

# SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

## FINANCIAL STATEMENTS

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June 30, 2024 and 2023

(With Supplementary Information)

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## INDEPENDENT AUDITORS' REPORT

To the Governing Board  
San Francisco In-Home Supportive Services Public Authority  
San Francisco, California

### *Opinion*

We have audited the accompanying financial statements of San Francisco In-Home Supportive Services Public Authority (SF IHSS PA), as June 30, 2024 and for the year then ended, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SF IHSS PA as of June 30, 2024, and the changes in its financial position and its cash flows for the year then ended 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 responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SF IHSS PA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Prior Period Financial Statements*

The financial statements of SF IHSS PA as of June 30, 2023 were audited by other auditors whose report dated November 21, 2023 expressed an unmodified opinion on those statements.

### *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 SF IHSS PA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' 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, including omissions, 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 SF IHSS PA'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 SF IHSS PA'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***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the comparative Management Discussion and Analysis information 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 a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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.

### *Other Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying statements of functional expenses and budgetary comparison information on pages 25-27 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2025, on our consideration of SF IHSS PA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SF IHSS PA's internal control over financial reporting and compliance.

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

Long Beach, California  
January 21, 2025

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024 AND 2023**

***Introduction***

The following management's discussion and analysis of San Francisco In-Home Supportive Services Public Authority ("SF IHSS PA") provides an overview of the financial activities and transactions for the years ended June 30, 2024 and 2023 in the context of the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements; Management's Discussion and Analysis for State and Local Governments*. This discussion and analysis should be read in conjunction with SF IHSS PA's audited financial statements and accompanying notes.

***Financial Reporting and Explanation of Financial Statements***

SF IHSS PA's accounting records are maintained in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP) as prescribed by GASB and, where not in conflict with GASB pronouncements, accounting principles prescribed by the Financial Accounting Standards Board (FASB). SF IHSS PA's financial statements include the statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flows. The statements of net position provide information about assets and obligations of SF IHSS PA at a specific point in time. The statements of revenues, expenses and changes in net position provide information regarding SF IHSS PA's operations during the fiscal years indicated. The statements of cash flows report cash sources and uses for operations, capital, and investing activities.

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2024 AND 2023**

*Financial Summary*

The following is a condensed presentation and comparison of assets and liabilities and net position as of June 30, 2024 and 2023:

	June 30,		% Change
	2024	2023	
<b>ASSETS</b>			
Current assets	\$ 11,608,640	\$ 12,192,639	-5%
Right-of-use assets	739,738	1,154,160	-36%
Capital assets, net of accumulated depreciation	10,325	15,510	-33%
Other assets	15,031	15,031	0%
 Total assets	 \$ 12,373,734	 \$ 13,377,340	 -8%
<b>LIABILITIES</b>			
Current liabilities	\$ 11,848,839	\$ 12,305,561	-4%
Operating lease liabilities, net of current maturities	372,342	788,878	-53%
Total liabilities	12,221,181	13,094,439	-7%
<b>NET POSITION</b>			
Unrestricted	142,228	267,391	-47%
Invested in capital assets, net	10,325	15,510	-33%
Total net position	152,553	282,901	-46%
 Total liabilities and net position	 \$ 12,373,734	 \$ 13,377,340	 -8%

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2024 AND 2023**

*Financial Summary (Continued)*

The following is a condensed presentation and comparison of the revenues, expenses, and changes in net position for the fiscal years ended June 30, 2024 and 2023:

	June 30,		% Change
	2024	2023	
<b>REVENUES AND EXPENSES</b>			
Operating revenues	\$ 103,602,158	\$ 98,433,323	5%
Operating expenses	103,752,445	98,444,986	5%
Operating loss	(150,287)	(11,663)	1189%
Nonoperating revenues	19,939	28,581	-30%
Excess (shortfall) of revenues over expenses	\$ (130,348)	\$ 16,918	-870%
<b>CHANGE IN NET POSITION</b>			
Net position, beginning of year	\$ 282,901	\$ 265,983	6%
Change in net position	(130,348)	16,918	-870%
Net position, end of year	\$ 152,553	\$ 282,901	-46%

***Current Assets***

The decrease in current assets by \$583,999, or 5%, in fiscal year 2024 is primarily driven by a reduction in accounts receivable from the Department of Aging and Services (DAS) at the end of the fiscal year. This decrease was partially offset because SF IHSS PA held \$1.7 million more cash for the transition to the FY24-25 contract.

