



DATE	January 16, 2025
TIME	12:00 pm
LOCATION	CAPK Administrative Office 1300 18 th Street Suite 200 Bakersfield, CA 93301

Audit & Pension Committee Agenda

1. Call to Order

2. Roll Call

Curtis Floyd
Gina Martinez

Jonathan Mullings
Guadalupe Perez

3. Public Forum

The public may address the Committee on items not on the agenda but under the jurisdiction of the Committee. Speakers are limited to 3 minutes. If more than one person wishes to address the same topic, the total group time for the topic will be 10 minutes. Please state your name before making your presentation.

4. New Business

- | | |
|---|---|
| a. Pensionmark Year End Market Update – Info Item (p.2-11) | Tracy Webster, Chief Financial Officer &
Tom Ming, Pensionmark |
| b. CAPK CSD Audit Review Findings - Info Item (p.12-14) | Tracy Webster, Chief Financial Officer |
| c. WIC Biennial Program Monitoring by CDPH – Info Item (p.15-20) | Marissa Ortiz-Cortez, WIC Program
Manager |
| d. Update Regarding Operating & Real Estate Leases in Audited
Financial Statements – Info Item (Verbal) | Tracy Webster, Chief Financial Officer |

5. Committee Member Comments

6. Next Scheduled Meeting

Audit & Pension Committee
12:00 pm
April 4, 2025
1300 18th St. Suite 200
Bakersfield, CA

7. Adjournment

This is to certify that this Agenda Notice was posted in the lobby of the CAPK Administrative Office at 1300 18th Street, Bakersfield, CA and online at www.capk.org by 12:00 pm, January 10, 2025, Glyniet Campbell, Administrative Coordinator.



Audit & Pension Committee Meeting Year End Market Update

January 16, 2025

Pensionmark Financial Group, LLC ("Pensionmark") is an investment adviser registered under the Investment Advisers Act of 1940. Pensionmark is affiliated through common ownership with Pensionmark Securities, LLC (member SIPC).

Presented by: Thomas D Ming, AIF





MARKET & ECONOMIC REVIEW

Year End Market Review

The bottom line

A brilliant start, a saggy middle and then a flat thud — that was the trajectory of the S&P 500 last year.

