

**COUNTY OF SAN DIEGO  
IN-HOME SUPPORTIVE SERVICES  
PUBLIC AUTHORITY  
MONEY PURCHASE PENSION PLAN**

**BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**COUNTY OF SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY  
MONEY PURCHASE PENSION PLAN  
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**June 30, 2019**

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MOSS, LEVY & HARTZHEIM LLP

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**Independent Auditor's Report**

To the Governing Board  
County of San Diego In-Home Supportive Services Public Authority  
Money Purchase Pension Plan  
San Diego, California

**Report on the Financial Statements**

We have audited the accompanying statements of plan net position of the County of San Diego In-Home Supportive Services Public Authority Money Purchase Pension Plan (the Plan), as of June 30, 2019, and the related statement of changes in plan net position for the fiscal year then ended and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

**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.

**Auditor's Responsibility**

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 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 auditor's 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 Plan'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 Plan'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.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Plan as of June 30, 2019, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not 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.

### *Prior-Year Comparative Information*

The financial statements of the Plan as of and for the fiscal year ended June 30, 2018 were audited by a predecessor auditor. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's financial statements for the fiscal year ended June 30, 2018, from which the partial information was derived.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Plan's basic financial statements. The Schedule of Assets Held for Investment Purposes is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic 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 December 31, 2019, on our consideration of the Corporation'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 the effectiveness of the Plan's 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 Corporation's internal control over financial reporting and compliance.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
December 31, 2019

**COUNTY OF SAN DIEGO IN HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY  
MONEY PURCHASE PENSION PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
JUNE 30, 2019 WITH COMPARATIVE TOTALS AS OF JUNE 30, 2018**

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<b>ASSETS</b>	<u>2019</u>	<u>2018</u>
Investments, at fair value	\$ 3,135,296	\$ 2,863,821
Receivable from IHSS	5,983	5,529
Employer contribution receivable	<u>66,057</u>	<u>56,650</u>
<b>Total Assets</b>	<u>3,207,336</u>	<u>2,926,000</u>
<b>LIABILITIES</b>		
Accrued expenses	<u>5,983</u>	<u>5,529</u>
<b>Total Liabilities</b>	<u>5,983</u>	<u>5,529</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<u><u>\$ 3,201,353</u></u>	<u><u>\$ 2,920,471</u></u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY  
MONEY PURCHASE PENSION PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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<b>ADDITIONS TO NET ASSETS:</b>	<u>2019</u>
Realized gains (losses) and unrealized appreciation (depreciation) in fair value of investments	\$ (12,520)
Interest and dividends	177,911
Employer contributions	251,664
Deposits for plan fees and expenses	<u>23,282</u>
<b>Total Additions to Net Assets</b>	<u>440,337</u>
 <b>DEDUCTIONS FROM NET ASSETS:</b>	
Benefits paid directly to participants	136,173
Administrative expenses	<u>23,282</u>
<b>Total Deductions from Net Assets</b>	<u>159,455</u>
<b>Net Increase in Net Assets</b>	280,882
 <b><u>NET ASSETS AVAILABLE FOR BENEFITS</u></b>	
Beginning of fiscal year	<u>2,920,471</u>
End of fiscal year	<u><u>\$ 3,201,353</u></u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY  
MONEY PURCHASE PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – PLAN DESCRIPTION**

The following description of the County of San Diego In-Home Supportive Public Authority (Authority) Money Purchase Pension Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

**General**

The plan is defined contribution plan covering all employees who complete the employer’s introductory period (first six months of employment or such other period of time that the County of San Diego In-Home Supportive Services Public Authority establishes as a condition of permanent employment). All eligible employees shall be eligible to enroll in the Plan on the first day of the next following month.

The governmental fund financial statement is presented as 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 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.

