



Finance Committee Meeting Minutes

05/06/2020 | 05:30 PM - 06:30 PM - Pacific Time (US & Canada)

Attendees (14)

Committee Members Present: Linda Collins, Treasurer and Chair, Connie Uychutin, Dena Pfeifer and Facilitator, Lisa Utsey and Facilitator, Margaret Heinz, Connie Uychutin

Committee Members Not Present: Jose Lara

Informed Absences: Alicia Schott

Staff Present: Tony Anderson, Doug Bonnet, Corina Ramirez, Claudia Reed, Christine Couch

Public Present: Cesar Enriquez, Interpreter

Meeting called to order at 5:30 PM by Linda Collins, Treasurer and Committee Chair.

A. Review and Approval of Meeting Agenda

Dena Pfeifer made a motion to approve the Meeting Agenda. Lisa Utsey seconded the motion. The Meeting Agenda was approved by unanimous decision.

B. Review and Approval of Finance Committee Meeting Minutes of 04/01/20

Lisa Utsey made a motion to approve the Finance Committee Meeting Minutes of 04/01/20. Dena Pfeifer seconded the motion. The Finance Committee Meeting Minutes of 04/01/20 were approved by unanimous decision.

C. Public Comment

Linda Collins thanked CFO Claudia Reed and her staff for everything they are doing during the COVID-19 pandemic.

D. Presentation - Kemper CPA Group – Pages 6 – 43

Kemper CPA Group presented to the committee their "Letter to Those Charged with Governance, the "Management Contact Letter", and the "Issued Financial Statements".

Dena Pfeifer made a motion to accept the Kemper CPA Group report. Lisa Utsey seconded the motion. The Kemper CPA Group report was approved by unanimous decision.

E. Approval of Contracts over \$250,000 – Pages 44 – 106

Corina Ramirez presented the contracts to the committee.

Lisa Utsey made a motion to approve the Contracts over \$250,000. Dena Pfeifer seconded the motion. The Contracts over \$250,000 were approved by unanimous decision.

Prior to "F. Fiscal Department Update", the Finance Committee Meeting was disrupted by hackers. The committee voted unanimously to end the meeting and continue the rest of the meeting at next month's meeting. Dena Pfeifer made a motion to end this meeting and complete the rest of it in July. Lisa Utsey seconded the motion. The decision to end this meeting and finish in July due to a disruption by hackers as approved by unanimous decision.

F. Fiscal Department Update

- 1. Acceptance of Contract Status Report (CSR)**
- 2. Review of Purchase of Service (POS) and Operations (OPS) Expenditures**
- 3. Cash Projection Report**
- 4. Acceptance of Restricted Donations**

G. Next Meeting - Wednesday, June 3, 2020, 5:30 PM, via Zoom Video Conference



Valley Mountain Regional Center Finance Committee Meeting

Finance Committee: Linda Collins, Chair and Treasurer,
Margaret Heinz, Connie Uychutin, Alicia Schott, Jose Lara,
Lisa Utsey, Dena Pfeifer

Wednesday, 05/06/20, 5:30 PM

Via Zoom Video Conference

<https://zoom.us/j/231210086?pwd=aVQrcIA3NTI1RzNHNDZ6UkMzOVU4UT09>

Meeting ID: 231 210 086, Password: 145053

Mobile Call In: 1-669-900-6833

For meeting accommodations, please contact Doug Bonnet at 209-955-3656, or
dbonnet@vmrc.net.



Meeting Book - Valley Mountain Regional Center Finance Committee Meeting

Valley Mountain Regional Center Finance Committee Meeting Agenda

A. Review and Approval of Meeting Agenda Linda Collins	Committee Action	
B. Review and Approval of Finance Committee Meeting Minutes of 04/01/20 Linda Collins	Committee Action	
Fin Com Minutes 04 01 20.pdf		Page 4
C. Public Comment Linda Collins		
D. Presentation - Kemper CPA Group	Committee Action	
Letter to Those Charged with Governance.pdf		Page 6
Management Comment Letter 18 19.pdf		Page 10
Issued Financial Statements VMRC 18 19.pdf		Page 12
E. Approval of Contracts over \$250,000 Corina Ramirez	Committee Action	
Contract Board Approval Report 2020-07-31.pdf		Page 44
Contract Board Approval Report 2020-08-31.pdf		Page 49
Turlock Area SLS Con 20-21.pdf		Page 54
First Steps ES Contract 20-21.pdf		Page 81
Contract Summary Board Resolution - 2020-06.pdf		Page 106
F. Fiscal Department Update Claudia Reed		
1. Acceptance of Contract Status Report (CSR)	Committee Action	
CSR for May 2020.pdf		Page 107
2. Review of Purchase of Service (POS) and Operations (OPS) Expenditures		
POS for May 2020.pdf		Page 108

3. VMRC Monthly POS Expenditure (PEP) Summary

4. Acceptance of Restricted Donations

Committee Action

Copy of Poppelwell Fund 19-20.pdf

Page 110

G. Next Meeting - Wednesday, June 3, 2020, 5:30 PM via Zoom Video Conference



Finance Committee Meeting Minutes

Wednesday, 04/01/2020 | 05:30 PM - 06:30 PM - Pacific Time (US & Canada)

Attendees (11)

Committee Members Present: Linda Collins, Treasurer and Committee Chair, Margaret Heinz, Board President, Alicia Schott, Connie Uychutin, Dena Pfeifer and Facilitator, Lisa Utsey and Facilitator

Committee Members Not Present: Jose Lara

Staff Present: Claudia Reed, CFO Tony Anderson, Executive Director, Doug Bonnet, Special Assistant to the Executive Director

Public Present: None.

Meeting called to order by Linda Collins, Treasurer and Committee Chair, at 5:30 PM

A. Review and Approval of Meeting Agenda

Dena Pfeifer made a motion to approve the Meeting Agenda. Lisa Utsey seconded the motion. The Meeting Agenda was approved by unanimous decision.

B. Review and Approval of Finance Committee Meeting Minutes of 03/05/20

Dena Motioned Pfeifer made a motion to approve the Finance Committee Meeting Minutes of 03/05/20. Lisa Utsey seconded the motion. The Finance Committee Meeting Minutes of 03/05/20 wer approved by unanimous decision.

C. Public Comments

None.

D. Approval of Contracts over \$250,000

No contracts to approve this month.

E. Fiscal Department Update

Linda Collins thanked Claudia Reed and her staff for all of the hard work that they have been doing.

1. **Acceptance of Contract Status Report (CSR)** - Claudia Reed presented – Linda Collins asked for a motion to approve the CSR. Dena Pfeifer made a motion to approve the CSR. Lisa Utsey seconded the motion. The CSR was approved by unanimous decision.
2. **Review of Purchase of Service (POS) and Operations (OPS) Expenditures** - Claudia Reed presented both reports. Claudia reported that most of the "Other Authorized Services" comes from SLS...this question was asked at last month's Finance Committee Meeting.
3. **VMRC Monthly POS Expenditure (PEP) Summary** - No Report this Month.
4. **Acceptance of Restricted Donations** - Claudia Reed presented. Linda Collins asked for a motion to accept the restricted donations. Lisa Utsey made a motion to accept the restricted donations. Dena Pfeifer seconded the motion. The restricted donations were approved by unanimous decision.

F. Next Meeting - Wednesday, May 6, 5:30 PM via Zoom

Meeting adjourned at 6:15 PM.



March 31, 2020

To the Board of Directors
Valley Mountain Regional Center, Inc.

We have audited the financial statements of Valley Mountain Regional Center, Inc. for the year ended June 30, 2019, and have issued our report thereon dated March 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 21, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Valley Mountain Regional Center, Inc. are described in Note 1 to the financial statements. As described in Note 9, the Organization changed accounting policies related to the presentation of its financial statements by adopting FASB Accounting Standards 2016-14, Presentation of Financial Statements of Not-for-Profit Entities in 2018-2019.

We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, none of the misstatements detected as a result of 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, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 31, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Board of Directors and Management of Valley Mountain Regional Center, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Kemper CPA Group LLP

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Client: 194759.01 - Valley Mountain Regional Center, Inc.
Engagement: Valley Mountain Regional Center, Inc.
Period Ending: 6/30/2019
Trial Balance: 2001 - Trial Balance
Workpaper: 3-05.1 - Passed AJE Report

Account	Description	W/P Ref	Debit	Credit
Proposed JE # 200				
To pass adjustment to reclassify an expense to lease improvements		F-01		
01-01-00-30010-02	BUILDING-LEASE IMPROVEMENTS		94,565.00	
01-01-00-30040-01	FACILITY MAINTENANCE-MOD			94,565.00
Total			94,565.00	94,565.00
Proposed JE # 201				
To pass recording of journal entry to reduce Receivable from the State-amounts not shown on DDS worksheet as a claim submitted. Amount immaterial.		X-1.2		
01-00-00-20010-02	STATE INCOME - PRIOR YEAR		216,708.00	
01-00-00-20010-06	FOSTER GRANDPARENT/SCP INCOME		145,455.00	
01-00-00-02010-00	STATE CLAIM RECEIVABLE			362,163.00
Total			362,163.00	362,163.00
Proposed JE # 202				
To pass recording of the difference in SL rent vs actual rent, amount is immaterial.		3-02f		
01-00-00-99020-00	FUND BALANCE		38,581.00	
01-15-00-30050-01	RENT BUILDINGS & SPACE STATE		55,105.00	
1000100VV	DEFERRED RENT			93,686.00
Total			93,686.00	93,686.00
Proposed JE # 203				
16-17 Supplemental claims recorded in 19-20 fiscal year		X-1.1		
01-00-00-02050-00	ST CLAIM REC-SUPPL CLAIMS		393,970.00	
01-00-00-65070-00	OTHER AUTHORIZED SERVICES		393,970.00	
01-00-00-10040-00	ACCOUNTS PAYABLE			393,970.00
01-00-00-20010-XX	State Income (AJEs)			393,970.00
Total			787,940.00	787,940.00



To the Board of Directors
and Management of
Valley Mountain Regional Center, Inc.

In planning and performing our audit of the financial statements of Valley Mountain Regional Center, Inc. as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered Valley Mountain Regional Center, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Exhibit A summarizes our comments and suggestions concerning those matters. This letter does not affect our report dated March 31, 2020, on the financial statements of Valley Mountain Regional Center, Inc..

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Kemper CPA Group LLP

Kemper CPA Group LLP
Certified Public Accountants and Consultants

Modesto, California
March 31, 2020

Exhibit A
Observations and Recommendations

CURRENT YEAR COMMENTS AND SUGGESTIONS:

Vendor Fiscal Monitoring

Under Federal regulations, the Organization is required to determine if the vendors paid using federal funds are suspended, debarred or otherwise excluded from providing services. During our testing of federal awards, we noted several vendors in our sample did not have a current clearance report in the vendor's file indicating the vendor was not suspended, debarred or otherwise excluded from provided services. The Center was able to request a report to verify that the vendor was not suspended, debarred or otherwise excluded.

We recommend the Organization implement procedures to verify that all vendors that are paid or can be paid from Federal awards, have a current clearance report on file to verify the vendor is not suspended, debarred or otherwise excluded from providing services.

Attendance Reporting

The Organization has policies in place for managers to approve the Time & Attendance of employees in their department. This policy is an important internal control procedure. It was noted during our testing of payroll, that not all managers are following this process and that a manager in accounting is required to approve the Time & Attendance in order to process payroll. However, by bypassing the department manager approval process, the potential for errors is increased. The accounting department may not know the details of actual hours worked, vacation or sick time taken, and "approved" overtime of individuals in other departments that are supervised by other managers.

We recommend the Organization require without exception that all managers approve the Time & Attendance of employees in their department.

VALLEY MOUNTAIN REGIONAL CENTER, INC.

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED JUNE 30, 2019

VALLEY MOUNTAIN REGIONAL CENTER, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Valley Mountain Regional Center, Inc.
Modesto, California

Report on the Financial Statements

We have audited the accompanying financial statements of Valley Mountain Regional Center, Inc. (the Center) (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 audit 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 auditor's 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 entity'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 entity'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 qualified audit opinion.

Basis for Qualified Opinion

As discussed in Note 6, the Center is using an actuarial valuation provided by the California Public Employees' Retirement System (CalPERS), calculated in accordance with Governmental Accounting Standards Board 68, Accounting and Financial Reporting for Pensions, to estimate the Center's unfunded projected pension obligation and the related pension expense in the accompanying statement of financial position and statement of activities, respectively, that, in our opinion, does not conform to accounting principles generally accepted in the United States of America (GAAP) under the Financial Accounting Standards Board (FASB) standards. The amounts by which this departure affects the liabilities, net deficit, beginning net deficit, expenses, change in net deficit and footnote disclosures of the pension obligation of the Center have not been determined as it is not practicable to quantify.

Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Valley Mountain Regional Center, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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 information 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 March 31, 2020, on our consideration of Valley Mountain Regional Center, Inc.'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 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 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 Valley Mountain Regional Center, Inc.'s internal control over financial reporting and compliance.

Kemper CPA Group LLP

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Modesto, California

March 31, 2020

VALLEY MOUNTAIN REGIONAL CENTER, INC.

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019**

ASSETS

Cash and cash equivalents	\$ 11,705,651
Contracts receivable - State of California	5,805,803
Receivables from Intermediate Care Facility vendors	2,413,266
Due from state - accrued vacations and other employee benefits	1,987,372
Restricted cash	53,772
Deposits and other assets	80,966
Post retirement health care plan benefit	957,594

TOTAL ASSETS	\$ 23,004,424
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LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 19,190,456
Accrued vacation and other employee benefits	2,582,216
Unfunded pension liability	14,885,700

TOTAL LIABILITIES	36,658,372
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NET DEFICIT

Without donor restrictions	(13,707,720)
With donor restrictions	53,772
	(13,653,948)

TOTAL LIABILITIES AND NET ASSETS	\$ 23,004,424
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The accompanying notes are an integral part of these financial statements.

VALLEY MOUNTAIN REGIONAL CENTER, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

NET ASSETS WITHOUT DONOR RESTRICTIONS

SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS

Contracts - State of California	\$ 227,270,370
Intermediate Care Facility supplemental services income	4,482,636
Interest income	49,963
Other income	<u>213,932</u>
Total support and revenue	<u>232,016,901</u>

EXPENSES

Program services:	
Direct consumer services	223,126,745
Supporting services:	
General and administrative	<u>8,959,037</u>
Total expenses	<u>232,085,782</u>

**CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE
CHANGES OTHER THAN NET PERIODIC
POST-RETIREMENT BENEFIT COST**

(68,881)

**CHANGES OTHER THAN NET PERIODIC
POST-RETIREMENT BENEFIT COST**

(1,349,250)

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS

(1,418,131)

NET ASSETS WITH DONOR RESTRICTIONS

SUPPORT AND REVENUE WITH DONOR RESTRICTIONS

Contributions	<u>40,686</u>
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CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS

40,686

CHANGE IN NET ASSETS

(1,377,445)

NET DEFICIT AT BEGINNING OF YEAR

(12,276,503)

NET DEFICIT AT END OF YEAR

\$ (13,653,948)

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

VALLEY MOUNTAIN REGIONAL CENTER, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	Program services	Supporting services	
	Program	General and administrative	Total expenses
EXPENSES			
Salaries and wages	\$ 17,315,836	\$ 2,073,576	\$ 19,389,412
Employee health and retirement benefits	4,353,002	521,035	4,874,037
Payroll taxes	246,597	29,516	276,113
Staff travel	424,172	50,772	474,944
Total salaries and related expenses	22,339,607	2,674,899	25,014,506
Purchase of services:			
Residential services	63,504,216	-	63,504,216
Day program	39,818,382	-	39,818,382
Other purchased services	97,348,060	-	97,348,060
Communication	-	196,437	196,437
General office expenses	-	677,834	677,834
Data processing expenses	-	2,030,309	2,030,309
Printing	-	20,924	20,924
Insurance	-	69,825	69,825
General expenses	-	199,896	199,896
Facility and equipment rent	-	1,881,425	1,881,425
Equipment and facility maintenance	-	564,714	564,714
Consultant fees	116,480	184,879	301,359
ARCA dues	-	80,458	80,458
Equipment purchases	-	261,384	261,384
Board expenses	-	18,120	18,120
Legal fees	-	856	856
Professional fees	-	25,000	25,000
Interest expense	-	3,889	3,889
Travel and meals	-	68,188	68,188
TOTAL EXPENSES	\$ 223,126,745	\$ 8,959,037	\$ 232,085,782

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

VALLEY MOUNTAIN REGIONAL CENTER, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (1,377,445)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) decrease in:	
Contracts receivable	822,103
Receivable from Intermediate Care Facility vendors	(138,141)
Due from state - accrued vacation and other employee benefits	(143,484)
Deposits and other assets	26,924
Retirement health care plan benefit	255,469
Increase (decrease) in:	
Accounts payable	2,925,071
Accrued vacation and other employee benefits	370,368
Unfunded pension liability	740,726
Net cash provided by operating activities	<u>3,481,591</u>

NET CHANGE IN CASH 3,481,591

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 8,277,832

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 11,759,423

Reconciliation of cash accounts

Cash and cash equivalents	\$ 11,705,651
Restricted cash	<u>53,772</u>
	<u><u>\$ 11,759,423</u></u>

SUPPLEMENTAL DISCLOSURES

Cash payments for interest	<u><u>\$ 3,889</u></u>
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The accompanying notes are an integral part of these financial statements.

VALLEY MOUNTAIN REGIONAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 1 - Summary of Significant Accounting Policies

Nature of Organization

Valley Mountain Regional Center, Inc. (the Center) was incorporated on December 13, 1973 as a California nonprofit corporation. The Center 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 Center provides diagnostic evaluations, client program management, and lifelong planning services for persons with developmental disabilities and their families. The areas served include San Joaquin, Stanislaus, Amador, Calaveras and Tuolumne Counties.

The Act includes governance provisions regarding the composition of the Center's board of directors. 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 Center purchases client services, shall serve as a member of the regional center board. To comply with the Act, the Center's board of directors includes persons with developmental disabilities or their parents or legal guardians, who receive services from the Center and a client service provider of the Center.

The Center contracts with the State of California Department of Developmental Services (DDS) to operate a regional center for the developmentally disabled and their families. Under the terms of these contracts, funded expenditures are not to exceed \$232,652,091 for the 2018-2019 contract year. As of June 30, 2019, actual net expenditures under the 2018-2019 contract were \$205,646,301.

As discussed above, the Center operates under contracts with the DDS. Contract revenue is funded on a cost reimbursement basis as expenses are paid. However, the accounting standards require the Center to recognize and accrue expenses when incurred. The net deficit reported as of June 30, 2019 on the statement of financial position is primarily the result of the accruals of the Center's post-retirement benefit plans. For retirement pension benefits and other post retirement health-care benefits, accounting standards require the Center to recognize a liability that equals the unfunded benefit obligations related to the plans or an asset when the fair market value of the plans assets are greater than the projected benefit obligation. Plan expenses under the post-retirement benefit plans are reimbursed under the DDS contract as the Center funds the plan. Although the Center expects that the plan costs will ultimately be funded over future years, plan funding will depend on continued funding by the DDS.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

VALLEY MOUNTAIN REGIONAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Under provisions of the Guide, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Revenue Recognition

Revenue is recognized when earned. Program service fees, and payments under cost-reimbursable contracts are recorded in the applicable period in which the related services are performed or expenditures are incurred. Contributions are recognized when cash, securities or other assets, and unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions that are promised but not received and are not expected to be collected within one year are discounted at an appropriate discount rate commensurate with the risks involved and the present value is booked as contribution income. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as net asset with donor restrictions. When a donor's stipulated time restriction ends or purpose restriction is accomplished, net asset with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Net assets which have restrictions stipulated by the donor that the corpus be invested in perpetuity and only the income be made available for operations are recorded as net assets with donor restrictions.

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

VALLEY MOUNTAIN REGIONAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents and Concentration of Credit Risk

For purposes of the statements of cash flows, the Center considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Contracts Receivable - State of California

Support and contracts receivable - state of California is recorded on the accrual method as related expenses are incurred.

Receivables from Intermediate Care Facility Vendors

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

The DDS has directed the Center to prepare billings for these services on behalf of the ICFs and submit a separate state claim report for these services. The Center was directed to reduce the amount of their regular state claim to DDS by the dollar amount of these services. Reimbursement for these services will be received from the 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 Center's administrative fee to the Center within 30 days of receipt of funds from the State Controller's Office.

Equipment

The State requires all sensitive and nonexpendable equipment to be tagged and reported annually. Sensitive equipment is defined as having a normal useful life of greater than one year, costing less than \$5,000 and being highly desirable or susceptible to theft. Sensitive equipment is charged to expenses when incurred. For the year ended June 30, 2019, sensitive equipment purchases totaled \$126,334. Nonexpendable equipment is defined as having a useful life of greater than one year and costing more than \$5,000. Pursuant to the terms of the DDS contract, nonexpendable equipment purchases become the property of the State and, accordingly, are charged as expenses when incurred. For the year ended June 30, 2019, nonexpendable equipment purchases totaled \$125,059.

Accrued Vacation and Sick Leave Benefits

The Center has accrued a liability and a receivable from the State for leave benefits earned. Such liability and related benefit expenses required to be recognized by the accounting standards are accrued expenses incurred in the performance of the DDS contracts. Such expenses are compensable costs incurred under the terms of the DDS contracts. A receivable has been recorded related to these benefits as the benefits have been earned currently and do not require additional service requirements to be paid.

VALLEY MOUNTAIN REGIONAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Post-Retirement Health Care Plan

The Center is required to recognize the funded status of the post-retirement health-care benefit plan, measured as the difference between plan assets at fair value and the benefit obligation, in the statements of financial position, with an offsetting charge or credit to net assets. Gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net period benefit cost will be recognized each year as a separate charge or credit to net assets. Such liability and related benefit expenses required to be recognized by the accounting standards are accrued expenses incurred in the performance of the DDS contracts. Such expenses are compensable costs incurred under the terms of the DDS contracts. Such expenses will become billable and reimbursable under the terms of the DDS contracts when they are actually paid.