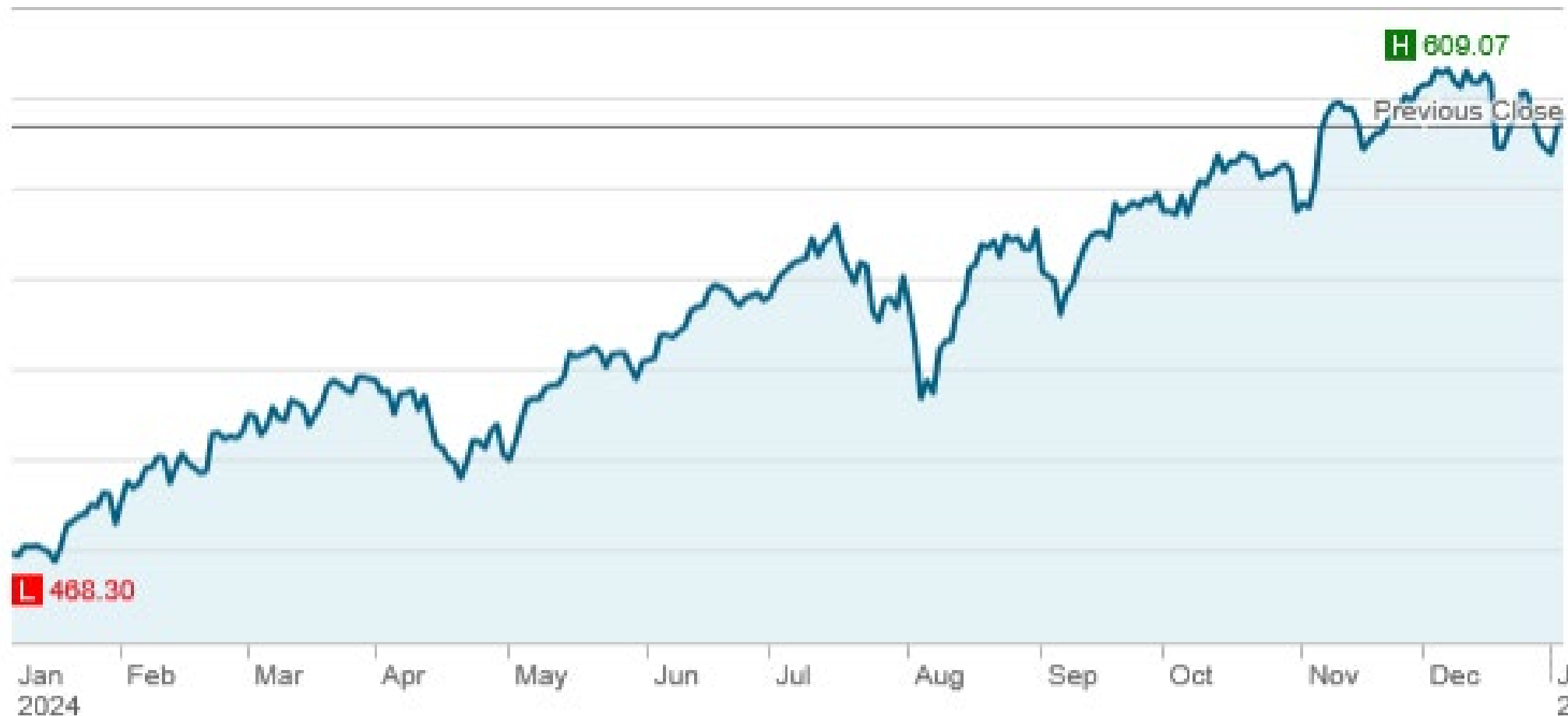
The broad-based index blazed through the gates right from the start of 2024. In the first quarter of the year, it jumped up 10.2%. That's more than 10 times its average gain since 2000.

That momentum couldn't be sustained. The S&P added 3.9% and 5.5% in the second and third quarter, respectively, of 2024. In any other year, investors might not have been disappointed with those figures. But the index's first-quarter performance set the bar so high that subsequent quarters seemed to pale in comparison.

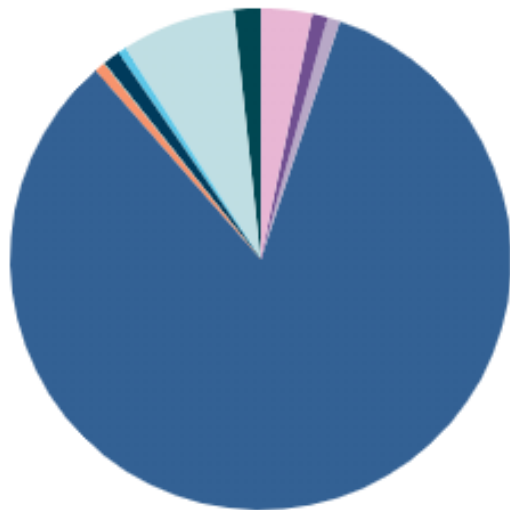
In the final quarter of 2024, the S&P limped forward just 1.9%. Making things worse, someone out there was naughty, preventing Santa from conducting his typical year-end rally in the stock market.

