

**\* PUBLIC HEARING MEETING NOTICE\***  
**FIRST 5 SAN MATEO COUNTY (F5SMC)**  
**COMMISSION MEETING**

**DATE: Monday, October 23, 2023**

**TIME: 4:00 PM – 6:00 PM**

**San Mateo County Office of Education**  
**101 Twin Dolphin Drive, 1st Floor Conference Room**  
**Redwood City, CA 94065**

**Participate via Zoom for Public Members**  
<https://smcgov.zoom.us/j/92952928173>  
 Phone: +1 669 900 6833, Webinar ID: 929 5292 8173

**PLEASE NOTE: This meeting will be held in a hybrid format with both in-person and Zoom participation options for members of the public; Commission members shall appear in person**

This meeting of the First 5 San Mateo County Commission will be held at the address above in the San Mateo County Office of Education on the first floor at 101 Twin Dolphin Drive, Redwood City and by teleconference pursuant to California Assembly Bill 2449 and the Ralph M. Brown Act, CA Gov't Code. Section 54950, et seq. **Members of the First 5 San Mateo County Commission are expected to attend the meeting in person.** For information on exceptions allowed by law please reach out to counsel for First 5, Jennifer Stalzer, at [jstalzer@smcgov.org](mailto:jstalzer@smcgov.org). For information regarding how to participate in the meeting, either in person or remotely, please refer to the instructions at the end of the agenda.

| AGENDA                                        |                                                                                                                                                                                                                                                                                             |         |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>Call to Order and Preliminary Business</b> |                                                                                                                                                                                                                                                                                             |         |
| <b>1</b>                                      | <b>Roll Call</b>                                                                                                                                                                                                                                                                            | 4:00 PM |
| <b>2</b>                                      | <b>Public Comment</b>                                                                                                                                                                                                                                                                       |         |
| <b>3</b>                                      | <b>Action to Set Agenda for October 23, 2023 Meeting and Approve Consent Agenda Items</b><br><i>(This item is to set the final consent and regular agenda, and for the approval of the items listed on the consent agenda. All items on the consent agenda are approved by one action.)</i> |         |
| <b>4</b>                                      | <b>Commission Announcements</b>                                                                                                                                                                                                                                                             | 4:05 PM |
| <b>5</b>                                      | <b>Storytelling: First 5 Work/Impact: Help Me Grow Forum Reflections</b><br>By Cheryl Oku, Help Me Grow San Mateo County Consultant                                                                                                                                                         | 4:10 PM |
| <b>Action Items</b>                           |                                                                                                                                                                                                                                                                                             |         |

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                               |         |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>6</b>                   | <b>Approval of the First 5 San Mateo County FY 2022 – 2023 Budget Close Out</b><br><i>(See Attachment 6)</i>                                                                                                                                                                                                                                                                                                                  | 4:15 PM |
| <b>7</b>                   | <b>Presentation of First 5 San Mateo County Audit Report FY 2022 – 2023</b><br>by Eric Xin, Partner, and Alaina Vandermade, Manager, Brown Armstrong Accountancy Corporation<br><br><b>Approval of First 5 San Mateo County’s Basic Financial Statements for the Year Ending June 30, 2023 Audit Report and Its Submission to First 5 California and to California State’s Controller Office</b><br><i>(See Attachment 7)</i> | 4:20 PM |
| <b>8</b>                   | <b>Presentation and Approval of First 5 San Mateo County’s FY 2022 – 2023 Program Report and Submission to First 5 California</b><br>by Jenifer Clark, Research and Evaluation Specialist, First 5 San Mateo County<br><i>(See Attachment 8)</i>                                                                                                                                                                              | 4:35 PM |
| <b>9</b>                   | <b>Presentation and Approval of San Mateo County Office of Education Contract – First 5 California IMPACT Legacy Initiative in the Amount of \$581,344 with a term of August 1, 2023, through June 30, 2025</b><br>By Michelle Blakely, Deputy Director, First 5 San Mateo County<br><i>(See Attachment 9)</i>                                                                                                                | 4:55 PM |
| <b>10</b>                  | <b>Presentation and Approval of San Mateo County Office of Education Contract – First 5 California IMPACT Legacy Hub Training and Technical Assistance in the Amount of \$104,650.04 with a term of August 1, 2023 through June 30, 2025</b><br>By Michelle Blakely, Deputy Director, First 5 San Mateo County<br><i>(See Attachment 10)</i>                                                                                  | 5:00 PM |
| <b>Discussion Items</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                               |         |
| <b>11</b>                  | <b>Presentation: First 5 San Mateo County Strategic Planning and Other RFP Timelines</b><br>By Kitty Lopez, Executive Director, and Michelle Blakely, Deputy Director, First 5 San Mateo County                                                                                                                                                                                                                               | 5:10 PM |
| <b>Informational Items</b> |                                                                                                                                                                                                                                                                                                                                                                                                                               |         |
| <b>12</b>                  | <b>Report of the First 5 San Mateo County Staff Team</b><br>By Kitty Lopez, Executive Director, First 5 San Mateo County<br><i>(See Attachment 12)</i>                                                                                                                                                                                                                                                                        | 5:30 PM |
| <b>13</b>                  | <b>Committee Updates</b><br><i>(See Attachment 13)</i>                                                                                                                                                                                                                                                                                                                                                                        | 5:40 PM |
| <b>14</b>                  | <b>Adjournment</b>                                                                                                                                                                                                                                                                                                                                                                                                            | 6:00 PM |

**Public Participation:**

The October 23, 2023, First 5 San Mateo County Commission meeting may be accessed through Zoom link at the top of this agenda. The October 23, 2023, First 5 San Mateo County Commission meeting may also be accessed via telephone by dialing 1 669 900 6833. Enter the webinar ID: Webinar ID: 996 2226 6925, then press #. (Find your local number: <https://smcgov.zoom.us/j/99622266925>). Members of the public can also attend this meeting

physically in the **San Mateo County Office of Education, 101 Twin Dolphin Drive, 1st Floor Conference Room, Redwood City, CA 94065**

\*Written public comments may be emailed to [ecruz@smcgov.org](mailto:ecruz@smcgov.org), and such written comments should indicate the specific agenda item on which you are commenting.

\*Spoken public comments will be accepted during the meeting in person or remotely through Zoom at the option of the speaker. Public comments via Zoom will be taken first, followed by speakers in person.

**\*Please see instructions for written and spoken public comments at the end of this agenda.**

### **ADA Requests**

Individuals who require special assistance or a disability related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting, should contact Michelle Blakely, Deputy Director, as early as possible but no later than 10 a.m. on Friday, October 20, 2023 at [ecruz@smcgov.org](mailto:ecruz@smcgov.org). Notification in advance of the meeting will enable the County to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

### **\*Instructions for Public Comment During Hybrid Meetings**

During hybrid meetings of the First 5 San Mateo County Commission, members of the public may address the Members of the First 5 San Mateo County Commission as follows:

#### **\*Written Comments:**

Written public comments may be emailed in advance of the meeting. Please read the following instructions carefully:

1. Your written comment should be emailed to [ecruz@smcgov.org](mailto:ecruz@smcgov.org)
2. Your email should include the specific agenda item on which you are commenting or note that your comment concerns an item that is not on the agenda or is on the consent agenda.
3. Members of the public are limited to one comment per agenda item.
4. The length of the emailed comment should be commensurate with the two minutes customarily allowed for verbal comments, which is approximately 250-300 words.
5. If your emailed comment is received by 5:00 p.m. on Friday, October 20, 2023, it will be provided to the Members of the First 5 San Mateo County Commission and made publicly available on the agenda website under the specific item to which your comment pertains. If emailed comments are received after 5:00p.m. on Friday, October 20, 2023, the First 5 San Mateo County Staff will make every effort to either (i) provide such emailed comments to the First 5 San Mateo County and make such emails publicly available on the agenda website prior to the meeting, or (ii) read such emails during the meeting. Whether such emailed comments are forwarded and posted, or are read during the meeting, they will still be included in the administrative record.

#### **\*Spoken Comments**

In person Participation:

1. If you wish to speak to the First 5 San Mateo County Commission, please fill out a speaker's slip located at the front entrance table. If you have anything that you wish

distributed to the First 5 San Mateo County Commission and included in the official record, please hand it to the First 5 San Mateo County who will distribute the information to the First 5 San Mateo County Commission members and staff.

Via Teleconference (Zoom):

1. The October 23, 2023 First 5 San Mateo County Commission meeting may be accessed through Zoom online at the links and telephone numbers listed above.
2. You may download the Zoom client or connect to the meeting using an internet browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
3. You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
4. When the First 5 San Mateo County Commission Chair calls for the item on which you wish to speak, click on "raise hand." Speakers will be notified shortly before they are called to speak.

**\*Additional Information:**

For any questions or concerns regarding Zoom, including troubleshooting, privacy, or security settings, please contact Zoom directly.

Public records that relate to any item on the open session agenda for a regular First 5 San Mateo County Commission meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the First 5 San Mateo County Commission.

First 5 San Mateo County Commission Meeting

**CONSENT AGENDA**

October 18, 2023

All items on the consent agenda are approved by one roll call motion unless a request is made at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda. Any item on the regular agenda may be transferred to the consent agenda.

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- 3.1 Approval of the September 25, 2023 Commission Meeting Minutes  
(See Attachment 3.1)

**First 5 San Mateo County (F5SMC)  
COMMISSION MEETING MINUTES  
September 25, 2023  
San Mateo County Office of Education  
101 Twin Dolphin Drive, 1st Floor Conference Room  
Redwood City, CA 94065**

**Call to Order & Roll Call**

**1. Roll Call**

Commission Members: Alexis Becerra, Claire Cunningham, Nancy Magee,  
Nkia Richardson, Louise Rogers

Absent: Noelia Corzo, Sylvia Espinoza, Rosanne Foust, Naveen Mahmood,  
Valeria Chavez-Franco (Youth Commission),  
Rikhav Shah (Youth Commission)

Staff: Kitty Lopez, Michelle Blakely, Emily Roberts,  
Jenifer Clark, Mey Winata, Isabel Perez, Myra Cruz

County Counsel: Jennifer Stalzer

A quorum was present. Commissioner Becerra called the meeting to order at 4:05 PM; roll call was taken. The meeting was held in a hybrid format where the public had the option to attend the meeting in person or virtually.

**2. Public Comments: None**

**3. Action to Set Agenda for September 25, 2023 Meeting and Approve Consent Agenda Items**

Commissioner Becerra asked the Commission to approve the agenda with the amendment that Agenda Item #6 - Presentation and Approval of San Mateo County Office of Education Contract – First 5 California IMPACT Legacy Initiative in the Amount of \$581,344 with a term of August 1, 2023, through June 30, 2025, and Agenda Item #7 - Presentation and Approval of San Mateo County Office of Education Contract – First 5 California IMPACT Legacy Hub Training and Technical Assistance in the Amount of \$104,650.04 with a term of August 1, 2023 through June 30, 2025, be moved after Agenda Item #8.

MOTION: CUNNINGHAM / SECOND: MAGEE  
AYES: BECERRA, CUNNINGHAM, MAGEE, RICHARDSON, ROGERS  
NOES: NONE  
ABSTAIN: NONE  
Motion approved

Public Comments: None

4. **Commission Announcements:** None

5. **Storytelling: First 5 Work/Impact:**

Claire Cunningham, SMC Human Services Agency and First 5 San Mateo County Commissioner shared her personal story of being a single parent with a very young child, highlighting the challenges she faced in balancing work and meeting the needs of her children including finding child care. She expressed the struggles by the demands of both roles. She conveyed her gratitude for the work of First 5, acknowledging the challenges that many families are experiencing, and expressed her pleasure at being a member of the Commission.

Public Comment: None

6. **Presentation and Approval of Hamai Consulting Contract – First 5 California Home Visiting Initiative – Local Plan Implementation in the Amount of \$132,000 with a term of September 1, 2023, through June 30, 2025**

By Michelle Blakely, Deputy Director, First 5 San Mateo County, provided a brief back ground of this agenda item and highlighted the following:

- Home Visiting is part of a system or network services. Its purpose is to help counties create a sustainable, unified system that supports families with home visiting services they need and maximize available funding to serve more families.
- Budget amount and services to be performed by Hamai Consulting
- Home Visiting Systems FY 23 – 25 Considerations

MOTION:       MAGEE / SECOND: RICHARDSON

AYES:           BECERRA, CORZO, CUNNINGHAM, ESPINOZA, MAGEE, RICHARDSON, ROGERS

NOES:          NONE

ABSTAIN:      NONE

Motion approved

Public Comment: None

The Power Point Presentation can be found on the F5SMC's website, [Septemer 25, 2023 Commission Meeting Presentations](#).

7. **Presentation: Presentation and Approval of San Mateo County Office of Education Contract – First 5 California IMPACT Legacy Initiative in the Amount of \$581,344 with a term of August 1, 2023, through June 30, 2025**

Commissioner Magee needed to be recused for this agenda item, leading to its tabling for the October 23, 2023, Commission Meeting due to a lack of quorum.

**8. Presentation and Approval of San Mateo County Office of Education Contract – First 5 California IMPACT Legacy Hub Training and Technical Assistance in the Amount of \$104,650.04 with a term of August 1, 2023 through June 30, 2025**

Commissioner Magee needed to be recused for this agenda item, leading to its tabling for the October 23, 2023, Commission Meeting due to a lack of quorum.

**9. Presentation: Medi-Cal Dental Pilot Program**

Dr. Carolyn Brown, Dental Director of Health Plan of San Mateo County (HPSM), presented this agenda item and highlighted the following:

- Background of HPSM.
- Background and history of HPSM Dental. It is a new benefit administered by HPSM as of January 1, 2022, which required 4 years of community and state planning from 2017 – 2022.
- HPSM's goals, benefits to the community, and dental team overview.
- Achievements in Year 1 such as an increased access and network capacity for Primary Dentistry and Specialty Care, and upcoming efforts.

Commission made comments.

Public comment:

- Myra Cruz, First 5 SMC Staff, made a comment as a parent on how HPSM Dental Program had financially helped her 17-year-old son, who has special needs, when he had dental emergency months ago. She is very grateful for the program.

The Power Point Presentation can be found on the F5SMC's website, [September 25, 2023 Commission Meeting Presentations](#).

**10. Presentation: First 5 San Mateo County Accomplishments**

Kitty Lopez, Executive Director, shared First 5 San Mateo County accomplishments for the last fiscal year and highlighted the following F5SMC impacts as leader, investor, and partner:

- Continue to amplify equity such as participating in First 5 State Association's Race, Equity, Diversity, and Inclusion Learning Exchange.
- Continue investment in our DEIB (Diversity, Equity, Inclusion, Belonging) and Trauma Informed Organizational (TIO) Growth.
- Completed TIO practices assessment with 3 large countywide agencies.
- F5SMC has been a key collaborator in Congresswoman Jackie Speier's Initiative to develop a pilot project to end child poverty in San Mateo County.
- Executed 34 grantee contracts in time for the beginning of the fiscal year (July 1, 2023).
- Continued funding partnerships with Healthcare Districts, Mental Health Services Act, and First 5 California/
- Partnered with First 5 Youth Commissioners to expand inclusive literacy in libraries.
- Completed CAFÉ Evaluation Survey.
- Social media reach is above industry standards.



- Developed new F5SMC Brochure.
- Thanked the Commission for the continued support and F5SMC Team.

Commission made comments including F5SMC's high visibility within the community and the substantial presence in the county.

Public Comments:

The Power Point Presentation can be found on the F5SMC's website, [September 25, 2023 Commission Meeting Presentations](#).

#### **11. First 5 San Mateo County Staff Team Report**

The F5SMC Staff Team's written report was included in the [September 25, 2023 Commission Meeting Packet](#). Kitty Lopez, highlighted the following:

- Michelle Blakely is representing F5SMC in the SMC's Universal Pre-Kindergarten Mixed Delivery Planning Process.
- F5SMC's letter of support for SB 635.
- Mental Health Services Act Modernization or SB 326 passed unanimously in the Senate.
- News report regarding the "Baby Bonus Program." More details to follow.
- Katie Albright named Chair of the California Children and Families Commission. She is the daughter of former U.S. Secretary of State, Madeleine Albright.

Public Comment: None

#### **12. Meeting Adjourned at 5:13 PM.**

**DATE:** October 23, 2023  
**TO:** First 5 San Mateo County Commission  
**FROM:** Kitty Lopez, Executive Director  
**RE:** Approval of F5SMC FY 2022-23 Budget Close-Out as of June 30, 2023

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## **ACTION REQUESTED**

Approval of F5SMC FY 2022-23 Budget Close-Out as of June 30, 2023

## **BACKGROUND**

- At the May 23, 2022 Commission Meeting, Commission approved F5SMC FY 2022-23 Budget.
- At the February 27, 2023 Commission Meeting, Commission approved F5SMC FY 2022-23 Revised Budget.
- Finance and Administration Committee reviewed and recommended approval of the F5SMC FY2022-23 Budget Close-Out at its October 16, 2023.

## **ECONOMIC FACTORS AND CURRENT YEAR BUDGET**

Agency executed a robust fiscal year budget in FY 2022-23:

- New strategic plan FY2020-2023,
- Continuing the implementation of some investment areas of the previous strategic plan FY2018-2020 that had been delayed due to the COVID pandemic, and
- Other Grant executions,

Fiscal year 2022-2023 is the 3<sup>rd</sup> year of the new strategic plan implementation plan of the 3-year funding cycle FY2020-2023; most of Investment Strategies have been rolled out with emerging efforts in Policy Advocacy, Communication, System Changes and Health strategies.

Approximately 22% of agency fiscal year budget executions are in Other Grants that are funded from Non-Tobacco Tax Revenues or from Tobacco Tax Revenues acquired through competitive grant applications. Most of Other Grants are leverage funding within agency strategic plan investments strategies in Early Learning, Trauma and Resiliency Informed System Initiative (TRISI), Home Visiting, Integrated Systems for Children with Special Needs and San Mateo County Children Success Planning project.