Obligation for Retirement Pension Benefits

The Center is required to recognize in the statements of financial position, the funded status of the California Public Employees Retirement System (CalPERS) pension plans, measured as the difference between plan assets at fair value and the pension benefit obligation with an offsetting charge or credit to net assets. Gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net period benefit cost will be recognized each year as a separate charge or credit to net assets. Such liability and related benefit expenses required to be recognized by the accounting standards are accrued expenses incurred in the performance of the DDS contracts. Such expenses will become billable and reimbursable under the terms of the DDS contracts when they are actually paid. As discussed further in Note 6, the Center used an actuarial valuation provided by the CalPERS that does not conform to GAAP under the Financial Accounting Standards Board (FASB) standards.

Allocation of Functional Expenses

The statement of functional expenses allocate expenses 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 to supporting services, except for consultant fees, which are allocated on a direct-cost basis.

Tax Status

The Center has received tax-exempt status from the Internal Revenue Service and California Franchise Tax Board under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code, respectively.

The Center is subject to potential income tax audits on open tax years by any taxing authority in the jurisdiction in which it operates. The statute of limitations for federal and California purposes is generally three and four years, respectively.

VALLEY MOUNTAIN REGIONAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Subsequent Events

Management has evaluated subsequent events and transactions that occurred after the balance sheet date up to March 31, 2020, the date that the financial statements were available to be issued. Management is currently evaluating the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company's financial position, results of its operations and cash flows, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 2 - Contracts Receivable - State of California

The Center's major source of revenue is from the state of California. Each fiscal year, the Center enters into a new contract with the state for a specified funding amount subject to budget amendments. Revenue from the state is recognized monthly when a claim for reimbursement of actual expenses is filed with the state. These reimbursement claims are paid at the state's discretion either through direct payments to the Center or by applying the claims reimbursements against advances already made to the Center.

As of June 30, 2019, DDS had advanced the Center \$57,496,952 under the regional center contracts. For financial statement presentation, to the extent there are claims receivable, these advances have been offset against the claims receivable from DDS contracts.

Contracts receivable	63,302,755
Contract advances	<u>(57,496,952)</u>
Net Contracts Receivable	<u>\$ 5,805,803</u>

The Center renewed its contract with the DDS during the fiscal year ending June 30, 2020. The contract provides for a maximum funding of \$228,491,605.

NOTE 3 - Short-Term Borrowings

The Center had a revolving line of credit agreement with a bank which is available from November 31, 2018 and expires October 31, 2019, whereby it could borrow up to a maximum \$15,000,000. Borrowings are secured by substantially all assets of the Center with interest payable monthly at the bank's Prime Rate (rate 5.5% at June 30, 2019). There was no balance outstanding as of June 30, 2019.

NOTE 4 - Net Assets With Donor Restrictions

Net assets with donor restrictions were generated by donations designated to be used for the Awesome Spot Playground at Beyer Park, an inclusive playground to be built in Modesto, California, appropriately designed to allow children with disabilities the opportunity to be included in play spaces.

VALLEY MOUNTAIN REGIONAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 5 - Post-Retirement Health Care Plan

The Center sponsors a post-retirement health care plan through the California Public Employees' Retirement System (PERS) for its employees. The actuarial cost method used for determining the benefit obligations is the Projected Unit Benefit Cost Method. Under this method, the actuarial present value of projected benefits is the value of benefits expected to be paid for current active employees and retirees. The Accumulated Post-Retirement Benefit Obligation (APBO) is the actuarial present value of benefits attributed to employee service rendered prior to the valuation date. The APBO equals the present value of projected benefits multiplied by a fraction equal to service to date over service at full eligibility age.

The Periodic Benefit Cost is the actuarial present value of benefits attributed to one year of service. This equals the present value of benefits divided by service at expected retirement.

The actuarial assumptions are summarized below:

<i>Valuation Date</i>	June 30, 2019
<i>Discount Rate</i>	
Used to determine Net Periodic Benefit Cost	3.6%
Used to determine Benefit Obligations	4.2%
<i>Long-term Rate of Return</i>	
on Plan Assets	
Used to determine Net Periodic Benefit Cost	6.25%
Used to determine Benefit Obligations	6.25%
General inflation	2.75%
<i>Annual Benefit Increases</i>	Contributions toward medical premiums are assumed to increase 3.25% per year.
<i>Health Cost Trend</i>	
Health care cost trend rate assumed for next year	4.75%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	4.25%
Year that the rate reaches the ultimate trend rate	2072

The Center is required to recognize an expense each year equal to the Net Periodic Post-Retirement Benefit Cost. The unfunded accumulated benefit obligation for the plan upon its initial valuation was \$2,548,000, an amount which the Center elected to amortize over the average expected future service of its current employees (approximately 17 years).

VALLEY MOUNTAIN REGIONAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 5 - Post-Retirement Health Care Plan (Continued)

The Center recognizes the post-retirement health care plan liability as the unfunded APBO in its financial statements. All previously unrecognized actuarial gains or losses are reflected in the statements of financial position. The plan items not yet recognized as a component of periodic plan expenses, but included as a separate charge to net assets, are:

Unrecognized net initial obligation	\$ 552,582
Unrecognized actuarial gain	<u>(820,657)</u>
	<u>\$ (268,075)</u>

The pension-related changes other than net periodic pension cost decreased net assets without donor restrictions by \$172,739 for the year ended June 30, 2019.

Net periodic post-retirement cost consists of the following components:

Service cost	\$ 239,407
Interest cost	242,842
Expected return on plan assets	(439,692)
Transition cost	153,494
Recognized net actuarial gain	<u>(30,310)</u>
Net periodic post-retirement benefit cost	<u>\$ 165,741</u>

The net periodic benefit cost expected to be charged to expense for the year ended June 30, 2020 is \$162,705.

The following table provides a reconciliation of the changes in the plan's benefit obligations and funded status:

Reconciliation of Benefit Obligation/Asset

Change in benefit obligation	
Obligation at beginning of year	\$ 5,837,293
Service cost	239,407
Interest cost	242,842
Assumption change gain	167,254
Experience (gain) loss	1,451
Benefits paid	<u>(113,569)</u>
Benefit obligation at end of year	<u>6,374,678</u>

VALLEY MOUNTAIN REGIONAL CENTER, INC.**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019****NOTE 5 - Post-Retirement Health Care Plan (Continued)**

Change in plan assets	
Fair value of plan assets at beginning of year	7,050,356
Actual return on plan assets	312,474
Benefits paid	(30,558)
Fair value of plan assets at end of year	7,332,272
Funded status-net benefit	957,594
Net amount recognized in the statements of financial position	\$ 957,594

Plan Assets

The plan's assets are reported 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) and the lowest priority to measurements involving significant unobservable inputs (Level 3).

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 Center 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.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. There have been no changes in the methodologies used for the year ended June 30, 2019.

The following table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of June 30, 2019:

Asset category	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 73,323	\$ 73,323	\$ -	\$ -
Mutual funds				
Equity	4,985,945	4,985,945	-	-
Fixed income	2,273,004	2,273,004	-	-
Total	\$ 7,332,272	\$ 7,332,272	\$ -	\$ -

VALLEY MOUNTAIN REGIONAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 5 - Post-Retirement Health Care Plan (Continued)

The investment objective of the plan is to provide a rate of return commensurate with a moderate degree of risk of loss of principal and return volatility. A trustee administers the plan assets and investment responsibility for the assets is assigned to outside investment managers. The assets of the plan are periodically rebalanced to remain within the desired target allocations.

Variability of Estimated APBO

Actual future costs may vary significantly from the estimates used in calculating the APBO for a variety of reasons. Retiree medical costs are especially difficult to estimate due to the uncertainty of future medical costs.

Cash Flow Estimates for Future Benefit Payments

The following estimated benefit payments are expected to be paid on a fiscal year basis:

<u>For the Year Ending June 30,</u>	
2020	\$ 162,705
2021	186,410
2022	203,085
2023	211,978
2024	232,648
2025-2029	1,320,754

NOTE 6 - Retirement Plan

The Center contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the state of California. Substantially all of the Center's employees participate in CalPERS.

The Public Employee's Retirement Law (Part 3 of the California *Government Code* sec. 20000, et seq.) establishes benefit provisions for CalPERS. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, California 95811 and at www.calpers.ca.gov.

The provisions of FASB ASC 715-30, *Retirement Benefits, Defined Benefit Plans*-Pension require the Center to recognize in its statement of financial position a liability that equals the unfunded projected pension obligation related to its participation in the CalPERS pension plan measured as of the current fiscal year end. For the year ended June 30, 2019 the Center estimated and recorded an unfunded projected pension obligation of \$14,885,700 using an actuarial valuation provided by CalPERS with a valuation date of June 30, 2018. In addition, the valuation was prepared in accordance with Governmental Accounting Standards Board (GASB) 68, *Accounting and Financial Reporting for Pensions*, and does not conform to GAAP under the FASB standards.

VALLEY MOUNTAIN REGIONAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 6 - Retirement Plan (Continued)

The impact on liabilities, net assets, beginning net assets, expenses, change in net assets, and footnote disclosures of the pension obligation for the year ended June 30, 2019 has not been determined. The following footnote disclosures present amounts from the GASB 68 report as of a valuation date of June 30, 2018 and do not conform to requirements of FASB ASC 715.

CalPERS uses the Entry Age Normal Cost Method to fund benefits. Under this method, projected benefits are determined for all members and the associated liabilities are spread in a manner that produces level annual cost as a percent of pay in each year from the age of hire to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost. The actuarial accrued liability for active members is then calculated as the portion of the total cost of the plan allocated to prior years.

The actuarial accrued liability for members currently receiving benefits, for active members beyond the assumed retirement age, and for members entitled to deferred benefits, is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants. The excess of the total actuarial accrued liability over the market value of plan assets is called the unfunded actuarial accrued liability. Funding requirements are determined by adding the normal cost and an amortization of the unfunded liability as a level percentage of assumed future payrolls.

Assumptions

The CalPERS Board of Administration adopted changes to the demographic assumptions based on the most recent experience study. The most significant of these is the improvement in post-retirement mortality acknowledging the greater life expectancies in membership and expected continued improvements. The actuarial assumptions and methods used in CalPERS public agency valuations are approved by the Board of Administration upon the recommendation of the Chief Actuary.

A summary of principal actuarial assumptions used, provided in the Annual Valuation Report prepared by the CalPERS Actuarial Office, is as follows:

Valuation Date	June 30, 2018
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll
Asset valuation method	Market value of assets
Actuarial assumptions	
Discount rate	7.00% (net of expenses)
Salary increases	Varies by category, entry age and duration of service
Payroll growth	2.750%
Inflation	2.500%

VALLEY MOUNTAIN REGIONAL CENTER, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019****NOTE 6 - Retirement Plan (Continued)*****Funding Progress***

The Schedule of Funding Progress below, provided by the CalPERS Actuarial Office, shows the recent history of the actuarial accrued liability, the market value of assets, the funded ratio and the annual covered payroll.

Valuation Date	Accrued Liability	Market Value of Assets	Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2014	\$ 57,742,574	\$ 53,308,443	\$ 4,434,131	92.3%	\$ 11,559,134
6/30/2015	\$ 61,576,364	\$ 55,675,521	\$ 5,900,843	90.4%	\$ 12,158,358
6/30/2016	\$ 68,123,000	\$ 56,860,517	\$ 11,262,483	83.5%	\$ 13,401,286
6/30/2017	\$ 79,651,954	\$ 65,506,980	\$ 14,144,974	82.2%	\$ 16,848,845
6/30/2018	\$ 87,264,022	\$ 72,378,322	\$ 14,885,700	82.9%	\$ 17,441,207

Asset Category

The asset allocation shown below, provided by the CalPERS Actuarial Office, reflects the CalPERS fund in total as of June 30, 2018. CalPERS adheres to an Asset Allocation Strategy which establishes asset class allocation policy targets and ranges, and manages those asset class allocations within their policy ranges. CalPERS recognizes that strategic asset allocation is the dominant determinant of portfolio risk and return. The assets of the Center's plan are part of the PERF and are invested accordingly.

The asset allocation shown below reflects the values of the Public Employee's Retirement Fund (PERF) in its entirety as of June 30, 2018.

Asset Class	Current Allocation	Target Allocation
Public Equity	48.8%	49.0%
Private Equity	7.7%	8.0%
Global Fixed Income	22.5%	22.0%
Liquidity	3.4%	3.0%
Real Assets	10.8%	12.0%
Inflation Sensitive Assets	5.9%	6.0%
Other	0.9%	0.0%
	<u>100%</u>	<u>100%</u>

VALLEY MOUNTAIN REGIONAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 6 - Retirement Plan (Continued)

The following table provides a reconciliation of the changes in the plan's funded status:

Reconciliation of Benefit Obligation

Benefit obligation at June 30, 2018	\$ 87,264,022
Change in plan assets	
Fair value of plan assets at June 30, 2017	65,506,980
Change in receivables for service buybacks	(8,299)
Employer contributions	2,724,802
Employee contributions	1,167,785
Benefits paid	(2,443,269)
Refunds	(52,715)
Transfers and miscellaneous adjustments	(165)
Service Credit Purchase (SCP) Payments and Interest	9,376
Net investment return	5,473,826
Fair value of plan assets at June 30, 2018	72,378,321
Plan net pension liability, June 30, 2018	\$ 14,885,701

Contributions

Employee contributions are approximately 7% of salaries and wages. The Center is required to contribute the remaining amount necessary to fund benefits for its employees, using the actuarial basis adopted by the CalPERS Board of Administration.

The net periodic benefit cost charged to expense for the year ended June 30, 2019 \$1,275,436.

The net periodic benefit cost expected to be charged to expense for the year ended June 30, 2020 is \$1,306,294.

NOTE 7 - Credit Risk, Commitments and Contingencies

Credit Risks

At June 30, 2019 and at various times during the year, the Center maintained cash balances in its financial institutions in excess of federally insured limits. As of June 30, 2019, the uninsured portion of the cash balance was \$11,881,234.

Commitments

The Center is obligated under certain operating leases for office equipment, field and main office facilities. The lease terms expire in various years through February 2021. The terms of the leases provide for payment of minimum annual rentals, insurance, and property taxes. In the event the DDS does not renew its annual support contract, the leases described above become cancelable by the Center.

VALLEY MOUNTAIN REGIONAL CENTER, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 - Credit Risk, Commitments and Contingencies (continued)

Future minimum rental commitments for facilities are as follows:

For the Year Ending June 30,

2020	\$ 1,841,287
2021	1,476,558
2022	1,089,095
2023	482,989
2024	181,753
Thereafter	<u>1,753,275</u>
	<u>\$ 6,824,957</u>

Total office equipment and facilities rental expense for the year ended June 30, 2019 was \$1,842,674.

Contingencies

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

The Center is dependent on continued funding provided by DDS to operate and provide services for its clients. The Center's contract with DDS provides funding for services under the Lanterman Act. In the event that the operations of the Center result in a deficit position at the end of any contract year, DDS may reallocate surplus funds within the State of California system to supplement the Center's funding. In the event that the state determines that the Center has insufficient funds to meet its contractual obligations, the state shall make its best efforts to secure additional funding and/or provide the Center with regulatory relief.

The Center retains approximately 80.17% of its labor force through Social Services Union Local 1021, Service Employees International Union. This labor force is subject to a collective bargaining agreement and, as such, renegotiation of such agreement could expose the Center to an increase in hourly costs and work stoppages. The agreement was renewed on November 1, 2018 and covers the period through November 1, 2021.

The Center is involved in various claims and lawsuits arising in the normal conduct of its operations. The Center's management believes it has adequate defenses and insurance coverage for these actions and, thus, has made no provision in the financial statements for any costs relating to the settlement of such claims.

VALLEY MOUNTAIN REGIONAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 8 – Liquidity and Availability of Financial Assets

The Organization's goal is generally to maintain financial assets to meet 30 days of operating expenses (approximately \$19,300,000). As part of its liquidity plan, excess cash is invested in short term investments, including money market and savings accounts.

Financial assets available for general expenditure within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 11,705,651
Contracts receivable - State of California	5,805,803
Receivables from Intermediate Care Facility vendors	<u>2,413,266</u>
	<u>\$ 19,924,720</u>

NOTE 9 – Related Party

The Organization purchases services from a company that is owned by a member of the Organization's board of directors. These services were obtained through a competitive award process and, in the opinion of management the services obtained are favorable to the Organization. During the fiscal year ended June 30, 2019, the Organization paid the vendor \$1,739,642 for these services.

NOTE 10 – Change in Accounting Principle

In August 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net assets classification, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

SUPPLEMENTARY INFORMATION

VALLEY MOUNTAIN REGIONAL CENTER, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass Through Grantor Program or Cluster Title	Federal CFDA Number	Grant Identification Number	Federal Expenditures
U.S. Department of Education			
Passed through State of California			
Department of Developmental Services			
Special Education - Grants for Infants and Families	84.181	H181A180037	\$ 2,672,694
U.S. Corporation for National and Community Service			
Passed through State of California			
Department of Developmental Services			
Foster Grandparents/Senior Companion Cluster			
Foster Grandparent Program	94.011	16SFPCA002	<u>170,805</u>
Total Federal Awards			<u>\$ 2,843,499</u>

VALLEY MOUNTAIN REGIONAL CENTER, INC.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019**

NOTE A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Valley Mountain Regional Center, Inc. under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Valley Mountain Regional Center, Inc., it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of Valley Mountain Regional Center, Inc.

NOTE B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting and based on state contract budget allocations. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – Indirect Cost Rate

Valley Mountain Regional Center, Inc. has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



**INDEPENDENT AUDITOR'S 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
Valley Mountain Regional Center, Inc.
Modesto, California

We have audited, in accordance with the 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 Valley Mountain Regional Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 March 31, 2020, in which we expressed a qualified opinion.

Basis for Qualified Opinion

The Center is using an actuarial valuation provided by the California Public Employees' Retirement System (CalPERS) to estimate the Center's unfunded projected pension obligation and the related pension expense in the accompanying statement of financial position and statement of activities, respectively, that, in our opinion, does not conform to accounting principles generally accepted in the United States of America (GAAP) under the Financial Accounting Standards Board (FASB) standards. The amounts by which this departure affects the liabilities, net deficit, beginning net deficit, expenses, change in net deficit and footnote disclosures of the pension obligation of the Center have not been determined as it is not practicable to quantify.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Valley Mountain Regional Center, Inc.'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 Valley Mountain Regional Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 entity'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Valley Mountain Regional Center, Inc.'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kemper CPA Group LLP

Kemper CPA Group LLP
Certified Public Accountants and Consultants

Modesto, California
March 31, 2020



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Board of Directors
Valley Mountain Regional Center, Inc.
Modesto, California

Report on Compliance for Each Major Federal Program

We have audited Valley Mountain Regional Center, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Valley Mountain Regional Center, Inc.'s major federal programs for the year ended June 30, 2019. Valley Mountain Regional Center, Inc.'s major federal programs are identified in the summary of auditor's 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 programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Valley Mountain Regional Center, Inc.'s major federal programs 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* 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 Valley Mountain Regional Center, Inc.'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 each major federal program. However, our audit does not provide a legal determination of Valley Mountain Regional Center, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Valley Mountain Regional Center, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Valley Mountain Regional Center, Inc. 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 Valley Mountain Regional Center, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 Valley Mountain Regional Center, Inc.'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.

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.

Kemper CPA Group LLP

Kemper CPA Group LLP
Certified Public Accountants and Consultants

Modesto, California
March 31, 2020

VALLEY MOUNTAIN REGIONAL CENTER, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

Summary of Audit Results

Financial Statements

Type of auditor's report:	Qualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency identified that are not considered to be material weakness(es)?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency identified that are not considered to be material weakness(es)?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No
Identification of major programs:	
CFDA #84.181 Special Education - Grants for Infants and Families	
Dollar threshold used to distinguish between Type A and Type B programs was	\$750,000
Auditee qualified as low-risk auditee?	Yes

FINDINGS - FINANCIAL STATEMENTS AUDIT	None
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FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT	None
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VALLEY MOUNTAIN REGIONAL CENTER, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT YEAR:

I. Financial Statement Audit

None

II. Major Federal Awards Program Audit

None

STATUS OF PRIOR YEAR:

I. Financial Statement Audit

None

II. Major Federal Awards Program Audit

None

Contract Board Approval Report

Contracts Expiring:
7/31/2020

VendorNumber	VendorName	SrvCode	VendorCategory
PV0844	BEYOND WORDS SPEECH	116	Early Start Specialized Therapeutic Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$2,104,915	8/1/2019	7/31/2020	Claire Lazaro	Clinical

Rate

\$125.69/hr-home visits; \$163.01/discip for Intake Elig Evals; \$190.17/intake elig eval wFam Assmt; \$277.11/eval for SI evals & speech ther Autism Protocol Asmts; mileage for home visits \$0.505

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$2,104,915	8/1/2020	7/31/2021	Auto Renewal	Extend Contract		

PropRate

\$125.69/hr-home visits; \$163.01/discip for Intake Elig Evals; \$190.17/intake elig eval wFam Assmt; \$277.11/eval for SI evals & speech ther Autism Protocol Asmts; mileage for home visits \$0.505

VendorNumber	VendorName	SrvCode	VendorCategory
S44533	CENTRAL VALLEY TRAINING Another Way	896	Supported Living Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$1,111,030	8/1/2019	7/31/2020	Brian Bennett	RD

Rate

\$38.10/hr; \$19.47/hr awake-night staff

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$1,111,030	8/1/2020	7/31/2021	Auto Renewal	Extend Contract		

PropRate

\$38.10/hr; \$19.47/hr awake-night staff

VendorNumber	VendorName	SrvCode	VendorCategory
HV0503	CENTRAL VALLEY TRAINING Stockton Tam O'Shanter	515	Behavior Management Program

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$2,343,833	11/1/2019	7/31/2020	Brian Bennett	RD

Rate

\$85.56 per consumer, per day; Non-Mobile rate is \$1.68/cons/hour.