***Capital Assets***

No new capital assets were acquired in fiscal year 2024. As a result, the net value of capital assets decreased by 33%, primarily due to depreciation. Accumulated depreciation increased to \$25,926 in 2024, leading to a net capital asset value of \$10,325 as of June 30, 2024.

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024 AND 2023**

***Current Liabilities***

Current liabilities decreased by \$456,722 or 4% from June 30, 2023 to 2024 cause by a timing difference in settling liabilities and in line with the change in current assets.

***Net Position***

The decrease in net position by \$130,348 is attributed to the operating loss, which was offset slightly by nonoperating income. The decrease in net position reflects higher operating expenses and the challenges associated with maintaining cost efficiency amidst rising program expenses.

***Operating Revenues and Operating Expenses***

Operating revenues increased by \$5,168,835 or 5% in fiscal year 2024, driven by a rise in program expenses resulting from an increase in the volume of eligible recipients. The largest section of growth was an increase in IP benefits expenses of \$5 million over the previous year. Operating revenue mirrored this growth, increasing 5%, maintaining a balance between revenues and expenditures.

***Conclusion***

The financial results for fiscal year 2024 show a decrease in both assets and liabilities, with operating revenues and expenses showing an increase due to higher eligibility program costs. Moving forward, SF IHSS PA must focus on managing its cost structure and ensuring continued financial sustainability as program demands evolve.

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**STATEMENTS OF NET POSITION**

**ASSETS**

	<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 4,617,452	\$ 2,913,040
Accounts receivable	6,949,199	9,235,544
Prepays	41,989	44,055
Total current assets	11,608,640	12,192,639
<b>NONCURRENT ASSETS</b>		
Right-of-use assets	739,738	1,154,160
Capital assets, net of accumulated depreciation	10,325	15,510
Other assets	15,031	15,031
Total noncurrent assets	765,094	1,184,701
<b>TOTAL ASSETS</b>	<b>\$ 12,373,734</b>	<b>\$ 13,377,340</b>

**LIABILITIES AND NET POSITION**

<b>CURRENT LIABILITIES</b>		
Lease liabilities, current maturities	\$ 419,823	\$ 389,371
Accounts payable	11,235,702	11,762,712
Accrued expenses	193,314	153,478
Total current liabilities	11,848,839	12,305,561
<b>NONCURRENT LIABILITIES</b>		
Lease liabilities, net of current maturities	372,342	788,878
Total liabilities	12,221,181	13,094,439
<b>NET POSITION</b>		
Unrestricted	142,228	267,391
Invested in capital assets, net	10,325	15,510
Total net position	152,553	282,901
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 12,373,734</b>	<b>\$ 13,377,340</b>

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

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

	For the Year Ended	
	June 30,	
	<u>2024</u>	<u>2023</u>
<b>OPERATING REVENUES</b>		
Governmental grants and contracts	\$ 103,602,158	\$ 98,422,740
Employee Retention Credit	-	10,583
Total operating revenues	<u>103,602,158</u>	<u>98,433,323</u>
<b>OPERATING EXPENSES</b>		
Benefits for independent providers	98,819,250	94,043,132
Program delivery and administration	2,981,065	2,760,422
Finger printing	491,455	305,473
On-call providers	272,872	306,977
General and administrative	<u>1,187,803</u>	<u>1,028,982</u>
Total operating expenses	<u>103,752,445</u>	<u>98,444,986</u>
<b>OPERATING LOSS</b>	<u>(150,287)</u>	<u>(11,663)</u>
<b>NONOPERATING REVENUES</b>		
Interest income	19,939	10,458
Other nonoperating income	-	18,123
Total nonoperating revenues	<u>19,939</u>	<u>28,581</u>
<b>(DECREASE) INCREASE IN NET POSITION</b>	<u>(130,348)</u>	<u>16,918</u>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>282,901</u>	<u>265,983</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 152,553</u>	<u>\$ 282,901</u>

