

**SAN DIEGO IN-HOME SUPPORTIVE
SERVICES PUBLIC AUTHORITY
FINANCIAL STATEMENTS**

JUNE 30, 2011

SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
San Diego In-Home Supportive Services Public Authority
San Diego, California

We have audited the accompanying financial statements of the governmental activities and the major fund of the San Diego In-Home Supportive Services Public Authority ("Authority"), a component unit of the County of San Diego, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Authority as of June 30, 2011, and the respective changes in financial position, thereof, and the budgetary comparison of the IHSS Public Authority Special Revenue Fund for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 of the notes to the basic financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB Statement No. 59 – *Financial Instruments Omnibus*, effective for financial statements for periods beginning after June 15, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2011, on our consideration of the Authority'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 on financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
November 16, 2011

SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
STATEMENT OF NET ASSETS
JUNE 30, 2011
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2010

	2011	2010
<u>ASSETS</u>		
Equity in cash and pooled investments	\$ 300,615	\$ 230,000
Interest receivable	1,461	2,340
Accounts receivable	67,143	140,418
<u>TOTAL ASSETS</u>	369,219	372,758
<u>LIABILITIES</u>		
Accounts payable	73,302	141,025
Accrued payroll	80,858	69,409
Due to County of San Diego	210,447	143,535
Compensated absences	134,760	112,383
<u>TOTAL LIABILITIES</u>	499,367	466,352
<u>NET ASSETS (DEFICIT)</u>		
Unrestricted	(130,148)	(93,594)
<u>TOTAL NET ASSETS (DEFICIT)</u>	\$ (130,148)	\$ (93,594)

SEE NOTES TO BASIC FINANCIAL STATEMENTS

SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets	2010
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants		
Governmental Activities:						
In-Home Supportive Services	\$ 12,376,396	\$ -	\$ -	\$ -	\$ (12,376,396)	\$ (12,149,108)
Total governmental activities	<u>\$ 12,376,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	(12,376,396)	<u>(12,149,108)</u>

General Revenues:

Unrestricted investment earnings	8,519	16,670
Transfers from County of San Diego	<u>12,331,323</u>	<u>11,917,344</u>
Total general revenues and transfers	<u>12,339,842</u>	<u>11,934,014</u>
Change in net assets	(36,554)	(215,094)
Net assets at beginning of fiscal year	<u>(93,594)</u>	<u>121,500</u>
Net assets at end of fiscal year	<u>\$ (130,148)</u>	<u>\$ (93,594)</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS

SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
BALANCE SHEET
JUNE 30, 2011
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2010

	IHSS Public Authority Special Revenue Fund	
	2011	2010
<u>ASSETS</u>		
Equity in cash and pooled investments	\$ 300,615	\$ 230,000
Interest receivable	1,461	2,340
Accounts receivable	67,143	140,418
<u>TOTAL ASSETS</u>	\$ 369,219	\$ 372,758
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 73,302	\$ 141,025
Accrued payroll	80,858	69,409
Due to County of San Diego	210,447	143,535
Compensated absences	134,760	112,383
<u>TOTAL LIABILITIES</u>	499,367	466,352
<u>FUND BALANCE (DEFICIT)</u>		
Unassigned	(130,148)	(93,594)
<u>TOTAL FUND BALANCE (DEFICIT)</u>	(130,148)	(93,594)
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	\$ 369,219	\$ 372,758

SEE NOTES TO BASIC FINANCIAL STATEMENTS

SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	IHSS Public Authority Special Revenue Fund	
	2011	2010
<u>REVENUES</u>		
Investment income	\$ 8,519	\$ 16,670
<u>TOTAL REVENUES</u>	8,519	16,670
<u>EXPENDITURES</u>		
Administrative costs	2,771,596	2,541,560
Operating costs	746,085	821,679
Consulting services	8,858,715	8,785,869
<u>TOTAL EXPENDITURES</u>	12,376,396	12,149,108
<u>EXCESS OF REVENUES OVER (UNDER)</u>		
<u>EXPENDITURES</u>	(12,367,877)	(12,132,438)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers in from County of San Diego	12,331,323	11,917,344
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	12,331,323	11,917,344
<u>NET CHANGE IN FUND BALANCE</u>	(36,554)	(215,094)
Fund Balance (Deficit), Beginning of Fiscal Year	(93,594)	121,500
Fund Balance (Deficit), End of Fiscal Year	\$ (130,148)	\$ (93,594)

