

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

BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

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

June 30, 2023

Page

Financial Section:

Independent Auditor's Report	1
Statement of Net Assets Available for Benefits.....	4
Statement of Changes in Net Assets Available for Benefits	5
Notes to Basic Financial Statements	6

Supplementary Information

Schedule of Assets Held for Investment Purposes	13
---	----

Other Independent Auditor's Report

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14
Schedule of Findings.....	16



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

8383 WILSHIRE BLVD., SUITE 800
BEVERLY HILLS, CA 90211
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

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 Audit of the Financial Statement

Opinion

We have audited the accompanying financial statements of the County of San Diego In-Home Supportive Services Public Authority Money Purchase Pension Plan (the Plan), which comprise the statement of net assets available for benefits as of June 30, 2023, and the related statement of changes in net assets available for benefits for the fiscal year ended June 30, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of June 30, 2023, and the respective changes in net assets available for benefits for the fiscal year ended June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As discussed in Note 10, the Plan did not generate and maintain a semiannual report needed to document the allocation of gains and losses to the accounts of the individual employees. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and

for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 include partial prior year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Plan's financial statements for the fiscal year ended June 30, 2022, 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 22, 2023, on our consideration of the Plan'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 Plan's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 22, 2023

COUNTY OF SAN DIEGO IN HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
MONEY PURCHASE PENSION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
JUNE 30, 2023
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022)

ASSETS	2023	2022
Investments, at fair value	\$ 4,414,723	\$ 4,050,271
Receivable from IHSS	7,887	15,407
Employer contribution receivable	109,766	76,635
Total Assets	4,532,376	4,142,313
LIABILITIES		
Accrued expenses	7,887	15,407
Participant distribution payable	-	19,069
Total Liabilities	7,887	34,476
NET ASSETS AVAILABLE FOR BENEFITS	\$ 4,524,489	\$ 4,107,837

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, 2023**

ADDITIONS TO NET ASSETS:	<u>2023</u>
Realized gains (losses) and unrealized appreciation (depreciation) in fair value of investments	\$ 190,311
Interest and dividends	195,247
Employer contributions	353,066
Deposits for plan fees and expenses	<u>30,058</u>
Total Additions to Net Assets	<u>768,682</u>
 DEDUCTIONS FROM NET ASSETS:	
Benefits paid directly to participants	321,972
Administrative expenses	<u>30,058</u>
Total Deductions from Net Assets	<u>352,030</u>
 Increase in Net Assets	 416,652
 <u>NET ASSETS AVAILABLE FOR BENEFITS</u>	
Beginning of fiscal year	<u>4,107,837</u>
End of fiscal year	<u><u>\$ 4,524,489</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, 2023**

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 financial statements are presented on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

On June 30, 2023, and 2022, forfeited nonvested accounts totaled \$0 and \$15,144, respectively. These accounts will be used to reduce future employer contributions. There were \$15,144 forfeitures utilized from nonvested accounts in 2023 to reduce contributions.

**COUNTY OF SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
MONEY PURCHASE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023, were \$321,972.

Contributions and funding policy

For each plan fiscal 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 fiscal year, on an annualized basis, shall be subject to a maximum of \$330,000, 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 \$330,000. 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, 2023, \$37,384 of expenses (which includes \$15,212 of accrued expenses) were incurred by the Plan, which were actually paid by the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT 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, 2023.

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, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT 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 fiscal 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 and exchange 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:

**COUNTY OF SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
MONEY PURCHASE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Quoted prices for similar assets or liabilities in active markets.

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 at 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, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds and Exchange Traded Funds				
Short Term Investment Funds	\$ 197,999	\$ -	\$ -	\$ 197,999
Fixed Income Funds	1,485,994	-	-	1,485,994
Equity Funds	2,158,038	-	-	2,158,038
International Equity Funds	430,183	-	-	430,183
Alternative Strategies Funds	46,962	-	-	46,962
Commodities Funds	95,547	-	-	95,547
Total Assets at Fair Value	<u>\$ 4,414,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,414,723</u>

**COUNTY OF SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
MONEY PURCHASE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

<u>June 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds and Exchange Traded Funds				
Short Term Investment Funds	\$ 98,886	\$ -	\$ -	\$ 98,886
Fixed Income Funds	1,530,020	-	-	1,530,020
Equity Funds	1,901,091	-	-	1,901,091
International Equity Funds	381,001	-	-	381,001
Alternative Strategies Funds	57,233	-	-	57,233
Commodities Funds	82,040	-	-	82,040
Total Assets at Fair Value	<u>\$4,050,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$4,050,271</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, 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, 2023, 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, 2023**

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, 2023, was \$4,413,331. The required contribution for the fiscal year ended June 30, 2023, was \$353,066. The actual contribution made for the fiscal year ended June 30, 2023, was \$353,066. 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, 2023, participation was as follows:

	Terminated Employees		
Active	With	Ineligible	
<u>Employees</u>	<u>Balances</u>	<u>Employees</u>	<u>Total</u>
62	7	9	78

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 – ALLOCATION REPORT NOT GENERATED AND SAVED

The Plan did not generate and save the gains and losses allocation report to the individual employee accounts from July 1, 2022 – December 31, 2022. The report can only be generated at the time of the allocation of the gains and losses of the Plan to the individual accounts. This process occurs twice a year. The generation and saving of this report is required to permit the Plan to recalculate the allocation of gains and losses to the individual employee accounts.