During the fiscal year, Grantees and Community Base Organizations continue to experience several challenges in the post pandemic era and economic recovery including local expertise workforce challenges in San Mateo County resulting in low grant executions. Most concerning are the shifts in workforce capacity, staffing and retention rates across all sectors (grantees) supporting young children and families. The “Great Resignation” is real and coupled with the very high cost of living in the Bay Area (San Mateo County specifically) and some low wage sectors are experiencing repercussions. We also know from our Trauma and Resiliency Informed System (TRISI) work specifically and updates from our funded partners that many staff continue to be stressed, burned out, and overworked because of pandemic shifts and increased workload.

Agency delivers approximately 66% of fiscal year budget as we honor our great achievements in the fiscal year due to the continuation of the important work, programs, and services that positively impact the community.

**Attachment 6**

First 5 San Mateo County is grateful that funded partners are committed to serving and working with families and children in our county and have been implementing their strategic plans.

**FY 2022-23 BUDGET CLOSE-OUT as of June 30, 2023 HIGHLIGHTS**

- Please read this Budget Close Out Memo in conjunction with Attachments 6A, 6B, and 6C.
- The FY 2022-23 Budget Close-Out as of June 30, 2023 is presented in details in **Attachment 6A, 6B, and 6C** with key highlights presented in the table below:

| <b>FY 2022-23 BUDGET CLOSE-OUT HIGHLIGHTS</b><br><i>(July 1, 2022 – June 30, 2023)</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>REVENUE</b>                                                                         | <ul style="list-style-type: none"> <li>• Interest Revenue of \$303K produces a net 125% positive variance or \$168K higher than the planned budget due to higher interest earning rate in the County investment pool.</li> <li>• Tobacco Tax Revenue of \$4.992M produces a net 11% positive variance or \$512K higher than the planned budget due to the inclusion of \$1.252M Prop 56 Tax Revenue (the \$2 Tobacco Tax bill).</li> <li>• F5CA IMPACT Grant and Home Visiting Grant Revenues totaling \$512K is 21% lower than the planned grant budgets due to staffing challenges in the State Home Visiting Grant execution.</li> <li>• Additional revenues totaling \$992K from various Other Grants, which is 22% below the planned grant budgets due to some delays in grant executions.</li> <li>• <b>Total Actual Revenue of \$6.799M is approximately 4% higher than the planned budget due to higher Interest Revenue, inclusion of Prop 56 Tax Revenue, and additional Other Grant funding.</b></li> </ul> |
| <b>EXPENDITURES</b>                                                                    | <ul style="list-style-type: none"> <li>• Total Program Expenditures of \$5.837M produce a net 35% positive variance or \$3.187M underspend. Major contributions to this positive variance are associated with staffing challenges - hard to fill technical expertise workforce in community base organizations resulting in low grant executions.</li> <li>• Total Administrative Expenditures of \$700K produce a net 13% positive variance or \$108K below the planned budget. Major contributions to this positive variance are associated with underspending in various administrative areas due to staff working outside of office.</li> <li>• <b>Total Expenditures of \$6.535M produce a net 34% positive variance or \$3.296M underspend. Major contributions to this positive variance are associated with delayed program executions due to staffing challenges in some investment areas and underspending in various administrative areas.</b></li> </ul>                                                   |
| <b>ENDING FUND BALANCE</b>                                                             | <ul style="list-style-type: none"> <li>• <b>FY 2022-23 Ending Fund Balance of \$13.737M represents 35% positive variance or \$3.565M higher than the Ending Fund Balance of the planned budget.</b></li> <li>• <b>Major contributions to this positive variance are associated with higher Interest Revenue, inclusion of Prop 56 Tax Revenue, additional Other Grant Revenue, and underspending in Program Appropriations due to staffing challenges in some investment areas and underspending in various administrative areas.</b></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

**FISCAL IMPACT**

- Admin Cost rate of 11% is within the Commission's approved Admin Cost Rate Policy of 15%.
- \$713K SPIP FY 2018-20 underspending dollars as of 6.30.2023 will be returned back to Fund Balance

**ACTION REQUESTED**

Approval of F5SMC FY 2022-23 Budget Close-Out as of June 30, 2023.

## FIRST 5 SAN MATEO COUNTY

## FY 2022-23 BUDGET CLOSE OUT SUMMARY

|                                                                         | FY 22-23<br>Revised Budget | YTD Actuals as<br>of June 30, 2023 | Accruals       | FY22-23 Budget<br>Close Out |
|-------------------------------------------------------------------------|----------------------------|------------------------------------|----------------|-----------------------------|
| <b>BEGINNING FUND BALANCE (Beginning Reserves*)</b>                     | <b>13,473,382</b>          | <b>13,473,382</b>                  | -              | <b>13,473,382</b>           |
| <b>A. Interest Revenue</b>                                              | <b>134,734</b>             | <b>303,007</b>                     | -              | <b>303,007</b>              |
| <b>B. Tobacco Tax Revenue</b>                                           | <b>4,480,000</b>           | <b>4,991,616</b>                   | -              | <b>4,991,616</b>            |
| Tobacco Tax Revenue Fiscal Year<br>Allocations                          | 4,480,000                  | 4,991,616                          | -              | 4,991,616                   |
| <b>C. Other Grant Revenues</b>                                          | <b>1,915,182</b>           | <b>1,253,965</b>                   | <b>250,106</b> | <b>1,504,071</b>            |
| F5CA Other Grants / IMPACT Grant                                        | 649,548                    | 261,906                            | 250,106        | 512,012                     |
| Non-Tobacco Tax Grants (DLP,<br>PHD, SHD, MHSA)                         | 1,265,634                  | 992,060                            | -              | 992,060                     |
| <b>TOTAL REVENUES</b>                                                   | <b>6,529,915</b>           | <b>286,053</b>                     | <b>250,106</b> | <b>6,798,694</b>            |
| <b>TOTAL AVAILABLE FUND (Total Sources*)</b>                            | <b>20,003,297</b>          | <b>20,021,970</b>                  | <b>250,106</b> | <b>20,272,076</b>           |
| <b>PROGRAM APPROPRIATIONS</b>                                           |                            |                                    |                |                             |
| <b>D1. Strategic Plan Investment - SPIP FY 20-23</b>                    | <b>5,564,035</b>           | <b>3,612,919</b>                   | -              | <b>3,612,919</b>            |
| Community Investments (FE, CH&D,<br>FI)                                 | 4,345,469                  | 3,202,186                          | -              | 3,202,186                   |
| Evaluation                                                              | 229,441                    | 127,280                            | -              | 127,280                     |
| Policy, Advocacy, & Communications<br>(PAC)                             | 989,125                    | 283,453                            | -              | 283,453                     |
| <b>D2. Strategic Plan Investment - SPIP FY 18-20<br/>    Carry-Over</b> | <b>797,693</b>             | <b>84,285</b>                      | -              | <b>84,285</b>               |
| Community Investments (FE, CH&D,<br>FI)                                 | 330,675                    | 41,591                             | -              | 41,591                      |
| Evaluation                                                              | 160,000                    | -                                  | -              | -                           |
| Policy, Advocacy, & Communications<br>(PAC)                             | 307,018                    | 42,694                             | -              | 42,694                      |
| <b>E. Other Grants</b>                                                  | <b>1,357,809</b>           | <b>1,024,071</b>                   | -              | <b>1,024,071</b>            |
| F5CA Other Grants / IMPACT Grant                                        | 566,825                    | 446,391                            | -              | 446,391                     |
| Non-Tobacco Tax Grants (DLP, PHD,<br>SHD, MHSA)                         | 790,984                    | 577,680                            | -              | 577,680                     |
| <b>F. Program Operations</b>                                            | <b>1,303,837</b>           | <b>1,113,757</b>                   | -              | <b>1,113,757</b>            |
| Program Shared Operating Budget                                         | 223,666                    | 150,402                            | -              | 150,402                     |
| Program Staff S&B & Shared Admin<br>Staff Time                          | 887,424                    | 780,717                            | -              | 780,717                     |
| Evaluation Staff S&B                                                    | 192,747                    | 182,638                            | -              | 182,638                     |
| <b>Total Program Appropriations (D1+D2+E+F)</b>                         | <b>9,023,374</b>           | <b>5,835,032</b>                   |                | <b>5,835,032</b>            |
| <b>ADMIN APPROPRIATIONS</b>                                             |                            |                                    |                |                             |
| <b>G. Admin Shared Operating Budget</b>                                 | <b>223,666</b>             | <b>150,402</b>                     | -              | <b>150,402</b>              |
| <b>H. Admin Staff S&amp;B</b>                                           | <b>584,693</b>             | <b>549,885</b>                     | -              | <b>549,885</b>              |
| <b>Total Admin Appropriations (G+H)</b>                                 | <b>808,359</b>             | <b>700,287</b>                     | -              | <b>700,287</b>              |
| <b>TOTAL APPROPRIATIONS (Net Appropriations*)</b>                       | <b>9,831,733</b>           | <b>6,535,319</b>                   | -              | <b>6,535,319</b>            |
| Surplus / (Deficit) (Total Revenues - Total Appropriations)             | (3,301,818)                | (6,249,266)                        | 250,106        | 263,376                     |
| <b>ENDING FUND BALANCE</b>                                              | <b>10,171,564</b>          | <b>13,486,651</b>                  | <b>250,106</b> | <b>13,736,758</b>           |
| <b>Total S&amp;B</b>                                                    | <b>1,664,864</b>           | <b>1,513,240</b>                   | -              | <b>1,513,240</b>            |

FIRST 5 SAN MATEO COUNTY

FY 2022-23 BUDGET CLOSE OUT DETAILS

|                                                                 | FY22-23 Revised Budget | YTD Actuals as of June 30, 2023 | Accruals       | FY22-23 Budget Close Out | Budget Close Out vs. FY22-23 Revised Budget (%) | Notes to the Budget Close Out                                                                                                                                                                                                                          |
|-----------------------------------------------------------------|------------------------|---------------------------------|----------------|--------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BEGINNING FUND BALANCE (Beginning Reserves*)</b>             | <b>13,473,382</b>      | <b>13,473,382</b>               |                | <b>13,473,382</b>        | 100%                                            |                                                                                                                                                                                                                                                        |
| <b>A. Interest Revenue</b>                                      | 134,734                | 303,007                         |                | 303,007                  | 225%                                            | Higher interest earning rate                                                                                                                                                                                                                           |
| <b>B. Tobacco Tax Revenue</b>                                   | <b>4,480,000</b>       | <b>4,991,616</b>                | <b>0</b>       | <b>4,991,616</b>         | 111%                                            |                                                                                                                                                                                                                                                        |
| Tobacco Tax Revenue Fiscal Year Allocations                     | 4,480,000              | 4,991,616                       |                | 4,991,616                | 111%                                            | Include Prop 56, SMIF, CECET                                                                                                                                                                                                                           |
| <b>C. Other Grant Revenues</b>                                  | <b>1,915,182</b>       | <b>1,253,965</b>                | <b>250,106</b> | <b>1,504,071</b>         | 79%                                             |                                                                                                                                                                                                                                                        |
| F5CA IMPACT Grant FY20-23                                       | 512,592                | 237,924                         | 239,588        | 477,512                  | 93%                                             |                                                                                                                                                                                                                                                        |
| F5CA Home Visiting Grant FY20-22                                | 136,956                | 23,982                          | 10,518         | 34,500                   | 25%                                             |                                                                                                                                                                                                                                                        |
| F5SF IMPACT HUB TA FY22-23                                      | 73,533                 | 71,878                          |                | 71,878                   | 98%                                             |                                                                                                                                                                                                                                                        |
| County of San Mateo BHRS - Mental Health Services grant MHSA #2 | 250,000                | 247,540                         |                | 247,540                  | 99%                                             |                                                                                                                                                                                                                                                        |
| Peninsula Healthcare District - HMG Call Center Grant CY2022    | 50,000                 | 50,000                          |                | 50,000                   | 100%                                            |                                                                                                                                                                                                                                                        |
| Sequoia Healthcare District - Special Needs Grant FY20-23       | 474,592                | 281,224                         |                | 281,224                  | 59%                                             |                                                                                                                                                                                                                                                        |
| Sequoia Healthcare District - Mental Health Grant FY20-23       | 130,956                | 48,559                          |                | 48,559                   | 37%                                             |                                                                                                                                                                                                                                                        |
| SMC CEO - SMC Children Success Project                          |                        | 2,629                           |                | 2,629                    |                                                 |                                                                                                                                                                                                                                                        |
| SMCOE - SMC Children Success Project                            |                        | 2,629                           |                | 2,629                    |                                                 |                                                                                                                                                                                                                                                        |
| Children Health Initiatives (CHI) Refund                        | 286,053                | 286,053                         |                | 286,053                  | 100%                                            | 2nd CHI refund                                                                                                                                                                                                                                         |
| F5SMC Wellness Grant                                            |                        | 1,048                           |                | 1,048                    |                                                 |                                                                                                                                                                                                                                                        |
| Miscellaneous Reimbursements                                    | 500                    | 500                             |                | 500                      | 100%                                            |                                                                                                                                                                                                                                                        |
| <b>TOTAL REVENUES</b>                                           | <b>6,529,915</b>       | <b>6,548,588</b>                | <b>250,106</b> | <b>6,798,694</b>         | 104%                                            | Higher Interest Revenue and inclusion of Prop 56, and CHI refund.                                                                                                                                                                                      |
| <b>TOTAL AVAILABLE FUNDS (TOTAL SOURCES*)</b>                   | <b>20,003,297</b>      | <b>20,021,970</b>               | <b>250,106</b> | <b>20,272,076</b>        | 101%                                            |                                                                                                                                                                                                                                                        |
| <b>APPROPRIATIONS</b>                                           |                        |                                 |                |                          |                                                 |                                                                                                                                                                                                                                                        |
| <b>PROGRAM APPROPRIATIONS</b>                                   |                        |                                 |                |                          |                                                 |                                                                                                                                                                                                                                                        |
| <b>D1. Strategic Plan Investment - SPIP FY 20-23</b>            | <b>5,564,035</b>       | <b>3,612,919</b>                |                | <b>3,612,919</b>         | <b>65%</b>                                      | Grantees and Community Base Organizations continue to experience several challenges in the post pandemic era and economic recovery including local expertise workforce competitive disadvantages in San Mateo County resulting in low grant executions |
| Family Engagement                                               | 1,186,540              | 1,133,840                       |                | 1,133,840                | 96%                                             |                                                                                                                                                                                                                                                        |
| Children Health & Development                                   | 1,679,788              | 904,834                         |                | 904,834                  | 54%                                             |                                                                                                                                                                                                                                                        |
| Early Learning                                                  | 1,479,141              | 1,163,512                       |                | 1,163,512                | 79%                                             |                                                                                                                                                                                                                                                        |
| Grant Management and Other Evaluation Projects                  | 229,441                | 127,280                         |                | 127,280                  | 55%                                             |                                                                                                                                                                                                                                                        |
| Policy Advocacy, Communications & Systems Change                | 432,798                | 281,753                         |                | 281,753                  | 65%                                             |                                                                                                                                                                                                                                                        |
| Emerging Projects                                               | 556,327                | 1,700                           |                | 1,700                    | 0%                                              |                                                                                                                                                                                                                                                        |
| <b>D2. Strategic Plan Investment - SPIP FY 18-20 Carry-Over</b> | <b>797,693</b>         | <b>84,285</b>                   |                | <b>84,285</b>            | <b>11%</b>                                      | Underspending fund by YE will be returned back to Fund Balance                                                                                                                                                                                         |
| Children Health & Development - Carry Over                      | 280,675                | 8,124                           |                | 8,124                    | 3%                                              |                                                                                                                                                                                                                                                        |
| Early Learning - Carry Over                                     | 50,000                 | 33,467                          |                | 33,467                   | 67%                                             |                                                                                                                                                                                                                                                        |
| Other Evaluation Projects - Carry Over                          | 160,000                |                                 |                | 0                        | 0%                                              |                                                                                                                                                                                                                                                        |
| PAC - Carry Over                                                | 85,397                 | 3,000                           |                | 3,000                    | 4%                                              |                                                                                                                                                                                                                                                        |
| Emerging Projects - Carry Over                                  | 221,621                | 39,694                          |                | 39,694                   | 18%                                             |                                                                                                                                                                                                                                                        |
| <b>E. Other Grants</b>                                          | <b>1,357,809</b>       | <b>1,024,071</b>                |                | <b>1,024,071</b>         | <b>75%</b>                                      |                                                                                                                                                                                                                                                        |
| F5CA IMPACT Grant                                               | 447,734                | 414,255                         |                | 414,255                  | 93%                                             |                                                                                                                                                                                                                                                        |
| F5CA Home Visiting Grant                                        | 119,091                | 32,136                          |                | 32,136                   | 27%                                             |                                                                                                                                                                                                                                                        |
| F5SF IMPACT HUB TA FY22-23                                      | 62,503                 | 62,503                          |                | 62,503                   | 100%                                            |                                                                                                                                                                                                                                                        |
| County of San Mateo BHRS - Mental Health Services MHSA #2       | 171,680                | 164,181                         |                | 164,181                  | 96%                                             |                                                                                                                                                                                                                                                        |
| Peninsula Healthcare District - HMG Call Center Grant FY2022    | 42,096                 | 42,096                          |                | 42,096                   | 100%                                            |                                                                                                                                                                                                                                                        |
| Others                                                          |                        | 2,000                           |                | 2,000                    |                                                 |                                                                                                                                                                                                                                                        |
| Sequoia Healthcare District - Special Needs Grant               | 452,751                | 263,584                         |                | 263,584                  | 58%                                             |                                                                                                                                                                                                                                                        |
| Sequoia Healthcare District - Mental Health Grant               | 40,560                 | 38,059                          |                | 38,059                   | 94%                                             |                                                                                                                                                                                                                                                        |
| SMC CMO Children Success Planning Prj                           | 10,697                 | 2,629                           |                | 2,629                    | 25%                                             |                                                                                                                                                                                                                                                        |

|                                                   | FY22-23 Revised Budget     | YTD Actuals as of June 30, 2023 | Accruals       | FY22-23 Budget Close Out | Budget Close Out vs. FY22-23 Revised Budget (%) | Notes to the Budget Close Out                                                                                        |
|---------------------------------------------------|----------------------------|---------------------------------|----------------|--------------------------|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| SMC CMO Children Success Planning Pr              | 10,697                     | 2,629                           |                | 2,629                    | 25%                                             |                                                                                                                      |
| <b>F. Program Operations</b>                      | <b>1,303,837</b>           | <b>1,113,757</b>                |                | <b>1,113,757</b>         | <b>85%</b>                                      |                                                                                                                      |
| Program Shared Operating Budget                   | 223,666                    | 150,402                         |                | 150,402                  | 67%                                             |                                                                                                                      |
| Program Staff S&B & Shared Admin Staff            | 887,424                    | 780,717                         |                | 780,717                  | 88%                                             |                                                                                                                      |
| Evaluation Staff S&B                              | 192,747                    | 182,638                         |                | 182,638                  | 95%                                             |                                                                                                                      |
| <b>Total Program Appropriations (D1+D2+E+F)</b>   | <b>9,023,374</b>           | <b>5,835,032</b>                |                | <b>5,835,032</b>         | <b>65%</b>                                      | Underspend due to grantees and CBOs staffing challenges                                                              |
| <b>ADMIN APPROPRIATIONS</b>                       |                            |                                 |                |                          |                                                 |                                                                                                                      |
| G. Admin Shared Operating Budget                  | 223,666                    | 150,402                         |                | 150,402                  | 67%                                             |                                                                                                                      |
| H. Admin Staff S&B                                | 584,693                    | 549,885                         |                | 549,885                  | 94%                                             |                                                                                                                      |
| <b>Total Administrative Appropriations</b>        | <b>808,359</b>             | <b>700,287</b>                  |                | <b>700,287</b>           | <b>87%</b>                                      |                                                                                                                      |
| Administrative Cost Rate %                        | 8%                         | 11%                             |                | 11%                      |                                                 |                                                                                                                      |
| <b>TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)</b> | <b>9,831,733</b>           | <b>6,535,319</b>                |                | <b>6,535,319</b>         | <b>66%</b>                                      | Underspend due to grantees and CBOs staffing challenges                                                              |
| <b>ENDING FUND BALANCE RESERVES*)</b>             | <b>(ENDING 10,171,564)</b> | <b>13,486,651</b>               | <b>250,106</b> | <b>13,736,758</b>        | <b>135%</b>                                     | Positive variances are associated with higher Revenue and underspend in both Program and Administrative Expenditures |