SEE NOTES TO BASIC FINANCIAL STATEMENTS

SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – IHSS PUBLIC AUTHORITY SPECIAL REVENUE FUND
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>IHSS Public Authority Special Revenue Fund</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<u>REVENUES</u>				
Investment income	\$ -	\$ -	\$ 8,519	\$ 8,519
<u>TOTAL REVENUES</u>			<u>8,519</u>	<u>8,519</u>
<u>EXPENDITURES</u>				
In-Home Supportive Services	<u>13,799,180</u>	<u>13,799,180</u>	<u>12,376,396</u>	<u>1,422,784</u>
<u>TOTAL EXPENDITURES</u>	<u>13,799,180</u>	<u>13,799,180</u>	<u>12,376,396</u>	<u>1,422,784</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	(13,799,180)	(13,799,180)	(12,367,877)	1,431,303
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in from County of San Diego	<u>13,799,180</u>	<u>13,799,180</u>	<u>12,331,323</u>	<u>(1,467,857)</u>
<u>NET CHANGE IN FUND BALANCE</u>			(36,554)	(36,554)
Fund Balance (Deficit), Beginning of Fiscal Year	<u>(93,594)</u>	<u>(93,594)</u>	<u>(93,594)</u>	
Fund Balance (Deficit), End of Fiscal Year	<u>\$ (93,594)</u>	<u>\$ (93,594)</u>	<u>\$ (130,148)</u>	<u>\$ (36,554)</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS

SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies:

A. Financial Reporting Entity

The accompanying financial statements report on the financial activities of the San Diego In-Home Supportive Services Public Authority (“Authority”). In response to a 1999 State mandate requiring the establishment of an employer of record for the In-Home Supportive Services program, the Board of Supervisors approved appropriations and established an operating fund for the Public Authority for the implementation activities and operating expenses. The Authority is a public entity separate from the County of San Diego (“County”). The Authority is a corporate public body exercising public and essential governmental functions, and it has all powers necessary and convenient to carry out its required responsibilities. The Authority’s financial statements are also included in the County’s Comprehensive Annual Financial Report (“CAFR”). The reason for including the Authority in the CAFR is the exercise of oversight responsibility over the Authority’s activities by the County Board of Supervisors who also acts as the Authority’s Governing Body.

B. Basis of Presentation

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34. The implementation of GASB Statement No. 34 required the Authority to present a Management Discussion and Analysis (MD&A) and two additional statements: Statement of Net Assets and Statement of Activities. An analysis of activities of the Authority is discussed in the MD&A. The Statement of Net Assets and Statement of Activities are government-wide statements that present the Authority’s assets, liabilities, revenues, and expenses using the economic resources focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows.

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual i.e. both measurable and available. “Available” means collectible within the current period or within 30 days after the fiscal year-end. Expenditures are recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on long-term debt, if any, is recognized when due.

C. Related Party Transactions

The majority of the Authority’s transactions are between the Authority and the related party, the County of San Diego. The County of San Diego, by agreement, operates the Authority. The Board of Supervisors of the County is also the governing body of the Authority.

SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Accounting

Budgets are adopted on a basis consistent with the accounting principles generally accepted in the United States of America (USGAAP). Formal budgetary integration is employed as a management control device.

E. Comparative Data

Comparative total data for the prior fiscal year has been presented in certain statements of the accompanying financial statements, in order to provide an understanding of changes in the Authority's financial position and operations.

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements, and the related reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

G. Net Assets and Fund Balance

GASB Statement No. 34 adds the concept of Net Assets, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

Net Assets are divided into three captions under GASB Statement No. 34. These captions apply only to Net Assets as determined at the government-wide level, and are described below:

Invested in Capital Assets, net of related debt describes the portion of Net Assets which is represented by the current net book value of the Authority's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority cannot unilaterally alter. These principally include debt service requirements.

Unrestricted describes the portion of Net Assets which is not restricted as to use.

SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Net Assets and Fund Balance (Continued)

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the Authority is bound to honor constraints on how to specific amounts can be spent.

Nonspendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the Authority’s highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned fund balance – amounts that are constrained by the Authority’s intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.

Unassigned fund balance – the residual classification for the Authority’s funds that include amounts not contained in the other classification.

The Authority establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the fiscal year.

In order to retain a stable financial base, the Authority needs to maintain unrestricted fund balance in its funds sufficient to fund cash flows of the Authority and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balances are considered unrestricted.

However, the Authority did not adopt any polity to maintain a fixed level of financial resources to protect against reducing service levels and fees because of temporary shortfalls or unpredicted one-time expenditures.

SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. New Accounting Pronouncements

GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions

For the fiscal year ended June 30, 2011, the Authority implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This Statement affects the Balance Sheet for the fiscal year ended June 30, 2011 by changing the classification of the fund balances. See Note 1G for detailed information on the effect on these financial statements.