**Participant’s accounts**

Each participant’s account is credited with the Authority’s contribution (calculated above), account earnings, and allocation of the forfeitures of terminated participants’ nonvested accounts. The forfeitures are not actual additions of the employee’s account but are a reduction of current or future Authority contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

**Vesting**

Vesting is calculated based on the following schedule:

<u>Completed Years of Service</u>	<u>Vested Share</u>
Less than 1 year	0%
1 year but less than 2	20%
2 years but less than 3	40%
3 years but less than 4	60%
4 years but less than 5	80%
5 or more years	100%

**Forfeited accounts**

At June 30, 2019 and 2018, forfeited nonvested accounts totaled \$0 and \$22,036, respectively. These accounts will be used to reduce future employer contributions. Also, in 2018, employer contributions were reduced by \$22,036 from forfeited nonvested accounts.



**COUNTY OF SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY  
MONEY PURCHASE PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – PLAN DESCRIPTION (continued)**

**Payment of benefits**

Upon termination of services or total and permanent disability, a participant may elect to receive 1) a lump sum distribution equal to his or her vested account, or 2) a lifetime annuity: which consists of monthly payments for the lifetime of the participant, not to exceed the life expectancy of the participant or beneficiary. The lifetime annuity is only available to participants with a vested account balance greater than \$5,000. Total distributions paid during the fiscal year ended June 30, 2019 were \$136,173.

**Contributions and funding policy**

For each plan year, the employer (Authority) shall contribute on behalf of each active (eligible) participant an amount equal to 8% of compensation (total of an employee's compensation for services rendered to the Authority that is includable in gross income-compensation for any plan year, on an annualized basis, shall be subject to a maximum of \$275,000, as adjusted by the Secretary of the Treasury under Section 401(a)(17) of the Code) including compensation paid during the introductory period which is subject to a maximum of \$270,000. Employee voluntary contributions are not permitted under this Plan. All minimum funding requirements have been met.

**Payment of expenses**

The trustee shall deduct from, and charge against Plan assets, any taxes paid by it which may be imposed upon the Plan or the income thereof, or which the Trustee is required to pay, upon or with the respect to the interest of any person herein. The Trustee's compensation and expenses shall be a charge upon the Fund until paid by the employer (Authority), shall be withdrawn from the Fund if not paid by the employer (Authority). The reasonable expenses incurred in the administration of the Plan shall be deducted from the Plan assets, unless the employer (Authority) agrees to pay such expenses, including reasonable legal and actuarial expenses. For the fiscal year ended June 30, 2019, \$23,282 of expenses (which includes \$5,983 of accrued expenses were incurred by the Plan, which were paid by the Authority.

**NOTE 2 – SUMMARY OF SIGN IFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting.

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit responsive investment contracts. The Plan has no investments in fully benefit responsive investment contracts for the fiscal year ended June 30, 2019.

**Use of 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 amounts of assets and liabilities and changes therein, and

**COUNTY OF SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY  
MONEY PURCHASE PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 – SUMMARY OF SIGN IFICANT ACCOUNTING POLICIES (continued)**

disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

**Investment Valuation and Income Recognition**

The assets (investments) of the Plan shall be periodically valued at their fair value, but in no event less frequently than annually. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade date basis. Interest and dividends are recorded on the accrual basis of accounting. Net appreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

Earnings of the investments and the increase or decrease in the value of the investments since the last valuation date shall be allocated to each participant's account balance. Such allocation shall be made by the Plan administrator, in a non-discriminatory manner to recognize each participant's account balance, the timing of participants' withdrawals, and the employer's contributions.

Interest and dividend income are recorded on the accrual basis.

**Payment of Benefits**

Benefits are recorded when paid.

**NOTE 3 – FAIR VALUE MEASUREMENTS**

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. The Investment Committee determines the Plan's valuation policies. Although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to measure the fair value of certain financial instruments could result in a different fair value at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1:** The fair values of mutual funds are based on the closing price reported in the active market where the individual securities are traded, when available.
- Level 2:** Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets.

**COUNTY OF SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY  
MONEY PURCHASE PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 3 – FAIR VALUE MEASUREMENTS (continued)**

Quoted prices for identical or similar assets or liabilities in inactive markets,

Inputs other than quoted prices are observable for the asset or liability;  
Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs. There are no plan assets requiring the use of Level 2 or 3 inputs for the periods presented.