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

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**STATEMENTS OF CASH FLOWS**

	<b>For the Year Ended</b>	
	<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Governmental grants and contracts	\$ 105,888,503	\$ 96,619,436
Payments to suppliers, service providers, and contractors	(100,940,836)	(97,128,418)
Payments to employees and related benefits	(3,291,532)	(3,168,952)
Employee Retention Credit	-	10,583
Net Cash Provided By (Used In) Operating Activities	1,656,135	(3,667,351)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	-	(18,122)
Amortization of right-of-use assets	414,422	369,809
Payments of lease liabilities	(386,084)	(362,059)
Net Cash Provided By (Used In) Capital and Related Financing Activities	28,338	(10,372)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	19,939	10,458
Other nonoperating income	-	18,123
Net Cash Provided By Investing Activities	19,939	28,581
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	1,704,412	(3,649,142)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	2,913,040	6,562,182
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 4,617,452</b>	<b>\$ 2,913,040</b>

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

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**STATEMENTS OF CASH FLOWS  
(Continued)**

	For the Year Ended June 30,	
	2024	2023
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH</b>		
<b>FROM OPERATING ACTIVITIES</b>		
Operating loss	\$ (150,287)	\$ (11,663)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	5,185	4,568
Changes in operating assets and liabilities:		
Accounts receivable	2,286,345	(1,803,304)
Prepays	2,066	(18,432)
Accounts payable	(527,010)	(1,840,337)
Accrued expenses	39,836	1,817
Net Cash Provided By (Used In) Operating Activities	\$ 1,656,135	\$ (3,667,351)

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

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**NOTE 1 – Organization**

*Purpose*

The San Francisco In-Home Supportive Services Public Authority (“SF IHSS PA”) is a quasi-governmental nonprofit agency created by the San Francisco Board of Supervisors (Ordinance No. 185-95) in May 1995. Its mission is to provide and promote a service delivery model of consumer-directed in-home support that maximizes the potential of older adults and people with disabilities to live independently and participate in their communities. In the independent provider (IP) mode of In-Home Supportive Services (“IHSS”), consumers are able to choose, hire, and train their home-care workers, so that they are able to remain in their homes and communities.

*Objectives*

Although separate from the City and County of San Francisco, as defined in Ordinance No. 185-95, SF IHSS PA is subject to California Welfare and Institutions Code, Section 12301.6. The code outlines major objectives for public authorities across California as follows:

- Create and operate a Registry that provides lists of screened workers to IHSS consumers for potential in-home employment.
- Serve as employer-of-record for IHSS independent providers, allowing workers to organize and choose union representation.
- Arrange training and supportive services for both IHSS consumers and IPs.
- Provide formal opportunities for consumer and worker leadership in program and policy development.
- Participate in the overall improvement of personal assistance services.

SF IHSS PA brings together IHSS consumers and workers in partnership to foster the development of high-quality domestic and personal assistance services. The Governing Body of SF IHSS PA serves as a hub for program and policy development among consumers, workers, and representatives of the City and County of San Francisco. The Governing Body’s role is not only to serve as the board for SF IHSS PA, but also to serve in an advisory capacity for IHSS policymakers.

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**NOTE 1 – Organization (Continued)**

*Services*

The SF IHSS PA Governing Body was first formed in October 1995. In early 1996, SF IHSS PA began recruiting, screening, and training workers, and developed a Registry to help consumers seeking qualified workers. SF IHSS PA has also worked to improve wages and benefits for IHSS workers.

