

Welcome



HRC Board Meeting

January 19, 2021





JANUARY MEETING OF THE BOARD OF TRUSTEES

TUESDAY, January 19, 2021 @ 6:30 p.m.

Via ZOOM Webinar

https://zoom.us/webinar/register/WN_48ycVddUS5C4nxx9HArxkg

A G E N D A

- 1. CALL TO ORDER & INTRODUCTIONS.....JOSEPH CZARSKE, President**
- 2. MINUTESFU-TIEN CHIOU, Secretary
OF THE NOVEMBER 17, 2020 MEETING**
- 3. TREASURER'S REPORT.....RON BERGMANN, Treasurer**
- 4. EXECUTIVE REPORT*.....PATRICK RUPPE, Executive Director**
- 5. COMMITTEE REPORTS:**
 - a) ARCA.....JOE CZARSKE, LIAISON**
 - b) AUDIT*.....LA VELLE GATES, CHAIRPERSON**
 - c) BOARD DEVELOPMENTRON BERGMANN, CHAIRPERSON**
 - d) BOARD PLANNING.....KIM VUONG, CHAIRPERSON**
 - e) CLIENT ADVISORY.DAVID GAUTHIER, CHAIRPERSON**
 - f) CLIENT SERVICES.....KIM VUONG, CHAIRPERSON**
 - g) COMMUNITY RELATIONS.....DR. MONICA SIFUENTES, CHAIRPERSON**
 - h) RETIREMENT.....FU-TIEN CHIOU, CHAIRPERSON**
 - i) SELF-DETERMINATION.....TBD, LIAISON**
 - j) SERVICE PROVIDER ADVISORY.....PAUL QUIROZ, CHAIRPERSON**
- 6. PUBLIC INPUT/ANNOUNCEMENTS**
- 7. EXECUTIVE SESSION.....JOSEPH CZARSKE, President**
- 8. ADJOURNMENT – 8:00 p.m.**

***indicates “action”**

cc: All Board members
HRC Receptionist



Fu-Tien Chiou

MINUTES NOVEMBER 17, 2020



**MINUTES OF THE NOVEMBER 17, 2020 MEETING OF THE BOARD OF TRUSTEES OF
THE HARBOR DEVELOPMENTAL DISABILITIES FOUNDATION, INC.**

<p><u>BOARD PRESENT:</u> Mr. Ron Bergmann, <i>Treasurer</i> Mr. Joe Czarske, <i>President</i> Dr. James Flores, Board Member Mr. La Velle Gates, Board Member Mr. David Gauthier, Board Member Mr. Jeffrey Herrera, Board Member Ms. Ann Lee, Ph.D, Board Member Mr. Christopher Patay, <i>Vice-President</i> Ms. Paul Quiroz, Board Member Ms. Kim Vuong, Board Member</p> <p><u>BOARD ABSENT:</u> Mr. Fu-Tien Chiou, <i>Secretary</i> Dr. Bobbie Rendon-Christensen, Board Member Dr. Monica Sifuentes, Board Member Ms. Latisha Taylor, Board Member</p> <p><u>STAFF PRESENT:</u> Mr. Patrick Ruppe, Executive Director Ms. Judy Wada, Chief Financial Officer Ms. Nancy Spiegel, Director of Information & Development Mr. Vincente Miles, Director of Community Services Ms. LaWanna Blair, Director of Early Childhood Services Ms. Antoinette Perez, Director of Children’s Services Ms. Erica Snell, Interim Director of Adult Services Ms. Mary Hernandez, Director of Case Management Support Services Mr. Mike Ikegami, Director of IT Mr. Richard Malin, Manager of IT Ms. Jennifer Lauro, Executive Assistant Mr. Jesus Jimenez, Executive Team Assistant</p>	<p><u>GUESTS:</u> Ms. Amelia Castellanos Ms. Blanca Hernandez Ms. Brianna Reynoso, SCDD Ms. Celia Pena Ms. Diana Martinez Ms. Elia Lopez Ms. Emily Ikuta Ms. Eva Alva Ms. Guadalupe Magdaleno Ms. Guadalupe Nolasco Ms. Irma Ramirez Ms. Luz Maria Ortiz Ortega Ms. Maria Zavala Ms. Martha De La Torre Ms. Mayra Jimenez Ms. Minerva Flores Ms. Monica Joya Ms. Nishanthi Kurukulasuriya, DRC Ms. Parisa Ijadi-Maghsoodi, DRC Ms. Paula Martinez Ms. Raquel Brizuela Ms. Silvia Lopez Ms. Teresa Hernandez Ms. Vianey Gomes Ms. Megan Mitchell, DDS</p>
---	---

CALL TO ORDER

Mr. Czarske called the Board to order at 6:30 p.m.

PRESIDENT’S REPORT

Mr. Czarske welcomed Board members, guest and staff.

Mr. Czarske reviewed with visitors the various zoom instructions and how to use the interpretation feature.

Mr. Czarske encouraged any visitors who wish to address the Board at the end of our meeting during the time we have set aside for public comment to please made a request through the Chat.

PRESENTATION OF MINUTES

In Mr. Chiou's absence, Mr. Czarske presented the minutes of the September 15, 2020 meeting of our Board which were included in the board packet provided to all Board members and posted for the general public on the HRC website.

The MINUTES OF THE SEPTEMBER 15, 2020 BOARD MEETING were received and filed.

PRESENTATION OF FINANCIALS

Mr. Bergmann reviewed the following financial statements, which were received and filed:

Harbor Regional Center Monthly Financial Report Fiscal Year 2020-21, dated August 20; Harbor Regional Center Functional Expenditures, dated August 2020; Harbor Regional Center Line Item Report, dated August 20; Harbor Regional Center POS Contract Summary, August 20; Harbor Regional Center Monthly Financial Report Fiscal Year 2020-21, dated September 2020; Harbor Regional Center Functional Expenditures, dated September 20; Harbor Regional Center Line Item Report, dated September 20, Harbor Regional Center POS Contract Summary, dated September 20 and the Harbor Developmental Disabilities Foundation Harbor Help Fund Statement of Activities Fiscal Year 2020-21.

EXECUTIVE REPORT

1. WELCOME/OPENING STATEMENT:

Mr. Ruppe welcomed staff and guests and expressed great thanks to our former Executive Director Patricia Del Monico for passing on her invaluable knowledge and wisdom to Harbor Regional Center's new Executive Director Mr. Ruppe, who continues to learn about what makes Harbor and Harbor's community special. Mr. Ruppe stated that he is very excited to have this opportunity to work with our Board of Directors who he is looking forward to getting to know in the coming months and years as we develop a shared vision for HRC and our community. Mr. Ruppe informed that he has been meeting with our service providers and family members to learn from them how we can better serve our community. Specifically, Mr. Ruppe has met with a Coalition of Hispanic Families and participated in zoom meetings in September and October with future meetings planned to continue to try and develop a positive relationship as we move forward. Mr. Ruppe concluded his welcome and opening statement by providing updates with the Board and visitors on what is going on at both the state and local levels and by sharing some exciting things that have been going on at HRC!

2. DDS COVID DATA:

Mr. Ruppe referred the Board to the various tables and charts of data compiled and provided to DDS by the 21 regional centers concerning various COVID-19 data as they relate to the developmental service system.

3. PARTICIPANT DIRECTED SERVICES:

Mr. Ruppe called the Board's attention to the latest updates on participant directed services specifically that HRC has been authorizing participant directed services since it was adopted in 2011, however we use the term Self-Directed Services. Mr. Ruppe summarized key points of participant directed services to the Board and indicated we would continue to keep the Board updated.

4. CASELOAD RATIO: SURVEY:

Mr. Ruppe informed the Board that on September 16, 2020 DDS notified HRC that we are not in compliance with the Caseload Ratio requirements outlined in statute and requested that we provide a corrective plan to address this issue. Our draft response to DDS was posted on our website to solicit input from our community and a finalized plan was submitted to DDS on November 13, 2020.

5. PERFORMANCE CONTRACT MEETINGS:

Mr. Ruppe advised that on October 21, 2020 pursuant to Welfare & Institutions Code Section 4629 Harbor Regional Center held a public meeting via Zoom platform to discuss and receive input from the community on performance objectives. We had over 70 individuals participating in the meeting. The presentation included an overview of Harbor Regional Center and the performance contract presented by LaWanna Blair, Director of Early Childhood, Antoinette Perez, Director of Children's Services, Erica Snell, Interim Director of Adult Services, and Mary Hernandez, Director of Client Supports, and Nancy Spiegel, Director of Information and Development.

HRC's 2021 PERFORMANCE PLAN CONTRACT:

Ms. Spiegel, Director of Information and Development, presented the 2021 Performance Plan to the Board. No comments or questions were made by the Board or by the public and Mr. Czarske requested a motion for the Board to accept the 2021 Harbor Regional Center Performance Plan.

Mr. Gates moved to accept the 2021 Harbor Regional Center Performance Plan and Mr. Bergmann seconded the motion, which was unanimously approved by the Board.

6. ARCA & THE ARCA ACADEMY:

Mr. Ruppe called the Board's attention to the October ARCA statewide meeting held via Zoom platform and summarized the issues ARCA continues to focus on such as funding and sustainability; flexible and sustainable service models. Additionally, Mr. Ruppe informed the Board that ARCA will continue to provide more ARCA Academy trainings that will be done as individual, single-topic trainings and urged Board members continued participation.

7. RESIDENTIAL SERVICES/ALTERNATIVE SERVICE DELIVERY MODEL:

Mr. Ruppe reminded the Board how concerned we have been about the long term stability of our non-residential services because given the restrictions related to the COVID-19 pandemic, there are questions as to how these programs might continue to provide needed services notwithstanding the significant modifications that may be necessary; and whether or not clients and families will continue to access these services and supports; and finally whether or not these programs will remain when we return to "normal".

Mr. Ruppe informed that the implementation of Alternative Services for non-residential service providers has been a very large undertaking for our providers, for HRC and DDS staff and for our clients and families. Mr. Ruppe explained that much of the initial work in the implementation of ASDM has focused on program development, or on how to implement Alternative Services and billing issues; and on how to pay the providers.

Mr. Ruppe introduced Judy Wada, HRC CFO, Vincente Miles, HRC Director of Community Services, Erica Snell, HRC Interim Director of Adult Services and Mary Hernandez, HRC Director of Case Management Support who will present a presentation on the implementation of ASDM and what it means for our client services team.

ASDM Presentation

A presentation on the implementation of the Alternative Service Delivery Model was presented by Judy Wada, HRC CFO, Vincente Miles, HRC Director of Community Services, Erica Snell, HRC Interim Director of Adult Services and Mary Hernandez, HRC Director of Case Management Support.

8. HOLIDAY GIVING

Mr. Ruppe thanked the Board for committing \$40,000 from the Harbor Help fund to assist clients and families during the current State of Emergency and presented our Holiday Giving brochure to show

how others may contribute to the Harbor Help Fund to support our needy families for the holidays. Mr. Ruppe also thanked the Board for all they do throughout the year to provide support and guidance for HRC and wished the Board and their families a safe and joyous holiday season.

9. CHROMEBOOK GIVE-A-WAY

Mr. Ruppe informed the Board that through our long standing relationship with the South Bay Sunrise Rotary Club of Torrance, the Rotary wrote a grant for the purchase of new Chromebooks to help support a total of 36 of HRC's neediest school age clients. A Halloween inspired Chromebook drive-through was held at HRC to distribute the Chromebooks to selected families and we say thank you to the South Bay Sunrise Rotary Club for all their amazing support.

10. DRIVE-THROUGH TRICK-OR-TREAT FOR HRC CLIENTS

Mr. Ruppe shared with the Board how every year the speech and language pathologists host an annual trick-or-treat walk through for the kids who participate in the Columbus speech groups. The children dress up and walk through HRC to show off their costumes and are encouraged to use new words learned, such as 'trick-or-treat' to receive a treat and also to reinforce what they have learned in their speech groups. To continue this tradition during the pandemic, the speech and language pathologists and early childhood managers organized a special trick-or-treat drive through event where several families participated and shared appreciation.

11. PATRICIA DEL MONICO DRIVE-THROUGH RETIREMENT FAREWELL

Mr. Ruppe thanked former Executive Director Patricia Del Monico for her five decades of service and shared pictures with the Board of a surprise drive-through farewell as an in-person retirement party was not possible due to the COVID-19 pandemic. Though it was not the party befitting for Ms. Del Monico's retirement, it was a close second to have a drive-through on her favorite time of year – Halloween!

COMMITTEE REPORTS

A. ARCA

Mr. Czarske reported that we have been kept advised of all of the various activities taking place in Sacramento by the ARCA staff, specifically the ARCA Academy, which has resumed and has been scheduled for the second Saturday of every month, via zoom platform. Mr. Czarske encouraged other Board members who are interested to attend.

B. AUDIT

Mr. Gates reported that AGT has finalized our draft audit and it will presented to the audit committee on December 9th and then a final report will be presented to the full Board at the January 2021 Board meeting.

C. BOARD DEVELOPMENT

Mr. Czarske reported that there has been no meeting of the Board Development Committee; however Mr. Ron Bergmann has been appointed the new Chairperson for the Board Development Committee.

D. BOARD PLANNING

Ms. Spiegel, Director of Information and Development, presented the 2021 Performance Plan to the Board during Mr. Ruppe's Executive Report. No comments or questions were made by the Board or by the public and Mr. Czarske requested a motion for the Board to accept the 2021 Harbor Regional Center Performance Plan.

Mr. Gates moved to accept the 2021 Harbor Regional Center Performance Plan and Mr. Bergmann seconded the motion, which was unanimously approved by the Board.

E. CLIENT ADVISORY

Mr. Gauthier reported that the Client Advisory Committee met on November 14, 2020 and mainly discussed difficulties in accessing technology for clients.

F. CLIENT SERVICES

Mr. Czarske reported that there has been no meeting of the Client Services Committee.

G. COMMUNITY RELATIONS

Ms. Spiegel informed the Board of the many efforts taking place to raise money as part of our holiday giving campaign.

H. RETIREMENT

In Mr. Chiou's absence, Ms. Wada reported on the Retirement Plan Balances ending September 30, 2020.

I. SELF-DETERMINATION ADVISORY

Ms. Perez advised the Board that the Self-Determination Advisory continues to meet monthly via Zoom and provided an update on the September and October meetings.

J. SERVICE PROVIDER ADVISORY

Mr. Quiroz reported that the Service Provider Advisory Committee met on October 6, 2020 and discussed HRC's response to the COVID-19 pandemic and the many DDS Directives related to COVID.

PUBLIC COMMENT

Mr. Czarske advised that public input was next on the agenda. Mr. Czarske stated that he will call upon each person who has asked to address the Board and requested that he or she limit their comments to two minutes in order to accommodate everyone.

Mr. Czarske indicated that seven attendees requested to address the Board through the Zoom Chat and invited each in turn to address the Board.

EXECUTIVE SESSION

Mr. Czarske advised that there will be no executive session tonight.

ADJOURNMENT

Mr. Czarske thanked all those who participated in our Board meeting tonight. The next meeting of our Board will be on January 19, 2021 via Zoom Webinar. A link to the Webinar will be posted on our website one week prior to the meeting.

Submitted by: _____

Fu-Tien Chiou, Secretary
Board of Trustees
Harbor Developmental Disabilities Foundation



Ron Bergmann

FINANCIAL STATEMENTS

**HARBOR REGIONAL CENTER
MONTHLY FINANCIAL REPORT
FISCAL YEAR 2020-21
Oct-20**

	B-1 Allocation	Month Exp	Y-T-D Expenses	Proj. Annual Expenses*	Proj. Funds Available
Operations					
Salaries & Benefits	\$27,820,478	\$2,059,603	\$9,063,541	\$28,035,450	(\$214,972)
Operating Expenses	\$8,297,639	\$508,023	\$2,574,067	\$8,297,639	\$0
less other income	<u>(\$425,443)</u>	<u>(\$19,163)</u>	<u>(\$165,720)</u>	<u>(\$425,443)</u>	<u>\$0</u>
Total Operations	\$35,692,674	\$2,548,462	\$11,471,888	\$35,907,646	(\$214,972)
Purchase of Service					
Regular*	\$247,676,780	\$21,335,932	\$71,722,719	\$247,676,780	\$0
Compliance with HCBS Regulations	\$0	\$0	\$0	\$0	\$0
less other income	<u>(\$3,660,347)</u>	<u>(\$274,869)</u>	<u>(\$1,006,517)</u>	<u>(\$3,660,347)</u>	<u>\$0</u>
Subtotal Regular	\$244,016,433	\$21,061,063	\$70,716,202	\$244,016,433	\$0
CPP/CDRP**	<u>\$7,536</u>	<u>(\$6,725)</u>	<u>\$295</u>	<u>\$7,536</u>	<u>\$0</u>
Total Purchase of Service	\$244,023,969	\$21,054,337	\$70,716,497	\$244,023,969	\$0
TOTAL	\$279,716,643	\$23,602,800	\$82,188,385	\$279,931,615	(\$214,972)
% of Budget	100.00%	8.44%	29.38%	100.08%	

* The letter of intent for the B-1 amendment was received from DDS on August 7, 2020. The allocation for Regular Operations was increased from FY 2019-20 to FY 2020-21 by 5%. The allocation for Regular Purchase of Service (POS) was increased by 9%.

The initial POS Expenditure Projection (PEP) for FY 2020-21 will be based on November 2020 year-to-date actuals and is due to DDS in January 2021.

** The B-1 included an allocation for Community Placement Program (CPP)/Community Resource Development Plan (CRDP) for Operations based on the FY 2019-20 approved plan for the first six (6) month. POS funds were not allocated. The amounts will be adjusted once plans are submitted and approved.

