Assistant Director of Continuous Quality Improvement to ensure that compliance metrics are integrated into Albertina Kerr's Lean implementation. The organization will also complete sample audits of risk areas, as noted by this plan.

### Performance Appraisal

As part of the employee performance appraisal review process, managers will evaluate relevant compliance and other policies and procedures and legal requirements applicable to each employee's job duties. Employees are informed that compliance with these policies and procedures is a condition of continued employment, and that termination of employment is a possibility for violations of these policies and procedures.

### Retention of Records and Information System Data

The company has a record retention policy for records and supporting documentation that describes the retention schedule for Medicaid documents and records in accordance with CMS requirements and documents identified by the CMS General Counsel's office, the Department of Justice or the Office of Inspector General as being related to an investigation or other litigation and which should be retained in accordance with the requests of those offices.

#### 2020-21 Goals

1. ~~Work with CHRO on building compliance as a part of the evaluation process for managers at Kerr. Develop standardized Program and Manager compliance ratings~~

The company also has a list of employees who are responsible for implementing each element of the Corporate Compliance Plan, employee training, reports from the fraud, waste, and abuse reporting system, results of investigations conducted following fraud, waste and abuse reporting, modifications of the Corporate Compliance Plan, written notifications to providers regarding the required compliance activities to be performed and results of compliance auditing and monitoring activities. The Information Technology group will provide backups of data on a daily and monthly basis, storing this information off-site, and will have privacy and security policies that ensure the confidentiality and privacy of financial, medical, personnel, and other sensitive information. This information will be retained for a period of seven<sup>7</sup> years.

Appendix 1.

Audit Plan for fiscal year 2020-21

CATEGORY OF RISK	AUDITS OR ACTIVITIES	FREQUENCY
Licensing- Instances of Abuse	<ul style="list-style-type: none"> <li>Monitoring of abuse allegation trends</li> <li>Root cause analysis of abuse or neglect events</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>As Needed</li> </ul>
HIPAA- Loss of client information	<ul style="list-style-type: none"> <li>Ongoing real-time screening out outbound emails for unprotected PHI</li> <li>Review sample of outbound emails for use of Encryption</li> <li>Inspect administrative sites for physical PHI protections</li> <li>Review training compliance HIPAA training</li> <li>Review sample of charts for completed Notice of Privacy Practices</li> <li>Review sample of vendors for completed Business Associate Agreements</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Quarterly</li> <li>Annual</li> <li>Annual 2x Year</li> <li>Quarterly</li> <li>Annual</li> <li>Annual</li> <li>Annual</li> <li>Annual</li> </ul>
Fraud, Waste, and Abuse- Lacking Documentation	<ul style="list-style-type: none"> <li>Review Absentee Day Billing Process</li> <li>Review training compliance rate for Fraud, Waste and Abuse Training</li> <li>Review mental health Case Rate Attestation process</li> <li>Review sample of charts for completed Consent to Treat</li> </ul>	<ul style="list-style-type: none"> <li>Annual</li> <li>Quarterly</li> <li>Annual</li> <li>Annual</li> </ul>
Licensing- Violating Rules	<ul style="list-style-type: none"> <li>Review of each program site for licensing compliance</li> <li>Review staff Infection Prevention Training Completion</li> <li>Review sample COVID-19 Screening completion</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Quarterly</li> <li>Quarterly</li> </ul>
Fraud, Waste, and Abuse- Billing Process Errors	<ul style="list-style-type: none"> <li>Track significant overpayments</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>
Employment- Staff Injuries	<ul style="list-style-type: none"> <li>Reviewed by Chief Human Resources Officer/Program and Accreditation Committee</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> </ul>
Employment- Significant Fleet Accidents	<ul style="list-style-type: none"> <li>Tracking of accidents, speeding and complaint calls</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>
Accounting- Client Accounts Discrepancies	<ul style="list-style-type: none"> <li>Review 15 sample % of client financial accounts. (sample audit)</li> </ul>	<ul style="list-style-type: none"> <li>Annual</li> </ul>
Employment- BOLI Complaints	<ul style="list-style-type: none"> <li>Monitor BOLI complaints</li> <li>Review sample of payroll rate changes for proper authorization</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Annual</li> </ul>
Disaster Recovery	<ul style="list-style-type: none"> <li>Complete internal Information Technology audit</li> </ul>	<ul style="list-style-type: none"> <li>Annual</li> </ul>
Employment- Supervisory Issues	<ul style="list-style-type: none"> <li>Exit interviews and surveys of staff</li> <li>Reviewing confidential reporting line (NAVEX)</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ongoing</li> </ul>
Stark/Anti-Kickback Issues	<ul style="list-style-type: none"> <li>Annual Conflict of Interest Attestation review</li> </ul>	<ul style="list-style-type: none"> <li>Annual</li> </ul>
Fraud, Waste, and Abuse- Denial Code Management	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
Accounting- Incorrect Charges to Accounts/Insurance Carrier	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

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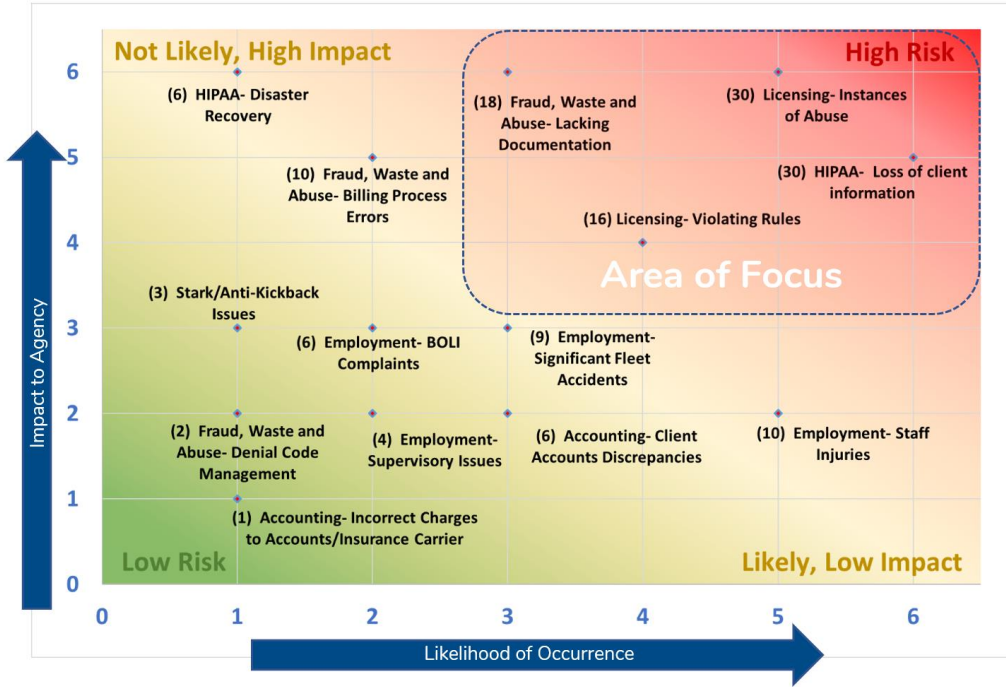


APPENDIX 1:  
Audit schedule for fiscal year 2019/20

2019 10

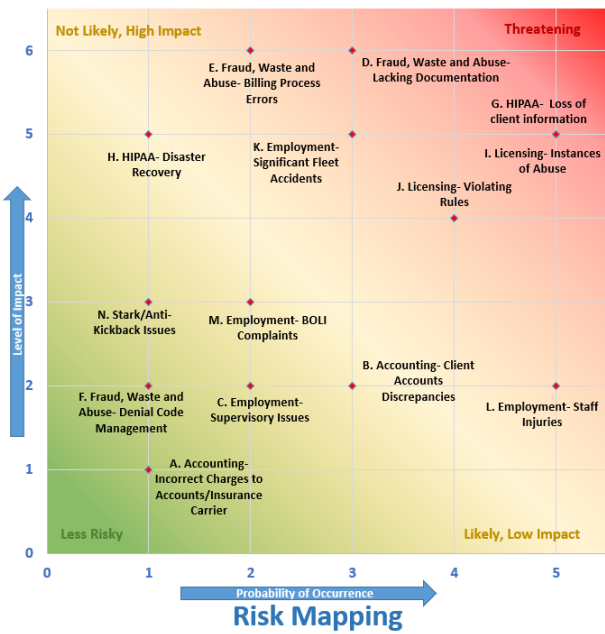
Appendix 2.

Risk Mapping for fiscal year 2020/21



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See 2020-21 Albertina Kerr Risk Management Assessment for more details.



