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September 4, 2009

Finance Committee
First 5 Commission of San Diego

We have audited the financial statements of the governmental activities and each major fund of the First 5 Commission of San Diego (the Commission) for the year ended June 30, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated August 3, 2009. Professional standards also require that we communicate to you the following information related to our audit.

Significant Communications

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of a related party transaction in Note 15 to the financial statements.

The Commission paid \$6.1 million to the San Diego County Office of Education (SDCOE) under the Preschool for All project. Under the Preschool for All project, the SDCOE had subcontracts with two companies, Child Development Associates and The Children's Company. A then-member of the Commission was the co-executive director of Child Development Associates, a not-for-profit, and was a co-owner of The Children's Company. In fiscal year 2009, the SDCOE paid \$255,145 to Child Development Associates and \$18,159 to The Children's Company. The Commission's contract is with SDCOE and not with either of these entities.

Difficulties Encountered in Performing the Audits

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There are no uncorrected misstatements relating to the Commission.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 4, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Major Issues Discussed Prior to Our Retention

No major issues were discussed with management prior to our retention to perform the audit.

Letter Communicating Significant Deficiencies and Material Weaknesses

We did not identify any significant deficiencies and material weaknesses during our audit of the Commission.

This information is intended solely for the use of the Finance Committee, Board of Commissioners and management of First 5 Commission of San Diego and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Thompson, Cobb, Bazilio & Associates, PC