**HARBOR REGIONAL CENTER
FUNCTIONAL EXPENDITURES
Oct-20**

	B-1 Allocation	Purchase of Service Month Y-T-D		Salaries & Benefits Month Y-T-D		Operating Expenses Month Y-T-D		Total Expended Month Y-T-D	
PROGRAM SERVICES									
Intake	6,089,515			347,249	1,528,113	85,653	433,988	432,902	1,962,101
Case Management	23,426,211			1,335,858	5,878,613	329,504	1,669,540	1,665,362	7,548,152
Program Development	801,822			45,723	201,211	11,278	57,144	57,001	258,355
Other Client Services	1,823,965			104,010	457,709	25,655	129,990	129,665	587,699
Out-of-Home Living *	101,565,376	8,265,733	32,912,166					8,265,733	32,912,166
Day Programs	75,456,035	6,616,217	23,492,365					6,616,217	23,492,365
Transportation	10,958,365	634,976	2,277,983					634,976	2,277,983
Other Services	56,012,719	4,757,744	10,524,059					4,757,744	10,524,059
CPP/CDRP, Other	7,536	(6,725)	295					(6,725)	295
Total Program Services	276,141,543	20,267,945	69,206,869	1,832,840	8,065,645	452,089	2,290,662	22,552,875	79,563,176
SUPPORTING SERVICES									
Administration	3,976,605			226,762	997,896	55,933	283,405	282,696	1,281,301
SUBTOTAL	280,118,148	20,267,945	69,206,869	2,059,603	9,063,541	508,023	2,574,067	22,835,570	80,844,477
Revenue	(4,085,790)							(294,032)	(1,172,237)
TOTAL	276,032,358							22,541,538	79,672,239

*Net of Client Support

**HARBOR REGIONAL CENTER
LINE ITEM REPORT
Oct-20**

	FY 2020-21 B-1 Allocation	Net Expended Month	Y-T-D	Projected Expenses	Proj Annual Expenses	Proj. Funds Available
PURCHASE OF SERVICE						
Regular						
320** Out-of-Home	101,565,376	8,265,733	32,912,166	68,653,210	101,565,376	0
430** Day Programs	75,456,035	6,616,217	23,492,365	51,963,670	75,456,035	0
6505* Transportation	10,958,365	634,976	2,277,983	8,680,382	10,958,365	0
650** Other Services	56,012,719	4,757,744	10,524,059	45,488,660	56,012,719	0
Various COVID-19 Related	3,684,285	1,061,261	2,516,145	1,168,140	3,684,285	0
TBD HCBS Compliance	0	0	0	0	0	0
Subtotal Regular POS	247,676,780	21,335,932	71,722,719	175,954,061	247,676,780	0
Community Placement & Program Development						
32010 Start Up	0	0	0	0	0	0
TBD Surge Capacity Start Up	0	0	0	0	0	0
65*** Placement/Assessment	7,536	(6,725)	295	7,241	7,536	0
Subtotal CPP/CDRP	7,536	(6,725)	295	7,241	7,536	0
Revenue						
20090 ICF SPA Income	(3,660,347)	(274,869)	(1,006,517)	(2,653,830)	(3,660,347)	0
TOTAL PURCHASE OF SERVICE	244,023,969	21,054,337	70,716,497	173,307,472	244,023,969	0
OPERATIONS						
Salaries & Benefits						
2501- Salaries and Wages	21,696,987	1,598,362	6,857,183	14,947,290	21,804,473	(107,486)
2503- Benefits	6,123,491	461,240	2,206,358	4,024,619	6,230,977	(107,486)
Subtotal Salaries & Benefits	27,820,478	2,059,603	9,063,541	18,971,909	28,035,450	(214,972)
Operating Expenses						
30020 Equipment Maint	368,490	21,371	89,190	279,300	368,490	0
30030 Facility Rental	4,712,364	371,474	1,849,600	2,862,764	4,712,364	0
30035 Facility Rent Subleases	247,002	18,931	102,424	144,578	247,002	0
30040 Facility Maint	383,794	7,603	59,391	324,403	383,794	0
30050 Communication	478,223	24,289	118,341	359,882	478,223	0
30060 General Office Exp	151,725	5,039	24,750	126,975	151,725	0
30070 Printing	126,592	2,700	23,781	102,811	126,592	0
30080 Insurance	168,424	0	120,630	47,794	168,424	0
30090 Utilities	12,894	1,107	4,833	8,061	12,894	0
30110 Data Processing Maint	47,860	1,990	23,529	24,331	47,860	0
30123 Interest/Bank Expense	5,593	534	2,922	2,671	5,593	0
30140 Legal Fees	19,653	1,435	2,485	17,168	19,653	0
30150 Board of Dir. Exp	6,688	136	282	6,406	6,688	0
30160 Accounting Fees	55,800	4,000	8,600	47,200	55,800	0
30170 Equipment Purchases	125,759	0	10,147	115,612	125,759	0
30180 Contr/Consult Services	76,205	0	0	76,205	76,205	0
30184 Clinical Services	53,646	20,800	20,800	32,846	53,646	0
30185 Employee Conferences	22,260	0	278	21,982	22,260	0
30186 CalFresh	53,741	0	0	53,741	53,741	0
30220 Travel in State	13,020	197	348	12,672	13,020	0
30223 Staff Mileage	47,656	149	267	47,389	47,656	0
30230 ARCA Dues	86,492	0	0	86,492	86,492	0
30240 General Expenses	524,915	16,654	58,092	466,823	524,915	0
30241 Diversity Funding	2,469	0	0	2,469	2,469	0
30247 General Exp C19 SOE	400,000	9,615	53,377	346,623	400,000	0
TBD SDP Participant Supports	0	0	0	0	0	0
30183 Mental Health Services Funct	106,374	0	0	106,374	106,374	0
Subtotal Operating Expenses	8,297,639	508,023	2,574,067	5,723,572	8,297,639	0
Other Revenue						
20040 Interest Income	(187,335)	(6,619)	(75,755)	(111,580)	(187,335)	0
20050 Other Income	(8,483)	(100)	(3,677)	(4,806)	(8,483)	0
20055 Other Income-Subleases	(186,900)	(10,398)	(67,319)	(119,581)	(186,900)	0
20100 ICF SPA Admin Fee	(42,725)	(2,045)	(18,970)	(23,755)	(42,725)	0
Subtotal Other Revenue	(425,443)	(19,163)	(165,720)	(259,723)	(425,443)	0
TOTAL OPERATIONS	35,692,674	2,548,462	11,471,888	24,435,758	35,907,646	(214,972)
TOTAL	279,716,643	23,602,800	82,188,385	197,743,230	279,931,615	(214,972)
% of Budget	100.00%	8.44%	29.38%	70.69%	100.08%	-0.08%

**HARBOR REGIONAL CENTER
POS CONTRACT SUMMARY
Oct-20**

Fiscal Year	Contract	Fund	POS Budget	POS Claimed	Current Balance/ (Deficit)	Projected Expenses	Projected Balance/ (Deficit)
2020-21	B-1	Reg POS	\$244,016,433	\$70,680,364	\$173,336,069	\$173,336,069	\$0
		CPP/CDRP	\$7,536	\$295	\$7,241	\$7,241	\$0
		HCBS Compliance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
		TOTAL	\$244,023,969	\$70,680,659	\$173,343,310	\$173,343,310	\$0
2019-20	A-7	Reg POS	\$223,767,932	\$219,088,458	\$4,679,474	\$981,221	\$3,698,253
		CPP	\$2,452,990	\$247,519	\$2,205,471	\$2,205,471	\$0
		HCBS Compliance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
		TOTAL	\$226,220,922	\$219,335,978	\$6,884,944	\$3,186,692	\$3,698,253
2018-19	E-4	Reg POS	\$197,513,157	\$195,738,228	\$1,774,929	\$63,554	\$1,711,375
		PDF	\$77,443	\$0	\$77,443	\$77,443	\$0
		CPP	\$2,981,456	\$2,374,949	\$606,507	\$606,507	\$0
		HCBS Compliance	<u>\$50,001</u>	<u>\$0</u>	<u>\$50,001</u>	<u>\$50,001</u>	<u>\$0</u>
		TOTAL	\$200,622,057	\$198,113,178	\$2,508,879	\$797,505	\$1,711,375

**HARBOR REGIONAL CENTER
MONTHLY FINANCIAL REPORT
FISCAL YEAR 2020-21
Nov-20**

	B-1 Allocation	Month Exp	Y-T-D Expenses	Proj. Annual Expenses*	Proj. Funds Available
Operations					
Salaries & Benefits	\$27,820,478	\$1,997,186	\$11,060,727	\$28,035,450	(\$214,972)
Operating Expenses	\$8,297,639	\$578,080	\$3,152,146	\$8,297,639	\$0
less other income	<u>(\$425,443)</u>	<u>(\$39,315)</u>	<u>(\$205,035)</u>	<u>(\$425,443)</u>	<u>\$0</u>
Total Operations	\$35,692,674	\$2,535,951	\$14,007,838	\$35,907,646	(\$214,972)
Purchase of Service					
Regular*	\$246,914,263	\$17,657,471	\$89,380,190	\$245,368,875	\$1,545,388
Compliance with HCBS Regulations	\$0	\$0	\$0	\$0	\$0
less other income	<u>(\$2,897,830)</u>	<u>(\$248,294)</u>	<u>(\$1,254,811)</u>	<u>(\$2,897,830)</u>	<u>\$0</u>
Subtotal Regular	\$244,016,433	\$17,409,177	\$88,125,379	\$242,471,045	\$1,545,388
CPP/CDRP**	<u>\$7,536</u>	<u>\$0</u>	<u>\$295</u>	<u>\$114,822</u>	<u>(\$107,286)</u>
Total Purchase of Service	\$244,023,969	\$17,409,177	\$88,125,674	\$242,585,867	\$1,438,102
TOTAL	\$279,716,643	\$19,945,127	\$102,133,512	\$278,493,513	\$1,223,130
% of Budget	100.00%	7.13%	36.51%	99.56%	

* The Projected Annual Expenses for Regular POS is based on actual expenditures through November and estimated costs of new programs, growth, and pending service provider rate changes. POS includes an offset for other income for ICF SPA expenditures. ICF SPA expenditures are not funded through the contracted with DDS but billed separately.

** The B-1 included an allocation for Community Placement Program (CPP)/Community Resource Development Plan (CRDP) for Operations based on the FY 2019-20 approved plan for the first six (6) month. POS funds were not allocated. The amounts will be adjusted once plans are submitted and approved.

HRC received approval from DDS for Surge Capacity Start Up funds for approximately \$107,000 to hold facilities and have personal assistance staff on call to be used for temporary emergency housing if needed. The allocation is pending.

**HARBOR REGIONAL CENTER
FUNCTIONAL EXPENDITURES
Nov-20**

	B-1	Purchase of Service		Salaries & Benefits		Operating Expenses		Total Expended	
	Allocation	Month	Y-T-D	Month	Y-T-D	Month	Y-T-D	Month	Y-T-D
PROGRAM SERVICES									
Intake	6,089,515			336,725	1,864,839	97,464	531,452	434,190	2,396,290
Case Management	23,426,211			1,295,375	7,173,987	374,942	2,044,482	1,670,317	9,218,470
Program Development	801,822			44,338	245,548	12,833	69,978	57,171	315,526
Other Client Services	1,823,965			100,858	558,567	29,193	159,183	130,051	717,750
Out-of-Home Living *	101,868,465	8,368,891	41,281,057					8,368,891	41,281,057
Day Programs	74,383,458	5,385,935	28,878,300					5,385,935	28,878,300
Transportation	10,030,704	620,042	2,898,025					620,042	2,898,025
Other Services	54,440,435	2,380,720	12,904,780					2,380,720	12,904,780
CPP/CDRP, Other	7,536	0	295					0	295
Total Program Services	272,872,110	16,755,587	85,962,456	1,777,295	9,842,941	514,433	2,805,095	19,047,316	98,610,492
SUPPORTING SERVICES									
Administration	3,976,605			219,890	1,217,786	63,647	347,051	283,537	1,564,837
SUBTOTAL	276,848,715	16,755,587	85,962,456	1,997,186	11,060,727	578,080	3,152,146	19,330,853	100,175,329
Revenue								(287,609)	(1,459,846)
TOTAL	273,525,442							19,043,244	98,715,483

*Net of Client Support

**HARBOR REGIONAL CENTER
LINE ITEM REPORT
Nov-20**

	FY 2020-21 B-1 Allocation	Net Expended Month	Y-T-D	Projected Expenses	Proj Annual Expenses	Proj. Funds Available
PURCHASE OF SERVICE						
Regular						
320** Out-of-Home	101,868,465	8,368,891	41,281,057	59,949,833	101,230,890	637,575
430** Day Programs	74,383,458	5,385,935	28,878,300	45,039,606	73,917,906	465,552
6505* Transportation	10,030,704	620,042	2,898,025	7,069,899	9,967,924	62,780
650** Other Services	54,440,435	2,380,720	12,904,780	41,194,924	54,099,703	340,732
Various COVID-19 Related	6,191,201	901,883	3,418,029	2,734,423	6,152,452	38,749
TBD HCBS Compliance	0	0	0	0	0	0
Subtotal Regular POS	246,914,263	17,657,471	89,380,190	155,988,685	245,368,875	1,545,388
Community Placement & Program Development						
32010 Start Up	0	0	0	0	0	0
TBD Surge Capacity Start Up	0	0	0	107,286	107,286	(107,286)
65*** Placement/Assessment	7,536	0	295	7,241	7,536	0
Subtotal CPP/CDRP	7,536	0	295	114,527	114,822	(107,286)
Revenue						
20090 ICF SPA Income	(2,897,830)	(248,294)	(1,254,811)	(1,643,019)	(2,897,830)	0
TOTAL PURCHASE OF SERVICE	244,023,969	17,409,177	88,125,674	154,460,193	242,585,867	1,438,102
OPERATIONS						
Salaries & Benefits						
2501- Salaries and Wages	21,696,987	1,549,671	8,406,854	13,397,619	21,804,473	(107,486)
2503- Benefits	6,123,491	447,514	2,653,872	3,577,105	6,230,977	(107,486)
Subtotal Salaries & Benefits	27,820,478	1,997,186	11,060,727	16,974,723	28,035,450	(214,972)
Operating Expenses						
30020 Equipment Maint	368,490	18,558	107,748	260,742	368,490	0
30030 Facility Rental	4,712,364	374,703	2,224,304	2,488,060	4,712,364	0
30035 Facility Rent Subleases	247,002	18,931	121,355	125,647	247,002	0
30040 Facility Maint	383,794	23,086	82,477	301,317	383,794	0
30050 Communication	478,223	69,178	187,519	290,704	478,223	0
30060 General Office Exp	151,725	3,506	28,256	123,469	151,725	0
30070 Printing	126,592	3,655	27,435	99,157	126,592	0
30080 Insurance	168,424	29,941	150,571	17,853	168,424	0
30090 Utilities	12,894	783	5,615	7,279	12,894	0
30110 Data Processing Maint	47,860	1,990	25,519	22,341	47,860	0
30123 Interest/Bank Expense	5,593	114	3,035	2,558	5,593	0
30140 Legal Fees	19,653	0	2,485	17,168	19,653	0
30150 Board of Dir. Exp	6,688	0	282	6,406	6,688	0
30160 Accounting Fees	55,800	5,600	14,200	41,600	55,800	0
30170 Equipment Purchases	125,759	0	10,147	115,612	125,759	0
30180 Contr/Consult Services	76,205	1,600	1,600	74,605	76,205	0
30184 Clinical Services	53,646	8,596	29,396	24,250	53,646	0
30185 Employee Conferences	22,260	0	278	21,982	22,260	0
30186 CalFresh	53,741	0	0	53,741	53,741	0
30220 Travel in State	13,020	10	358	12,662	13,020	0
30223 Staff Mileage	47,656	298	566	47,090	47,656	0
30230 ARCA Dues	86,492	0	0	86,492	86,492	0
30240 General Expenses	524,915	8,584	66,676	458,239	524,915	0
30241 Diversity Funding	2,469	0	0	2,469	2,469	0
30247 General Exp C19 SOE	400,000	8,947	62,324	337,676	400,000	0
TBD SDP Participant Supports	0	0	0	0	0	0
30183 Mental Health Services Funct	106,374	0	0	106,374	106,374	0
Subtotal Operating Expenses	8,297,639	578,080	3,152,146	5,145,493	8,297,639	0
Other Revenue						
20040 Interest Income	(187,335)	(8,178)	(83,933)	(103,402)	(187,335)	0
20050 Other Income	(8,483)	(820)	(4,497)	(3,986)	(8,483)	0
20055 Other Income-Subleases	(186,900)	(22,146)	(89,465)	(97,435)	(186,900)	0
20100 ICF SPA Admin Fee	(42,725)	(8,171)	(27,140)	(15,585)	(42,725)	0
Subtotal Other Revenue	(425,443)	(39,315)	(205,035)	(220,408)	(425,443)	0
TOTAL OPERATIONS	35,692,674	2,535,951	14,007,838	21,899,808	35,907,646	(214,972)
TOTAL	279,716,643	19,945,127	102,133,512	176,360,001	278,493,513	1,223,130
% of Budget	100.00%	7.13%	36.51%	63.05%	99.56%	0.44%

**HARBOR REGIONAL CENTER
POS CONTRACT SUMMARY
Nov-20**

Fiscal Year	Contract	Fund	POS Budget	POS Claimed	Current Balance/ (Deficit)	Projected Expenses	Projected Balance/ (Deficit)
2020-21	B-1	Reg POS	\$244,016,433	\$88,089,608	\$155,926,825	\$154,381,437	\$1,545,388
		CPP/CDRP	\$7,536	\$295	\$7,241	\$114,527	(\$107,286)
		HCBS Compliance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
		TOTAL	\$244,023,969	\$88,089,903	\$155,934,066	\$154,495,964	\$1,438,102
2019-20	A-7	Reg POS	\$223,767,932	\$219,118,198	\$4,649,734	\$881,221	\$3,768,513
		CPP	\$2,452,990	\$340,432	\$2,112,558	\$2,112,558	\$0
		HCBS Compliance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
		TOTAL	\$226,220,922	\$219,458,630	\$6,762,292	\$2,993,779	\$3,768,513
2018-19	E-4	Reg POS	\$197,513,157	\$195,741,631	\$1,771,526	\$43,554	\$1,727,972
		PDF	\$77,443	\$0	\$77,443	\$77,443	\$0
		CPP	\$2,981,456	\$2,424,949	\$556,507	\$556,507	\$0
		HCBS Compliance	<u>\$50,001</u>	<u>\$0</u>	<u>\$50,001</u>	<u>\$50,001</u>	<u>\$0</u>
		TOTAL	\$200,622,057	\$198,166,581	\$2,455,476	\$727,505	\$1,727,972