This Risk Mapping is a visual representation of Albertina Kerr's overall risk assessment which maps probability of occurrence to level of impact. Page 2 of this document addresses specific aspects of each risk area.

**Probability of Occurrence**  
 From left to right, the likelihood of occurrence increasing based on either historic data or industry trending.

**Level of Impact**  
 From bottom to top, this indicates the level of increasing impact to the agency. This impact may be based in either realized impact from prior issues or potential impact based on industry trending. This impact may also be based on financial risk or other risks such as operational, legal, client harm, or reputational impact that may not have a 1:1 dollar correlation. The level of impact is the higher of either specific dollar or other types of impact.

For example, in regards to a HIPAA incident, Kerr has not seen significant financial impact from previous loss. However, the potential impact of loss of information could result in federal fines ranging from \$100 to \$1,500,000 (or more) per incident. In this case of our actual financial risk, Kerr has a cyber policy that caps risk to Kerr at \$50,000 per incident. This results in an impact score of 5/6. On average, we have loss of PHI 2-3 time per year. This results in a probability score of 5/5.

Score	Description	Probability
1	Rare: Very small chance of happening	Every 10 years or more
2	Unlikely to happen	Every 5 to 10 years
3	May or may not happen	Every 2 years to 5 years
4	Likely to happen	Every 6 months to 2 years
5	This will happen	Monthly to 6 months

Score	Description	Dollar Risk per incident
1	No impact to operations	none
2	Little impact to operations	\$0-\$499
3	Operational adjustment required to address issue	\$0-\$4,999
4	Creates challenge to operations; impacts client care	\$0-\$9,999
5	Possible damage to reputation; Creates significant challenge to operations; Significant impact to client	\$0-\$50,000
6	Significant damage to reputation; Potential catastrophic impact to operations; Severe client impact	0-\$100,000 or more

Impact Score = Highest risk (Operational/Reputational/Client Impact/Dollar risk)

## 2019/20 Auditing Schedule

*Ongoing audits:*

Review each IDD program/site quarterly for licensing readiness  
[Review outbound emails for unprotected health information](#)

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*July-December 2019*

- Completion rate for required compliance trainings
- Review accurate start and stop times in Community Based Services and Day Services
- Review outbound emails for unencrypted PHI
- Review Plan of Care for completion and timeliness in programs
- Review Absentee Billing process (Group home and Revenue Cycle)
- Review charts for active Notice of Privacy Practices
- Audit payroll process to ensure compliance with BOLI standards
- Review presence of BAA's for outside contractors
- Review sample of claims for coder accuracy
- [Add BBP training tracking](#)

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**Albertina Kerr Centers  
P&L Budget  
For The Month Ending  
April 30, 2020**

Description	Actual 3/31/2020		Actual 4/30/2020		Prior Month Actual Var		Budget 4/30/2020	Month vs Budget Actual Var		YTD Actual 4/30/2020	YTD Budget 4/30/2020	YTD vs Budget Actual Var		Annual Budget
					Fav/(Unfav)			Fav/(Unfav)				Fav/(Unfav)		
					\$'s	%		\$'s	%			\$'s	%	
<b>Revenue</b>														
Contract and Program Revenue	3,741,268	101.8%	3,935,905	92.7%	194,637	4.9%	3,934,019	1,886	0.0%	37,186,934	37,543,700	(356,766)	-1.0%	45,404,061
Trfs from Fdn and Net Assets Released	(92,183)	-2.5%	284,266	6.7%	376,449	132.4%	(25,292)	309,558	-1223.9%	929,961	1,142,473	(212,512)	-22.9%	1,987,155
Investment Spending Rate	27,285	0.7%	27,285	0.6%	-	0.0%	27,285	-	0.0%	272,850	272,850	-	0.0%	327,420
In Kind Contributions	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	78,855	50,000	28,855	36.6%	50,000
<b>Total Revenue</b>	<b>3,676,370</b>	<b>100%</b>	<b>4,247,456</b>	<b>100%</b>	<b>571,086</b>	<b>13.4%</b>	<b>3,936,012</b>	<b>311,444</b>	<b>7.9%</b>	<b>38,468,600</b>	<b>39,009,023</b>	<b>(540,423)</b>	<b>-1.4%</b>	<b>47,768,636</b>
<b>Expense</b>														
Salaries & Wages	2,552,755	68.3%	2,564,956	69.5%	(12,201)	-0.5%	2,591,710	26,754	1.0%	25,881,081	25,592,990	(288,091)	-1.1%	30,947,544
Employee Benefits	366,074	9.8%	276,268	7.5%	89,806	32.5%	345,830	69,562	20.1%	3,418,665	3,471,099	52,434	1.5%	4,178,225
Payroll Taxes	226,001	6.0%	270,546	7.3%	(44,545)	-16.5%	235,393	(35,153)	-14.9%	2,452,323	2,356,235	(96,088)	-3.9%	2,818,796
Contracted Direct Labor	8,265	0.2%	(7,860)	-0.2%	16,125	-205.2%	4,830	12,690	262.7%	156,222	66,801	(89,421)	-57.2%	76,462
Other Employee Related Costs	23,109	0.6%	14,549	0.4%	8,560	58.8%	35,799	21,250	59.4%	306,274	358,352	52,078	17.0%	429,962
Professional Fees & Insurance	54,030	1.4%	29,466	0.8%	24,565	83.4%	47,756	18,290	38.3%	624,566	512,651	(111,915)	-17.9%	608,163
Telecommunications	31,124	0.8%	83,641	2.3%	(52,517)	-62.8%	142,728	59,087	41.4%	980,793	1,389,253	408,460	41.6%	119,544
Facilities & Occupancy	276,215	7.4%	264,761	7.2%	11,454	4.3%	265,752	991	0.4%	2,759,730	2,781,130	21,400	0.8%	4,867,399
Equipment	19,019	0.5%	27,420	0.7%	(8,401)	-30.6%	24,313	(3,107)	-12.8%	267,399	253,101	(14,298)	-5.3%	300,526
Program & Office Supplies	133,045	3.6%	113,027	3.1%	20,018	17.7%	97,685	(15,342)	-15.7%	1,086,653	975,739	(110,914)	-10.2%	1,171,108
Vehicle Expenses	31,228	0.8%	33,386	0.9%	(2,158)	-6.5%	50,744	17,358	34.2%	348,626	507,599	158,973	45.6%	610,014
PR & Fundraising	130	0.0%	9,297	0.3%	(9,167)	-98.6%	12,863	3,566	27.7%	71,229	125,494	54,265	76.2%	151,221
Cost of In-Kind Goods/Services	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	77,222	50,000	(27,222)	-35.3%	50,000
Training, Interest and Other	35,418	0.9%	24,544	0.7%	10,874	44.3%	89,356	64,812	72.5%	430,072	897,154	467,082	108.6%	1,074,467
Admin and Bldg Costs Allocated to AKF	(20,500)	-0.5%	(11,726)	-0.3%	(8,774)	74.8%	(30,496)	(18,770)	61.5%	(357,965)	(283,060)	74,905	20.9%	(338,845)
<b>Total Expense</b>	<b>3,735,913</b>	<b>100%</b>	<b>3,692,274</b>	<b>100%</b>	<b>43,639</b>	<b>1.2%</b>	<b>3,914,263</b>	<b>221,989</b>	<b>5.7%</b>	<b>38,502,888</b>	<b>39,054,538</b>	<b>551,650</b>	<b>1.4%</b>	<b>47,064,586</b>
<b>Net (Deficit) / Surplus (Before Contingency)</b>	<b>(59,544)</b>		<b>555,182</b>		<b>614,726</b>	<b>n/a</b>	<b>21,749</b>	<b>533,433</b>	<b>n/a</b>	<b>(34,288)</b>	<b>(45,515)</b>	<b>11,227</b>	<b>n/a</b>	<b>704,050</b>
Contingency	-		-				(41,667)	41,667		-	(416,670)	416,670		(500,000)
<b>Operational Net (Deficit) / Surplus</b>	<b>(59,544)</b>		<b>555,182</b>		<b>614,726</b>		<b>(19,918)</b>	<b>575,100</b>		<b>(34,288)</b>	<b>(462,185)</b>	<b>427,897</b>		<b>204,050</b>

