

Capital District Youth Center, Inc.
Board Meeting
Wednesday, May 20, 2015
Capital District Regional Planning Commission
One Park Place, Suite 102
Albany, New York 12205

Members Present: William Connors, Lucille McKnight, Laura Bauer, Fred Acunto, Steve Bayle, John Lockwood, Barbara Mauro

Members Absent: Michael Whalen, Jr., Stan Brownell

Staff: Rocco Ferraro, Tim Canty, Donna Reinhart

Advisory: Michael Hall, Legal Counsel & Gene Terry, Facility Director

Presiding: Fred Acunto, President called the meeting to order at 9:30am.

1. Welcome & Introductions

Alison Blessing from the Bonadio Group, LLP was in attendance.

2. January 21, 2015 Meeting Minutes

The minutes were distributed before the meeting and no changes were made.

Action Taken

Lucille McKnight made a motion to approve the meeting minutes and Barbara Mauro seconded. The motion was approved unanimously.

3. March 18, 2015 Meeting Minutes

The minutes were distributed before the meeting and no changes were made.

Action Taken

Laura Bauer made a motion to approve the meeting minutes and John Lockwood seconded. The motion was approved unanimously.

4. Financial Statement through December 31, 2014 (from the March 18, 2014 meeting)

The financial statement represents activities through December 31, 2014. The year ended with a surplus of \$383,768 which is a different amount than is identified on the Reconciliation Statement (\$338,594.60). The primary difference is the Financial

Statement applies Depreciation Expense while the Reconciliation Statement applies actual debt service costs to pay off the bonds.

These are the financial statements that will be provided to the auditor as part of the 2014 audit of our financial records. A final audited financial statement will be prepared and presented to the Board at either the May or July 2015 Board meeting.

Action Taken

Barbara Mauro made a motion to approve the financial statements and Lucille McKnight seconded. The motion was approved unanimously.

5. Financial Statement through April 30, 2015

The financial statement represents activities through April 30, 2015. The revenues are at 37% and expenses are at 30%. The expenses represents actual expenses through March and an estimate for April. The revenues are higher due to higher utilization rates than was projected for the year.

On the 2015 Operation Services from Berkshire Farm, the amount for the food line item in March of \$245 is incorrect. The billing for March did not come in time for the completion of the income statement through March 31. The correct amount will be reflected on the April income statement. Also, under the utilities line item, the March amount of \$11,822 includes the electrical expenses for January – March.

Action Taken

Barbara Mauro made a motion to approve the financial statements and Lucille McKnight seconded. The motion was approved unanimously.

6. 2014 Audit Report Presentation by the Bonadio Group

A copy of the draft FY-2014 Audit Report prepared by The Bonadio Group was sent out prior to the meeting for review.

Alison Blessing went over the Audit Report with the Board. Included in the Audit Report are a Required Communications letter and the Independent Auditor's Report providing information related to the audit. There were no material adjustments in the audit.

In the Internal Control Matters letter, there were a couple "best practice" comments by Bonadio. The first suggested that the Center should consider reviewing the records of the Operator to ensure the Center is being charged the appropriate expenses and to gain an overall understanding of the Operator's operations with respect to the Center. The second comment pertaining to property and equipment, suggested management should establish a threshold for capitalizing assets and it should perform a physical inventory of property and equipment to ensure all assets are properly accounted for.

Rocky informed the Board that Tim Canty can meet with Berkshire Farm and review their books and records once a year if needed.

Barbara Mauro inquired about Berkshire Farm's internal audit process. We do not have that information. Rocky receives the Statement of Revenue and Expenses and follows up with Gene Terry or Susan Long at Berkshire if there are questions or issues.

The Board suggested Rocky follow up with Berkshire Farm to find out what the internal controls system are for paying bills. Rocky will send a memo to Susan Long at Berkshire Farm requesting their internal controls system in terms of program expenses associated with CDYCI.

Action Taken

Lucille McKnight made a motion to approve the 2014 Audit Report and Steve Bayle seconded. The motion was approved unanimously.

7. 2014 Reconciliation Statement

Total revenues for 2014 were \$2,829,950.61, which includes Oneida County unused bed days and interest revenue. Total Expenditures were \$2,491,356.01 resulting in a surplus of \$338,594.60. The formula to determine the amount to be refunded to the counties in years when there has been a surplus do not take into account the surcharges and interest income but does include unused bed revenue leaving a 2014 surplus of \$329,850.25 that would be refunded to the counties on a pro-rated basis based on 2014 usage.

Rocky inquired if the Board would consider revising the current formula to exclude income from Oneida County's unused beds in order to provide for a slightly better financial cushion to withstand potential losses during the year. If the unused bed revenue from Oneida County was subtracted out, the amount refunded to the counties would be \$287,884.97.

After some discussion, the Board decided to continue with the current formula to include the income from unused bed revenue from Oneida County.

Action Taken

John Lockwood made a motion to continue best practices and include the Oneida unused bed revenue in the 2014 refund. The motion was approved 4 to 3 with Fred Acunto, Barbara Mauro and Lucille McKnight opposed.

8. Facility Usage: March & April 2015

The facility was operating in March at 64.1% which is significantly higher than 2014 at 34.3% and 54.6% in April, also higher than 2014 at 44.6%. Year to date utilization is 70.6%, up from 43.5% in 2014. There was a bit of a drop in April, however, the facility

was at 86% occupancy through May 19th. If the utilization rate continues to stay high, the Board may consider lowering the per diem rate. The Board will discuss further at the July meeting.

9. Facility Operation/Agency Report

Gene had visits from OCFS and Albany County Casey Foundation and both were impressed with the facility and how it's run. The facility has been selected for site visits in an attempt to prepare for the raise in age.

Bill Connors announced that there have been several meetings in preparation for the raise in age with more opposition than expected. The raise in age will be delayed this year and possibly next year as well.

Gene informed the Board there's been a surge of high maintenance children this month in the facility which takes up more time of the counselors.

Rocky inquired if the summer school program will run this year. Gene was informed that the summer school program will run this year and any outstanding issues have been settled.

10. Other Business

A copy of the most recent OCFS Detention Site Visit Report was given to the Board to show the positive reviews that Gene and his staff receive.

11. Next Meeting Date

The next CDYCI Board meeting is scheduled for July 15, 2015 at 9:30am.

Adjournment

Lucille McKnight made a motion to adjourn the meeting and Steve Bayle seconded. The motion was approved unanimously.

Respectfully submitted,

Lucille McKnight
Secretary