**Harbor Developmental Disabilities Foundation
Harbor Help Fund**

**Statement of Activities
Fiscal Year 2020-21**

	FY 2017-18	FY 2019-20 TOTAL	FY 2020-21		FY 2020-21 YTD TOTAL
	TOTAL		Qtr Ending Sept 30, 2020	Qtr Ending Dec 31, 2020	
Income					
Donations					
Employee Donations	\$ 10,879	\$ 11,588	\$ 3,239	\$ 3,061	\$ 6,299
Employee Donations - masks	-	4,330	370	60	430
Gift cards - in kind	-	4,225	-	-	-
General Donations	2,466	12,080	16	3,265	3,281
Staff Appreciation Day	-	5,000	-	-	-
Holiday Donations	29,579	26,570	5,000	54,369	59,369
Needy Families Campaign	-	27,390	7,662	330	7,993
Total Donations	42,924	91,183	16,287	61,084	77,371
Interest	1,521	4,048	128	(125)	3
Total Income	44,446	95,231	16,414	60,960	77,374
Expenses					
Holiday Giving Campaign	35,999	39,997	-	21,000	21,000
Needy Families - Gift cards	-	17,525	27,700	20,857	48,557
Mask purchase	-	1,500	-	-	-
Grants to Clients	1,987	1,000	-	-	-
Total Expenses	38,236	60,022	27,700	41,857	69,557
Net Increase/(Decrease)	\$ 6,210	\$ 35,210	\$ (11,286)	\$ 19,102	\$ 7,817
Beginning Balance					
	\$ 159,466	\$ 185,565	\$ 220,774	\$ 209,489	\$ 220,774
Income	44,446	95,231	16,414	60,960	77,374
Expenses	38,236	60,022	27,700	41,857	69,557
Ending Balance	\$ 165,676	\$ 220,774	\$ 209,489	\$ 228,591	\$ 228,591
Ending Balance Detail					
Cash	\$ 40,594	\$ 94,285	\$ 92,811	\$ 101,540	\$ 101,540
CD	125,000	100,939	100,827	100,701	100,701
Gift card inventory	-	25,200	15,500	26,000	26,000
Receivables	82	350	350	350	350
Total Balance	\$ 165,676	\$ 220,774	\$ 209,489	\$ 228,591	\$ 228,591

A Needy Families Campaign includes gift cards purchased but not yet distributed.

B Investment balance as of 11/30/2020



Patrick Ruppe

EXECUTIVE REPORT

JANUARY 19, 2021



**Executive Report
January 19, 2021**

1. WELCOME/HOLIDAY WRAP UP

Good evening and welcome everyone. We hope that all board members celebrated in a safe and healthy fashion this season! As you know this year we approached the holidays in a slightly different manner than we have traditionally. Due to the pandemic many families and clients have found themselves in positions of need that they may have not been in during prior holiday seasons. With your generosity HRC expanded our holiday outreach and was able to purchase over \$100,000 in gift cards for our needy clients and families this year. In addition to your generosity a family served by Harbor also donated \$21,000 to help support families in need this holiday season!

As many of our clients and their families are still feeling the financial effects of this pandemic, I am asking that the Board approve another donation of \$20,000 from the Harbor Help Fund. This will allow us to provide further assistance to our clients and their families.

2. COVID 19

As you all have seen in the news reports, Los Angeles County has seen a very dramatic spike in both the number of individuals testing positive for COVID 19 and the number of deaths attributed to COVID 19. The state wide data for client served by RCs bear this out.

- Through 12/31/20 over 7943 individuals served have tested positive, and there has been 279 deaths have attributed to COVID 19. In reviewing the data, HRC still shows a very low incidence rate of 153.4 per 10,000 clients (in November we were at 56.1/10,000). The state wide average incidence rate is 223.1/10,000 clients (in November is was 94.4/10,000). Overall, the percent of HRC client with COVID 19 is lower than would be expected for a RC our size.
- CONGREGATE living settings still remain the more likely to contract the virus (47% of the individuals), and to succumb to the effects of the virus (70%).
- Ethnicity does have an impact on client's infection and death rates: One particular area of concern is that while African-Americans account for 9% of the clients statewide, their positivity rate is 8%, but they represent 11% of the deaths attributed to COVID 19.
- As of 1/10/21 Harbor Data reflects that we have had 301 clients test positive for C19, with 12 deaths due attributed to COVID 19 complications.
 - 129/301 (44%) live at home with the family
 - 38/301 (13%) medical facility (SNF, ICF, Hospital)
 - 96/301 (32%) in group home
 - 29/301 (10%) SL/IL setting
 - 5/301 (1%) Other

2. COVID 19 DATA

Number of consumers reported as COVID-19 positive per 10,000 consumers, by regional center, 12/31/20

REGIONAL CENTER	NUMBER OF CONSUMERS REPORTED AS COVID-19 POSITIVE	TOTAL NUMBER OF CONSUMERS AT THIS REGIONAL CENTER	PER 10,000 CONSUMERS
SGPRC	591	13,713	431.0
FDLRC	355	10,840	327.5
KRC	275	10,143	271.1
CVRC	574	21,501	267.0
ELARC	330	12,433	265.4
TCRC	394	15,336	256.9
VMRC	393	15,477	253.9
FNRC	192	8,079	237.7
SCLARC	416	17,689	235.2
NLACRC	630	26,812	235.0
RCOC	506	22,380	226.1
IRC	844	38,411	219.7
WRC	199	9,122	218.2
GGRC	201	9,472	212.2
SDRC	623	31,899	195.3
NBRC	176	9,139	192.6
ACRC	417	25,537	163.3
SARC	268	17,375	154.2
HRC	229	14,933	153.4
RCEB	291	21,654	134.4
RCRC	39	4,012	97.2
Total	7,943	355,957	223.1

Source: DDS analysis of COVID-19 surveillance data provided by regional centers as of 1/4/21 and Client Master File data as of December 2020.

TABLE 3: CONSUMERS REPORTED AS COVID-19-POSITIVE, BY REGIONAL CENTER				
REGIONAL CENTER	NUMBER OF CONSUMERS	THIS REGIONAL CENTER AS A SHARE OF ALL CONSUMERS REPORTED AS COVID-19 POSITIVE	FOR COMPARISON: NUMBER OF CONSUMERS AT ALL REGIONAL CENTERS	FOR COMPARISON: THIS GROUP AS A SHARE OF ALL CONSUMERS
ACRC	417	5%	25,537	7%
CVRC	574	7%	21,501	6%
ELARC	330	4%	12,433	3%
FDLRC	355	4%	10,840	3%
FNRC	192	2%	8,079	2%
GGRC	201	3%	9,472	3%
HRC	229	3%	14,933	4%
IRC	844	11%	38,411	11%
KRC	275	3%	10,143	3%
NBRC	176	2%	9,139	3%
NLACRC	630	8%	26,812	8%
RCEB	291	4%	21,654	6%
RCOC	506	6%	22,380	6%
RCRC	39	0%	4,012	1%
SARC	268	3%	17,375	5%
SCLARC	416	5%	17,689	5%
SDRC	623	8%	31,899	9%
SGPRC	591	7%	13,713	4%
TCRC	394	5%	15,336	4%
VMRC	393	5%	15,477	4%
WRC	199	3%	9,122	3%
Total	7,943	100%	355,957	100%

Note: The availability of testing for COVID-19 varies. Changes in the number of reported COVID-positive consumers may include cases resulting from record reconciliation.

Source: DDS analysis of COVID-19 surveillance data provided by regional centers as of 12/31/20 and Client Master File data as of November 2020.

Number of consumers reported as COVID-19-positive, by residence type, 12/31/20

RESIDENCE TYPE	NUMBER OF CONSUMERS REPORTED AS HAVING TESTED POSITIVE FOR COVID-19	THIS GROUP AS A SHARE OF ALL CONSUMERS REPORTED AS COVID-19 POSITIVE	FOR COMPARISON: NUMBER OF CONSUMERS AT ALL REGIONAL CENTERS	FOR COMPARISON: THIS GROUP AS A SHARE OF ALL CONSUMERS
Community Care Facility (CCF)	2,166	27%	23,622	7%
ICF for the Developmentally Disabled (ICF/DD)	182	2%	538	0%
ICF/DD-Habilitative (ICF/DD-H)	589	7%	3,699	1%
ICF/DD-Nursing (ICF/DD-N)	322	4%	2,147	1%
Family Home Agency (FHA)	56	1%	1,617	0%
Supported Living Services (SLS)	505	6%	9,292	3%
Independent Living Services (ILS)	400	5%	17,719	5%
Family	2,988	38%	288,414	81%
Own home	108	1%		
Skilled Nursing Facility (SNF)	438	6%	998	0%
State-Operated Facilities	48	1%	257	0%
Other	141	2%	7,654	2%
Total	7,943	100%	355,957	100%

Number of consumers reported as COVID-19-positive, by ethnicity, 12/31/20

CONSUMER CHARACTERISTICS	NUMBER OF CONSUMERS REPORTED AS HAVING TESTED POSITIVE FOR COVID-19	THIS GROUP AS A SHARE OF ALL CONSUMERS REPORTED AS COVID-19 POSITIVE	FOR COMPARISON: NUMBER OF CONSUMERS AT ALL REGIONAL CENTERS	FOR COMPARISON: THIS GROUP AS A SHARE OF ALL CONSUMERS
ETHNICITY: Asian	330	4%	33,292	9%
ETHNICITY: Black/African American	631	8%	30,423	9%
ETHNICITY: Hispanic	3,341	42%	141,994	40%
ETHNICITY: Other ¹	461	6%	44,807	13%
ETHNICITY: White	3,180	40%	105,441	30%
Total	7,943	100%	355,957	100%

¹ "Other" includes multiple ethnicities and individuals with no recorded ethnicity.

Number of deaths of consumers who tested positive for COVID-19, by residence type,
12/31/20

RESIDENCE TYPE	NUMBER OF CONSUMERS	THIS GROUP AS A SHARE OF ALL DECEASED CONSUMERS REPORTED AS COVID-19 POSITIVE	DEATHS PER 10,000 CONSUMERS	FOR COMPARISON: NUMBER OF CONSUMERS AT ALL REGIONAL CENTERS	FOR COMPARISON: THIS GROUP AS A SHARE OF ALL CONSUMERS
Community Care Facility (CCF)	61	22%	26	23,622	7%
ICF for the Developmentally Disabled (ICF/DD)	7	3%	130	538	0%
ICF/DD-Habilitative (ICF/DD-H)	25	9%	68	3,699	1%
ICF/DD-Nursing (ICF/DD-N)	27	10%	126	2,147	1%
Family Home Agency	0	0%	0	1,617	0%
Supported Living Services (SLS)	19	7%	20	9,292	3%
Independent Living Services (ILS)	10	4%	6	17,719	5%
Family	47	17%	2	288,414	81%
Own Home	5	2%	0		
Skilled Nursing Facility (SNF)	76	27%	762	998	0%
State-Operated Facilities	0	0%	0	257	0%
Other	2	1%	3	7,654	2%
Total	279	100%	8	355,957	100%

* In accordance with DDS Data De-Identification Guidelines, counts of one through ten have been suppressed.

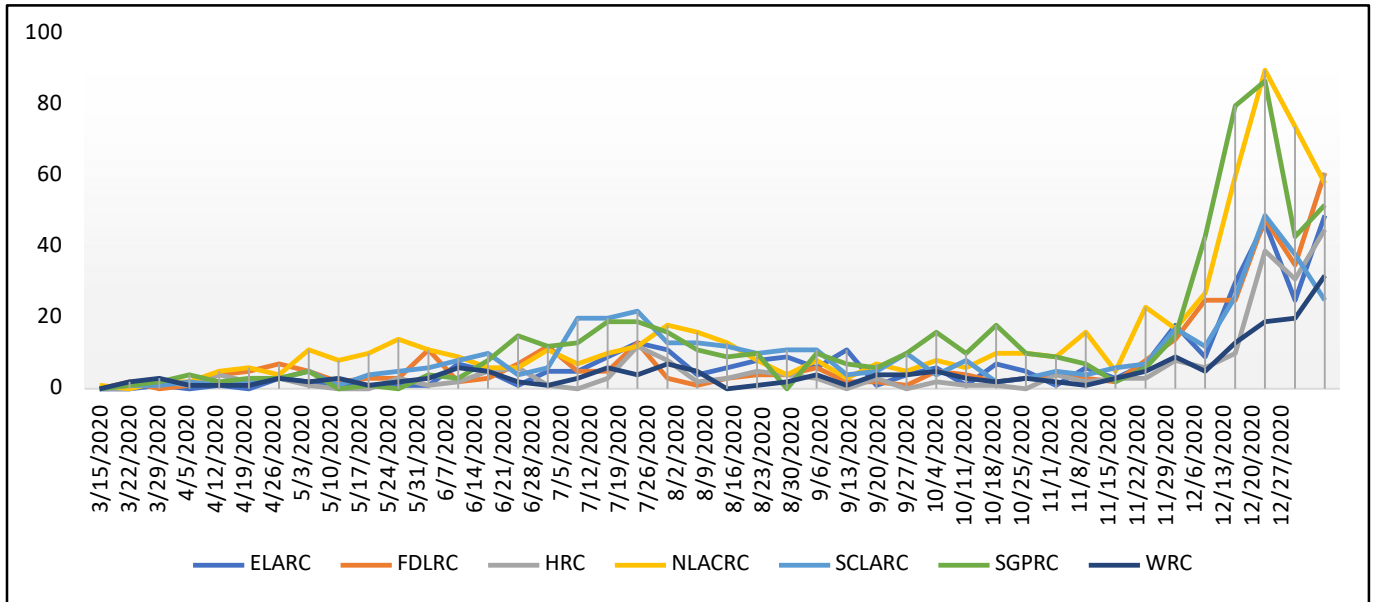
Number of deaths of consumers who tested positive for COVID-19, by ethnicity,
12/31/20

CONSUMER CHARACTERISTICS	NUMBER OF DEATHS IN CONSUMERS REPORTED AS HAVING TESTED POSITIVE FOR COVID-19	THIS GROUP AS A SHARE OF ALL DEATHS IN CONSUMERS REPORTED AS COVID-19 POSITIVE	FOR COMPARISON: NUMBER OF CONSUMERS AT ALL REGIONAL CENTERS	FOR COMPARISON: THIS GROUP AS A SHARE OF ALL CONSUMERS
Asian	11	4%	33,292	9%
Black/African American	30	11%	30,423	9%
Hispanic	88	32%	141,994	40%
Other ¹	*	*	44,807	13%
White	142	52%	105,441	30%
Total	279	100%	355,957	100%

¹ "Other" includes multiple ethnicities and individuals with no recorded ethnicity.

* In accordance with DDS Data De-Identification Guidelines, counts of one through ten have been suppressed.

Figure 6. Los Angeles



3. COVID Vaccine

The COVID vaccines are actively being distributed and administered in LA County. The LA County Department of Public health has develop a multi-phased distribution plan organize the vaccine's distribution to the community. In reviewing their plan they have created a Phase 1 with 3 primary targets groups (A, B, C). Phase 1A, is further broken down into 3 different tiers.

- Phase 1A, Tier 1 includes essential health care workers with moderate to high risk for exposure to the virus and clients residing in Long term care facilities such as SNFs/ICFs, taking priority in TIER 1.
- Phase 1A, Tier 2 includes healthcare workers with moderate risk of exposure to the virus. This would include most direct care staff with some level of face to face contact with clients. Certain RC staff are included in this grouping
- Phase 1A, Tier 3 includes all other essential health care workers with low risk of exposure to the virus.
- Phase 1B includes individuals 75 and older and other non-healthcare frontline essential workers.
- Phase 1 C- includes persons age 65-74, and ages 16-64 with High risk medical conditions, and other essential workers.

To date DPH has opened up the first 3 tiers of Phase 1A. You will note that in no tier were individuals with developmental disabilities specifically included. ARCA, DDS, and all individual regional centers have been advocating to include all RC clients in phase 1B. HRC has been in direct contact with LACODPH in advocating for our clients to receive the vaccine as early as possible.

Corona Virus Vaccination Protocol

Los Angeles County of Department of Public Health

January 1, 2021

Terms:

- ACIP- Advisory Committee on Immunization Practices
- CDPH- California Department of Public Health
- CDC- Center for Disease Control
- LACODPH- Los Angeles County Department of Public Health

LA County Vaccine Allocation Phases and Tiers

The LA County allocation phases and tiers were developed from ACIP and CDPH recommendations:

Phase 1A Priority Populations

- **Healthcare workers:** persons at high and moderate risk of exposure to SARS CoV-2 through their work in any role in direct health care or long-term care settings.. This population includes persons at direct risk of exposure in their non-clinical roles, such as, but not limited to, environmental services, patient transport, or language interpretation.
- **Long-term care facility residents:** Residents of skilled nursing facilities, assisted living facilities, and similar long-term care settings for older or medically vulnerable people.