*Independent Provider Benefits*

Healthy Workers, a health care insurance benefit for IHSS IPs, was designed over a period of 18 months beginning in 1997. Under this plan, SF IHSS PA, as the employer on record, purchases health care coverage for eligible IHSS workers from the San Francisco Health Plan. Health insurance coverage went into effect March 1, 1999, marking the first health plan in the state put into effect by an IHSS public authority. Currently, SF IHSS PA covers over 17,800 individuals, the highest percentage of eligible IP workers in California. There is no waiting list for eligible IPs. SF IHSS PA began paying monthly health care premiums in February 1999. In January 2000, dental insurance was added to SF IHSS PA's benefits package, another statewide first. On average, in fiscal year 2023-24 approximately 11,400 IPs were enrolled in the health plan and 9,100 in the dental plan; of these, approximately 8,300 were enrolled in both health and dental plan. SF IHSS PA's Benefits Coordinator handles on average over 1,500 calls and requests a month relating to coverage, eligibility status, enrollment, insurance cards, termination service, reinstatement and other services for IP health and dental benefits. In FY23-24 IP medical premiums increased by 9.86%.

*Registry Program*

The Public Authority Registry matches consumers with trained, qualified care providers and provides ongoing support for those in need of an IHSS provider. Consumers are matched to homecare providers according to location, language, the consumer's approved tasks, work schedule, and other job-related preferences. A list of matched providers is sent to consumers, and then consumers contact and interview providers to make their hiring choice.

In addition to helping consumers find a provider, registry counselors are also available to assist consumers in setting provider hours, answering IHSS questions, communicating with providers, and other information and referrals.

SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

NOTE 1 – Organization (Continued)

*Mentorship Program*

The Mentorship Program offers several services, including:

- One-on-one mentorship support: consumers needing assistance hiring Providers are matched with Mentors who coach them through the entire process.
- Transitional Support: at Laguna Honda Hospital, PA staff and mentors assist IHSS eligible patients transition from the ward to their home.
- “One Stop Resource Center”: A drop in site where consumers and other IHSS Stakeholders attend trainings and workshops on topics relevant to their experiences. Additionally, consumers can access referrals to community resources to get connected to further services needed.
- Community Outreach: An off-site extension of the One Stop Resource Center where Mentors connect with consumers in their neighborhood centers to offer education and resources on matters they care most about.

*IHSS Back-Up Provider Services (BUPS), Formerly Emergency On-Call Services Program*

Prior to SF IHSS PA's creation, it was not possible for an IHSS consumer to immediately receive a replacement worker. SF IHSS PA implemented a cost-effective and efficient way to provide these emergency services. This On-Call service, which was added to SF IHSS PA's services in 2001, dispatches workers to consumers on short notice when the consumer is in urgent need of assistance and is referred by the San Francisco Department of Disability and Aging Services (DAS) to SF IHSS PA. On-Call has proved beneficial to other social service agencies and hospitals in assisting people transitioning from care in an institution to living in their own home again.

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**NOTE 1 – Organization (Continued)**

***Criminal Background Checks***

In 2009, Assembly Bill ABX4 (Chapter 17, Statutes of 2009) amended sections 12301.6 and added 12305.86 to the Welfare and Institutions Code (WIC) to require that all existing and prospective IPs submit to fingerprinting for the purposes of a criminal background check by the Department of Justice (DOJ), as a condition of employment. Working in cooperation with the San Francisco Department of Aging Services (DAS), SF IHSS PA's staff is responsible for reviewing all the DOJ results. Currently, SF IHSS PA is tracking IPs who have new convictions in order to assess continuing eligibility clearance to work for IHSS. Furthermore, as of October 2014, as part of the implementation of Assembly Bill 1612 (Chapter 725, Statutes of 2010), the California Department of Social Services (CDSS) requested SF IHSS PA to perform a monthly batch job that identified and automatically terminated providers who did not have any payroll activity for a year.

As of March 1, 2023, DAS initiated a pilot program funding the entire cost of the mandatory DOJ background check, allowing eligible applicants to have their fees waived. SF IHSS PA also provides low cost fingerprinting services to IPs so they can complete the mandatory DOJ background check.