Year End Market Review

2024 S&P 500 Market Returns
25.02%



403(b) Asset Allocation



ASSET CLASS	YOUR PLAN	PEER GROUP
Mid cap	1.7%	4.9%
Large cap	7.4%	22.0%
Balanced	0.5%	3.1%
Bonds	1.1%	5.9%
Short term	0.0%	0.0%
SDO	0.0%	0.2%
Specialty	0.1%	1.2%
Loan	0.7%	0.2%
Asset allocation	83.4%	41.4%
International	0.8%	6.6%
Small cap	1.0%	3.2%
Fixed assets and cash	3.3%	11.3%

403(b) Participant Demographics



ENROLLED PARTICIPANTS

(as of 01/03/2025)

846



NEW ENROLLMENTS

(Calendar year to date)

0



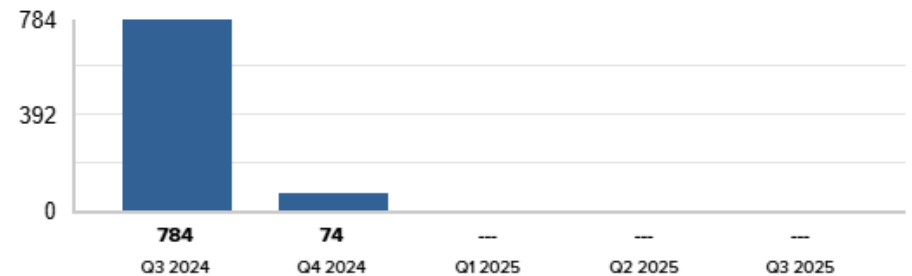
ENROLLMENT Trends



By quarter



By year



Enrolled participant data

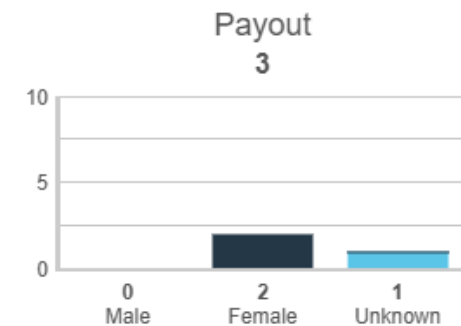
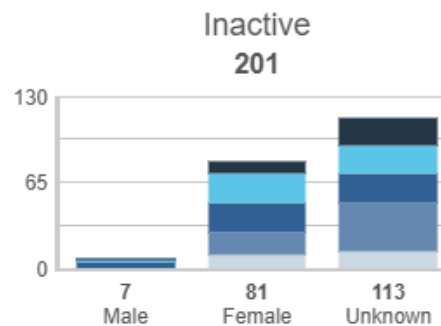
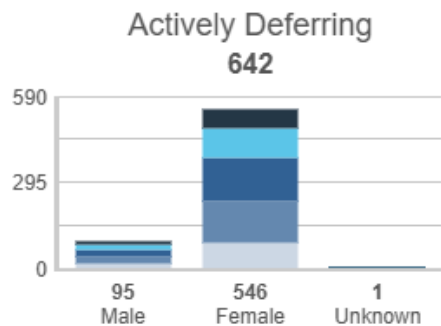
(as of 01/03/2025)



Graph view



List view

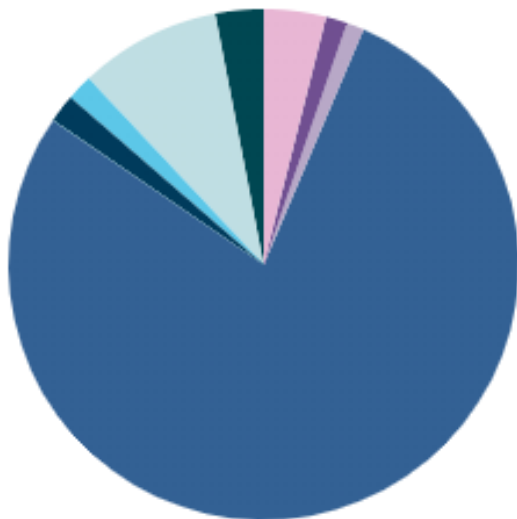


Under 30 30-39 40-49 50-59 60+

403(b) Total Account Balance

Money type	Current value
Participant assets	\$11,393,276.96
Salary Reduction	\$8,528,421.91
Rollover (Pre-Tax)	\$1,552,734.60
Rollover 457	\$64,569.59
Roth Contribution	\$1,109,634.01
Roth Rollover	\$57,695.23
QNEC Qualified Non-Elect Contribution	\$1,114.17
Loan balance	\$79,107.45
Unallocated assets	\$2,571.22
Employer reimbursement	\$2,571.22
Plan forfeiture assets	\$0.46
Salary Reduction	\$0.46
Total plan assets	\$11,385,554.66