Tier 1 (Phase 1 A)

- **Healthcare workers and residents of skilled nursing facilities (SNFs)**
- **Healthcare workers and residents of other long-term care facilities (facilities that provide a variety of services, including medical and personal care, to adults who are unable to live independently. This includes assisted living facilities, and similar settings for older or medically vulnerable individuals, and special needs group living facilities)**
- Healthcare workers in:
 - Acute care hospitals
 - Acute psychiatric hospitals
 - Correctional facility hospitals
 - Dialysis centers
 - Emergency medical services, including EMTs and Paramedics
 - Infusion/oncology centers
 - Residential and inpatient substance use disorder (SUD) treatment facilities
 - Residential and inpatient mental health facilities
- **Note: Vaccination is only available to the healthcare workers listed in Phase 1A who have the potential for direct or indirect exposure to patients or infectious materials.**

Tier 2 (Phase 1 A)

- Healthcare Workers in:
 - Department of Children and Family Services (DCFS)
 - Department of Mental Health
 - Field-based community health workers, including promotoras (including those involved with testing, contact tracing, or supportive services to persons with suspected or confirmed COVID-19)
 - **Home healthcare organizations and and home health agencies (in-home supportive service personnel)**
 - Intermediate care facilities (for persons who need non-continuous nursing supervision and supportive care)
 - Outpatient substance use disorder (SUD) treatment, mental health facilities, and crisis stabilization units
 - Office of Diversion and Re-entry (ODR)
 - Settings caring for people experiencing homelessness (PEH), including outreach workers
 - Public Health field staff who have face to face contact with patients/public (e.g. during testing, contact tracing, outbreak investigations)
 - Primary care clinics, including Federally Qualified Health Centers (FQHCs), rural health centers, and correctional facility clinics
 - **Regional Centers**
 - Urgent care clinics

Tier 3 (Phase 1 A)

- Healthcare Workers in:
 - COVID-19 testing
 - Death care (mortuaries)
 - Dental and other oral health clinics
 - Laboratories
 - Occupational health
 - Optometry clinics
 - Pharmacy (if not working in settings at higher tiers)
 - School and university health centers
 - Specialty clinics

Phase 1B Priority Populations

Based on preliminary guidance from the CDC ACIP Interim Recommendations for Allocation of COVID-19 Vaccine. Note: this may be modified by the State.

- Persons 75 years and older
- Frontline essential workers in:
 - Corrections
 - Education (teachers, support staff, daycare)
 - First responders (firefighters, police)
 - Food & agriculture
 - Grocery stores
 - Manufacturing
 - People experiencing homelessness (PEH) shelter and recuperative care workers
 - Public transit
 - U.S. Postal Service

Phase 1C Priority Populations

Based on preliminary guidance from the CDC ACIP Interim Recommendations for Allocation of COVID-19 Vaccine. Note: this may be modified by the State.

- **Persons 65-74 years old**
- **Persons 16-64 years old with high-risk medical conditions**
- Other essential workers in:
 - Energy
 - Finance (e.g., bank tellers)
 - Food service
 - IT & communication
 - Legal
 - Media
 - Public safety (engineers)
 - Shelter & housing (construction)
 - Transportation and logistics
 - Water & wastewater



980 9th Street, Suite 1450, Sacramento, California 95814 • 916.446.7961 • www.arcanet.org

December 15, 2020

Dr. Nadine Burke Harris, Chair, Community Vaccine Advisory Committee
Dr. Oliver Brooks, Co-Chair, COVID-19 Vaccine Drafting Guidelines Workgroup
Dr. Robert Schechter, Co-Chair, COVID-19 Vaccine Drafting Guidelines Workgroup

RE: Tier 1B Vaccine Prioritization for Californians With Developmental Disabilities

Honorable Drs. Burke Harris, Brooks, and Schechter:

The Association of Regional Center Agencies (ARCA) represents the network of 21 community-based non-profit regional centers that coordinate services for, and advocate on behalf of, well over 350,000 Californians with developmental disabilities. We are writing in follow-up to our letter of November 29th, Re: COVID-19 Vaccine Prioritization And Californians With Developmental Disabilities.

In brief, the Tier 1B category should include people with developmental disabilities. Per our prior letter, there are well-established, heightened risk factors facing people with developmental disabilities due to COVID-19. Not only are the morbidity¹ and mortality² rates higher³ for this population, but their exposure risks (particularly in congregate settings^{4,5}) are also greater than for the general population.

Given the size of our community, an important distinction can be made for this proposed eligibility. Specifically, inclusion in Tier 1B can be limited to individuals eligible for either a Home and Community-Based Services (HCBS) waiver or HCBS State Plan Amendment programs. This sub-population meets all the epidemiological risk factors previously noted.

We thank you for considering the health and safety of people with developmental disabilities, the committed professionals who serve them, and the families that are integral parts of their lives. If you have any questions regarding our position, please do not hesitate to contact Daniel Savino in our office at dsavino@arcanet.org or (916) 446-7961.

Sincerely,

/s/Amy Westling
Executive Director

Cc: Nancy Bargmann, Director, Department of Developmental Services
Dr. Mark Ghaly, Secretary, Health and Human Services Agency

¹ <https://www.sciencedirect.com/science/article/abs/pii/S1936657420300674?via%3DIhub>

² <https://s3.amazonaws.com/media2.fairhealth.org/whitepaper/asset/Risk%20Factors%20for%20COVID-19%20Mortality%20among%20Privately%20Insured%20Patients%20-%20A%20Claims%20Data%20Analysis%20-%20A%20FAIR%20Health%20White%20Paper.pdf>

³ <https://www.upstate.edu/hloa/2020/060520-turk-landes-interview.php>

⁴ https://www.dds.ca.gov/wp-content/uploads/2020/11/DDS_COVID-19_demographics-and-residence_10302020.pdf

⁵ <https://www.latimes.com/projects/california-coronavirus-cases-tracking-outbreak/nursing-homes/>

4. Governors Proposed Budget

On January 8th, Governor Newsom released his proposed budget for FY 21-22, and revisions to the FY 20/21 budget.

- The FY 2020-21 updated Regional Center budget includes \$9.4 billion (\$5.5 billion GF), a net increase of \$56.0 million (\$64.0 million GF) as compared to the Enacted Budget. This includes a projected \$57.4 million increase in Purchase of Services (POS) expenditures. The updated budget also includes a decrease of \$1.5 million in Operations cost.
 - The updated current year caseload projections reflect a net decrease of 8,534 consumers as compared to the Enacted Budget. The decrease is primarily attributed to a reduction in new consumer referrals and a resulting decrease in caseload beginning with the onset of the COVID-19 pandemic.
 - Purchase of Service (POS) Updated POS expenditures reflect a net increase of \$386.9 million (\$319.6 million GF) as compared to the Enacted Budget. The primary driver is the estimated need for additional supports for individuals where they live due to COVID-19 stay-at-home guidelines.
- The FY 2021-22 proposed Regional Center budget includes \$10.0 billion (\$6.1 billion GF), a net increase of \$669.5 million (\$586.6 million GF) as compared to the updated current year. The increase in GF is primarily driven by the assumed December 31, 2021 suspension of the temporary 6.2 percent enhanced Federal

Medical Assistance Percentage (FMAP) authorized by the Families First Coronavirus Response Act.

- Estimated 21/22 population is expected grow to 386,431 or an increase of 28,612 consumers as compared to the updated current year. The increase assumes a return to typical caseload growth subsequent to the decreases in growth related to the COVID-19 pandemic.
- Operations:
 - Caseload- The budget year includes \$815.8 million (\$573.7 million GF) for regional center operations, an increase of \$40.4 million (\$31.2 million GF) as compared to the updated current year budget. The increase is mainly attributed to anticipated caseload growth.
 - Policy- The budget year includes \$124.8 million (\$74.6 million GF) for policies impacting regional center operations, a decrease of \$7.0 million (\$1.7 million GF increase) compared to the updated current year. This decrease is solely due to Medicaid claiming adjustments.
- Purchase of Services (POS) Caseload
 - The budget year includes \$8.0 billion (\$5.0 billion GF) for purchase of services, an increase of \$556.6 million (\$446.5 million GF), or a 7.5 percent increase, as compared to the updated current year. The net increase is primarily due to continued caseload and utilization changes in various budget categories. It should be noted that the impacts of the COVID-19 pandemic on POS expenditures had a significant effect on 'Difference' and 'Percent Change' comparisons to the current year displayed below.

- POS – Policy

- The budget year includes \$1.1 billion (\$449.6 million GF) for policies impacting regional center purchase of services, an increase of \$79.5 million (\$107.3 million GF) as compared to the updated current year.
 - Enhanced Behavioral Support Home (EBSH) with Delayed Egress and Secured Perimeters (DESP): Decrease of \$7.5 million GF adjusts for one-time funding in 2020-21.
 - Electronic Visit Verification Penalty Payment: Increase of \$603,000 GF based on updated expenditure data.
 - Provider Supplemental Rate Increase: Increase of \$18 million (\$14.8 million GF) based on updated expenditure data.
 - SB 3 Minimum Wage Increase, January 1, 2021: Increase of \$105.0 million (\$55.1 million GF) represents full year implementation of the policy and updated expenditures.
 - Uniform Holiday Schedule: Increase of \$3.3 million (\$2.1 million GF) for based on updated expenditure data.
 - COVID-19 Costs: An increase of \$5.0 million (\$1.0 million GF decrease) associated with costs to support consumers diagnosed with, exposed to, or at high risk of COVID-19.
 - Health Facility Rate Increase: Decrease of \$673,000 GF reflects the anticipated end of the temporary rate increase provided by the Department of Health Care Services.

- SB 3 Minimum Wage Increase, January 1, 2022 (New Policy): Increase \$159.2 million (\$83.7 million GF) for increase of the minimum wage from \$14.00 to \$15.00, effective January 1, 2022.
- Youth Returning from Out-of-State Foster Care: Increase of \$900,000 (\$500,000 GF) to support youth in their transition back to California.
- Medicaid Claiming Adjustments: Decrease of \$207.5 million GF as the needed adjustments were completed in the current year.
- Forensic Diversion: Increase of \$3.2 million (\$2.0 million GF) is for a contractor to provide wrap-around services to individuals with IDD.

**DEPARTMENT OF DEVELOPMENTAL SERVICES
2021-2022 Governor's Budget**

Program Highlights
(Dollars in Thousands)

	FY 2020-21*	FY 2021-22*	Difference
Community Services Program			
Regional Centers	<u>\$9,368,590</u>	<u>\$10,038,087</u>	<u>\$669,497</u>
Totals, Community Services	\$9,368,590	\$10,038,087	\$669,497
General Fund	\$5,521,629	\$6,108,245	\$586,616
Program Development Fund (PDF)	837	1,876	1,039
Developmental Disabilities Svs Acct	150	150	0
Federal Trust Fund	54,307	54,307	0
Reimbursements	3,790,927	3,872,769	81,842
Mental Health Services Fund	740	740	0
State Operated Facilities Program			
Personal Services	\$233,958	\$259,253	\$25,295
Operating Expense & Equipment	<u>129,745</u>	<u>84,858</u>	<u>(44,887)</u>
Total, State Operated Facilities	\$363,703	\$344,111	(\$19,592)
General Fund	\$315,616	\$308,947	(\$6,669)
Federal Trust Fund	0	0	0
Lottery Education Fund	126	126	0
Reimbursements	47,961	35,037	(12,924)
Headquarters Support			
Personal Services	\$75,244	\$84,452	\$9,208
Operating Expense & Equipment	<u>32,704</u>	<u>39,105</u>	<u>6,401</u>
Total, Headquarters Support	\$107,948	\$123,557	\$15,609
General Fund	\$65,768	\$73,491	\$7,723
Federal Trust Fund	2,715	2,742	27
PDF	412	413	1
Reimbursements	38,553	46,411	7,858
Mental Health Services Fund	<u>500</u>	<u>500</u>	<u>0</u>
Totals, All Programs	\$9,840,241	\$10,505,755	\$665,514
Total Funding			
General Fund	\$5,903,013	\$6,490,683	\$587,670
Federal Trust Fund	57,022	57,049	27
Lottery Education Fund	126	126	0
PDF	1,249	2,289	1,040
Developmental Disabilities Svs Acct	150	150	0
Reimbursements	3,877,441	3,954,217	76,776
Mental Health Services Fund	<u>1,240</u>	<u>1,240</u>	<u>0</u>
Totals, All Funds	\$9,840,241	\$10,505,755	\$665,514
Caseloads			
State Operated Facilities	302	322	20
Regional Centers	357,819	386,431	28,612
Departmental Positions			
State Operated Facilities	1,953.2	1,985.7	32.5
Headquarters**	516.0	517.0	1.0

*Total Expenditures do not reflect the statewide item for Employee Retention Incentives of \$1.5 million and \$15.7 million in 2020-21. The incentives were added by the 2016 Budget Act and displayed as a Carryover/Re-appropriation in the Governor's Budget Galley. Above figures do not include Capital Outlay.

**Departmental positions are from the Salaries and Wages Schedule Reconciliation.

FY 2020-21

Costs and Fund Sources <i>(Dollars in Thousands)</i>			
	Enacted Budget	FY 2020-21	Difference
Operations	\$908,763	\$907,268	(\$1,495)
Purchase of Services	8,382,779	8,440,225	57,446
Early Start - Other Agency Costs	19,094	19,094	0
Early Start Family Resource Services	2,003	2,003	0
Total Costs	\$9,312,639	\$9,368,590	\$55,591
General Fund (GF)	\$5,457,660	\$5,521,629	\$63,969
<i>GF Match</i>	3,180,149	2,767,145	(413,004)
<i>GF Other</i>	2,277,511	2,754,484	476,973
Reimbursements	3,797,502	3,790,927	(6,575)
Program Development Fund	2,280	837	(1,443)
Developmental Disabilities Services Account	150	150	0
Mental Health Services Fund	740	740	0
Federal Funds	54,307	54,307	0
Fund Sources	\$9,312,639	\$9,368,590	\$55,951

	Enacted Budget	FY 2020-21	Difference
CASELOAD			
Active (Age 3 & Older)	316,153	313,354	(2,799)
Total Early Start (Birth through 35 Months)	50,200	44,465	(5,735)
Total Community Caseload	366,353	357,819	(8,534)

FY 20/21 Purchase of Service

Purchase of Services				
Caseload (Utilization and Growth)				
<i>(Dollars in Thousands)</i>				
	Enacted Budget	FY 2020-21	Difference	Percent Change
Community Care Facilities	\$1,941,646	\$2,175,401	\$233,755	12.0%
Medical Facilities	19,884	22,744	2,860	14.4%
Day Programs	1,177,419	1,184,415	6,996	0.6%
Habilitation	153,169	140,235	(12,934)	(8.4%)
<i>Work Activity Program</i>	27,190	24,537	(2,653)	(9.8%)
<i>Supported Employment Program - Group</i>	81,700	77,617	(4,083)	(5.0%)
<i>Supported Employment Program - Individual</i>	44,279	38,081	(6,198)	(14.0%)
Transportation	414,983	393,945	(21,038)	(5.1%)
Support Services	1,790,612	1,849,308	58,696	3.3%
In-Home Respite	691,796	810,063	118,267	17.1%
Out of Home Respite	53,659	50,463	(3,196)	(6.0%)
Health Care	184,043	186,808	2,765	1.5%
Miscellaneous	595,806	596,544	738	0.1%
Quality Assurance Fees	9,612	9,623	11	0.1%
TOTAL	\$7,032,629	\$7,419,549	\$386,920	5.5%

FY 2021-22

Costs and Fund Sources			
<i>(Dollars in Thousands)</i>			
	FY 2020-21	FY 2021-22	Difference
Operations	\$907,268	\$940,594	\$33,326
Purchase of Services	8,440,225	9,076,396	636,171
Early Start - Other Agency Costs	19,094	19,094	0
Early Start Family Resource Services	2,003	2,003	0
Total Costs	\$9,368,590	\$10,038,087	\$669,497
General Fund (GF)	\$5,521,629	\$6,108,245	\$586,616
<i>GF Match</i>	<i>2,767,145</i>	<i>3,205,542</i>	<i>438,397</i>
<i>GF Other</i>	<i>2,754,484</i>	<i>2,902,703</i>	<i>148,219</i>
Reimbursements	3,790,927	3,872,769	81,842
Program Development Fund	837	1,876	1,039
Developmental Disabilities Services Account	150	150	0
Mental Health Services Fund	740	740	0
Federal Funds	54,307	54,307	0
Fund Sources	\$9,368,590	\$10,038,087	\$669,497

	FY 2020-21	FY 2021-22	Difference
CASELOAD			
Active (Age 3 & Older)	313,354	332,465	19,111
Total Early Start (Birth through 35 Months)	44,465	53,966	9,501
Total Community Caseload	357,819	386,431	28,612