Following is a description of the valuation methodologies used for assets measured a fair value.

**Mutual Funds:** Valued at net asset value ("NAV") of shares held by the Plan at the end of the fiscal year.

**Exchange Traded Funds:** Valued NAV of shares held by the Plan at the end of the fiscal year.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of:

<u>June 30, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Mutual Funds and Exchange Traded Funds</b>				
Short Term Investment Funds	\$ 45,919	\$ -	\$ -	\$ 45,919
Balanced Funds	440,037	-	-	440,037
Fixed Income Funds	1,117,428	-	-	1,117,428
Equity Funds	1,103,169	-	-	1,103,169
International Equity Funds	324,216	-	-	324,216
Alternative Strategies Funds	104,527	-	-	104,527
<b>Total Assets at Fair Value</b>	<u>\$ 3,135,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,135,296</u>

**COUNTY OF SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY  
MONEY PURCHASE PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 3 – FAIR VALUE MEASUREMENTS (continued)**

<u>June 30, 2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Mutual Funds and Exchange Traded Funds</b>				
Short Term Investment Funds	\$ 93,559	\$ -	\$ -	\$ 93,559
Balanced Funds	401,684	-	-	401,684
Fixed Income Funds	1,046,372	-	-	1,046,372
Equity Funds	918,471	-	-	918,471
International Equity Funds	308,954	-	-	308,954
Alternative Strategies Funds	94,781	-	-	94,781
<b>Total Assets at Fair Value</b>	<u>\$ 2,863,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,863,821</u>

**NOTE 4 – PLAN TERMINATION**

It is the intent of the employer (Authority) to continue the Plan indefinitely and to make contributions required by the Plan. However, the employer (Authority), by action of its Board of Directors, may institute proceedings to affect a partial or total termination of the Plan.

In the event of a partial or total termination of the Plan or a complete discontinuance of contributions, each affected participant shall be automatically 100% vested in his/her account balance. Such account balances may be distributed under one of the distribution options stated in Note 1 above, as elected by the respective participant, or, at the sole discretion of the Employer (Authority), may be transferred to a successor qualified plan, in accordance with the applicable provisions of the Internal Revenue Code and the regulations issued thereto.

**NOTE 5 – TAX STATUS**

The Internal Revenue Service (IRs) has determined and informed the Authority by a letter dated November 21, 2014, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable provisions of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Generally accepted accounting principles require the evaluation of tax provisions taken by the Plan and recognition of a tax liability if the Plan has taken an uncertain tax position that is not more likely than not to be sustained upon examination by the IRS. The Sponsor on behalf of the plan, has analyzed the tax position taken by the Plan, and has concluded that as of June 30, 2019, there are no uncertain tax positions that would require recognition of a liability or disclosure in the financial statements.

**NOTE 6 – CONCENTRATION OF RISK**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment

**COUNTY OF SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY  
MONEY PURCHASE PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 6 – CONCENTRATION OF RISK (continued)**

securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

**NOTE 7 – EMPLOYEE LOANS**

Employee loans are not permitted by this plan.

**NOTE 8 – COMPENSATION**

The total payroll used for the calculations of the contribution for the fiscal year ended June 30, 2019 was \$3,421,248. The required contribution for the fiscal year ended June 30, 2019 was \$273,700. The actual contribution made for the fiscal year ended June 30, 2019 was \$251,664. The variance between the required and the actual contribution was due to forfeitures of \$22,036. The required contribution amount is 8% of the total covered payroll. The actual contribution amount is 8.0% of the total covered payroll. All eligible employees are covered under the Plan.

For the fiscal year ended June 30, 2019, participation was as follows:

<u>Active Employees</u>	Terminated Employees <u>With Balances</u>	<u>Ineligible Employees</u>	<u>Total</u>
57	7	1	65

**NOTE 9 – ADMINSTRATIVE**

The employer (Authority) shall have full power to administer the Plan and to construe, interpret, and apply all of its provisions, as hereinafter provided. Any action taken by the employer (Authority) in the exercise of authority conferred upon it by this Plan shall be conclusive and binding upon the participants, as well as upon any employee or any person who is in any way affected by said action.