**Albertina Kerr Centers  
MTD Operating Recap  
For The Month Ending  
April 30, 2020**

	4/30/2020	4/30/2020	4/30/2020										
	MTD	MTD		MTD	MTD	MTD	MTD	MTD	MTD	MTD	MTD	MTD	Annual
	Contract	Grant and	MTD	MTD	MTD	MTD	MTD	MTD	MTD	MTD	MTD	MTD	Budget
	and Program	Contribution	Other	Total	Direct	Margin	Indirect	Indirect	Total	Operating	Operating	Actual Vs.	
	Revenue	Revenue	Revenue	Revenue	Expenses	Generated	Expenses	Allocation	Expenses	Results	Budget	Budget	
<b>Programs</b>													
Adult Group Homes	1,364,994			1,364,994	1,165,881	199,113		115,970	1,281,851	83,143	(190,217)	273,360	(2,358,442)
<i>Clackamas Co. Group Homes &amp; CI</i>	455,323			455,323	408,991	46,332		40,494	449,486	5,837	(81,129)	86,966	(1,051,462)
<i>Multnomah Co. Group Homes &amp; CI</i>	355,251			355,251	285,394	69,857		29,180	314,574	40,677	(50,398)	91,075	(612,802)
<i>Washington Co. Group Homes &amp; CI</i>	200,207			200,207	152,022	48,185		15,514	167,536	32,671	(23,647)	56,318	(280,336)
<i>Marion Co. Group Homes &amp; CI</i>	354,213			354,213	319,474	34,740		30,782	350,256	3,957	(35,043)	39,000	(413,842)
Employment Services	125,675	1,820		127,495	115,516	11,979		11,391	126,907	588	(19,833)	20,421	(181,158)
Studios	42,176	9,435	5,000	56,611	32,363	24,247		3,251	35,614	20,997	(62,386)	83,383	(708,288)
Kids DD Group Homes	1,607,275	316,137		1,923,412	1,073,257	850,154		110,229	1,183,486	739,925	384,982	354,943	3,738,034
Transition-Aged Group Homes	269,824			269,824	269,768	57		25,785	295,553	(25,729)	(40,769)	15,040	(530,389)
Kerr Bikes	8,150			8,150	(489)	8,639		-	(489)	8,639	(7,330)	15,969	55,357
Outpatient Mental Health	96,727	-	1,500	98,227	90,250	7,977		8,458	98,708	(481)	11,995	(12,476)	(227,202)
Subacute	425,616	-	3,465	429,081	541,865	(112,783)		47,586	589,450	(160,369)	13,381	(173,750)	(162,917)
Behavioral Specialists	4,119	612		4,731	(5,446)	10,177		562	(4,884)	9,615	-	9,615	-
Program Oversight and Other	-	-	2,864	2,864	70,304	(67,440)		321	70,625	(67,761)	(69)	(67,692)	(1,065)
<b>Total Programs</b>	<b>3,944,555</b>	<b>328,004</b>	<b>12,829</b>	<b>4,285,388</b>	<b>3,353,269</b>	<b>932,119</b>	<b>-</b>	<b>323,553</b>	<b>3,676,822</b>	<b>608,566</b>	<b>89,754</b>	<b>518,812</b>	<b>(376,070)</b>
<b>Admin &amp; Other</b>													
Trfs from Foundation/WFH	-	-	(65,502)	(65,502)	-	(65,502)			-	(65,502)	(54,160)	(11,342)	1,040,478
Investment Spending Rate	-	-	27,571	27,571	-	27,571			-	27,571	27,285	286	327,420
Campus Buildings	-	-	-	-	9,705	(9,705)			9,705	(9,705)	(11,185)	1,480	(141,769)
Indirect Admin	-	-	-	-	325,919	(298,349)	(322,769)	-	3,150	(3,150)	(29,483)	26,333	(138,388)
Other Pooled Direct Costs	-	-	-	-	2,598	(2,598)			2,598	(2,598)	(462)	(2,136)	(7,621)
<b>Total Admin &amp; Other</b>	<b>-</b>	<b>-</b>	<b>(37,931)</b>	<b>(37,931)</b>	<b>338,222</b>	<b>(348,583)</b>	<b>(322,769)</b>	<b>-</b>	<b>15,453</b>	<b>(53,384)</b>	<b>(68,005)</b>	<b>14,621</b>	<b>1,080,120</b>
<b>Total Operating (Before Contingency)</b>	<b>3,944,555</b>	<b>328,004</b>	<b>(25,102)</b>	<b>4,247,457</b>	<b>3,691,491</b>	<b>583,536</b>	<b>(322,769)</b>	<b>323,553</b>	<b>3,692,275</b>	<b>555,182</b>	<b>21,749</b>	<b>533,433</b>	<b>704,050</b>
Contingency											(41,667)	41,667	(500,000)
Total Operating										555,182	(19,918)	575,100	204,050

**Albertina Kerr Centers  
YTD Operating Recap  
For The Month Ending  
April 30, 2020**

	4/30/2020	4/30/2020	4/30/2020										
	YTD	YTD		YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	Annual
	Contract	Grant and	Other	Total	Direct	Margin	Indirect	Indirect	Total	Operating	Operating	Actual Vs.	Budget
	and Program	Contribution	Revenue	Revenue	Expenses	Generated	Expenses	Allocation	Expenses	Results	Budget	Budget	
	Revenue	Revenue	Revenue	Revenue	Expenses	Generated	Expenses	Allocation	Expenses	Results	Budget	Budget	
<b>Programs</b>													
Adult Group Homes	12,935,653			12,935,653	13,103,079	(167,426)		1,107,917	14,210,996	(1,275,343)	(1,899,127)	623,784	(2,358,442)
<i>Clackamas Co. Group Homes &amp; CI</i>	4,298,081			4,298,081	4,599,501	(301,419)		382,934	4,982,435	(684,353)	(861,140)	176,787	(1,051,462)
<i>Multnomah Co. Group Homes &amp; CI</i>	3,289,421			3,289,421	3,247,969	41,452		276,330	3,524,299	(234,878)	(488,590)	253,712	(612,802)
<i>Washington Co. Group Homes &amp; CI</i>	1,958,456			1,958,456	1,682,934	275,521		147,082	1,830,016	128,440	(222,207)	350,647	(280,336)
<i>Marion Co. Group Homes &amp; CI</i>	3,389,695			3,389,695	3,572,675	(182,980)		301,572	3,874,247	(484,552)	(327,190)	(157,362)	(413,842)
Employment Services	1,446,699	1,820	5,000	1,453,519	1,476,716	(23,197)		116,475	1,593,191	(139,672)	(137,100)	(2,572)	(181,158)
Studios	834,714	89,435	5,000	929,149	1,180,424	(251,275)		89,087	1,269,511	(340,362)	(579,969)	239,607	(708,288)
Kids DD Group Homes	13,576,711	323,737	-	13,900,449	10,265,612	3,634,837		928,846	11,194,458	2,705,991	3,056,837	(350,846)	3,738,034
Transition-Aged Group Homes	2,307,492	-	-	2,307,492	2,575,675	(268,183)		206,991	2,782,666	(475,175)	(430,803)	(44,372)	(530,389)
Kerr Bikes	(23,266)	-	-	(23,266)	1,467	(24,733)		-	1,467	(24,733)	33,222	(57,955)	55,357
Outpatient Mental Health	1,117,077	1,500	15,000	1,133,577	1,208,700	(75,124)		95,810	1,304,510	(170,934)	(252,861)	81,927	(227,202)
Subacute	4,840,942	4,496	153,000	4,998,438	5,112,844	(114,406)		428,573	5,541,417	(542,979)	(188,513)	(354,466)	(162,917)
Behavioral Specialists	120,256	1,670		121,926	(25,448)	147,374		2,619	(22,829)	144,755			
Program Oversight and Other	-	20,365	28,643	49,008	370,700	(321,693)		480	371,180	(322,172)	510	(322,682)	(1,065)
<b>Total Programs</b>	<b>37,156,279</b>	<b>443,023</b>	<b>206,643</b>	<b>37,805,944</b>	<b>35,269,769</b>	<b>2,536,175</b>	<b>-</b>	<b>2,976,798</b>	<b>38,246,567</b>	<b>(440,622)</b>	<b>(397,804)</b>	<b>(187,573)</b>	<b>(376,070)</b>
<b>Admin &amp; Other</b>													
Trfs from Foundation/Workforce Housing	-	66,714	276,751	343,465	-	343,465			-	343,465	497,276	(153,811)	1,040,478
Investment Spending Rate	-	-	244,208	244,208	-	244,208			-	244,208	272,850	(28,642)	327,420
Campus Buildings	-	-		-	100,285	(100,285)			100,285	(100,285)	(119,399)	19,114	(141,769)
Indirect Admin	12,979	3,515	-	16,493	3,206,326	(3,189,832)	(3,110,004)	-	96,322	(79,829)	(290,401)	210,572	(138,388)
Other Pooled Direct Costs	-	58,490		58,490	59,715	(1,225)			59,715	(1,225)	(8,037)	6,812	(7,621)
<b>Total Admin &amp; Other</b>	<b>12,979</b>	<b>128,719</b>	<b>520,959</b>	<b>662,656</b>	<b>3,366,326</b>	<b>(2,703,669)</b>	<b>(3,110,004)</b>	<b>-</b>	<b>256,322</b>	<b>406,334</b>	<b>352,289</b>	<b>54,045</b>	<b>1,080,120</b>
<b>Total Operating (Before Contingency)</b>	<b>37,169,258</b>	<b>571,742</b>	<b>727,602</b>	<b>38,468,600</b>	<b>38,636,095</b>	<b>(167,494)</b>	<b>(3,110,004)</b>	<b>2,976,798</b>	<b>38,502,889</b>	<b>(34,288)</b>	<b>(45,515)</b>	<b>(133,528)</b>	<b>704,050</b>
Contingency										-	(416,670)	416,670	(500,000)
Total Operating										(34,288)	(462,185)	427,897	204,050