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$2,343,833	8/1/2020	7/31/2021	Auto Renewal	Extend Contract		

PropRate

\$85.56 per consumer, per day; Non-Mobile rate is \$1.68/cons/hour.

Contract Board Approval Report

Contracts Expiring:
7/31/2020

VendorNumber	VendorName	SrvCode	VendorCategory
S29378	CENTRAL VALLEY TRAINING Stockton Program	515	Behavior Management Program

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$3,100,000	8/1/2019	7/31/2020	Brian Bennett	RD

Rate

\$88.46/cons/day + \$1.68/hr Non-mobile supplement

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$3,100,000	8/1/2020	7/31/2021	Auto Renewal	Extend Contract		

PropRate

\$88.46/cons/day + \$1.68/hr Non-mobile supplement

VendorNumber	VendorName	SrvCode	VendorCategory
SVO009	CENTRAL VALLEY TRAINING Modesto Program	515	Behavior Management Program

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$2,984,139	8/1/2019	7/31/2020	Brian Bennett	RD

Rate

\$93.24/cons/day (DDS-set rate); \$1.68 NM rate

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	4.55%
\$3,120,000	8/1/2020	7/31/2021	Auto Renew Amend	Increase NTE\$		

PropRate

\$93.24/cons/day (DDS-set rate); \$1.68 NM rate

VendorNumber	VendorName	SrvCode	VendorCategory
SVO023	CENTRAL VALLEY TRAINING RAPID	017	Crisis Team-Evaluation/Behavioral Intervention

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$150,000	8/1/2019	7/31/2020	Brian Bennett	RD

Rate

\$48.15/hr

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	900.00%
\$1,500,000	8/1/2020	7/31/2021	Auto Renewal	Increase NTE\$		

PropRate

\$48.15/hr

Contract Board Approval Report

Contracts Expiring:
7/31/2020

VendorNumber	VendorName	SrvCode	VendorCategory
SV0019	CHANCE 4 CHANGE VALLEY	896	Supported Living Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$610,138	8/1/2019	7/31/2020	Brian Bennett	RD

Rate

Tier 1-\$34.29/hr; Tier 2-\$15.57/hr; Tier 3-\$19.30/hr; Tier 4-\$22.92/hr; \$0.32 per mile approved appts

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	43.57%
\$876,000	8/1/2020	7/31/2021	Auto Renew Amend	Increase NTE\$		

PropRate

Tier 1-\$34.29/hr; Tier 2-\$15.57/hr; Tier 3-\$19.30/hr; Tier 4-\$22.92/hr; \$0.32 per mile approved appts

VendorNumber	VendorName	SrvCode	VendorCategory
HV0256	CHOICE CREEKVIEW HOME Manor of Choice, Inc.	113	Specialized Residential Facility (Habilitation)-DSS-Lice

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$448,814	8/1/2019	7/31/2020	Brian Bennett	RD

Rate

\$7,855.20 per consumer per month, inclusive of SSI

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$448,814	8/1/2020	7/31/2021	Auto Renewal	Extend Contract		

PropRate

\$7,855.20 per consumer per month, inclusive of SSI

VendorNumber	VendorName	SrvCode	VendorCategory
PV1662	LEARNING INSTITUTE FOR ESAIP	048	Client/Parent Support Behavior Intervention Training

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$625,604	8/1/2019	7/31/2020	Claire Lazaro	Clinical

Rate

\$84.63 per hour

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	120.59%
\$1,380,000	8/1/2020	7/31/2021	Auto Renew Amend	Increase NTE\$		

PropRate

\$84.63 per hour

Contract Board Approval Report

Contracts Expiring:
7/31/2020

VendorNumber	VendorName	SrvCode	VendorCategory
SV0010	PERSON CENTERED SERVICES SLS	896	Supported Living Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$958,704	8/1/2019	7/31/2020	Brian Bennett	RD

Rate

\$37.08/hr

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	50.20%
\$1,440,000	8/1/2020	7/21/2021	Amendment	Increase NTE\$		

PropRate

\$37.08/hr

VendorNumber	VendorName	SrvCode	VendorCategory
S29395	PERSON CENTERED SERVICES BMP	515	Behavior Management Program

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$4,170,273	8/1/2019	7/31/2020	Brian Bennett	RD

Rate

\$86.98/cons/day or \$15.81/cons/hr

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	9.35%
\$4,560,000	8/1/2020	7/31/2021	Auto Renew Amend	Increase NTE\$		

PropRate

\$86.98/cons/day or \$15.81/cons/hr

VendorNumber	VendorName	SrvCode	VendorCategory
HV0421	PERSON CENTERED SERVICES CTP	055	Community Integration Training Program

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$550,000	8/1/2019	7/31/2020	Brian Bennett	RD

Rate

\$83.94/cons/day or \$15.26/cons/hr

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	22.18%
\$672,000	8/1/2020	7/31/2021	Auto Renew Amend	Increase NTE\$		

PropRate

\$83.94/cons/day or \$15.26/cons/hr

Contract Board Approval Report

Contracts Expiring:
7/31/2020

VendorNumber	VendorName	SrvcCode	VendorCategory
HV0396	PERSON CENTERED SERVICES Lodi BMP	515	Behavior Management Program

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$611,104	8/1/2019	7/31/2020	Brian Bennett	RD

Rate

\$85.41/cons/day or \$15.53/cons/hr

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$611,104	8/1/2020	7/31/2021	Auto Renewal	Extend Contract		

PropRate

\$85.41/cons/day or \$15.53/cons/hr

VendorNumber	VendorName	SrvcCode	VendorCategory
HV0252	TABLE MOUNTAIN RANCHES	113	Specialized Residential Facility (Habilitation)-DSS-Lice

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$522,387	8/1/2019	7/31/2020	Brian Bennett	RD

Rate

\$8,331.95 per consumer per month, inclusive of SSI

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$522,387	8/1/2020	7/31/2021	Auto Renewal	Extend Contract		

PropRate

\$8,331.95 per consumer per month, inclusive of SSI

VendorNumber	VendorName	SrvcCode	VendorCategory
SV0021	TURLOCK AREA SLS	896	Supported Living Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$375,000	8/1/2019	7/31/2020	Brian Bennett	RD

Rate

\$31.52/hr

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$375,000	8/1/2020	7/31/2021	New Contract	Extend Contract		

PropRate

\$31.52/hr

Contract Board Approval Report

Contracts Expiring:
8/31/2020

VendorNumber	VendorName	SrvCode	VendorCategory
SV0011	ALL-4-U	896	Supported Living Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$1,066,462	9/1/2019	8/31/2020	Brian Bennett	RD

Rate
\$36.32/cons/hour

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$1,066,462	9/1/2020	8/31/2021	Auto Renewal	Extend Contract		

PropRate
\$36.32/cons/hour

VendorNumber	VendorName	SrvCode	VendorCategory
PV1597	BEHAVIOR MATTERS, LLC ESAIP	048	Client/Parent Support Behavior Intervention Training

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$681,922	9/1/2019	8/31/2020	Claire Lazaro	Clinical

Rate
\$84.63 per hour

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$681,922	9/1/2020	8/31/2021	Auto Renewal	Extend Contract		

PropRate
\$84.63 per hour

VendorNumber	VendorName	SrvCode	VendorCategory
PV1515	FIRST STEPS, LLC	116	Early Start Specialized Therapeutic Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$525,000	9/1/2019	8/31/2020	Claire Lazaro	Clinical

Rate
\$123.36/hr-Home Vists; \$163.01/discipline-Intake Elig Evals & Indiv Clinical Specialist asmts; \$190.17/Intake Elig Eval w/Family Assmt; \$277.11 per SI Eval; \$0.505/mile Home Visits

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$525,000	9/1/2020	8/31/2021	New Contract	Extend Contract		

PropRate
\$123.36/hr-Home Vists; \$163.01/discipline-Intake Elig Evals & Indiv Clinical Specialist asmts; \$190.17/Intake Elig Eval w/Family Assmt; \$277.11 per SI Eval; \$0.505/mile Home Visits

Contract Board Approval Report

Contracts Expiring:
8/31/2020

VendorNumber	VendorName	SrvCode	VendorCategory
PV1893	MCCRAY PSYCHOLOGICAL Autism Psych Evals	785	Clinical Psychologist

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$300,000	9/1/2019	8/31/2020	Claire Lazaro	Clinical

Rate
\$1,250.00 per evaluation for "Autism Psychological Evaluations"

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$300,000	9/1/2020	8/31/2021	Auto Renewal			

PropRate
\$1,250.00 per evaluation for "Autism Psychological Evaluations"

VendorNumber	VendorName	SrvCode	VendorCategory
SV0018	OPTIONS FORWARD	896	Supported Living Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$1,559,299	9/1/2019	8/31/2020	Brian Bennett	RD

Rate
Tier 1-\$34.60/dir svc hr; Tier 2-\$24.25/hr; Tier 2 two-cons rate \$19.47/cons/hr; Tier 3-\$16.88/hr; Tier 3 two-cons rate \$12.97/cons/hr

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	7.76%
\$1,680,262	9/1/2020	8/31/2021	Auto Renew Amend	Increase NTE\$		

PropRate
Tier 1-\$34.60/dir svc hr; Tier 2-\$24.25/hr; Tier 2 two-cons rate \$19.47/cons/hr; Tier 3-\$16.88/hr; Tier 3 two-cons rate \$12.97/cons/hr

VendorNumber	VendorName	SrvCode	VendorCategory
HVO447	PEOPLE'S CARE WILLORA People's Care Northen Calif	113	Specialized Residential Facility (Habilitation)-DSS-Lice

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$828,198	9/1/2019	8/31/2020	Brian Bennett	RD

Rate
\$15,851.30 per consumer per month, inclusive of SSI

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	7.09%
\$886,916	9/1/2020	8/31/2021	Auto Renew Amend	Increase NTE\$		

PropRate
\$15,851.30 per consumer per month, inclusive of SSI

Contract Board Approval Report

Contracts Expiring:
8/31/2020

VendorNumber	VendorName	SrvCode	VendorCategory
PV0118	VALLEY CAPS "Patch"	110	Supplemental Day Services Program Support

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$289,112	9/1/2019	8/31/2020	Brian Bennett	RD

Rate
\$12.52/hr

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$289,112	9/1/2020	8/31/2021	Auto Renewal	Extend Contract		

PropRate
\$12.52/hr

VendorNumber	VendorName	SrvCode	VendorCategory
H07649	VALLEY CAPS ABLE Program	515	Behavior Management Program

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$2,614,146	9/1/2019	8/31/2020	Brian Bennett	RD

Rate
\$92.91/cons/day + \$1.68/hr non-mobile supplement

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$2,614,146	9/1/2020	8/31/2021	Auto Renewal	Extend Contract		

PropRate
\$92.91/cons/day + \$1.68/hr non-mobile supplement

VendorNumber	VendorName	SrvCode	VendorCategory
HV0299	VALLEY CAPS Modesto CAPS	515	Behavior Management Program

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$1,976,798	9/1/2019	8/31/2020	Brian Bennett	RD

Rate
\$87.08/day + \$1.68 non-mobile supplement

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$1,976,798	9/1/2020	8/31/2021	Auto Renewal	Extend Contract		

PropRate
\$87.08/day + \$1.68 non-mobile supplement

Contract Board Approval Report

Contracts Expiring:
8/31/2020

VendorNumber	VendorName	SrvCode	VendorCategory
HV0094	VALLEY CAPS PLUS Program	505	Activity Center

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$613,116	9/1/2019	8/31/2020	Brian Bennett	RD

Rate

\$39.87/cons/day + \$1.56/hr non-mobile supplement

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$613,116	9/1/2020	8/31/2021	Auto Renewal	Extend Contract		

PropRate

\$39.87/cons/day + \$1.56/hr non-mobile supplement

VendorNumber	VendorName	SrvCode	VendorCategory
S29381	WATCH RESOURCES, INC. SLS	896	Supported Living Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$284,659	9/1/2019	8/31/2020	Brian Bennett	RD

Rate

\$41.55/hr

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	68.62%
\$480,000	9/1/2020	8/31/2021	Auto Renewal	Increase NTE\$		

PropRate

\$41.55/hr

VendorNumber	VendorName	SrvCode	VendorCategory
H15557	WATCH RESOURCES, INC. Transportation	880	Transportation-Additional Component

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$377,232	9/1/2019	8/31/2020	Wilma Murray	RD

Rate

\$2.56/route mile

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$377,232	9/1/2020	8/31/2021	Auto Renewal	Extend Contract		

PropRate

\$2.56/route mile

Contract Board Approval Report

Contracts Expiring:
8/31/2020

VendorNumber	VendorName	SrvCode	VendorCategory
S29382	WATCH RESOURCES, INC. Visions	510	Adult Development Center

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$1,631,727	9/1/2019	8/31/2020	Brian Bennett	RD

Rate

\$76.02/cons/day + \$1.68/hr non-mobile supplement

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$1,631,727	9/1/2020	8/31/2021	Auto Renewal	Extend Contract		

PropRate

\$76.02/cons/day + \$1.68/hr non-mobile supplement

**Valley Mountain Regional Center
POS Independent Contractor Contract**

This POS Independent Contractor Contract ("Contract") is entered into this 1st day of August, 2020, in the City of Stockton, County of San Joaquin, State of California, by and between Valley Mountain Regional Center, Inc. ("Center") and Leslie W. Austin dba: Turlock Area Supported Living Services ("Contractor"). Each party to this Contract shall be referred to individually as "Party" and collectively as "Parties." This Contract shall be effective on and after the date in which both Parties sign it ("Effective Date").

RECITALS

- A. WHEREAS, pursuant to Section 4648 of the California Welfare and Institutions Code ("W&I Code"), Center is authorized to, pursuant to Vendorization or a contract, purchase services or supports for its Consumers from any individual or agency which Center determines will best accomplish all or any part of its Consumers' program plans;
- B. WHEREAS, Title 17 of the California Code of Regulations ("Title 17") permits the establishment of service contracts for the provision of Vendored services;
- C. WHEREAS, Contractor is currently Vendored by Center to provide the Services described in Exhibit A for Center's Consumers;
- D. WHEREAS, Center and Contractor desire to define the terms and conditions pursuant to which Contractor will provide the Services described in Exhibit A to Center's Consumers;
- E. NOW, THEREFORE, for valuable consideration, including the promises and payments described herein, the Parties agree as follows:

AGREEMENT

- 1. **Truth of Recitals and Representations.** The Parties hereby acknowledge the truth of the Recitals set forth above, and agree that the facts recited are conclusively presumed to be true as between the Parties and their successors in interest pursuant to Section 622 of the California Evidence Code. Contractor further affirms that all fiscal and other documentation submitted to Center in conjunction with the negotiation and preparation of this Contract, and Contractor's Vendorization, is complete and accurate to the best of Contractor's knowledge, supported by records and source documents, prepared in accordance with all instructions provided by Center and all applicable laws, and subject to review pursuant to any audit by Center, the State of California Department of Developmental Services, and/or any other agency of the State of California or the Federal Government, as permitted by law.
- 2. **Definitions.** The definitions set forth in the W&I Code and Title 17 shall apply to this Contract. The following terms, some of which are taken therefrom, are specifically utilized in this Contract.
 - A. "Consumer" means an individual who has been determined by Center to meet the eligibility criteria of W&I Code Section 4512(a) and Sections 54000, 54001 and 54010 of Title 17, and for whom Center has accepted responsibility to provide services.
 - B. "DDS" means the State of California Department of Developmental Services.
 - C. "Individual Program Plan" or "IPP" means a written plan that is developed by Center's Planning Team in accordance with the provisions of W&I Code Sections 4646 and 4646.5.
 - D. "Individual Service Plan" or "ISP" means an individualized plan generated for each Consumer to detail exactly how to meet the goals set forth in the IPP.

- E. "Internal Grievance Procedure" means the written set of procedures, established pursuant to W&I Code Section 4705(a), a vendor uses to achieve the communication and resolution of Consumer dissatisfaction.
- F. "Planning Team," also known as Interdisciplinary (ID) Team, means the group of persons convened in accordance with the W&I Code Section 4646 for the purpose of preparing a Consumer's IPP.
- G. "Record" means any book, document, writing, whether tangible, or in an electronic format, evidencing operational, financial or service activities of a service provider such as Contractor, or Center, or pertaining to the service program and/or the provision of services to persons with developmental disabilities.
- H. "Service" means assistance provided and duties performed by a Vendor for a Consumer, as described in Exhibit A.
- I. "Service Coordinator" means the individual specified in W&I Code Section 4648(a) as the person with the responsibility for implementing, overseeing, and monitoring a Consumer's IPP and for maintaining the Consumer's case management or service coordination file. Service Coordinator is synonymous with Center case manager, counselor or client program coordinator.
- J. "Service Design," also known as Program Design, means a written description of the service delivery capabilities and orientation developed, maintained, and implemented by a Vendor in compliance with the rules and regulations.
- K. "Special Incident Report" is the documentation prepared by Vendor staff or long-term health care facility staff detailing a special incident and provided to Center and appropriate law enforcement authorities.
- L. "Vendor" means an applicant which has been given a Vendor identification number and has completed the Vendorization process set forth in Section 54302, *et seq.* of Title 17.
- M. "Vendorization" means the process used to:
 - 1) Verify that an applicant meets all of the requirements and standards pursuant to Section 54320 of Title 17 prior to the provision of Services to Consumers; and,
 - 2) Assign Vendor identification numbers, service codes and sub-codes, for the purpose of identifying Vendor expenditures.

3. **Purpose of Contract.** The purpose of this Contract is to outline the obligations and duties of Contractor in providing the Services described in Exhibit A to Consumers and the means and process by which Contractor shall be compensated for said Services.

4. **Term of Contract.** This Contract shall commence on the 1st day of August, 2020 ("Commencement Date"), and shall terminate at midnight on the 31st day of July, 2021 ("Termination Date"), unless renewed by the Parties, or terminated earlier, pursuant to the terms of this Contract. Center shall not be required to compensate Contractor for Services performed by Contractor prior to Contractor's receipt of a written Authorization to Purchase Services from Center or subsequent to termination of this Contract, and any Services performed subsequent to termination of this Contract shall not be construed as a renewal of this Contract.

A. **Automatic Renewal of Contract.** On the Termination Date, this Contract shall automatically renew for a one (1) year period ("Renewal Period"), on the same terms and conditions contained herein, including, but not limited to, the rate to be paid by Center for Contractor's Services, unless: (1) no later than sixty (60) days before the Termination

Date, a Party gives written notice to the other Party of the intent to terminate the Contract on the Termination Date; or (2) this Contract is terminated pursuant to Section 4(B) below. If this Contract is automatically renewed pursuant to this Section, Center shall send a written confirmation to Contractor within thirty (30) days of the originally scheduled Termination Date. This Contract can be renewed pursuant to this provision for a maximum of five (5) years from the original Commencement Date. For automatic renewal to occur, the process set forth in this Section must be followed each year until this Contract is terminated. Automatic renewal of this Contract for one (1) or more years does not guarantee renewal for any subsequent year. If either Party desires to modify any of the terms of this Contract during a Renewal Period, that Party shall send a written request for a meeting to discuss the proposed modification(s). Any modification to this Contract during the renewal process, or otherwise, shall be set forth in a written amendment signed by both Parties. No oral representation by the Parties or their representatives shall be effective to renew this Contract.

- B. Early Termination of Contract by Center. Center may terminate this Contract prior to the date set forth in this Section 4 should Center, DDS or the State of California determine that Contractor has failed to comply with any provision of this Contract, failed to comply with the written Authorization to Purchase Services, and/or failed to comply with any applicable Federal, State or local law or regulation, including, but not limited to, those which govern the provision of Services to persons with developmental disabilities. Should Center, DDS or the State of California determine that termination of this Contract is appropriate, Center shall provide Contractor with a written notice of termination describing the reason for termination ("Center's Notice of Termination"). This Contract shall be deemed terminated thirty (30) days following delivery of Center's Notice of Termination ("Termination Date"). Center's Notice of Termination shall be deemed delivered on the date that it is either mailed via certified mail, return receipt requested, or personally delivered to Contractor. Termination may occur without notice, or with less than thirty (30) days' notice, if Center determines that either: the results of any evaluation of Contractor's Service delivery warrant termination without notice or with notice of less than thirty (30) days, or Contractor's Service delivery contributes to life-threatening dangers to, or has resulted in abuse of, a Consumer.
- C. Early Termination of Contract by Contractor. Should Contractor determine that termination of this Contract is appropriate, Contractor shall provide Center with a notice of termination describing the reason for termination ("Contractor's Notice of Termination"). This Contract shall be deemed terminated thirty (30) days following delivery of Contractor's Notice of Termination, unless Contractor specifies in its Notice of Termination that termination shall be effective at a later date ("Termination Date"). Contractor's Notice of Termination shall be deemed delivered on the date that it is either mailed via certified mail, return receipt requested, or personally delivered to Center.
- D. Termination of Contract by Either Party Without Cause. Notwithstanding Sections 4(A), 4(B) or 4(C) of this Contract, this Contract may be terminated by either Party without cause upon ninety (90) days written notice to the other Party, or as mutually agreed.
- E. No Payment for Services Performed After Termination Date. On and after the Termination Date, Contractor shall not conduct any further activities under this Contract and Center's obligation to pay Contractor pursuant to this Contract shall cease. Any expenses incurred by Contractor following the Termination Date will not be reimbursed pursuant to this Contract. If Contractor performed Services prior to the Termination Date that are reimbursable pursuant to the terms of this Contract, Contractor shall deliver a

final claim form within ten (10) business days of the Termination Date. Center shall reimburse Contractor for those Services that were legitimately performed prior to the Termination Date.