**Color Coding**

- Shared Budget/Shared Cost
- Revenue ; Fund Balance
- Appropriations
- Salaries & Benefits

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Schedule 1- FY 2022-23 OPERATING BUDGET CLOSE OUT

Attachment 6C

|                                            | ORG / ACCT# | FY22-23 Revised Budget | YTD Actuals as of June 30, 2023 | Accruals | FY22-23 Budget Close Out | Budget Close Out vs. FY22-23 Revised Budget (%) | Notes to the Budget Close Out                                   |
|--------------------------------------------|-------------|------------------------|---------------------------------|----------|--------------------------|-------------------------------------------------|-----------------------------------------------------------------|
| <b>I. Services and Supplies</b>            |             |                        |                                 |          |                          |                                                 |                                                                 |
| Outside Printing & Copy Svc                | 19510-5191  | 2,000                  |                                 | 0        | 0                        | 0%                                              |                                                                 |
| General Office Supplies                    | 19510-5193  | 8,000                  | 3,564                           | 0        | 3,564                    | 45%                                             |                                                                 |
| Photocopy Lease & Usage                    | 19510-5196  | 5,000                  | 867                             | 0        | 867                      | 17%                                             |                                                                 |
| Computer Supplies                          | 19510-5211  | 25,000                 | 11,550                          | 0        | 11,550                   | 46%                                             | Combined 5211 and 5215: IT equipment and software subscriptions |
| County Memberships - (e.g. F5 Assn Dues)   | 19510-5331  | 15,000                 | 12,704                          | 0        | 12,704                   | 85%                                             |                                                                 |
| Auto Allowance                             | 19510-5712  | 11,000                 | 10,884                          | 0        | 10,884                   | 99%                                             |                                                                 |
| Meetings & Conference Expense              | 19510-5721  | 10,000                 | 4,530                           | 0        | 4,530                    | 45%                                             |                                                                 |
| Commissioners Meetings & Conference Exp    | 19510-5723  | 5,000                  | 1,043                           | 0        | 1,043                    | 21%                                             |                                                                 |
| Other Business Travel Expense              | 19510-5724  | 10,000                 | 1,134                           | 0        | 1,134                    | 11%                                             |                                                                 |
| Dept. Employee Training Expense            | 19510-5731  | 10,000                 | 149                             | 0        | 149                      | 1%                                              |                                                                 |
| Wellness grant                             | 19510-5856  | 0                      | 835                             | 0        | 835                      |                                                 |                                                                 |
| Other Professional Services                | 19510-5858  | 50,000                 | 0                               | 0        | 0                        | 0%                                              |                                                                 |
| <b>Sub Total - Services &amp; Supplies</b> |             | <b>151,000</b>         | <b>47,260</b>                   | <b>-</b> | <b>47,260</b>            | <b>31%</b>                                      |                                                                 |
| <b>II. Other Charges</b>                   |             |                        |                                 |          |                          |                                                 |                                                                 |
| Telephone Service Charges                  | 19510-6712  | 5,500                  | 383                             | 0        | 383                      | 7%                                              | Include direct Communication Services                           |
| Automation Services - ISD                  | 19510-6713  | 53,000                 | 44,448                          | 0        | 44,448                   | 84%                                             |                                                                 |
| Annual Facilities Lease                    | 19510-6716  | 105,000                | 95,178                          | 0        | 95,178                   | 91%                                             |                                                                 |
| General Liability Insurance                | 19510-6725  | 11,232                 | 11,235                          | 0        | 11,235                   | 100%                                            |                                                                 |
| Official Bond Insurance                    | 19510-6727  | 800                    | 262                             | 0        | 262                      | 33%                                             |                                                                 |
| Human Resources Services                   | 19510-6733  | 2,000                  | 269                             | 0        | 269                      | 13%                                             |                                                                 |
| Countywide Security Services               | 19510-6738  | 800                    | 569                             | 0        | 569                      | 71%                                             |                                                                 |
| All Other Services Charges                 | 19510-6739  | 60,000                 | 43,660                          | 0        | 43,660                   | 73%                                             | Combined with 6751 and 6739                                     |
| A-87 Expense                               | 19510-6821  | 58,000                 | 57,540                          | 0        | 57,540                   | 99%                                             |                                                                 |
| <b>Sub Total - Other Charges</b>           |             | <b>296,332</b>         | <b>253,544</b>                  | <b>-</b> | <b>253,544</b>           | <b>86%</b>                                      |                                                                 |
| <b>Total Operating Budget</b>              |             | <b>447,332</b>         | <b>300,804</b>                  | <b>-</b> | <b>300,804</b>           | <b>67%</b>                                      |                                                                 |

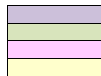
|                                        |  |                |                |          |                |            |                     |
|----------------------------------------|--|----------------|----------------|----------|----------------|------------|---------------------|
| <b>Program Shared Operating Budget</b> |  | <b>223,666</b> | <b>150,402</b> | <b>-</b> | <b>150,402</b> | <b>67%</b> | Allocation rate 50% |
| <b>Admin Shared Operating Budget</b>   |  | <b>223,666</b> | <b>150,402</b> | <b>-</b> | <b>150,402</b> | <b>67%</b> | Allocation rate 50% |

Schedule 2 - FY 2022-23 SALARIES & BENEFITS BUDGET CLOSE OUT

|                                    |  |                     |                     |             |                     |            |                                           |
|------------------------------------|--|---------------------|---------------------|-------------|---------------------|------------|-------------------------------------------|
| Program Staff & Shared Admin Staff |  | 887,424             | 780,717             | 0           | 780,717             | 88%        | 27% Admin staff time allocated to Program |
| Evaluation Staff                   |  | 192,747             | 182,638             | 0           | 182,638             | 95%        |                                           |
| Admin Staff                        |  | 584,693             | 549,885             | 0           | 549,885             | 94%        |                                           |
| <b>Total Salaries and Benefits</b> |  | <b>\$ 1,664,864</b> | <b>\$ 1,513,240</b> | <b>\$ -</b> | <b>\$ 1,513,240</b> | <b>91%</b> | Underspent as staff on medical leave      |

Color Coding

- Shared Budget/Shared Cost
- Revenue ; Fund Balance
- Appropriations
- Salaries & Benefits





**Date:** October 23, 2023  
**To:** First 5 San Mateo County Commission  
**From:** Kitty Lopez, Executive Director  
**Re:** Approval of First 5 San Mateo County (F5SMC)'s Basic Financial Statements for the Year Ending June 30, 2023 Audit Report and Its Submission to First 5 California and to California State's Controller Office

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#### **ACTION REQUESTED**

**Approval of First 5 San Mateo County (F5SMC)'s Basic Financial Statements for the Year Ending June 30, 2023 Audit Report and Its Submission to First 5 California and to California State's Controller Office**

#### **INDEPENDENT AUDITORS' REPORT - OUTCOMES**

In accordance with compliance requirements, an audit of First 5 San Mateo County's Basic Financial Statements for the Year Ending June 30, 2023 was conducted by an independent auditor, Brown Armstrong Accountancy Corporation, Bakersfield, California.

At the Finance and Administration Committee meeting on October 16, 2023, Finance and Administration Committee reviewed and endorsed approval of F5SMC's Basic Financial Statements for the Year Ending June 30, 2023 Audit Report and Its Submission to First 5 California and to California State's Controller Office.

Please see the F5SMC's Basis Financial Statements for the Year Ending June 30, 2023 Audit Report ([Attachment 7B](#)) and Communication Letter to the First 5 SMC Commissioner attached (**Attachment 7A**). Summary of Independent Auditors' Report Outcomes are as following:

- Independent Auditors' Report on the Financial Statements (pages 1-3): Unmodified opinion (clean opinion).
- 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 (pages 41-42): No instances of noncompliance or other matters that are required to be reported under the Government Audit Standards were identified (clean opinion)
- Independent Auditors' Report on State Compliance (pages 43-45): F5SMC complied in all material respects with the compliance requirements (clean opinion). There were no current year findings.

#### **BACKGROUND**

In accordance with California Health & Safety Code Sections 130140 and 130150, First 5 County Commissions are required to conduct an audit of their financial operations for each fiscal year and present the audit at a public hearing prior to submitting the report to First 5 California.

Each First 5 County Commission's audit should be performed (1) in accordance with generally accepted auditing standards of Institute of Certified Public Accountants, and (2) generally accepted governmental auditing standards issued by the United States General Accounting Office for financial, and (3) compliance audits. In addition, effective FY2006-2007, all County Commission audits must be in accordance with the California State Controller's Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program.

First 5 County Commission audits must be submitted to both First 5 California and the California State's Controller Office by November 1st of each year.

**Continuing Implementation of Governmental Accounting Standards Board Statements (GASBs)**

For the fiscal year ending June 30, 2018, County of San Mateo (and First 5 San Mateo County) is responsible to implement the following statements, wherever applicable:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which establishes new accounting and financial reporting for state and local governments by improving the accounting and financial reporting for OPEB plans and provides information obtained by state and local government employers about financial support for OPEB that is provided by other entities.
- GASB Statement No. 85, Omnibus 2017. This Statement addresses a variety of topics related to blended component units, goodwill, fair value measurement, and postemployment benefits.
- GASB 68 ushers to the reporting of pension assets and liabilities, requiring immediate recognition of the net long-term liability of future pension benefits in excess of accumulated plan assets.
- GASB No. 87, Leases to record the right of use asset lease office net amortization (audit report

**FISCAL IMPACTS**

**Impacts of GASB 68 and GASB 87 implementations:**

- No fiscal impacts to cash flow and or to the actual fiscal budget close out.
- Consider GASB 68 implication to F5SMC's Ending Fund Balance Projection in the F5SMC's Long-Term Financial Plan (LTFP).

**ACTION REQUESTED**

Approval of First 5 San Mateo County (F5SMC)'s Basic Financial Statements for the Year Ending June 30, 2023 Audit Report and Its Submission to First 5 California and to California State's Controller Office.

**GLOSSARY**

**SUMMARY OF STATEMENT NO. 87 LEASES  
(ISSUED 06/17)**

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

(<https://gasb.org/page/PageContent?pageId=/standards-guidance/pronouncements/summary--statement-no-87.html&isStaticPage=true>)



**COMMUNICATION WITH THOSE CHARGED WITH  
GOVERNANCE AT THE CONCLUSION OF THE AUDIT  
(SAS 114)**

To the Board of Commissioners  
 First 5 San Mateo County  
 San Mateo, California

We have audited the financial statements of the governmental activities and the major fund of First 5 San Mateo County (First 5), a discretely presented component unit of the County of San Mateo, California, for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 8, 2023. Professional standards also require that we communicate to you the following information related to our audit.

**Significant Audit Matters**

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by First 5 are described in Note 2 to the financial statements. As described in Note 2 to the financial statements, First 5 implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year ended June 30, 2023. We noted no transactions entered into by First 5 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.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting First 5's financial statements were:

Management's estimate of the fund balance commitments is based on unfinished contracts and their payment schedules. We evaluated the methods, assumptions, and data used to develop the accounting estimate and determined that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the fair value of investments is based on the method as detailed in the notes to the financial statements. We evaluated methods, assumptions, and data used to develop the estimate of the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the fair value of the right-to-use building is based on the method as detailed in the notes to the financial statements. We evaluated methods, assumptions, and data used to develop the estimate of the fair value of the right-to-use building in determining that it is reasonable in relation to the financial statements taken as a whole.

Net Pension Liability (NPL), Net Other Postemployment Benefits (OPEB) Asset (NOA), and related items are based on actuarial valuations, which involve estimates of the value of reported amounts and probabilities about the occurrence of future events far into the future. We evaluated the methods, assumptions, and data used to develop the estimates of NPL, NOA, and related items in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were for the NPL and NOA related items as described above.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

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 clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is 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 October 4, 2023.

#### *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 First 5'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.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as First 5's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### **Other Matters**

We applied certain limited procedures to the Management's Discussion and Analysis, Budgetary Comparison Schedule, Schedule of Proportionate Share of the Net Pension Liability, Schedule of First 5's Contributions - Pension Plan, Schedule of Proportionate Share of the Net OPEB Liability/(Asset), Schedule of First 5's Contributions - OPEB, and the Schedule of Changes in the Net OPEB

Liability/(Asset) and Related Ratios, which are Required Supplementary Information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**Restriction on Use**

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
October 4, 2023

**FIRST 5 SAN MATEO COUNTY  
(A DISCRETELY PRESENTED COMPONENT  
UNIT OF THE COUNTY OF SAN MATEO)**

**SAN MATEO, CALIFORNIA**

**BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2023**

**FIRST 5 SAN MATEO COUNTY  
FOR THE YEAR ENDED JUNE 30, 2023**

**TABLE OF CONTENTS**

|                                                                                                                                                                                                                                       | <u>Page</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <u>Financial Section</u>                                                                                                                                                                                                              |             |
| Independent Auditor's Report .....                                                                                                                                                                                                    | 1           |
| Management's Discussion and Analysis.....                                                                                                                                                                                             | 4           |
| <u>Basic Financial Statements</u>                                                                                                                                                                                                     |             |
| Government-Wide Financial Statements:                                                                                                                                                                                                 |             |
| Statement of Net Position .....                                                                                                                                                                                                       | 8           |
| Statement of Activities .....                                                                                                                                                                                                         | 9           |
| Governmental Fund Statements:                                                                                                                                                                                                         |             |
| Balance Sheet – Governmental Fund.....                                                                                                                                                                                                | 10          |
| Reconciliation of the Balance Sheet – Governmental Fund<br>to the Statement of Net Position .....                                                                                                                                     | 11          |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balance – Governmental Fund.....                                                                                                                                          | 12          |
| Reconciliation of the Statement of Revenues, Expenditures, and<br>Changes in Fund Balance – Governmental Fund to the Statement of Activities.....                                                                                     | 13          |
| Notes to Basic Financial Statements .....                                                                                                                                                                                             | 14          |
| <u>Required Supplementary Information</u>                                                                                                                                                                                             |             |
| Schedule of Revenues, Expenditures, and<br>Changes in Fund Balance – Budget and Actual .....                                                                                                                                          | 35          |
| Schedule of Proportionate Share of the Net Pension Liability .....                                                                                                                                                                    | 36          |
| Schedule of First 5's Contributions – Pension Plan.....                                                                                                                                                                               | 37          |
| Schedule of Proportionate Share of the Net OPEB Liability/(Asset) .....                                                                                                                                                               | 38          |
| Schedule of First 5's Contributions – OPEB .....                                                                                                                                                                                      | 39          |
| Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios.....                                                                                                                                                         | 40          |
| <u>Compliance Section</u>                                                                                                                                                                                                             |             |
| Independent Auditor's Report on Internal Control Over Financial Reporting<br>and on Compliance and Other Matters Based on an Audit of Financial<br>Statements Performed in Accordance with <i>Government Auditing Standards</i> ..... | 41          |
| Independent Auditor's Report on State Compliance.....                                                                                                                                                                                 | 43          |

**FINANCIAL SECTION**





## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
 First 5 San Mateo County  
 San Mateo, California

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of the governmental activities and the major fund of First 5 San Mateo County (First 5), a discretely presented component unit of the County of San Mateo, California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise First 5's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of First 5 as of June 30, 2023, and the respective changes in financial position thereof 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of First 5 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.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 First 5's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's 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 opinions. 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 auditing standards generally accepted in the United States of America 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 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 auditing standards generally accepted in the United States of America 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 First 5'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; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about First 5'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.

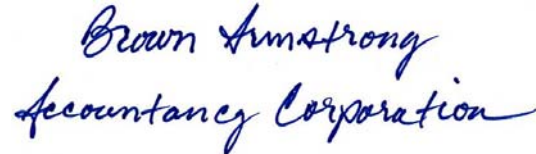
## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information (RSI), as listed in the table of contents, 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 Management's Discussion and Analysis and the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2023, on our consideration of First 5's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of First 5's 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 First 5's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style.

