



December 3, 2018

Subject: **STATUTORY REQUIREMENT TO OBTAIN AN INDEPENDENT
AUDIT OR REVIEW OF FINANCIAL STATEMENTS**

**SANTA CLARA AND
SAN BENITO COUNTIES**

6203 San Ignacio Avenue
Suite 200
San Jose, CA 95119

P.O. Box 50002
San Jose, CA
95150-0002
Tel: 1(408) 374-9960
Fax: 1(408) 281-6960

MONTEREY COUNTY

1370 S. Main Street
Salinas, CA 93901
Tel: 1(831) 900-3636
Fax: 1(831) 424-3007

SANTA CRUZ COUNTY

1110 Main Street
Suite 8
Watsonville, CA 95076
Tel: 1(831) 900-3737
Fax: 1(831) 728-5514

Dear Service Provider,

This letter is to remind you of the statutory requirement to obtain an independent audit or review of your financial statements pursuant to Welfare & Institution Code (WIC), Section 4652.5.

San Andreas Regional Center (SARC) reports the status of the vendors' compliance of the above requirement to the Department of Developmental Services (DDS). Per WIC Section 4652.5 (a)(3)(c) "Regional centers shall take appropriation action, up to termination of vendorization, for lack of resolution of issues".

For your reference, detailed rules are enclosed regarding the requirements for each fiscal year your organization received payments from the regional center(s).

Note that organizations who have submitted audit/review reports for **fiscal years ending on or after June 9, 2016 can request a 2 year exemption** from audit/review requirements if the reports resulted in an unmodified opinion, no material issues were identified and corrective actions have been implemented for any issues detailed on the management letter.

Please forward a copy of your independent audit/review report to SARC **AND** the management letter **within 30 days of receipt** of the final report. You may send the report by mail or by email in pdf format to the address below:

San Andreas Regional Center
6203 San Ignacio Avenue, Suite 200
San Jose, CA 95119
Attention: Karla Cruz – Senior Accountant
Email: kcruz@sarc.org

Please also complete and return the attached information request form to San Andreas Regional Center.

www.sarc.org

Thank you,

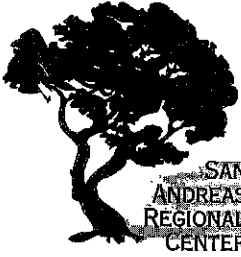
Greg Hoffman
Chief Financial Officer
San Andreas Regional Center



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"Consumers First Through Service, Advocacy, Respect and Choice"

Serving Persons with Developmental Disabilities



Audit/ Review Requirements for Regional Center Vendors

For Fiscal Years that ended before June 9, 2016

- Independent Financial review required if vendor receives between **\$250,000 and \$500,000** from all regional centers.
- Independent Financial Audit required if vendor receives **more than \$500,000** from all regional centers
- The amount received is based on the **vendor's** fiscal year
- Reports must be submitted to SARC **within 9 months** of the end of the vendor's fiscal year.

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For Fiscal Years that end on or after June 9, 2016

- Independent Financial review required if vendor receives between **\$500,000 and \$2,000,000** from all regional centers
- Independent Financial Audit required if vendor receives more than **\$2,000,000** from all regional centers
- The amount received is based on the **vendor's** fiscal year
- Reports must be submitted to SARC **within 9 months** of the end of the vendor's fiscal year.
- If report is an unqualified one or lists no material issues, the vendor may request a two year exemption from the independent audit/review requirement.

SANTA CRUZ COUNTY

1110 Main Street
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For Fiscal Years that end on or after January 1, 2018

- Independent Financial review required if vendor receives between **\$500,000 and \$2,000,000** from all regional centers
- Independent Financial Audit required if vendor receives more than **\$2,000,000** from all regional centers
- The amount received is based on the **state's** fiscal year
- Reports must be submitted to SARC **within 9 months** of the end of the vendor's fiscal year.
- If report is an unqualified one or lists no material issues, the vendor may request a two year exemption from the independent audit/review requirement.

www.sarc.org

Member of the Association
of Regional Center Agencies



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Organizations who have submitted audit/review reports for fiscal years ending on June 6, 2016 onward can request a 2 year exemption from audit/review requirements if the reports resulted in an unmodified opinion or have no material issues identified.

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Serving Persons with Developmental Disabilities



Subject: **STATUTORY REQUIREMENT TO OBTAIN AN INDEPENDENT AUDIT OR REVIEW OF FINANCIAL STATEMENTS**

Vendor #: _____

SANTA CLARA AND SAN BENITO COUNTIES

Vendor Name: _____

6203 San Ignacio Avenue
Suite 200
San Jose, CA 95119

Tax ID #: _____

P.O. Box 50002
San Jose, CA
95150-0002
Tel: 1(408) 374-9960
Fax: 1(408) 281-6960

Contact person: _____

Email Address: _____

Telephone Number: _____

MONTEREY COUNTY

Mailing Address: _____

1370 S. Main Street
Salinas, CA 93901
Tel: 1(831) 900-3636
Fax: 1(831) 424-3007

SANTA CRUZ COUNTY

Amount Received from SARC during the Fiscal Year: _____

1110 Main Street
Suite 8
Watsonville, CA 95076
Tel: 1(831) 900-3737
Fax: 1(831) 728-5514

Organization Fiscal Year End: _____

Independent Audit or Review:

Independent Review

Independent Audit

www.sarc.org

Financial Year Dates:

January 1, 201_ – December 31, 201_

July 1, 201_ – June 30, 201_

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