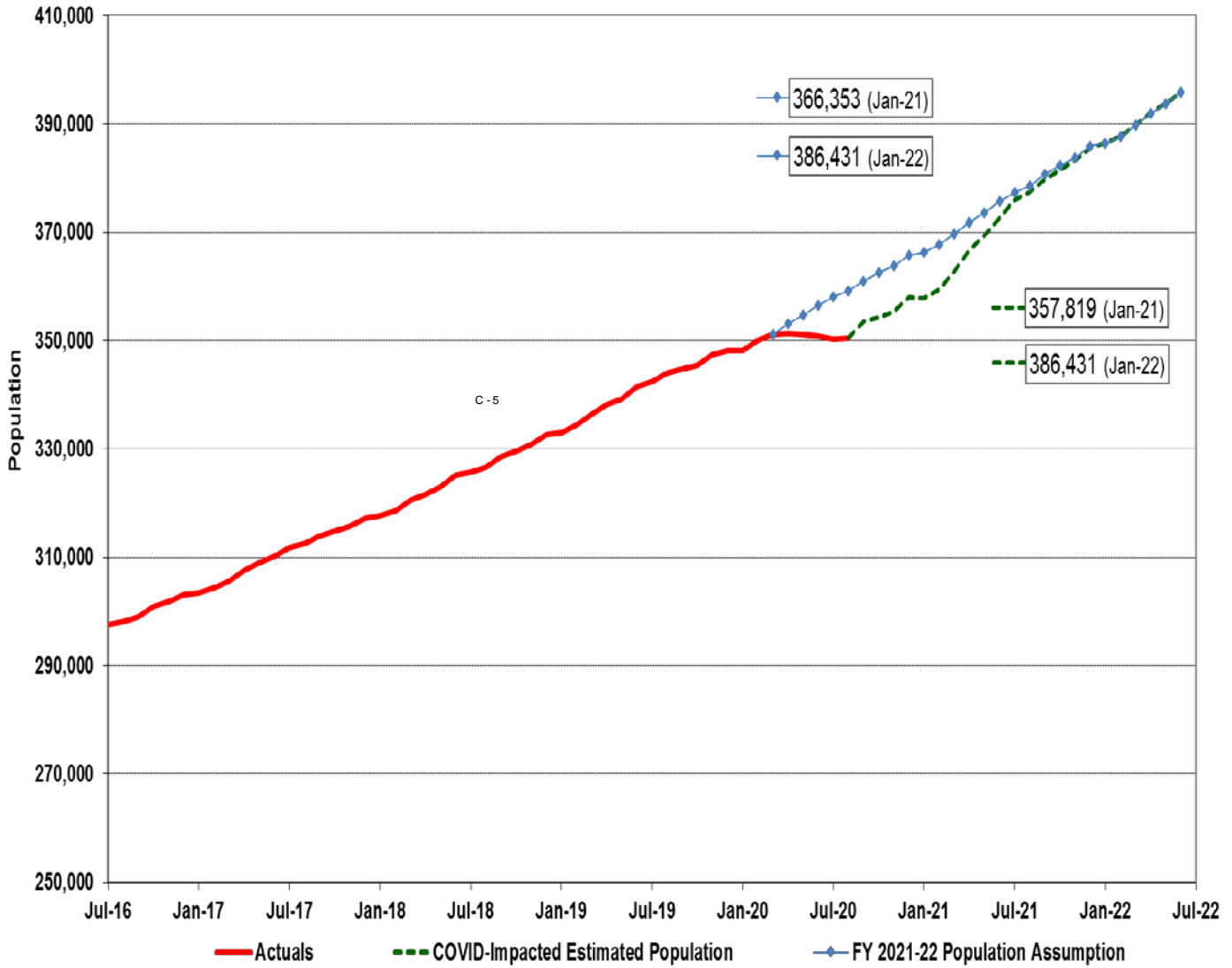
FY 21/22 Purchase of Service

Purchase of Services Caseload (Utilization and Growth) <i>(Dollars in Thousands)</i>				
	FY 2020-21	FY 2021-22	Difference	Percent Change
Community Care Facilities	\$2,175,401	\$2,229,993	\$54,592	2.6%
Medical Facilities	22,744	22,412	(332)	(1.5%)
Day Programs	1,184,415	1,251,147	66,732	5.6%
Habilitation	140,235	141,241	1,006	0.7%
<i>Work Activity Program</i>	24,537	20,281	(4,256)	(17.3%)
<i>Supported Employment Program - Group</i>	77,617	74,064	(3,553)	(4.6%)
<i>Supported Employment Program - Individual</i>	38,081	46,896	8,815	23.1%
Transportation	393,945	419,210	25,265	6.4%
Support Services	1,849,308	2,023,618	174,310	9.4%
In-Home Respite	810,063	928,188	118,125	14.6%
Out of Home Respite	50,463	57,437	6,974	13.8%
Health Care	186,808	254,266	67,458	36.1%
Miscellaneous	596,544	639,047	42,503	7.1%
Quality Assurance Fees	9,623	9,623	0	0.0%
TOTAL	\$7,419,549	\$7,976,182	\$556,633	7.5%

POS – Policy

Policy			
<i>(Dollars in Thousands)</i>			
Purchase of Services (POS)	FY 2020-21	FY 2021-22	Difference
Ongoing Purchase of Services Policy Items	\$46,000	\$46,000	\$0
EBSHs with DESP	7,500	0	(7,500)
Electronic Visit Verification Penalty	5,219	5,822	603
Provider Supplemental Rate Increases POS	436,669	454,634	17,965
SB 3 Minimum Wage Increase: Effective January 1, 2021	93,619	198,626	105,007
Uniform Holiday Schedule	52,639	55,895	3,256
Increased Costs for COVID 19 POS	170,000	175,000	5,000
Health Facility Rate Increase	673	0	(673)
SB 3 Minimum Wage Increase: Effective January 1, 2022	0	159,237	159,237
Youth Returning from Out-of-State Foster Care	900	1,800	900
Medicaid Claiming Adjustments POS	207,457	0	(207,457)
Forensic Diversion	0	3,200	3,200
Total POS Policy	\$1,020,676	\$1,100,214	\$79,538

Population
COMMUNITY POPULATION
 (Active Status and Early Start)
 Client Master File Trend Analysis



Population

FY 2020-21 VS. FY 2021-22

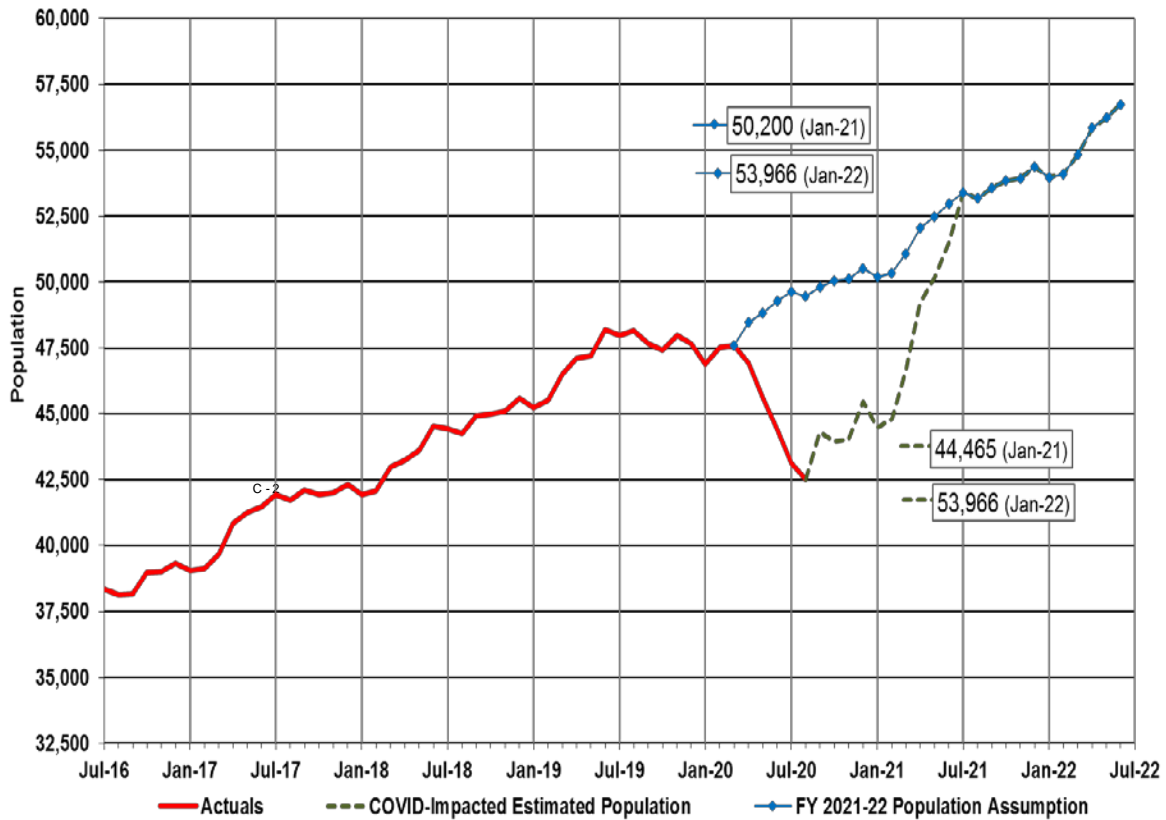
<i>Estimated Population as of January</i>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>Difference</u>	<u>Percent Change</u>
A. Active Status (Age 3 & Older)	313,354	332,465	19,111	6.10%
B. Total Early Start (Birth through 35 Months)	44,465	53,966	9,501	21.37%
C. Total Community Population	357,819	386,431	28,612	8.00%

Population

EARLY START

(Birth through 35 Months)

Client Master File Trend Analysis



5. Purchase of Service Expenditure Data

- The Lanterman Act requires that the California Department of Developmental Services and all Regional Centers compile and distribute information regarding the purchase of regional center services by age, diagnosis, ethnicity, language and living arrangement.
- Annual review of this information is important for monitoring equity and diversity in the authorization of services. The 2019-20 POS Expenditure Report is now posted on our website for public view at http://www.harborrc.org/files/uploads/FY_201920_Expenditures_Report_Intro_FINAL.pdf.
- It is now being analyzed and summarized so that we will have current data to report to our community.
- We look forward to holding our annual community meetings to present the data and to solicit input from those who attend. We are also interested in receiving written input and questions from any who are interested but unable to attend.
- Last year's meetings were held via ZOOM and we had very good attendance. This year we hope to return to in-person meetings for the community meetings. If we are able to return to in-person meetings we will hold 2 meetings - one in Long Beach and the other in Torrance.
 - All meetings will have capacity for interpretation in Spanish. Board members are encouraged to attend to learn more about our POS expenditures.
- Due to the rapidly evolving nature of the Corona Virus Pandemic the date for the Purchases of Service Expenditure public meeting is TBD.

6. Self-Determination Program

HRC has 91 clients eligible for SDP at this time. Of those 91, 14 are actively receiving services through SDP.

Next local advisory committee is scheduled for February 3, 6-8 pm. Zoom links are posted on-line.

Self-Determination Program - Regional Center Report Summary

Summary of Data for Continuing Participants

Updated from December 2020 Reports*

Regional Center Self-Reporting												DDS Informational System
--------------------------------	--	--	--	--	--	--	--	--	--	--	--	--------------------------

SDP Spaces at Each RC	Total Selected	Total Withdrawals (2018 to Date)	Continuing Participants	Number of Continuing Participants Who Completed an Orientation*	Percentage of Continuing Participants Who Completed an Orientation **	Number of Continuing Participants Who Have an Individual Budget Certified*	Percentage of Continuing Participants Who Have an Individual Budget Certified **	Number of Continuing Participants Who Have a Spending Plan Completed*	Percentage of Continuing Participants Who Have a Spending Plan Completed **	Number of Continuing Participants Who Have Obtained an FMS *	Percentage of Continuing Participants Who Have Obtained an FMS **	Number of Participants Receiving Services Through SDP (# from the Pilot)
-----------------------	----------------	----------------------------------	-------------------------	---	---	--	--	---	---	--	---	--

HRC	99	128	37	91	88	97%	26	29%	17	19%	16	18%	16

Statewide Totals	2500	3326	1172	2154	1837	85%	633	29%	447	21%	442	21%	447	72 Pilot Participants
------------------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----------------------

**For the columns that express percentages, the percentage is out of the number of continuing participants.

INTERNAL USE ONLY

7. Performance Contract

At our last Board meeting, Nancy Spiegel presented out 2021 Performance Contract. Subsequent to you approval the Performance Contract was submitted to DDS for final review. On January 5, 2021 we received final approval from DDS.

I just want to take a moment to thank Nancy for doing another great job in putting this year's Performance Contract together.

DEPARTMENT OF DEVELOPMENTAL SERVICES

1600 NINTH STREET, Room 320, MS 3-9
SACRAMENTO, CA 95814
TTY (916) 654-2054 (For the Hearing Impaired)
(916) 654-1958



January 5, 2021

Patrick Ruppe, Executive Director
Harbor Regional Center
21231 Hawthorne Boulevard
Torrance, CA 90503

Dear Mr. Ruppe:

Thank you for submitting Harbor Regional Center's (HRC) year 2021 Performance Contract, which was adopted by the Board of Directors on November 11, 2020. Staff reviewed the performance contract for compliance with applicable statutory provisions and the Department of Developmental Services' (Department) performance contract guidelines dated September 11, 2020. HRC's performance contract for 2021 is approved as submitted. Any revisions to the approved plan must be submitted to the Department in writing.

We appreciate the efforts of your staff and the community's participation in the development of your plan. If you have any questions regarding this letter, please contact Hilda Jimenez, Secondary Regional Center Liaison, Office of Community Operations, at (714) 957-5664, or by email, at hilda.jimenez@dds.ca.gov.

Thank you for your continued cooperation.

Sincerely,

Original signed by:

ERNIE CRUZ
Assistant Deputy Director
Office of Community Operations

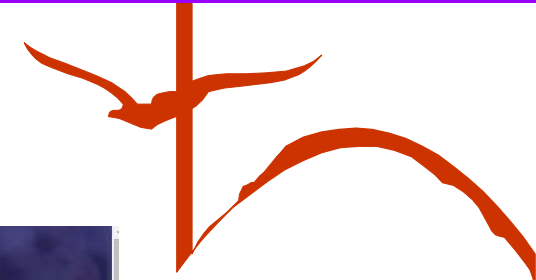
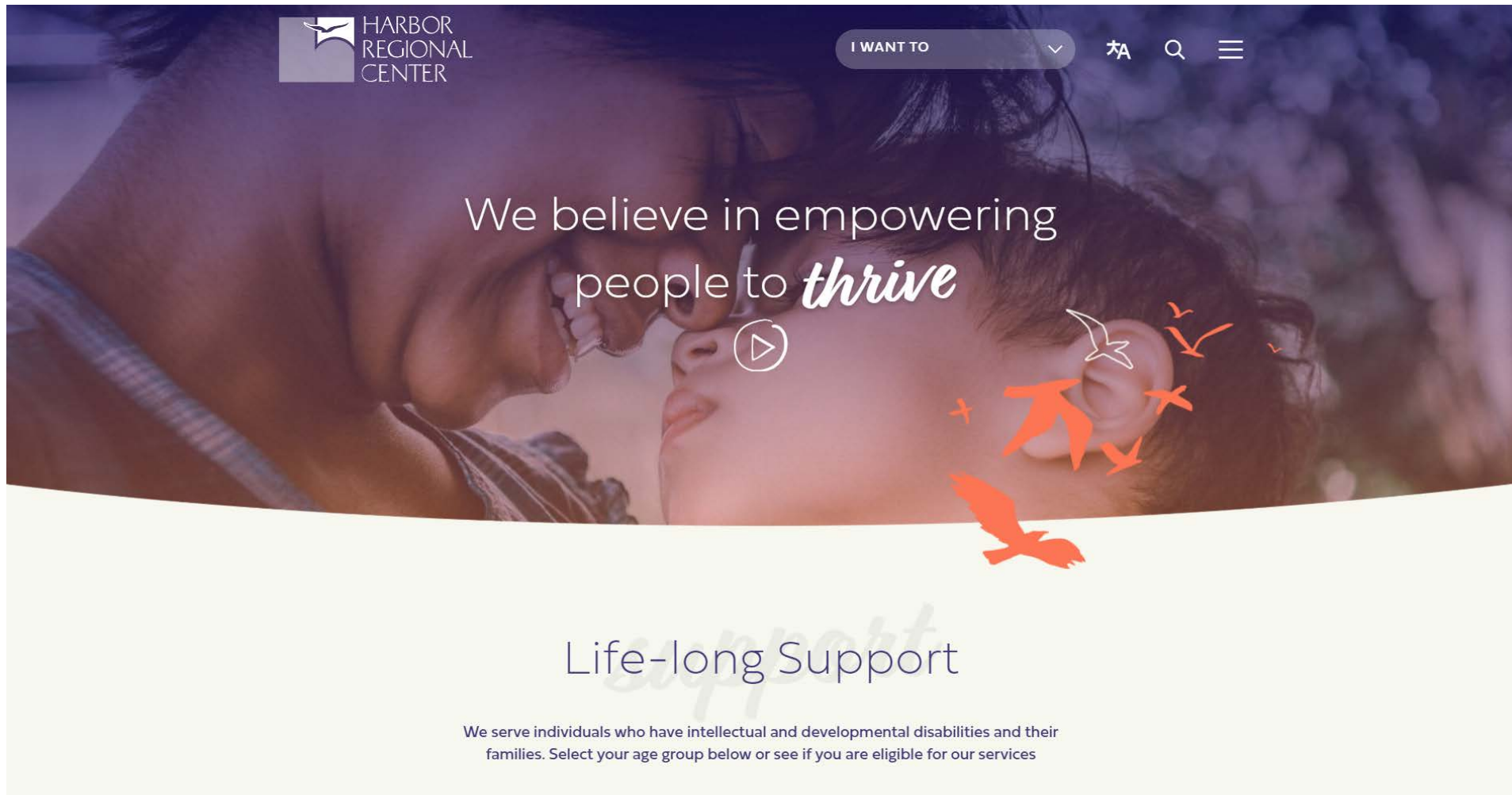
cc: Joseph Czarske, Harbor Developmental Disabilities Foundation, Inc.
Aaron Carruthers, State Council on Developmental Disabilities
Brian Weisel, State Council on Developmental Disabilities
Brian Winfield, Department of Developmental Services
LeeAnn Christian, Department of Developmental Services
Aaron Christian, Department of Developmental Services
Megan Mitchell, Department of Developmental Services
Hilda Jimenez, Department of Developmental Services

“Building Partnerships, Supporting Choices”

8. HRC New Website

We are finally ready to unveil our new website to you this evening. I want to give a big thank you to Nancy Spiegel for all of the work she has put into the development of the website. Nancy will now give us a preview of the new website.

Preview: Our New Website





applying for services

CLIENTS & FAMILIES

Applicants -

Am I Eligible?

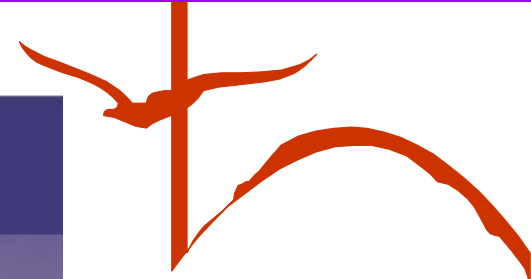
Fees for Services

Early Childhood +

Applicants

Am I Eligible?

