



**Approved Minutes of the  
SPECIAL Virtual Meeting  
of the  
PSA 2 Area Agency on Aging  
EXECUTIVE BOARD**

**December 21, 2020**

**1. Call to Order & Flag Salute**

Executive Board Chairman, Supervisor Cullins, called the meeting to order at 9:00 a.m. followed by the flag salute.

**2. Roll Call**

Executive Board Members Present:

Supervisor David Teeter, Supervisor Pat Cullins, Roberta Hohman, Supervisor Les Baugh, Supervisor Steve Morgan, Supervisor Ed Valenzuela, and Supervisor John Fenley. A quorum was established.

Executive Board Members Absent:

Supervisor Jeff Hemphill (alt., EX.), Supervisor Ned Coe (alt. EX.), Ann Morningstar (alt. EX.), Marie Ingram (EX.), Supervisor Lisa Nixon (alt. EX.), and Supervisor Judy Morris (alt. EX.).

Guests Present:

Teri Gabriel, PSA 2 Executive Director; Andrea Sutton, PSA 2 Fiscal Analyst; Julie Sessions, PSA 2 LTC Ombudsman Program Manager; Penny Artz, Lassen Senior Services Executive Director; Doug Donnahoo, Lassen Senior Services Board Member; Lindsay Ritchie, Lassen Senior Services; Martha Horan, Lassen Senior Services Board Member; Abigail Gracia, Guest for Lassen Senior Services; Stacy Montgomery, Counsel for Penny Artz; John Williams, CPA for Lassen Senior Services; and Charles Pillon, CPA for PSA 2.

**3. Approval of Agenda\***

**MSP: Supervisor Valenzuela motioned for the approval of the agenda, seconded by**

**Supervisor Morgan, all aye, motion carried.**

**4. Open Session**

No comments.

**5. Approval to Accept PSA 2 AAA Findings Related to the Lassen Senior Services, Inc. (LSS) FY 19/20 Monitoring\* -**

Director Gabriel reported that CPAs Charles Pillon and John Williams met with PSA 2 staff on December 15, 2020 to review and agree upon the findings related to Lassen Senior Services, Inc.'s FY 19/20 Monitoring. The outcome of that review was provided in a report by Charles Pillon, CPA and was included in the Executive Board packet. Mr. Pillon's report included the review of III B Transportation funding which confirms under-spent PSA 2 funds were discovered in the amount of \$13,314. C-1 Congregate Meal funding was reviewed and determined that \$21,411 is to be returned to PSA 2. C-2 Home Delivered Meal program funding was reviewed and determined that zero dollars are due back to PSA 2. The III B Homemaker program was reviewed and determined that zero dollars are to be returned to PSA 2. The Families First Coronavirus Relief Act funding was also reviewed. Since the closing date for the use of that funding is September 30, 2021, the review of the use of those funds will be conducted at a later date.

Director Gabriel reported that the Lassen Transit Service Agency (LTSA) grant funds were also reviewed as the program expenses mirror those of PSA 2's III B Transportation funding. The Lassen Plumas Sierra Community Action Agency (LPSCAA) grant expenses were also reviewed as the funding for that grant covers similar services of PSA 2's nutrition programs. Since it appears that expenses for those grants were also duplicately billed, Mr. Pillon recommends that those grants be reviewed by their grant administrators.

Following the review by both CPAs, it is determined and agreed upon by LSS that \$34,725 be returned to PSA 2 for the FY 2019/2020 funding period.

**MSP: Supervisor Valenzuela motioned to Accept the Findings of \$34,725 to be repaid to PSA 2 AAA from Lassen Senior Services, Inc.'s FY 19/20 Monitoring, seconded by Supervisor Teeter, all aye, motion carried.**

**6. Authorization to Forward Findings from Lassen Senior Services, Inc. FY 19/20 Monitoring to the Lassen County District Attorney\* -**

Based on the findings and concerns stated in the report from Charles Pillon, CPA, PSA 2 staff agrees that significant concerns remain regarding the overall management of grant funding awarded to Lassen Senior Services, Inc. The PSA 2 staff further concurs with Mr. Pillon's recommendation for an outside independent CPA be hired to conduct a forensic review of LSS's fiscal operations for FY 19/20 and the months of July – October 2020 as there are areas which were inaccessible by PSA 2 to address remaining concerns with the management of PSA 2 funding. Director Gabriel noted that a review of FYs 2016/2017, 2017/2018 and 2018/2019 are still required to be reviewed and the forensic auditor could be used to more rapidly review those fiscal years. If LSS is in agreement with working with the forensic reviewer, it will help to address the gray areas which remain unresolved in

considering the FY 2020/2021 contract.

LSS stated they concur with the forensic review; however, there had been no findings noted by PSA 2 fiscal staff for prior monitorings.

Charles Pillon, CPA added that there has been much communication between himself, PSA 2 staff, John Williams and Abby Gracia in which many issues were resolved with regard to expenditures. There are still areas such as food, food service and transportation costs by other grantors that remain concerning. The use of the experienced forensic CPA will review LSS's fiscal operations from a generally acceptable accounting principles standpoint to confirm if fiscal operations are being conducted correctly. This forensic CPA comes with the experience needed to help us all understand what is going on with fiscal operations at LSS. The forensic review from another perspective will also help to determine whether PSA 2 should or should not move forward with future contracts with LSS.

Supervisor Morgan expressed concern with forwarding the findings to the District Attorney's Office and concurred with Mr. Pillon that further review would be necessary before taking action until we have all the answers from the auditors. Supervisor Morgan stated that going to the District Attorney is going too far as he did not see any criminal intent by LSS.

Supervisor Baugh inquired on the expense of the forensic review and who would be covering the cost. Director Gabriel responded that since the services of the forensic review would include determining the potential amount of funding due back to PSA 2 from LSS for FYs 2016/2017 through 2018/2019, PSA 2 would cover the cost. Efforts will be made to expedite the process to keep the costs down. Director Gabriel confirmed that funds are available in the PSA 2 budget to cover the cost of the forensic review. Director Gabriel further explained that due to the findings with the recent review by the CPAs, the California Department of Aging (CDA) is requesting the review of the prior fiscal years back to 2016/2017 to determine if additional funds are to be recovered, so that the PSA 2 Audit with CDA can be closed.

Supervisor Teeter inquired if LSS now has policies and procedures in place to track the use of the individual grants to avoid the double billing situation from reoccurring since LTSA and LPSCAA grants could be used to support other community program services. LSS Executive Director stated that efforts have been made to make adjustments to the coding of the expenses to avoid the blending of grant revenue in the future.

Director Gabriel reported that CDA has requested the repayment of the \$34,725 be made as soon as possible, so the funds could be included in the FY 2019/2020 Closeout process and identified as unspent funds. Further, the funds could then be redistributed to support state programs in the FY 2020/2021 One-Time-Only funding process rather than be returned to the federal government. Director Gabriel further stated that LSS is in agreement with the timing of the repayment of funds to PSA 2.

**MSP: Supervisor Morgan motioned that the Executive Board not forward findings from Lassen Senior Services, Inc. FY 2019/2020 Monitoring to the Lassen County District Attorney, seconded by Supervisor Teeter, all aye, motion carried.**

**7. Adjournment**

The SPECIAL Virtual Meeting of the PSA 2 Executive Board adjourned at 9:23 a.m.

Respectfully submitted,

Teri Gabriel,  
Executive Director