

Alta California Regional Center
Finance Committee Meeting
Monday, January 13, 2020
Minutes

Present:

Yang Sun, Chair
Dan Lake
Ron Mainini
Paul Platner
Michelle Rewerts
Steven Sanchez (via phone)
Retha Seabron
Rita Walker

Facilitators:

Amy Fulk

Board Members:

Carmen Aguilar
Eric Ciampa
Johnny Deng
Amy Lampe

Visitors:

Kristel Maikranz, AGT

Staff:

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

The Finance Committee met at 5:00 p.m. on Monday, January 13, 2020, in the Brenda Smith Conference Room at Alta California Regional Center to discuss: 1) Review Independent Audit Report; 2) Monthly Financial Report; and 3) Contracts over \$250,000. All present provided self-introductions.

Without objection, Dan Lake made the motion to adopt the Finance Committee meeting minutes of November 12, 2019 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, 2019" and the "Financial Statements and Supplementary Information with Independent Auditors' Reports June 30, 2019" were distributed for review. Ms. Maikranz noted that there are new accounting standards that went into effect during this audit; minor language changes. AGT does not do an internal control audit, but they do have to make sure controls are in place.

Mr. Ahmad shared that this is a GAAP audit (Generally Accepted Accounting Principles) for the United States of America.

Ms. Maikranz reviewed the audit report including the basic financial statements with those present. It's important to note that during each audit period, there are three fiscal years (FYs) open at any time. Functional expenses are separated into two categories, Program Services/Client Services and Supporting Services/Management

and General, because regional centers have an administrative expense threshold requirement of 15%.

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.

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, Rita Walker made the motion to accept the Independent Audit Report as presented.

2. ***Monthly Financial Report***

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

Discussion and Action: Mr. Ahmad distributed the November 30, 2019 financial report which reflects five months of expenditures for the current FY. ACRC has expended 37.2% of Purchase of Services (POS) and 41.7% of Operations (OPS).

Mr. Ahmad is projecting that ACRC will need approximately \$19 million in additional POS funding at the end of this FY. This is mainly due to the recent implementation of the supplemental rate increases, which were officially approved by the Centers for Medicare and Medicaid Services (CMS). The expectation is that the Department of Developmental Services (DDS) will fully fund this amount.

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

3. ***Contract over \$250,000***

Issue: The committee will review all contracts of \$250,000 and above.

Discussion and Action: ACRC is seeking Board approval of a \$600,000 contract with Brilliant Corners for acquisition and renovation of a home for the development of permanent housing through the agency's Community Placement Plan (CPP). DDS has approved the funding for a four-bed Enhanced Behavioral Supports Home (EBSH).

Mr. Ahmad clarified that many of the targeted clients for this home will be transitioned from Porterville's Secured Treatment Program.

Mr. Bonnet and staff support the Board's approval of this project.

Without objection, Dan Lake made the motion to approve the contract for Brilliant Corners as presented.

****A joint presentation by staff regarding the State Budget Update before the Finance Committee and the Executive Committee will commence immediately after this meeting.***

The next Finance Committee meeting is scheduled for **Monday, February 10, 2020**, at 5 p.m. The meeting adjourned at 5:44 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Phil Bonnet