Learn more about the
people we serve





CLIENTS & FAMILIES

Applicants +

Early Childhood -

Services

Together from the Start

Child Development
Information

Early Childhood

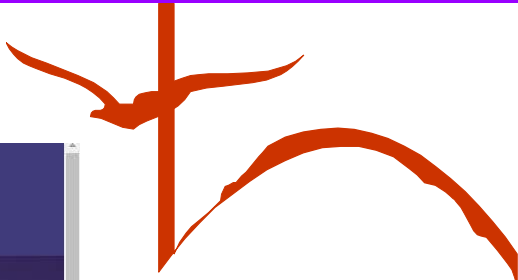
Available Services for Infants & Toddlers

Many times our clients or parents/ family members ask us for information on the services that are available. We have developed this list to provide you with an overview of these



Read our Early Childhood
blog

Visit Our Toy Lending
Library



children

CLIENTS & FAMILIES

Applicants +

Early Childhood +

School-Aged Children -

Services

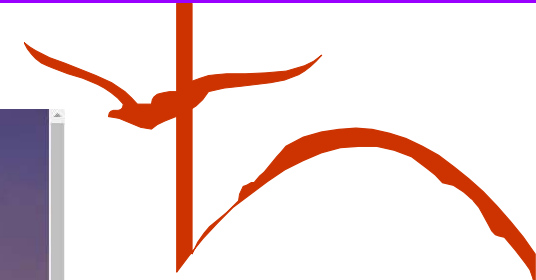
Preparing for Adulthood

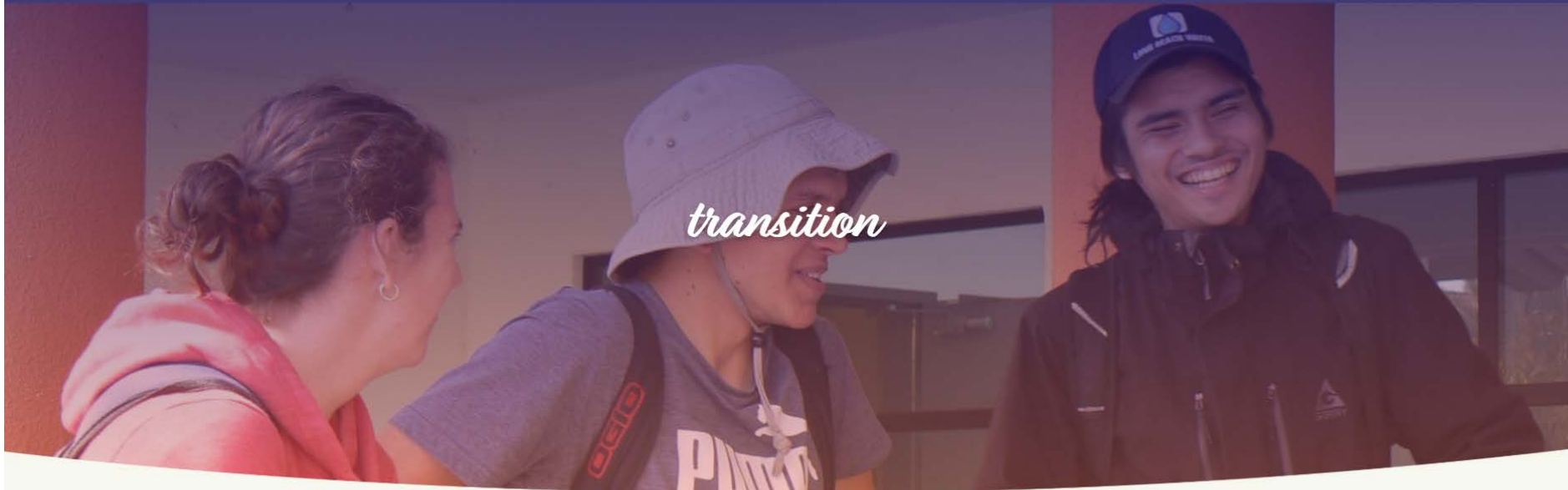
Adults +

School-Aged Children

Available Services for School-Aged Children

Many times our clients or parents/family members ask us for information on the services that are available. We have developed this list to provide you with an overview of these





CLIENTS & FAMILIES

- Applicants +
- Early Childhood +
- School-Aged Children -
- Services
 - Preparing for Adulthood**
- Adults +

Preparing for Adulthood

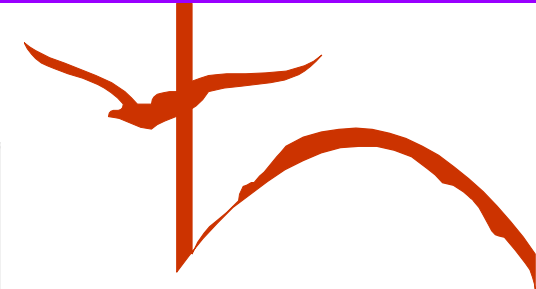
If you or your family member is an adolescent, an important life transition is ahead. The move to adulthood is an exciting time that will provide new opportunities. We encourage you to start thinking about transition by the age of 14, long before...

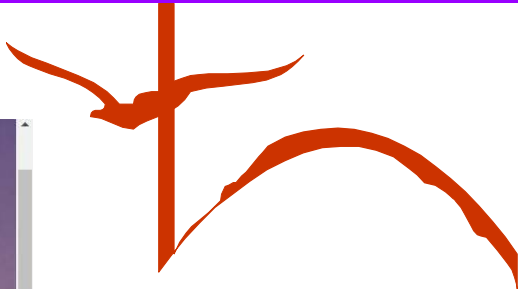


Transition to Adulthood

[Fact Sheet](#)

Where Can You Find Additional Information?





CLIENTS & FAMILIES

- Applicants +
- Early Childhood +
- School-Aged Children +
- Adults** -
- Services
- Employment First
- Living Options +
- Client Advisory Committee +
- Information for Families +

Adults

Welcome from Kelly: Sharing Information for HRC Clients

Hi! I'm Kelly Sutton. I am the Client Advocate for Harbor Regional Center. I hope I will get to meet you when you visit the HRC Resource and Assistive Technology Center.

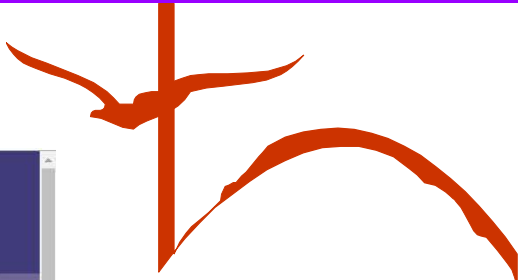


This section of the HRC Website contains information which will be especially of interest to the adult clients served by HRC, and their family and friends.

Stay Safe and Healthy:
DDS Safety Net

Watch videos of
Frequently Asked
Questions

Expressing Himself:
Adriana



CLIENTS & FAMILIES

- Applicants +
- Early Childhood +
- School-Aged Children +
- Adults +
- Information for Families** -
- Support for Families

Information for Families

In this section, learn how your Service Coordinator provides support for you and your family member, and about individualized person-centered planning for your future.

Learn about how behavioral services, respite care services, and



[View the full training and events calendar](#)

[Your Service Coordinator](#)



para familias

CLIENTS & FAMILIES

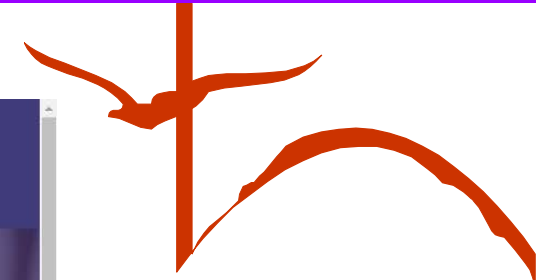
- Applicants +
- Early Childhood +
- School-Aged Children +
- Adults +
- Information for Families +
- Informacion Para Padres**

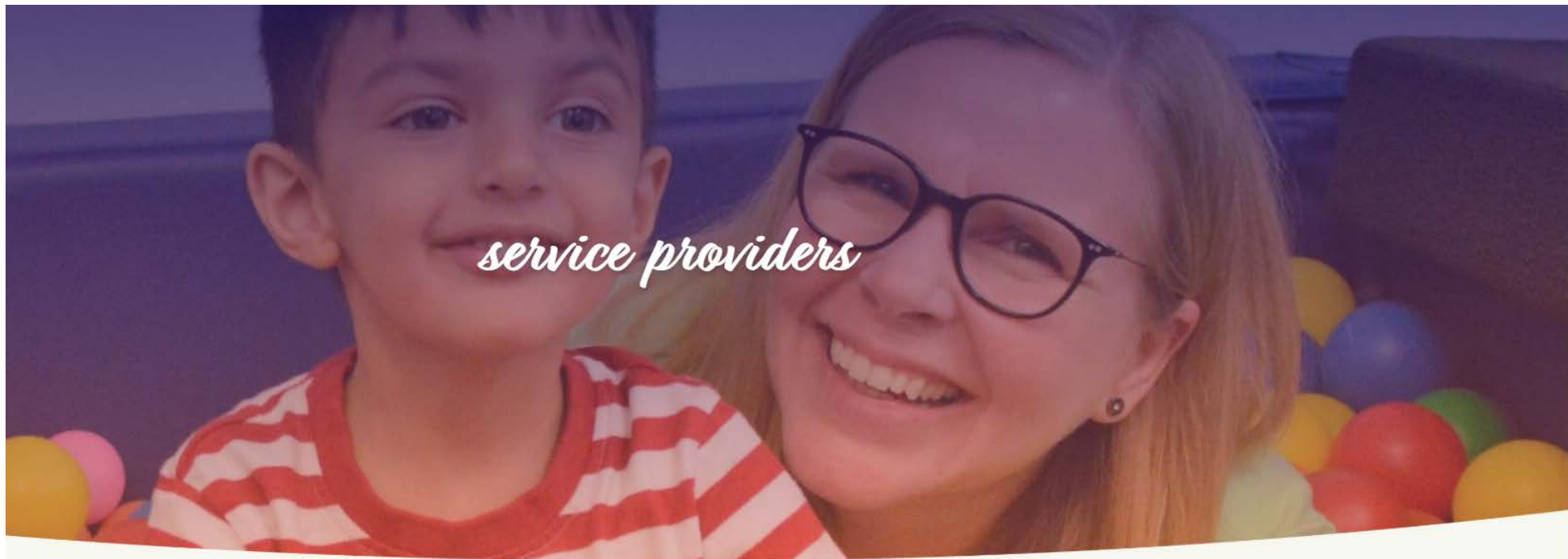
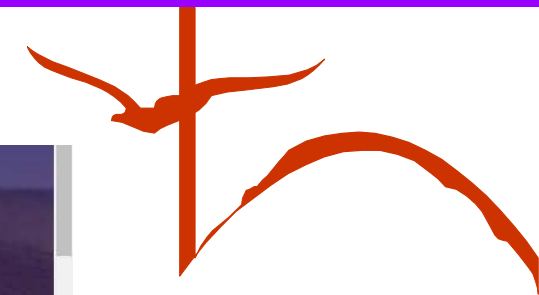
Informacion Para Padres

En Espanol

Consulte esta página para obtener información, recursos y publicaciones, especialmente para aquellos que hablan español.

Para nuestros clientes y familias





SERVICE PROVIDERS

- Service Categories +
- Current Providers +
- Become a Provider

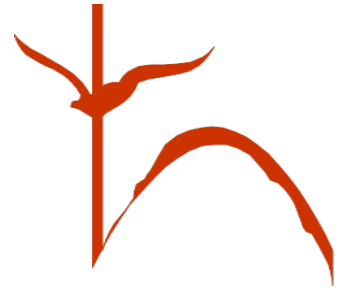
Service Providers

This section of our website is designed to provide current information for our community of service providers, as well as for those who are interested in becoming service providers.

HRC seeks out service providers who possess the valuable and essential



[Directory](#)



COMMITTEE REPORTS

- | | |
|------------------------------|------------------|
| • ARCA | Joe Czarske |
| • Audit Committee* | LaVelle Gates |
| • Board Development | Ron Bergmann |
| • Board Planning | No Report |
| • Client Advisory | No Report |
| • Community Relations | No Report |
| • Self-Determination | Antoinette Perez |
| • Service Provider Relations | No Report |
| • Retirement | No Report |

*Indicates action required

**Harbor Regional Center
Audit Committee Meeting**

December 9, 2020

Meeting Minutes

In attendance: LaVelle Gates (Chair), Paul Quiroz, Ann Lee, Judy Wada, Ute Czemmell, Tes Castillo, Kristel Maikranz (AGT), and Randal Burris (AGT)

Minutes:

The Audit Committee held a meeting on December 9, 2020 at 11:00 am via Zoom.

Fiscal Year 2019-20 Audit

Kristel Maikranz from AGT presented the committee with the draft report to the Board and audited financial statements for the Fiscal Year 2019-20. The committee reviewed the Schedule of Findings and Questioned Costs. Kristel reported that AGT will be issuing an unmodified opinion on the financial statement audit. AGT will also be issuing an unmodified opinion on the compliance audit relating to the major federal program. There were no material weaknesses identified and no significant deficiencies reported. This is the highest level of assurance that can be given.

The committee reviewed a copy of a comparison of the statement of functional expenses for Fiscal Years 2018-19 and 2019-20.

Following a discussion among the committee members and AGT, the committee approved the draft financial statements as presented. Judy will present the financial statements to the Executive Committee on January 5, 2021, and AGT will present the financial statements to the Board on January 19, 2021. Preparation of the tax return will then take place for submission prior to the May 15, 2021 deadline.

Follow Up Meeting

On December 29, 2020 at 10:00 am, the Audit Committee held a subsequent meeting via Zoom. LaVelle Gates, Ann Lee, HRC staff, and AGT were in attendance. An item that was inadvertently overlooked in the previous meeting was discussed. AGT confirmed that there is no change to the report or opinion.

jnw

**Harbor Developmental Disabilities
Foundation, Inc.**

Torrance, California

REPORT TO THE BOARD OF TRUSTEES

June 30, 2020

DRAFT

To the Board of Trustees
Harbor Developmental Disabilities Foundation, Inc.
Torrance, California

We have audited the financial statements of Harbor Developmental Disabilities Foundation, Inc. dba Harbor Regional Center, a California nonprofit corporation (the Foundation), as of and for the year ended June 30, 2020, and have issued our report thereon dated **DATE**. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 30, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Foundation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Safeguards have been implemented to reduce the threats on our independence. These safeguards include continuing education related to independence and ethics requirements; external peer review of our firm's quality control system; our firm's internal policies and procedures which are designed to monitor compliance with the independence requirements; and, the involvement of another firm member who is responsible for completing an independent technical review of the financial statements.

Qualitative Aspects of the Organization's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Foundation is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year the Foundation adopted ASU 2018-08, Topic 605. The update addressed whether a grant, contract, or agreement is a contribution or an exchange transaction based on whether the Foundation is receiving commensurate value in return. The adoption of the ASU had no material effect on previously reported net assets. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements was the estimate of receivables.

Management's estimate of the receivables is based on management's historical experience. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Foundation's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain representations from management that are included in the management representation letter dated **DATE**.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Foundation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the Foundation, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Foundation's auditors.

This report is intended solely for the information and use of the Board of Directors and management of Harbor Developmental Disabilities Foundation, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

DATE

AGT CPAs & Advisors
Redding, California

DRAFT

DRAFT

**Harbor Developmental Disabilities
Foundation**

Torrance, California

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITORS' REPORTS

June 30, 2020 and 2019

Harbor Developmental Disabilities Foundation

TABLE OF CONTENTS
June 30, 2020 and 2019

	<u>Page Number</u>
Independent Auditors' Report	1
FINANCIAL SECTION	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to the Financial Statements	9
SUPPLEMENTARY INFORMATION SECTION	
Schedule of Expenditures of Federal Awards	21
OTHER REPORTS SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	23
Independent Auditors' Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance in Accordance With the Uniform Guidance	25
FINDINGS AND RECOMMENDATIONS SECTION	
Schedule of Findings and Questioned Costs	29
Summary Schedule of Prior Audit Findings	30

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Harbor Developmental Disabilities Foundation
Torrance, California

Report on the Financial Statements

We have audited the accompanying financial statements of Harbor Developmental Disabilities Foundation dba Harbor Regional Center, a California nonprofit corporation (the Foundation), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **DATE**, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

DATE

AGT CPAs & Advisors
Redding, California

DRAFT

FINANCIAL SECTION

Harbor Developmental Disabilities Foundation

STATEMENTS OF FINANCIAL POSITION

June 30,	2020	2019
ASSETS		
Cash and cash equivalents	\$ 17,917,077	\$ 9,443,641
Cash-client trust funds (Note 4)	518,640	774,912
Corporate bonds	100,939	125,000
Net receivable - State Regional Center contracts (Note 5)	5,609,482	8,060,391
Receivable - Intermediate Care Facility providers	2,248,341	1,921,230
Prepaid expenses	597,103	669,842
Other assets	124,570	85,800
Due from State - accrued vacation leave benefits	1,319,008	1,221,993
Due from State - deferred rent	12,314,229	12,119,189
TOTAL ASSETS	\$ 40,749,389	\$ 34,421,998
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 25,339,799	\$ 19,391,769
Accrued and other liabilities	1,036,940	728,570
Accrued vacation leave benefits	1,319,008	1,221,993
Deferred rent	12,314,229	12,119,189
Unexpended client trust funds	518,640	774,912
Total Liabilities	40,528,616	34,236,433
Net Assets		
Without donor restrictions	220,773	185,565
Total Net Assets	220,773	185,565
TOTAL LIABILITIES AND NET ASSETS	\$ 40,749,389	\$ 34,421,998

The accompanying notes are an integral part of these financial statements.

