

Alta California Regional Center
Finance Committee Meeting
Monday, January 9, 2017
Minutes

Present:

Anwar Safvi, Chair
Cindy Benson (via phone)
Dan Lake
Brendan Peacock
Austin Taylor
Rita Walker

Absent: (* excused)
Steven Sanchez*

Visitors:

Melissa Kelly
Paul Stroub

Board Members:

Jacqueline Armstrong
Janet Brandon
Retha Seabron

Staff:

Phil Bonnet, Executive Director
Peter Tiedemann, Chief Operating
Officer
Iqbal Ahmad, Controller
Lisa West, Executive Secretary

The Finance Committee met at 4:58 p.m. on Monday, January 9, 2017, in the Brenda Smith Conference Room at Alta California Regional Center to discuss: 1) Independent Audit Report; 2) DDS Audit Report; 3) Contracts over \$250,000; and 4) Monthly Financial Report. All present provided self-introductions.

Without objection, Anwar Safvi made the motion to adopt the Finance Committee meeting minutes of September 12, 2016 as submitted.

1. ***Independent Audit Report***

Issue: The committee needs to review ACRC's independent audit report for the 2015-16 fiscal year (FY).

Discussion and Action: Mr. Tiedemann distributed the "Examination of Financial Statements for the Year Ended June 30, 2016" for review. Mr. Stroub reviewed the audit report including the basic financial statements with those present.

The Audited Financial Statements include additional notes to summarize significant accounting policies, such as contributions, equipment, accrued pension benefit liability and accrued vacation benefits. They also make notes on contracts, retirement plans, cash, lease commitments, line of credit, fair value measurements, and subsequent events.

The "unfunded liability" for CalPERS is still of concern. Mr. Stroub noted that this is an issue nationwide and it is not something upon which the Board would need to take action.

Mr. Stroub shared that this is a “clean” opinion; no significant findings were found. ACRC’s management is responsible for the preparation and fair presentation of these financial statements, while the auditors are responsible to express an opinion on them. In their opinion, Stroub Thompson Noble Company, LLP believes the financial statements present fairly, in all material respects, the financial position of ACRC as of June 30, 2016.

M/S/C (Anwar Safvi) **To accept the Independent Audit Report as presented.** (5 in favor)

****Paul Stroub and Iqbal Ahmad left the meeting***

****Austin Taylor joined the meeting***

2. **DDS Audit Report**

Issue: The committee needs to review the DDS’ audit report for the 2012-13 and 2013-14 fiscal years (FYs).

Discussion and Action: Mr. Tiedemann emailed the “Audit of the Alta California Regional Center for Fiscal Years 2012-13 and 2013-14” to committee members last week for review. ACRC has responded and the Department of Developmental Services (DDS) has removed one of the findings.

In total, there were eleven findings, with ACRC refunding \$11,000 to the department. Mr. Tiedemann shared that ACRC has made sufficient effort to collect these funds from two vendors who we are no longer doing business with.

DDS will arrive next month to conduct the audit for FYs 2014-15 and 2015-16.

Committee members commended ACRC staff for this audit.

M/S/C (Anwar Safvi) **To accept the DDS Audit Report for FYs 2012-13 and 2013-14 as presented.** (6 in favor)

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

Issue: Committee needs to approve contracts of \$250,000 and above.

Discussion and Action: Mr. Tiedemann also emailed the “Start-Up Funds Agreement for Residential Services – ARFPSHN California MENTOR” to committee members last week for review. This home is being developed for clients that are moving out of Sonoma Developmental Center (SDC). A non-profit will own the home, and CA MENTOR will be providing the necessary services for the clients. The contract is for up to \$250,000 to acquire all of the necessary items and the training for the staff that will work at the facility.

M/S/C (Brendan Peacock) **To approve the contract as presented.** (6 in favor)

4. **Monthly Financial Report**

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

Discussion and Action: Mr. Tiedemann distributed the November 30, 2016 financial report which reflects five months of expenditures for the current fiscal year (FY). ACRC has expended 38.3% of Purchase of Services (POS) and 40% of Operations (OPS).

ACRC has not received any additional amendments; Mr. Tiedemann believes the next one will not come until late spring at the earliest. Our initial POS projections were due to DDS on December 10th. At this time, Mr. Tiedemann is projecting that ACRC will need between \$448 thousand and \$2.6 million in additional POS funding this FY. As we continue to look at our growth, ACRC will be hiring new staff.

Without objection, Anwar Safvi made the motion to accept the monthly financial statement as submitted.

****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 13, 2017**, at 5 p.m. The meeting adjourned at 5:43 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Phil Bonnet