- F. Compliance With Laws Upon Termination. In the event of termination, Center and Contractor shall comply with all applicable Federal, State and local laws and regulations, including, but not limited to, W&I Code Sections 4502, 4646, 4646.4, 4648, 4710 and 4741.

5. Referral of Consumers. Center's case management staff may refer Consumers to Contractor, as it deems appropriate, through Contractor's designee. Contractor acknowledges and agrees that Center is not obligated to refer any particular number of Consumers to Contractor, or any Consumers at all, and that this Contract is not intended to, nor shall it constitute a guarantee or vested right to have any particular Consumer, or any number of Consumers referred, assigned, transferred or sent to Contractor for Services. Contractor further acknowledges and agrees that Center shall not be liable to Contractor, for any cause of action, in law or equity, including, but not limited to, breach of contract or breach of the implied covenant of good faith and fair dealing, if Center does not refer, assign, transfer or send any particular Consumer, or any number of Consumers to Contractor for Services. Contractor further acknowledges and agrees that it shall not interfere with or limit Center's right under the W&I Code and Title 17 to secure for any Consumer served by Contractor, additional and/or alternative services which Center has determined are appropriate.

6. Services. Contractor shall provide Services in accordance with all applicable Federal, State and local laws or regulations, including but not limited to, Title 17 as it relates to the appropriate service type, in accordance with the Program Design attached hereto and incorporated herein as Exhibit C, and in accordance with the terms and conditions of this Contract, including Exhibits and/or documents referenced in this Contract. In the event of a conflict between the terms of the Program Design and this Contract, the terms of this Contract shall govern. The level of service provided by Contractor shall, at a minimum, be consistent with Contractor's Program Design, any other program-related documentation relied upon by the Department as a basis for establishing rates of payment, and any applicable Federal, State and local laws or regulations.

7. Contractor's Duties.

- A. Authorization to Purchase Services Required. Contractor may not initiate or provide any Services for Consumers until Center has issued a duly executed Authorization to Purchase Services.

- B. Special Incident Reporting Requirements.

- 1) Contractor shall report any and all Special or Unusual Incidents pursuant to Section 54327 of Title 17, including, but not limited to:
 - a) The Consumer is missing and Contractor or long-term health care facility has filed a missing persons report with a law enforcement agency;
 - b) Reasonably suspected abuse/exploitation, including: physical, sexual, fiduciary, emotional/mental, or physical and/or chemical restraint;
 - c) Reasonably suspected neglect, including failure to: provide medical care for physical and mental health needs; prevent malnutrition or dehydration, protect from health and safety hazards, failure to assist in personal hygiene or the provision of food, clothing, or shelter, or exercise

the degree of care that a reasonable person would exercise in the position of having the care and custody of a dependent adult;

- d) Serious injury or accident, including: lacerations requiring sutures or staples, puncture wounds requiring medical treatment beyond first aid, fractures, dislocations, bites that break the skin and require medical treatment beyond first aid, internal bleeding requiring treatment beyond first aid, any medication errors, medication reactions that require medical treatment beyond first aid, and burns that require medical treatment beyond first aid;
 - e) Any unplanned or unscheduled hospitalization due to the following conditions: respiratory illness, seizure-related, cardiac-related, internal infection, diabetes, including diabetes-related complications, wound/skin care, nutritional deficiencies, or involuntary psychiatric admission;
 - f) The death of any Consumer, regardless of cause and regardless of when or where it occurred; and
 - g) The victimization of a Consumer of the following crimes: robbery, aggravated assault, larceny, burglary, and rape/attempted rape, regardless of when or where such an incident occurred.
- 2) Special Incident Reports shall be made to the appropriate law enforcement authorities and to Center, via telephone, electronic mail or facsimile, immediately upon discovery of the incident, and under no circumstances shall said reporting occur more than twenty-four (24) hours after an incident occurred, was discovered, or was suspected, whichever is earliest. Notification to the assigned Service Coordinator, the Officer of the Day, or the After Hours Response Team, as identified by the Special Projects Unit of Center, shall satisfy the initial reporting requirement.
- 3) Thereafter, within forty-eight (48) hours after the alleged incident occurred, was discovered, or suspected, whichever is earliest, Contractor shall provide Center with a written report describing the alleged incident and Contractor's response thereto. Failure to report any such incident to the appropriate law enforcement authorities and to Center, and/or failure to provide the required written report, shall constitute a distinct and separate ground for automatic termination of this Contract, notice of which shall be served personally or via certified mail, return receipt requested, to Contractor.
- 4) Written reports of incidents shall include all relevant information, including, but not limited to:
- a) Contractor's name, address and telephone number;
 - b) Date, time and location of the incident;
 - c) Name(s) and date(s) of birth, and UCI Number(s) of each Consumer involved in the incident and the name, address and phone number of the Consumer's family member(s) or authorized representative(s);
 - d) The name, address and phone number of the Consumer's family member(s) or authorized representative(s) who were contacted and informed of the incident;

- e) Description of the incident;
 - f) Description of the alleged perpetrator(s) of the incident, including, but not limited to, name, age, height, weight, address, phone number, occupation, and relationship to Consumer;
 - g) Treatment provided to Consumer, if any;
 - h) Identification of potential witnesses, including, but not limited to, name, address, telephone number and context of witnessing the incident;
 - i) Identity of all law enforcement, licensing, protective services and/or other agencies or individuals notified of the incident, or otherwise involved in the incident;
 - j) Action(s) taken by Contractor, law enforcement, licensing, protective services and/or other agencies or individuals in response to the incident; and
 - k) Dated signature of the person creating the written report on behalf of Contractor.
- 5) Failure to Report. Failure to report any of the foregoing incidents to the appropriate law enforcement authorities and to Center, and/or failure to provide the required written report, shall constitute a distinct and separate ground for automatic termination of this Contract, notice of which shall be served personally or via certified mail, return receipt requested, to Contractor.
- C. Compliance with IPP. Contractor shall follow IPP documentation requirements as set forth in Section 56720 of Title 17 and W&I Code Section 4648 and shall properly train all staff as necessary to ensure the adequacy of said documentation. All Services rendered by Contractor shall be in furtherance of the IPP. Contractor shall not render Services that are not called for in the IPP. Center shall notify Contractor of annual IPP meetings at least five (5) days in advance of all such meetings, unless the Consumer or their legally authorized representative asks that the Contractor not be at the meeting.
- D. Developing ISPs. Contractor agrees to follow "person centered planning philosophies," as published by DDS, in developing ISPs for Consumers and/or to procure such training as is necessary to ensure adequate staff participation in person centered planning.
- E. Use of Public or Generic Resources. Regional centers are required to use generic services when available. Contractor understands and agrees that if a Consumer or Consumer's authorized representative chooses not to access available generic services (e.g. IHSS, Medi-Cal, public school, California Children's Service), Center will not be able to pay for the service. Contractor shall utilize, to the fullest extent feasible, those public resources which are available without additional cost to Contractor and which will enhance the quality of Services provided to those Consumers who can benefit from the use of such resources.
- F. Grievance Reports / Complaints. Contractor shall establish, adopt and periodically review a written Internal Grievance Procedure under which Consumers, or their authorized representatives or advocates may file complaints to address their grievances and by which Contractor shall resolve grievances pursuant to W&I Code Section 4705.

G. Abuse Reporting Training. Contractor shall train all staff regarding legally mandated abuse reporting requirements prior to the employee's provision of Services to Consumers and annually thereafter.

H. Staff Background Checks.

- 1) Contractor shall require all staff providing Services having contact with Consumers under this Contract to have cleared a fingerprint /background check that includes the Department of Justice prior to having any contact with Consumers, and annually thereafter, unless clearance is sought through the Department of Social Services or the TrustLine Registry, which includes automatic checks for subsequent arrests. Contractor shall provide Center, upon request, with proof of the fingerprint clearance.
- 2) Contractor shall require individuals to submit references from prior employers and/or volunteer organizations. Contractor shall verify the accuracy of these references and document the verification in the employee/volunteer personnel file.
- 3) Contractor, within the scope of and direction of Contractor's agency exclusively, agrees to develop, retain, and implement employment policies and programs to encourage and promote Contractor's employee fitness during performance of service delivery tasks connected with the intended beneficiaries (Center's consumers) within Contractor's program design, California Code of Regulations Title 17 and Title 22 and Direct Support Professional requirements satisfying the principal purpose of "agreement" between Center and Contractor.

8. Payment for Services. The Parties fully understand and agree that payment under this Contract is dependent upon available Federal and/or State funding. Contractor expressly acknowledges that the State and/or Federal Government may, from time to time during the Term of this Contract, require changes to the rate of payment that Center pays Contractor. Accordingly, Contractor expressly acknowledges and agrees that adjustments to the rate of payment described herein may be made by Center. Center will notify Contractor, in writing, of any such adjustments to the rate of payment and of the effective date of any adjustment. Contractor expressly understands and agrees that Contractor shall have no right to object to any such adjustments and that any such adjustments shall not give rise to any cause of action, in law or equity, against Center. In the event that Center is not allocated any funds for the Services referenced in this Contract, this Contract shall be null and void and of no further force and effect, in which event, Center shall have no obligation to pay any funds whatsoever to Contractor, or to furnish any other consideration under this Contract, and Contractor shall not be obligated to perform pursuant to this Contract. Payment to Contractor shall only be made according to the following terms:

A. Reliance on Authorization to Purchase Services. All payments shall be made in accordance with the Authorization to Purchase Services provided to Contractor by Center. Payments shall not be made based upon oral authorization to provide services.

B. Rate of Payment.

- 1) The rate paid to Contractor by Center shall be cost effective to the State of California.
- 2) Contractor shall not charge Center a rate for Services to Consumers that is more than Contractor would charge, or is charging, for any other purchase of the same or substantially similar service.

- 3) Center shall pay Contractor at the rate described in Exhibit B which shall constitute the total amount of compensation for Contractor's performance of this Contract.
- 4) Contractor also understands and agrees that the maximum amount described in Exhibit B is the highest total amount which can be paid by Center to Contractor under this Contract, unless otherwise agreed to in writing by the Parties. Contractor further understands and agrees that if the maximum amount described in Exhibit B is exceeded, this Contract is not valid unless and until it is approved by Center's Governing Board. Nothing in this Contract shall be deemed to guarantee that Contractor will receive the maximum amount of compensation provided for in Exhibit B, or any compensation at all, as Center cannot guarantee the amount of Services that Contractor will be asked to provide for Consumers.

C. Payment in Arrears. Center shall pay Contractor in arrears for Services provided in the previous calendar month.

- 1) Claim Form. Contractor shall bill Center, on a monthly basis, for Services provided in the previous month by submitting to Center a completed and signed claim form in the format provided by Center, or electronically. Contractors who submit their claim forms electronically shall retain all supporting and required source documentation. All other contractors shall submit all supporting and required source documentation with their claim forms. The supporting and required source documentation shall include, at a minimum, the information required by Section 50604(d) of Title 17.
- 2) Certification. For each claim form submitted, Contractor shall certify under penalty of perjury:
 - a) All services for which Contractor is seeking payment have been provided to Center consumers by Contractor; and
 - b) All information submitted to Center along with the claim form is accurate and complete.
- 3) Time for Submittal of Claim Form. Claim forms, and supporting and required source documentation, if applicable, shall be submitted to Center on or before the tenth (10th) day of each month. Contractor understands that at the very latest, Contractor must submit a claim for reimbursement for all Services performed within ninety (90) days of the actual date of service. On each claim form, Contractor shall certify that all Services for which Contractor seeks reimbursement were performed within ninety (90) days of submittal of the claim form. Contractor further understands and agrees that it shall not be paid by Center for any Services that were performed more than ninety (90) days before submittal of a claim form for the Services.

D. Date for Payment by Center. On or before the twenty-fifth (25th) of each month, Center shall pay Contractor according to the information provided in each claim form. Notwithstanding the foregoing, Center shall have no obligation to pay Contractor: if Contractor fails to provide supporting and required source documentation for each claim form submitted to Center on or before the 10th of the month, or fails to make such information available in the case of electronic billing; if Center disputes any item submitted by Contractor in conjunction with a claim form; or if the claim form is

inconsistent with the Authorization to Purchase Services provided to Contractor by Center.

E. Limitations on Payment.

- 1) Center's obligation to pay for Services under this Contract arises only when Contractor has provided the Services fully and satisfactorily in accordance with the terms of this Contract.
- 2) Payments by Center to Contractor shall not be used to supplant the budget of any agency which has a legal responsibility to serve all members of the general public and is receiving public funds for providing those Services. Nor shall payments by Center to Contractor be used to supplement the rate of payment Contractor is receiving from any agency for Services provided to a Consumer.
- 3) No more than fifteen percent (15%) of Center funds shall be spent by Contractor on Administrative Costs. Funds spent on direct Services (costs immediately associated with Services to Consumers being offered by Contractor) shall not include any Administrative Costs. Administrative Costs, include, but are not limited to:
 - a) Salaries, wages and employee benefits for managerial personnel whose primary purpose is administrative management of the entity, including, but not limited to, directors and chief executive officers;
 - b) Salaries, wages and benefits of employees who perform administrative functions, including, but not limited to, payroll management, personnel functions, accounting, budgeting, and facility management;
 - c) Facility and occupancy costs, directly associated with administrative functions;
 - d) Maintenance and repair;
 - e) Data processing and computer support services;
 - f) Contract and procurement activities, except those provided by a direct service employee;
 - g) Training directly associated with administrative functions;
 - h) Travel directly associated with administrative functions;
 - i) Licenses directly associated with administrative functions;
 - j) Taxes;
 - k) Interest;
 - l) Property insurance;
 - m) Personal liability insurance directly associated with administrative functions;
 - n) Depreciation; and
 - o) General expenses, including, but not limited to, communication costs and supplies directly associated with administrative functions.

F. Payment in full. In accordance with Section 54326(a)(12) of Title 17, Contractor shall accept payment by Center as payment in full for all materials, supplies, or Services

provided by Contractor to Consumers. Contractor shall not bill Center, the Consumer, Consumer's parents, guardians, family, conservator, authorized representative, or any other person or agency, for a supplemental amount, regardless of the actual cost of providing the materials, supplies, or Services.

- G. Additional Requirements for Federal Funds. If Federal Government funds are involved, Contractor shall comply with all Federal rules, including, but not limited to, the applicable sections of the Code of Federal Regulations.

9. Record Preparation and Retention Obligation.

- A. Record Retention Requirement. Contractor shall prepare and retain all service and program financial, accounting, administrative and Consumer-related information, including, but not limited to, complete service records, records related to Contractor's rates, and all books, records, documents and other evidence related to and/or affecting performance of this Contract, the Services provided by Contractor, the billing or invoicing by Contractor, and Contractor's income and expenses ("Contractor's Records"), in accordance with Title 17, including, but not limited to, Section 50604(d) and (e), as applicable, ("Record Retention Requirement").
- B. Record Retention Period. The Record Retention Requirement shall apply for a period of no less than five (5) years following the date of the final payment for the State fiscal year in which Services were rendered by Contractor, provided however, that if an audit is in process, or an appeal of an audit is pending at the end of said timeframe, Contractor's records shall be retained until all audit exceptions have been resolved ("Record Retention Period"). Contractor shall retain all such records for the Record Retention Period in a separate and distinct location from any of Contractor's records for non-Center Consumers.
- C. Additional Requirements for Financial Records. Contractor shall maintain all financial records by consistently using a single method of accounting. Financial records shall clearly reflect the nature and amounts of all costs and income. All transactions for each month shall be entered into the financial records within thirty (30) days after the end of that month.

10. Access to Contractor Records and Facilities.

- A. Access by Authorized Agencies. Throughout the Term of this Contract, and during the Record Retention Period, Contractor shall permit DDS, Center and any other authorized agency representative of the California Department of Health Services and the United States Department of Health and Human Services when Federal Government funds are involved in the payment for Services (collectively, "Authorized Agencies"), access to all of Contractor's Records, and any facilities belonging to, or used by Contractor pertaining to Services provided to persons with developmental disabilities ("Contractor's Facilities").
- B. Scope of Right of Access. All of Contractor's Records and Facilities shall be made immediately available to the Authorized Agencies for audit, review, examination, excerpt, reproduction, and/or making transcripts.
- C. Time for Access. While the Authorized Agencies will endeavor to give twenty-four (24) hours' notice prior to exercising their right of access, the rights of access described in this Section 10 shall not be limited by a requirement of prior notice. Access without prior notice shall, however, be limited to situations where the Authorized Agency determines that the purpose of the access would be thwarted if advance notice were given (i.e. in cases of suspected fraud, imminent destruction of records or similar circumstances).

Contractor shall permit the Authorized Agencies to access Contractor's Records and Facilities at any time during Contractor's normal business hours.

11. **Audits by Center.** Center may audit Contractor's Records pursuant to Title 17, including, but not limited to, Section 50606, *et seq.* Should the results of any audit by the Center or any other Authorized Agency result in a finding that any or all of the payments made by Center to Contractor were in error or were otherwise improper or disallowed based upon the terms of this Contract, Center's contract with DDS, or as a result of any applicable Federal, State or local law or regulation, Contractor shall comply with the provisions of Title 17 relating to repayment and appeal of audit findings and/or recommendations. Should Contractor elect to appeal any audit findings and/or recommendations, Contractor shall utilize and be bound by Sections 50700 *et seq.* of Title 17. Contractor shall accept financial liability for any audit findings and/or recommendations disclosed by an audit and promptly repay amounts owed unless the audit findings are appealed and liquidation is stayed pursuant to Section 50705 of Title 17.
12. **Audit or Review by Independent Accounting Firm.** Contractor shall contract with an independent accounting firm for an audit or review of Contractor's financial statements, subject to the following:
 - A. When the amount received by Contractor from Center and/or any other regional center, during each state fiscal year, is more than or equal to Five Hundred Thousand Dollars (\$500,000), but less than Two Million Dollars (\$2,000,000), Contractor shall obtain an independent review report of its financial statements for the fiscal year that includes the last day of the most recent state fiscal year. Consistent with Subchapter 21 (commencing with Section 58800) of Title 17, this requirement shall also apply to work activity program providers receiving less than Five Hundred Thousand Dollars (\$500,000).
 - B. When the amount received by Contractor from Center and/or any other regional center, during each state fiscal year, is equal to or more than Two Million Dollars (\$2,000,000), Contractor shall obtain an independent audit of its financial statements for the fiscal year that includes the last day of the most recent state fiscal year.
 - C. Independent review of financial statements must be performed by an independent accounting firm and shall cover, at a minimum, all of the following:
 - 1) An inquiry into Contractor's accounting principles and practices and methods used in applying them;
 - 2) An inquiry into Contractor's procedures for recording, classifying, and summarizing transactions and accumulating information;
 - 3) Analytical procedures designed to identify relationships or items that appear to be unusual;
 - 4) An inquiry about budgetary actions taken at meetings of the board of directors or other comparable meetings;
 - 5) An inquiry about whether the financial statements have been properly prepared in conformity with generally accepted accounting principles and whether any events subsequent to the date of the financial statements would have a material effect on the statements under review; and
 - 6) Working papers prepared in connection with a review of financial statements describing items covered as well as any unusual items, including their disposition.
 - D. Independent review report shall cover, at a minimum, all of the following:

- 1) Certification that the review was performed in accordance with standards established by the American Institute of Certified Public Accountants;
 - 2) Certification that the statements are the representations of management;
 - 3) Certification that the review consisted of inquiries and analytical procedures that are lesser in scope than those of an audit; and
 - 4) Certification that the accountant is not aware of any material modifications that need to be made to the statements for them to be in conformity with generally accepted accounting principles.
- E. Contractor shall provide copies of the independent audit or independent review report and accompanying management letters to Center within thirty (30) days after completion of the audit or review. Center shall review and require resolution by Contractor of issues identified in the report that have an impact on Center services. Center shall take appropriate action, up to termination of vendorization, for lack of adequate resolution of issues. Center shall notify DDS of all qualified opinion reports, or reports noting significant issues that directly or indirectly impact Center services, within thirty (30) days after receipt, which notification shall include a plan for resolution of the issues.
- F. The requirements of this Section 12 do not apply to payments made using usual and customary rates, as defined by Title 17 for services provided by regional centers, or to State and local government agencies, the University of California, or California State University.
13. **Disclosure of Survey Results.** Contractor shall provide Center with information obtained from surveys, questionnaires or other Consumer satisfaction tools relevant to Center's Consumers within thirty (30) days of receiving the same. Contractor shall meet with Center, upon request, to discuss the results of said surveys, questionnaires or other Consumer satisfaction tools, and shall work cooperatively with Center to address any identified areas of deficiency.
14. **Notices.** Any and all notices or other correspondence required to be sent to the Parties shall be deemed delivered when personally delivered or mailed via certified mail, return receipt requested, as follows:
- | | |
|-------------|---|
| Center: | Executive Director
Valley Mountain Regional Center
P.O. Box 692290
Stockton, CA 95269-2290 |
| Contractor: | Leslie W. Austin
Turlock Area Supported Living Services
540 Strathaven Court
Turlock, CA 95382 |
15. **Compliance with Law.** Contractor shall comply with all applicable Federal, State and local laws and regulations in providing Services, expressly including, but not limited to, Titles 17 and 22 of the California Code of Regulations, and the California Welfare and Institutions Code. Contractor expressly acknowledges the applicability of the foregoing, and affirms that it and its employees, agents and everyone acting on Contractor's behalf, have read and agree to abide by the same. Contractor shall comply with the Service Provider Accountability Regulations as set forth in Sections 50601 through 50612 of Title 17. Although this Contract cites to particular laws and regulations, Contractor's obligation to comply with all applicable Federal, State and local laws and

regulations is not limited to the specific provisions cited herein. Nothing in this Contract shall be construed as excusing compliance with any existing or future laws or regulations.