Harbor Developmental Disabilities Foundation

STATEMENTS OF ACTIVITIES

Years Ended June 30	2020	2019
SUPPORT AND REVENUE		
State Regional Center contracts	\$ 256,001,790	\$ 236,259,999
Intermediate Care Facility supplemental services income	3,503,042	3,654,952
Intermediate Care Facility administrative fee	47,598	53,419
Interest income	252,591	156,161
Donations and other income	345,029	308,650
Total Support and Revenue	260,150,050	240,433,181
EXPENSES		
Program services:		
Client services	257,182,815	237,707,847
Supporting services:		
General and administrative	2,932,027	2,705,445
Total Expenses	260,114,842	240,413,292
Changes in Net Assets Without Donor Restrictions	35,208	19,889
Net Assets - Without Donor Restrictions - Beginning of Year	185,565	165,676
Net Assets - Without Donor Restrictions - End of Year	\$ 220,773	\$ 185,565

The accompanying notes are an integral part of these financial statements.

Harbor Developmental Disabilities Foundation

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2020	Program	Supporting	Total
	Services	Services	
	Client	General and	Expenses
	Services	Administrative	
Salaries and Related Expenses			
Salaries	\$ 18,382,373	\$ 1,398,259	\$ 19,780,632
Employee health and retirement benefits	4,890,954	372,031	5,262,985
Payroll taxes	225,971	17,189	243,160
Total Salaries and Related Expenses	23,499,298	1,787,479	25,286,777
Purchase of services:			
Residential care facilities	92,768,230	-	92,768,230
Day program	68,947,290	-	68,947,290
Other purchased services	63,891,568	-	63,891,568
Facility rent	4,118,579	670,542	4,789,121
Equipment and facility maintenance	1,802,750	137,127	1,939,877
Equipment purchases	166,075	12,633	178,708
General expenses	701,816	53,384	755,200
Communication	406,466	30,918	437,384
Contract/consulting services	346,634	26,367	373,001
Office expenses	221,536	16,851	238,387
Travel	96,054	7,306	103,360
Printing	109,436	8,324	117,760
Insurance	107,083	62,062	169,145
Legal fees	-	58,212	58,212
Accounting fees	-	54,600	54,600
Board expenses	-	6,222	6,222
Total	\$ 257,182,815	\$ 2,932,027	\$ 260,114,842

The accompanying notes are an integral part of these financial statements.

**Harbor Developmental Disabilities
Foundation**

STATEMENTS OF FUNCTIONAL EXPENSES
(Continued)

Year Ended June 30, 2019	Program Services	Supporting Services	Total Expenses
	Client Services	General and Administrative	
Salaries and Related Expenses			
Salaries	\$ 17,463,048	\$ 1,269,280	\$ 18,732,328
Employee health and retirement benefits	4,664,345	339,022	5,003,367
Payroll taxes	249,966	18,169	268,135
Total Salaries and Related Expenses	22,377,359	1,626,471	24,003,830
Purchase of services:			
Residential care facilities	81,717,222	-	81,717,222
Day program	63,365,760	-	63,365,760
Other purchased services	62,404,403	-	62,404,403
Facility rent	3,997,245	594,272	4,591,517
Equipment and facility maintenance	1,352,595	98,312	1,450,907
Equipment purchases	669,953	48,695	718,648
General expenses	508,965	36,994	545,959
Communication	393,531	28,603	422,134
Contract/consulting services	384,608	27,955	412,563
Office expenses	231,448	16,823	248,271
Travel	122,855	8,930	131,785
Printing	103,663	7,535	111,198
Insurance	78,240	25,145	103,385
Legal fees	-	114,823	114,823
Accounting fees	-	56,000	56,000
Board expenses	-	14,887	14,887
Total	\$ 237,707,847	\$ 2,705,445	\$ 240,413,292

The accompanying notes are an integral part of these financial statements.

Harbor Developmental Disabilities Foundation

STATEMENTS OF CASH FLOWS

Years Ended June 30	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 35,208	\$ 19,889
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in:		
Net receivable - State Regional Center contracts	2,450,909	(3,455,602)
Receivable - Intermediate Care Facility providers	(327,111)	(48,582)
Prepaid expenses	72,739	(74,083)
Other assets	(38,770)	(19,232)
Increase (decrease) in:		
Accounts payable	5,948,030	1,445,411
Accrued and other liabilities	308,370	72,312
Unexpended client trust funds	(256,272)	(59,088)
Net Cash Provided (Used) By Operating Activities	8,193,103	(2,118,975)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	24,061	-
Net Cash Provided (Used) By Investing Activities	24,061	-
Net Increase (Decrease) in Cash and Cash Equivalents	8,217,164	(2,118,975)
Cash and Cash Equivalents - Beginning of Year	10,218,553	12,337,528
Cash and Cash Equivalents - End of Year	\$ 18,435,717	\$ 10,218,553
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	\$ 17,917,077	\$ 9,443,641
Cash client trust funds	518,640	774,912
Total Cash and Cash Equivalents	\$ 18,435,717	\$ 10,218,553
SCHEDULE OF NONCASH		
Increase in due from state - accrued vacation leave	\$ (97,015)	\$ (61,483)
Increase in due from state - deferred rent benefits	(195,040)	(1,013,567)
Increase in accrued vacation leave benefits	97,015	61,483
Increase in deferred rent	195,040	1,013,567
Total	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Harbor Developmental Disabilities

Foundation

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities Harbor Developmental Disabilities Foundation (the Foundation), doing business as Harbor Regional Center, was incorporated on May 3, 1977, as a California nonprofit corporation for the purpose of operating Harbor Regional Center and related activities. Prior to incorporation, the Foundation was operated by a medical association. The Foundation was organized in accordance with the provisions of the Lanterman Developmental Disabilities Services Act (the Act) of the Welfare and Institutions Code of the State of California. In accordance with the Act, the Foundation provides diagnostic evaluations, client service coordination, and lifelong planning services for persons with developmental disabilities and their families. The areas served include the Los Angeles County Health Districts of Bellflower, Harbor, Long Beach, and Torrance.

The Act includes governance provisions regarding the composition of the Foundation's board of trustees. The Act states that the board shall be comprised of individuals with demonstrated interest in, or knowledge of, developmental disabilities, and other relevant characteristics, and requires that a minimum of 50% of the governing board be persons with developmental disabilities or their parents or legal guardians; and that no less than 25% of the members of the governing board shall be persons with developmental disabilities. In addition, a member of a required advisory committee, composed of persons representing the various categories of providers from which the Foundation purchases client services, shall serve as a member of the regional center board. To comply with the Act, the Foundation's board of trustees includes persons with developmental disabilities, or their parents or legal guardians, who receive services from the Foundation and a client service provider of the Foundation.

The Foundation contracts with the State of California Department of Developmental Services (DDS) to operate a regional center for individuals with developmental disabilities and their families. The maximum expenditures under the contract are limited to the contract amount plus interest earned and other income. The Center is required to maintain records in accordance with the Regional Center Master Contract.

In the event the DDS finds that any regional center, including Harbor Regional Center, is not fulfilling its contractual obligations, the DDS may make reasonable efforts to resolve the matter with the regional center or to renegotiate its contract with the center. If the DDS determines that all efforts to resolve the matter have been unsuccessful it may initiate specified procedures pursuant to California Welfare & Institutions Code §4635 to terminate its contract with the regional center. If necessary, to avoid disruption of the service program, the DDS may, pursuant to California Welfare & Institutions Code §4636, directly operate a regional center during the interim period between the termination of its contract with one governing board and the assumption of operating responsibility by a regional center contract with another governing board.

Basis of Accounting The accompanying financial statements have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred. Reimbursements from the State are considered earned when a qualifying expense is incurred.

Harbor Developmental Disabilities

Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Financial Statement Presentation The Foundation's financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Under FASB ASC Topic 958, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets based upon the existence or absence of donor-imposed restrictions, as follows:

Net Assets Without Donor Restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. As of June 30, 2020 and 2019, the Foundation has no net assets with donor restrictions.

Cash and Cash Equivalents For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. In accordance with the State Regional Center contracts, bank accounts are in the name of both DDS and the Foundation.

Significant Concentrations of Credit Risk The Foundation maintains substantially all of its cash and temporary cash investments at one financial institution. Accounts at the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times the Foundation's cash balances may exceed federally insured limits. Therefore, the Foundation began to utilize the Insured Cash Sweep (ICS) service provided through the financial institution. The ICS service places excess funds into demand deposit accounts at various ICS Network member institutions in increments below the FDIC insurance maximum of \$250,000. The Foundation has not experienced any loss and management believes it is not exposed to any significant risk on such accounts.

Corporate Bonds The Foundation accounts for corporate bonds at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards have established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (level 3 measurements).

Harbor Developmental Disabilities

Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted market prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Corporate bonds are financial instruments that are measured at fair value on a recurring basis in the accompanying statements of financial position. Corporate bonds are generally valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available to comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit or liquidity. Therefore, the corporate bonds are classified within level 2 of the fair value hierarchy.

The Foundation held \$100,939 and \$125,000 at June 30, 2020 and 2019, respectively, in corporate bonds.

Receivable - Intermediate Care Facility Providers The Centers for Medicare and Medicaid Services (CMS) approved federal financial participation in the funding of day and related transportation services purchased by the Foundation for clients who reside in Intermediate Care Facilities (ICFs). CMS agreed that the day and related transportation services are part of the ICF service. Accordingly, all the Medicaid funding for the ICF residents must go through the applicable ICF provider. The Foundation receives a 1.5% administrative fee based on the funds received to cover the additional workload.

DDS has directed the Foundation to prepare billings for these services on behalf of the ICF's and submit a separate state claim report for these services. The Foundation was directed to reduce the amount of its regular state claim to DDS by the dollar amount of these services. Reimbursement for these services will be received from ICFs. DDS advances the amount according to the state claim to the ICFs. The ICFs are then required to pass on the payments received, as well as the Foundation's administrative fee, to the Foundation within 30 days of receipt of funds from the State Controller's Office.

Prepaid Expenses Payments made to vendors for services that will benefit the Foundation for periods beyond the current fiscal year are recorded as prepaid expenses.

Harbor Developmental Disabilities

Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Equipment Purchases In accordance with the State Regional Center contracts, all equipment purchased with contract funds is the property of the State. The Foundation is required to maintain memorandum records of equipment purchases and dispositions. Equipment purchases are recorded as supporting or program service expenses when they are incurred. The cost basis of the property utilized by the Foundation and owned by the State was \$1,747,745 and \$1,891,248 at June 30, 2020 and 2019, respectively. These balances include only the equipment that is sensitive or exceeds \$5,000 as required by System Award Management (SAM) guidelines.

Accrued Vacation Leave Benefits The Foundation has accrued a liability for vacation leave benefits earned. However, such benefits are reimbursed under the state contract only when actually paid. The Foundation has also recorded a receivable from the state for the accrued leave benefits to reflect the future reimbursement of such benefits.

Deferred Rent The Foundation leases office facilities under lease agreements that are subject to scheduled acceleration of rental payments. The scheduled rent increases are amortized evenly over the life of the lease. The deferred rent liability represents the difference between the cash payments made and the amount expensed since inception of the lease. The Foundation has recorded a receivable from the state to offset the deferred rent liability.

Unexpended Client Trust Funds The Foundation assumes a fiduciary relationship with certain clients who receive funds from private and governmental sources, including the Social Security Administration and Veterans Administration. These funds are used primarily to offset clients' out-of-home placement and living costs. These funds are held in a separate bank account and interest earnings are credited to the clients' balances.

Revenue and Revenue Recognition The Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

A significant portion of the Foundation's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported with state contract receivables as Net receivable – State Regional Center contracts on the statement of financial position. The Foundation received cost-reimbursable grants of \$64,686,264 that have not been recognized in revenue at June 30, 2020, because qualifying expenditures have not yet been incurred, with an advance payment of \$64,686,264. The advance payment is netted against state contract receivables of \$70,295,746 and recognized in the statement of financial position as Net receivable – State Regional Center contracts of \$5,609,482.

Revenue Concentration State Regional Center contract revenue is revenue received from the State in accordance with the Lanterman Act. 98% of the Foundation's revenue is derived from this source.

Harbor Developmental Disabilities

Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Allocation of Expenses The statement of functional expenses allocates expenses for all funds to the program and supporting service categories based on a direct cost basis for purchase of services and salaries and related expenses. Operating expenses are allocated based on a percentage of salaries and related expenses per category to total salaries and related expenses, except for certain expenses that are designated as program or supporting services.

Income Taxes The Foundation has received tax-exempt status under Section 501(c)(3) of the *Internal Revenue Code*, and Section 23701(d) of the *California Revenue and Taxation Code*, and has been classified as an organization that is not a private foundation under Section 509(a) of the *Internal Revenue Code*. Accordingly, no provision for income taxes is included in the financial statements.

The Foundation accounts for income taxes in accordance with FASB ASC 740, *Income Taxes*, which clarifies the accounting for uncertainty in income taxes and how an uncertain tax position is recognized in financial statements. The Foundation analyzes tax positions taken in previously filed returns and tax positions expected to be taken in future returns. Based on this analysis, a liability is recorded if uncertain tax benefits have been received. The Foundation's practice is to recognize interest and penalties, if any, related to uncertain tax positions in the tax expense. There were no uncertain tax positions identified or related interest and penalties recorded as of June 30, 2020 and 2019, and the Foundation does not expect this to change significantly over the next 12 months.

Concentration of Labor The Foundation retains approximately 80% of its labor force through Social Services Union, Local 721, Services Employees International Union. This labor force is subject to collective bargaining agreements and, as such, renegotiation of such agreements could expose the Foundation to an increase in hourly costs and work stoppages. In September 2016, negotiations concluded between the Foundation and the Social Services Union, Local 721, Services Employees International Union, extending the current agreements to September 30, 2021.

Use of Estimates and Assumptions The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Recently Issued Accounting Pronouncements In May 2014 the FASB issued a new standard on revenue recognition, ASU 2014-09, *Revenue from Contracts with Customers*, with the intent of creating a new, principle-based revenue recognition framework. The ASU creates a new topic in the FASB Accounting Standards Codification, Topic 606, in addition to superseding and replacing nearly all existing U.S. GAAP revenue recognition guidance. The main provisions of the ASU are:

1. Establish a new control-based revenue recognition model.
2. Changes the basis for deciding when revenue is recognized over time or at a point in time.
3. Provides new and more detailed guidance on specific topics.
4. Expands and improves disclosures about revenue.

Harbor Developmental Disabilities

Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

In May 2020, the FASB issued ASU 2020-05, which delayed the effective date of the standard to fiscal years beginning after December 15, 2019. Management is currently evaluating the impact of this ASU on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the consolidated statement of activities. The effective date for this standard has been delayed to annual reporting periods beginning after December 15, 2021. Management is currently evaluating the impact of this standard on its financial statements.

Change in Accounting Principle On June 21, 2018, FASB issued Accounting Standard Update (ASU) 2018-08, Not-for-Profit Entities (Topic 605) – *Clarifying the Scope and the Accounting guidance for Contributions received and Contributions Made*. The update addresses whether a grant, contract, or agreement is a contribution or an exchange transaction based on whether the Foundation is receiving commensurate value in return. If commensurate value is received by the contributor, it is accounted for as an exchange transaction. If commensurate value is not received by the contributor, it is accounted for as a contribution. The Foundation has implemented ASU 2018-08 and has adjusted the presentation in these financial statements accordingly. The ASU had no material effect on previously reported net assets.

Subsequent Events Management has evaluated subsequent events through **DATE**, the date on which the financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic that continues to spread throughout the United States. The Foundation has been able to continue operations and provide services to individuals with developmental disabilities and their families. The extent to which COVID-19 will impact the Foundation's financial condition or result of operations depends on their ability to continue to receive funding for services provided.

Harbor Developmental Disabilities

Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

June 30	2020	2019
Cash and cash equivalents	\$ 17,917,077	\$ 9,443,641
Net Receivable - State Regional Center contracts	5,609,482	8,060,391
Receivable - Intermediate Care Facilities	2,248,341	1,921,230
Total	\$ 25,774,900	\$ 19,425,262

Each regional center submits a monthly purchase of service expenditure projection to DDS, beginning in December of each fiscal year. By February 1st of each year, DDS shall allocate to all regional centers no less than 100% of the enacted budget for Operations and 99% of the enacted budget for Purchase of Service. To do this, it may be necessary to amend the Foundation's contract in order to allocate funds made available from budget augmentations and to move funds among regional centers. In the event that DDS determines that a regional center has insufficient funds to meet its contractual obligations, DDS shall make best efforts to secure additional funds and/or provide the regional center with regulatory and statutory relief. The contract with DDS allows for adjustments to the Foundation's allocations and for the payment of claims up to two years after the close of each fiscal year.

In addition, the Foundation maintains a revolving note (Note 6) to manage cash flow requirements as needed should there be delays in reimbursement for expenditures from DDS.

3. FUNDING LIMITS

The Foundation contracts with DDS to operate a regional center to provide services and support for individuals with developmental disabilities and their families. Contracts are open for the current and two prior fiscal years as follows:

Fiscal Years Ended	Contract Amount	Cumulative Expenses	Unexpended Balance
June 30, 2020	\$ 262,075,687	\$ 251,163,634	\$ 10,912,053
June 30, 2019	\$ 233,376,794	\$ 229,880,384	\$ 3,496,410
June 30, 2018	\$ 214,621,256	\$ 212,993,330	\$ 1,627,926

Management monitors the unexpended balance annually to avoid overspending the contract limits. A majority of the unexpended balance is related to purchase of service for client services and this amount could change due to delinquent billings. Management believes that total expenditures for each open year will not exceed the final approved State contract amount.

Harbor Developmental Disabilities Foundation

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. CASH – CLIENT TRUST FUNDS

The Foundation functions as custodian for the receipt of certain governmental payments and resulting disbursements made on behalf of the Foundation's clients. These cash balances are segregated from the operating cash accounts of the Foundation and are restricted for client support. Since the Foundation is acting as an agent in processing these transactions, no revenue or expense is reflected on the accompanying statement of activities.