**Albertina Kerr Centers  
Balance Sheet  
For The Month Ending  
April 30, 2020**

	<u>Balance April 30, 2020</u>	<u>Balance March 31, 2020</u>	<u>Net Change</u>	<u>% Change</u>
<b>Assets:</b>				
Cash and Cash Equivalents	\$1,150,717	\$267,226	883,491	330.6%
Contract/Program Receivables	2,189,045	2,865,911	(676,866)	-23.6%
Less: Allowance for Doubtful Accounts	(39,888)	(39,025)	(863)	2.2%
Contributions Receivable	(17,173)	5,671	(22,844)	-402.8%
Other Receivables	33,037	32,972	65	0.2%
Prepaid Expenses, Deposits & Other Current Assets	425,146	425,970	(824)	-0.2%
Other Long-Term Assets	42,342	42,953	(611)	-1.4%
Fixed Assets, Net	16,015,957	16,076,599	(60,642)	-0.4%
Due From / (To) Other Funds	(3,538,704)	(3,763,673)	224,969	-6.0%
<b>Total Assets</b>	<b>16,260,479</b>	<b>15,914,604</b>	<b>345,875</b>	<b>2.2%</b>
<b>Liabilities:</b>				
Accounts Payable and Accrued Expenses	706,735	951,175	(244,440)	-25.7%
Accrued Payroll Liabilities	497,836	509,172	(11,336)	-2.2%
PAL Liability	804,004	782,000	22,004	2.8%
Deferred Revenue	229,583	184,076	45,507	24.7%
Unemployment Reserve	310,220	294,324	15,896	5.4%
Long-term debt	4,403,711	4,440,648	(36,937)	-0.8%
<b>Total Liabilities</b>	<b>6,952,089</b>	<b>7,161,396</b>	<b>(209,307)</b>	<b>-2.9%</b>
<b>Unrestricted Net Assets:</b>				
Available for General Operations	1,192,506	837,964	354,542	42.3%
Investment in Land, Buildings and Equipment	8,115,884	7,915,244	200,640	2.5%
<b>Total Net Assets</b>	<b>9,308,390</b>	<b>8,753,208</b>	<b>555,182</b>	<b>6.3%</b>
<b>Total Liabilities and Net Assets</b>	<b>16,260,479</b>	<b>15,914,604</b>	<b>345,875</b>	<b>2.2%</b>



**Albertina Kerr Centers, Foundation, and Kerr Bikes  
Consolidated Statement of Activities  
April 30, 2020**

<b>Revenue</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Change F/(U)</b>
Contract and Program Revenue	3,938,372	3,935,146	3,226	0.1%
Contribution and Event Revenue (Net of Expenses)	79,700	106,817	(27,117)	-25.4%
Sales to the Public (Net of Cost of Goods Sold)	6,148	50,422	(44,274)	-87.8%
Investment Income	577,641	28,477	549,164	1928.4%
In-Kind Contributions	14,209	8,958	5,251	58.6%
<b>Total Revenue</b>	<b>4,616,070</b>	<b>4,129,820</b>	<b>486,250</b>	<b>11.8%</b>
<b>Expenses</b>				
Salaries & Wages	2,623,599	2,671,543	47,944	1.8%
Employee Benefits	277,479	353,427	75,948	27.4%
Payroll Taxes	276,911	242,356	(34,555)	-12.5%
Contracted Direct Labor	(7,860)	4,830	12,690	-161.5%
Other Employee Related Costs	14,713	36,178	21,465	145.9%
Professional Fees & Insurance	29,459	56,462	27,003	91.7%
Telecommunications	89,265	145,601	56,336	63.1%
Facilities & Occupancy	269,765	269,258	(507)	-0.2%
Equipment	16,949	28,740	11,791	69.6%
Program & Office Supplies	112,564	100,322	(12,242)	-10.9%
Vehicle Expenses	33,386	50,753	17,367	52.0%
PR & Fundraising	13,415	68,189	54,774	408.3%
Training & Other	43,097	90,633	47,536	110.3%
<b>Total Expenses</b>	<b>3,792,742</b>	<b>4,118,292</b>	<b>325,550</b>	<b>8.6%</b>
<b>Net Income / (Loss) Before Contingency</b>	<b>823,328</b>	<b>11,528</b>	<b>811,800</b>	<b>-98.6%</b>
Contingency	-	(41,667)	41,667	
<b>Net Income / (Loss)</b>	<b>823,328</b>	<b>(30,139)</b>	<b>853,467</b>	

**Albertina Kerr Centers, Foundation, and Kerr Bikes**  
**Consolidated Statement of Activities**  
**Year to Date April 30, 2020**

	Actual	Budget	Variance	% Change F/(U)
<b>Revenue</b>				
Contract and Program Revenue	37,228,489	37,583,223	(354,734)	-0.9%
Contribution and Event Revenue (Net of Event Expenses)	2,247,910	2,107,311	140,599	6.7%
Sales to the Public (Net of Cost of Goods Sold)	545,036	571,709	(26,673)	-4.7%
Investment Income	(141,153)	284,768	(425,921)	-149.6%
In-Kind Contributions	121,703	199,583	(77,880)	-39.0%
<b>Total Revenue</b>	<b>40,001,985</b>	<b>40,746,594</b>	<b>(744,609)</b>	<b>-1.8%</b>
<b>Expenses</b>				
Salaries & Wages	26,582,522	26,351,624	(230,898)	-0.9%
Employee Benefits	3,521,622	3,545,387	23,765	0.7%
Payroll Taxes	2,518,961	2,422,160	(96,801)	-3.8%
Contracted Direct Labor	156,722	66,801	(89,921)	-57.4%
Other Employee Related Costs	311,142	362,172	51,030	16.4%
Professional Fees & Insurance	629,014	600,014	(29,000)	-4.6%
Telecommunications	1,015,634	1,422,959	407,325	40.1%
Facilities & Occupancy	2,809,497	2,835,953	26,456	0.9%
Equipment	296,545	287,379	(9,166)	-3.1%
Program & Office Supplies	1,112,064	1,111,716	(348)	0.0%
Vehicle Expenses	349,004	507,708	158,704	45.5%
PR & Fundraising	257,831	363,825	105,994	41.1%
Training & Other	664,959	913,949	248,990	37.4%
<b>Total Expenses</b>	<b>40,225,516</b>	<b>40,791,647</b>	<b>566,131</b>	<b>1.4%</b>
<b>Net Income / (Loss) Before Contingency</b>	<b>(223,531)</b>	<b>(45,053)</b>	<b>(178,478)</b>	<b>-79.8%</b>
Contingency	-	(416,670)	416,670	
<b>Net Income / (Loss)</b>	<b>(223,531)</b>	<b>(461,723)</b>	<b>238,192</b>	

**Albertina Kerr Centers, Foundation, and Kerr Bikes**  
**Consolidated Statement of Financial Position**  
**As of April 30, 2020**

	4/30/2020	3/31/2020
Assets:		
Cash and Cash Equivalents	1,272,662	384,615
Cash Held for Others	151,987	154,237
Investments	8,737,931	8,242,145
Accounts Receivable	2,192,735	2,869,582
Less: Allowance for Doubtful Accounts	(39,888)	(39,025)
Contributions Receivable	19,753	42,597
Other Receivables	50,361	50,295
Prepaid Expenses, Deposits and Other Current Assets	436,718	438,702
Charitable Remainder Trusts Receivable	344,574	344,574
Other Long-Term Assets	42,342	42,953
Fixed assets, Net	22,284,170	22,355,702
<b>Total Assets</b>	<b>35,493,345</b>	<b>34,886,377</b>
Liabilities:		
Accounts Payable and Accrued Expenses	894,343	1,145,172
Accrued Payroll Liabilities	497,837	509,172
Personal Accrued Leave (PAL) Liability	804,005	782,000
Deferred Revenue	272,258	227,416
Unemployment Reserve	310,220	294,324
Long-Term Debt	4,403,711	4,440,648
<b>Total Liabilities</b>	<b>7,182,374</b>	<b>7,398,733</b>
Net Assets:		
Available for General Operations	6,089,383	5,124,612
Investment in Fixed Assets	17,958,447	17,994,038
Temporarily Restricted Net Assets	2,002,192	2,109,312
Permanently Restricted Net Assets	2,260,949	2,259,682
<b>Total Net Assets</b>	<b>28,310,971</b>	<b>27,487,644</b>
<b>Total Liabilities and Net Assets</b>	<b>35,493,345</b>	<b>34,886,377</b>