401(a) Asset Allocation



ASSET CLASS	YOUR PLAN	PEER GROUP
Mid cap	3.0%	4.0%
Large cap	9.0%	19.4%
Balanced	1.6%	0.8%
Bonds	1.8%	3.5%
Short term	0.0%	7.2%
SDO	0.0%	0.8%
Specialty	0.0%	1.3%
Loan	0.0%	0.1%
Asset allocation	78.1%	41.1%
International	1.1%	4.0%
Small cap	1.4%	2.4%
Fixed assets and cash	3.9%	15.5%
Fixed Indexed Annuity	0.0%	0.0%

401(a) Participant Demographics



ENROLLED PARTICIPANTS
(as of 01/03/2025)

1,380



NEW ENROLLMENTS
(Calendar year to date)

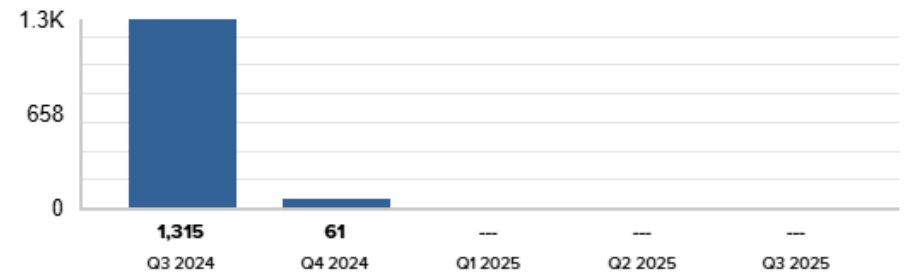
13



ENROLLMENT
Trends

☒ By quarter 

☐ By year

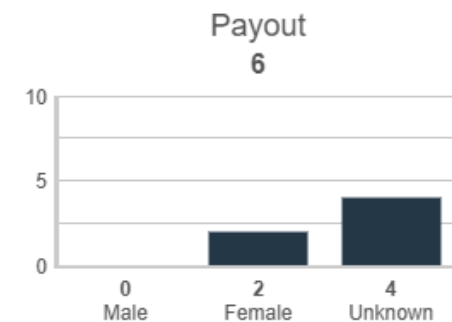
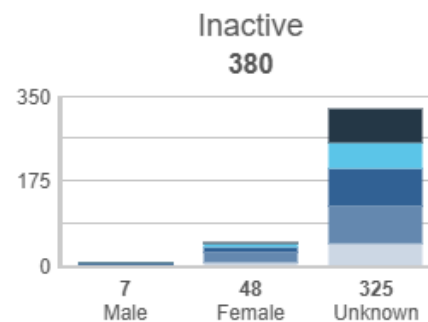
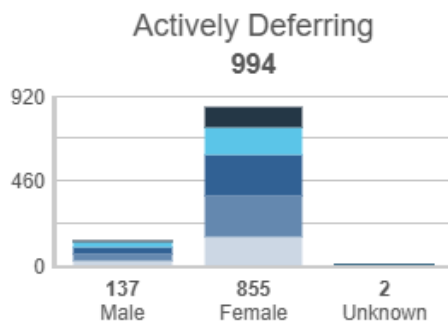


Enrolled participant data

(as of 01/03/2025)

