

**First 5 San Mateo County
Audit Presentation
June 30, 2017**

Audit Presentation Outline

- **Audit Opinions**
- **Financial Statement Variances/Trends**
- **Other Comments**
- **Open for Questions**

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- **Independent Auditor's Report**
 - Unmodified – clean opinion
- **Government Auditing Standards**
 - No significant deficiencies or material weaknesses
- **State Compliance Standards**
 - There were no current year findings

First 5 San Mateo County
(A Discretely Presented Component Unit of the County of San Mateo)

STATEMENT OF NET POSITION

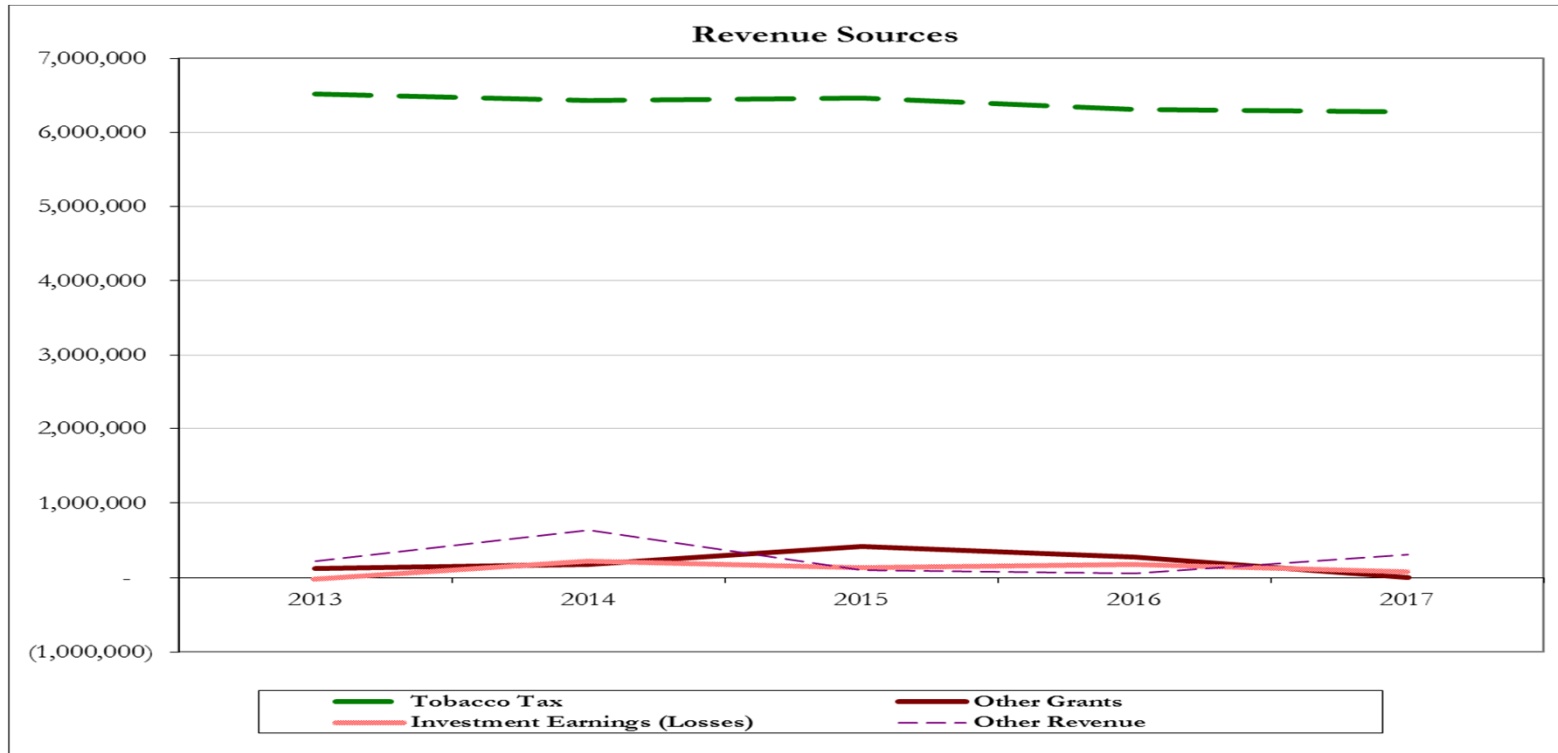
June 30, 2017

	2017	2016	Variance	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 16,396,056	\$ 16,557,067	\$ (161,011)	Spending down State funds
Intergovernmental receivable, net	886,830	1,332,210	(445,380)	Less due from Prop 10 this year
Interest receivable, net	43,892	37,459	6,433	
Net OPEB asset	165,368	166,065	(697)	
Total assets	17,492,146	18,092,801	(600,655)	
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred outflows of resources	599,924	208,495	391,429	Increased due to estimates changing
Total deferred outflows of resources	599,924	208,495	391,429	
<u>LIABILITIES</u>				
Accounts payable	2,329,933	1,956,734	373,199	Had some large outstanding payables to SMC this year
Salaries and benefits payable	58,175	38,779	19,396	
Long-term liabilities:				
Net pension liability	770,981	572,419	198,562	Increased due to estimates changing
Compensated absences:				
Payable in less than one year	52,427	26,673	25,754	
Payable in more than one year	13,710	37,952	(24,242)	
Total liabilities	3,225,226	2,632,557	592,669	
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows of resources	121,355	21,125	100,230	Decreased due to estimates changing
Total deferred inflows of resources	121,355	21,125	100,230	
<u>NET POSITION</u>				
Unrestricted	14,745,489	15,647,614	(902,125)	Spending down State funds
Total net position	\$ 14,745,489	\$ 15,647,614	\$ (902,125)	

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STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

	2017	2016	Variance	
Program expenses:				
Salaries and wages	\$ 633,754	\$ 591,756	\$ 41,998	
Employee benefits	221,261	214,925	6,336	
Pension expenses	363,749	345,989	17,760	
General office supplies	26,428	38,388	(11,960)	
Professional services	246,050	232,625	13,425	