***Albertina Kerr Centers and Foundation  
FY 2020-21 Key Highlights and Budget Assumptions***

**General Outlook**

We are living in volatile and uncertain times. COVID-19 has had a significant impact on all areas of our lives and the economy, including the State of Oregon budget. In anticipation of a sharp decrease in State revenue, Governor Brown directed all State agencies to submit reduction plans for the upcoming fiscal year. The Office of Developmental Disabilities Services (ODDS) will likely be reducing funding for in-home services, group homes, and contracted partners who serve Oregonians with disabilities. There have been no formal confirmation of budget cuts at this time, but in order to complete our internal planning processes and move forward with a budget that we can manage to on July 1<sup>st</sup>, we have prepared a balanced budget that assumes 6% DD rate reductions, and consequently, no wage increases.

To keep the agency focused on managing through the pandemic, we shifted our budget approach from the historical bottoms up to a top down approach. We made assumptions when community services would return and were careful on the expense side to scrutinize cost increases and ensure they were necessary for maintaining health, safety and compliance of our programs. A key piece to managing the budget cuts is continued focus on census stabilization in Kids' DD Group homes, Subacute and Outpatient Mental Health.

We modeled the shift of philanthropy integration into operations and the Foundation's narrowed focus on managed restricted investments as part of Kerr's endowment, assuming the board votes to finalize this direction as discussed at the April 20<sup>th</sup> board meeting. For a year over year comparative, the FY19-20 Forecast is consolidated results less non-spend rate investment income. The Forecast and FY20-21 Budget includes the investment spend rate from the Foundation.

**Revenue**

- Total revenue decreased 2.2% over FY20, from \$49.2 million to \$48.1 million. With Workforce Housing grants excluded, operationally revenue fell from \$48.4M to \$47.7M.
- Contract and Program Revenue is falling 1.2% or (\$524K). The 6% decrease from the State for DD programs (\$2.1M) is partially offset by:
  - o Shift from seven 5-Bed homes to only three 5-Bed homes, thus changing our license on for four homes to 4-Bed homes. Due to rate differences, this adds additional revenue. \$800K
  - o Average increase of 2.5 Kids' Group Home slots (Plan for 4 – Currently at 3). \$512K
  - o Growth in Employment and Project Search. \$190K
  - o Subacute census rebound and rate increases. \$106K
- Despite the challenging environment, Contribution and Event Revenue is only down 9% (\$243K), from FY20 projected.
  - o Total Grants are only down 5% (\$54K), but operational grants nearly double as Workforce Housing grants are projected at \$425K, down from \$801K in FY20.
  - o 13% decrease in event revenue (\$77K) by the COVID-19 impact of a likely modified 24 Hours of Kerr.
  - o Individual giving is only projected to drop 7% (\$40K).

- TOKNA closing causes a \$396K drop in our Sales to the Public. The remaining sales of \$165K reflects Kerr Bikes.
- In-Kind contributions is flat.
- Investment Spending Rate – 4% spending rates for Community Promise and Children’s Impact endowments, are the same as in FY20. This has already been approved by the Investment Committee.
- We have consistently received a SAIF dividend for the past several years, though this is not budgeted for since it is not within Kerr’s control. The dividend received in FY20 was \$107K.

### **Operating Expenses**

- Wages: Flat
  - o Includes 6 additional layoffs (to the 17 announced) in Employment and PALS to reflect revenue shifts. (\$1.174K)
  - o Increased Unemployment costs. \$83K
  - o Hiring for:
    - 1 FTE Director of Children’s Mental Health effective 8/1. \$83K
    - 1 FTE Clinical Supervisor effective 8/1. \$60K
    - 3 FTE Child and Family Therapists \$46.4K each. Staggered hiring one in July, August and September. \$127.6K
  - o Vacancy at current 4% level (prior year at 10%)
  - o 10% Reduction in Admin – Furlough every other Friday. (\$405K)
  - o Eliminate 401K Match. (\$464K)
- Health premiums up 3% from FY20, partially offset by lower enrollment.
- Workers comp premiums up \$70K based on recent trends.
- Professional Fees & Insurance down 15%. 35% decrease in Professional Fees with finance and accounting staffing transition complete; offset by a full year of Paycom fees and Insurance up 5% from higher property and D&O.
- Facilities and Occupancy cost:
  - o Rent reductions by exiting Hillsboro office and PALS.(\$148K)
  - o Interior painting. \$93K
  - o Moving expense for TOKNA, PALS and Hillsboro. \$40K.
  - o Furnishings for group homes. \$40K
  - o Upgrade lighting to LED in 6 homes. \$14K
- Software amortization costs increase \$87K as we complete the roll out of Epic in the remaining homes.
- \$500k contingency included in operating budget, consistent with the past five budget cycles.

### **Capital Budget**

- \$1.26 million in projects determined to be top priority for funding in FY21. A lean year versus FY20 at \$2 million.
  - o Completion of the EHR project drove the greatest reduction. (\$542K)
  - o \$230K for 8 vehicle replacements for vans with over 100K miles and includes two with lifts.

- Multiple home enhancements, but no new homes given State funding limitations for new slots.
- Subacute Crisis Psychiatric building remodel on hold.
- \$240K of contingency.

## Albertina Kerr Centers and Kerr Bikes

### Consolidated Statement of Activities

	Kerr Centers & Bikes			
	Forecast FY19-20	Budget FY20-21	Variance	% Change
Revenue				
Contract and Program Revenue	\$45,404,060.00	\$44,879,487.59	(\$524,572.41)	(1.16)%
Contribution and Event Revenue	\$2,697,496.00	\$2,454,942.50	(\$242,553.50)	(8.99)%
Sales to the Public	\$545,305.86	\$165,451.71	(\$379,854.15)	(69.66)%
Investment Income	\$279,903.00	\$334,918.92	\$55,015.92	19.66%
In-Kind Contributions	\$307,370.00	\$294,350.00	(\$13,020.00)	(4.24)%
<b>Total Revenue</b>	<b>\$49,234,134.86</b>	<b>\$48,129,150.72</b>	<b>(\$1,104,984.14)</b>	<b>(2.24)%</b>
Expenses				
Headcount	754	740		
Salaries & Wages	\$31,899,025.87	\$31,475,049.79	(\$423,976.08)	(1.33)%
Employee Benefits	\$4,225,946.95	\$3,890,662.42	(\$335,284.54)	(7.93)%
Payroll Taxes	\$3,022,752.95	\$3,124,173.12	\$101,420.17	3.36%
Contracted Direct Labor	\$188,065.85	\$91,037.47	(\$97,028.38)	(51.59)%
Other Employee Related Costs	\$373,370.82	\$338,627.81	(\$34,743.01)	(9.31)%
Professional Fees & Insurance	\$754,816.80	\$641,865.00	(\$112,951.80)	(14.96)%
Telecommunications	\$44,111.90	\$105,124.00	\$61,012.10	138.31%
Facilities & Occupancy	\$2,729,545.44	\$2,580,619.94	(\$148,925.50)	(5.46)%
Utilities	\$641,850.77	\$684,192.03	\$42,341.26	6.60%
Equipment	\$355,853.94	\$272,917.67	(\$82,936.27)	(23.31)%
Program & Office Supplies	\$1,334,477.09	\$1,321,667.63	(\$12,809.45)	(0.96)%
MIS	\$1,174,648.42	\$1,386,253.25	\$211,604.83	18.01%
Vehicles	\$418,805.08	\$474,450.25	\$55,645.18	13.29%
PR & Fundraising	\$309,397.33	\$405,275.00	\$95,877.67	30.99%
Cost of In-Kind Goods/Services	\$329,751.11	\$294,350.00	(\$35,401.11)	(10.74)%
Training & Other	\$734,638.36 *	\$731,057.66	(\$3,580.70)	(0.49)%
Interest Expense	\$214,241.12	\$210,887.00	(\$3,354.12)	(1.57)%
<b>Total Expenses</b>	<b>\$48,751,299.80</b>	<b>\$48,028,210.04</b>	<b>(\$723,089.76)</b>	<b>1.51%</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$482,835.06</b>	<b>\$100,940.69</b>	<b>(\$381,894.38)</b>	<b>N/A</b>
Workforce Housing Grants	\$801,250.00	\$425,000.00		
Prior Restricted Releases		\$325,000.00		

