



**FRANK D. LANTERMAN**  
**REGIONAL CENTER**

**LOS ANGELES COUNTY DEVELOPMENTAL SERVICES FOUNDATION  
DBA – FRANK D. LANTERMAN REGIONAL CENTER**

**REPORT TO THE ADMINISTRATIVE AFFAIRS COMMITTEE  
RESULTS OF THE JUNE 30, 2022 AUDIT**

Presented by Windes, Inc.



Long Beach | Irvine | Los Angeles

www.windes.com  
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February 14, 2023

To the Administrative Affairs Committee  
Los Angeles County Developmental Services Foundation  
dba Frank D. Lanterman Regional Center

We are pleased to have the opportunity to discuss the results of our audit of the June 30, 2022 financial statements of Frank D. Lanterman Regional Center (the Center).

A direct line of communication between the Administrative Affairs Committee and Windes, Inc. is essential to the exercise of our respective responsibilities. Our appointment involves a responsibility on our part to call to your attention any significant matters we believe require your consideration, either at a regularly scheduled meeting or on a timelier basis, if warranted. Should you have any questions or observations, please call Tom Huey, the engagement partner, at 562-304-1248.

The accompanying report presents information regarding our audit and certain other information we believe will be of interest to you, and is intended solely for use by the Administrative Affairs Committee, Board of Directors and management of the Center and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Windes, Inc." in a cursive script.

WINDES, INC.

**FRANK D. LANTERMAN REGIONAL CENTER**  
**RESULTS OF THE 2022 AUDIT**

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**COMMUNICATIONS WITH THE**  
**ADMINISTRATIVE AFFAIRS COMMITTEE**

**Financial Statements**

- We have audited the financial statements of the Center for the year ended June 30, 2022 and plan to issue an unmodified report. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information on our engagement letter to you dated June 15, 2022. Professional standards also require we communicate to you the following information related to our audit.

**Significant Accounting Policies**

- Management is responsible for the selections and use of appropriate accounting policies. The significant accounting policies used by the Center are disclosed in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changes during the fiscal year ended June 30, 2022. We noted no transactions entered into by the Center during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.
- The financial statement disclosures are neutral, consistent, and clear.

**Management Judgments and Accounting Estimates**

- Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements was the functional allocation of expenses.

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**COMMUNICATIONS WITH THE**  
**ADMINISTRATIVE AFFAIRS COMMITTEE**

**Significant Audit Adjustments**

- Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Material adjustments detected as a result of audit procedures and corrected by management consisted of adjustments recorded to accrue additional payables and related state claims receivable, state income, and expenses for supplemental claims for expenses paid after June 30, 2022 which apply to the 2021/2022 contract year, and to accrue vacation and leave benefits and deferred rent as of June 30, 2022. These accruals are not recorded in the UFS accounting system at June 30, 2022 as the UFS system tracks each contract year separately in the general ledger and the Department of Developmental Services contract does not allow accruals for employee leave benefits and deferred rent.

**Difficulties Encountered in Performing the Audit**

- We encountered no significant difficulties in dealing with management in performing and completing our audit.

**Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

**Management Representations**

- We will request certain representations from management that will be included in the management representation letter.

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**COMMUNICATIONS WITH THE**  
**ADMINISTRATIVE AFFAIRS COMMITTEE**

**Major Issues Discussed With  
Management Prior To Retention**

- We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management during the year prior to retention as the Center's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Consultation by Management with Other  
Accountants**

- In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Center's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Information in Documents  
Containing Audited Financial Statements**

- With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.