



October 11, 2024

Vendor Name: [REDACTED]
Vendor E-mail: [REDACTED]
Vendor Tax ID: [REDACTED]

SANTA CLARA COUNTY

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) 728-0675

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.

Our records show that we have not received an audit/review report for the following fiscal year(s): FY2018/19 FY2019/20 FY2020/21

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 are current with their submitted reports **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 click the link below to request the exemption.

[Link to request 2 year exemption](#)

Please forward a copy of your independent audit/review report **AND** the management letter to SARC **within 30 days of receipt** of the final report.

Financial reports (pdf format) and questions can be sent to vendorcpareports@sarc.org.

Thank you,

John Hunt
Chief Financial Officer

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.

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.

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 you have a December year end, SARC's fiscal year translates as follows:

Year end: 12/31/2019= SARC FY 2018-19 (July 1, 2018 to June 30, 2019)
Year end: 12/31/2020= SARC FY 2019-20 (July 1, 2019 to June 30, 2020)
Year end: 12/31/2021= SARC FY 2020-21 (July 1, 2020 to June 30, 2021)
Year end: 12/31/2022= SARC FY 2021-22 (July 1, 2021 to June 30, 2022)
Year end: 12/31/2023= SARC FY 2022-23 (July 1, 2022 to June 30, 2023)
Year end: 12/31/2024= SARC FY 2023-24 (July 1, 2023 to June 30, 2024)

Organizations who are current with their submitted audit/review reports can request a 2 year exemption from audit/review requirements if the reports resulted in an unmodified opinion or have no material issues identified.

[Link to request 2 year exemption](#)