☒ Graph view 

☐ List view



Under 30 30-39 40-49 50-59 60+

401(a) Total Account Balance

Money type	Current value
Participant assets	\$28,567,975.81
Rollover (Pre-Tax)	\$460,788.95
Employer Money Purchase	\$27,958,475.78
QNEC Qualified Non-Elect Contribution	\$148,711.08
Unallocated assets	\$6,695.16
Employer reimbursement	\$6,695.16
Plan forfeiture assets	\$87,955.61
Employer Money Purchase	\$87,857.52
QNEC Qualified Non-Elect Contribution	\$98.09
Total plan assets	\$28,662,626.58



JASON WIMBLEY
DIRECTOR

State of California-Health and Human Services Agency
DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
2389 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833
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GAVIN NEWSOM
GOVERNOR

November 27, 2024

Jeremy Tobias, Executive Director
Community Action Partnership of Kern
5005 Business Park North
Bakersfield, CA 93309

Dear Mr. Tobias:

Audit Transmittal Report (TR) 24-001 (FYE 2/28/24)

The Department of Community Services and Development (CSD) has performed a desk review of an audit report submitted to this office by the Community Action Partnership of Kern (Agency), or the auditor identified below. This review is conducted in accordance with the provisions of Office of Management and Budget (OMB) Title 2, Code of Federal Regulations (CFR), Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," Subpart F, Section §200.500 et seq.

Auditor: Daniells, Phillips, Vaughan & Bock CPAs

Audit Period: March 1, 2023 – February 28, 2024

Contract Numbers: 21T-1015, 21V-5561, 21Z-9556, 22B-4012, 22F-5015, 22P-7010, 22Q-4561, 23B-5012, 23F-4015, 23J-5716, 24B-2012, and 24F-3015

Report Date: 10/21/2024 **Date Received:** 10/31/2024 **FAC Date:** 10/25/2024

This review is solely based on the Single Audit desk review for the fiscal year ended February 28, 2024, and is not part of any other audit or investigation. The TR letter prepared by this department covers the statements as they pertain to CSD contracts. Based on our review, we have the following comments or actions required.

CONTRACT NUMBERS: 21V-5561, 21Z-9556, 22B-4012, 22F-5015, and 22Q-4561,

The terms of these contracts were covered in the audited period. Since there were no audit findings requiring corrective action, CSD's Audit Services Unit considers these contracts closed.

QUALIFIED OPINION (REPEAT)

The independent auditor issued a qualified opinion on the Agency's financial statements. The basis for a qualified opinion states the following:

"Accounting principles generally accepted in the United States of America require that lessees recognize right-of-use assets and lease liabilities for long-term leases. Management has informed us that they have not recognized leased assets and related liabilities in the accompanying financial statements, and that the effects of this departure from accounting principles generally accepted in the United States of America on financial position, changes in its net assets and cash flows have not been determined."

Recommendation:

1. Please ensure the Agency updates its policies and procedures to meet the generally accepted accounting principles.

NOTE 15: CONCENTRATION OF REVENUE (REPEAT)

It states:

"For the years ended February 29, 2024 and February 28, 2023 approximately 51% and 48%, respectively, of the Organization's total revenue was received from two grant sources. Management believes these grants will be renewed on an ongoing basis."

Recommendation:

2. Please ensure the Agency develops and implements an appropriate risk mitigation plan to reduce the negative effects of the revenue concentrations.

RELATED CONCERNS:

The single audit report identified the following:

Internal control over financial reporting:

- One instance of significant deficiency (Inventory, Financial Statement Finding 2024-001).

Although this instance does not appear to be directly related to CSD's pass-through funding; concerns exist that CSD's programs may have similar issues. CSD considers this issue closed since the agency provided planned corrective actions. However, CSD will review next year's single audit report to ensure the agency implemented the corrective actions.

CONTRACT NUMBERS: 21T-1015, 22P-7010, 23B-5012, 23F-4015, 23J-5716, 24B-2012, and 24F-3015

The terms of these contracts extend beyond the audit reporting period. Please ensure these contracts are included in the next single audit and that expenditures are identified by CSD contract number, program components (i.e., WX and EHA; CSBG and CSBG Discretionary), and Catalog of Federal Domestic Assistance number. Supplemental Statements of Revenues and Expenses that reconcile to the SEFA are required for all contracts passed through CSD. These supplemental statements should also be broken down by program component, fiscal year, and CSD budget line item.