***Independent Provider Supplies Distribution***

On April 15, 2019, SF IHSS PA started distributing a one-month supply of gloves, masks, and hand wipes to IPs to help prevent the spread of germs and protect from infections.

**NOTE 2 – Summary of Significant Accounting Policies**

***Basis of Preparation***

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as prescribed by the Governmental Accounting Standards Board (GASB).

For purposes of the financial statement presentation, transactions deemed by management to be ongoing, major, or central to the provision of services are reported as operating revenues and expenses.

SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

NOTE 2 – Summary of Significant Accounting Policies (Continued)

*Basis of Preparation (Continued)*

SF IHSS PA uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on GASB Statement Number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended, SF IHSS PA has elected to apply the provisions of all relevant pronouncements by the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

*Financial Statement Presentation*

SF IHSS PA has adopted the provisions of GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (Statement 34), as amended by GASB 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, and Statement 38, *Certain Financial Statement Note Disclosures*. Statement 34 established financial reporting standards for all state and local governments and related entities. Statement 34 primarily relates to presentation and disclosure requirements. This relates to the format of the financial statements; the inclusion of management's discussion and analysis; and the preparation of the statements of cash flows on the direct method. The application of these accounting standards has no impact on the total net position.

*Use of Estimates*

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

*Reclassification*

Certain amounts in the 2023 financial statements have been reclassified for comparative purposes to conform to the 2024 presentation.

SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

***Cash and Cash Equivalents***

SF IHSS PA considers cash and cash equivalents to include certain investments in money market accounts and a highly liquid government investment fund, with an original maturity date of three months or less or available to withdraw upon request. Interest on these accounts is included as interest income in nonoperating revenues when earned.

All cash and cash equivalents are collateralized in accordance with the California Government Code (CGC), except for \$250,000 per account that is federally insured.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure SF IHSS PA's deposits by pledging government securities as collateral. The market value of pledged securities must equal to at least 110% of SF IHSS PA's deposits. California law also allows financial institutions to secure SF IHSS PA deposits by pledging first trust deed mortgage notes having a value of 150% of SF IHSS PA's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of SF IHSS PA.

***Accounts Receivable***

Accounts receivable consist of amounts due from the City and County of San Francisco's DAS. Management provides for probable uncollectible amounts through a charge to revenue and a credit to a valuation allowance based on its assessment of the current status of the receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. At June 30, 2024 and 2023, there was no amount included as a valuation allowance. All accounts receivable are expected to be collected within the next twelve months.

***Capital Assets***

Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Major renewals and betterments are charged to capital assets, while replacements, maintenance and repairs that do not improve or extend the life of the respective assets are expensed. Depreciation and amortization are charged on a straight-line basis over the lives of the assets, which range from 10 to 30 years for buildings and improvements, and 3 to 10 years for equipment.

SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

NOTE 2 – Summary of Significant Accounting Policies (Continued)

*Capital Assets (Continued)*

SF IHSS PA periodically reviews its capital assets for value impairment. As of June 30, 2024, SF IHSS PA has determined that no capital assets are impaired.

*Other Assets*

Other assets consist of deposits related to a certain lease agreement. The balance as of both June 30, 2024 and 2023 totaled \$15,031.

*Compensated Absences*

SF IHSS PA employees accrue vacation benefits at varying rates based on length of service. Employees also earn sick leave benefits at a rate of 1.5 (one and one-half) days per month. Both benefits can accumulate up to specified maximum levels. Employees are not paid for unused accumulated sick leave benefits upon either termination or retirement. However, accumulated vacation benefits are paid to an employee upon either termination or retirement. Accrued vacation benefit liabilities as of June 30, 2024 and 2023 are \$178,026 and \$144,051, respectively, and are included in accrued expenses in the statements of net position.

*Net Position*

Net position is classified into and presented in three categories: Invested in capital assets, net of related debt; Restricted (expendable or nonexpendable); and Unrestricted.

