



Eastern Los Angeles Regional Center

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.**

**AUDITED FINANCIAL STATEMENTS, OTHER  
FINANCIAL INFORMATION AND REPORTS REQUIRED  
IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS AND OFFICE OF  
MANAGEMENT AND BUDGET CIRCULAR A-133**

Years Ended June 30, 2013 and 2012

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Eastern Los Angeles Regional Center  
for the Developmentally Disabled, Inc.  
Alhambra, California

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of *Eastern Los Angeles Regional Center for the Developmentally Disabled, Inc.* (the Center), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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.

Board of Directors  
Eastern Los Angeles Regional Center  
for the Developmentally Disabled, Inc.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of *Eastern Los Angeles Regional Center for the Developmentally Disabled, Inc.* as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Supplementary and Other Information***

Our audits were 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 audits 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 November 4, 2013 on our consideration of the Center'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 the Center's internal control over financial reporting and compliance.

Lautze & Lautze

San Francisco, California  
November 12, 2013

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
STATEMENTS OF FINANCIAL POSITION**

	June 30,	
	2013	2012
<b>ASSETS</b>		
Cash	\$ 2,276,754	\$ 1,228,925
Cash - client trust funds	675,752	976,190
Contract receivable - State of California	39,575,014	43,378,430
Receivable from Intermediate Care Facilities	1,718,161	2,149,450
Other receivables	347,737	282,312
Prepaid expenses	116,974	186,950
Deferred costs for accrued vacation and other leave benefits	1,449,299	1,289,176
Deposits	84,680	84,680
	<u>\$ 46,244,371</u>	<u>\$ 49,576,113</u>
Total assets		
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 15,229,590	\$ 16,144,586
Contract advance	27,715,776	29,236,557
Payable to Department of Developmental Services	1,319,584	2,117,685
Accrued vacation and other leave benefits	1,449,299	1,289,176
Unexpended client support	484,502	743,491
	<u>46,198,751</u>	<u>49,531,495</u>
Total liabilities		
Commitments and contingencies		
Unrestricted net assets	45,620	44,618
	<u>\$ 46,244,371</u>	<u>\$ 49,576,113</u>
Total liabilities and net assets		

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
STATEMENTS OF ACTIVITIES**

	Years Ended June 30,	
	<u>2013</u>	<u>2012</u>
Revenue and support:		
Federal awards	\$ 83,583,570	\$ 74,254,077
Grants	79,896,475	84,765,647
Interest	15,439	30,374
Donations	1,000	1,450
Other income	91,813	87,932
	<u>163,588,297</u>	<u>159,139,480</u>
Expenses:		
Program services:		
Intake	1,400,482	1,383,277
Case management	10,894,727	10,035,989
Program development	3,583,764	3,001,539
Other client services	1,664,722	2,080,034
Out of home	22,472,671	20,531,240
Medical and dental	2,424,816	2,950,422
Day program	31,261,314	30,966,197
Camps and respite	9,967,909	9,848,234
Other purchased services	78,213,878	76,543,919
	<u>161,884,283</u>	<u>157,340,851</u>
Supporting services:		
General and administrative	1,703,012	1,798,568
	<u>163,587,295</u>	<u>159,139,419</u>
Change in net assets	1,002	61
Unrestricted net assets:		
Beginning of year	<u>44,618</u>	<u>44,557</u>
End of year	<u>\$ 45,620</u>	<u>\$ 44,618</u>

