

Alta California Regional Center
Finance Committee Meeting
Monday, January 9, 2023
Minutes

Present:

Yang Sun, Chair
Johnny Deng
Dan Lake
Kelly Pennington
Michelle Rewerts
Retha Seabron

Board Members:

Jackie Armstrong
Amy Lampe
Michelle Ramirez
Anwar Safvi
Steven Sanchez
Patty Wallace

Facilitators:

Amy Fulk

Visitors:

Steve Andrews
Maureen Fitzgerald
Kristel Maikranz
Adrian Pierce
Peter Mendoza

Staff:

Lori Banales, Executive Director
Iqbal Ahmad, Chief Operating Officer
John Decker, Director of Community
Services
Camelia Houston, Director of Intake &
Clinical Services
Mechelle Johnson, Director of Client
Services
Robin LeMay, POS Manager
Lisa West, Executive Secretary

The Finance Committee met on Monday, January 9, 2023, at 4:10 p.m. by Zoom/teleconference to discuss: 1) Review Independent Audit Report; and 2) Monthly Financial Report.

Without objection, Michelle Rewerts made the motion to adopt the Finance Committee meeting minutes of November 14, 2022 as submitted.

1. ***Review Independent Audit Report***

Issue: The committee needs to review the Annual Independent CPA Audit Report for June 30, 2022.

Discussion and Action: Mr. Ahmad noted that this is the last year that we can have AGT CPAs & Advisors conduct ACRC's independent audits due to the limitations stated in law. He introduced Ms. Maikranz, AGT partner, who provided the presentation to the Finance Committee.

The "Report to the Board of Directors June 30, 2022" and the "Financial Statements and Supplementary Information with Independent Auditors' Reports June 30, 2022" were shared onscreen.

Ms. Maikranz explained the responsibilities of the auditors and ACRC's management and shared that this entire audit was once again done remotely. AGT is independent of the regional center.

The "Significant Risks Identified" disclosure is new in this audit report but have always been a part of this audit approach and is similar across all regional centers. AGT CPAs & Advisors identified the following significant risks:

- Improper revenue recognition – standard audit risk
- Management override of internal controls – fraud risk
- Multiple grant years open at once – audit risk
- Fictitious vendors – fraud risk

They did not have any material findings for these.

The financial statements are consistent with past audits. No material errors, or immaterial errors, were found when conducting this audit. ACRC's management continues to have proper internal controls in place.

Ms. Maikranz shared that AGT conducts a program specific audit for the "Special Education – Grants for Infants and Families with Disabilities (Part C)" since federal funding is attached to it.

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.

The "Statement of Financial Position" has three items under "Assets" that are also included under "Liabilities" – unfunded accrued pension liability, accrued vacation leave benefits and deferred rent. Ms. Maikranz explained that the "sensitivity" note regarding the unfunded accrued pension liability to the changes in the discount rate is important to note. ACRC's liability will continue to fluctuate due to inflation rates and ACRC continues to make pre-payments from the operations budget towards the unfunded liability in order to properly manage it.

- Mr. Ahmad introduced Robin LeMay, ACRC's POS Manager, and shared that it is reassuring to know that we have a great team in our Accounting Department.

Without objection, Yang Sun made the motion to recommend the approval of the Independent Audit Report to the full Board at the January 26th meeting.

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 October 31, 2022 financial report indicates that with 33.3% of the year elapsed, ACRC has expended 25% of Purchase of Services (POS) and 29.2% of Operations (OPS) for the current fiscal year (FY).

Mr. Ahmad does not believe that the Department of Developmental Services (DDS) will release additional amendments until later this FY.

A preliminary service code rate increase chart was shared onscreen, which indicates the broad range of rates that any particular vendor in a service category will receive. The initial 25% rate increase took place in April 2022 and another 25% took place this January 1st. The remaining 50% will be applied by June 2024.

Without objection, Dan Lake made the motion to recommend to the full Board the acceptance of the monthly financial statement as submitted.

The next Finance Committee meeting is scheduled for **Monday, February 13, 2023**. The meeting adjourned at 4:53 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Lori Banales