- Invested in capital assets, net of related debt - capital assets (both restricted and unrestricted), net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those capital assets
- Restricted - externally designated constraints placed on assets by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation; nonexpendable restrictions are subject to externally imposed stipulations that they be maintained permanently by SF IHSS PA; expendable restrictions are subject to externally imposed stipulations that can be fulfilled by actions of SF IHSS PA pursuant to those stipulations that expire by the passage of time. There were no such restrictions as of June 30, 2024 and 2023.

SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

NOTE 2 – Summary of Significant Accounting Policies (Continued)

*Net Position (Continued)*

- Unrestricted - net assets that are not subject to externally imposed stipulations; unrestricted net positions may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

*Government Grants and Contracts*

SF IHSS PA receives grants from DAS and is paid based on reimbursable expenses. Revenue from grants is recognized as qualifying expenses are incurred. Grants may also be restricted for either specific operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statements of revenues, expenses and changes in net position.

*Operating Revenues and Expenses*

SF IHSS PA's statements of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing employee benefits and other IP employment-related services, which is SF IHSS PA's principal activity. Operating expenses are all expenses incurred to provide employee benefits and other IP employment-related services, other than financial costs. Nonoperating revenues and expenses are those transactions not considered directly linked to providing IP benefits and other IP employment-related services.

*Risk Management*

SF IHSS PA is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and commercial liability. Commercial insurance coverage is purchased for claims arising from such matters.

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

***Income Taxes***

SF IHSS PA is a public entity established pursuant to Section 12301.6 of the State's Welfare and Institutions Code and is further subject to the provisions of Ordinance No. 185-95 and related resolutions of the Board of Supervisors of San Francisco City and County. As a public entity defined by Internal Revenue Code Section 115, SF IHSS PA is exempt from federal and state income taxes. Accordingly, no provision for income taxes is included in the accompanying financial statements.

***Subsequent Events***

Management evaluated the effect of subsequent events on the financial statements through January 21, 2025, the date the financial statements are issued.

**NOTE 3 – Capital Assets**

Capital assets as of June 30, 2024 and 2023 were comprised of the following:

	June 30,	
	2024	2023
Equipment	\$ 36,251	\$ 36,251
Total historical cost	36,251	36,251
Less: accumulated depreciation	(25,926)	(20,741)
Capital assets, net	\$ 10,325	\$ 15,510

**NOTE 4 – Leases**

SF IHSS PA leases certain office space under an operating lease expiring in April 2026, not including any renewal options. The lease requires payment of common area maintenance and real estate taxes, which are variable lease costs that are not included in the present value of lease obligations. This lease agreement does not contain any material restrictions, covenants, or any material residual value guarantees.

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**NOTE 4 – Leases (Continued)**

When readily determinable, the rate implicit in the lease is used to discount lease payments to present value. However, SF IHSS PA’s lease does not provide a readily determinable implicit rate. When the implicit rate is not determinable, SF IHSS PA’s estimated incremental borrowing rate is utilized, determined on a collateralized basis, to discount lease payments based on information available at lease commencement.

Right-of-use assets and accumulated amortization are as follows:

	<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>
Right-of-use assets, gross	\$ 1,546,726	\$ 1,546,726
Less: accumulated amortization	(806,988)	(392,566)
Right-of-use assets	\$ 739,738	\$ 1,154,160

Total lease expenses for the years ended June 30, 2024 and 2023 were \$502,385 and \$447,032, respectively, of which \$48,478 and \$76,573 represented interest expense, respectively.

The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year at June 30, 2024:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>
2025	\$ 419,822	\$ 28,237
2026	372,343	7,004
	\$ 792,165	\$ 35,241

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**NOTE 4 – Leases (Continued)**

The weighted-average remaining lease term and discount rate for the years ended June 30, 2024 and 2023 are as follows:

	June 30,	
	2024	2023
Weighted-average remaining lease term - leases	1.83 years	2.83 years
Weighted-average discount rate - leases	5.0%	5.0%

**NOTE 5 – Employee Benefits**

SF IHSS PA established a Cafeteria Plan, effective July 1, 1996, in which each employee receives a flat amount per month authorized by DAS and the Board of Directors. The monthly contribution per employee by SF IHSS PA varies in range based on employee age with the baseline monthly contribution of \$1,000 per month. Funds paid to each employee may be used for medical, dental, vision, and other benefits.