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2013**

	Program Services				
	Intake	Case Management	Program Development	Other Client Services	Out of Home
Salaries and related expenses:					
Salaries	\$ 667,247	\$ 6,861,596	\$ 2,242,433	\$ 1,021,613	\$ -
Employee health and other benefits	77,374	827,189	258,248	122,719	-
Retirement benefits	53,311	540,643	196,994	82,377	-
Payroll taxes	49,824	538,612	177,820	85,740	-
Total salaries and related expenses	847,756	8,768,040	2,875,495	1,312,449	-
Purchase of services	-	-	-	-	22,472,671
Equipment rental	232	6,864	735	40	-
Equipment maintenance	-	-	-	-	-
Information technology	5,160	55,931	16,689	1,513	-
Facility rent	215,463	1,495,084	471,583	197,833	-
Communications	4,000	55,449	13,922	5,912	-
General office expense	7,369	62,746	24,455	23,483	-
Postage	7,454	76,367	22,433	8,053	-
Printing	1,027	36,447	20,725	4,871	-
Insurance	4,423	45,140	14,030	6,237	-
Legal fees	-	77,948	13,038	-	-
Board expenses	108	939	292	114	-
Equipment purchases	1,651	44,863	14,387	7,107	-
Consultant fees	296,848	24,719	52,595	85,000	-
Staff travel	373	60,506	18,611	-	-
ARCA dues	3,840	33,430	10,390	4,055	-
General expenses	3,868	42,333	11,922	7,135	-
Accounting fees	871	7,582	2,357	920	-
Interest expense	39	339	105	-	-
Restricted disbursements	-	-	-	-	-
Total expenses	<u>\$ 1,400,482</u>	<u>\$ 10,894,727</u>	<u>\$ 3,583,764</u>	<u>\$ 1,664,722</u>	<u>\$ 22,472,671</u>

Medical and Dental	Day Program	Camps and Respite	Other Purchased Services	Total Program Services	Supporting Services	Total Expenses
					General and Administrative	
\$ -	\$ -	\$ -	\$ -	\$ 10,792,889	\$ 1,038,331	\$ 11,831,220
-	-	-	-	1,285,530	96,114	1,381,644
-	-	-	-	873,325	90,845	964,170
-	-	-	-	851,996	68,384	920,380
-	-	-	-	13,803,740	1,293,674	15,097,414
2,424,816	31,261,314	9,967,909	78,213,878	144,340,588	-	144,340,588
-	-	-	-	7,871	469	8,340
-	-	-	-	-	39,808	39,808
-	-	-	-	79,293	12,581	91,874
-	-	-	-	2,379,963	215,500	2,595,463
-	-	-	-	79,283	6,802	86,085
-	-	-	-	118,053	47,732	165,785
-	-	-	-	114,307	8,834	123,141
-	-	-	-	63,070	876	63,946
-	-	-	-	69,830	38,098	107,928
-	-	-	-	90,986	-	90,986
-	-	-	-	1,453	236	1,689
-	-	-	-	68,008	6,952	74,960
-	-	-	-	459,162	-	459,162
-	-	-	-	79,490	5,342	84,832
-	-	-	-	51,715	3,399	55,114
-	-	-	-	65,258	7,862	73,120
-	-	-	-	11,730	14,771	26,501
-	-	-	-	483	76	559
-	-	-	-	-	-	-
<u>\$ 2,424,816</u>	<u>\$ 31,261,314</u>	<u>\$ 9,967,909</u>	<u>\$ 78,213,878</u>	<u>\$ 161,884,283</u>	<u>\$ 1,703,012</u>	<u>\$ 163,587,295</u>



**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2012

	Program Services				
	Intake	Case Management	Program Development	Other Client Services	Out of Home
Salaries and related expenses:					
Salaries	\$ 695,019	\$ 6,622,529	\$ 1,862,853	\$ 1,313,357	\$ -
Employee health and other benefits	71,320	773,998	214,920	151,213	-
Retirement benefits	53,117	558,788	158,915	107,891	-
Payroll taxes	51,644	522,676	147,320	109,297	-
Total salaries and related expenses	871,100	8,477,991	2,384,008	1,681,758	-
Purchase of services	-	-	-	-	20,531,240
Equipment rental	155	6,121	424	93	-
Equipment maintenance	-	-	-	-	-
Information technology	1,980	28,036	5,369	1,254	-
Facility rent	147,604	958,852	484,413	202,773	-
Communications	2,935	46,757	8,593	5,591	-
General office expense	6,635	61,237	21,673	11,815	-
Postage	2,545	67,293	9,619	6,633	-
Printing	937	23,066	8,804	2,451	-
Insurance	3,002	47,700	9,510	4,630	-
Legal fees	-	47,787	6,438	-	-
Board expenses	78	798	248	110	-
Equipment purchases	2,032	22,729	5,651	6,084	-
Consultant fees	335,121	111,954	5,306	139,600	-
Staff travel	1,554	54,476	19,024	3,499	-
ARCA dues	3,746	32,612	13,294	3,781	-
General expenses	703	16,432	15,116	2,382	-
Accounting fees	3,150	32,148	4,049	7,580	-
Interest expense	-	-	-	-	-
Restricted disbursements	-	-	-	-	-
Total expenses	<u>\$ 1,383,277</u>	<u>\$ 10,035,989</u>	<u>\$ 3,001,539</u>	<u>\$ 2,080,034</u>	<u>\$ 20,531,240</u>