Our review did not disclose any findings requiring a response therefore, the audit has been closed. If the Agency has any questions or requires additional information, please reference the TR number in your correspondence. I may be contacted by phone at (916) 570-7930 or by email at Jeffry.Takili@csd.ca.gov.

Thank you for your dedication and commitment to serve low-income individuals and families throughout the state. CSD looks forward to working in partnership with you to develop innovative and effective programs as well as strengthen our capacity to, not only improve the lives of those living in poverty, but to reduce poverty in California.

Sincerely,



JEFFRY TAKILI
CSD Management Auditor

c: Fred Plane, Chairman of the Board



Health and Human Services Agency
California Department of Public Health

Tomás J. Aragón, MD, DrPH
Director and State Public Health Officer



Gavin Newsom
Governor

December 20, 2024

Ms. Marissa Ortiz-Cortez, MPH
WIC Program Administrator
Community Action Partnership of Kern
5005 Business Park N.
Bakersfield, CA 93309

Dear Ms. Ortiz-Cortez:

Thank you for your participation and cooperation with your local agency's biennial Program Monitoring Visit (PMV) conducted by the California Department of Public Health/Women, Infants and Children Division (CDPH/WIC) on December 3-6, 2024.

This letter provides the results of the review completed by Pui Tong, your agency's Nutrition Consultant, Brook Shennen, Sonya McPhaul and Jo-Ann Gallagher.

Areas for Required Action

The program monitoring review resulted in the following requirements that were not met and require corrective action:

Contract Requirement / WPPM	PMV Finding
1. WPPM 210-02, WPPM 210-06, WPPM 270-20	Our review of a sample of 20 WIC WISE participant certification records found one (1) record in which Medi-Cal Eligibility Data System (MEDS) Interface was selected as proof of residence and one (1) record was selected as proof of identity, but there was no indication that the required MEDS interface had occurred. In order to use MEDS Interface as proof of residency or identity, an interface with Medi-Cal Eligibility Data System (MEDS) must occur, and the user must verify that a member of the family is currently



CDPH Women, Infants and Children (WIC) Division
3901 Lennane Drive, Sacramento, CA 95834
MS 8600 • P.O. Box 997375 • Sacramento, CA 95899-7375
(916) 928-8500 • www.wicworks.ca.gov



	participating in Medi-Cal, CalFresh, or CalWORKS.
2. WPPM 210-02, WPPM 210-03	Our review of participant records and observations of onsite sessions found additional policy violations related to adjunctive eligibility and income determination. • Our review of a sample of 20 WIC WISE participant certification records found four (4) records in which the Medi-Cal number used in the MEDS Interface was that of a different family member, which resulted in adjunctive eligibility not being documented correctly in WIC WISE. • Our review of onsite appointments found one (1) instance where the MC number used in the MEDS interface was that of a different family member. Staff must use deemed eligible infant to document infant adjunctive eligibility. • Our team noted one (1) instance onsite where staff overrides the MEDS interface data. Staff ran MEDS interface, information came back not eligible for participant but staff changed the adjunctive eligibility chart for Medi-Cal to 'yes'. • Our team noted one (1) instance onsite where staff used net income instead of gross income. WIC Policy requires gross income. • Our team noted one (1) instance onsite where staff used zero income without further probing of household's current income. WIC Policy requires the full household income.
3. WPPM 260-40	Our review of participant records and observations of onsite sessions found policy violations related to the administering of the Rights and Responsibilities document.