\* Includes \$335K of Asset Write-Offs (PALS/DHS)

Includes \$500K of Contingency

**ALBERTINA KERR  
OPERATING RECAP  
FY 20-21**

	2019-20 Projected Operating Results	2020-21 Budgeted Program Revenue	2020-21 Budgeted Fundraising Revenue	2020-21 Budgeted Other Revenue	2020-21 Budgeted Total Revenue	2020-21 Budgeted Direct Expenses	2020-21 Budgeted Margin Generated	2020-21 Budgeted Indirect Expenses	2020-21 Budgeted Indirect Allocation	2020-21 Budgeted Total Expenses	2020-21 Budgeted Operating Results
<b>Programs</b>											
Adult Group Homes	(1,109,579)	14,292,293	-	-	14,292,293	15,817,042	(1,524,749)		1,160,399	16,977,441	(2,685,148)
<i>Clackamas Co. Adult DD Group Homes</i>	<i>(672,679)</i>	<i>4,755,824</i>	-	-	<i>4,755,824</i>	<i>5,550,462</i>	<i>(794,638)</i>		<i>386,128</i>	<i>5,936,590</i>	<i>(1,180,766)</i>
<i>Multnomah Co. Adult DD Group Homes</i>	<i>(153,524)</i>	<i>3,753,381</i>	-	-	<i>3,753,381</i>	<i>3,922,077</i>	<i>(168,697)</i>		<i>304,739</i>	<i>4,226,816</i>	<i>(473,436)</i>
<i>Washington Co. Adult DD Group Homes</i>	<i>193,782</i>	<i>1,941,438</i>	-	-	<i>1,941,438</i>	<i>2,032,201</i>	<i>(90,763)</i>		<i>157,626</i>	<i>2,189,828</i>	<i>(248,390)</i>
<i>Marion County Adult DD Group Homes</i>	<i>(477,158)</i>	<i>3,841,650</i>	-	-	<i>3,841,650</i>	<i>4,312,301</i>	<i>(470,651)</i>		<i>311,906</i>	<i>4,624,207</i>	<i>(782,557)</i>
Employment Services	(219,338)	1,568,619	-	-	1,568,619	1,782,305	(213,685)		127,357	1,909,662	(341,042)
Studios	(320,362)	620,473	100,000	-	720,473	1,420,561	(700,088)		50,377	1,470,938	(750,465)
Transition-Aged Group Homes	(526,633)	2,663,241	-	-	2,663,241	3,108,205	(444,963)		216,230	3,324,435	(661,193)
Kids DD Group Homes	3,445,916	17,992,582	-	-	17,992,582	12,436,249	5,556,333		1,460,828	13,897,077	4,095,505
Kerr Bikes	(44,733)	165,452	-	-	165,452	169,732	(4,280)		13,433	183,165	(17,713)
Outpatient Mental Health	(227,202)	1,320,000	-	-	1,320,000	1,459,062	(139,062)		107,172	1,566,233	(246,233)
Subacute	(722,979)	6,196,333	20,000	-	6,216,333	6,175,883	40,450		503,084	6,678,967	(462,633)
Behavioral Specialists	162,932	175,945	-	-	175,945	(29,388)	205,334		14,285		
Program Oversight	(386,606)	-	-	35,290	35,290	444,840	(409,550)		-	444,840	(409,550)
<b>Total Programs</b>	<b>51,417</b>	<b>44,994,939</b>	<b>120,000</b>	<b>35,290</b>	<b>45,150,229</b>	<b>42,784,489</b>	<b>2,365,740</b>	<b>-</b>	<b>3,653,164</b>	<b>46,452,756</b>	<b>(1,478,473)</b>
<b>Admin and Fundraising</b>											
Transfers from Foundation/General Fundraising	(4,956)	-	1,902,993	-	1,902,993	405,275	1,497,718	-	-	-	1,497,718
Investment Spending Rate Trf from Foundation	293,049	-	-	299,629	299,629	-	299,629	-	-	-	299,629
Workforce Housing	206,000	-	425,000	-	425,000	-	425,000	-	-	-	425,000
Campus Buildings	(120,342)	-	-	-	-	138,342	(138,342)	-	-	138,342	(138,342)
Indirect Admin	(184,449)	-	6,950	-	6,950	-	6,950	3,725,715	(3,714,174)	11,541	(4,591)
Other/In-Kind	(1,470)	-	-	294,350	294,350	294,350	-	-	-	294,350	-
<b>Total Budget (Before Contingency)</b>	<b>239,249</b>	<b>44,994,939</b>	<b>2,454,943</b>	<b>629,269</b>	<b>48,079,151</b>	<b>43,622,456</b>	<b>4,456,695</b>	<b>3,725,715</b>	<b>(61,010)</b>	<b>46,896,989</b>	<b>600,941</b>
Contingency	-	-	-	-	-	-	-	500,000	-	500,000	(500,000)
Workforce Housing	206,000	-	425,000	-	425,000	-	-	-	-	-	(425,000)
Prior Restricted Releases	-	-	-	-	-	-	-	-	-	-	325,000
<b>Total Kerr Operating Budget</b>	<b>33,249</b>	<b>-</b>	<b>2,029,943</b>	<b>-</b>	<b>47,654,151</b>	<b>-</b>	<b>-</b>	<b>4,225,715</b>	<b>-</b>	<b>47,396,989</b>	<b>941</b>



