

North Los Angeles County Regional Center  
**Administrative Affairs Committee Meeting Minutes**  
November 26, 2019

**Present:** Elena Burnett, Melissa Ferman, Anna Hamilton, Lillian Martinez, and Debra Newman– Committee Members  
Kevin Shields – VAC Representative  
Jeff Ehlers – Windes Representative  
Ruth Janka, Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes, and Jesse Weller – Staff Members

**Absent:** Manu Alfaro

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**I. Call to Order & Introductions**

Elena called the meeting to order at 6:08 p.m. in Manu’s absence and introductions were made.

**II. Public Input** – There was no public input.

**III. Consent Items**

A. Approval of Revised Agenda

**M/S/C** (A. Hamilton/M. Ferman) To approve the revised agenda as presented.

B. Approval of Minutes from the October 30<sup>th</sup> Meeting

**M/S/C** (A. Hamilton/M. Ferman) To approve the minutes as presented.

**IV. Committee Business**

A. Proposed Change to “Statement of Cash Flows” (Jeffrey Ehlers, Windes)

One of the documents included in the center’s annual audited financial statements is the Statement of Cash Flows. The purpose of the Statement of Cash Flows is to show where cash is being generated and how the cash is being spent. The Statement of Cash Flows is used to analyze the liquidity and solvency of an organization. Accounting standards were updated in 2016 giving an organization options for presenting their Statement of Cash Flows. This was done through the Financial Accounting Standards Board issuing Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-For-Profit Entities (Topic 958). The new standard allows for three presentation options: (1) the indirect method, (2) the direct method, and (3) both.

The indirect method presents the statement of cash flows starting with the changes in net assets from the statement of activities and shows how changes in balance sheet accounts affect cash provided by/used in operating activities.

The direct method presents the statement of cash flows showing the actual cash inflows and outflows from operating activities based on nature of inflows and outflows.

In previous fiscal years, NLACRC's audited financial statements have utilized the indirect method of presenting its Statement of Cash Flows; however with the change in accounting standards in 2016, NLACRC now has the option of presenting its Statement of Cash Flows using either the indirect method, direct method, or both for its FY 2018-19 audited financial statements. The committee was provided the center's Statement of Cash Flows for fiscal year 2017-18 using the indirect method and the direct method for their review and consideration.

**Action:** The 3 options will be presented to the Board of Trustees for their review and input and this will be addressed again at the January 29<sup>th</sup> Administrative Affairs Committee meeting.

B. Department of Developmental Services (DDS) Draft Audit Report

The center had an excellent audit with only 1 finding, but it was a repeat finding. There were 2 cases where the family cost participant payments were made above the share of cost which resulted in an overpayment. This occurred after we changed our procedures after the last DDS audit. On January 1, 2018 the respite cap was removed and we have since corrected that letter. A third case was found but we believe it had to do with a day care authorization (not the family cost participation payment); we are still researching this and it may not be an overpayment. In the future, we are looking at doing annual authorizations for respite and day care to minimize this risk.

C. FY 2019-20 Financial Report

The October 2019 financial report showed that the center's operations budget for FY 2019-20 was \$55,275,728 and the purchase of service (POS) budget was \$483,083,764 for a total budget of \$538,359,492. We will not know whether we will be projecting a POS surplus or deficit until we prepare and submit our first projected POS expenditure projection (PEP) report and submit it to DDS in December. Our administrative operating expenses are 14.5% year to date, which is less than the 15% cost cap.

D. Approval of Contracts

1. Harbor Regional Center MOU FY18-19
2. Harbor Regional Center MOU FY19-20
3. Maxim Healthcare Services, Inc. (PL1025-062)
4. Comfort Residential Home, LLC (PL1831-109)
5. United Cerebral Palsy of LA & Ventura (PL1731-055)
6. United Cerebral Palsy of LA & Ventura (PL0566-109)
7. TPX Communications (Operations)

**M/S/C** (L. Martinez/M. Ferman) To recommend to the Executive Committee to approve the 7 contracts listed above, as presented, on behalf of the Board of Trustees.

E. Executed Contracts by NLACRC

1. POS Minimum Wage Increase: 3 amendments were made.
2. POS Contract Renewal(s): 4 contracts were renewed.
3. Health & Safety Exemptions: 2 amendments were made.
4. 2.1% Bridge Funding Contract(s): 1 amendment was made.

F. Intermediate Care Facility (ICF) State Plan Amendment (SPA) Summary

By fiscal year, the amount of cash disbursed by NLACRC but not reimbursed by ICF providers is:

1. FY 2019-20: \$2,918,179
  2. FY 2018-19: 561,078
  3. FY 2017-18: 5,213
  4. FY 2016-17: 163,244
  5. FY 2015-16: 4,836
- \$3,652,550  
\$4,992,112

The total amount is \$1,339,562 **less** than the report that was given last month.

G. Human Resources Monthly Report

Michele provided the committee with copies of the summary and reviewed it with the committee. The summary included the following information:

FY 2019-20 authorized positions	563
Open positions on hold	-1
Open positions vacant	-33
Separations	-6
Sub-total	523
New hires	5
Positions filled	528

1. Report of Personnel Classifications: DDS usually sends us an annual survey that is due back to them on December 1<sup>st</sup> of each year. Our response to that survey has been delayed due to union negotiations related to salaries and benefits. So instead of bringing it to this committee and then to the Board of Trustees for approval, we are presenting it here and then want to present it to the Executive Committee for their approval on behalf of the board so we can submit it to DDS by the December 1<sup>st</sup> deadline.

**M/S/C** (M. Ferman/A. Hamilton) To recommend to the Executive Committee to approve the report on personnel classifications, on behalf of the Board of Trustees, so it can be submitted to DDS by the December 1<sup>st</sup> deadline.

## V. Items for the Next Board Meeting

The following items were identified for the committee's section of the January 15<sup>th</sup> board meeting agenda:

- A. Minutes of the October 30<sup>th</sup> Meeting
- B. Minutes of the November 26<sup>th</sup> Meeting
- C. FY 2019-20 Financial Report
- D. Statement of Cash Flow Options

## VI. Announcements/Information/Public Input

- A. Next Meeting: Wednesday, January 29<sup>th</sup>, at 6:15 p.m.

## VII. Adjournment

Elena adjourned the meeting at 7:00 p.m.

Submitted by,

*Jennifer Kaiser*

Jennifer Kaiser  
Executive Assistant

[aamin.nov26.2019]