Other administrative expenses	28,598	33,246	(4,648)	
Contributions to local projects	<u>6,105,752</u>	<u>6,023,705</u>	<u>82,047</u>	More spent on local projects this year
Total program expenses	<u>7,625,592</u>	<u>7,480,634</u>	<u>144,958</u>	
Program revenues:				
Operating grants and contributions:				
Tobacco tax	6,273,983	6,316,574	(42,591)	
Other grants	<u>1,035</u>	<u>269,796</u>	<u>(268,761)</u>	Last year had Race to the Top grant
Total program revenues	<u>6,275,018</u>	<u>6,586,370</u>	<u>(311,352)</u>	
Net program revenues (expenses)	<u>(1,350,574)</u>	<u>(894,264)</u>	<u>(456,310)</u>	
General revenues:				
Investment earnings (losses)	87,330	188,563	(101,233)	Due to GASB 31 adjustment
Other revenue	<u>305,420</u>	<u>60,143</u>	<u>245,277</u>	CCHIP \$237K and DLPPF \$25K revenue
Total general revenues	<u>392,750</u>	<u>248,706</u>	<u>144,044</u>	
Change in net position	<u>(957,824)</u>	<u>(645,558)</u>	<u>(312,266)</u>	More spent on local projects this year and GASB 31 adjustment
Net position, beginning of period (as previously reported)	15,647,614	16,293,172	(645,558)	
Restatement	<u>55,699</u>	<u>-</u>	<u>55,699</u>	Net pension liability adjustment
Net position, beginning of period (as restated)	<u>15,703,313</u>	<u>16,293,172</u>	<u>(589,859)</u>	
Net position, end of period	<u>\$ 14,745,489</u>	<u>\$ 15,647,614</u>	<u>\$ (902,125)</u>	Spending down State funds



	Tobacco Tax	Other Grants	Investment Earnings (Losses)	Other Revenue	Total
2013	6,522,019	123,110	(12,008)	222,363	6,855,484
2014	6,430,034	174,546	227,948	640,959	7,473,487
2015	6,466,950	419,641	140,562	95,951	7,123,104
2016	6,316,574	269,796	188,563	60,143	6,835,076
2017	6,273,983	1,035	87,330	305,420	6,667,768

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- **Notes to the Financial Statements**
 - Required disclosures that describes the accounting policies of the Agency and provides further detail of each major account
- **Budget to Actual**
 - \$2.1M under budgeted deficit
- **Audit Adjustments**
 - Closing entries (GASB 31, GASB 68, OPEB, Accrued Vacation)
 - Two accrual adjustments

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- **Changes This Year**
 - GASB 82 implementation, statement that covered payroll is based on payroll contributions
- **Conclusion**
 - Would like to thank Kitty, Khanh and the rest of the staff for their cooperation and assistance during the audit.