

FRANK D. LANTERMAN REGIONAL CENTER

Administrative Affairs Committee

August 14, 2012

MINUTES

PRESENT

Marjorie Heller, Chair
Larry DeBoer
Jack Gilbertson
Ed Solis
Dina Richman
Robert Wedemeyer

STAFF

Patrick Aulicino
Barry Londer
Aurora Gomez, guest, Revenue Manager

NOT PRESENT

Chris Kearley
Al Marsella
Chris Scali

CALL TO ORDER

The meeting was called to order by Ms. Heller at 12:09 P.M.

Mr. Aulicino introduced Ms. Aurora Gomez, Client Revenue Manager.

APPROVAL OF MINUTES

The minutes of June 12, 2012 were reviewed and approved by consensus.

CHAIRPERSON'S REPORT

Ms. Heller had nothing to report.

BUDGET UPDATE

Mr. Aulicino reviewed the cash flow projection and reported that the state has distributed all three cash advances to regional centers. As a result, we do not expect to need to access the line of credit now or later as long as the 12-13 reimbursements flow as they should.

DDS has asked the center to relinquish excess POS funds from our anticipated surplus. Initially, DDS had requested \$1 million. However, it was pointed out to them that Lanterman's projections regarding surplus funds were significantly different. The proposed C-7 amendment reflects a POS reduction of \$600,000, which is within the center's anticipated surplus. Mr. Aulicino explained that what DDS is doing is moving money around to allocate to the centers that are projecting deficits for last year. Discussion followed.

Mr. DeBoer made a motion to recommend to the Board to authorize the Board president to sign the C-7 contract amendment once it arrives. It was seconded by Ms. Richman and approved by consensus.

ENGAGEMENT OF THE CORPORATE AUDITOR

Mr. Aulicino reminded the Committee that recent legislation requires that regional centers not use the same auditor more than five times over a ten year period. Many centers have discussed alternating auditors. This year, Lanterman is having a DDS audit in the fall and would like to continue with Windes and McClaughry in order to avoid the workload impact of dealing with a new audit firm in the same year as the DDS audit. The center would plan to engage a different auditor in the following year.

The Committee was given the proposal from Windes and McClaughry for conducting the corporate audit and preparing the tax return for 2011-2012. Mr. Aulicino stated that the costs are the same as last year.

Mr. Wedemeyer made a motion to recommend to the Board to engage with Windes and McClaughry as the corporate auditor for 2011-12. Ms. Richman seconded the motion and it was approved by consensus.

SOCIAL SECURITY ADMINISTRATION AUDIT

Mr. Aulicino reviewed the audit of client trust funds performed by the Social Security Administration in December of 2011 and the center's response. He reported that there were 8 auditors at the center in December 2011 for a period of 2 days. A principal issue related to whether individuals are considered over the allowable resource limit when funds are held to pay residential providers in arrears. A letter has been sent to Social Security on behalf of all regional centers by the North Los Angeles County Regional center to request an exemption as the SSA team leader had suggested. We have yet to receive a reply to our audit response.

CHANGES TO ICF/SPA BILLING

Mr. Aulicino reported that the state is reimbursed with Federal funds for day program and transportation services for clients who live in intermediate care residential facilities. Beginning July 2012, this system has changed and the reimbursements will no longer be retroactive. Now that all centers will be on a real time basis, the center will pay for these services and will be reimbursed not by a claim through DDS, but by the residential facilities. This will have a small impact on our cash flow, but will require some additional data input and tracking, including when clients have extended absences from these residential facilities **Discussion followed.**

REVIEW OF FINANCIAL STATEMENTS

Mr. Londer reviewed the financial statements through the month of June 30, 2012.

Fiscal Year 2011-12

In Operations (main contract), we have spent 95.4% of our C-6 budget allocation. In Purchase of Services (main contract), we have spent 99.2% of our C-6 budget allocation, before we add in projected late bills. Including projected late bills, we have spent 99.2% of our C-6 allocation.

Fiscal Year 2010-11

This month we recorded \$259 in OPS and \$1,260 in POS. To date, we have spent 98.9% of our OPS and 97.8% of our POS allocations. We are currently expecting a small surplus in OPS and about \$2 million surplus in POS, due to substantial cost savings, minimal caseload growth, and some relinquishment of excess funds.

Fiscal year 2009-10

This month we recorded (\$369) in POS. To date, we have spent 98.9% of our OPS and 96.1% of our POS allocations. We are currently expecting a small surplus in OPS and about a \$4.37 million surplus in POS.

2011-12 POS RECAP

Mr. Aulicino reported that with the C-7 amendment, there is an estimated surplus of \$117, 314.

NEXT MEETING

The next meeting is scheduled on September 11, 2012.

ADJOURNMENT

The meeting was adjourned at 1:04 PM.

/gs