The following is a summary of operating cash activity for the year ended June 30, 2020 and 2019:

Years Ended June 30	2020	2019
Social security and other client support received	\$ 3,139,692	\$ 6,198,019
Residential care and other disbursements	3,459,746	6,198,012
Support Over (Under) Disbursements	(320,054)	7
Changes to reconcile support under disbursements to net cash used in support and care activities:		
(Decrease) increase in receivable from state and federal agenc	64,761	(98,747)
Increase (decrease) in amounts due to the Foundation	(979)	39,652
Subtotal	63,782	(59,095)
Net Cash Provided for (Used In) Support and Care Activities	(256,272)	(59,088)
Cash - Client Trust Funds - Beginning of Year	774,912	834,000
Cash - Client Trust Funds - End of Year	\$ 518,640	\$ 774,912

5. NET RECEIVABLE – STATE REGIONAL CENTER CONTRACTS

Contracts receivable represent amounts due from the State for reimbursement of expenditures made by the Foundation under the annual Regional Center contracts. Advances represent cash advances received by the Foundation under the annual Regional Center contracts. Amounts receivable from the State are offset against advances payable when the State notifies the Foundation that a right of offset exists.

Years Ended June 30	2020	2019
Contracts receivable	\$ 70,295,746	\$ 64,401,022
Less: Contract advances	(64,686,264)	(56,340,631)
Net Receivable - State Regional Center Contracts	\$ 5,609,482	\$ 8,060,391

The Foundation considers all amounts receivable under grant contracts to be collectible; accordingly, no allowance for doubtful accounts exists.

Harbor Developmental Disabilities Foundation

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. SHORT-TERM BORROWINGS

The Foundation began the year with a \$36,000,000 line of credit with City National Bank, secured by an interest in all personal property and assets of the Foundation. On January 31, 2020 the Foundation entered into a new line of credit agreement with Opus bank for \$38,000,000. Interest on the outstanding balance is payable monthly at the greater of 2.25% or the LIBOR rate plus one percent (+1.0%), which was 1.16% at June 30, 2020. The line of credit expired June 30, 2020, and was subsequently renewed through June 30, 2021, with a limit of \$41,000,000. No amount was drawn during the fiscal years ended June 30, 2020 and 2019, nor was any amount outstanding on the line of credit as of June 30, 2020 and 2019.

7. LEASE COMMITMENTS

The Foundation is obligated under operating leases for facilities and equipment with expiration dates through November 30, 2039. The facility leases generally require the lessee to pay all maintenance, insurance, and other operating expenses, and are subject to periodic adjustment based on price indexes or contract stipulated annual rate increases.

Future minimum payments under these leases are as follows:

Years Ending June 30	Del Harbor	Other Facility	Equipment	Less: Expected Sublease Income	Total
2021	\$ 3,236,641	\$ 1,324,696	\$ 177,512	\$ (190,951)	\$ 4,547,898
2022	3,273,406	1,364,369	175,698	(33,326)	4,780,147
2023	3,310,989	1,405,393	175,093	-	4,891,475
2024	3,349,413	1,447,603	29,182	-	4,826,198
2025	3,388,701	1,491,000	-	-	4,879,701
Thereafter	51,097,568	27,190,671	-	-	78,288,239
Total	\$ 67,656,718	\$ 34,223,732	\$ 557,485	\$ (224,277)	\$ 102,213,658

Total rental expense was \$4,979,631 and \$4,797,878 for the years ended June 30, 2020 and 2019, respectively.

Related Party

The Foundation is leasing its main office facilities from Del Harbor Foundation (Del Harbor). Del Harbor is a separately incorporated California nonprofit corporation formed to facilitate and augment the coordination of services and programs of the Foundation or those which benefit clients of the Foundation and shares common management with the Foundation. The Foundation paid rent and operating expense reimbursement to Del Harbor of \$3,222,592 and \$3,171,793 for the years ended June 30, 2020 and 2019, respectively.

Harbor Developmental Disabilities Foundation

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

8. CONTINGENCIES AND LITIGATION

Contingencies

The Foundation is dependent on continued funding provided by the DDS to operate and provide services for its clients. The Foundation's contract with the DDS provides funding for services under the Lanterman Act. In the event that the operations of the Foundation result in a deficit position at the end of any contract year, the DDS may reallocate surplus funds within the state of California system to supplement the Foundation's funding. Should a system-wide deficit occur, the DDS is required to report to the governor of California and the appropriate fiscal committee of the State Legislature and recommend actions to secure additional funds or reduce expenditures. The DDS's recommendations are subsequently reviewed by the governor and the Legislature and a decision is made with regard to specific actions.

In accordance with the terms of the DDS contract, an audit may be performed by an authorized state representative. Should such an audit disclose any unallowable costs, the Foundation may be liable to the state for reimbursement of such costs. In the opinion of the Foundation's management, the effect of any disallowed costs would be immaterial to the financial statements at June 30, 2020 and 2019.

The Foundation has elected to finance its unemployment insurance using the prorated cost-of-benefits method. Under this method, the Foundation is required to reimburse the state of California for benefits paid to its former employees.

Legal Proceedings

The Foundation is subject to various legal proceedings and claims arising in the ordinary course of its business. While the ultimate outcome of these matters is difficult to predict, management believes that the ultimate resolution of these matters will not have a material adverse effect on the Foundation's financial position or activities.

9. COMMITMENTS

The Foundation contracts with various providers of services for the developmentally disabled. Significant unpaid commitments under these contracts as of June 30, 2020 and 2019, were \$1,254,685 and \$905,927, respectively.

Harbor Developmental Disabilities

Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

10. RETIREMENT PLAN

Effective July 1, 2004, the Foundation restated its retirement plan and adopted a prototype profit-sharing plan with a 401(k) feature. All employees are eligible to enter the plan immediately upon employment. The Foundation makes non-elective contributions to the plan on behalf of participants. These contributions are based on a percentage of compensation earned by participants during the plan year. Employee contributions are not required and are entirely voluntary. Participants can contribute up to the federal maximum limit. Beginning November 2016 the Foundation matches 50% of a participant's contributions up to the first 6% of salary, or a maximum employer amount of 3% of salary. Loans are permitted, subject to the terms of the plan document and applicable contract.

The total employer retirement expense for the years ended June 30, 2020 and 2019 were \$2,236,479 and \$2,117,442, respectively.

In addition, effective June 1, 2005, the Foundation established a 457(b) deferred compensation plan. The Foundation does not contribute to this plan; however, employees can contribute to this plan in addition to the retirement plan. Loans are not permitted.

DRAFT

SUPPLEMENTARY INFORMATION SECTION

Harbor Developmental Disabilities

Foundation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Contract Year	Federal CFDA Number	Pass-Through Number	Disbursements/ Expenditures
U.S. DEPARTMENT OF EDUCATION				
Passed Through State of California				
Department of Developmental Services -				
Special Education - Grants for Infants and				
Families with Disabilities (Part C)				
	19/20	84.181A	H181A190037	\$ 953,076
Total U.S. Department of Education				953,076
Total Expenditures of Federal Awards				\$ 953,076

Purpose of Schedules

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with the Uniform Guidance and state requirements.

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grants activity of the Foundation and is presented on the accrual basis of accounting as provided by the California Department of Developmental Services. The information in this schedule is presented in accordance with the requirements the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*.

Indirect Cost Rate

The Foundation did not elect to use the 10% de minimis method for indirect costs.

DRAFT

OTHER REPORTS SECTION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Harbor Developmental Disabilities Foundation
Torrance, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Harbor Developmental Disabilities Foundation dba Harbor Regional Center, a California nonprofit corporation (the Foundation), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated **DATE**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DATE

AGT CPAs & Advisors
Redding, California

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors
Harbor Developmental Disabilities Foundation
Torrance, California

Report on Compliance for Each Major Federal Program

We have audited Harbor Developmental Disabilities Foundation's, a California nonprofit corporation (the Foundation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the Foundation's major federal program for the year ended June 30, 2020. The Foundation's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal award program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance on the Foundation's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Foundation's compliance.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

(Continued)

Opinion on Each Major Federal Program

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

(Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance, and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

DATE

AGT CPAs & Advisors
Redding, California

DRAFT

DRAFT

FINDINGS AND RECOMMENDATIONS SECTION

Harbor Developmental Disabilities

Foundation

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2020

SECTION I

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Are any material weaknesses identified?	No
Are any significant deficiencies identified?	None reported
Is any noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Are any material weaknesses identified?	No
Are any significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
Identification of major programs:	
CFDA No. 84.181A Special Education – Grants for Infants and Families with Disabilities (Part C)	
Threshold for distinguishing types A and B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

SECTION II FINDINGS

FINANCIAL STATEMENTS AUDIT

None

SECTION III FINDINGS

FEDERAL AWARDS AUDIT

None

Harbor Developmental Disabilities

Foundation

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2020

None

DRAFT

Harbor Regional Center
Board Development Committee Meeting

December 16, 2020

Meeting Minutes

In attendance: Ron Bergmann (Chair), Joe Czarske, Chris Patay, LaVelle Gates, Paul Quiroz, Ann Lee, Patrick Ruppe (Executive Director), and Jennifer Lauro (Executive Assistant)

Minutes:

The Board Development Committee held a meeting on December 16, 2020 at 10:00 am via Zoom.

The Board Development Committee named a new chairperson and welcomed several new members to the Committee. The Committee briefly discussed the role of the Committee and relevant HDDF By-Laws. Additionally, the Committee reviewed the 2020 Board Composition data and the relevant sections of the Lanterman Act that pertain to Board Composition (WIC 4622).

Next Meeting: Scheduled for February 10, 2021

HARBOR REGIONAL CENTER
Self Determination Advisory Committee
Meeting Minutes
November 4, 2020

Opening:

The regular meeting of HRC Self Determination Advisory Committee was called to order at 6:06PM on Wednesday November 4, 2020 via zoom. Quorum was established.

Committee Member Present

Linda Chan-Rapp, Parent
Rosalinda Garcia, Parent
Miriam Kang, Parent
Julianna Martinez, Parent
Deaka McClain, Client
Paul Quiroz, Director of Cambrian FMS
Sughee Park, Parent
Patricia Jordan, Client

Committee Member Absent

David Oster, Client
Johnanthony Alaimo, Office of Clients Rights Advocacy representative

HRC Staff Present

Antoinette Perez - Director of Children's Services
Liz Cohen-Zeboulon - Client Services Manager
Judy Samana Taimi - Client Services Manager
Katy Granados - Client Services Manager
Donna Magana- Client Services Manager
Ashley Brown- Intake Manager

SCDD Staff Present

Brianna Reynoso

SCDD Staff Absent

N/A

Visitors

V. Gomes	A. Gomes	Michelle Wolf	Alma Morales
Elia Lopez	Rosa Lasca	Michelle Smith	Minerva Y.
Fernando Nunez - Interpreter	A. Castellano	Magdalena F.	Wendy Shoef
Olivia Gonzalez	Yvonne Murray	Damaris Ruiz	

HARBOR REGIONAL CENTER
Self Determination Advisory Committee
Meeting Minutes
November 4, 2020

Ivon Muniz
Jordan Feinstock
Tamara Pauly
Taleen Khatchadouria

Diane Bernstein
Samanta Husman
Sonni Charness
Diana Martinez

Xochilt Pelayo
Melody Cheng
Terrasel Jones

Welcome: Introductions of committee members and guests - Via Chat on Zoom

Approval of Minutes

Quorum was established; 5 committee members present during zoom meeting. Deaka McClain and Juliana Martinez motioned for approval of minutes. Minutes from October 14, 2020 meeting were approved. No discussion regarding minutes, no objections.

Harbor Regional Center Monthly Update - Antoinette Perez, Director Children's Services,

- There are 95 individuals who are part of the SD Program/one SD case just transferred in from South Central Los Angeles Regional Center
 - Of the 95: 15 participants are live as of November 1, 2020
 - 25 approved budgets
 - 15 spending plans completed
 - 22 completed PCP plans; 5 PCP in progress
- Informational meeting was held via zoom on October 28th, 8 participants attended. 3 names were submitted to DDS.
- Information available on HRC website. Anyone interested in attending any trainings offered for SDP, please register via HRC's website.
- Spanish Informational Meeting will be held on November 18th at 6pm via Zoom, Link is available on the HRC website. This meeting is only in Spanish.
- HRC Service Coordinators training has been initiated across all three department as of October 2020. The goal is to have all SC trained in the SDP by January 2021, make up sessions will be offered in 2021.

Questions about HRC update:

Committee member, Linda Chan-Rapp - what are some of the difficulties that clients and families are having with the SDP, reasons for not moving forward. Antoinette Perez, Director of Children Services responded; we continue to have the same barriers. Difficulties with navigating the system, limited resources within the Regional Center system. Additional barrier due to COVID 19, limiting resources. HRC has made a

HARBOR REGIONAL CENTER
Self Determination Advisory Committee
Meeting Minutes
November 4, 2020

commitment to individual documentation of where clients are in the process and what are some of the barriers. Linda also asked about SDP training for vendors: In 2019 there was a plan in place that all vendors would receive SDP training by January 2020 but due to unforeseen needs and the pandemic, the training was put on hold and is now scheduled to roll out January or February of 2021.

Statewide Updates:

Linda Chan Rapp reported on statewide updates;

SDP materials have been translated into many languages, available to view on DDS website.

DDS has a SDP page with frequently asked questions about the program; the page has been updated.

DDS has posted clarification on payments to Independent Facilitators for the PCP process.

DDS has posted and addressed important information on how COVID hours should be handled in the SDP. The IPP team should meet to determine clients' needs and adjust the budget as needed.

Antoinette introduced Paul Quiroz from Cambrian, new FMS vendor. Paul will be presenting at our next Self Determination Advisory Committee.

Office Clients and Rights Advocacy

- Johnanthony Alaimo was absent, no report was submitted to the committee.

State Council Update:

- Briana Reynoso from the State Council
- DDS is offering two trainings, November 7th and 10th on Self Advocacy for clients and family members.
- The training will be offered in several languages, information on the trainings will be posted on the State Council website.

HARBOR REGIONAL CENTER
Self Determination Advisory Committee
Meeting Minutes
November 4, 2020

Other SDP items and announcements:

- **Presentation - Independent Facilitator Panel**
- Michelle Wolf - Parent, IF
- Michelle Smith - Parent, IF from Fresno
- Rosie Lasca - Autism Society of Los Angeles
- Wendy Shoef - Autism Society of Los Angeles
- Sonni Charness - Guidelight Group

Following topics to be covered by the IF panel:

- What does an Independent Facilitator Do? Please describe IF services
- What consideration would you recommend for selecting an IF
- If you are a parent and IF, what made you decided to become an IF

First Speaker Michelle Wolf: I feel that the IF is the advocate for the client and the team, I would highly recommend having a PCP and having an outside agency complete the PCP because they will have clear and objective views. The IF is available and can help with finding the services and help the team access services that are need to help the client achieve their goals. I feel that the biggest barriers to SDP is feeling comfortable with budgets, and numbers. I feel that it would be helpful to have someone on the team that is good with numbers.

Second Speaker Michelle Smith: Michelle is a parent and IF, she has three children with the SDP. She is the IF for two of the children and she also completed the PCP for two of her three children. For the third child, she had another agency complete the PCP. Her philosophy about IF is, anything is possible with your support team, family and friends. The IF empowers clients to believe in themselves. In her view, the IF is a bit of a cheerleader. The IF plans the PCP, writes up the PCP and works on budget development, unmet needs and changes in circumstances. The PCP and IF is about networking, and helping the client and team feel empowered to accomplish goals that are set up during the PCP.

HARBOR REGIONAL CENTER
Self Determination Advisory Committee
Meeting Minutes
November 4, 2020

Third Speaker Sonni Charness - Guidelight Group: The IF is about the person and making it about person centered. All limitations are removed, with traditional services with are at times limited and in a box.

The SDP removes the boxes and red tape. Have the ability to look at each individual person and see what they want and help them achieve their goals.

The IF help the client and family transition, move into the SDP.

Sonni believe that the IF is a twostep process; first being involved in the PCP, working on the budget and spending plan. IF will also help with development of IPP for the regional center.

Second step: ongoing support, involved in development of services and accessing needed services and supports.

The IF can help with specialized services such as employment. The key to successful SDP is communication.

Recommendation for choosing an IF, someone that is an advocate and believes in you and your dreams. Also personality match is important, someone that you are comfortable with and get along with.

Fourth Speaker Rosie Lacso and Wendy Shoef - Autism Society Los Angeles:

IF definition was part of the PowerPoint: Rosie and Wendy wanted to make sure the group has the correct definition by DDS. The IF is a person that has been selected by the client or family to provide services; such as assist with making informed decisions about the budget, locating, accessing and coordinating services and supports that are consistent with the client IPP.

You are not required to use an IF.

The IF is paid for through the spending plan.

Cannot be the parent of a child or the spouse of an adult client.

IF can lead the PCP, can help develop the spending plan, can help with the IPP, can help explain the budget, find people and providers to offer services.

The IF can help with the PCP, identify unmet needs, advocate for budget adjustments and spending plan development

HARBOR REGIONAL CENTER
Self Determination Advisory Committee
Meeting Minutes
November 4, 2020

Announcements:

Committee member, David O. has requested a temporary leave of absence from his committee commits due to medical issues. Leave has been granted, the group wishes David a speedy recovery.

The committee decided to go dark during the month of December, next meeting will be January 6, 2021.

Public Comments: none

Next meeting: January 6, 2021 via Zoom 6PM-8PM **No December 2020 Meeting**

Adjournment, Conclusion

Meeting was adjourned at 8:02 PM. Minutes submitted by Liz Cohen Zeboulon

Abbreviations

HRC Harbor Regional Center

PCP Person-centered plan

SCDD State Council on Developmental Disabilities

SDP Self-Determination Program

Public Comment

- We have arrived at the time on our agenda for public comment
- **Participants should now turn the “interpreter” at the bottom of your screen back to English.**
- We will call upon each person who has asked to address the Board through **CHAT**
- We request that you limit your comments to two minutes.





Next Board Meeting – March 16, 2021

ADJOURNMENT

Thank You



HRC Board Meeting
January 19, 2021

