

Alta California Regional Center
Finance Committee Meeting
Monday, January 11, 2021
Minutes

Present:

Yang Sun, Chair
Johnny Deng
Ron Mainini
Kelly Pennington
Michelle Rewerts
Steven Sanchez
Retha Seabron
Rita Walker

Board Members:

Carmen Aguilar
Michelle Ramirez
Jennifer Stratton

Facilitators:

Amy Fulk

Visitors:

Maureen Fitzgerald
Kristel Maikranz

Staff:

Phil Bonnet, Executive Director
Iqbal Ahmad, Chief Financial Officer
Lori Banales, Deputy Executive
Director
Lisa West, Executive Secretary

The Finance Committee met at 4:28 p.m. on Monday, January 11, 2021, by Webex/teleconference to discuss: 1) Review Independent Audit Report; 2) Monthly Financial Report; 3) POS Contracts over \$250,000; and 4) State Budget Update. All present provided self-introductions.

Without objection, Retha Seabron made the motion to adopt the Finance Committee meeting minutes of November 9, 2020 as submitted.

1. *Review Independent Audit Report*

Issue: The committee needs to review the Independent Audit Report.

Discussion and Action: The "Report to the Board of Directors June 30, 2020" and the "Financial Statements and Supplementary Information with Independent Auditors' Reports June 30, 2020" were emailed out to everyone prior to this meeting and Mr. Ahmad shared his screen during this discussion. He noted that AGT CPAs & Advisors have been ACRC's auditors for the past three years.

Ms. Maikranz, partner of AGT CPAs & Advisors, explained the responsibilities of the auditors and ACRC's management and shared that this entire audit was done remotely. She noted that this year there was a new revenue recommendation standard for all non-profits, which addresses contributions and grants, but this did not impact the way that ACRC reports revenue.

The report notes that COVID-19 could impact the agency's financial condition, therefore management and the Board continue to review expenditures.

Ms. Maikranz reviewed the audit report including the basic financial statements with those present. The auditors contacted Board members to make sure there is appropriate oversight on ACRC's management. She shared that the unfunded accrued pension liability is an ongoing issue, which increases every year. Management may choose to make additional payments to reduce this obligation as it has done in the past.

AGT CPAs & Advisors expressed an unmodified opinion on the financial statements, as well as the federal awards program, meaning there were no material findings; it is a clean opinion. They do not conduct an internal control audit, but they make sure controls are in place and if they felt there were any issues, they would report the deficiency to the Board.

ACRC's management continues to have proper internal controls in place. This report will be reviewed with the full Board at the end of the month.

Without objection, Kelly Pennington made the motion to accept the Independent Audit Report and present it to the full Board on January 28th.

2. *Monthly Financial Report*

Issue: The monthly financial report is reviewed by the Finance Committee prior to presentation to the Board.

Discussion and Action: The November 30, 2020 financial report indicates that ACRC has expended 38.6% of Purchase of Services (POS) and 41.6% of Operations (OPS) for the current fiscal year (FY).

Mr. Ahmad shared that ACRC is still waiting on our second amendment (B-2) from the Department of Developmental Services (DDS) to shore up current year's funding. He is projecting a slight shortfall, which includes the legislative increases for minimum wage and the 5% to 8.2% rate increases for Independent Living Services (ILS), Infant Development Programs and Early Start Specialty Services.

Early in the pandemic, the federal government passed the Families First Coronavirus Response Act (FFCRA), which required employers with less than 500 employees to provide 80 hours of additional sick leave to their employees who test positive for COVID-19. Citing a "gap", Governor Newsom issued an Executive Order extending this requirement to employers who have 500+ employees. These two orders expired at December 31, 2020. This order has now been extended by the County of Sacramento through March 31, 2021 and ACRC has to comply with it.

Without objection, Michelle Rewerts made the motion to accept the monthly financial statement as submitted.

3. ***POS Contracts over \$250,000***

- There are no contracts to approve at this time.

4. ***State Budget Update***

Issue: The committee needs to review the Governor's State Budget.

Discussion and Action: Governor Newsom released his proposed budget for the 2021-22 FY on Friday, January 8th. Our statewide service system's budget has officially crossed over \$10 billion, with an increase of approximately \$700 million from the previous FY to assist with caseload growth and demand for service.

Mr. Bonnet noted that regional centers count on federal funding through the Medicaid Waiver and ACRC has a great federal revenues team in place.

The proposed budget includes a huge amount of money for COVID-19 related services, as well as emergency/disaster response funding.

ACRC continues to pay for services in an alternative manner, including transportation service. Friday's "Coffee with Community Services" allows service providers to connect with regional center staff and discuss the many issues that they are facing.

- **Information only.**

The next Finance Committee meeting is scheduled for **Monday, February 8, 2021**. The meeting adjourned at 5:18 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Phil Bonnet