Bakersfield, California  
October 4, 2023

**FIRST 5 SAN MATEO COUNTY  
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF SAN MATEO)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
JUNE 30, 2023**

In November 1998, voters passed a statewide ballot initiative, Proposition 10, to fund programs that promote the physical, cognitive, and emotional development of children ages 0-5. Proposition 10 funds are generated by a tax on tobacco products and are intended to facilitate the creation and implementation of an integrated and collaborative system of care for young children in the areas of health, family support, and early learning. All revenue generated is collected in the California Children and Families (First 5 California) Trust Fund Account and allocations are made to each of the 58 counties in the State based on the number of births recorded in the relevant county in proportion to the number of births recorded in California. Each county must establish a local First 5 Commission to oversee the use of these funds in accordance with their strategic plan.

This Management's Discussion and Analysis is intended to serve as a narrative overview and analysis of the financial activities of First 5 San Mateo County (First 5) for the year ended June 30, 2023. The information presented should be read in conjunction with the information furnished in the financial statements and notes to the financial statements.

### **Financial Highlights**

During the fiscal year ended June 30, 2023, First 5 contributed over \$4.7 million in a wide variety of local programs and services for young children and their families.

### **Government-Wide Financial Analysis**

- The assets and deferred outflows of resources of First 5 exceeded its liabilities and deferred inflows of resources as of June 30, 2023, by \$13,064,432 (*net position*). This balance may be used to meet First 5's ongoing obligations to grantees and creditors.

### **Fund Financial Analysis**

- Total fund balance as of June 30, 2023, was \$13,382,336. Of this amount, \$4,721,632 was committed for current executed grants and contracts and for contract amendments not yet executed (obligated); the remaining \$8,685,752 was set aside for future programs, projects, and activities. All funding awards were in accordance with First 5's Strategic Plan and Long-Term Financial Plan.
- Contributions to local projects increased by \$477,176 or 11.2% from the previous fiscal year.

### **Overview of the Financial Statements**

This discussion and analysis serves as an introduction to First 5's basic financial statements which include three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

**Government-wide financial statements** provide readers with a broad overview of First 5's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of First 5's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them two reported as net position.

**FIRST 5 SAN MATEO COUNTY  
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF SAN MATEO)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
JUNE 30, 2023**

The *statement of activities* presents information showing how First 5's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in a future fiscal period (e.g., earned but unused vacation leave).

The *government-wide financial statements* can be found on pages 8 and 9 of this report.

**Fund financial statements** are groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements; however, they focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

The *fund financial statements* can be found on pages 10 through 13 of this report.

**Notes to the basic financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The *notes* can be found on pages 14 through 34 of this report.

**Government-Wide Financial Analysis**

As of June 30, 2023, First 5's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$13,064,432.

**Net Position**

|                                      | 2023          | 2022          | Change      | %      |
|--------------------------------------|---------------|---------------|-------------|--------|
| Total assets                         | \$ 15,467,923 | \$ 15,492,529 | \$ (24,606) | -0.2%  |
| Total deferred outflows of resources | 951,023       | 795,011       | 156,012     | 19.6%  |
| Total current liabilities            | 1,822,125     | 1,969,412     | (147,287)   | -7.5%  |
| Total long-term liabilities          | 1,326,626     | 572,499       | 754,127     | 131.7% |
| Total deferred inflows of resources  | 205,763       | 935,067       | (729,304)   | -78.0% |
| Net position                         | 13,064,432    | 12,810,562    | 253,870     | 2.0%   |

**Fiscal Year 2023 Compared to Fiscal Year 2022**

- At the end of fiscal year 2023, total assets decreased by \$24,606, (0.2)%, when compared to fiscal year 2022. The decrease was primarily due to a decrease in cash and the net other postemployment benefits (OPEB) asset.
- Total deferred outflows of resources increased by \$156,012, 19.6%, due to a change in deferred pension and OPEB actuarial assumptions.
- Total liabilities increased by \$606,840, 23.9%. The increase was mainly due to an increase in net pension liability.
- Total deferred inflows of resources decreased by \$729,304, (78.0)%, due to a change in deferred pension and OPEB actuarial assumptions.
- Net position increased by \$253,870, 2.0%. Net position is money received that is set aside for programs, projects, and activities to be conducted in the future according to a documented plan, budget, or financial forecast formally approved by First 5.

**FIRST 5 SAN MATEO COUNTY**  
**(A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF SAN MATEO)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**JUNE 30, 2023**

**Changes in Net Position**

|                                 | 2023                 | 2022                 | Change            | %            |
|---------------------------------|----------------------|----------------------|-------------------|--------------|
| Program revenues                | \$ 6,495,666         | \$ 6,884,731         | \$ (389,065)      | -5.7%        |
| General revenues (losses)       | 349,808              | (374,852)            | 724,660           | 193.3%       |
| Program expenses                | <u>(6,591,604)</u>   | <u>(5,772,325)</u>   | <u>(819,279)</u>  | <u>14.2%</u> |
| Change in net position          | 253,870              | 737,554              | (483,684)         | -65.6%       |
| Net position, beginning of year | <u>12,810,562</u>    | <u>12,073,008</u>    | <u>737,554</u>    | <u>6.1%</u>  |
| Net position, end of year       | <u>\$ 13,064,432</u> | <u>\$ 12,810,562</u> | <u>\$ 253,870</u> | <u>2.0%</u>  |

Fiscal Year 2023 Compared to Fiscal Year 2022

- Program revenues decreased by \$389,065, (5.7)%, and general revenues increased by \$724,660, 193.3%. The decrease in program revenues was primarily due to decreases in tobacco tax. The increase in general revenues was primarily due to higher investment returns in 2023.
- Program expenses increased by \$819,279, 14.2%. The majority of the increase was due to increases in retirement benefits and contributions to local projects.

**Fund Financial Analysis**

First 5 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of June 30, 2023, First 5 reported a fund balance of \$13,382,336, an increase of \$307,001, 2.4%, from the prior year. The increase was mainly due to an increase in revenues. Of the total, \$4,721,632 of the fund balance was committed to grantees and contractors through contractual obligations in accordance with First 5's Strategic Plan and Long-Term Financial Plan. These plans are reviewed and approved by the First 5 Commission on an annual basis.

**Capital Assets and Debt Administration**

At the end of the current fiscal year, First 5's right-to-use assets consisted of \$192,256 (net of accumulated amortization). Right-to-use assets include one building lease. Refer to Note 5 Leased Assets for additional information.

At the end of the current fiscal year, First 5's long-term obligations consisted of lease liabilities in the amount of \$214,993, compensated absences of \$177,273, and net pension liability of \$1,076,035. Refer to Note 7 Long-Term Liabilities.

**Budgetary Highlights**

First 5 operating budget for fiscal year 2022-2023 expenditures totaled \$9.9 million. The budget closeout revealed an estimated savings of \$3.3 million, which is the excess of approved budgeted expenditures compared to actual expenditures. A key factor accounting for the \$3.3 million positive budget variance was contributions to local projects which were attributed to under spending in grantee's contracts.

The *budgetary comparison information* can be found on page 35 of this report.

### **Economic Factor and Current Year Budget**

First 5 executed two strategic plans that worked in parallel with each other during the fiscal year: the new strategic plan FY2020-2023 and continuation implementation of some investment areas of the previous strategic plan FY2018-2020 that had been delayed due to the COVID pandemic. Many service delivery programs shifted from in-person services to virtual supports for parents, providers, and children.

In some cases, pre-school programs and community-based programs were open; however, some comprehensive services were delayed or shifted due to work restrictions prior to vaccinations. Since vaccinations have been available, in-person programming is slowly ramping up. First 5 and funded partners are diligently assessing what the new “normal” service delivery will be as virtual supports have been effective and hybrid models are increasingly being utilized.

Fiscal year 2022-2023 is the 3<sup>rd</sup> year of the new strategic plan implementation plan of the 3-year funding cycle FY2020-2023; most of Investment Strategies have been rolled out with emerging efforts in Policy Advocacy, Communication, System Changes, and Health strategies.

Approximately 22% of First 5 fiscal year budget executions are in Other Grants that are funded from Non-Tobacco Tax Revenues or from Tobacco Tax Revenues acquired through competitive grant applications. Most of Other Grants are leverage funding within First 5 strategic plan investments strategies in Early Learning, Trauma and Resiliency Informed System Initiative (TRISI), Home Visiting, Integrated Systems for Children with Special Needs, and San Mateo Children Success Planning project.

Grantees and Community-Based Organizations continue to experience several challenges in the post pandemic era and economic recovery including local expertise workforce competitive disadvantages in San Mateo County resulting in low grant executions. Most concerning, however, are the shifts in workforce capacity, staffing, and retention rates across all sectors (grantees) supporting young children and families. The “Great Resignation” is real and coupled with the very high cost-of-living in the Bay Area (San Mateo County specifically) and some low wages sectors are experiencing repercussions. We also know from our Trauma and Resiliency Informed System (TRISI) work specifically and updates from our funded partners that many staff continue to be stressed, burned out, and overworked because of pandemic shifts.

Overall, even though First 5 delivers approximately 66% of fiscal year budget, we honor our great achievements in the fiscal year due to the continuation of the important work, programs, and services that positively impact the community. Given the pandemic recovery experiences previously and the implementation of 3-tier robust fiscal budget – new strategic plan FY2020-2023, previous strategic plan FY2018-2020, and Other Grant executions, the performance budget reading at 66% can be considered a great achievement. First 5 is grateful that funded partners are committed to serving and working with families and children in our county and have been implementing the strategic plans.

### **Requests for Information**

This financial report is designed to provide a general overview of First 5's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Kitty Lopez, Executive Director, First 5 San Mateo County, 1700 S. El Camino Real, Suite 405, San Mateo, CA 94402-3050.

**BASIC FINANCIAL STATEMENTS**



**FIRST 5 SAN MATEO COUNTY  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

|                                            | <u>Governmental<br/>Activities</u> |
|--------------------------------------------|------------------------------------|
| <u>ASSETS</u>                              |                                    |
| Cash and cash equivalents                  | \$ 13,721,654                      |
| Intergovernmental receivable, net          | 1,228,556                          |
| Interest receivable, net                   | 112,576                            |
| Non-current assets:                        |                                    |
| Net OPEB asset                             | 212,881                            |
| Leased assets:                             |                                    |
| Right-to-use - Building                    | 368,811                            |
| Less accumulated amortization              | <u>(176,555)</u>                   |
| Total leased assets net of amortization    | <u>192,256</u>                     |
| Total assets                               | <u>15,467,923</u>                  |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>      |                                    |
| Deferred outflows of resources - Pension   | 855,489                            |
| Deferred outflows of resources - OPEB      | <u>95,534</u>                      |
| Total deferred outflows of resources       | <u>951,023</u>                     |
| <u>LIABILITIES</u>                         |                                    |
| Accounts payable                           | 1,589,676                          |
| Salaries and benefits payable              | 29,637                             |
| Unearned revenue                           | 61,137                             |
| Long-term liabilities due within one year: |                                    |
| Lease liability                            | 90,420                             |
| Compensated absences                       | 51,255                             |
| Long-term liabilities due after one year:  |                                    |
| Lease liability                            | 124,573                            |
| Net pension liability                      | 1,076,035                          |
| Compensated absences                       | <u>126,018</u>                     |
| Total liabilities                          | <u>3,148,751</u>                   |
| <u>DEFERRED INFLOWS OF RESOURCES</u>       |                                    |
| Deferred inflows of resources - Pension    | 356                                |
| Deferred inflows of resources - OPEB       | <u>205,407</u>                     |
| Total deferred inflows of resources        | <u>205,763</u>                     |
| <u>NET POSITION</u>                        |                                    |
| Unrestricted                               | <u>13,064,432</u>                  |
| Total net position                         | <u>\$ 13,064,432</u>               |

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

**FIRST 5 SAN MATEO COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

|                                     | Governmental<br>Activities |
|-------------------------------------|----------------------------|
| Program expenses:                   |                            |
| Salaries and wages                  | \$ 710,101                 |
| Employee benefits                   | 226,038                    |
| Retirement benefits                 | 608,941                    |
| General office supplies             | 31,625                     |
| Professional services               | 274,604                    |
| Other administrative expenses       | 18,663                     |
| Contributions to local projects     | 4,721,632                  |
| Total program expenses              | 6,591,604                  |
| Program revenues:                   |                            |
| Operating grants and contributions: |                            |
| Tobacco tax                         | 5,503,607                  |
| Other grants                        | 992,059                    |
| Total program revenues              | 6,495,666                  |
| Net program revenues                | (95,938)                   |
| General revenues:                   |                            |
| Net investment earnings             | 349,808                    |
| Total general revenues              | 349,808                    |
| Change in net position              | 253,870                    |
| Net position, beginning of year     | 12,810,562                 |
| Net position, end of year           | \$ 13,064,432              |

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

**FIRST 5 SAN MATEO COUNTY  
BALANCE SHEET – GOVERNMENTAL FUND  
JUNE 30, 2023**

ASSETS

|                                   |                          |
|-----------------------------------|--------------------------|
| Cash and cash equivalents         | \$ 13,721,654            |
| Intergovernmental receivable, net | 1,228,556                |
| Interest receivable, net          | <u>112,576</u>           |
| <br>Total assets                  | <br><u>\$ 15,062,786</u> |

LIABILITIES AND FUND BALANCE

|                                        |                          |
|----------------------------------------|--------------------------|
| Liabilities:                           |                          |
| Accounts payable                       | \$ 1,589,676             |
| Salaries and benefits payable          | 29,637                   |
| Unearned revenue                       | <u>61,137</u>            |
| <br>Total liabilities                  | <br><u>1,680,450</u>     |
| <br>Fund balance:                      |                          |
| Committed                              | 4,721,632                |
| Assigned                               | <u>8,660,704</u>         |
| <br>Total fund balance                 | <br><u>13,382,336</u>    |
| <br>Total liabilities and fund balance | <br><u>\$ 15,062,786</u> |

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

**FIRST 5 SAN MATEO COUNTY  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

**Reconciliation of the Governmental Fund Balance Sheet with the Governmental Activities  
Statement of Net Position:**

|                                                                                                                                                                                                               |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Total Fund Balance - Governmental Fund                                                                                                                                                                        | \$ 13,382,336               |
| Amounts reported in the Statement of Net Position are different because:                                                                                                                                      |                             |
| Long-term assets are not available to pay for current period expenditures, and long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund: |                             |
| Right-to-use - Building                                                                                                                                                                                       | 192,256                     |
| Deferred outflows of resources                                                                                                                                                                                | 951,023                     |
| Net pension liability                                                                                                                                                                                         | (1,076,035)                 |
| Net OPEB asset                                                                                                                                                                                                | 212,881                     |
| Deferred inflows of resources                                                                                                                                                                                 | (205,763)                   |
| Lease liability                                                                                                                                                                                               | (214,993)                   |
| Compensated absences                                                                                                                                                                                          | (177,273)                   |
|                                                                                                                                                                                                               | <u>                    </u> |
| Net Position of Governmental Activities                                                                                                                                                                       | <u>\$ 13,064,432</u>        |

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

**FIRST 5 SAN MATEO COUNTY  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

|                                 |                             |
|---------------------------------|-----------------------------|
| Revenues:                       |                             |
| Tobacco tax                     | \$ 5,503,607                |
| Net investment earnings         | 349,808                     |
| Other grants                    | <u>992,059</u>              |
| Total revenues                  | <u>6,845,474</u>            |
| Expenditures:                   |                             |
| Salaries and benefits           | 1,513,243                   |
| Services and supplies           | 303,598                     |
| Contributions to local projects | <u>4,721,632</u>            |
| Total expenditures              | <u>6,538,473</u>            |
| Net change in fund balance      | 307,001                     |
| Fund balance, beginning of year | <u>13,075,335</u>           |
| Fund balance, end of year       | <u><u>\$ 13,382,336</u></u> |

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

**FIRST 5 SAN MATEO COUNTY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

|                                                                                                                                                                                       |                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Net Change in Fund Balance - Governmental Fund                                                                                                                                        | \$ 307,001               |
| Amounts reported in the Statement of Activities are different because:                                                                                                                |                          |
| Change in the long-term portion of assets and liabilities do not provide or require the use of current financial resources and, therefore, are not reported in the governmental fund: |                          |
| Change in lease amortization expense                                                                                                                                                  | (91,445)                 |
| Change in deferred outflows of resources                                                                                                                                              | 156,012                  |
| Change in net pension liability                                                                                                                                                       | (790,057)                |
| Change in net OPEB asset                                                                                                                                                              | (90,202)                 |
| Change in deferred inflows of resources                                                                                                                                               | 729,304                  |
| Change in lease principal payments                                                                                                                                                    | 70,151                   |
| Change in compensated absences                                                                                                                                                        | <u>70,151</u>            |
| Change in Net Position of Governmental Activities                                                                                                                                     | <u><u>\$ 360,915</u></u> |

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

**FIRST 5 SAN MATEO COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – GENERAL**

Under the authority of the California Children and Families First Act of 1998 and Sections 130100, et seq. of the Health and Safety Code, the Children and Families First Commission of San Mateo County (Commission) was established in March 1999. The Commission set up the Children and Families First Trust Fund with the County of San Mateo (County) in March 1999 to account for the receipts and disbursements of California Children and Families Trust Fund allocations to the Commission. On January 7, 2003, the County Board of Supervisors passed an ordinance changing the Commission's name to First 5 San Mateo County (First 5).

The financial transactions of First 5 are accounted for in a general fund, as monies received by it are legally restricted or committed to specific use. Moneys allocated and appropriated to First 5 can be expended only for purposes authorized by the California Children and Families First Act of 1998 (Proposition 10) and in accordance with the First 5 Strategic Plan and Long-Term Financial Plan approved by the First 5 Commission and approved through the County budget process.

The County Board of Supervisors appoints all the members of the First 5 Commission. Therefore, the financial activities of First 5 are included in the basic financial statements of the County as a discretely presented component unit.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) are reported using the *economic resources measurement focus* and the *accrual* basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Contributions to local grantee organizations are recognized as expenditures when criteria for grant payments are met by the grantee organizations. When both restricted and unrestricted net position is available, restricted resources are generally depleted first before the unrestricted resources are used.

