

June 24, 2019

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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 Subject:

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

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".

MONTEREY COUNTY

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

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.

SANTA CRUZ COUNTY

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

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, CPA - Senior Accountant

Email: kcruz@sarc.org

www.sarc.org

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

Member of the Association of Regional Center Agencies



Thank you,

Greg Hoffman Chief Financial Officer

San Andreas Regional Center

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 regionals 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 regionals 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.

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 regionals 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

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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.



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

CENTER	Vendor #:
SANTA CLARA AND SAN BENITO COUNTIES	Vendor Name:
3203 San Ignacio Avenue Suite 200 San Jose, CA 95119	Tax ID #:
P.O. Box 50002 San Jose, CA	Contact person:
95150-0002 Fel: 1(408) 374-9960 Fax: 1(408) 281-6960	Email Address:
	Telephone Number:
MONTEREY COUNTY 370 S. Main Street Salinas, CA 93901 Fel: 1(831) 900-3636 Fax: 1(831) 424-3007	Mailing Address:
SANTA CRUZ COUNTY	Amount Received from SARC during the Fiscal Year:
110 Main Street Guite 8 Vatsonville, CA 95076	Organization Fiscal Year End:

www.sarc.org

Fax: 1(831) 728-5514

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