16. **Consumer Privacy & Confidentiality.** The Parties shall abide by all applicable Federal, State and local laws and regulations concerning privacy and confidentiality of Consumer records, including, but not limited to, W&I Code Section 4514. The Parties further acknowledge, understand and agree to adhere to their responsibilities as "business associates" under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended, and regulations promulgated there under, including, but not limited to, the Standards for Privacy of Individually Identifiable Health Information at Section 45 of the Code of Federal Regulations, Parts 160 and 164 ("Privacy Regulations"). Accordingly, the Parties shall use Consumer health information only as needed to complete their responsibilities under this Contract and shall not use or disclose Consumer health information for any other purpose. Further, the Parties shall implement and maintain adequate administrative, technical and physical safeguards to prevent improper use or disclosure of such Consumer health information.
17. **Compliance with Center Policy.** Contractor agrees to comply with all Center policies and procedures as they pertain to Contractor's provision of Services to Center's Consumers, the administration of payments to Contractor, contracts, financial matters, record keeping and retention, and audits. All such policies and procedures are available for review by Contractor at Center's office.
18. **Non-Discrimination.**
- A. **Provision of Services.** Contractor shall not discriminate in the provision of Services on the basis of race, color, creed, national origin, religion, sex, age or condition of physical or mental disability, or any other protected class. Contractor shall comply with Title VII of the Civil Rights Act of 1964 (42 U.S.C. §2000d), as amended, rules and regulations promulgated pursuant thereto, and all Federal, State and local laws and regulations governing discrimination.
- B. **Employment.** Contractor shall not discriminate against any employee or applicant for employment, and shall take action to ensure that employees and applicants are treated equally without regard to their race, color, creed, national origin, religion, sex, age or condition of physical or mental disability, or any other protected class.
19. **Effect of Legal History.** People (including individuals, partnerships, group associations, corporations, institutions, or entities, and the officers, directors, owners, managing employees or agents thereof) with the following legal histories, within the previous ten (10) years, shall be ineligible to be a Contractor or Contractor's employee:
- A. People convicted of the following crimes:
- 1) Any felony or misdemeanor involving fraud or abuse in any government program;
 - 2) Any felony or misdemeanor related to neglect or abuse of an elder or dependent adult or child; or
 - 3) Any felony or misdemeanor in connection with interference with, or obstruction of, any investigation into health care related fraud or abuse.
- B. People found liable for fraud or abuse in any civil proceeding.
- C. People that have entered into a settlement in lieu of conviction for fraud or abuse in any governmental program.

20. **Contractor Licensing.** Contractor affirms that it has obtained, and will maintain in good standing, all licenses and certificates required by all applicable Federal, State and local laws for the Services Contractor is providing. Contractor shall disclose, in writing, any past, present or pending revocation, denial or adverse action against any of Contractor's licenses or certificates within fifteen (15) days of receiving notice of such action.
21. **Contractor's Affirmation Regarding Program-Related Documents.** Contractor affirms that all fiscal and Services program-related documentation that has been provided to Center, and that will be provided to Center in the future is, and will be complete, accurate, supported by records and source documentation, prepared in accordance with Center's instruction, and available for inspection and audit by Center and DDS. Contractor affirms its understanding that payments made by Center to Contractor pursuant to this Contract will come from Federal and/or State funds, and any falsification or concealment of a material fact may be prosecuted under Federal and/or State laws.
22. **Indemnification.** Contractor agrees to indemnify, defend and hold harmless, Center, DDS and the State of California, its officers, agents and employees, from and against any and all claims, losses, expenses, damages, injuries, liability and causes of action, of any nature whatsoever (collectively, "Claims"), that in any way accrues or results to Contractor, Center, DDS or the State of California and/or any of their employees, agents, attorneys, successors, assigns, subcontractors, materialmen, laborers or any other person, firm or entity that may be injured or damaged by any act, omission or negligence of Contractor and/or any of its employees, officers, directors, agents, or any person acting on Contractor's behalf in the performance of this Contract. This indemnification provision extends to include any and all costs or expenses, including, but not limited to, attorney's fees and expert fees incurred by Center, DDS and the State of California as the result of any such Claims, and shall survive termination of this Contract. Contractor's obligation to indemnify, defend and hold harmless as described herein shall apply regardless of whether Contractor has acted negligently or intentionally.
23. **Insurance.** Contractor shall procure and maintain, at its own expense, throughout the term of this Contract, a policy of personal liability insurance in the minimum amount of One Million Dollars (\$1,000,000), under which Contractor shall name Center as an additional insured. The "additional insured" portion of Contractor's insurance policy shall include the following language: "Such insurance as is afforded by the endorsement of the additional insured shall apply as primary insurance. Any other insurance maintained by Valley Mountain Regional Center, or its officers or employees, shall be in excess only, and shall not contribute to the insurance afforded by this endorsement." Contractor shall require its insurance company(ies) to notify Center of any renewal and/or cancellation of the insurance policy required by this Contract. Copies of Contractor's insurance policies and the required endorsements shall be provided to Center within five (5) calendar days after the insurance is obtained and after all renewals or cancellations of any policy. Failure by Contractor to maintain the insurance policy required by this Contract shall constitute grounds for immediate termination of this Contract.
24. **No Agency or Employment Relationship.** Nothing in this Contract shall be construed to create any type of agency or employment relationship between Center and Contractor. Contractor, its employees, agents, attorneys, successors, assigns, subcontractors, materialmen, laborers and any other person acting on Contractor's behalf shall act in an independent capacity, as an independent contractor, and not as an officer, employee or agent of Center, DDS or the State of California. Contractor, and all persons acting on Contractor's behalf, shall not hold themselves out as, nor claim to be, an officer, employee or agent of Center, DDS or the State of California as a result of this Contract, and shall not make any application, claim or demand for any right or privilege applicable to any officer, employee or agent of Center, DDS or the State of California, including,

but not limited to, unemployment insurance, disability insurance, worker's compensation insurance, or retirement benefits.

25. **No Assignments.** This Contract, and the rights, duties and obligations described herein shall not be assigned. Notwithstanding the foregoing, Contractor shall be permitted to factor or assign its accounts receivable from Center, if, and only if, such factoring or assignment is required in order to obtain equipment financing, and if, and only if, such factoring or assignment is not otherwise prohibited by law. Any such factoring or assignment shall not be effective unless approved by Center, in writing, which approval shall not be unreasonably withheld.
26. **No Subcontracts.** The Services for which Contractor is Vendored shall not be subcontracted to any other person or entity, except pursuant to prior written consent of Center, and any such subcontracting shall be in accordance with Title 17.
27. **Breach or Default by Contractor.** In the event of Contractor's breach or default under this Contract, Center shall be permitted to either give Contractor notice of the breach or default and a reasonable opportunity to remedy the same, or terminate this Contract pursuant to Section 4(B) hereof. This Section 27 shall not prevent Contractor from pursuing any legal or appeal process set forth in Title 17, in which event this Contract shall remain in force until the legal or appeal process is completed. If Contractor suffers any strike, walk-out or work stoppage by its employees, and as a result of such condition, is unable to continue to provide Services required herein for a period of fifteen (15) days, Center shall be entitled to procure the Services that Contractor is unable to provide from another vendor, and Contractor shall not be compensated for any such substituted service. In such case, Center may, in its sole discretion, terminate this Contract and obtain a replacement for the Services for its Consumers.
28. **Excuse of Performance.** Neither Party shall be deemed in default of any of the provisions of this Contract in the event that the Party's failure to perform is the result of an earthquake, flood or other act of God, fire, riot insurrection, commandeering of vehicles, material, equipment or facilities by the government, strike, labor dispute or work stoppage, or similar cause beyond the Party's control, which renders performance impossible, when evidence thereof is presented to the other Party.
29. **Time of the Essence.** Time is of the essence in relation to each and every provision of this Contract.
30. **Materiality of Each Provision.** Each and every provision, term and condition of this Contract is considered material to this Contract.
31. **Integration.** This Contract contains the entire agreement between the Parties, and replaces any prior representations, agreements or understandings, oral or written, that may have existed between the Parties. The Parties agree that any modification or supplementation of this Contract shall be in writing, signed by the Parties' respective representatives, and must refer specifically to this Contract and the provision(s) modified or supplemented. No other modifications or supplements will be valid. The execution of any modification or supplementation of this Contract shall comply with the requirements of all applicable laws and regulations.
32. **Governing Law.** This Contract, and any other documents to which it refers, shall in all respects be interpreted, enforced and governed by the laws of the State of California and the United States of America. This Contract is specifically subject to restrictions, limitations and conditions enacted by the California Legislature, contained in the Annual Budget Act, and/or any contract between Center and DDS, and this Contract shall be modified by the Parties to the extent necessary to ensure compliance with the same.

33. **Mutual Drafting.** This Contract shall be construed as a whole according to its fair meaning, and not strictly for or against any of the Parties. The Parties acknowledge that this Contract documents a negotiated agreement and it shall not be construed or interpreted in favor of either Party due to the fact that one of the Party's attorneys drafted this Contract.
34. **Severability.** If any provision of this Contract is deemed invalid or unenforceable pursuant to the provisions set forth in Section 36, the unenforceability thereof shall not affect the remaining provisions of this Contract and the remaining provisions of this Contract shall remain in full force and effect.
35. **Section Headings.** Section headings used in this Contract are for convenience only, are not part of the Contract, and shall not affect any of the terms hereof.
36. **Resolution of Disputes.** Any and all disputes, controversies or claims arising out of or relating to this Contract shall be resolved pursuant to the grievance procedures set forth in Title 17, if applicable. If the grievance procedures set forth in Title 17 do not apply to a dispute, or after exhausting the applicable grievance procedures set forth in Title 17, all remaining disputes, controversies or claims shall be settled by a mutually agreed upon arbitrator in accordance with the rules of the American Arbitration Association. The arbitrator's decision may be entered as a judgment in any court having jurisdiction or may be appealed to the Superior Court of California in and for the County of San Joaquin within thirty (30) days of issuance.
37. **Attorney's Fees and Costs.** In the event of an appeal of an audit finding, hearing before the Office of Administrative Hearings, arbitration, or should either Party bring an action in law or equity, in which a Party incurs attorney's fees to enforce the terms of this Contract, the prevailing party thereto may recover reasonable attorney's fees and all costs incurred in connection therewith, including, but not limited to, fees for reasonably necessary expert witnesses.
38. **Exclusive Benefit.** This Contract, and each and every provision hereof, is for the exclusive benefit of the Parties hereof and not for the benefit of any third party.
39. **Counterparts.** This Contract may be executed in duplicate counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.
40. **Delivery by Facsimile or Electronic Mail.** Duly executed signatures to this Contract may be delivered by facsimile or electronic mail, and signature pages delivered by such method shall be deemed equivalent to and of the same force and effect as original signature pages.
41. **Successors and Assigns.** This Contract is binding on the successors and assigns of the Parties.
42. **Execution of Contract.** By signing this Contract, the Parties confirm that they have read this Contract, understand its contents, agree to its terms, have consulted with their respective attorneys, and are voluntarily entering into this Contract. The Parties warrant that the person signing on behalf of each Party is an authorized representative of that Party.

Accepted and agreed to:

Valley Mountain Regional Center

Dated: _____

Contractor: Turlock Area Supported Living Services, Inc.
Vendor No: SV0021
Page 17 of 24

By: Anthony (Tony) Anderson
Its: Executive Director

Contractor
Turlock Area Supported Living Services

Dated: _____

By: Leslie W. Austin
Its: President

EXHIBIT A
SERVICES – SV0021

1. Contractor is vendored by Center pursuant to Title 17, Section 54349 (d) to provide "Supported Living Service -- Service Code: 896. Beginning July 1, 2000, a regional center shall classify a vendor as a provider of Supported Living Service if the vendor provides services enumerated in Title 17, Section 58614."
 - A. "Supported Living Service, as referenced in Title 17, Section 54349(a) through (e), shall consist of any individually designed service or assessment of the need for service, which assists an individual consumer to:
 - 1) Live in his or her home, with support available as often and for as long as it is needed;
 - 2) Make fundamental life decisions, while also supporting and facilitating the consumer in dealing with the consequences of those decisions; building critical and durable relationships with other individuals; choosing where and with whom to live; and controlling the character and appearance of the environment within their home.
 - B. Supported Living Service(s) are tailored to meet the consumer's evolving needs and preferences for support without having to move from the home of their choice, and include but are not limited to the following:
 - 1) Assisting with common daily living activities such as meal preparation, including planning, shopping, cooking and storage activities;
 - 2) Performing routine household activities aimed at maintaining a clean and safe home;
 - 3) Locating and scheduling appropriate medical services;
 - 4) Acquiring, using and caring for canine and other animal companions specifically trained to provide assistance;
 - 5) Selecting and moving into a home;
 - 6) Locating and choosing suitable house mates;
 - 7) Acquiring household furnishings;
 - 8) Settling disputes with landlords;
 - 9) Becoming aware of and effectively using the transportation, police, fire, and emergency help available in the community to the general public;
 - 10) Managing personal financial affairs;
 - 11) Recruiting, screening, hiring, training, supervising, and dismissing personal attendants;
 - 12) Dealing with and responding appropriately to governmental agencies and personnel;
 - 13) Asserting civil and statutory rights through self-advocacy;
 - 14) Building and maintaining interpersonal relationships, including a Circle of Support;

- 15) Participating in community life; and
- 16) 24-hour emergency assistance, including direct service in response to calls for assistance. This service also includes assisting and facilitating the consumer's efforts to acquire, use, and maintain devices needed to summon immediate assistance when threats to health, safety, and well-being occur."

2. ISPs.

- A. Contractor will develop and implement an ISP based on the IPP and submit Quarterly Reports to the Center's case management staff for individual consumers reflecting progress towards their IPP/ISP goals and any other pertinent information.
- B. Consumers who need assistance to care for their medical condition, will have an ISP goal that provides direction to staff on monitoring and assisting the consumer with their medical condition. Staff must complete training by a licensed medical professional or at Valley Mountain Regional Center by the Clinical Department for the medical condition and maintenance of any equipment.
- C. Contractor shall notify Consumers, Service Coordinators, care providers and all other people significant in the care of Consumers of annual staffing reviews at least thirty (30) days in advance of all such reviews.
- D. Contractor shall ensure that its staff consults with Center's case management staff before making or implementing any changes in IPP/IFSP objectives or training plan.

3. IHSS/Generic Services.

- A. Contractor will assist consumers to apply for and monitor IHSS and other generic services that will supplant SLS services.
- B. Contractor will assist consumer with negotiating generic service available in the community; i.e., food pantries, clothing, housing assistance, shelters, etc.

4. Authorization to Purchase Services Required.

- A. Contractor may not initiate any Supported Living Services for Consumers until it has received a duly executed Authorization to Purchase Services from Center. Center will not be responsible for any services performed without written authorization.
- B. Program Managers and the After-Hours Response team are the only Center staff who are designated to give verbal authorization for services or to provide additional services beyond the authorized hours.
- C. Verbal authorization must be followed up within 15 days from the initiation of the requested services by a formal letter of request by the Contractor in order to receive a duly executed Authorization to Purchase Services from the Center.
- D. Contractor must maintain separate records to support direct service billing for each consumer served and indirect or administrative billing performed during the course of providing services.

5. Contractor Staff.

- A. Contractor hereby warrants that all work will be performed in accordance with accepted professional practices and standards as well as the requirements of applicable federal, state, and local laws.

- B. Contractor shall contract directly with its staff and shall provide all staff necessary to perform the Supported Living Services for each Consumer to whom Contractor has agreed to provide services.
- C. Contractor's staff shall be employees of Contractor. Contractor shall be solely responsible for procuring liability insurance for all staff, for payment of any and all applicable unemployment insurance, disability insurance, worker's compensation insurance, federal and state taxes, benefits, and any other required withholdings for all staff.
- D. Contractor shall comply with all applicable laws and regulations regarding the hiring, retention, training, licensure and certification of Direct Care Staff and personnel.
- E. Contractor agrees to adhere to the Zero Tolerance Policy for Consumer Abuse or Neglect attached hereto as Exhibit D.

6. Contractor Staff Training and Orientation.

- A. Contractor shall have sole responsibility for appropriately training and managing all staff to ensure that all staff is competent to perform the Supported Living Services for each Consumer to whom the staff is assigned. Contractor shall ensure that all staff providing Supported Living Services for a Consumer shall hold all certifications and/or licenses required by Titles 17 of the California Code of Regulations to provide Supported Living Services.
- B. Contractor will provide employees, during the first two (2) weeks of employment, with an orientation that includes:
 - 1) Overview of SLS agency's mission, policies and practices as stated in the approved Service design;
 - 2) IPP/ISP objective for each consumer with whom staff employee works;
 - 3) Practical use of SLS to promote consumer's self-reliance;
 - 4) Consumer Protection and Rights including:
 - a) SLS agency's internal grievance procedures;
 - b) Fair hearing provisions pursuant to T17; 50900-50964;
 - c) Special Incident Reporting;
 - d) Rights of Consumers specified in T17; 58620-58621;
 - e) Protection of consumers from abuse, neglect and financial exploitation including requirements on reporting such incidents;
 - f) Review of appropriate conduct of staff in establishing and maintaining personal relationships with consumers.
 - 5) Contractor shall train all staff regarding legally mandated abuse reporting requirements prior to the employee's provision of Supported Living Services to Consumers and annually thereafter.
 - 6) Contractor shall ensure that all staff providing Supported Living Services for a Consumer shall receive training and certification by an agency qualified to provide First Aid, Cardiopulmonary Resuscitation, and any other emergency

services required by all applicable laws and regulations prior to commencement of employment.

- 7) Contractor shall ensure that all staff providing Supported Living Services for a Consumer has a minimum of twelve (12) hours per year of in-service training regarding the needs of developmentally disabled persons relevant to the Supported Living Services being provided to Consumers. Contractor shall provide Center, upon request, with proof of the foregoing described training, licensure and certifications.
- 8) Contractor shall ensure that after three (3) months of employment, all staff providing Supported Living Services for a consumer has a minimum of three (3) hours of continuing education relevant to Supported Living Services and conducted by an agency other than the Contractor annually. Contractor shall provide Center, upon request, with proof of the foregoing described training, licensures and certifications.

7. Contractor Staff Background Checks.

- 1) Contractor shall require all staff providing Services having contact with Consumers under this Contract to have cleared a fingerprint /background check that includes the Department of Justice prior to having any contact with Consumers, and annually thereafter, unless clearance is sought through the Department of Social Services or the TrustLine Registry, which includes automatic checks for subsequent arrests. Contractor shall provide Center, upon request, with proof of the fingerprint clearance.
- 2) Contractor shall require individuals to submit references from prior employers and/or volunteer organizations. Contractor shall verify the accuracy of these references and document the verification in the employee/volunteer personnel file.
- 3) Contractor, within the scope of and direction of Contractor's agency exclusively, agrees to develop, retain, and implement employment policies and programs to encourage and promote Contractor's employee fitness during performance of service delivery tasks connected with the intended beneficiaries (Center's consumers) within Contractor's program design, California Code of Regulations Title 17 and Title 22 and Direct Support Professional requirements satisfying the principal purpose of "agreement" between Center and Contractor.

8. Annual Program Self-Evaluation.

- A. Contractor shall submit to Center an annual Program Self-Evaluation of its effectiveness in relation to Title 17 Regulations, the Program Design, Service Contract and the consumers IPPs/ISPs at least ninety (90) days prior to expiration of this Contract. Center may verify the report by review of Contractor's service records upon request. The annual review shall include:
 - 1) Aggregate data on the number of Consumers served;
 - 2) Aggregate data on the different types of Consumers needs encountered during service delivery;
 - 3) Outcomes in relation to the expectations identified in the Program Design;
 - 4) Outcomes in relation to the Consumer's IPPs/ISPs;

- 5) The degree to which Consumers (or their families) and the Center were satisfied with the services;
- 6) Percentage of staff who have current CPR and First Aid certifications;
- 7) Percentage of staff who have current criminal records clearance;
- 8) Percentage of staff who have completed staff orientation during the first two (2) weeks of employment;
- 9) Percentage of staff who has received mandated abuse reporting for adults during the last year;
- 10) Percentage of staff who have received twelve (12) hours of in-service training during the last year, including topics, trainer and date and time of training;
- 11) Percentage of staff who have completed three (3) hours of Continuing Education by an outside agency during the last year;
- 12) Percentage of Special Incident Reports that were submitted within the required timeframes;
- 13) Percentage of Quarterly Reports submitted within ten (10) working days after the end of each quarter;
- 14) Percentage of consumers with current ISPs based on the IPP;
- 15) Percentage of consumers who live in their homes and have control of property;
- 16) Percentage of consumers who receive generic services;
- 17) Percentage of consumers who have applied for IHSS;
- 18) Percentage of consumers who have received SLS training and the aggregate data of the number of unpaid members of Circle of Support who have received SLS training on the following topics:
 - a) SLS philosophy
 - b) Consumer rights
 - c) Identification and reporting of abuse
 - d) Grievance procedures
 - e) Strategies for building and maintaining a Circle of Support
 - f) Emergency and disaster training
 - g) 24 hour emergency response training
- 19) Goals for the next twelve (12) months based on the program evaluation findings.

EXHIBIT B
RATE OF PAYMENT – SV0021

1. Center shall pay Contractor at the following rate:
 - A. \$31.52 per hour.
 - B. This rate shall constitute the total amount of compensation for Contractor's performance of this Contract.
2. **\$375,000** is the maximum amount which can be paid by Center to Contractor under this Contract, unless otherwise agreed to in writing by the Parties.
3. Contractor attests that fiscal and program related documentation is complete, accurate to the best of Contractor's knowledge, supported by records and source documentation, prepared in accordance with instructions provided by the Department and subject to audit.
4. Both parties to this Contract have come to a full understanding and agreement of a specified method used to accumulate data contained in the Contractor's documentation. Contractor attests that it utilizes said specified methods.
5. Center has informed Contractor of the applicable and correct median rate for the services to be provided under this Contract.