Medical and Dental	Day Program	Camps and Respite	Other Purchased Services	Total Program Services	Supporting Services	Total Expenses
					General and Administrative	
\$ -	\$ -	\$ -	\$ -	\$ 10,493,758	\$ 986,311	\$ 11,480,069
-	-	-	-	1,211,451	89,461	1,300,912
-	-	-	-	878,711	87,672	966,383
-	-	-	-	830,937	63,219	894,156
-	-	-	-	13,414,857	1,226,663	14,641,520
2,950,422	30,966,197	9,848,234	76,543,919	140,840,012	-	140,840,012
-	-	-	-	6,793	1,446	8,239
-	-	-	-	-	62,382	62,382
-	-	-	-	36,639	21,274	57,913
-	-	-	-	1,793,642	172,332	1,965,974
-	-	-	-	63,876	3,858	67,734
-	-	-	-	101,360	77,031	178,391
-	-	-	-	86,090	35,523	121,613
-	-	-	-	35,258	3,646	38,904
-	-	-	-	64,842	51,770	116,612
-	-	-	-	54,225	2,113	56,338
-	-	-	-	1,234	81	1,315
-	-	-	-	36,496	7,101	43,597
-	-	-	-	591,981	53,973	645,954
-	-	-	-	78,553	4,575	83,128
-	-	-	-	53,433	3,690	57,123
-	-	-	-	34,633	4,579	39,212
-	-	-	-	46,927	65,131	112,058
-	-	-	-	-	-	-
-	-	-	-	-	1,400	1,400
<u>\$ 2,950,422</u>	<u>\$ 30,966,197</u>	<u>\$ 9,848,234</u>	<u>\$ 76,543,919</u>	<u>\$ 157,340,851</u>	<u>\$ 1,798,568</u>	<u>\$ 159,139,419</u>

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
STATEMENTS OF CASH FLOWS**

	Years Ended June 30,	
	2013	2012
Cash flows from operating activities:		
Change in net assets	\$ 1,002	\$ 61
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in assets:		
Contract receivable - State of California	3,803,416	(15,678,495)
Other receivables	(65,425)	(16,789)
Prepaid expenses	69,976	(10,824)
Deposits	-	(5,812)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(914,996)	1,675,396
Payable to Department of Developmental Services	(366,812)	(10,975)
Unexpended client support	(258,989)	115,425
	2,267,170	(13,932,074)
Total adjustments		
Net cash provided (used) by operating activities	2,268,172	(13,932,013)
Cash flows from financing activities:		
Proceeds from line of credit	1,994,838	-
Payment on line of credit	(1,994,838)	-
Proceeds from contract advance	36,569,302	33,670,413
Payment of contract advance	(38,090,083)	(26,490,588)
	(1,520,781)	7,179,825
Net cash provided (used) by financing activities		
Net increase (decrease) in cash	747,391	(6,752,188)
Cash:		
Beginning of year	2,205,115	8,957,303
End of year	\$ 2,952,506	\$ 2,205,115
Cash	\$ 2,276,754	\$ 1,228,925
Cash - client trust funds	675,752	976,190
	\$ 2,952,506	\$ 2,205,115
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 559	\$ -

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
NOTES TO FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Purpose and Organization**

**Organization**

Eastern Los Angeles Regional Center for the Developmentally Disabled, Inc. (the Center), doing business as Eastern Los Angeles Regional Center, was incorporated on February 20, 1986 as a California nonprofit corporation. The Center was organized in accordance with the provisions of the Lanterman Developmental Disabilities Services Act (the Lanterman Act) of the Welfare and Institutions Code of the State of California. In accordance with the Lanterman Act, the Center provides diagnostic evaluations, client program management and lifelong planning services for persons with developmental disabilities and their families. The Center is one of 21 regional centers within the State of California system and serves the Los Angeles County Health Districts of Northeast Los Angeles, East Los Angeles, Alhambra, and Whittier.