## Albertina Kerr Centers and Kerr Bikes

### Consolidated Statement of Activities

	Forecast FY19-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Budget FY20-21	Variance F/(U)	% Change F/(U)
<b>Revenue</b>																
Contract and Program Revenue	\$45,404,060.00	\$3,667,266.87	\$3,688,485.04	\$3,649,701.44	\$3,798,677.31	\$3,700,333.25	\$3,837,434.92	\$3,842,642.25	\$3,495,574.19	\$3,865,497.23	\$3,757,737.80	\$3,845,579.56	\$3,730,557.72	\$44,879,487.59	(\$524,572.41)	(1.16)%
Contribution and Event Revenue	\$2,697,496.00	\$81,557.71	\$66,807.71	\$456,807.71	\$66,807.71	\$196,807.71	\$626,807.71	\$86,807.71	\$66,807.71	\$129,307.71	\$243,307.71	\$76,807.71	\$356,307.71	\$2,454,942.50	(\$242,553.50)	(8.99)%
Sales to the Public	\$545,305.86	\$31,848.51	\$25,456.51	\$7,548.04	\$2,643.51	\$1,224.50	\$50.00	\$861.20	\$23,237.28	\$1,765.05	\$12,360.06	\$27,247.59	\$31,209.48	\$165,451.71	(\$379,854.15)	(69.66)%
Investment Income	\$279,903.00	\$27,909.91	\$27,909.91	\$27,909.91	\$27,909.91	\$27,909.91	\$27,909.91	\$27,909.91	\$27,909.91	\$27,909.91	\$27,909.91	\$27,909.91	\$27,909.91	\$334,918.92	\$55,015.92	19.66 %
In-Kind Contributions	\$307,370.00	\$3,000.00	\$3,000.00	\$3,350.00	\$0.00	\$0.00	\$35,000.00	\$0.00	\$0.00	\$0.00	\$250,000.00	\$0.00	\$0.00	\$294,350.00	(\$13,020.00)	(4.24)%
<b>Total Revenue</b>	<b>\$49,234,134.86</b>	<b>\$3,811,583.00</b>	<b>\$3,811,659.16</b>	<b>\$4,145,317.10</b>	<b>\$3,896,038.43</b>	<b>\$3,926,275.37</b>	<b>\$4,527,202.54</b>	<b>\$3,958,221.07</b>	<b>\$3,613,529.09</b>	<b>\$4,024,479.90</b>	<b>\$4,291,315.48</b>	<b>\$3,977,544.77</b>	<b>\$4,145,984.82</b>	<b>\$48,129,150.72</b>	<b>(\$1,104,984.14)</b>	<b>(2.24)%</b>
<b>Expenses</b>																
Salaries & Wages	\$31,899,025.87	\$2,673,223.41	\$2,673,223.41	\$2,586,990.39	\$2,673,223.41	\$2,586,990.39	\$2,673,223.41	\$2,673,223.41	\$2,414,524.37	\$2,673,223.41	\$2,586,990.39	\$2,673,223.41	\$2,586,990.39	\$31,475,049.79	\$423,976.08	1.35 %
Employee Benefits	\$4,225,946.95	\$330,439.82	\$330,439.82	\$319,780.47	\$330,439.82	\$319,780.47	\$330,439.82	\$330,439.82	\$298,461.77	\$330,439.82	\$319,780.47	\$330,439.82	\$319,780.47	\$3,890,662.42	\$335,284.54	8.62 %
Payroll Taxes	\$3,022,752.95	\$265,340.73	\$265,340.73	\$256,781.35	\$265,340.73	\$256,781.35	\$265,340.73	\$265,340.73	\$239,662.60	\$265,340.73	\$256,781.35	\$265,340.73	\$256,781.35	\$3,124,173.12	(\$101,420.17)	(3.25)%
Contracted Direct Labor	\$188,065.85	\$7,731.95	\$7,731.95	\$7,482.53	\$7,731.95	\$7,482.53	\$7,731.95	\$7,731.95	\$6,983.70	\$7,731.95	\$7,482.53	\$7,731.95	\$7,482.53	\$91,037.47	\$97,028.38	106.58 %
Other Employee Related Costs	\$373,370.82	\$28,760.17	\$28,760.17	\$27,832.42	\$28,760.17	\$27,832.42	\$28,760.17	\$28,760.17	\$25,976.93	\$28,760.17	\$27,832.42	\$28,760.17	\$27,832.42	\$338,627.81	\$34,743.01	10.26 %
Professional Fees & Insurance	\$754,816.80	\$54,514.56	\$54,514.56	\$52,756.03	\$54,514.56	\$52,756.03	\$54,514.56	\$54,514.56	\$49,238.96	\$54,514.56	\$52,756.03	\$54,514.56	\$52,756.03	\$641,865.00	\$112,951.80	17.60 %
Telecommunications	\$44,111.90	\$8,928.34	\$8,928.34	\$8,640.33	\$8,928.34	\$8,928.34	\$8,928.34	\$8,928.34	\$8,064.31	\$8,928.34	\$8,640.33	\$8,928.34	\$8,640.33	\$105,124.00	(\$61,012.10)	(58.04)%
Facilities & Occupancy	\$2,729,545.44	\$223,676.66	\$223,676.66	\$223,676.66	\$223,676.66	\$222,676.66	\$222,676.66	\$206,676.66	\$206,676.66	\$206,676.66	\$207,176.66	\$207,176.66	\$207,176.66	\$2,580,619.94	\$148,925.50	5.77 %
Utilities	\$641,850.77	\$58,109.46	\$58,109.46	\$56,234.96	\$58,109.46	\$56,234.96	\$58,109.46	\$58,109.46	\$52,485.96	\$58,109.46	\$56,234.96	\$58,109.46	\$56,234.96	\$684,192.03	(\$42,341.26)	(6.19)%
Equipment	\$355,853.94	\$23,179.31	\$23,179.31	\$22,431.59	\$23,179.31	\$22,431.59	\$23,179.31	\$23,179.31	\$20,936.15	\$23,179.31	\$22,431.59	\$23,179.31	\$22,431.59	\$272,917.67	\$82,936.27	30.39 %
Program & Office Supplies	\$1,334,477.09	\$112,251.22	\$112,251.22	\$108,630.22	\$112,251.22	\$108,630.22	\$112,251.22	\$112,251.22	\$101,388.20	\$112,251.22	\$108,630.22	\$112,251.22	\$108,630.22	\$1,321,667.63	\$12,809.45	0.97 %
MIS	\$1,174,648.42	\$117,736.58	\$117,736.58	\$113,938.62	\$117,736.58	\$113,938.62	\$117,736.58	\$117,736.58	\$106,342.72	\$117,736.58	\$113,938.62	\$117,736.58	\$113,938.62	\$1,386,253.25	(\$211,604.83)	(15.26)%
Vehicles	\$418,805.08	\$40,295.77	\$40,295.77	\$38,995.91	\$40,295.77	\$38,995.91	\$40,295.77	\$40,295.77	\$36,396.18	\$40,295.77	\$38,995.91	\$40,295.77	\$38,995.91	\$474,450.25	(\$55,645.18)	(11.73)%
PR & Fundraising	\$309,397.33	\$34,420.62	\$34,420.62	\$33,310.27	\$34,420.62	\$33,310.27	\$34,420.62	\$34,420.62	\$31,089.59	\$34,420.62	\$33,310.27	\$34,420.62	\$33,310.27	\$405,275.00	(\$95,877.67)	(23.66)%
Cost of In-Kind Goods/Services	\$329,751.11	\$3,000.00	\$3,000.00	\$3,350.00	\$0.00	\$0.00	\$35,000.00	\$0.00	\$0.00	\$0.00	\$250,000.00	\$0.00	\$0.00	\$294,350.00	\$35,401.11	12.03 %
Training & Other	\$734,638.36	\$62,089.83	\$62,089.83	\$60,086.93	\$62,089.83	\$60,086.93	\$62,089.83	\$62,089.83	\$56,081.14	\$62,089.83	\$60,086.93	\$62,089.83	\$60,086.93	\$731,057.66	\$3,580.70	0.49 %
Interest Expense	\$214,241.12	\$17,573.92	\$17,573.92	\$17,573.92	\$17,573.92	\$17,573.92	\$17,573.92	\$17,573.92	\$17,573.92	\$17,573.92	\$17,573.92	\$17,573.92	\$17,573.92	\$210,887.00	\$3,354.12	1.59 %
<b>Total Expenses</b>	<b>\$48,751,299.80</b>	<b>\$4,061,272.35</b>	<b>\$4,061,272.35</b>	<b>\$3,938,492.61</b>	<b>\$4,057,272.35</b>	<b>\$3,934,142.61</b>	<b>\$4,092,272.35</b>	<b>\$4,041,272.35</b>	<b>\$3,671,883.14</b>	<b>\$4,041,272.35</b>	<b>\$4,168,642.61</b>	<b>\$4,041,772.35</b>	<b>\$3,918,642.61</b>	<b>\$48,028,210.04</b>	<b>\$723,089.76</b>	<b>1.51 %</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$482,835.06</b>	<b>(\$249,689.35)</b>	<b>(\$249,613.18)</b>	<b>\$206,824.48</b>	<b>(\$161,233.92)</b>	<b>(\$7,867.25)</b>	<b>\$434,930.19</b>	<b>(\$83,051.28)</b>	<b>(\$58,354.05)</b>	<b>(\$16,792.45)</b>	<b>\$122,672.86</b>	<b>(\$64,227.57)</b>	<b>\$227,342.20</b>	<b>\$100,940.69</b>	<b>(\$381,894.38)</b>	<b>(79.09)%</b>

PROGRAM/DIVISION	PROJECT/SCOPE OF WORK*	Notes	Budget	Jul-Sep '20	Oct-Dec '20	Jan-Mar '21	Apr-Jun '21
EPIC - Legacy Consulting	Consulting		360,790	236,397	104,393	20,000	
Agency	Vehicles 2 Lift vans Hillyard Hollywood Appaloosa 2 vans Barlow Florida 4 Mini-Vans Hacienda Tuckerwood Blossom-HRV replacement	TBD	230,000	40,000	100,000	40,000	50,000
Agency/KAC	Fire Escapes Engineering Fees and Testing + \$10K for next steps	Contractor Estimate	10,000		10,000		
Agency/H-Building	Service Generator / If kids need to leave SubAcute	Contractor Estimate	16,500	16,500			
Agency/SubAcute	Hands Free Faucets Living Area SAFETY	Contractor Estimate	6,000	6,000			
76TH	Plumbing work, replace PEX plumbing	Kids out 5 days	11,000		11,000		
Roanoke Phase 1	Extensive reno- front door flooring wall repairs lighting doors paint	Kids out 5 days	75,000	40,000	35,000		
196TH Phase 1	Extensive reno- flooring wall repairs lighting doors paint Adopt Home	Kids out 5 days	75,000	40,000	35,000		
San Rafael	Concrete slab	Kids out 5 days	8,600	8,600			
Autzen	Renovate sensory room bath-new tile flooring and walls electrical	Contractor Estimate	10,000			10,000	
Cominger	Crawl space Raccoon infestation/water	Contractor Estimate	13,000	13,000			
Overlook	Bathroom floors 2 bath	Contractor Estimate	5,000			5,000	
Orchid	Harden remaining walls	Contractor Estimate	5,000			5,000	
Silverloop	Fire system Upgrade	Contractor Estimate	4,600		4,600		
Ward	Cement Pad in back of garage - SNH \$4K	Contractor Estimate	4,000	4,000			
4th	Kitchen cabinets	Contractor Estimate	9,000			9,000	
5th	Kitchen remodel	Contractor Estimate	9,600			9,600	
5th	Garage office Shaker	Contractor Estimate	4,000	4,000			
10th	Kitchen remodel	Contractor Estimate	10,000			10,000	
16th	Replace flooring in common areas	Contractor Estimate	12,000			12,000	
16th	Kitchen remodel	Contractor Estimate	10,000			10,000	
16th	Replace front door	Contractor Estimate	4,000	4,000			
68th	Remove fireplace mantle and hearth	Contractor Estimate	4,000			4,000	
181st	Add concrete pathway ADA	Contractor Estimate	6,300		6,300		
Clark	Flooring in common areas	Contractor Estimate	14,600			14,600	
Jay	New lift	Contractor Estimate	6,000		6,000		
Linden	New front door	Contractor Estimate	4,000	4,000			
Linden	Kitchen cabinets and counters	Contractor Estimate	10,000		10,000		
Nectarine	New kitchen cabinets and countertops	Contractor Estimate	10,000		10,000		
Tanager	Replace carpet in bedrooms	Contractor Estimate	14,000			14,000	
Tanager	Replace dining room flooring	Contractor Estimate	8,000			8,000	
Tuckerwood	Replace front door	Contractor Estimate	4,300	4,300			
51ST	1 new lift	Contractor Estimate	6,000		6,000		
Hillyard	1 New lift	Manager Estimate	6,000		6,000		
Jason Lee	1 new lift	Manager Estimate	6,000		6,000		
Lindenbrook	1 new lift	Manager Estimate	6,000		6,000		
Rockwood	2 New lifts	Manager Estimate	12,000			12,000	
Troutdale	1 New Lift	Contractor Estimate	6,000			6,000	
Wheeler	1 new lift	Manager Estimate	6,000			6,000	
Contingency			240,000	60,000	60,000	60,000	60,000
<b>Total</b>			<b>1,262,290</b>	<b>480,797</b>	<b>416,293</b>	<b>255,200</b>	<b>110,000</b>