Prior to January 2024, SF IHSS PA maintained a defined contribution pension plan which made a 3% matching contribution to the plan for all full time employees. In January 2024, SF IHSS PA adopted a defined contribution plan, which provides contributions based on a flat percentage of each employee’s compensation.

Total employer contributions to the cafeteria and pension plans were \$531,535 and \$506,413 for the fiscal years ended June 30, 2024 and 2023, respectively.

SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

**NOTE 6 – Commitments and Contingencies**

*Program Funding*

SF IHSS PA derives its grant revenue from DAS, funded partially by the U.S. Department of Health and Human Services. In order to participate in these federally-funded programs, SF IHSS PA must comply with standards set forth by the U.S. Office of Management and Budget (OMB). Failure to comply with the OMB standards could result in the restriction or loss of the ability to participate in these programs in the future. In addition, funds received from various federal and state government-funded programs are subject to audit by these governmental agencies.

SF IHSS PA's management believes that they are in compliance with the standards set forth by OMB and other federal, state, city, and county governmental agencies, and that the outcome of the audits performed by other governmental agencies will not have a significant effect on the financial position or results of activities of SF IHSS PA.

*Legal*

SF IHSS PA may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, SF IHSS PA does not have any active litigation pending. In the opinion of management, although the outcome of any legal proceedings cannot be predicted with certainty, the ultimate liability of SF IHSS PA in connection with its legal proceedings is not expected to have a material adverse effect on the statements of net position.

**SUPPLEMENTARY INFORMATION**

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Programs</b>	<b>Management and General</b>	<b>Total</b>
Salaries and wages	\$ 1,857,234	\$ 666,745	\$ 2,523,979
Employee benefits	594,106	213,283	807,389
IP health and dental benefit premiums	98,819,250	-	98,819,250
IP passes and DOJ fees	290,103	-	290,103
Professional fees	274,676	84,143	358,819
Purchased services	111,806	34,250	146,056
Rent	348,997	106,910	455,907
Interest	37,110	11,368	48,478
Insurance	28,315	8,674	36,989
Utilities	37,550	11,503	49,053
Printing	68,523	20,991	89,514
Office/IP supplies and postage	55,638	17,044	72,682
Depreciation	3,968	1,217	5,185
Other	37,366	11,675	49,041
	<b>\$ 102,564,642</b>	<b>\$ 1,187,803</b>	<b>\$ 103,752,445</b>

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Programs</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 1,841,646	\$ 559,914	\$ 2,401,560
Employee benefits	588,829	180,380	769,209
IP health and dental benefit premiums	94,043,132	-	94,043,132
Professional fees	296,816	90,926	387,742
Purchased services	94,469	28,939	123,408
Rent	283,586	86,873	370,459
Interest	58,617	17,956	76,573
Insurance	26,333	8,067	34,400
Utilities	27,736	8,497	36,233
Printing	12,403	3,800	16,203
Office/IP supplies and postage	79,731	24,424	104,155
Depreciation	3,497	1,071	4,568
Other	59,209	18,135	77,344
	<u>\$ 97,416,004</u>	<u>\$ 1,028,982</u>	<u>\$ 98,444,986</u>