Contractor: Turlock Area Supported Living Services, Inc.

Vendor No: SV0021

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EXHIBIT C
PROGRAM DESIGN

EXHIBIT D

Zero Tolerance Policy for Consumer Abuse or Neglect

1.0 STATEMENT OF PURPOSE

Valley Mountain Regional Center (VMRC) has no tolerance for consumer abuse or neglect. Research studies document that individuals with developmental disabilities have a significantly higher risk of becoming the victims of abuse, neglect, or exploitation as compared to the non-disabled population. In an effort to ensure the health, safety, and security of VMRC consumers, our agency is committed to a "Zero Tolerance" standard for consumer abuse and neglect.

2.0 DEFINITIONS

Abuse includes, but is not limited to, physical abuse, neglect, financial abuse, abandonment, isolation, abduction, or other treatment which results in physical harm, pain or emotional/mental suffering, or deprivation, by a person providing care and supervision, of goods and services which are necessary to avoid physical harm or emotional/mental suffering further defined as follows:

- ⑦ **Physical Abuse:** Any act which results in non-accidental injury. The use or attempt to use force on the person of another, unreasonable physical constraint, prolonged or continual deprivation of food and water, chemical restraint, or psychotropic medication without medical authorization used for punishment.
- ⑦ **Sexual Abuse:** Any non-consenting sexual act or behavior.
- ⑦ **Financial Abuse:** The illegal or unethical exploitation and/or use of a consumer's funds, property, or other assets.
- ⑦ **Neglect:** The negligent failure of a person(s) having care or custody of a consumer to exercise a reasonable degree of care including, but not limited to, a failure to assist in personal hygiene and the provision of food, clothing, and shelter, or failure to provide medical care or protect the client from health and safety hazards including a medical diagnosis of failure to thrive.
- ⑦ **Abandonment:** The desertion of a consumer by someone who is a caregiver or has custody of the consumer under circumstances in which a reasonable person would continue to provide care and custody.
- ⑦ **Abduction:** The removal, without the consent of the consumer/conservator, of a consumer/conservatee to another state.
- ⑦ **Isolation:** The intentional preventing of a consumer from receiving mail, telephone calls or visitors when contrary to the expressed wishes of the consumer.
- ⑦ **Emotional Abuse/Mental Suffering:** Fear, agitation, confusion, severe depression or other forms of emotional distress that is brought about by deprivation, threats, harassment, or other forms of intimidating behavior.

3.0 PRINCIPALS, GUIDELINES

VMRC and all of their service providers shall ensure employees are fully informed of VMRC's Zero Tolerance Policy on Consumer Abuse and Neglect.

Employees are to be fully informed of the policy upon hire and annually thereafter. Each employee must be knowledgeable of

- 1) their responsibility to protect consumers from abuse and neglect, and
- 2) the signs of abuse and neglect, and
- 3) the process for reporting suspected abuse or neglect, and
- 4) the consequences of failing to follow the law and enforcing this policy.

“Reasonable suspicion” is the standard for reporting abuse and neglect. All VMRC staff who are mandated reporters pursuant to the California Penal Code, and all employees of service providers and long-term care facilities who are mandated reporters will strictly comply with the reporting laws at all times. A mandated reporter must (unless exempt under law) report all consumer abuse to the applicable governmental authorities immediately or as soon as practicable after his or her discovery or reasonable belief that consumer abuse has occurred.

Consumer abuse committed by VMRC employees or employees of service providers or long-term care facilities will not be tolerated. All such abuse or allegations of such abuse will be thoroughly investigated. Any VMRC employee found to have engaged in abuse against a consumer will be subject to severe discipline, up to and including termination. Any abuse found to have been committed by a service provider or long-term care facility employee will be referred to the appropriate authorities and the service provider may also be subject to sanctions up to and including devendorization which equates to removal from the list of those authorized to provide services for any and all regional center consumers.

REPORTING PROCEDURES

Suspected abuse must be reported immediately by calling the appropriate 24-hour hotline and followed by a written report within 2 days of receiving the information concerning the incident.

If you suspect that a child is being abused, contact Child Protective Services:

- | | |
|----------------------|--|
| ☐ San Joaquin County | (209)468-1333 |
| ☐ Stanislaus County | (800)558-3665 |
| ☐ Amador County | (209)223-6550 or (209)223-1075 (After Hours) |
| ☐ Calaveras County | (209)754-6452 or (209)754-6500 (After Hours) |
| ☐ Tuolumne County | (209)533-5717 or (209)533-4357 (After Hours) |

If you suspect that an adult is being abused, contact Adult Protective Services:

- | | |
|----------------------|---|
| ☐ San Joaquin County | (209)468-2202 or (888)800-4800 |
| ☐ Stanislaus County | (800)336-4316 |
| ☐ Amador County | (209)223-6550 or (209)223-1075 (After Hours) |
| ☐ Calaveras County | (209)754-6452 or (209)754-6500 (After Hours) |
| ☐ Tuolumne County | (209)768-7753 or (209)533-HELP (4357) (After Hours) |

Ombudsman's Offices:

☐ San Joaquin	(209)468-3785
☐ Stanislaus	(209)529-3784
☐ Amador	(209)532-7632
☐ Calaveras	(209)532-7632
☐ Tuolumne	(209)532-7632

**Valley Mountain Regional Center
POS Independent Contractor Contract**

This POS Independent Contractor Contract ("Contract") is entered into this 1st day of September, 2020, in the City of Stockton, County of San Joaquin, State of California, by and between Valley Mountain Regional Center, Inc. ("Center") and First Steps, LLC ("Contractor"). Each party to this Contract shall be referred to individually as "Party" and collectively as "Parties." This Contract shall be effective on and after the date in which both Parties sign it ("Effective Date").

RECITALS

- A. WHEREAS, pursuant to Section 4648 of the California Welfare and Institutions Code ("W&I Code"), Center is authorized to, pursuant to Vendorization or a contract, purchase services or supports for its Consumers from any individual or agency which Center determines will best accomplish all or any part of its Consumers' program plans;
- B. WHEREAS, Title 17 of the California Code of Regulations ("Title 17") permits the establishment of service contracts for the provision of Vendored services;
- C. WHEREAS, Contractor is currently Vendored by Center to provide the Services described in Exhibit A for Center's Consumers;
- D. WHEREAS, Center and Contractor desire to define the terms and conditions pursuant to which Contractor will provide the Services described in Exhibit A to Center's Consumers;
- E. NOW, THEREFORE, for valuable consideration, including the promises and payments described herein, the Parties agree as follows:

AGREEMENT

- 1. **Truth of Recitals and Representations.** The Parties hereby acknowledge the truth of the Recitals set forth above, and agree that the facts recited are conclusively presumed to be true as between the Parties and their successors in interest pursuant to Section 622 of the California Evidence Code. Contractor further affirms that all fiscal and other documentation submitted to Center in conjunction with the negotiation and preparation of this Contract, and Contractor's Vendorization, is complete and accurate to the best of Contractor's knowledge, supported by records and source documents, prepared in accordance with all instructions provided by Center and all applicable laws, and subject to review pursuant to any audit by Center, the State of California Department of Developmental Services, and/or any other agency of the State of California or the Federal Government, as permitted by law.
- 2. **Definitions.** The definitions set forth in the W&I Code and Title 17 shall apply to this Contract. The following terms, some of which are taken therefrom, are specifically utilized in this Contract.
 - A. "Consumer" means an individual who has been determined by Center to meet the eligibility criteria of W&I Code Section 4512(a) and Sections 54000, 54001 and 54010 of Title 17, and for whom Center has accepted responsibility to provide services.
 - B. "DDS" means the State of California Department of Developmental Services.
 - C. "Individual Program Plan" or "IPP" means a written plan that is developed by Center's Planning Team in accordance with the provisions of W&I Code Sections 4646 and 4646.5.
 - D. "Individual Service Plan" or "ISP" means an individualized plan generated for each Consumer to detail exactly how to meet the goals set forth in the IPP.

- E. "Internal Grievance Procedure" means the written set of procedures, established pursuant to W&I Code Section 4705(a), a vendor uses to achieve the communication and resolution of Consumer dissatisfaction.
- F. "Planning Team," also known as Interdisciplinary (ID) Team, means the group of persons convened in accordance with the W&I Code Section 4646 for the purpose of preparing a Consumer's IPP.
- G. "Record" means any book, document, writing, whether tangible, or in an electronic format, evidencing operational, financial or service activities of a service provider such as Contractor, or Center, or pertaining to the service program and/or the provision of services to persons with developmental disabilities.
- H. "Service" means assistance provided and duties performed by a Vendor for a Consumer, as described in Exhibit A.
- I. "Service Coordinator" means the individual specified in W&I Code Section 4648(a) as the person with the responsibility for implementing, overseeing, and monitoring a Consumer's IPP and for maintaining the Consumer's case management or service coordination file. Service Coordinator is synonymous with Center case manager, counselor or client program coordinator.
- J. "Service Design," also known as Program Design, means a written description of the service delivery capabilities and orientation developed, maintained, and implemented by a Vendor in compliance with the rules and regulations.
- K. "Special Incident Report" is the documentation prepared by Vendor staff or long-term health care facility staff detailing a special incident and provided to Center and appropriate law enforcement authorities.
- L. "Vendor" means an applicant which has been given a Vendor identification number and has completed the Vendorization process set forth in Section 54302, *et seq.* of Title 17.
- M. "Vendorization" means the process used to:
 - 1) Verify that an applicant meets all of the requirements and standards pursuant to Section 54320 of Title 17 prior to the provision of Services to Consumers; and,
 - 2) Assign Vendor identification numbers, service codes and sub-codes, for the purpose of identifying Vendor expenditures.

3. **Purpose of Contract.** The purpose of this Contract is to outline the obligations and duties of Contractor in providing the Services described in Exhibit A to Consumers and the means and process by which Contractor shall be compensated for said Services.

4. **Term of Contract.** This Contract shall commence on the 1st day of September, 2020 ("Commencement Date"), and shall terminate at midnight on the 31st day of August, 2021 ("Termination Date"), unless renewed by the Parties, or terminated earlier, pursuant to the terms of this Contract. Center shall not be required to compensate Contractor for Services performed by Contractor prior to Contractor's receipt of a written Authorization to Purchase Services from Center or subsequent to termination of this Contract, and any Services performed subsequent to termination of this Contract shall not be construed as a renewal of this Contract.

A. **Automatic Renewal of Contract.** On the Termination Date, this Contract shall automatically renew for a one (1) year period ("Renewal Period"), on the same terms and conditions contained herein, including, but not limited to, the rate to be paid by Center for Contractor's Services, unless: (1) no later than sixty (60) days before the Termination

Date, a Party gives written notice to the other Party of the intent to terminate the Contract on the Termination Date; or (2) this Contract is terminated pursuant to Section 4(B) below. If this Contract is automatically renewed pursuant to this Section, Center shall send a written confirmation to Contractor within thirty (30) days of the originally scheduled Termination Date. This Contract can be renewed pursuant to this provision for a maximum of five (5) years from the original Commencement Date. For automatic renewal to occur, the process set forth in this Section must be followed each year until this Contract is terminated. Automatic renewal of this Contract for one (1) or more years does not guarantee renewal for any subsequent year. If either Party desires to modify any of the terms of this Contract during a Renewal Period, that Party shall send a written request for a meeting to discuss the proposed modification(s). Any modification to this Contract during the renewal process, or otherwise, shall be set forth in a written amendment signed by both Parties. No oral representation by the Parties or their representatives shall be effective to renew this Contract.

- B. Early Termination of Contract by Center. Center may terminate this Contract prior to the date set forth in this Section 4 should Center, DDS or the State of California determine that Contractor has failed to comply with any provision of this Contract, failed to comply with the written Authorization to Purchase Services, and/or failed to comply with any applicable Federal, State or local law or regulation, including, but not limited to, those which govern the provision of Services to persons with developmental disabilities. Should Center, DDS or the State of California determine that termination of this Contract is appropriate, Center shall provide Contractor with a written notice of termination describing the reason for termination ("Center's Notice of Termination"). This Contract shall be deemed terminated thirty (30) days following delivery of Center's Notice of Termination ("Termination Date"). Center's Notice of Termination shall be deemed delivered on the date that it is either mailed via certified mail, return receipt requested, or personally delivered to Contractor. Termination may occur without notice, or with less than thirty (30) days' notice, if Center determines that either: the results of any evaluation of Contractor's Service delivery warrant termination without notice or with notice of less than thirty (30) days, or Contractor's Service delivery contributes to life-threatening dangers to, or has resulted in abuse of, a Consumer.
- C. Early Termination of Contract by Contractor. Should Contractor determine that termination of this Contract is appropriate, Contractor shall provide Center with a notice of termination describing the reason for termination ("Contractor's Notice of Termination"). This Contract shall be deemed terminated thirty (30) days following delivery of Contractor's Notice of Termination, unless Contractor specifies in its Notice of Termination that termination shall be effective at a later date ("Termination Date"). Contractor's Notice of Termination shall be deemed delivered on the date that it is either mailed via certified mail, return receipt requested, or personally delivered to Center.
- D. Termination of Contract by Either Party Without Cause. Notwithstanding Sections 4(A), 4(B) or 4(C) of this Contract, this Contract may be terminated by either Party without cause upon ninety (90) days written notice to the other Party, or as mutually agreed.
- E. No Payment for Services Performed After Termination Date. On and after the Termination Date, Contractor shall not conduct any further activities under this Contract and Center's obligation to pay Contractor pursuant to this Contract shall cease. Any expenses incurred by Contractor following the Termination Date will not be reimbursed pursuant to this Contract. If Contractor performed Services prior to the Termination Date that are reimbursable pursuant to the terms of this Contract, Contractor shall deliver a

final claim form within ten (10) business days of the Termination Date. Center shall reimburse Contractor for those Services that were legitimately performed prior to the Termination Date.

- F. Compliance With Laws Upon Termination. In the event of termination, Center and Contractor shall comply with all applicable Federal, State and local laws and regulations, including, but not limited to, W&I Code Sections 4502, 4646, 4646.4, 4648, 4710 and 4741.

5. Referral of Consumers. Center's case management staff may refer Consumers to Contractor, as it deems appropriate, through Contractor's designee. Contractor acknowledges and agrees that Center is not obligated to refer any particular number of Consumers to Contractor, or any Consumers at all, and that this Contract is not intended to, nor shall it constitute a guarantee or vested right to have any particular Consumer, or any number of Consumers referred, assigned, transferred or sent to Contractor for Services. Contractor further acknowledges and agrees that Center shall not be liable to Contractor, for any cause of action, in law or equity, including, but not limited to, breach of contract or breach of the implied covenant of good faith and fair dealing, if Center does not refer, assign, transfer or send any particular Consumer, or any number of Consumers to Contractor for Services. Contractor further acknowledges and agrees that it shall not interfere with or limit Center's right under the W&I Code and Title 17 to secure for any Consumer served by Contractor, additional and/or alternative services which Center has determined are appropriate.

6. Services. Contractor shall provide Services in accordance with all applicable Federal, State and local laws or regulations, including but not limited to, Title 17 as it relates to the appropriate service type, in accordance with the Program Design attached hereto and incorporated herein as Exhibit B, and in accordance with the terms and conditions of this Contract, including Exhibits and/or documents referenced in this Contract. In the event of a conflict between the terms of the Program Design and this Contract, the terms of this Contract shall govern. The level of service provided by Contractor shall, at a minimum, be consistent with Contractor's Program Design, any other program-related documentation relied upon by the Department as a basis for establishing rates of payment, and any applicable Federal, State and local laws or regulations.

7. Contractor's Duties.

- A. Authorization to Purchase Services Required. Contractor may not initiate or provide any Services for Consumers until Center has issued a duly executed Authorization to Purchase Services.

B. Special Incident Reporting Requirements.

- 1) Contractor shall report any and all Special or Unusual Incidents pursuant to Section 54327 of Title 17, including, but not limited to:
 - a) The Consumer is missing and Contractor or long-term health care facility has filed a missing persons report with a law enforcement agency;
 - b) Reasonably suspected abuse/exploitation, including: physical, sexual, fiduciary, emotional/mental, or physical and/or chemical restraint;
 - c) Reasonably suspected neglect, including failure to: provide medical care for physical and mental health needs; prevent malnutrition or dehydration, protect from health and safety hazards, failure to assist in personal hygiene or the provision of food, clothing, or shelter, or exercise

the degree of care that a reasonable person would exercise in the position of having the care and custody of a dependent adult;

- d) Serious injury or accident, including: lacerations requiring sutures or staples, puncture wounds requiring medical treatment beyond first aid, fractures, dislocations, bites that break the skin and require medical treatment beyond first aid, internal bleeding requiring treatment beyond first aid, any medication errors, medication reactions that require medical treatment beyond first aid, and burns that require medical treatment beyond first aid;
 - e) Any unplanned or unscheduled hospitalization due to the following conditions: respiratory illness, seizure-related, cardiac-related, internal infection, diabetes, including diabetes-related complications, wound/skin care, nutritional deficiencies, or involuntary psychiatric admission;
 - f) The death of any Consumer, regardless of cause and regardless of when or where it occurred; and
 - g) The victimization of a Consumer of the following crimes: robbery, aggravated assault, larceny, burglary, and rape/attempted rape, regardless of when or where such an incident occurred.
- 2) Special Incident Reports shall be made to the appropriate law enforcement authorities and to Center, via telephone, electronic mail or facsimile, immediately upon discovery of the incident, and under no circumstances shall said reporting occur more than twenty-four (24) hours after an incident occurred, was discovered, or was suspected, whichever is earliest. Notification to the assigned Service Coordinator, the Officer of the Day, or the After Hours Response Team, as identified by the Special Projects Unit of Center, shall satisfy the initial reporting requirement.
- 3) Thereafter, within forty-eight (48) hours after the alleged incident occurred, was discovered, or suspected, whichever is earliest, Contractor shall provide Center with a written report describing the alleged incident and Contractor's response thereto. Failure to report any such incident to the appropriate law enforcement authorities and to Center, and/or failure to provide the required written report, shall constitute a distinct and separate ground for automatic termination of this Contract, notice of which shall be served personally or via certified mail, return receipt requested, to Contractor.
- 4) Written reports of incidents shall include all relevant information, including, but not limited to:
- a) Contractor's name, address and telephone number;
 - b) Date, time and location of the incident;
 - c) Name(s) and date(s) of birth, and UCI Number(s) of each Consumer involved in the incident and the name, address and phone number of the Consumer's family member(s) or authorized representative(s);
 - d) The name, address and phone number of the Consumer's family member(s) or authorized representative(s) who were contacted and informed of the incident;

- e) Description of the incident;
 - f) Description of the alleged perpetrator(s) of the incident, including, but not limited to, name, age, height, weight, address, phone number, occupation, and relationship to Consumer;
 - g) Treatment provided to Consumer, if any;
 - h) Identification of potential witnesses, including, but not limited to, name, address, telephone number and context of witnessing the incident;
 - i) Identity of all law enforcement, licensing, protective services and/or other agencies or individuals notified of the incident, or otherwise involved in the incident;
 - j) Action(s) taken by Contractor, law enforcement, licensing, protective services and/or other agencies or individuals in response to the incident; and
 - k) Dated signature of the person creating the written report on behalf of Contractor.
- 5) Failure to Report. Failure to report any of the foregoing incidents to the appropriate law enforcement authorities and to Center, and/or failure to provide the required written report, shall constitute a distinct and separate ground for automatic termination of this Contract, notice of which shall be served personally or via certified mail, return receipt requested, to Contractor.
- C. Compliance with IPP. Contractor shall follow IPP documentation requirements as set forth in Section 56720 of Title 17 and W&I Code Section 4648 and shall properly train all staff as necessary to ensure the adequacy of said documentation. All Services rendered by Contractor shall be in furtherance of the IPP. Contractor shall not render Services that are not called for in the IPP. Center shall notify Contractor of annual IPP meetings at least five (5) days in advance of all such meetings, unless the Consumer or their legally authorized representative asks that the Contractor not be at the meeting.
- D. Developing ISPs. Contractor agrees to follow "person centered planning philosophies," as published by DDS, in developing ISPs for Consumers and/or to procure such training as is necessary to ensure adequate staff participation in person centered planning.
- E. Use of Public or Generic Resources. Regional centers are required to use generic services when available. Contractor understands and agrees that if a Consumer or Consumer's authorized representative chooses not to access available generic services (e.g. IHSS, Medi-Cal, public school, California Children's Service), Center will not be able to pay for the service. Contractor shall utilize, to the fullest extent feasible, those public resources which are available without additional cost to Contractor and which will enhance the quality of Services provided to those Consumers who can benefit from the use of such resources.
- F. Grievance Reports / Complaints. Contractor shall establish, adopt and periodically review a written Internal Grievance Procedure under which Consumers, or their authorized representatives or advocates may file complaints to address their grievances and by which Contractor shall resolve grievances pursuant to W&I Code Section 4705.

G. Abuse Reporting Training. Contractor shall train all staff regarding legally mandated abuse reporting requirements prior to the employee's provision of Services to Consumers and annually thereafter.

H. Staff Background Checks.

- 1) Contractor shall require all staff providing Services having contact with Consumers under this Contract to have cleared a fingerprint /background check that includes the Department of Justice prior to having any contact with Consumers, and annually thereafter, unless clearance is sought through the Department of Social Services or the TrustLine Registry, which includes automatic checks for subsequent arrests. Contractor shall provide Center, upon request, with proof of the fingerprint clearance.
- 2) Contractor shall require individuals to submit references from prior employers and/or volunteer organizations. Contractor shall verify the accuracy of these references and document the verification in the employee/volunteer personnel file.
- 3) Contractor, within the scope of and direction of Contractor's agency exclusively, agrees to develop, retain, and implement employment policies and programs to encourage and promote Contractor's employee fitness during performance of service delivery tasks connected with the intended beneficiaries (Center's consumers) within Contractor's program design, California Code of Regulations Title 17 and Title 22 and Direct Support Professional requirements satisfying the principal purpose of "agreement" between Center and Contractor.