Funding/Cost Comparison:

Projected Depreciation/Amortization	1,656,310	442,995	424,498	398,560	390,258
Less SW Amortization	446,416	133,779	111,193	101,436	100,008
Less Sewer Rights	11,802	2,951	2,951	2,951	2,951
Less Vehicle	83,500	21,500	28,500	17,500	16,000
Less Equipment	150,025	38,856	39,256	37,156	34,756
Net Depreciation (Buildings/Equipment)	964,566	245,909	242,598	239,516	236,543
Current Assets	1,482,370	370,593	370,593	370,593	370,593
Amortization of Sewer rights/loan fees	11,802	2,951	2,951	2,951	2,951
New Capital	119,946	58,904	40,407	14,469	6,167

## Cash Flow Summary

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Projected Surplus/(Deficit)	(249,689)	(249,613)	206,824	(161,234)	(7,867)	434,930	(83,051)	(58,354)	(16,792)	122,673	(64,228)	227,342	100,941
Adjustments :													
Add Depreciation & Amortization	147,665	147,665	147,665	141,499	141,499	141,499	132,853	132,853	132,853	130,086	130,086	130,086	1,656,310
Changes in Working Capital													
Change In Accounts Receivables	65,534	93,043	213,512	(415,626)	192,636	(301,553)	72,427	288,066	2,204	(219,799)	42,459	278,545	311,447
Change in Accounts Payable	-	-	(236,397)	-	(89,383)	(15,000)	-	-	-	-	-	-	(340,780)
Change in Prepays	(5,854)	10,107	40,618	16,207	(28,783)	596	(24,438)	(11,446)	13,062	(29,316)	13,062	13,062	6,874
Change in Payroll Related Liabilities	324,966	243,724	162,483	(893,656)	162,483	243,724	(243,724)	-	243,724	162,483	(406,207)	162,483	162,483
Funds Received as Restricted												(20,000)	(20,000)
Funds Received for Non-Operations						(425,000)							(425,000)
Release of Restricted Funds	15,000	15,000	15,000	90,000	15,000	265,000	15,000	15,000	15,000	15,000	15,000	15,000	505,000
Cash Used in Financing and Investing													
Decrease in Notes Payable from Loan Payments	(37,506)	(37,276)	(37,370)	(37,781)	(37,562)	(37,967)	(37,755)	(37,851)	(38,849)	(38,049)	(38,441)	(38,246)	(454,652)
Capital Expenditures	(160,266)	(160,266)	(160,266)	(138,764)	(138,764)	(138,764)	(85,067)	(85,067)	(85,067)	(36,667)	(36,667)	(36,667)	(1,262,290)
Increase/(Decrease) To Cash	99,850	62,385	352,069	(1,399,354)	209,258	167,465	(253,755)	243,201	266,135	106,410	(344,936)	731,605	240,333
Beginning Cash Balance	839,761	939,611	1,001,996	1,354,065	(45,289)	163,969	331,434	77,679	320,880	587,015	693,425	348,489	839,761
Ending Cash Balance	939,611	1,001,996	1,354,065	(45,289)	163,969	331,434	77,679	320,880	587,015	693,425	348,489	1,080,094	1,080,094

# ALBERTINA KERR CENTERS

## 2019-2020 Finance, Audit & Compliance Committee Objectives

	Objective	Completed	In Process	To Be Completed	Charter Ref.
1	Review monthly & year to date financial statements	Ongoing		Agenda item for each meeting	1
2	Review Compliance Dashboard Report	Ongoing		Agenda item for each meeting	5, 8, 9
3	Executive Session for Committee members and Chief Compliance Officer	Ongoing		Agenda item for each meeting	8
4	Review Board policies related to the Committee	Ongoing		As needed	4
5	Review Conflict of Interest Results			August 13, 2020	8
6	Review and recommend modification(s) of the Committee Charter			August 13, 2020	13
7	Meet with financial auditor and recommend Board acceptance of 2018-2019 financial audit results	November 12, 2019		November 12, 2019	6
8	Evaluate financial auditor performance and decide to continue with vendor or send RFPs	November 12, 2019		November 12, 2019	6
9	Review of 5 year capital and reserve plan	January 7, 2020		January 7, 2020	1
10	Monitor financial reserves	January 7, 2020		January 7, 2020	1
11	Review current investment policy and portfolio benchmark performance	January 7, 2020		January 7, 2020	3
12	Review Risk Management Assessment	March 10, 2020		March 10, 2020	11
13	Review federal 990 tax filings for AKC, Inc. and AKCF, Inc. prior to submission	March 10, 2020		March 10, 2020	7
14	Review Corporate Compliance Plan	June 9, 2020		June 9, 2020	8
15	Recommend board approval of 2020-2021 Operating, Capital, Cashflow and Foundation Budgets	June 9, 2020		June 9, 2020	2
16	Evaluate Committee performance against 2019-2020 goals and establish goals for 2020-2021	June 9, 2020		June 9, 2020	12, 14
17	Review Audit Plan with Auditor	June 9, 2020		June 9, 2020	3

### Meeting Schedule for 2019-2020

August 13, 2019

October 8, 2019

November 12, 2019

January 7, 2020

March 10, 2020

May 12, 2021

June 9, 2020

## ALBERTINA KERR CENTERS

### 2020-2021 Finance, Audit & Compliance Committee Objectives

	Objective	Completed	In Process	To Be Completed	Charter Ref.
1	Review monthly & year to date financial statements	Ongoing		Agenda item for each meeting	1
2	Review Compliance Dashboard Report	Ongoing		Agenda item for each meeting	5, 8, 9
3	Executive Session for Committee members and Chief Compliance Officer	Ongoing		Agenda item for each meeting	8
4	Review Board policies related to the Committee	Ongoing		As needed	4
5	Review Conflict of Interest Results			August 2020	8
6	Review and recommend modification(s) of the Committee Charter			August 2020	13
7	Meet with financial auditor and recommend Board acceptance of 2018-2019 financial audit results			November 2020	6
8	Evaluate financial auditor performance and decide to continue with vendor or send RFPs			November 2020	6
9	Review of 5 year capital and reserve plan			January 2021	1
10	Monitor financial reserves			January 2021	1
11	Review current investment policy and portfolio benchmark performance			January 2021	3
12	Review Risk Management Assessment			March 2021	11
13	Review federal 990 tax filings for AKC, Inc. and AKCF, Inc. prior to submission			March 2021	7
14	Review Corporate Compliance Plan			June 2021	8
15	Recommend board approval of 2020-2021 Operating, Capital, Cashflow and Foundation Budgets			June 2021	2
16	Evaluate Committee performance against 2019-2020 goals and establish goals for 2020-2021			June 2021	12, 14
17	Review Audit Plan with Auditor			June 2021	3

#### Meeting Schedule for 2020-2021