The Statement of Net Position presents First 5's financial position in a net position approach. The Statement of Activities reports the change in net position in a net program cost format to demonstrate the degree to which the expenses of First 5 are offset by its program revenues - tobacco tax and private grants.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental fund financial statements, presented after the government-wide financial statements, are reported using the *current financial resources measurement focus* and the *modified accrual* basis of accounting. With this measurement focus, only current assets and current liabilities are included on the Balance Sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current assets. Revenues are recognized as soon as they are both measurable and available. "Measurable" means that the amount of the transaction can be determined. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)A. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

period. Revenues from reimbursement type programs are considered to be *available* when they are collectible within six months of the end of the current fiscal period in order to properly match revenues with related expenditures. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as non-major funds, regardless of their fund type. Major funds are those that have assets, liabilities, revenue, or expenditures equal to at least ten percent of their fund-type total. The General Fund is always a major fund. First 5 may also select other funds it believes should be presented as major funds.

First 5 reports the following major governmental fund type: the General Fund is First 5's primary operating fund. It is used to account for all activities, except those required to be accounted for in another fund.

B. Program Revenues

Program revenues in the financial statements include tobacco tax and other funding from First 5 California, other grants, and private grants.

C. Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied.

D. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

**Net Investment in Capital Assets** – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category. First 5 did not have any of its net position invested in capital assets at June 30, 2023.

**Restricted Net Position** – This category presents net position with external restrictions imposed on its use by creditors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. There were no restrictions of net position as of June 30, 2023.

**Unrestricted Net Position** – This category represents net position of First 5 not restricted for any project or other purpose. Fund Balance is reported in Note 10.

E. Deferred Outflows and Inflows of Resources

First 5 records deferred outflows of resources for the consumption of net position by the government that is applicable to a future reporting period and will not be recognized as an outflow of resources (expense/expenditure) until then. First 5 has two such items, which are reported in Note 8 and Note 9.

First 5 also records deferred inflows of resources for the acquisition of net position by the government that is applicable to a future reporting period and will not be recognized as an inflow of resources (revenue) until then. First 5 has two such items, which are reported in Note 8 and Note 9.



**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)F. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results based on subsequent events could differ from those estimates.

G. Budgetary Information

First 5 adopts an annual budget, which can be amended by First 5 throughout the year. The basis used to prepare the budget is the same as the basis used to reflect actual revenues and expenditures, except that liability for compensated absences, postemployment benefits other than pensions, and unrealized gains and losses are not included in the budget.

H. Other Postemployment Benefits (OPEB)

First 5 employees participate in the defined benefit postemployment healthcare plan administered by the County. The County is not obligated to pay for unused sick leave if employees terminate employment prior to retirement, except for those individuals who are laid off. Upon retirement, unused sick leave can be converted to postemployment healthcare benefits. The amount and duration of the County-paid benefits vary, depending on the bargaining units to which the employee belongs. The public safety employees are eligible to retire after attaining age 50 with at least ten years of service or at any age with 20 years of service. Others can retire from the County on or after attaining age 50 with at least ten years of service.

I. Risk Management

First 5 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County, through its self-insurance program, provides First 5 with Worker's Compensation and Employer Liability Insurance. First 5 compensates the County for maintaining such insurance. County Counsel provides legal representation for any claims or litigation for First 5.

Claims have not exceeded coverage in the past year and there has not been a significant reduction in coverage in the current year.

J. Economic Dependency

First 5 has a significant economic dependency on tobacco tax allocations from the State, as these allocations represent a substantial portion of First 5's revenue. During the year ended June 30, 2023, First 5 received \$5,503,607, which amounts to 80% of total revenue for the year. First 5's ability to continue operations depends primarily on the continuance of this funding source. Tobacco tax allocations from the State do not have a termination date but are vulnerable to changes in legislation.

K. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of First 5's pension plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by San Mateo County Employees Retirement Association (SamCERA). For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)L. Compensated Absences

First 5 accrues for compensated absences in the government-wide financial statements to pay its employees for unused vacation, compensatory time, and holiday. The accrual for compensated absences includes First 5's share of Social Security and Medicare contributions payable on behalf of the employees. Unused vacation, compensatory time, and holiday are cashed out upon separation.

M. New Accounting Pronouncements Implemented

First 5 implemented the following Governmental Accounting Standards Board (GASB) Statement.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The provisions of this statement are effective for reporting periods beginning after June 15, 2022. There is no material effect on First 5's accounting or financial reporting as a result of implementing this standard.

**NOTE 3 – CASH AND CASH EQUIVALENTS**Cash and Cash Equivalents

First 5 considers short-term and highly liquid investments to be cash and cash equivalents. Cash and cash equivalents are pooled with other funds in the County Investment Pool (County Pool). The County Pool includes both voluntary and involuntary participants from external public entities. First 5 is a voluntary participant in the County Pool. Interest earned is received quarterly. Cash and cash equivalents in the County Pool are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The change in fair value for the year is recorded as unrealized gain or loss and reported as part of investment earnings. Fair value is based on information provided by the County Treasurer.

The County Pool is a governmental investment pool managed and directed by the elected County Treasurer (Treasurer). The County Pool is not registered with the Securities and Exchange Commission as an investment company. The California Government Code and the County's Investment Policy govern the County Pool activities. The objectives of this policy, in order of priority, are: safety, liquidity, yield, and public trust. The County Pool attempts to match maturities with planned outlays and maximize the return on investment over various market cycles. Yield is considered only after safety and credit quality have been met, consistent with limiting risk and prudent investment principles. The County Board of Supervisors reviews the County's Investment Policy annually, and all amendments to the policy must be approved by the County Board of Supervisors.

The fair value of cash and cash equivalents of First 5's investment in the County Pool is reported in the accompanying financial statements at amounts based upon First 5's pro-rata share of the fair value provided by the Treasurer for the County Pool portfolio. First 5's cash and cash equivalents in the County Pool totaled \$13,721,654 as of June 30, 2023. The contractual withdrawal values (book values) were \$14,126,710 as of June 30, 2023.

Fair Value of Investments

First 5 categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

**NOTE 3 – CASH AND CASH EQUIVALENTS** (Continued)Fair Value of Investments (Continued)

As of June 30, 2023, First 5 held no individual investments. All funds are invested in the County Pool. First 5's proportionate share of investments in the County Pool at June 30, 2023, of \$13,721,654 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

The County's financial statements may be obtained by contacting the Office of the Controller, 555 County Center, 4th Floor, Redwood City, CA 94063.

Authorized Investments of the County Pool

The County's Investment Policy and the California Government Code allow the County Pool to invest in the following, provided the credit ratings of the issuers are acceptable to the County Pool. The following also identifies certain requirements of the County Pool and California Government Code that address interest rate risk, credit risk, and concentrations of credit risk.

| Authorized Investment Type                                          | Minimum Credit Quality | Maximum % Allowed in Portfolio | Maximum % Investment in One Issuer                                                | Maximum Maturity |
|---------------------------------------------------------------------|------------------------|--------------------------------|-----------------------------------------------------------------------------------|------------------|
| U.S. Treasury obligations                                           | N/A                    | 100                            | 100                                                                               | 7 years          |
| Obligations of U.S. agencies or government sponsored enterprises    | AA or A-1              | 100                            | 40                                                                                | 7 years          |
| U.S. agencies callable                                              | AA                     | 100                            | 25                                                                                | 7 years          |
| Commercial paper                                                    | A1/P-1/F1              | 40                             | 5                                                                                 | 270 days or less |
| Negotiable certificates of deposit                                  | A1/P-1/F1              | 30                             | 5                                                                                 | 5 years          |
| Bankers acceptances                                                 | A1/P-1/F1              | 15                             | 5                                                                                 | 180 days         |
| Collateralized time deposits within the State of California         | A1/P-1/F1              | 15                             | 5                                                                                 | 1 year           |
| Mortgage backed securities/CMOs                                     | AA                     | 20 combined total              | 5                                                                                 | 5 years          |
| Asset backed securities                                             | AAA                    |                                | 5                                                                                 | 5 years          |
| Corporate bonds, medium-term notes, and covered bonds               | A                      | 30                             | 5                                                                                 | 5 years          |
| U.S. Instrumentalities                                              | AA                     | 30                             | N/A                                                                               | 5 years          |
| CA Municipal Obligations                                            | AA                     | 30                             | 5                                                                                 | 5 years          |
| Repurchase agreements secured by U.S. Treasury of agency obligation | A-1                    | 100                            | See limitation for Treasuries and Agencies above<br>Up to the current state limit | 92 days          |
| Local Agency Investment Fund (LAIF)                                 | N/A                    | N/A                            |                                                                                   | N/A              |
| Shares of beneficial interest                                       | Money Market/AAAm      | 20                             | 10                                                                                | N/A              |
| Local Government Investment Pools (LGIPs)                           | N/A                    | 20                             | 10                                                                                | N/A              |

**NOTE 3 – CASH AND CASH EQUIVALENTS** (Continued)Authorized Investments of the County Pool (Continued)

At June 30, 2023, the County Pool was invested in the following securities:

| <u>Investment Type</u>    | <u>Interest Rate</u> | <u>Maturities</u> | <u>Weighted<br/>Average<br/>Maturity<br/>(Years)</u> | <u>Rating</u>                    |
|---------------------------|----------------------|-------------------|------------------------------------------------------|----------------------------------|
| Certificates of deposit   | 5.34%-5.50%          | 09/01/23-03/28/24 | 5.2                                                  | A, A+, AA-                       |
| Commercial paper          | 0.00%-5.58%          | 10/03/23-03/22/24 | 6.8                                                  | A, A+                            |
| LAIF                      | 4.00%-5.63%          | 7/1/2023-02/23/24 | 4.8                                                  | AAA                              |
| U.S. Treasury bills       | 0.00%                | 07/13/23-08/15/23 | 4.2                                                  | AA+                              |
| U.S. Treasury notes       | 0.12%-4.12%          | 07/31/23-05/31/28 | 5.0                                                  | AA+                              |
| Federal agency securities | 0.00%-6.05%          | 07/05/23-06/30/28 | 5.2                                                  | AA+                              |
| U.S. Instrumentalities    | 0.00%-3.00%          | 07/31/23-01/13/27 | 5.1                                                  | AAA                              |
| Corporate bonds           | 0.35%-5.00%          | 08/11/23-05/12/28 | 5.1                                                  | AA-, A-, A, AA,<br>A+, AA+, BBB+ |
| Money market funds        | 0.00%                | 07/01/23          | 0.0                                                  | AAA                              |
| Asset backed securities   | 0.37%-2.22%          | 04/22/24-11/15/26 | 2.6                                                  | AAA, NR                          |
| Municipal bonds           | 0.67%-3.40%          | 08/01/23-08/01/25 | 5.4                                                  | AA-, AA, AA+, AAA                |

County Pool: Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County Pool manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years or less in accordance with its investment policy. As of June 30, 2023, the County Pool had a weighted average maturity of 5.0 years.

County Pool: Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. State law and the County's Investment Policy limit the County's investments in commercial paper to the rating of A-1 or better by Standard & Poor's or P-1 or better by Moody's Investors Service, and corporate bonds to the rating of A or higher by both Standard & Poor's and Moody's Investors Service. No limits are placed on the U.S. government agency securities and U.S. Treasuries. The County Pool was unrated.

County Pool: Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The County's Investment Policy requires that deposits in banks must meet the requirements of California Government Code. Under this code, any deposits of more than \$0.25 million must be collateralized at 110% to 150% of the value of the deposit to guarantee the safety of the public funds. The first \$0.25 million of the County's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits more than the \$0.25 million insured amount are fully collateralized by Union Bank by pledging identifiable U.S. Government securities at 110% or more.

County Pool: Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County Pool's investment in a single issuer of securities. For each authorized investment type, State law and County Investment Policy restrict the maximum percentages allowed in the portfolio and per issuer. As of June 30, 2023, the County Pool has five percent or more of its total investments with the following issuers: 24% in United States Treasury Notes, 51% in Federal Agency Securities, and 12% in Corporate Bonds.

**NOTE 3 – CASH AND CASH EQUIVALENTS** (Continued)County Pool: Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair values of an investment or deposit. The County Investment Policy does not include specific provisions to address foreign currency risk because the County Pool does not invest in foreign securities.

**NOTE 4 – INTERGOVERNMENTAL RECEIVABLE**

Intergovernmental receivable represents revenues that were received after June 30, 2023:

|                                      |                            |
|--------------------------------------|----------------------------|
| Proposition 10 allocation - June     | \$ 336,751                 |
| Proposition 10 allocation - May      | 237,386                    |
| Surplus Money Investment Fund (SMIF) | 18,406                     |
| CECET                                | 66,967                     |
| F5CA Impact Grant                    | 341,714                    |
| F5SF Impact Hub                      | 44,013                     |
| Sequoia Healthcare Grant             | 172,801                    |
| Home Visiting Grant                  | <u>10,518</u>              |
| Total                                | <u><u>\$ 1,228,556</u></u> |

**NOTE 5 – LEASED ASSETS**

Leased asset activity for the year ended June 30, 2023, was as follows:

|                                                  | <u>Balances</u><br><u>June 30, 2022</u> | <u>Additions</u>          | <u>Deletions</u>   | <u>Balances</u><br><u>June 30, 2023</u> |
|--------------------------------------------------|-----------------------------------------|---------------------------|--------------------|-----------------------------------------|
| Right-to-use leased assets, amortizable:         |                                         |                           |                    |                                         |
| Buildings                                        | <u>\$ 368,811</u>                       | <u>\$ -</u>               | <u>\$ -</u>        | <u>\$ 368,811</u>                       |
| Total right-to-use leased assets being amortized | <u>368,811</u>                          | <u>-</u>                  | <u>-</u>           | <u>368,811</u>                          |
| Less accumulated amortization for:               |                                         |                           |                    |                                         |
| Buildings                                        | <u>(85,110)</u>                         | <u>(91,445)</u>           | <u>-</u>           | <u>(176,555)</u>                        |
| Total accumulated amortization                   | <u>(85,110)</u>                         | <u>(91,445)</u>           | <u>-</u>           | <u>(176,555)</u>                        |
| Total right-to-use leased assets, net            | <u><u>\$ 283,701</u></u>                | <u><u>\$ (91,445)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 192,256</u></u>                |

Amortization for right-to-use leased assets for the year ended June 30, 2023, was \$91,445.

**NOTE 6 – ACCOUNTS PAYABLE**

Accounts payable is comprised of funding due to grantees and amounts due to vendors for services and supplies at June 30, 2023:

|                            |                     |
|----------------------------|---------------------|
| Funding due to grantees    | \$ 1,580,592        |
| Funding due to other funds | 8,629               |
| Services and supplies      | <u>455</u>          |
| Total                      | <u>\$ 1,589,676</u> |

**NOTE 7 – LONG-TERM LIABILITIES**

The following is a summary of First 5's long-term liabilities as of June 30, 2023:

|                             | Balance<br>June 30, 2022 | Additions         | Retirements         | Balance<br>June 30, 2023 | Due Within<br>One Year |
|-----------------------------|--------------------------|-------------------|---------------------|--------------------------|------------------------|
| Long-Term Liabilities       |                          |                   |                     |                          |                        |
| Lease liability             | \$ 285,144               | \$ -              | \$ (70,151)         | \$ 214,993               | \$ 90,420              |
| Compensated absences        | 140,379                  | 103,881           | (66,987)            | 177,273                  | 51,255                 |
| Net pension liability       | <u>285,978</u>           | <u>790,057</u>    | <u>-</u>            | <u>1,076,035</u>         | <u>-</u>               |
| Total Long-Term Liabilities | <u>\$ 711,501</u>        | <u>\$ 893,938</u> | <u>\$ (137,138)</u> | <u>\$ 1,468,301</u>      | <u>\$ 141,675</u>      |

On November 1, 2021, First 5 entered into a 48 month lease as Lessee for the use of 1700 South El Camino Real, Suite 405, San Mateo. An initial lease liability was recorded in the amount of \$368,811, on November 1, 2021. As of June 30, 2023, the value of the lease liability is \$214,993. First 5 is required to make monthly fixed payments of \$7,896. First 5 is utilizing an incremental borrowing rate of 2.50%. The building's estimated useful life was 48 months as of the contract commencement.

| <u>Year Ending June 30,</u>     | <u>Principal</u>  | <u>Interest</u> |
|---------------------------------|-------------------|-----------------|
| 2024                            | \$ 90,420         | \$ 4,332        |
| 2025                            | 92,706            | 2,046           |
| 2026 (through October 31, 2025) | <u>31,867</u>     | <u>164</u>      |
| Total                           | <u>\$ 214,993</u> | <u>\$ 6,542</u> |

**NOTE 8 – EMPLOYEES' RETIREMENT PLAN**Plan Description

*General.* SamCERA is a cost-sharing multiple-employer, defined benefit pension plan that provides benefits for substantially all permanent employees of the County, First 5, the San Mateo County Libraries, the Superior Courts of the County of San Mateo, and the San Mateo County Mosquito and Vector Control District. SamCERA was founded in 1944 under the authority granted by Article XVI of the Constitution of the State of California and the County Employees Retirement Law of 1937 (the 1937 Act), and is not subject to the provisions of the Employee Retirement Income Security Act of 1974. SamCERA is a Pension Trust Fund of the participating employers.

**NOTE 8 – EMPLOYEES’ RETIREMENT PLAN** (Continued)Plan Description (Continued)

Management of SamCERA is vested in the Board of Retirement consisting of nine members. SamCERA is governed by the California Constitution; the 1937 Act; and the by-laws, procedures, and policies adopted by the Board of Retirement. Pursuant to the 1937 Act, board members include the County Treasurer, two general members of SamCERA elected by their peers, four members appointed by the County Board of Supervisors, one member from SamCERA’s safety members, and one member from the retired membership.

The Board of Retirement undertakes the administrative and fiduciary responsibility over the pension plan. SamCERA issues a publicly available financial report that can be obtained by writing to the San Mateo County Employees’ Retirement Association, 100 Marine Parkway, Suite 125, Redwood Shores, California 94065.