**COUNTY OF SAN DIEGO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
MONEY PURCHASE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 – 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, 2023, was as follows:

Realized loss	\$ (31,818)
Unrealized gain	<u>222,129</u>
Total realized loss and unrealized appreciation in fair value of investments	<u>\$ 190,311</u>

NOTE 12 – 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, 2023, and through December 22, 2023, the date when these financial statements were available to be issued, for inclusion in the financial statements and footnotes.

NOTE 13 – 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 \$37,384. Other parties-in-interest are Nyhart and Moss, Levy and Hartzheim, who are the third-party administrator and auditor of the Plan, 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
JUNE 30, 2023

Identity of Issue Borrower, Lessor, or Similar Party	Description of Investment	Current Fair Value	Cost Value
Fidelity Government Port-I	Mutual Fund	\$ 197,998	\$ 197,998
Fidelity Government Secs Fund	Mutual Fund	148,365	149,333
Fidelity GNMA Fund	Mutual Fund	222,596	226,958
Goldman Sachs Core Fx Inst	Mutual Fund	448,010	456,819
JPMorgan Shrt Durat Bnd-I	Mutual Fund	434,624	430,811
Pimco Invest Grd Crdt Bond Fd - Inst	Mutual Fund	77,554	90,185
Vanguard S/T Invest Gr-Adm	Mutual Fund	154,846	151,588
LSV Value Equity	Mutual Fund	241,887	244,769
Fidelity Small Cap Value	Mutual Fund	76,853	62,218
Glenmede Large Cap Growth	Mutual Fund	263,636	232,921
Goldman Sachs Mid Cap Grth Fd - Inst	Mutual Fund	87,950	98,913
Oakmark Select Fund-Inv	Mutual Fund	522,871	356,182
Hotchkis & Wiley M/C Value - I	Mutual Fund	107,465	79,294
Clearbridge Appreciation-I	Mutual Fund	801,679	695,806
Jackson Square Smid-Cap-Gr-I	Mutual Fund	55,697	62,186
Cullen Intl Hi Div I	Mutual Fund	93,047	95,943
Delaware Emerging Markets - I	Mutual Fund	61,937	58,122
American Fds Europacific Grth - F2	Mutual Fund	106,210	95,186
First Eagle Overseas I	Mutual Fund	58,741	57,418
JPMorgan Intrntl Focus-I	Mutual Fund	110,248	96,658
Cohen & Steers Realty Shares	Exchange Fund	46,962	47,155
Alerian Mlp Etf	Commodities	69,637	65,641
Ishares Gold Trust Etf	Commodities	25,910	20,641
	Total	<u>\$ 4,414,723</u>	<u>\$ 4,072,745</u>

Note: See Note 13 to the financial statements for parties-in-interest.



PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

8383 WILSHIRE BLVD., SUITE 800
BEVERLY HILLS, CA 90211
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

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 Authority
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 assets available for benefits and changes in net assets available for benefits 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, 2023, 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 22, 2023.

Report on 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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control,

described in the accompanying schedule of findings as item 2023-001 that we considered to be a material weakness.

Report on 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 financial statement. 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*.

Plan's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Plan's response to the finding identified in our audit and described in the accompanying schedule of findings. The Plan's response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 22, 2023

Schedule of Findings

2023-001 Gains/losses allocation report was not generated and saved.

Criteria:

The Plan should maintain records of key data utilized for the allocation of gains/losses to the individual employee accounts.

Condition:

The Plan did not generate and save the gains/losses allocation report to document the allocation calculations of gains/losses to the individual employee accounts for the July 1, 2022 – December 31, 2022 time period. The report can only be generated at the time of the allocation and is not able to be recreated by the Plan.

Effect:

Without proper documentation the Plan is unable to demonstrate that the gains/losses were allocated properly to the individual employee accounts.

Recommendation:

The Plan should provide the allocation of gains/losses report to the Administrators of the Plan twice a year to ensure that the document has been properly generated and saved each time the gains/losses are allocated to the individual accounts.

Management's Response:

Public Authority management acknowledged the failure of its third-party pension plan administrator, Nyhart, to generate a gains/losses allocation report for the period July 1, 2022 – December 31, 2022. Public Authority has brought this to Nyhart's attention and in the future, the Public Authority will request this report twice annually, at each allocation.