GASB Statement No. 59 – Financial Instruments Omnibus

For the fiscal year ended June 30, 2011, the Authority implemented GASB Statement No. 59, “Financial Instruments Omnibus”. This Statement establishes standards to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The implementation of this Statement did not have an effect on these financial statements. Implementation of GASB Statement No. 59 did not have an impact on the Authority’s financial statements for the fiscal year ended June 30, 2011.

NOTE 2 EQUITY IN CASH AND POOLED INVESTMENTS

The San Diego In-Home Supportive Services Public Authority’s cash is included in the County’s balance sheet as “Equity in Cash and Pooled Investments”. The County maintains a cash and investment pool for all funds of the County and other agencies for which the County treasury is the depository. Interest earned on the pooled funds is allocated and credited to these funds quarterly. Further disclosures regarding the County’s cash and investments are included in the Notes of the County’s fiscal year ended June 30, 2011 Comprehensive Annual Financial Report.

NOTE 3 COMPENSATED ABSENCES

The San Diego In-Home Supportive Services Public Authority accrues accumulated vacation due to its employees and upon termination of employment; employees will be paid for unused vacation time that has been earned through the last day of work. The total amount due at June 30, 2011 is \$134,760. The Authority estimates that the compensated absences will be taken/paid within the next fiscal year.

SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4 PUBLIC AUTHORITY EMPLOYEES RETIREMENT PLAN (DEFINED CONTRIBUTION PENSION PLAN)

The County of San Diego In-Home Supportive Services Public Authority Money Purchase Plan began on July 1, 2002.

Plan Description

General – The San Diego In-Home Supportive Services Public Authority Employee Retirement Plan (“Plan”) is administered by a private administrator. The Authority’s Plan is a defined contribution plan covering all qualified employees of the Authority. Entry into the Plan is made on the first day of employment after meeting the eligibility requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

Contributions – Each year the Authority contributes to the Plan, for qualified enrolled employees, 8.0% of those employees’ gross wages. For the fiscal year ended June 30, 2011 the Authority contributed \$169,372.

Participant Accounts – Each participant’s account is credited with the Authority’s contribution, and an allocation of Plan earnings. The benefit to which a participant is entitled to is the benefit that can be provided from the participant’s account.

Vesting – Vesting is based on years of service. A participant is 20% vested after one year but less than two years of credited service and vests an additional 20% for every year of service thereafter. A participant is fully vested after five years of service.

Payment of Benefits – Upon termination of service, a participant may elect to receive either a lump sum distribution equal to the value of his or her account or an annuity.

NOTE 5 ACCOUNTS RECEIVABLE- DUE FROM PROVIDERS AND FORMER PROVIDERS

The Health Benefit department has been successful at collecting \$23,436 to date towards the original balance of \$154,002. Also included in the balance is what the Authority categorized as an overpayment to the Sharp Healthplan. \$7,357 was received from Sharp as a credit to the March 2006 coverage. The Authority has not included a receivable on its financial statements as most of the balance is considered uncollectible. Any payments received are recorded as an offset to operating costs.

NOTE 6 MEMORANDUM OF UNDERSTANDING WITH THE UNITED DOMESTIC WORKERS OF AMERICA, AFSCME, AFL-CIO

On July 7, 2009, the Authority signed a Memorandum of Understanding (MOU) with the United Domestic Workers of America (Union) with terms and conditions of employment for the IHSS Individual Providers. The Union is responsible for administration of health benefits, which includes the formation of a Union Health Care Trust Fund. The Authority is required to provide up to \$8,784,000 annually to the Union Health Care Trust Fund. This amount is included in the consulting services expenditure line item on the Statement of Revenues, Expenditures, and Changes in Fund Balances.

SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 7 DEFERRED COMPENSATION PLAN

457 Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is available to full-time employees. The Internal Revenue Service regulations allow an employer to designate a 457(b) Deferred Compensation Plan as an alternative to social security. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by a third party administrator (MetLife) for the exclusive benefit of the plan participants and their beneficiaries as prescribed by Internal Revenue Code Section 457(g). Accordingly, these assets have been excluded from the Authority's Comprehensive Annual Financial Report.

NOTE 8 FINANCIAL CONDITION

The Authority has a deficit in net assets of \$130,148 as of June 30, 2011. The Authority projects that future contributions from the County of San Diego's General Fund will be sufficient to support the Authority's operations.



MOSS, LEVY & HARTZHEIM LLP

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**INDEPENDENT AUDITOR'S 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***

To the Board of Supervisors
San Diego In-Home Supportive Services Public Authority
San Diego, California

We have audited the accompanying financial statements of the governmental activities and the major fund of the San Diego In-Home Supportive Services Public Authority as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 16, 2011. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Authority are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*.

This report is intended for the information and use of the Board of Supervisors, management, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
November 16, 2011