*Benefit Provisions.* SamCERA provides service retirement, disability, and death benefits to plan members and beneficiaries based on defined benefit formulas using final average compensation, years of service, and age factors to calculate benefits payable. SamCERA has seven tiers that cover members classified as general, safety, or probation, and provides annual cost-of-living adjustments (COLAs) upon retirement to members of Tiers 1, 2, 4, 5, 6, and 7. The benefits of Tier 3 are reduced by a portion of Social Security benefits received by the member. The 1937 Act vests the County Board of Supervisors with the authority to initiate benefits, while Government Code Section 31592.2 empowers the Board of Retirement to provide certain ad hoc benefits when the Section 31592 reserve exceeds 1% of assets.

SamCERA has seven tiers covering members classified as general, safety, or probation. Members in Tiers 1, 2, 4, 5, and 6 with 10 years of continuous service (permanent part-time employees need equivalent of 5 years of full-time service and 10 years of membership) may retire at age 50. Members in Tier 3 with 10 years of continuous service may retire at age 55. Members in Tier 7 with 5 years of service may retire at age 52.

General members in Tiers 1, 2, 4, 5, and 6 may retire at any age after 30 years of service. Safety members and Probation members may retire at any age after 20 years of service. A member who leaves County service may withdraw his or her contributions, plus any accumulated interest. Members with five years of service, permanent part-time employees with five years of full-time service, or non-contributory members (Tier 3) with 10 years of service, may elect a deferred retirement when terminating their employment with the County.

In addition to the basic member and the cost sharing contributions, certain plan members (except those in Tier 3) are required to make contributions to fund the COLA. Certain members in Tiers 1, 2, and 4 contribute a specific percentage of the retirement COLA cost. All members in Tiers 5 and 6 contribute 50% of the COLA. Members in Tier 7 contribute 50% of the aggregate normal cost rate for their plan.

*Contributions.* The 1937 Act established the basic obligations for employers and members to make contributions to the pension trust fund. The employer and member contribution rates are based on recommendations made by an independent actuary and adopted by the Board of Retirement. The participating employers are required by statutes to contribute the amounts necessary to fund the estimated benefits accruing to SamCERA members not otherwise funded by member contributions or expected investment earnings. Employer contribution rates for each tier are determined pursuant to Government Code Section 31453 of the 1937 Act. Contribution rates are actuarially determined using the entry age normal method and consist of an amount for normal cost (the estimated amount necessary to finance benefits earned by members during the year) and an amount required to amortize the unfunded actuarial accrued liability. Contributions to the plan from First 5 were \$290,383 for the year ended June 30, 2023.

**NOTE 8 – EMPLOYEES’ RETIREMENT PLAN** (Continued)Plan Description (Continued)

For the year ended June 30, 2023, the contributions recognized as part of pension expense for the plan were as follows:

|                          |            |
|--------------------------|------------|
| Contributions – employer | \$ 290,383 |
| Contributions – employee | 110,905    |

Net Pension Liability, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2023, First 5 reported \$1,076,035 of net pension liability for its proportionate share of the net pension liability. The net pension liability of the plan is measured as of June 30, 2022, and the total pension liability for the plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. First 5’s proportion of the net pension liability was based on statutory contributions. First 5’s proportionate share of the net pension liability was 0.13% as of June 30, 2022, which was a 0.01% increase from its share measured as of June 30, 2021.

For the year ended June 30, 2023, First 5 recognized pension expense of \$312,024. At June 30, 2023, First 5 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                             | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|-----------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Pension contributions subsequent to measurement date                        | \$ 290,383                                    | \$ -                                         |
| Changes in pension-related assumptions                                      | 159,397                                       | -                                            |
| Change in proportionate share of net pension liability                      | -                                             | 356                                          |
| Difference in actual and proportionate share of pension contributions       | 1,908                                         | -                                            |
| Differences between expected and actual pension experience                  | 116,280                                       | -                                            |
| Net difference between projected and actual earnings on pension investments | <u>287,521</u>                                | <u>-</u>                                     |
| Total                                                                       | <u>\$ 855,489</u>                             | <u>\$ 356</u>                                |

First 5 reported \$290,383 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ending June 30,</u> | <u>Deferred Outflows<br/>and Inflows of<br/>Resources</u> |
|-----------------------------|-----------------------------------------------------------|
| 2024                        | \$ 222,247                                                |
| 2025                        | 152,385                                                   |
| 2026                        | 7,585                                                     |
| 2027                        | <u>182,533</u>                                            |
| Total                       | <u>\$ 564,750</u>                                         |

The total pension liabilities in the June 30, 2022 actuarial valuation were determined using the information below.



**NOTE 8 – EMPLOYEES’ RETIREMENT PLAN** (Continued)Actuarial Methods and Assumptions

|                                             |                                                                                                                                                                                                                                                 |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Measurement Date                            | June 30, 2022                                                                                                                                                                                                                                   |
| Valuation Date                              | June 30, 2022                                                                                                                                                                                                                                   |
| Actuarial Cost Method                       | Individual Entry Age Normal                                                                                                                                                                                                                     |
| Actuarial Experience Study                  | July 1, 2017 to April 30, 2020                                                                                                                                                                                                                  |
| Amortization Method                         | Level Percentage of Projected Payroll                                                                                                                                                                                                           |
| Amortization Period                         | Unfunded actuarial accrued liability (UAAL) as of June 30, 2008, is amortized over a closed 15-year period ending June 30, 2023. Subsequent changes in the UAAL are amortized over separate closed 15-year layers that are determined annually. |
| Asset Valuation Method                      | 5-year smoothed recognition of asset gains and losses (determined as the difference of the actual fair value to the expected fair value), which cannot vary more than 20% from the fair value.                                                  |
| Actuarial Assumptions:                      |                                                                                                                                                                                                                                                 |
| General Wage Increases                      | 3.00%                                                                                                                                                                                                                                           |
| Investment Rate of Return (1)               | 6.42%                                                                                                                                                                                                                                           |
| Growth in Active Membership                 | 0.00%                                                                                                                                                                                                                                           |
| Inflation Rate (Consumer Price Index (CPI)) | 2.50%                                                                                                                                                                                                                                           |
| Salary Increases Due to Service             | The total expected increase in salary represents the increase due to promotions and longevity, adjusted for an assumed 3.00% per annum increase in the general wage. The total result is compounded rather than additive.                       |
| Mortality                                   | Rates are primarily based on PubG-2010 Mortality Table for respective genders projected with MP-2014 Ultimate Projection Scale. See the valuation report as of June 30, 2022, for details.                                                      |

(1) Differs from the actuarial valuation for funding purposes due to addition of administrative load of 0.17%.

The long-term expected rate of return on pension plan investments was determined using a building-block approach in which a median (or expected) geometric rate of return is developed for each major asset class. The median rates are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and estimates of the median geometric rates of return for each major asset class are shown in the table below. The asset class return assumptions are presented on a nominal basis, and all assumptions include a base inflation rate assumption of 2.50%.

| Asset Class     | Target Allocation | Long-Term Expected Rate of Return |
|-----------------|-------------------|-----------------------------------|
| Public Equity   | 41%               | 5.3%                              |
| Fixed Income    | 28%               | 0.7%                              |
| Alternatives    | 13%               | 3.9%                              |
| Inflation Hedge | 17%               | 3.6%                              |
| Liquidity       | 1%                | -1.0%                             |
| Total           | 100%              |                                   |

**NOTE 8 – EMPLOYEES’ RETIREMENT PLAN** (Continued)Discount Rate

The investment rate of return assumption used to measure the total pension liability was 6.42% as of June 30, 2022, which was no change from the prior year. The projection of cash flows used to determine the discount rate assumed that employer and member contributions will be made at the funding requirements under SamCERA’s funding policy and the legal requirements under the 1937 Act. In addition, the County intends to contribute additional amounts over the next 10 years to accelerate the elimination of the UAAL. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, gross of administrative expenses.

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following presents First 5’s proportionate share of the net pension liability of SamCERA, calculated using the discount rate for SamCERA, as well as what First 5’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

|                         | 1% Decrease<br>5.42% | Current Discount Rate<br>6.42% | 1% Increase<br>7.42% |
|-------------------------|----------------------|--------------------------------|----------------------|
| Total pension liability | \$ 10,667,131        | \$ 9,322,374                   | \$ 8,230,012         |
| Fiduciary net position  | 8,246,339            | 8,246,339                      | 8,246,339            |
| Net pension liability   | 2,420,792            | 1,076,035                      | (16,327)             |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued SamCERA financial report.

Payable to the Pension Plan

At June 30, 2023, First 5 has paid all contributions to the pension plan required for the year ended June 30, 2023.

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**Plan Description

*General.* The County administers a postemployment benefit (OPEB) sick leave conversion Retiree Health Plan (a single-employer defined benefit plan), in which First 5 participates. This plan provides healthcare benefits to members who retire from the County and are eligible to receive a pension from SamCERA. Eligible retirees may elect to continue healthcare coverage in the County health plan and convert their sick leave at retirement to a County-paid monthly benefit that will partially fund their retiree health premiums.

Benefits provisions are established and may be amended through negotiations between the County and the bargaining units during each bargaining period. The plan does not issue a separate financial report.

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)Plan Description (Continued)

The County funds its OPEB plan through the California Employers' Retiree Benefits Trust (CERBT), an irrevocable trust fund that allows public employers to prefund the future cost of their retiree health insurance benefits and other postemployment benefits for their covered employees or retirees. The CERBT's administrator, the California Public Employees' Retirement System (CalPERS), issues a publicly available financial report consisting of financial statements and required supplementary information for CERBT in aggregate. The report may be obtained by writing to CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

*Benefit Provisions.* The County contracts with Kaiser and Blue Shield Health Plans to provide health coverage to its active members and pre-Medicare retirees (under age 65 and not covered by Medicare). The insurers charge the same premium for actives and retirees without Medicare; therefore, an implicit County subsidy of retiree premium exists. The implicit subsidy is determined by the difference between the true costs of the benefits and the actual premiums paid. Retiree health premiums would be significantly higher if premiums were determined without regard to active claims experience because health claim costs generally increase with age.

The County contracts with Kaiser, Secure Horizons, and Blue Shield to provide supplemental coverage for retirees enrolled in Medicare. Medical premiums for retirees enrolled in Medicare are not based on blended active experience; therefore, implicit subsidy does not exist in premiums for retirees enrolled in Medicare and receiving supplemental health coverage.

The duration and amount of the County-paid benefits varies based on the amount of sick leave at retirement, the date of hire, the date of retirement, and the bargaining group to which the retiree belongs. After County-paid benefits expire, the retirees may continue coverage in the County health plans at their own expense.

*For the majority bargaining units, hired prior to January 1, 2011.* For each eight hours of unused sick leave at the time of retirement, the County contributes a set amount of the total premiums. For employees who retire with 20 or more years of service, the sick leave balance will be deducted at 6 hours per month instead of 8 hours.

Retirees who exhaust their sick leave will be credited with additional sick leave hours based on the years of service as follows: 10 years of service will be credited 96 hours, 15 years of service will be credited 192 hours, and 20 years of service will be credited 288 hours.

*For the majority bargaining units, hired on or after January 1, 2011.* For each eight hours of unused sick leave at the time of retirement, \$400 of the total premiums will be contributed. Retirees can choose to cover spouses and dependents. Retirees can choose a higher level for the County portion, but will need to convert more sick leave hours each month for those higher amounts.

Future increases in retiree sick leave conversion benefits vary among various bargaining groups under the County's latest bargaining agreements. Demographic assumptions regarding retirement, disability, and turnover are based on statistics from the June 30, 2022 pension valuation for SamCERA.

*Contributions.* First 5's contribution is an amount equal to the actuarially determined contribution (ADC) every year. The amount of the ADC above the implicit rate subsidy is the cash contribution First 5 needs to make to CERBT in order to have total contributions equal to the ADC.

First 5's ADC was calculated based on the service cost plus amortization of the net OPEB asset on a closed basis over 30 years, beginning July 1, 2005. The amortization is calculated as a level percentage of payroll based on the payroll growth assumption. Contribution requirements or amendments for members and the County are established through negotiations with individual bargaining units.

The employer contributions for the year ended June 30, 2023, were \$33,989.

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)Employees Covered by Benefit Terms

At June 30, 2023 (using a June 1, 2022 census date), the benefit terms covered the following employees:

|                                                                          |                 |
|--------------------------------------------------------------------------|-----------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 1               |
| Active employees or beneficiaries currently receiving benefit payments   | 8               |
| Inactive employees entitled to but not yet receiving benefit payments    | <u>-</u>        |
| Total active plan members                                                | <u><u>9</u></u> |

Net OPEB Asset, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

As of June 30, 2023, First 5 reported \$212,881 of net OPEB asset for its proportionate share of the net OPEB asset. The net OPEB asset of the plan is measured as of June 30, 2022, and the total OPEB liability for the plan used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2022. First 5's proportion of the net OPEB asset was based on statutory contributions. First 5's proportionate share of the net OPEB asset was 0.14% as of June 30, 2022, which was a decrease from its 0.40% share measured as of June 30, 2021.

For the year ended June 30, 2023, First 5 recognized OPEB expense of \$6,905. At June 30, 2023, First 5 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                                          | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|--------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| OPEB contributions made subsequent to measurement date                   | \$ 33,989                                     | \$ -                                         |
| Changes of OPEB-related assumptions                                      | 47,525                                        | 99,946                                       |
| Differences between expected and actual OPEB experience                  | 14,020                                        | 82,600                                       |
| Net difference between projected and actual earnings on OPEB investments | <u>-</u>                                      | <u>22,861</u>                                |
| Total                                                                    | <u><u>\$ 95,534</u></u>                       | <u><u>\$ 205,407</u></u>                     |

First 5 reported \$33,989 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB asset in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

| <u>Year Ending June 30,</u> | <u>Deferred Outflows<br/>and Inflows of<br/>Resources</u> |
|-----------------------------|-----------------------------------------------------------|
| 2024                        | \$ (46,025)                                               |
| 2025                        | (36,141)                                                  |
| 2026                        | (37,603)                                                  |
| 2027                        | 177                                                       |
| 2028                        | (21,531)                                                  |
| Thereafter                  | <u>(2,739)</u>                                            |
| Total                       | <u><u>\$ (143,862)</u></u>                                |

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the information below.

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)Actuarial Methods and Assumptions

|                                   |                                                                 |
|-----------------------------------|-----------------------------------------------------------------|
| Measurement Date                  | June 30, 2022                                                   |
| Valuation Date                    | June 30, 2022                                                   |
| Actuarial Cost Method             | Entry Age Normal                                                |
| Actuarial Experience Study        | July 1, 2017 to April 30, 2020                                  |
| Actuarial Assumptions:            |                                                                 |
| Discount Rate                     | 5.75%                                                           |
| Long-Term Expected Rate of Return | 5.75%, net of investment expense                                |
| Inflation                         | 2.50%                                                           |
| Payroll Growth Rate               | 3.00%                                                           |
| Mortality                         | Rates are primarily based on MP-2014 Ultimate Projection Scale. |
| Healthcare Cost Trend             | Adjusted to reflect the expected costs due to ACA               |
|                                   | 2022-23 5.10%                                                   |
|                                   | 2023-24 5.10%                                                   |
|                                   | 2024-25 5.10%                                                   |
|                                   | 2025-26 5.00%                                                   |
|                                   | 2026-27 4.90%                                                   |
|                                   | 2027-28 4.80%                                                   |
|                                   | 2028-29 4.70%                                                   |
|                                   | 2029-30 4.70%                                                   |
|                                   | 2030-31 4.60%                                                   |
|                                   | 2031-40 4.60%                                                   |
|                                   | 2041-50 4.50%                                                   |
|                                   | 2051-60 4.50%                                                   |
|                                   | 2061-70 4.50%                                                   |
|                                   | 2071-80 4.00%                                                   |
|                                   | 2081-90 3.90%                                                   |
|                                   | After 2091 3.90%                                                |
| Dental Cost Trend                 | 2022-73 4.00%                                                   |
|                                   | After 2073 3.90%                                                |
| Vision Cost Trend                 | 2022-73 4.00%                                                   |
|                                   | After 2073 3.90%                                                |

The H.R. 1865 Further Consolidated Appropriations Act, 2020 became law on December 20, 2019. This act repeals the excise tax for high cost or "Cadillac" health plans completely and removes the Health Insurer Fee permanently beginning in 2021. Accordingly, the excise tax is not reflected.

The OPEB plan assets are expected to be invested using a strategy to achieve the long-term rate of return. The County selected CERBT Fund Strategy 2 for its asset allocation as follows:

| <u>Asset Class</u>                             | <u>Target Allocation</u> |
|------------------------------------------------|--------------------------|
| Global Equity                                  | 34%                      |
| U.S. Fixed Income                              | 41%                      |
| Treasury Inflation-Protected Securities (TIPS) | 5%                       |
| Real Estate Investment Trusts (REITs)          | 17%                      |
| Commodities                                    | 3%                       |
|                                                | <hr/>                    |
| Total                                          | 100%                     |
|                                                | <hr/> <hr/>              |

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)Discount Rate

The investment rate of return assumption used to measure the total OPEB liability was 5.75% as of June 30, 2022, which was no change from the prior year. The projection of benefit payments made in future periods and expected level of cash flows and investment were used to determine the discount rate and assumed that employer contributions will be made at the funding requirements. Based on those assumptions, the plan's fiduciary net position was projected to be sufficient to pay projected benefit payments in all future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability and net OPEB asset is equal to the long-term assumed rate of return, gross of administrative expenses.