8. Payment for Services. The Parties fully understand and agree that payment under this Contract is dependent upon available Federal and/or State funding. Contractor expressly acknowledges that the State and/or Federal Government may, from time to time during the Term of this Contract, require changes to the rate of payment that Center pays Contractor. Accordingly, Contractor expressly acknowledges and agrees that adjustments to the rate of payment described herein may be made by Center. Center will notify Contractor, in writing, of any such adjustments to the rate of payment and of the effective date of any adjustment. Contractor expressly understands and agrees that Contractor shall have no right to object to any such adjustments and that any such adjustments shall not give rise to any cause of action, in law or equity, against Center. In the event that Center is not allocated any funds for the Services referenced in this Contract, this Contract shall be null and void and of no further force and effect, in which event, Center shall have no obligation to pay any funds whatsoever to Contractor, or to furnish any other consideration under this Contract, and Contractor shall not be obligated to perform pursuant to this Contract. Payment to Contractor shall only be made according to the following terms:

A. Reliance on Authorization to Purchase Services. All payments shall be made in accordance with the Authorization to Purchase Services provided to Contractor by Center. Payments shall not be made based upon oral authorization to provide services.

B. Rate of Payment.

- 1) The rate paid to Contactor by Center shall be cost effective to the State of California.
- 2) Contractor shall not charge Center a rate for Services to Consumers that is more than Contractor would charge, or is charging, for any other purchase of the same or substantially similar service.

- 3) Center shall pay Contractor at the rate described in Exhibit B which shall constitute the total amount of compensation for Contractor's performance of this Contract.
- 4) Contractor also understands and agrees that the maximum amount described in Exhibit B is the highest total amount which can be paid by Center to Contractor under this Contract, unless otherwise agreed to in writing by the Parties. Contractor further understands and agrees that if the maximum amount described in Exhibit B is exceeded, this Contract is not valid unless and until it is approved by Center's Governing Board. Nothing in this Contract shall be deemed to guarantee that Contractor will receive the maximum amount of compensation provided for in Exhibit B, or any compensation at all, as Center cannot guarantee the amount of Services that Contractor will be asked to provide for Consumers.

C. Payment in Arrears. Center shall pay Contractor in arrears for Services provided in the previous calendar month.

- 1) Claim Form. Contractor shall bill Center, on a monthly basis, for Services provided in the previous month by submitting to Center a completed and signed claim form in the format provided by Center, or electronically. Contractors who submit their claim forms electronically shall retain all supporting and required source documentation. All other contractors shall submit all supporting and required source documentation with their claim forms. The supporting and required source documentation shall include, at a minimum, the information required by Section 50604(d) of Title 17.
- 2) Certification. For each claim form submitted, Contractor shall certify under penalty of perjury:
 - a) All services for which Contractor is seeking payment have been provided to Center consumers by Contractor; and
 - b) All information submitted to Center along with the claim form is accurate and complete.
- 3) Time for Submittal of Claim Form. Claim forms, and supporting and required source documentation, if applicable, shall be submitted to Center on or before the tenth (10th) day of each month. Contractor understands that at the very latest, Contractor must submit a claim for reimbursement for all Services performed within ninety (90) days of the actual date of service. On each claim form, Contractor shall certify that all Services for which Contractor seeks reimbursement were performed within ninety (90) days of submittal of the claim form. Contractor further understands and agrees that it shall not be paid by Center for any Services that were performed more than ninety (90) days before submittal of a claim form for the Services.

D. Date for Payment by Center. On or before the twenty-fifth (25th) of each month, Center shall pay Contractor according to the information provided in each claim form. Notwithstanding the foregoing, Center shall have no obligation to pay Contractor: if Contractor fails to provide supporting and required source documentation for each claim form submitted to Center on or before the 10th of the month, or fails to make such information available in the case of electronic billing; if Center disputes any item submitted by Contractor in conjunction with a claim form; or if the claim form is

inconsistent with the Authorization to Purchase Services provided to Contractor by Center.

E. Limitations on Payment.

- 1) Center's obligation to pay for Transportation Services under this Contract arises only when Contractor has provided the Transportation Services fully and satisfactorily in accordance with the terms of this Contract.
- 2) Payments by Center to Contractor shall not be used to supplant the budget of any agency which has a legal responsibility to serve all members of the general public and is receiving public funds for providing those Services. Nor shall payments by Center to Contractor be used to supplement the rate of payment Contractor is receiving from any agency for Services provided to a Consumer.
- 3) No more than fifteen percent (15%) of Center funds shall be spent by Contractor on Administrative Costs. Funds spent on direct Services (costs immediately associated with Services to Consumers being offered by Contractor) shall not include any Administrative Costs. Administrative Costs, include, but are not limited to:
 - a) Salaries, wages and employee benefits for managerial personnel whose primary purpose is administrative management of the entity, including, but not limited to, directors and chief executive officers;
 - b) Salaries, wages and benefits of employees who perform administrative functions, including, but not limited to, payroll management, personnel functions, accounting, budgeting, and facility management;
 - c) Facility and occupancy costs, directly associated with administrative functions;
 - d) Maintenance and repair;
 - e) Data processing and computer support services;
 - f) Contract and procurement activities, except those provided by a direct service employee;
 - g) Training directly associated with administrative functions;
 - h) Travel directly associated with administrative functions;
 - i) Licenses directly associated with administrative functions;
 - j) Taxes;
 - k) Interest;
 - l) Property insurance;
 - m) Personal liability insurance directly associated with administrative functions;
 - n) Depreciation; and
 - o) General expenses, including, but not limited to, communication costs and supplies directly associated with administrative functions.

F. Payment in full. In accordance with Section 54326(a)(12) of Title 17, Contractor shall accept payment by Center as payment in full for all materials, supplies, or Services

provided by Contractor to Consumers. Contractor shall not bill Center, the Consumer, Consumer's parents, guardians, family, conservator, authorized representative, or any other person or agency, for a supplemental amount, regardless of the actual cost of providing the materials, supplies, or Services.

- G. Additional Requirements for Federal Funds. If Federal Government funds are involved, Contractor shall comply with all Federal rules, including, but not limited to, the applicable sections of the Code of Federal Regulations.

9. Record Preparation and Retention Obligation.

- A. Record Retention Requirement. Contractor shall prepare and retain all service and program financial, accounting, administrative and Consumer-related information, including, but not limited to, complete service records, records related to Contractor's rates, and all books, records, documents and other evidence related to and/or affecting performance of this Contract, the Services provided by Contractor, the billing or invoicing by Contractor, and Contractor's income and expenses ("Contractor's Records"), in accordance with Title 17, including, but not limited to, Section 50604(d) and (e), as applicable, ("Record Retention Requirement").
- B. Record Retention Period. The Record Retention Requirement shall apply for a period of no less than five (5) years following the date of the final payment for the State fiscal year in which Services were rendered by Contractor, provided however, that if an audit is in process, or an appeal of an audit is pending at the end of said timeframe, Contractor's records shall be retained until all audit exceptions have been resolved ("Record Retention Period"). Contractor shall retain all such records for the Record Retention Period in a separate and distinct location from any of Contractor's records for non-Center Consumers.
- C. Additional Requirements for Financial Records. Contractor shall maintain all financial records by consistently using a single method of accounting. Financial records shall clearly reflect the nature and amounts of all costs and income. All transactions for each month shall be entered into the financial records within thirty (30) days after the end of that month.

10. Access to Contractor Records and Facilities.

- A. Access by Authorized Agencies. Throughout the Term of this Contract, and during the Record Retention Period, Contractor shall permit DDS, Center and any other authorized agency representative of the California Department of Health Services and the United States Department of Health and Human Services when Federal Government funds are involved in the payment for Services (collectively, "Authorized Agencies"), access to all of Contractor's Records, and any facilities belonging to, or used by Contractor pertaining to Services provided to persons with developmental disabilities ("Contractor's Facilities").
- B. Scope of Right of Access. All of Contractor's Records and Facilities shall be made immediately available to the Authorized Agencies for audit, review, examination, excerpt, reproduction, and/or making transcripts.
- C. Time for Access. While the Authorized Agencies will endeavor to give twenty-four (24) hours' notice prior to exercising their right of access, the rights of access described in this Section 10 shall not be limited by a requirement of prior notice. Access without prior notice shall, however, be limited to situations where the Authorized Agency determines that the purpose of the access would be thwarted if advance notice were given (i.e. in cases of suspected fraud, imminent destruction of records or similar circumstances).

Contractor shall permit the Authorized Agencies to access Contractor's Records and Facilities at any time during Contractor's normal business hours.

11. **Audits by Center.** Center may audit Contractor's Records pursuant to Title 17, including, but not limited to, Section 50606, *et seq.* Should the results of any audit by the Center or any other Authorized Agency result in a finding that any or all of the payments made by Center to Contractor were in error or were otherwise improper or disallowed based upon the terms of this Contract, Center's contract with DDS, or as a result of any applicable Federal, State or local law or regulation, Contractor shall comply with the provisions of Title 17 relating to repayment and appeal of audit findings and/or recommendations. Should Contractor elect to appeal any audit findings and/or recommendations, Contractor shall utilize and be bound by Sections 50700 *et seq.* of Title 17. Contractor shall accept financial liability for any audit findings and/or recommendations disclosed by an audit and promptly repay amounts owed unless the audit findings are appealed and liquidation is stayed pursuant to Section 50705 of Title 17.
12. **Audit or Review by Independent Accounting Firm.** Contractor shall contract with an independent accounting firm for an audit or review of Contractor's financial statements, subject to the following:
 - A. When the amount received by Contractor from Center and/or any other regional center, during each state fiscal year, is more than or equal to Five Hundred Thousand Dollars (\$500,000), but less than Two Million Dollars (\$2,000,000), Contractor shall obtain an independent review report of its financial statements for the fiscal year that includes the last day of the most recent state fiscal year. Consistent with Subchapter 21 (commencing with Section 58800) of Title 17, this requirement shall also apply to work activity program providers receiving less than Five Hundred Thousand Dollars (\$500,000).
 - B. When the amount received by Contractor from Center and/or any other regional center, during each state fiscal year, is equal to or more than Two Million Dollars (\$2,000,000), Contractor shall obtain an independent audit of its financial statements for the fiscal year that includes the last day of the most recent state fiscal year.
 - C. Independent review of financial statements must be performed by an independent accounting firm and shall cover, at a minimum, all of the following:
 - 1) An inquiry into Contractor's accounting principles and practices and methods used in applying them;
 - 2) An inquiry into Contractor's procedures for recording, classifying, and summarizing transactions and accumulating information;
 - 3) Analytical procedures designed to identify relationships or items that appear to be unusual;
 - 4) An inquiry about budgetary actions taken at meetings of the board of directors or other comparable meetings;
 - 5) An inquiry about whether the financial statements have been properly prepared in conformity with generally accepted accounting principles and whether any events subsequent to the date of the financial statements would have a material effect on the statements under review; and
 - 6) Working papers prepared in connection with a review of financial statements describing items covered as well as any unusual items, including their disposition.
 - D. Independent review report shall cover, at a minimum, all of the following:

- 1) Certification that the review was performed in accordance with standards established by the American Institute of Certified Public Accountants;
 - 2) Certification that the statements are the representations of management;
 - 3) Certification that the review consisted of inquiries and analytical procedures that are lesser in scope than those of an audit; and
 - 4) Certification that the accountant is not aware of any material modifications that need to be made to the statements for them to be in conformity with generally accepted accounting principles.
- E. Contractor shall provide copies of the independent audit or independent review report and accompanying management letters to Center within thirty (30) days after completion of the audit or review. Center shall review and require resolution by Contractor of issues identified in the report that have an impact on Center services. Center shall take appropriate action, up to termination of vendorization, for lack of adequate resolution of issues. Center shall notify DDS of all qualified opinion reports, or reports noting significant issues that directly or indirectly impact Center services, within thirty (30) days after receipt, which notification shall include a plan for resolution of the issues.
- F. The requirements of this Section 12 do not apply to payments made using usual and customary rates, as defined by Title 17 for services provided by regional centers, or to State and local government agencies, the University of California, or California State University.
13. **Disclosure of Survey Results.** Contractor shall provide Center with information obtained from surveys, questionnaires or other Consumer satisfaction tools relevant to Center's Consumers within thirty (30) days of receiving the same. Contractor shall meet with Center, upon request, to discuss the results of said surveys, questionnaires or other Consumer satisfaction tools, and shall work cooperatively with Center to address any identified areas of deficiency.
14. **Notices.** Any and all notices or other correspondence required to be sent to the Parties shall be deemed delivered when personally delivered or mailed via certified mail, return receipt requested, as follows:
- | | |
|-------------|---|
| Center: | Executive Director
Valley Mountain Regional Center
P.O. Box 692290
Stockton, CA 95269-2290 |
| Contractor: | Janette Reif and Jessica Gutierrez
First Steps, LLC
841 Golden Pond Drive
Manteca CA 95336 |
15. **Compliance with Law.** Contractor shall comply with all applicable Federal, State and local laws and regulations in providing Services, expressly including, but not limited to, Titles 17 and 22 of the California Code of Regulations, and the California Welfare and Institutions Code. Contractor expressly acknowledges the applicability of the foregoing, and affirms that it and its employees, agents and everyone acting on Contractor's behalf, have read and agree to abide by the same. Contractor shall comply with the Service Provider Accountability Regulations as set forth in Sections 50601 through 50612 of Title 17. Although this Contract cites to particular laws and regulations, Contractor's obligation to comply with all applicable Federal, State and local laws and

regulations is not limited to the specific provisions cited herein. Nothing in this Contract shall be construed as excusing compliance with any existing or future laws or regulations.

16. **Consumer Privacy & Confidentiality.** The Parties shall abide by all applicable Federal, State and local laws and regulations concerning privacy and confidentiality of Consumer records, including, but not limited to, W&I Code Section 4514. The Parties further acknowledge, understand and agree to adhere to their responsibilities as "business associates" under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended, and regulations promulgated there under, including, but not limited to, the Standards for Privacy of Individually Identifiable Health Information at Section 45 of the Code of Federal Regulations, Parts 160 and 164 ("Privacy Regulations"). Accordingly, the Parties shall use Consumer health information only as needed to complete their responsibilities under this Contract and shall not use or disclose Consumer health information for any other purpose. Further, the Parties shall implement and maintain adequate administrative, technical and physical safeguards to prevent improper use or disclosure of such Consumer health information.
17. **Compliance with Center Policy.** Contractor agrees to comply with all Center policies and procedures as they pertain to Contractor's provision of Services to Center's Consumers, the administration of payments to Contractor, contracts, financial matters, record keeping and retention, and audits. All such policies and procedures are available for review by Contractor at Center's office.
18. **Non-Discrimination.**
- A. **Provision of Services.** Contractor shall not discriminate in the provision of Services on the basis of race, color, creed, national origin, religion, sex, age or condition of physical or mental disability, or any other protected class. Contractor shall comply with Title VII of the Civil Rights Act of 1964 (42 U.S.C. §2000d), as amended, rules and regulations promulgated pursuant thereto, and all Federal, State and local laws and regulations governing discrimination.
- B. **Employment.** Contractor shall not discriminate against any employee or applicant for employment, and shall take action to ensure that employees and applicants are treated equally without regard to their race, color, creed, national origin, religion, sex, age or condition of physical or mental disability, or any other protected class.
19. **Effect of Legal History.** People (including individuals, partnerships, group associations, corporations, institutions, or entities, and the officers, directors, owners, managing employees or agents thereof) with the following legal histories, within the previous ten (10) years, shall be ineligible to be a Contractor or Contractor's employee:
- A. People convicted of the following crimes:
- 1) Any felony or misdemeanor involving fraud or abuse in any government program;
 - 2) Any felony or misdemeanor related to neglect or abuse of an elder or dependent adult or child; or
 - 3) Any felony or misdemeanor in connection with interference with, or obstruction of, any investigation into health care related fraud or abuse.
- B. People found liable for fraud or abuse in any civil proceeding.
- C. People that have entered into a settlement in lieu of conviction for fraud or abuse in any governmental program.

20. **Contractor Licensing.** Contractor affirms that it has obtained, and will maintain in good standing, all licenses and certificates required by all applicable Federal, State and local laws for the Services Contractor is providing. Contractor shall disclose, in writing, any past, present or pending revocation, denial or adverse action against any of Contractor's licenses or certificates within fifteen (15) days of receiving notice of such action.
21. **Contractor's Affirmation Regarding Program-Related Documents.** Contractor affirms that all fiscal and Services program-related documentation that has been provided to Center, and that will be provided to Center in the future is, and will be complete, accurate, supported by records and source documentation, prepared in accordance with Center's instruction, and available for inspection and audit by Center and DDS. Contractor affirms its understanding that payments made by Center to Contractor pursuant to this Contract will come from Federal and/or State funds, and any falsification or concealment of a material fact may be prosecuted under Federal and/or State laws.
22. **Indemnification.** Contractor agrees to indemnify, defend and hold harmless, Center, DDS and the State of California, its officers, agents and employees, from and against any and all claims, losses, expenses, damages, injuries, liability and causes of action, of any nature whatsoever (collectively, "Claims"), that in any way accrues or results to Contractor, Center, DDS or the State of California and/or any of their employees, agents, attorneys, successors, assigns, subcontractors, materialmen, laborers or any other person, firm or entity that may be injured or damaged by any act, omission or negligence of Contractor and/or any of its employees, officers, directors, agents, or any person acting on Contractor's behalf in the performance of this Contract. This indemnification provision extends to include any and all costs or expenses, including, but not limited to, attorney's fees and expert fees incurred by Center, DDS and the State of California as the result of any such Claims, and shall survive termination of this Contract. Contractor's obligation to indemnify, defend and hold harmless as described herein shall apply regardless of whether Contractor has acted negligently or intentionally.
23. **Insurance.** Contractor shall procure and maintain, at its own expense, throughout the term of this Contract, a policy of personal liability insurance in the minimum amount of One Million Dollars (\$1,000,000), under which Contractor shall name Center as an additional insured. The "additional insured" portion of Contractor's insurance policy shall include the following language: "Such insurance as is afforded by the endorsement of the additional insured shall apply as primary insurance. Any other insurance maintained by Valley Mountain Regional Center, or its officers or employees, shall be in excess only, and shall not contribute to the insurance afforded by this endorsement." Contractor shall require its insurance company(ies) to notify Center of any renewal and/or cancellation of the insurance policy required by this Contract. Copies of Contractor's insurance policies and the required endorsements shall be provided to Center within five (5) calendar days after the insurance is obtained and after all renewals or cancellations of any policy. Failure by Contractor to maintain the insurance policy required by this Contract shall constitute grounds for immediate termination of this Contract.
24. **No Agency or Employment Relationship.** Nothing in this Contract shall be construed to create any type of agency or employment relationship between Center and Contractor. Contractor, its employees, agents, attorneys, successors, assigns, subcontractors, materialmen, laborers and any other person acting on Contractor's behalf shall act in an independent capacity, as an independent contractor, and not as an officer, employee or agent of Center, DDS or the State of California. Contractor, and all persons acting on Contractor's behalf, shall not hold themselves out as, nor claim to be, an officer, employee or agent of Center, DDS or the State of California as a result of this Contract, and shall not make any application, claim or demand for any right or privilege applicable to any officer, employee or agent of Center, DDS or the State of California, including,

but not limited to, unemployment insurance, disability insurance, worker's compensation insurance, or retirement benefits.

25. **No Assignments.** This Contract, and the rights, duties and obligations described herein shall not be assigned. Notwithstanding the foregoing, Contractor shall be permitted to factor or assign its accounts receivable from Center, if, and only if, such factoring or assignment is required in order to obtain equipment financing, and if, and only if, such factoring or assignment is not otherwise prohibited by law. Any such factoring or assignment shall not be effective unless approved by Center, in writing, which approval shall not be unreasonably withheld.
26. **No Subcontracts.** The Services for which Contractor is Vendored shall not be subcontracted to any other person or entity, except pursuant to prior written consent of Center, and any such subcontracting shall be in accordance with Title 17.
27. **Breach or Default by Contractor.** In the event of Contractor's breach or default under this Contract, Center shall be permitted to either give Contractor notice of the breach or default and a reasonable opportunity to remedy the same, or terminate this Contract pursuant to Section 4(B) hereof. This Section 27 shall not prevent Contractor from pursuing any legal or appeal process set forth in Title 17, in which event this Contract shall remain in force until the legal or appeal process is completed. If Contractor suffers any strike, walk-out or work stoppage by its employees, and as a result of such condition, is unable to continue to provide Services required herein for a period of fifteen (15) days, Center shall be entitled to procure the Services that Contractor is unable to provide from another vendor, and Contractor shall not be compensated for any such substituted service. In such case, Center may, in its sole discretion, terminate this Contract and obtain a replacement for the Services for its Consumers.
28. **Excuse of Performance.** Neither Party shall be deemed in default of any of the provisions of this Contract in the event that the Party's failure to perform is the result of an earthquake, flood or other act of God, fire, riot insurrection, commandeering of vehicles, material, equipment or facilities by the government, strike, labor dispute or work stoppage, or similar cause beyond the Party's control, which renders performance impossible, when evidence thereof is presented to the other Party.
29. **Time of the Essence.** Time is of the essence in relation to each and every provision of this Contract.
30. **Materiality of Each Provision.** Each and every provision, term and condition of this Contract is considered material to this Contract.
31. **Integration.** This Contract contains the entire agreement between the Parties, and replaces any prior representations, agreements or understandings, oral or written, that may have existed between the Parties. The Parties agree that any modification or supplementation of this Contract shall be in writing, signed by the Parties' respective representatives, and must refer specifically to this Contract and the provision(s) modified or supplemented. No other modifications or supplements will be valid. The execution of any modification or supplementation of this Contract shall comply with the requirements of all applicable laws and regulations.
32. **Governing Law.** This Contract, and any other documents to which it refers, shall in all respects be interpreted, enforced and governed by the laws of the State of California and the United States of America. This Contract is specifically subject to restrictions, limitations and conditions enacted by the California Legislature, contained in the Annual Budget Act, and/or any contract between Center and DDS, and this Contract shall be modified by the Parties to the extent necessary to ensure compliance with the same.