**Governance**

The Lanterman Act includes governance provisions regarding the composition of the Center's Board of Directors (the Board). The Lanterman 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 percent of the governing Board be persons with developmental disabilities or their parents or legal guardians; and that no less than 25 percent 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 Center's Board. To comply with the Lanterman Act, the 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.

**Mission Statement**

The Center's mission statement is as follows:

Eastern Los Angeles Regional Center is committed to serving individuals with developmental disabilities and their families by promoting partnerships which empower them to achieve meaningful and fulfilling lifestyles in their community.

**State of California Contract**

The Center operates under an annual cost-reimbursement contract with the Department of Developmental Services (DDS) of the State of California under the Lanterman Act. Maximum expenditures under the contract are limited to the contract amount plus interest earned. The Center is required to have DDS approval for certain expenses. The Center is required to maintain accounting records in accordance with the Regional Center Fiscal Manual issued by DDS. In the event of termination or nonrenewal of the contract, the State of California maintains the right to assume control of the Center's operation and the obligation of its liabilities.

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
NOTES TO FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**State of California Contract (Continued)**

Under the terms of these contracts, funded expenditures are not to exceed \$159,590,514, \$156,968,102 and \$155,048,750 for the 2012/13, 2011/12 and 2010/11 contract years, respectively, and are subject to budget amendments. As of June 30, 2013, actual net expenditures under the 2012/13, 2011/12 and 2010/11 contracts were \$158,756,914, \$156,287,722 and \$152,652,852, respectively.

**Basis of Accounting**

The Center prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

**Classification of Net Assets**

U.S. GAAP requires that the Center report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Accordingly, the net assets of the Center are classified and reported as described below:

*Unrestricted:* Those net assets and activities which represent expendable funds for operations related to the DDS contract.

*Temporarily Restricted:* Those net assets and activities which are donor-restricted for (a) support of specific operating activities; or (b) use in a specified future period.

*Permanently Restricted:* Those net assets and activities which are permanently donor-restricted for holdings of (a) assets donated with stipulations that they be used for a specified purpose, be preserved, and not be sold; or (b) assets donated with stipulations that they be invested to provide a permanent source of income.

As of June 30, 2013 and 2012, and for the years then ended, the Center did not have any temporarily or permanently restricted net assets or activities.

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
NOTES TO FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Classification of Net Assets (Continued)**

**Unrestricted Net Assets**

The unrestricted net asset group is comprised of the Operating, Client Trust, and Donation Funds.

*Operating Fund:*

These accounts are used to record primary activities of the Center which are carried out under the DDS contract. These accounts also record the activities of the Community Placement Plan (CPP) and Federally-funded programs.

*Client Trust Fund:*

The Center serves as representative payee for a portion of its clients. In this fiduciary capacity, it receives social security benefits and other sources of income and makes payments on behalf of certain developmentally disabled clients who are deemed unable to administer the funds themselves. Client trust transactions are not considered revenue or expenses of the Center. The cash that is received and outstanding receivables, net of interfund liabilities, are reported as assets and a liability, *unexpended client support*, until it is distributed.

*Donation Fund:*

The Donation Fund is used to record solicited and unsolicited support received by the Center for the benefit of its clients.

**Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Center considers all financial instruments with a maturity of three months or less when purchased to be cash equivalents.

**Contract and Other Receivables**

The majority of the Center's receivables represents or relates to the cost-reimbursement contract with DDS. Management believes that the receivables are fully collectible and, therefore, has not provided an allowance for doubtful accounts.

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
NOTES TO FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**State Equipment**

Pursuant to the terms of the DDS contract, equipment purchases become the property of the State of California and, accordingly, are charged as expenses when incurred. The Center is required to track acquisitions of furniture and equipment with a cost value in excess of \$5,000 and with an estimated life beyond one year. For the years ended June 30, 2013 and 2012, equipment purchases totaled \$16,511 and \$43,597, respectively. The aggregated tracked state equipment at June 30, 2013 and 2012 totaled \$796,325 and \$793,454, respectively.