Sensitivity of the Proportionate Share of Net OPEB Asset to Changes in the Discount Rate

The following presents First 5's proportionate share of the net OPEB asset of the County, calculated using the discount rate of 5.75%, as well as what First 5's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

|                            | <u>1% Decrease</u><br>4.75% | <u>Current Discount Rate</u><br>5.75% | <u>1% Increase</u><br>6.75% |
|----------------------------|-----------------------------|---------------------------------------|-----------------------------|
| Total OPEB liability       | \$ (1,482,722)              | \$ (1,357,765)                        | \$ (1,246,981)              |
| Fiduciary net position     | (1,144,884)                 | (1,144,884)                           | (1,144,884)                 |
| Net OPEB liability/(asset) | (337,838)                   | (212,881)                             | (102,097)                   |

Sensitivity of the Proportionate Share of Net OPEB Asset to Changes in the Health Care Cost Trend Rates

The following presents First 5's proportionate share of the net OPEB asset of the County, calculated using the current health care cost trend rates, as well as what First 5's proportionate share of the net OPEB asset would be if it were calculated using trend rates that is 1 percentage point lower or 1 percentage point higher than the current rate:

|                            | <u>1% Decrease</u> | <u>Current Trend Rate</u> | <u>1% Increase</u> |
|----------------------------|--------------------|---------------------------|--------------------|
| Total OPEB liability       | \$ (1,237,639)     | \$ (1,357,765)            | \$ (1,498,339)     |
| Fiduciary net position     | (1,144,884)        | (1,144,884)               | (1,144,884)        |
| Net OPEB liability/(asset) | (92,755)           | (212,881)                 | (353,455)          |

OPEB Plan Fiduciary Net Position

The Plan Fiduciary Net Position and total OPEB liability were determined as of the measurement date. The components of the net OPEB asset as of June 30, 2022, are presented below. First 5's proportionate share was 0.14%.

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)OPEB Plan Fiduciary Net Position (Continued)

|                                                   | Increase/(Decrease)     |                                |                               |
|---------------------------------------------------|-------------------------|--------------------------------|-------------------------------|
|                                                   | Total OPEB<br>Liability | Plan Fiduciary<br>Net Position | Net OPEB<br>Liability/(Asset) |
| Balance at June 30, 2021                          | \$ 7,994,748            | \$ 8,297,831                   | \$ (303,083)                  |
| Changes for the year:                             |                         |                                |                               |
| Service cost                                      | (45,125)                | -                              | (45,125)                      |
| Interest of total OPEB liability                  | (72,663)                | -                              | (72,663)                      |
| Effect of plan changes                            | 19,377                  | -                              | 19,377                        |
| Effect of economic/demographic gains<br>or losses | (30,620)                | -                              | (30,620)                      |
| Effect of assumptions changes or inputs           | (46,635)                | -                              | (46,635)                      |
| Benefit payments                                  | 71,956                  | 71,956                         | -                             |
| Employer contributions                            | -                       | (80,956)                       | 80,956                        |
| Net investment income                             | -                       | 165,079                        | (165,079)                     |
| Administrative expenses                           | -                       | 633                            | (633)                         |
| Change in employer's proportionate share          | (9,248,803)             | (9,599,427)                    | 350,624                       |
| Net changes                                       | (9,352,513)             | (9,442,715)                    | 90,202                        |
| Balance at June 30, 2022                          | \$ (1,357,765)          | \$ (1,144,884)                 | \$ (212,881)                  |

Payable to the OPEB Plan

At June 30, 2023, First 5 has paid all contributions to the OPEB plan required for the year ended June 30, 2023.

**NOTE 10 – FUND BALANCE**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which First 5 is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. First 5's fund balances were comprised of the following:

Restricted Fund Balance – includes amounts that can be spent only for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource provider.

Committed Fund Balance – includes amounts that can only be used for specific purposes determined by a formal action of First 5's highest level decision-making authority, the First 5 Board of Commissioners. Commitments may be changed or lifted only by First 5 taking the same formal action that originally imposed the constraint.

Assigned Fund Balance – comprises amounts intended to be used by First 5 for specific purposes that are neither restricted nor committed. Intent is expressed by (1) First 5's Board of Commissioners or (2) a body (for example, a budget or finance committee) or official to which First 5's Board of Commissioners has delegated the authority to assign amounts to be used for specific purposes.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, and assigned.

**NOTE 10 – FUND BALANCE** (Continued)

At year-end, fund balance reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance includes:

|                                                 |                             |
|-------------------------------------------------|-----------------------------|
| <b>Committed</b>                                |                             |
| Contracts and amendments to executed contracts: |                             |
| Grantees                                        | \$ 3,943,966                |
| Others                                          | 777,666                     |
| <b>Assigned</b>                                 | <u>8,660,704</u>            |
| Total                                           | <u><u>\$ 13,382,336</u></u> |

**NOTE 11 – REVENUES**Tobacco Tax and Other Funding

First 5 receives a proportionate share of Proposition 10 money from First 5 California based on the number of live births in the County in comparison to the number of live births statewide. Proposition 10 money received by First 5 also includes Surplus Money Investment Fund allocations and Proposition 56 funds.

The Surplus Money Investment Fund allocations represent distributions of interest accrued on statewide Proposition 10 money. CECET represents California Electronic Cigarette Excise Tax allocation.

The Impact Grant and Home Visiting Grant are awarded through a grant competitive application. This is not a regular allocation. The Impact Grant is a 3-year grant. The Home Visiting grant is a 2-year grant with an extended term of one more year.

Tobacco tax and other revenues are comprised of:

|                               |                            |
|-------------------------------|----------------------------|
| Proposition 10:               |                            |
| Monthly Allocations           | \$ 3,653,720               |
| Surplus Money Investment Fund | 18,406                     |
| Proposition 56                | 1,252,503                  |
| CECET                         | 66,987                     |
| Home Visiting Grant           | 34,500                     |
| Impact Grant                  | <u>477,491</u>             |
| Total                         | <u><u>\$ 5,503,607</u></u> |

Other Grants

Other grants are comprised of:

|                                             |                          |
|---------------------------------------------|--------------------------|
| Help Me Grow Call Center Grant 2022         | \$ 50,000                |
| Impact HUB Grant                            | 71,878                   |
| Mental Health Services Act - Proposition 63 | 247,540                  |
| Mental Health Grant                         | 48,559                   |
| Special Needs Grant                         | 281,224                  |
| ECE Advisory Grant                          | 500                      |
| SMC Children Success Planning Project       | 5,257                    |
| Children Health Initiatives Refund          | 286,053                  |
| Wellness Grant                              | <u>1,048</u>             |
| Total                                       | <u><u>\$ 992,059</u></u> |



**NOTE 11 – REVENUES** (Continued)Investment Earnings (Losses)

Investment earnings of \$349,808 for the year ended June 30, 2023, are comprised of quarterly interest received from the County Treasurer on investments made by First 5 in the County Pool and the change in fair value of the investments. Interest is recorded in the year earned and is available to pay current liabilities.

|                                     |                   |
|-------------------------------------|-------------------|
| Interest on investments             | \$ 303,007        |
| Change in fair value of investments | 46,801            |
|                                     | <hr/>             |
| Total                               | <u>\$ 349,808</u> |

**NOTE 12 – RETIREMENT BENEFITS**

Retirement benefits are comprised of:

|                                                      |                   |
|------------------------------------------------------|-------------------|
| First 5 retirement contribution                      | \$ 290,383        |
| Pension expense (changes in net pension liability)   | 312,024           |
| OPEB expense (changes in net OPEB liability/(asset)) | 6,905             |
| OPEB adjustment                                      | (5,989)           |
| Other retirement benefits                            | 5,618             |
|                                                      | <hr/>             |
| Total                                                | <u>\$ 608,941</u> |

**NOTE 13 – CONTRIBUTIONS TO LOCAL PROJECTS**

Starting in fiscal year 2009-2010, First 5 awarded \$20,167,000 in Cycle One funding to local projects. Cycle One had a three-year term from fiscal year 2009-2010 to fiscal year 2011-2012. First 5 awarded \$26,188,072 in Cycle Two funding to local projects. Cycle Two had a three-year term from fiscal year 2011-2012 to fiscal year 2013-2014 and had been extended through December 31, 2015. First 5 awarded \$30,791,717 in Cycle Three funding to local projects. Cycle Three had a five-year term from fiscal year 2015-2016 to fiscal year 2019-2020 and has been extended through December 31, 2021.

First 5 allocated \$18,900,000 in funding for Cycle Four investments, as per First 5's 2020-2025 Strategic plan. Cycle Four funding comprises two funding periods, fiscal year 2020-2023 and fiscal year 2023-2025. First 5 awarded \$9,948,853 in fiscal year 2020-2023 of Cycle Four funding to local projects. Due to delayed local project executions as the impacts of the pandemic, during fiscal year 2020-2021, First 5 extended Cycle Three funding projects and implemented Cycle Four projects simultaneously.

Grant contributions for the year ended June 30, 2023, include:

## Cycle Four Funding:

|                                                                                  |          |
|----------------------------------------------------------------------------------|----------|
| 4Cs (Parents at The Table)                                                       | \$ 3,176 |
| 4Cs (Staffing for Build Up Kids)                                                 | 150,193  |
| ABILITYPATH (Integrated Systems for Children with Special Needs)                 | 945,536  |
| CORA (The Family Resilience Project)                                             | 364,440  |
| Family Connections (Thriving Families Project)                                   | 199,999  |
| Institute for Human & Social Development, Inc. (Family Engagement Unity Project) | 44,668   |
| Peninsula Family Services (Therapeutic Child Development Centers)                | 160,000  |
| Puente de la Costa Sur (Suenos Unidos Parent Participatory Preschool)            | 94,442   |
| Ravenswood Family Health Center - South (Oral Health Services)                   | 48,628   |

**NOTE 13 – CONTRIBUTIONS TO LOCAL PROJECTS** (Continued)

## Cycle Four Funding (Continued):

|                                                                                                           |                     |
|-----------------------------------------------------------------------------------------------------------|---------------------|
| San Mateo County Office of Education (EQ+IP)                                                              | 1,155,995           |
| San Mateo County Office of Education (Family Eng. System Support)                                         | 91,467              |
| San Mateo County Office of Education (IMPACT)                                                             | 414,255             |
| San Mateo County Office of Education (IMPACT HUB 4)                                                       | 38,272              |
| Sonrias Dental Health, Inc (Early Childhood Oral Health Programming)                                      | 54,075              |
| Star Vista (Early Childhood Services - Healthy Homes)                                                     | 178,820             |
| Contractors:                                                                                              |                     |
| Cheryl Oku (Help Me Grow Consultation Services)                                                           | 94,650              |
| Children Now (Improve Access to Oral Health)                                                              | 16,031              |
| Easy Bay Agency for Children (Trauma & Resiliency - Informed Systems Initiatives)                         | 67,190              |
| Easy Bay Agency for Children (Trauma & Resiliency - Informed Systems Initiatives Organizational Coaching) | 7,260               |
| EvalCorp (Evaluation Consultation and Support Services)                                                   | 81,250              |
| Hamai Consulting (Trauma & Resiliency - Informed Systems Initiatives)                                     | 85,000              |
| Hamai Consulting (Home Visiting Strategic Planning)                                                       | 50,000              |
| Learning for Action (Trauma Resiliency - Informed Systems Initiatives)                                    | 48,875              |
| Persimmony International (Online Grant Mgt System)                                                        | 87,287              |
| Viva Social Impact (Communication Consultation)                                                           | 114,012             |
| Viva Social Impact (SMC Children Success Planning Project)                                                | 6,918               |
| Other                                                                                                     | 119,193             |
|                                                                                                           | <u>119,193</u>      |
| Cycle Four Funding Total                                                                                  | <u>\$ 4,721,632</u> |
| Total                                                                                                     | <u>\$ 4,721,632</u> |

**NOTE 14 – GRANT COMMITMENTS**

First 5's commitments to grantees as of June 30, 2023, were as follows:

|                    |                     |
|--------------------|---------------------|
| Cycle Four Funding | <u>\$ 4,721,632</u> |
| Total              | <u>\$ 4,721,632</u> |

**NOTE 15 – PROGRAM EVALUATION**

First 5 spent \$309,917 on program evaluation during the year ended June 30, 2023.

**NOTE 16 – RELATED PARTY TRANSACTIONS**

The required composition of the Board of Commissioners includes members from the County and other local governments, the San Mateo County Superintendent of Schools, and community based organizations which serve children ages 0-5.

First 5 and San Mateo County Behavioral Health and Recovery Services Department have jointly funded the Trauma & Resiliency Informed System Initiatives program through Proposition 63 Mental Health Services Act Prevention and First 5's strategic plan.

**NOTE 16 – RELATED PARTY TRANSACTIONS** (Continued)

Expenditures of leverage funding grant awards from County of San Mateo Departments to First 5 for the year ended June 30, 2023, were as follows:

|                                                                     |                          |
|---------------------------------------------------------------------|--------------------------|
| San Mateo County Behavioral Health and Recovery Services Department | <u>\$ 247,540</u>        |
| Total                                                               | <u><u>\$ 247,540</u></u> |

**NOTE 17 – SUBSEQUENT EVENTS**

First 5 has evaluated subsequent events through October 4, 2023, the date which the financial statements were available to be issued. There were no subsequent events to disclose.

**REQUIRED SUPPLEMENTARY INFORMATION**

**FIRST 5 SAN MATEO COUNTY  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

|                                                                                                        | Original<br>Budget    | Final<br>Budget       | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget |
|--------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|--------------------------------|----------------------------------|
| Revenues:                                                                                              |                       |                       |                                |                                  |
| Tobacco tax                                                                                            | \$ 5,667,051          | \$ 5,129,548          | \$ 5,503,607                   | \$ 374,059                       |
| Investment interest                                                                                    | 84,000                | 134,734               | 303,007                        | 168,273                          |
| Other grants                                                                                           | 661,000               | 1,265,634             | 992,059                        | (273,575)                        |
| <b>Total revenues</b>                                                                                  | <b>6,412,051</b>      | <b>6,529,916</b>      | <b>6,798,673</b>               | <b>268,757</b>                   |
| Expenditures:                                                                                          |                       |                       |                                |                                  |
| Salaries and benefits                                                                                  | 1,664,864             | 1,664,864             | 1,513,243                      | 151,621                          |
| Services and supplies                                                                                  | 447,332               | 447,332               | 303,598                        | 143,734                          |
| Contributions to local projects                                                                        | 6,124,592             | 7,719,537             | 4,721,632                      | 2,997,905                        |
| <b>Total expenditures</b>                                                                              | <b>8,236,788</b>      | <b>9,831,733</b>      | <b>6,538,473</b>               | <b>3,293,260</b>                 |
| <b>Net change in fund balance</b>                                                                      | <b>\$ (1,824,737)</b> | <b>\$ (3,301,817)</b> | 260,200                        | <b>\$ 3,562,017</b>              |
| Fund balance, beginning of year                                                                        |                       |                       | 13,075,335                     |                                  |
| Fund balance, end of year                                                                              |                       |                       | <u>\$ 13,335,535</u>           |                                  |
| Budget to GAAP reconciliation:                                                                         |                       |                       |                                |                                  |
| Actual revenue on a budgetary basis                                                                    |                       |                       | \$ 6,798,673                   |                                  |
| Differences - budget to GAAP                                                                           |                       |                       |                                |                                  |
| For budgetary purposes, investment earnings<br>do not include unrealized gains/(losses) on investments |                       |                       | <u>46,801</u>                  |                                  |
| Total revenues as reported on the statement of<br>revenues, expenditures, and changes in fund balance  |                       |                       | <u>\$ 6,845,474</u>            |                                  |

**FIRST 5 SAN MATEO COUNTY  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2023**

|                                                                                                          | <u>2023</u>  | <u>2022</u> | <u>2021</u>  | <u>2020</u> | <u>2019</u> |
|----------------------------------------------------------------------------------------------------------|--------------|-------------|--------------|-------------|-------------|
| First 5's proportion of the collective net pension liability                                             | 0.13%        | 0.12%       | 0.12%        | 0.12%       | 0.12%       |
| First 5's proportionate share of the collective net pension liability                                    | \$ 1,076,035 | \$ 285,978  | \$ 1,155,541 | \$ 835,370  | \$ 606,419  |
| First 5's covered payroll*                                                                               | 900,918      | 894,380     | 928,408      | 866,146     | 806,833     |
| First 5's proportionate share of the collective net pension liability as a percentage of covered payroll | 119.44%      | 31.97%      | 124.46%      | 96.45%      | 75.16%      |
| Plan fiduciary net position as a percentage of the total pension liability                               | 88.46%       | 98.23%      | 84.46%       | 88.46%      | 89.96%      |
|                                                                                                          | <u>2018</u>  | <u>2017</u> | <u>2016</u>  | <u>2015</u> |             |
| First 5's proportion of the collective net pension liability                                             | 0.11%        | 0.11%       | 0.11%        | 0.10%       |             |
| First 5's proportionate share of the collective net pension liability                                    | \$ 663,743   | \$ 770,981  | \$ 516,749   | \$ 409,823  |             |
| First 5's covered payroll*                                                                               | 808,645      | 756,154     | 598,404      | 623,983     |             |
| First 5's proportionate share of the collective net pension liability as a percentage of covered payroll | 82.08%       | 101.96%     | 86.35%       | 65.68%      |             |
| Plan fiduciary net position as a percentage of the total pension liability                               | 87.49%       | 83.25%      | 87.53%       | 88.88%      |             |

The schedule presents information to illustrate changes in First 5's proportionate share of the net pension liability over a ten year period when the information is available.

\*In accordance with GASB Statement No. 82, covered payroll is the payroll on which contributions are based. Thus, these amounts may be different than shown in fiscal year ended 2016 and earlier reports.

