

Alta California Regional Center
Finance Committee Meeting
Monday, March 14, 2016
Minutes

Present:

Anwar Safvi, Chair (via phone)
Cindy Benson (via phone)
Dan Lake
Brendan Peacock
Steven Sanchez (via phone)

Absent: (* excused)

Walter Kaweski*
Austin Taylor
Rita Walker*

Board members:

Romilda Jones

Visitors:

Darrell Christensen, Thompson Noble
Company LLP
Paul Stroub, Thompson Noble Company
LLP

Staff:

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

The Finance Committee met at 4:43 p.m. on Monday, March 14, 2016, in the Brenda Smith Conference Room at Alta California Regional Center to discuss: 1) Independent Audit Report; 2) Monthly Financial Report; 3) DDS Audit Report; and 4) Review Annual Client-to-Service Coordinator Ratio Report. All present provided self-introductions.

Without objection, Dan Lake made the motion to adopt the Finance Committee meeting minutes of January 11, 2015 as submitted.

1. Independent Audit Report

Issue: The committee needs to review ACRC's independent audit report for the 2014-15 fiscal year (FY).

Discussion and Action: Mr. Tiedemann distributed the "Independent Auditors' Report" for review. Mr. Christensen reviewed the audit report including the basic financial statements with those present. He noted that 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, Thompson Noble Company, LLP believes the financial statements represent fairly, in all material respects, the financial position of ACRC as of June 30, 2015.

ACRC is a 501(c)(3) corporation and has governmental contracts, so the auditors need to review our internal controls. Because of this, the audit does not follow the Department of Developmental Services (DDS) accounting format. The only assets that belong to the regional center are private contributions received outside of the center's contracts with the State of California.

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

Mr. Christensen believes ACRC's accounting staff has done a good job.

If anyone has any questions regarding this audit, please contact Mr. Tiedemann.

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

****Darrell Christensen and Paul Stroub left the meeting***

2. Monthly Financial Report

- Mr. Tiedemann will have the financial report at the March 24th Board meeting.

3. DDS Audit Report

Issue: The committee needs to review the draft DDS audit report.

Discussion and Action: Mr. Tiedemann distributed the draft DDS audit report for the 2012-13 and 2013-14 FYs. This audit report identifies some areas where ACRC's administrative, operational controls could be strengthened, but none of the findings were of a nature that would indicate systemic issues or constitute major concerns regarding ACRC's operations.

The eleven findings include:

- Over/Understated Claims
- Payment Reduction
- Family Cost Participation Program (FCPP) – Late Assessments (Repeat)
- Annual Family Program Fee (AFPF)
- Targeted Case Management (TCM) Time Study – Recording of Attendance
- Vendors Not Enrolled in Electronic Billing
- Whistleblower Policy
- Multiple Dates of Death (Repeat)
- Equipment Capitalization
- Applicant/Vendor Disclosure Statements
- Home and Community-Based Services Provider Agreement Forms

Mr. Tiedemann reviewed the findings and also gave a brief overview of ACRC's response to DDS.

- **Mr. Tiedemann will notify the Board when the final report is received.**

4. **Review Annual Client-to-Service Coordinator Ratio Report**

Issue: The committee needs to review the annual caseload ratios.

Discussion and Action: Mr. Tiedemann shared that regional centers are required to submit their annual caseload ratio to DDS by March 1st.

ACRC's caseload ratios are as follows:

Category	Actual Ratio	Required Ratio
Medicaid Waiver	80.9	62
Age 36 mths and under	57	62
Moved from DC since 4/14/93, Lived in Community > 12 mths	65.5	62
Moved from DC within last 12 mths	23.3	45
All others	85.3	66

ACRC would need to hire approximately 70 Service Coordinators (SCs) in order to come into compliance with these mandates.

- **Information only.**

Other – Mr. Tiedemann shared that ACRC has most employees under the CalPERS Pension Plan, but there are a few under the VALIC Plan. Under the Pension Protection Act, the Board must adopt a resolution to accept the VALIC Plan. He will have this as an action item at the March 24th Board meeting.

***A joint presentation by staff regarding the State Budget Update before the Finance Committee and the Executive Committee will commence at 5 p.m.**

The next Finance Committee meeting is scheduled for **Tuesday, May 9, 2016**, at 4:30 p.m. The meeting adjourned at 5:26 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Phil Bonnet