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**STATEMENT OF BUDGET VS. ACTUAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>2024 Budget</u>	<u>2024 Actual</u>	<u>% of Budget</u>	<u>Remaining Budget (Overspent) Amount</u>
Salaries and wages	\$ 2,684,369	\$ 2,523,979	94 %	\$ 160,390
Employee benefits	992,834	807,389	81 %	185,445
IP health and dental benefit premiums	105,476,813	98,819,250	94 %	6,657,563
IP passes and DOJ fees	486,000	290,103	60 %	195,897
Professional fees	418,791	358,819	86 %	59,972
Purchased services	139,500	146,056	105 %	(6,556)
Rent	457,371	455,907	100 %	1,464
Interest	-	48,478	-	(48,478)
Insurance	37,075	36,989	100 %	86
Utilities	46,628	49,053	105 %	(2,425)
Printing	82,840	89,514	108 %	(6,674)
Office/IP supplies and postage	70,434	72,682	103 %	(2,248)
Depreciation	5,184	5,185	100 %	(1)
Other	263,322	49,041	19 %	214,281
	<u>\$ 111,161,161</u>	<u>\$ 103,752,445</u>	<u>93 %</u>	<u>\$ 7,408,716</u>

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**INTERNAL CONTROL AND COMPLIANCE REPORTS**  
**JUNE 30, 2024**

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Governing Board  
San Francisco In-Home Supportive Services Public Authority:

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 San Francisco In-Home Supportive Services Public Authority (SF IHSS PA), which comprise the statement of net position as June 30, 2024 and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 21, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SF IHSS PA'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SF IHSS PA's internal control. Accordingly, we do not express an opinion on the effectiveness of SF IHSS PA'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 or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SF IHSS PA'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 statements. 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.

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

Long Beach, California  
January 21, 2025

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Governing Board  
San Francisco In-Home Supportive Services Public Authority

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

**Opinion on Each Major Federal Program**

We have audited San Francisco In-Home Supportive Services Public Authority's (SF IHSS PA) compliance with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of SF IHSS PA's major federal programs for the year ended June 30, 2024. SF IHSS PA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, SF IHSS PA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SF IHSS PA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of SF IHSS PA's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to SF IHSS PA's federal programs.

## **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SF IHSS PA's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SF IHSS PA's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 SF IHSS PA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of SF IHSS PA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of SF IHSS PA's control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of SF IHSS PA as of and for the year ended June 30, 2024, and have issued our report thereon dated January 21, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Long Beach, California  
January 21, 2025

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

<u>Federal Grantor/Pass-Through/Program Title</u>	<u>Federal Assistance Listing</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Pass Through Program From the San Francisco Department of Disability and Aging Services			
Medical Assistance Program (A Formula Grant)	93.778	DPAG 1400000801 DPAG 1400000802	\$ <u>51,801,079</u>
Total of Pass Through Program From the San Francisco Department of Disability and Aging Services			<u>51,801,079</u>
<b>Total for U.S. Department of Health and Human Services</b>			<u>51,801,079</u>
<b>TOTAL FEDERAL EXPENDITURES</b>			<u>\$ 51,801,079</u>

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes the expenditures of San Francisco In-Home Supportive Services Public Authority (SF IHSS PA) under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of SF IHSS PA, it is not intended to, and does not, present the financial position, changes in net position, or cash flows for SF IHSS PA.

For purposes of the Schedule, federal awards include all grants and contracts entered between SF IHSS PA and certain agencies and departments that have contracts and grants directly with the federal government. The awards are classified into major program categories in accordance with Uniform Guidance.

**NOTE 2 – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 – Indirect Cost Rate**

SF IHSS PA elected not to use the de minimis cost rate as allowed under the Uniform Guidance because it has a negotiated indirect cost rate in place.

**SAN FRANCISCO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

The independent auditors’ report expresses an unmodified opinion on whether the financial statements of San Francisco In-Home Supportive Services Public Authority were prepared in accordance with generally accepted accounting principles.

***Internal control over financial reporting***

Material weakness(es) identified? – No

Significant deficiencies identified? – No

Noncompliance material to financial statements noted? – No

**Federal Awards**

***Internal control over major programs***

Material weakness(es) identified? – No

Significant deficiencies identified? – No

Type of auditors’ report issued on compliance for major programs? – Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? – No

Identification of major programs: #93.778 Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs was \$1,554,032.

Auditee qualified as low-risk auditee? – Yes

**SECTION II – FINDINGS- FINANCIAL STATEMENTS AUDIT**

None

**SECTION III – FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAMS  
AUDIT**

None