	• Our review of a sample of 20 WIC WISE participant certification records found one (1) record where the <i>Know Your Rights and Responsibilities</i> (R&R) form was not signed and present in WIC WISE. • Our review of onsite appointments found multiple staff did not read all the information in the signature box to the participant before the document was signed and did not offer a copy of the R&R form to the family representative/caretaker. <i>This is a repeat finding</i>
4. WPPM 210-03, WPPM 210-06, WPPM 270-20, WPPM 1000-140	Our review of onsite appointments found one (1) instance where an in-person signature was not obtained for the Self Declaration Statement (SDS). An SDS must be created whenever any of the following choices are selected for verification of residency, income, and/or identity during certification or recertification: • Cash payment • Disaster Victim • Pregnant teen turned out of home • Homeless • Migrant • No Proof Provided • Remote/rural area with no mail delivery
5. WPPM 270-40	Our review of onsite appointments found that the required program orientation topic and assessment was inadequate in four (4) observations and in one (1) case incorrect. LA staff must assess the participant's understanding of WIC authorized food and use of the WIC card. More specifically, staff should cover all required topics to ensure the participant

	understands how to use WIC benefits and purchase WIC food.
6. WPPM 400-12	Our review of participant records and observations of onsite sessions found policy violations related to the documentation of a Care Plan. • Our review of 20 WIC WISE participant certification records found one (1) record where staff documented the care plan one day late. The Care Plan must be completed by the end of day. • Our review of onsite appointments found one (1) instance in which the Care Plan did not meet required minimum standard. The assessment was missing.
7. WPPM 200-01, 210-10, 210-11, 210-12, 210-13	Our review of onsite appointments found four (4) staff assigning inappropriate manual risk codes. An accurate indicator of nutritional risk is necessary for certification.

Corrective Action Plan

Your corrective action plan (CAP) addressing the areas for required action is **due within 60 days** of the date on this letter. In order to comply with federal regulations, we are unable to grant extensions to the CAP deadline.

Please organize your CAP as follows:

- Title the correspondence "Program Monitoring Corrective Action Plan".
- Address the CAP to your Nutrition Consultant.
- Format the CAP on agency letterhead and include the submission date.
- List the finding and then provide your response with:
 - A plan of action that identifies the actions and time frames necessary to resolve the Areas for Required Action.

Ms. Marissa Ortiz-Cortez
Page 5
December 20, 2024

- Quality improvement efforts you have planned for monitoring your staff and/or procedures to ensure that the findings are resolved and will not repeat moving forward.

For additional details on completing your CAP, you may access the document, *Guidance for Writing Your Corrective Action Plan*, at the CDPH WIC SharePoint site on the Program Monitoring page.

If you need technical assistance or have any questions about the program monitoring visit process, please contact your Nutrition Consultant, Pui Tong at pui.tong@cdph.ca.gov.

Sincerely,



Jared Garbutt, MPH, RD, Chief
Bay and Central Section, Local Services Branch
Women, Infants and Children (WIC) Division
California Department of Public Health

Attached: Program Monitoring Review Summary Table

cc: Mr. Jeremy T. Tobias, CEO
Community Action Partnership of Kern
jtobias@capk.org

Program Monitoring Review Summary Table	
Number of Required Actions	Seven (7)
Repeat Required Actions	One (1)
Site(s) Reviewed	<u>3-sites:</u> • Bakersfield #004 • Wasco Medical Center #010 • Panama #046
Program Monitoring Visit Reviewers	Pui Tong, Sonya McPhaul, Jo-Ann Gallagher, Brook Shennen
LA Staff at Exit Meeting	Marissa Ortiz-Cortez, Alahe Yazdanipour
CAP Due Date	February 28, 2025
Areas of Program Review	Our program monitoring visit included review of health and nutrition services; breastfeeding and customer services; civil rights; staff training and support; referrals, health linkages, integration and outreach; program integrity practices; WIC Card security; participant certification; program administration; and the Farmers' Market Nutrition Program (if applicable). Fiscal management review items such as travel and per diem reimbursement rates and employee time studies, are completed by the Office of the State Controller and addressed under a separate letter.