**Accrued Vacation and Other Leave Benefits**

The Center has accrued a liability for vacation and other leave benefits earned. However, such benefits are reimbursed under the DDS contract only when actually paid. The Center has also recorded deferred costs for accrued vacation and other leave benefits to reflect the future reimbursement of such benefit payments.

**Revenue Recognition**

Revenue and expenses are recognized in the year the claim is filed with DDS. Depending on the date of service, claims are classified and charged to the appropriate contract as follows:

- Current year
- Prior year
- Second prior year

**Contributions**

The Center recognizes all contributions in the year of receipt, regardless of compliance with restrictions. Contributions without donor-imposed restrictions are reported as unrestricted support. Contributions with donor-imposed restrictions are reported as temporarily restricted or permanently restricted support, depending upon the type of restriction.

The satisfaction of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires. This occurs by increasing one class of net assets and decreasing another in the statements of activities. These transactions are reported as *net assets released from restrictions* and are reported separately from other transactions.

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
NOTES TO FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Federal Grants**

The Center is a sub-recipient to DDS with regard to the following grants:

**U.S. Department of Health and Human Services**

The Medicaid Waiver grant provides funding for a broad range of medical assistance, which includes home and community based services, to certain persons of need as authorized by Title XIX of the Social Security Act of 1965. This grant also funds Targeted Case Management.

**U.S. Department of Education**

The Special Education Grants for Infants and Families with Disabilities provides funding for early intervention services for infants and toddlers, through age 3, as authorized by Public Law 102-119.

**Income Taxes**

The Center is a qualified organization exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code (IRC) and state franchise taxes under §23701d of the California Revenue and Taxation Code. Accordingly, it is exempt from federal and California income taxes and is not liable for federal unemployment taxes.

The Center has adopted the accounting standard on accounting for uncertainty in income taxes, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return and requires the affirmative evaluation that is more-likely-than-not, based on the technical merits of a tax position, that an organization is entitled to economic benefits resulting from tax positions taken in income tax returns. For tax-exempt entities, favorable tax status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status. If a tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the financial statements.

The Center's evaluation on June 30, 2013 revealed no tax positions that would have a material impact on the financial statements. The 2009 through 2012 tax years remain subject to examination by the Internal Revenue Service. In addition, the 2008 through 2012 tax years remain subject to examination by the California Franchise Tax Board. The Center does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

**Concentrations of Risk**

Financial instruments, which potentially subject the Center to concentrations of credit risk, principally consist of cash, contract receivables, and receivables from vendors. The Center invests cash in bank deposit accounts which, at times, may exceed the federally-insured limit. Through its contract with DDS, the Center is reimbursed for its expenses. The ability of DDS to honor its obligations and to continue funding is dependent upon the overall economic well-being of the State of California. Although the State of California is experiencing budgetary issues, the Center has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk.



**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
NOTES TO FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses**

The statements of functional expenses allocate expenses for all funds to the program and supporting service categories based on a direct cost basis for purchases of services, salaries, and related expenses. Operating expenses are allocated based on a percentage of salaries and related expenses per category to total salaries and related expenses, except for certain expenses that are designated as program or supporting services.

**Reclassifications**

Certain amounts in the 2012 financial statements have been reclassified to conform to the 2013 presentation. These reclassifications have no effect on previously reported net assets or change in net assets.