33. **Mutual Drafting.** This Contract shall be construed as a whole according to its fair meaning, and not strictly for or against any of the Parties. The Parties acknowledge that this Contract documents a negotiated agreement and it shall not be construed or interpreted in favor of either Party due to the fact that one of the Party's attorneys drafted this Contract.
34. **Severability.** If any provision of this Contract is deemed invalid or unenforceable pursuant to the provisions set forth in Section 36, the unenforceability thereof shall not affect the remaining provisions of this Contract and the remaining provisions of this Contract shall remain in full force and effect.
35. **Section Headings.** Section headings used in this Contract are for convenience only, are not part of the Contract, and shall not affect any of the terms hereof.
36. **Resolution of Disputes.** Any and all disputes, controversies or claims arising out of or relating to this Contract shall be resolved pursuant to the grievance procedures set forth in Title 17, if applicable. If the grievance procedures set forth in Title 17 do not apply to a dispute, or after exhausting the applicable grievance procedures set forth in Title 17, all remaining disputes, controversies or claims shall be settled by a mutually agreed upon arbitrator in accordance with the rules of the American Arbitration Association. The arbitrator's decision may be entered as a judgment in any court having jurisdiction or may be appealed to the Superior Court of California in and for the County of San Joaquin within thirty (30) days of issuance.
37. **Attorney's Fees and Costs.** In the event of an appeal of an audit finding, hearing before the Office of Administrative Hearings, arbitration, or should either Party bring an action in law or equity, in which a Party incurs attorney's fees to enforce the terms of this Contract, the prevailing party thereto may recover reasonable attorney's fees and all costs incurred in connection therewith, including, but not limited to, fees for reasonably necessary expert witnesses.
38. **Exclusive Benefit.** This Contract, and each and every provision hereof, is for the exclusive benefit of the Parties hereof and not for the benefit of any third party.
39. **Counterparts.** This Contract may be executed in duplicate counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.
40. **Delivery by Facsimile or Electronic Mail.** Duly executed signatures to this Contract may be delivered by facsimile or electronic mail, and signature pages delivered by such method shall be deemed equivalent to and of the same force and effect as original signature pages.
41. **Successors and Assigns.** This Contract is binding on the successors and assigns of the Parties.
42. **Execution of Contract.** By signing this Contract, the Parties confirm that they have read this Contract, understand its contents, agree to its terms, have consulted with their respective attorneys, and are voluntarily entering into this Contract. The Parties warrant that the person signing on behalf of each Party is an authorized representative of that Party.

Accepted and agreed to:

Valley Mountain Regional Center

Dated: _____

By: Anthony (Tony) Anderson
Its: Executive Director

Contractor
First Steps, LLC

Dated: _____

By: Janette Reif
Its: Co-Owner/Director

Dated: _____

By: Jessica Guiterrez
Its: Co-Owner/Director

**EXHIBIT A
SERVICES**

1. Contractor is vendored by Center pursuant to Title 17 Section 54356 to provide Early Start Specialized Therapeutic Services – Service Code 116 (for consumers aged birth to 36 months).

Service Description: “A regional center shall classify an individual as an Early Start Therapeutic Services provider if the person provides services for consumers aged birth to 36 months who require specialized services, as deemed necessary based on informed clinical opinion. These services must be identified in the Individualized Family Service Plan. Early Start specialized therapeutic services include, but are not limited to: services necessary to increase or maintain health and/or developmental progress; and, when provided as ancillary to these services, family and/or individual education and training; family support and counseling; provider travel; interagency consultation; and consultation with and training for other involved professionals. Vendors shall be individuals offering these services, and shall ensure possession of licenses, certifications and/or credentials as required by the State of California to practice in the field being offered. In addition, the vendor shall have at a minimum, one year’s experience working with persons with developmental disabilities.”

The services referred to above to be provided by Contractor are commonly referred to as an “Early Start Comprehensive Program.”
2. Additional Definitions: “Individual Family Service Plan” or “IFSP,” means a written plan for providing early intervention services to infants or toddlers and their families who have been determined eligible for early intervention services. The plan must: (A) Be developed in accordance with Sections 52100 through 52110; and (B) Be based on the evaluation and assessment processes described in Sections 52082 through 52086 of these regulations.
3. Service Provision:
 - A. As a consumer begins services with Contractor, a developmental specialist will be assigned. At the same time, speech, motor, and if needed, nursing consultants will be assigned, so the team will know who is assigned to the case.
 - 1) Contractor’s developmental specialist will be the primary interventionist in the home. Contractor’s therapists (physical therapists/ occupational therapists, speech and language pathologists) will be available as needed, but will see each referred consumer no less often than every three (3) months. Following the initial monitoring visit, Contractor’s therapist may recommend monitoring visits be reduced from a three (3) month basis to a six (6) month basis or to an “as needed” basis, if appropriate.
 - 2) Contractor’s developmental specialist will provide training and support to the family member and consumer in all five (5) areas of development: physical, language, self-help, cognitive, and social. Contractor’s developmental specialist will also assist the family member to incorporate developmental activities into their daily routines and model the activities for them.
 - 3) Contractor’s therapists may also see consumers for ongoing therapy, as deemed appropriate by the respective therapist.
 - 4) Should approval of additional hours be needed for the program to provide the services deemed appropriate for the individual consumer, a rationale will be sent to Center for approval.

- 5) If a nursing consultation is requested by Center, Contractor will provide a program nurse. Contractor's nurse will complete a visit summary. Contractor will bill Center as part of allotted program hours.
- B. Contractor shall complete a contact sheet upon each visit with the consumer. The contact sheet will document the time the visit started and the time the visit ended. A parent's signature is required on each contact sheet. Included on the contact sheet will be activities that occurred during the visit, any updates and recommendations; and activities the parent will work on until the next visit. The date and time of the next scheduled visit should also be included on the contact sheet.
- C. Contractor will participate in Center's initial evaluation process (at Center's request) which will determine if a consumer meets the Early Start eligibility criteria. Contractor agrees to complete a multidisciplinary evaluation and participate in the development of the Individual Family Service Plan (IFSP) if the child is determined eligible.
- D. Contractor agrees to submit to Center a written initial evaluation report within two weeks from the date of the completed initial evaluation.
- E. Contractor agrees that if they evaluate and assess a consumer whose identified needs can be met within Contractor's program, Contractor will accept this consumer into their program.
4. Contractor can submit an addendum request to the program design to add other specialists to participate in the program structure format. The written addendum request must be presented to the Center. The addendum request will specify the specialist the Contractor desires to add to their delivery of services and the specialist's job description and applicable licensure/certification. Approval from the Center is required prior to Contractor's usage of the proposed specialist.
5. All referrals of consumers to the Early Start Comprehensive Program services shall be made through the Center Case Management staff only.
6. Refusal to accept a referral is limited to individuals who are judged to be beyond the scope of the "target population" contained in the approved program design (Exhibit C).
7. Center has relied upon the professional and specialized ability and training of Contractor as a material inducement to enter into this Contract. Contractor hereby warrants that all work will be performed in accordance with accepted professional practices and standards as well as the requirements of applicable federal, state, and local laws, it being understood that acceptance of Contractor's work by Center shall not operate as a waiver or release.
8. Contractor agrees to complete the Battelle, or other developmental test identified by the Center, when the consumer is between 30 and 33 months of age to facilitate the transition from Early Start services. Center agrees to invite Contractor to participate in the transition planning process of consumer enrolled in their program.
9. Contractor shall develop IFSP outcomes and training plans that address each consumer's specific self-care needs (e.g., grooming, hygiene, etc.), communication (expressive and receptive), cognitive, gross motor, fine motor and social/emotional needs (e.g., temper, impulse control, etc.). Such IFSP outcomes shall be based on goals detailed in the Contractor's consumer evaluation report and IFSP developed by the Planning Team.
10. Contractor shall ensure that its staff consults with Center's case management staff before making or implementing any changes in IFSP outcomes or training plans.

11. Contractor shall submit written progress reports on a semi-annual basis to Center's case management staff for individual consumers reflecting progress toward the agreed upon IFSP outcomes. Contractor agrees that the progress report will be given to Center 30 days prior to the ending of the purchase of service.
12. Contractor agrees to adhere to the Zero Tolerance Policy for Consumer Abuse or Neglect attached hereto as Exhibit D

EXHIBIT B
RATE OF PAYMENT

1. Compensation. Center shall pay Contractor at the following rates:
 - A. \$123.36 per hour for Home Visits (any discipline);
 - B. \$163.01 per discipline for Intake Eligibility Evaluations;
 - C. \$190 per Intake Eligibility Evaluation with Family Assessment;
 - D. \$163.01 per assessment for individual clinical specialist assessments;
 - E. \$277.11 per evaluation for Sensory Integration Evaluations;
 - F. Mileage to/from Home Visits only at the rate of \$0.505 per mile.
 - G. These rates shall constitute the total amount of compensation for Contractor's performance of this Contract.
2. **\$525,000** is the maximum amount which can be paid by Center to Contractor under this Contract, unless otherwise agreed to in writing by the Parties.
3. Contractor attests that fiscal and program related documentation is complete, accurate to the best of Contractor's knowledge, supported by records and source documentation, prepared in accordance with instructions provided by the Department and subject to audit.
4. Both parties to this Contract have come to a full understanding and agreement of a specified method used to accumulate data contained in the Contractor's documentation. Contractor attests that it utilizes said specified methods.
5. Center has informed Contractor of the applicable and correct median rate for the services to be provided under this Contract.

EXHIBIT C
PROGRAM DESIGN

EXHIBIT D

Zero Tolerance Policy for Consumer Abuse or Neglect

1.0 STATEMENT OF PURPOSE

Valley Mountain Regional Center (VMRC) has no tolerance for consumer abuse or neglect. Research studies document that individuals with developmental disabilities have a significantly higher risk of becoming the victims of abuse, neglect, or exploitation as compared to the non-disabled population. In an effort to ensure the health, safety, and security of VMRC consumers, our agency is committed to a "Zero Tolerance" standard for consumer abuse and neglect.

2.0 DEFINITIONS

Abuse includes, but is not limited to, physical abuse, neglect, financial abuse, abandonment, isolation, abduction, or other treatment which results in physical harm, pain or emotional/mental suffering, or deprivation, by a person providing care and supervision, of goods and services which are necessary to avoid physical harm or emotional/mental suffering further defined as follows:

- **Physical Abuse:** Any act which results in non-accidental injury. The use or attempt to use force on the person of another, unreasonable physical constraint, prolonged or continual deprivation of food and water, chemical restraint, or psychotropic medication without medical authorization used for punishment.
- **Sexual Abuse:** Any non-consenting sexual act or behavior.
- **Financial Abuse:** The illegal or unethical exploitation and/or use of a consumer's funds, property, or other assets.
- **Neglect:** The negligent failure of a person(s) having care or custody of a consumer to exercise a reasonable degree of care including, but not limited to, a failure to assist in personal hygiene and the provision of food, clothing, and shelter, or failure to provide medical care or protect the client from health and safety hazards including a medical diagnosis of failure to thrive.
- **Abandonment:** The desertion of a consumer by someone who is a caregiver or has custody of the consumer under circumstances in which a reasonable person would continue to provide care and custody.
- **Abduction:** The removal, without the consent of the consumer/conservator, of a consumer/conservatee to another state.
- **Isolation:** The intentional preventing of a consumer from receiving mail, telephone calls or visitors when contrary to the expressed wishes of the consumer.
- **Emotional Abuse/Mental Suffering:** Fear, agitation, confusion, severe depression or other forms of emotional distress that is brought about by deprivation, threats, harassment, or other forms of intimidating behavior.

3.0 PRINCIPALS, GUIDELINES

VMRC and all of their service providers shall ensure employees are fully informed of VMRC's Zero Tolerance Policy on Consumer Abuse and Neglect.

Employees are to be fully informed of the policy upon hire and annually thereafter. Each employee must be knowledgeable of

- 1) their responsibility to protect consumers from abuse and neglect, and
- 2) the signs of abuse and neglect, and
- 3) the process for reporting suspected abuse or neglect, and
- 4) the consequences of failing to follow the law and enforcing this policy.

"Reasonable suspicion" is the standard for reporting abuse and neglect. All VMRC staff who are mandated reporters pursuant to the California Penal Code, and all employees of service providers and long-term care facilities who are mandated reporters will strictly comply with the reporting laws at all times. A mandated reporter must (unless exempt under law) report all consumer abuse to the applicable governmental authorities immediately or as soon as practicable after his or her discovery or reasonable belief that consumer abuse has occurred.

Consumer abuse committed by VMRC employees or employees of service providers or long-term care facilities will not be tolerated. All such abuse or allegations of such abuse will be thoroughly investigated. Any VMRC employee found to have engaged in abuse against a consumer will be subject to severe discipline, up to and including termination. Any abuse found to have been committed by a service provider or long-term care facility employee will be referred to the appropriate authorities and the service provider may also be subject to sanctions up to and including devendorization which equates to removal from the list of those authorized to provide services for any and all regional center consumers.

REPORTING PROCEDURES

Suspected abuse must be reported immediately by calling the appropriate 24-hour hotline and followed by a written report within 2 days of receiving the information concerning the incident.

If you suspect that a child is being abused, contact Child Protective Services:

- San Joaquin County (209)468-1333
- Stanislaus County (800)558-3665
- Amador County (209)223-6550 or (209)223-1075 (After Hours)
- Calaveras County (209)754-6452 or (209)754-6500 (After Hours)
- Tuolumne County (209)533-5717 or (209)533-4357 (After Hours)

If you suspect that an adult is being abused, contact Adult Protective Services:

- San Joaquin County (209)468-2202 or (888)800-4800
- Stanislaus County (800)336-4316
- Amador County (209)223-6550 or (209)223-1075 (After Hours)
- Calaveras County (209)754-6452 or (209)754-6500 (After Hours)
- Tuolumne County (209)768-7753 or (209)533-HELP (4357) (After Hours)

Ombudsman's Offices:

- San Joaquin (209)468-3785
- Stanislaus (209)529-3784
- Amador (209)532-7632
- Calaveras (209)532-7632
- Tuolumne (209)532-7632

Contract Summary and Board Resolution

Valley Mountain Regional Center's Board of Directors reviewed the contracts below on June 15, 2020 and passed the following

RESOLVED THAT in compliance with VMRC's BOD Contract Policy, the contracts listed below between VMRC and sta and approved by the VMRC BOD on June 15, 2020 and Board hereby authorized any Officer of the corporation to ex material changes but otherwise on such terms deemed satisfactory to such Officer.

- 1 Beyond Words Speech
- 2 Central Valley Training Center - Another Way
- 3 Central Valley Training Center - Stockton Tam O'Shanter
- 4 Central Valley Training Center - Stockton Program
- 5 Central Valley Training Center - Modesto Program
- 6 Central Valley Training Center - RAPID
- 7 Chance 4 Change
- 8 Choice Creekview Home
- 9 Learning Institute for Functional Education
- 10 Person Centered Services SLS
- 11 Person Centered Services BMP
- 12 Person Centered Services CITP
- 13 Person Centered Services Lodi BMP
- 14 Table Mountain Ranches
- 15 Turlock Area SLS
- 16 All-4-U
- 17 Behavior Matters, LLC ESAIP
- 18 First Steps LLC
- 19 McCray Psychological Services
- 20 Options Forward
- 21 People's Care Willora
- 22 Valley CAPS "PATCH"
- 23 Valley CAPS ABLE Program
- 24 Valley CAPS Modesto CAPS
- 25 Valley CAPS PLUS Program
- 26 Watch Resources SLS
- 27 Watch Resources Transportation
- 28 Watch Resources, Inc. Visions

VMRC Board of Directors hereby authorizes and designates any office of VMRC to finalize, execute and deliver the C such form as VMRC's counsel may advise, and on such further terms and conditions as such Officer may approve. TI shall be conclusively evidence by the execution of the Contract by such Officer. For purposes of this authorization, a Executive Director, Chief Financial Officer and no one else.

Certification by Secretary: I certify that: (1) I am the Secretary of VMRC; (2) the foregoing Resolution is a complete Resolution duly adopted by VMRC's Board of Directors; (3) the Resolution is in full force and has not been revoked o

Valley Mountain Regional Center

Contract Status

AS OF: March 31, 2020

	POS	POS including Federal C	General Total	OPS CPP	POS CPP	CPP Total	FG/SC Total
Current Fiscal Year 2020							
Contract Year A-4	33,535,803	220,242,001	253,777,804	597,168	1,700,050	2,297,218	458,422
Spent to Date	22,156,330	138,652,553	160,808,882	388,322	213,698	602,020	316,759
Unspent	11,379,473	81,589,449	92,968,922	208,846	1,486,352	1,695,198	141,664
Last Fiscal Year 2019							
Contract Year E-3	30,458,851	195,698,837	226,157,688	529,488	1,352,647	1,882,135	451,782
Spent to Date	30,036,966	193,992,261	224,029,227	529,488	997,048	1,526,535	445,366
Unspent	421,885	1,706,576	2,128,461	0	355,599	355,600	6,416
Second Prior Fiscal Year							
2018 Contract Year D-4	29,493,605	182,331,242	211,824,847	529,663	665,293	1,194,956	493,607
Spent to Date	29,493,605	180,175,994	209,669,599	520,453	580,784	1,101,237	458,980
Unspent	-	2,155,248	2,155,248	9,210	84,509	93,719	34,627

POS EXPENDITURES

March 31, 2020

	Year to Date	Prior Year to Date	Changes to Budget	Budget	% of Total Budget
Community Care Facility	52,610,180	46,903,460		78,000,000	67.4%
ICF/SNF FACILITY	85,774	245,494		500,000	17.2%
Day Care	910,155	951,405		1,500,000	60.7%
Day Training	28,010,171	26,441,279		44,450,000	63.0%
Supported Employment	1,321,961	1,307,745		2,200,000	60.1%
Work Activity Program	402,125	387,618		700,000	57.4%
Non-Medical Services-Professional	406,020	448,314		600,000	67.7%
Non-Medical Services-Programs	19,156,874	16,460,574		37,500,000	51.1%
Home Care Services-Programs	913,566	885,411		1,500,000	60.9%
Transportation	2,066,430	1,913,902		3,500,000	59.0%
Transportation Contracts	12,326,953	12,228,780		20,000,000	61.6%
Prevention Services	11,068,435	10,286,290		17,000,000	65.1%
Other Authorized Services	16,243,369	14,158,473		26,000,000	62.5%
P&I Expense	30,280	32,008		65,000	46.6%
Hospital Care	343,750	342,500		550,000	62.5%
Medical Equipment	202,091	276,837		480,000	42.1%
Medical Care Professional Services	3,046,438	2,709,375		4,637,448	65.7%
Medical Care-Program Services	28,171	45,068		70,000	40.2%
Respite-in-Home	11,321,940	9,257,893		14,700,946	77.0%
Respite Out-of-Home	351,153	395,128		800,000	43.9%
Camps	30,504	29,520		80,000	38.1%
	160,876,338	145,707,074	-	254,833,394	63.1%
CPP	203,529	135,654		1,700,050	
Total Purchase of Service	161,079,867	145,842,728	-	256,533,444	62.8%

ICF SPA RECEIVABLES \$ 3,136,177

OPERATIONS EXPENDITURES

March 31, 2020

	Year to Date	Prior Year to Date	Changes to Budget	Budget	% of Total Budget
Salaries and Wages	14,617,406	14,309,701		21,369,776	68.4%
Temporary Help	24,910	2,090		28,950	86.0%
Fringe Benefits	3,908,225	4,425,652		6,139,026	63.7%
Contracted Employees	78,010	47,787		105,000	74.3%
Salaries and Benefits Total	18,628,551	18,785,229	-	27,642,752	67.4%

	Year to Date	Prior Year to Date	Changes to Budget	Budget	% of Total Budget
Facilities Rent	1,427,875	1,366,981		1,850,000	77.2%
Facilities Maintenance	489,705	496,221		527,000	92.9%
Information Technology	1,378,939	1,303,411		1,650,000	83.6%
General Office Expense	180,267	141,157		211,250	85.3%
Operating Expenses	235,836	332,133		340,000	69.4%
Equipment	102,994	125,211		138,791	74.2%
Professional Expenses	312,402	342,670		449,000	69.6%
Office Expenses	43,536	95,543		131,760	33.0%
Travel and Training Expenses	377,802	368,599		595,250	63.5%
Foster Grandparent/Senior Companion Expenses	317,947	357,965		458,422	69.4%
CPP Expense	397,057	446,214		597,168	66.5%
Total Operating Expenses	23,892,911	24,161,335	-	34,591,393	69.1%

Operating Expenses: Telephone, Utilities

Equipment: Equipment Purchases, Equipment Contract Leases

Professional Expenses: Accounting Fees, Advertising, ARCA Dues, Bank Fees, Consultants, Insurance, Interest, Legal Fees, Fees, Licenses and Miscellaneous

Office Expenses: Consumer Medical Record Fees, Postage and Shipping, Printing

Travel and Training Expenses: Board of Director Expense, Travel Admin, Travel Consumer Services

October Popplewell Fund Donations

Date	Donor	Amount	Check No.	Address	City	State
04/09/20	Charities Aid Foundation of America	\$ 78.20	371726	PO Box 7174	Princeton	NJ
04/01/20	Speaker Fee	\$ 500.00		Direct Deposit		
04/23/20	YourCause/AT&T	\$ 10.00	5602004063	6111 W. Plano Parkway	Plano	TX

Current Balance \$ 15,275.30