

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

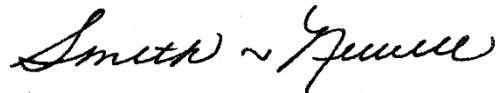
To the Board of Commissioners
First 5 Plumas County
Quincy, California

In planning and performing our audit of the financial statements of First 5 Plumas County (Commission) as of and for the year ended June 30, 2024, 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, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing auditing 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 the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The appendix that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated September 29, 2024, on the financial statements of the Commission.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with Commission management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Commissioners, and others within the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.



Smith & Newell CPAs
Yuba City, California
September 29, 2024

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FIRST 5 PLUMAS COUNTY
Appendix A: Management Letter Comments
For the Year Ended June 30, 2024

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Audit Adjustments

Criteria

Government auditing standards require independent auditors to evaluate all unadjusted misstatements of financial statements. Also, producing timely audited financial statements is more difficult when adjustments are not recorded prior to the start of the annual audit.

Condition

At the time of our audit, we noted that the financial statements as presented to us for audit contained misstatements in accounts receivable and accounts payable that required adjustment.

Cause

The Commission had not reconciled and adjusted all balances on the general ledger prior to audit fieldwork.

Effect

The financial statements as presented to us contained misstatements and required adjustments.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of a prior year finding.

Recommendation

We recommend that the Commission reconcile all account balances so that required adjustments can be recorded prior to the start of the annual audit.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

FIRST 5 PLUMAS COUNTY
Appendix A: Management Letter Comments
For the Year Ended June 30, 2024

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

Budget

Criteria

California Government Code requires that appropriate operating budgets be adopted and amended as needed.

Condition

We noted the Commission had expenditures in excess of appropriation in the General Fund of \$35,317.

Cause

The Commission did not amend its budget for changes in the estimate of expenditures during the fiscal year.

Effect

The General Fund had expenditures in excess of appropriations.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

Not a repeat finding.

Recommendation

We recommend that the Commission control and monitor expenditures so they do not exceed the approved budget. If budget revisions are required, we recommend that the Commission take appropriate action to amend the budget.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

FIRST 5 PLUMAS COUNTY
Appendix B: Status of Prior Year Recommendations
For the Year Ended June 30, 2024

STATUS OF PRIOR YEAR RECOMMENDATION

Audit Adjustments

Prior Year Recommendation

We recommend that the Commission reconcile all account balances so that required adjustments can be recorded prior to the start of the annual audit.

Status

Not Implemented

FIRST 5 PLUMAS COUNTY
Appendix C: Management's Corrective Action Plan
For the Year Ended June 30, 2024

Audit Adjustments

We recommend that the Commission reconcile all account balances so that required adjustments can be recorded prior to the start of the annual audit.

Management's Response: Financial audits must be completed in time for the Commission to approve the audit report while completing annual reports to First 5 California by October 31, 2024. The timing of the audit prevents the most accurate reporting since we have not received all invoices and checks for the year by that time. Some payments and invoices are very late, meaning that they cannot be put into the correct fiscal year, furthering the lack of accuracy in reporting. In addition, it is the busiest time for County auditors so they are very slow in both deposits and payment.

Responsible Individual: Pamela Becwar, Executive Director

Corrective Action Plan: The Executive Director provides a list of all expected payments to the Fiscal Officer, and the Fiscal Officer and the Executive Director will continue to work to make the records as accurate as possible.

Anticipated Completion Date: September 29, 2024

Budget

We recommend that the Commission control and monitor expenditures so they do not exceed the approved budget. If budget revisions are required, we recommend that the Commission take appropriate action to amend the budget.

Management's Response: The Executive Director is able to exceed the approved budget up to \$5,000 as some expenses are not known ahead of time, including the County overhead and insurance costs, but these did not previously include doing a budget amendment.

Responsible Individual: Pamela Becwar, Executive Director

Corrective Action Plan: The Executive Director will bring budget amendments to the Commission. The Executive Director is responsible for providing quarterly budget reports and these will now include quarterly budget amendments, when needed.

Anticipated Completion Date: September 30, 2024