**2. CASH – CLIENT TRUST FUNDS AND UNEXPENDED CLIENT SUPPORT**

The Center functions as the custodian for the receipt of certain governmental payments and resulting disbursements made on behalf of a portion of the Center’s clients. The following is a summary of operating activity not reported in the statements of activities:

	2013	2012
Support:		
Social Security and other client support	\$ 6,676,282	\$ 6,570,021
Disbursements:		
Living out of home	\$ 4,786,184	\$ 4,804,254
Other disbursements	1,890,098	1,765,767
	\$ 6,676,282	\$ 6,570,021

**3. CONTRACT RECEIVABLE**

Contract receivable consists of the following at June 30:

	2013	2012
Current year	\$ 36,892,603	\$ 41,243,486
Prior year	827,647	1,135,065
Second prior year	1,854,764	999,879
	\$ 39,575,014	\$ 43,378,430

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
NOTES TO FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**4. INTERMEDIATE CARE FACILITIES - STATE PLAN AMENDMENT**

During the year ended June 30, 2011, various legislative changes were made to the California Welfare and Institutions Code retroactive to July 1, 2007, making Intermediate Care Facility (ICF) providers responsible for providing day treatment and transportation services; and ultimately, making such services eligible for reimbursement under California's Home and Community Based Services Program, which is funded by the Medicaid Waiver grant (Medicaid).

Previously, such services provided to the residents were not reimbursable by Medicaid because the funds were not directly billed and received by the ICFs. The legislative changes allow for DDS to bill these services to Medicaid and capture federal funds.

During the years ended June 30, 2012 and 2011, DDS directed the Center to prepare billings for these services on behalf of the ICFs for the period from July 1, 2009 to June 30, 2011 and July 1, 2007 to June 30, 2009, respectively. The billings included a 5.5% Quality Assurance fee for the State Department of Health Care Services (DHCS), a 1.5% administrative fee for the ICFs and a 1.5% administration fee for the Center.

During the years ended June 30, 2012 and 2011, DDS advanced the amounts billed to the ICFs. The ICFs were directed to remit to the Center the amount billed less its administration fee and the Quality Assurance fee, which it must remit to DHCS. After the Center received the net payment from the ICFs, the Center was directed to remit the amount to DDS, net of its administration fee. DDS has instituted protocols should the ICFs not remit the net amounts due to the Center.

Effective July 1, 2012, DDS 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.

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
NOTES TO FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**4. INTERMEDIATE CARE FACILITIES - STATE PLAN AMENDMENT (CONTINUED)**

The Center's activity related to the above funding was as follows as of June 30:

	2013	2012
Beginning balance	\$ 2,149,450	\$ 1,454,327
Total billed due from vendors	978,213	2,101,656
Amounts remitted by vendors	(1,409,502)	(1,406,533)
Receivable from ICFs	\$ 1,718,161	\$ 2,149,450
Beginning balance	\$ 2,117,685	\$ 1,433,537
Total billed due to DDS	-	2,070,597
Amount remitted by Center to DDS	(798,101)	(1,386,449)
Payable to DDS	\$ 1,319,584	\$ 2,117,685
Deferred administrative fee	\$ 19,794	\$ 31,765

**5. LINE OF CREDIT**

The Center has a revolving line of credit with City National Bank, expiring June 30, 2014, for a maximum borrowing amount of \$17,000,000 until June 30, 2013, then \$35,000,000 until the earlier date of October 1, 2013 or the effective date of a State of California budget with respect to the State General Fund for the fiscal year commencing July 1, 2013, then \$17,000,000 until the maturity date of June 30, 2014. Interest is payable monthly at the greater of 2.25% (2.00% prior to April 18, 2013) or 1.00% below the bank's prime rate. The line of credit is unsecured and requires the Center to comply with certain reporting covenants. The Center drew and repaid \$1,994,838 on the line of credit during the year ending June 30, 2013. There was no outstanding balance on the line of credit at June 30, 2013. The Center did not use this line of credit during the year ended June 30, 2012.

**6. PENSION PLAN**

The Center has a money purchase pension plan which has been restated, effective April 1, 2005. The plan is available for all employees who have been continuously employed for one year and have worked at least 1,000 hours. The Center contributes 9% of the participant's eligible compensation, with no required contribution from participants. A participant vests in employer contributions at the rate of 20% for each year of service, with 100% vesting after five years. The total pension expense for the years ended June 30, 2013 and 2012 was \$964,170 and \$966,383, respectively.

The Center has a retirement plan pursuant to §403(b) of the IRC. Eligible participants are full-time employees who have completed one month of service. All eligible employees may make voluntary contributions by salary reduction to the plan, up to the limit allowed by law.