The employer (Authority), by action of its Board of Directors, reserves the right to amend or modify the Plan, retroactively or otherwise, at any time, in any respect consistent with requirements and regulations of the Internal Revenue Code as amended from time to time, and regulations promulgated thereunder.

**NOTE 10 – NET APPRECIATION (DEPRECIATION) IN FAIR VALUE INVESTMENTS**

The net appreciation (depreciation) in fair value of investments, including realized and unrealized gains and losses on investments during the fiscal year ended June 30, 2019, was as follows:

**COUNTY OF SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY  
MONEY PURCHASE PENSION PLAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 10 – NET APPRECIATION (DEPRECIATION) IN FAIR VALUE INVESTMENTS  
(continued)**

Realized (loss)	\$ (62,937)
Unrealized gain	50,417
Total realized (losses) and unrealized appreciation in fair value of investments	<u>\$ (12,520)</u>

**NOTE 11 – PLAN MANAGEMENT’S REVIEW OF SUBSEQUENT EVENTS**

In preparing the accompanying financial statements, Plan management has reviewed all known events that have occurred after June 30, 2019, and through December XX, 2019, the date when these financial statements were available to be issued, for inclusion in the financial statements and footnotes.

**NOTE 12 – PARTIES-IN-INTEREST**

Certain Plan investments are shares of mutual funds managed by First American Trust as defined by the Plan and therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services and trustee are reimbursed by the Authority and totaled \$23,282. Other parties-in-interest are Nyhart, who is the third party administrator who received no fees paid by the Plan as these fees are paid by the Authority.

## **SUPPLEMENTARY INFORMATION**

**COUNTY OF SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**MONEY PURCHASE PENSION PLAN**  
**SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Identity of Issue Borrower, Lessor, or Similar Party	Description of Investment	Current Fair Value	Cost Value
Fidelity Government Port-I	Mutual Fund	45,919	45,919
Vanguard Equity Income-Adm	Mutual Fund	440,037	384,285
Doubleline Total Ret Ed-I	Mutual Fund	345,399	337,130
Fidelity Government Secs Fund 054	Mutual Fund	201,222	200,061
JPMorgan Core bond-I	Mutual Fund	335,191	332,295
Pimco Invest Grd Crdt Bond Fd - Inst	Mutual Fund	151,374	148,840
Vanguard S/T Invest Gr-Adm	Mutual Fund	84,242	84,404
Goldman Sachs Grth Opp-I	Mutual Fund	56,532	55,711
Harbor Capital Appreciation-I	Mutual Fund	255,222	217,184
Oakmark Select Fund-Inv	Mutual Fund	148,473	151,738
Clearbridge Appreciation-I	Mutual Fund	403,489	351,126
Parnassus Mid Cap Fund-Inst	Mutual Fund	73,620	72,470
T Rowe Price Mid Cap Value	Mutual Fund	62,839	65,250
Sterling Capital Stratton Small Cap Value CI I	Mutual Fund	55,669	50,610
Voya Small Co CI I	Mutual Fund	47,325	46,381
Causeway Internalt Value-Ins	Mutual Fund	114,083	111,653
American Fds Europac Grow-F2	Mutual Fund	79,836	72,369
Gs - Em Mkt Equity Insights-Is	Mutual Fund	16,961	16,220
JP Morgan Intl Ety-I	Mutual Fund	113,336	111,638
Cohen & Steers Realty Shares	Exchange Fund	59,156	61,954
Litman Gr Masters Alt Str CI-I	Exchange Fund	45,371	43,871
	Total	<u>3,135,296</u>	<u>2,961,109</u>

Note: See Note 12 to the financial statements for parties-in-interest.





MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

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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 Governing Board  
County of San Diego In-Home Supportive Services Public  
Money Purchase Pension Plan  
San Diego, 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 the plan net position of the County of San Diego In-Home Supportive Services Public Authority Money Purchase Pension Plan (the Plan), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements and have issued our report thereon dated December 31, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Plan'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan'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.

### **Compliance and Other Matters**

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

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
December 31, 2019