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
NOTES TO FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**7. CONTRACT ADVANCE**

The contract advance balance represents monies DDS advances to the Center at the beginning of each fiscal year to provide interest-free working capital. DDS uses its discretion in determining the balance on a month-to-month basis. If DDS so chooses, the advance can be paid by offsetting claim reimbursements partially or in full.

**8. OPERATING LEASES**

The Center leases its office facilities in Alhambra and Whittier under operating leases expiring at various dates through July 1, 2016. The terms of these leases provide for payment of minimum annual rentals, which are adjusted annually for the greater of the increase in the Los Angeles/Orange County Cost of Living Index, or the increase in the Center's operating expenses. These leases generally require the Center to pay for its share of the facilities' annual direct expenses including maintenance, insurance, janitorial, and gardening expenses. The Center's share of direct expenses ranges between 7% - 12% for the premises. Rent expense for the years ended June 30, 2013 and 2012, was \$2,595,463 and \$1,965,974, respectively.

Future obligations on leases in effect at June 30 are as follows:

2014	\$ 2,030,708
2015	2,088,455
2016	2,011,432
2017	<u>167,690</u>
	<u>\$ 6,298,285</u>

**9. COMMITMENTS AND CONTINGENCIES**

**Litigation**

The Center is currently a defendant in several litigious actions, in addition to threats of litigation arising out of the normal course of 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. These matters have been referred to the Center's attorneys and/or insurance carriers. In management's opinion, a material unfavorable outcome is remote.

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
NOTES TO FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**9. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Funding**

The majority of the Center's funding is provided under annual grants and contracts with federal and California agencies. If a significant reduction in the level of funding provided by these governmental agencies were to occur, it may have an effect on the Center's programs and activities.

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 the contract year, DDS may reallocate surplus funds within the State of California system to supplement the Center's funding. Should a system-wide deficit occur, DDS is required to report to the Governor of California and the appropriate fiscal committee of the State Legislature, and recommend actions to secure additional funds or reduce expenditures. The DDS recommendations are subsequently reviewed by the Governor and the Legislature and a decision is made with regard to specific actions, including the possible suspension of the entitlement.

The Center's revenue, which is derived from restricted funding provided by government grants and contracts, is subject to audit by the governmental agencies. In accordance with the terms of the DDS contract, an audit may be performed by an authorized DDS representative. Should such an audit disclose any unallowable costs, the Center may be liable to the State of California 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 as of June 30, 2013 and 2012, and for the years then ended.

**10. SUBSEQUENT EVENTS**

The Center has evaluated all subsequent events through November 12, 2013, the date the financial statements were available to be issued.

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.**

**SUPPLEMENTARY FINANCIAL INFORMATION**

Year Ended June 30, 2013

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Disbursements/ Expenditures
Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services passed-through the State of California Department of Developmental Services:			
■ Medical Assistance Program (Medicaid; Title XIX)	93.778	HD099004	\$ 77,090,117 *
■ Targeted Case Management	93.778	HD099004	<u>5,576,091</u> *
			82,666,208
Office of Special Education and Rehabilitative Services of the U.S. Department of Education passed-through the State of California Department of Developmental Services:			
Early Intervention Services:			
■ Special Education - Grants for Infants and Families	84.181	HD099004	<u>917,362</u>
			<u>\$ 83,583,570</u>

\* Major program.

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Center and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.



LAUTZE & LAUTZE  
CPAs & FINANCIAL ADVISORS

**INDEPENDENT AUDITORS' 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**

Board of Directors  
Eastern Los Angeles Regional Center  
for the Developmentally Disabled, Inc.  
Alhambra, 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 *Eastern Los Angeles Regional Center for the Developmentally Disabled, Inc.* (the Center), which comprise the statement of financial position as of June 30, 2013, 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 November 12, 2013.

**Internal Control Over Financial Reporting**

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



Board of Directors  
Eastern Los Angeles Regional Center  
for the Developmentally Disabled, Inc.

### **Compliance and Other Matters**

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

Lautze & Lautze

San Francisco, California  
November 12, 2013



LAUTZE & LAUTZE  
CPAs & FINANCIAL ADVISORS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Directors  
Eastern Los Angeles Regional Center  
for the Developmentally Disabled, Inc.  
Alhambra, California

**Report on Compliance for Each Major Federal Program**

We have audited *Eastern Los Angeles Regional Center for the Developmentally Disabled, Inc.'s* (the Center) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2013. The Center's major federal programs are identified in the summary of auditors' 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Center'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the Center'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 the Center's compliance.

Board of Directors  
Eastern Los Angeles Regional Center  
for the Developmentally Disabled, Inc.

### **Opinion on Each Major Federal Program**

In our opinion, the Center 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, 2013.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2013-1. Our opinion on each major federal program is not modified which respect to this matter.

The Center's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Center's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of the Center 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 the Center'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 OMB Circular A-133, 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 the Center'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.

Board of Directors  
Eastern Los Angeles Regional Center  
for the Developmentally Disabled, Inc.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Lautze & Lautze*



San Francisco, California  
November 12, 2013

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year Ended June 30, 2013

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

**SECTION I - SUMMARY OF THE AUDITORS' RESULTS**

- Auditors' report on financial statements: Unqualified.
- Internal control over financial reporting:
  - Material weaknesses identified: No.
  - Significant deficiencies identified that are not considered to be material weaknesses: None reported.
  - Noncompliance material to financial statements noted: No.
- Federal awards - internal control over major programs:
  - Auditors' report on compliance for major programs: Unqualified.
  - Material weaknesses identified: No.
  - Significant deficiencies identified that are not considered to be a material weakness: None reported.
  - Any audit findings identified that are required to be reported in accordance with Section 510(a) of Circular A-133: Yes.
  - Major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.778	Medical Assistance Program (Medicaid; Title XIX)
93.778	Targeted Case Management

- Dollar threshold used to distinguish between Type A and Type B programs: \$2,507,507.
- Auditee qualifies as low-risk: No.

**SECTION II - FINANCIAL STATEMENT FINDINGS**

- None reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

- See 2013-1 on pages 27 - 28.

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2013**

**2013-1 TARGETED CASE MANAGEMENT ALLOWABLE COSTS**

**FEDERAL AWARD PROGRAM**

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.778	Targeted Case Management

**CRITERIA**

Allowable Targeted Case Management (TCM) units are based on services which assist consumers to gain access to needed social, educational, medical or other services and include the following components:

- Assessment and periodic reassessment to determine service needs.
- Development and periodic revision of an Individual Program Plan (IPP) based on the information collected through assessment or reassessment.
- Monitoring and follow-up activities, including activities and contacts that are necessary to ensure that the IPP is effectively implemented and adequately addresses the needs of the consumer.
- Referral and related activities to help the consumer obtain needed services.

**CONDITION**

Five TCM units tested were of an administrative nature, which are unallowable services.

**QUESTIONED COSTS**

The monetary effect of this finding is undeterminable.

**CONTEXT**

Based on our testing of 216 randomly selected TCM units from a population of 458,277 TCM units, it came to our attention that five TCM units billed were of an administrative nature, which are unallowable services.

**EFFECT**

Five TCM units, which were unallowable services, were overcharged to the Department of Health and Human Services through the State of California's Department of Developmental Services.

**CAUSE**

The conditions are a result of an oversight in maintaining and monitoring of the TCM units billed. When brought to management's attention, the subsequent month's billing was corrected.

**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2013**

**2013-1 TARGETED CASE MANAGEMENT ALLOWABLE COSTS (CONTINUED)**

**RECOMMENDATION**

The Center has a system in place to perform quality control checks of TCM billable units by service coordinator on a monthly basis. Accordingly, we recommend that management continue training staff on the allowable and unallowable billable TCM services.

**VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS**

Management agrees with the finding and is committed to reporting the correct TCM units. We will provide additional training in a staff meeting to reinforce the requirements. We will continue to provide training to new employees and monitor the submitted hours for all staff. We will continue to train staff when we see errors. Any and all errors are corrected in the subsequent month's submission.



**EASTERN LOS ANGELES REGIONAL CENTER  
FOR THE DEVELOPMENTALLY DISABLED, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2013**

There were no prior year findings or questioned costs.