**FIRST 5 SAN MATEO COUNTY  
SCHEDULE OF FIRST 5'S CONTRIBUTIONS – PENSION PLAN  
FOR THE YEAR ENDED JUNE 30, 2023**

|                                                                      | <u>2023</u>    | <u>2022</u>    | <u>2021</u>    | <u>2020</u>    | <u>2019</u>    |
|----------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Contractually required contribution                                  | \$ 290,383     | \$ 279,876     | \$ 268,432     | \$ 235,766     | \$ 228,829     |
| Contributions in relation to the contractually required contribution | <u>290,383</u> | <u>279,876</u> | <u>268,432</u> | <u>235,766</u> | <u>228,829</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| Covered payroll*                                                     | \$ 973,470     | \$ 900,918     | \$ 894,380     | \$ 928,408     | \$ 866,146     |
| Contributions as a percentage of covered payroll                     | 29.83%         | 31.07%         | 30.01%         | 25.39%         | 26.42%         |
|                                                                      | <u>2018</u>    | <u>2017</u>    | <u>2016</u>    | <u>2015</u>    | <u>2014</u>    |
| Contractually required contribution                                  | \$ 198,644     | \$ 176,870     | \$ 182,614     | \$ 170,517     | \$ 204,061     |
| Contributions in relation to the contractually required contribution | <u>198,644</u> | <u>176,870</u> | <u>182,614</u> | <u>170,517</u> | <u>204,061</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| Covered payroll*                                                     | \$ 806,833     | \$ 808,645     | \$ 756,154     | \$ 598,404     | \$ 623,983     |
| Contributions as a percentage of covered payroll                     | 24.62%         | 21.87%         | 24.15%         | 28.50%         | 32.70%         |

The schedule presents information to illustrate changes in First 5's contributions over a ten year period when the information is available.

\*In accordance with GASB Statement No. 82, covered payroll is the payroll on which contributions are based for the fiscal year in which the expenditure was incurred. Thus, these amounts may be different than shown in fiscal year ended 2016 and earlier reports.

**FIRST 5 SAN MATEO COUNTY  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET)  
FOR THE YEAR ENDED JUNE 30, 2023**

|                                                                                                               | <u>2023</u>  | <u>2022</u>  | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---------------------------------------------------------------------------------------------------------------|--------------|--------------|-------------|-------------|-------------|-------------|
| First 5's proportion of the collective net OPEB liability/(asset)                                             | 0.14%        | 0.40%        | 0.40%       | 0.38%       | 0.14%       | 0.14%       |
| First 5's proportionate share of the collective net OPEB liability/(asset)                                    | \$ (212,881) | \$ (303,083) | \$ 16,047   | \$ 171,704  | \$ 145,618  | \$ 126,906  |
| First 5's covered payroll                                                                                     | 900,918      | 894,380      | 928,408     | 866,146     | 806,833     | 808,645     |
| First 5's proportionate share of the collective net OPEB liability/(asset) as a percentage of covered payroll | -23.63%      | -33.89%      | 1.73%       | 19.82%      | 18.05%      | 15.69%      |
| Plan fiduciary net position as a percentage of the total OPEB liability                                       | 84.32%       | 103.79%      | 85.46%      | 77.47%      | 74.59%      | 75.76%      |

The schedule presents information to illustrate changes in First 5's proportionate share of the net other postemployment benefits (OPEB) liability/(asset) over a ten year period when the information is available.



**FIRST 5 SAN MATEO COUNTY  
SCHEDULE OF FIRST 5'S CONTRIBUTIONS – OPEB  
FOR THE YEAR ENDED JUNE 30, 2023**

|                                                                         | <u>2023</u>   | <u>2022</u>    | <u>2021</u>    | <u>2020</u>    | <u>2019</u>   | <u>2018</u>   |
|-------------------------------------------------------------------------|---------------|----------------|----------------|----------------|---------------|---------------|
| Actuarially determined contribution                                     | \$ 33,989     | \$ 105,697     | \$ 115,537     | \$ 107,097     | \$ 41,808     | \$ 42,808     |
| Contributions in relation to the actuarially<br>determined contribution | <u>33,989</u> | <u>105,697</u> | <u>115,537</u> | <u>107,097</u> | <u>41,808</u> | <u>42,808</u> |
| Contribution deficiency (excess)                                        | <u>\$ -</u>   | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>   | <u>\$ -</u>   |
| Covered payroll*                                                        | \$ 973,470    | \$ 900,918     | \$ 894,380     | \$ 928,408     | \$ 866,146    | \$ 806,833    |
| Contributions as a percentage<br>of covered payroll                     | 3.49%         | 11.73%         | 12.92%         | 11.54%         | 4.83%         | 5.31%         |

The schedule presents information to illustrate changes in First 5's contributions over a ten year period when the information is available.

\*Covered payroll is the payroll on which contributions are based for the fiscal year in which the expenditure was incurred.

**FIRST 5 SAN MATEO COUNTY**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

|                                                                         | 2023                  | 2022                | 2021              | 2020              | 2019              | 2018              |
|-------------------------------------------------------------------------|-----------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| Total OPEB Liability                                                    |                       |                     |                   |                   |                   |                   |
| Service cost                                                            | \$ (45,125)           | \$ 273,194          | \$ 4,480          | \$ 59,957         | \$ 22,343         | \$ 23,857         |
| Interest on total OPEB liability                                        | (72,663)              | 502,827             | 7,505             | 103,589           | 36,012            | 40,073            |
| Effect of plan changes                                                  | 19,377                | -                   | -                 | -                 | -                 | -                 |
| Effect of economic/demographic gains or losses                          | (30,620)              | (487,652)           | (386)             | (753)             | 6,033             | (22,665)          |
| Effect of assumptions changes or inputs                                 | (46,635)              | 156,432             | (9,187)           | 2,007             | 13,628            | (73,676)          |
| Benefit payments                                                        | 71,956                | (437,561)           | (6,036)           | (84,336)          | (28,646)          | (30,731)          |
| Change in employers' proportionate share                                | (9,248,803)           | 7,877,180           | (648,309)         | 108,877           | -                 | -                 |
| Net change in total OPEB liability                                      | (9,352,513)           | 7,884,420           | (651,933)         | 189,341           | 49,370            | (63,142)          |
| Total OPEB liability, beginning                                         | 7,994,748             | 110,328             | 762,261           | 572,920           | 523,550           | 586,692           |
| Total OPEB liability, ending (a)                                        | <u>\$ (1,357,765)</u> | <u>\$ 7,994,748</u> | <u>\$ 110,328</u> | <u>\$ 762,261</u> | <u>\$ 572,920</u> | <u>\$ 523,550</u> |
| Plan Fiduciary Net Position                                             |                       |                     |                   |                   |                   |                   |
| Employer contributions                                                  | \$ (80,956)           | \$ 561,261          | \$ 7,622          | \$ 110,715        | \$ 35,360         | \$ 42,808         |
| Net investment income                                                   | 165,079               | 1,352,116           | 4,456             | 80,395            | 24,148            | 26,522            |
| Benefit payments                                                        | 71,956                | (437,561)           | (6,036)           | (84,336)          | (28,646)          | (30,731)          |
| Administrative expenses                                                 | 633                   | (3,719)             | (44)              | (563)             | (204)             | (178)             |
| Change in employers' proportionate share                                | (9,599,427)           | 6,731,453           | (502,274)         | 57,044            | -                 | -                 |
| Net change in plan fiduciary net position                               | (9,442,715)           | 8,203,550           | (496,276)         | 163,255           | 30,658            | 38,421            |
| Plan fiduciary net position, beginning                                  | 8,297,831             | 94,281              | 590,557           | 427,302           | 396,644           | 358,223           |
| Plan fiduciary net position, ending (b)                                 | <u>\$ (1,144,884)</u> | <u>\$ 8,297,831</u> | <u>\$ 94,281</u>  | <u>\$ 590,557</u> | <u>\$ 427,302</u> | <u>\$ 396,644</u> |
| Net OPEB liability/(asset) (a)-(b)                                      | <u>\$ (212,881)</u>   | <u>\$ (303,083)</u> | <u>\$ 16,047</u>  | <u>\$ 171,704</u> | <u>\$ 145,618</u> | <u>\$ 126,906</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 84.32%                | 103.79%             | 85.46%            | 77.47%            | 74.58%            | 75.76%            |
| Covered payroll                                                         | \$ 900,918            | \$ 894,380          | \$ 928,408        | \$ 866,146        | \$ 806,833        | \$ 808,645        |
| Net OPEB liability/(asset) as a percentage of covered payroll           | -23.63%               | -33.89%             | 1.73%             | 19.82%            | 18.05%            | 15.69%            |

The schedule presents information to illustrate changes in First 5's changes in the net OPEB liability/(asset) over a ten year period when the information is available.

**COMPLIANCE SECTION**



**INDEPENDENT AUDITOR'S 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 Board of Commissioners  
 First 5 San Mateo County  
 San Mateo, California

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 the governmental activities and the major fund of First 5 San Mateo County (First 5), a discretely presented component unit of the County of San Mateo, California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise First 5's basic financial statements, and have issued our report thereon dated October 4, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered First 5'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of First 5's internal control. Accordingly, we do not express an opinion on the effectiveness of First 5'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 First 5'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 First 5'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 First 5's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering First 5's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California  
October 4, 2023



## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

To the Board of Commissioners  
 First 5 San Mateo County  
 San Mateo, California

### Report on Compliance

#### Opinion

We have audited First 5 San Mateo County's (First 5) compliance with the requirements specified in the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to First 5's statutory requirements identified below for the year ended June 30, 2023.

In our opinion, First 5 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2023.

#### Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of First 5 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 opinion. Our audit does not provide a legal determination of First 5'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 the California Children and Families Program.

#### Auditor's 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 First 5'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 GAAS, *Government Auditing Standards*, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* 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. 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 First 5's compliance with the requirements of the California Children and Families Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, 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 First 5's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of First 5'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 State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, but not for the purpose of expressing an opinion on the effectiveness of First 5's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine First 5's compliance with the state laws and regulations applicable to the following items:

| <u>Description</u>                    | <u>Audit Guide<br/>Procedures</u> | <u>Procedures<br/>Performed</u> |
|---------------------------------------|-----------------------------------|---------------------------------|
| Contracting and Procurement           | 6                                 | Yes                             |
| Administrative Costs                  | 3                                 | Yes                             |
| Conflict-of-Interest                  | 3                                 | Yes                             |
| County Ordinance                      | 4                                 | Yes                             |
| Long-Range Financial Plans            | 2                                 | Yes                             |
| Financial Condition of the Commission | 1                                 | Yes                             |
| Program Evaluation                    | 3                                 | Yes                             |
| Salaries and Benefit Policies         | 2                                 | Yes                             |

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 identify during the audit.

### **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 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 a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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.

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 State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California  
October 4, 2023



**Date:** October 23, 2023  
**To:** First 5 San Mateo County Commission  
**From:** Kitty Lopez, Executive Director  
**Re:** Approval of First 5 San Mateo County's FY 2022-23 Annual Program Report and Submission to First 5 California

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## **BACKGROUND**

As part of First 5 California's (F5CA) Annual Report requirements, all First 5 County Commissions provide detailed information on fiscal and programmatic progress to the First 5 State Commission each year. Client data and program expenditure information from the First 5 San Mateo County (F5SMC) Annual Report for FY 2022-23 will be presented at today's meeting.

The State Commission expenditure and service categories are structured to emphasize the types of organizations that receive First 5 funding and to gather some limited information on evidence-based assessments and service models in use across the state. The State requests that county commissions provide an estimate of the unduplicated count of clients served, in addition to service counts by type of program.

## **CONSIDERATIONS**

- F5SMC's Annual Report to First 5 California summarizes our annual activities in the format required by the State Commission. The report includes Finance, Evaluation, and Funded Strategy information on all First 5 San Mateo County projects.
- F5SMC is required to report fiscal and programmatic information based on F5CA's four Service Result Areas: Child Development, Child Health, Family Functioning, and Improved Systems of Care.
- The F5SMC Service Result Areas reports, County Highlights, and Evaluation Narrative are attached to this memo (**See Attachments: 8A AR1 Report FY 22-23, 8B AR2 Report FY 22-23, and 8C AR3 Report FY 22-23**).
- The financial information included in this report was developed based on our annual audit.
- Each County Commission's Annual Report is required to be submitted through the F5 California reporting portal by midnight on October 31, 2023.

## **FISCAL IMPACT**

None.

## **RECOMMENDATION**

Approve First 5 San Mateo County's FY 2022-23 Annual Program Report and Submission to First 5 California.



**Annual Report AR-1**  
**San Mateo Revenue and Expenditure Summary**  
**July 1, 2022 - June 30, 2023**

## Revenue Detail

| Category                                                                                                                                                                                                                                                                        | Amount             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>Tobacco Tax Funds</b>                                                                                                                                                                                                                                                        | \$4,991,616        |
| <b>First 5 IMPACT 2020 Funds</b>                                                                                                                                                                                                                                                | \$477,491          |
| <b>Small Population County Augmentation Funds</b>                                                                                                                                                                                                                               | \$0                |
| <b>Home Visiting Coordination Funds</b>                                                                                                                                                                                                                                         | \$34,500           |
| <b>Refugee Family Support Funds</b>                                                                                                                                                                                                                                             | \$0                |
| <b>Other First 5 California Funds</b>                                                                                                                                                                                                                                           | \$71,878           |
| <b>Other First 5 California Funds Description</b><br>Impact HUB Grant                                                                                                                                                                                                           |                    |
| <b>Other Public Funds</b>                                                                                                                                                                                                                                                       | \$534,641          |
| <b>Other Public Funds Description</b><br>Mental Health Services Act - Prop 63: \$247,540; Children's Health Initiative Refund: \$286,053; Wellness Grant: \$1,048;                                                                                                              |                    |
| <b>Donations</b>                                                                                                                                                                                                                                                                | \$0                |
| <b>Revenue From Interest Earned</b>                                                                                                                                                                                                                                             | \$303,007          |
| <b>Grants</b>                                                                                                                                                                                                                                                                   | \$385,540          |
| <b>Grants Description</b><br>Special Needs Grant - Sequoia Healthcare District: \$281,224; Help Me Grow Call Center Grant - Peninsula Healthcare District: \$50,000; Mental Health Grant: \$48,559; ECE Advisory Grant: \$500; SMC Children's Success Planning Project: \$5,257 |                    |
| <b>Other Funds</b>                                                                                                                                                                                                                                                              | \$0                |
| <b>Other Funds</b>                                                                                                                                                                                                                                                              |                    |
| <b>Total Revenue</b>                                                                                                                                                                                                                                                            | <b>\$6,798,673</b> |

## Improved Family Functioning

| Service                  | Grantee                                          | Program(s)                                                                                                                                                                                                                                                                                                 | Children | Caregivers | Providers | Amount             |
|--------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|-----------|--------------------|
| General Family Support   | Resource and Referral Agency (COE or Non-Profit) | <ul style="list-style-type: none"> <li>Not Applicable (Parent Advocacy Training)</li> </ul>                                                                                                                                                                                                                | 0        | 6          | 0         | \$3,176            |
| General Family Support   | County Office of Education/School District       | <ul style="list-style-type: none"> <li>Not Applicable (Family Engagement Systems Building; Practitioner and Provider Trainings)</li> </ul>                                                                                                                                                                 | 0        | 0          | 213       | \$91,467           |
| General Family Support   | CBO/Non-Profit                                   | <ul style="list-style-type: none"> <li>Not Applicable (Father Cafes; Family Engagement Credential for providers; online parent training and support sessions)</li> </ul>                                                                                                                                   | 0        | 370        | 10        | \$44,668           |
| Intensive Family Support | CBO/Non-Profit                                   | <ul style="list-style-type: none"> <li>Not Applicable (Mental Health Home Visiting and Parents as Teachers)</li> </ul>                                                                                                                                                                                     | 69       | 64         | 0         | \$178,820          |
| Intensive Family Support | Child Care Centers                               | <ul style="list-style-type: none"> <li>Not Applicable (Parent-participation child care centers with wrap-around services including: mental health treatment, developmental playgroups, and parent education; serving low-income and homeless children and their families)</li> <li>Triple P 4-5</li> </ul> | 325      | 413        | 0         | \$359,999          |
| <b>Total</b>             |                                                  |                                                                                                                                                                                                                                                                                                            |          |            |           | <b>\$1,172,012</b> |

| Service                           | Grantee                   | Program(s)                                                                                                                                                                                                                                                   | Children | Caregivers | Providers | Amount             |
|-----------------------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|-----------|--------------------|
| Intensive Family Support          | CBO/Non-Profit            | <ul style="list-style-type: none"> <li>Not Applicable (Mental Health services and wrap-around support for families experiencing domestic violence)</li> </ul>                                                                                                | 54       | 48         | 0         | \$364,440          |
| Intensive Family Support          | Family Resource Center    | <ul style="list-style-type: none"> <li>Not Applicable (Parent-participation toddler center with wrap-around services including: parent education and support groups, resource and referral, mental health support, parent-infant playgroups, and)</li> </ul> | 11       | 18         | 10        | \$94,442           |
| Family Literacy and Book Programs | First 5 County Commission | <ul style="list-style-type: none"> <li>Kit for New Parents</li> </ul>                                                                                                                                                                                        | 0        | 1271       | 0         | \$35,000           |
| <b>Total</b>                      |                           |                                                                                                                                                                                                                                                              |          |            |           | <b>\$1,172,012</b> |

## Improved Child Development

| Service                         | Grantee                                          | Program(s)                                                                                                                                                                                                                                                                            | Children | Caregivers | Providers    | Amount             |
|---------------------------------|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|--------------|--------------------|
| Quality Early Learning Supports | Resource and Referral Agency (COE or Non-Profit) | <ul style="list-style-type: none"> <li>• Not Applicable (IMPACT)</li> <li>• Quality Counts California</li> </ul>                                                                                                                                                                      | 45       | 76         | 303          | \$323,520          |
| Quality Early Learning Supports | CBO/Non-Profit                                   | <ul style="list-style-type: none"> <li>• Not Applicable (Early Childhood Mental Health Consultation)</li> <li>• Quality Counts California</li> </ul>                                                                                                                                  | 101      | 24         | 75           | \$110,000          |
| Quality Early Learning Supports | CBO/Non-Profit                                   | <ul style="list-style-type: none"> <li>• Not Applicable (Family Child Care Home Association: Provider support and training)</li> <li>• Quality Counts California</li> </ul>                                                                                                           | 0        | 0          | 377          | \$27,749           |
| Quality Early Learning Supports | Child Care Centers                               | <ul style="list-style-type: none"> <li>• Not Applicable (Wrap-around support for low-income families with children enrolled at the child care center, including mental health support, parent-child playgroups, and parent education)</li> <li>• Quality Counts California</li> </ul> | 81       | 102        | 0            | \$103,212          |
| Quality Early Learning Supports | County Office of Education/School District       | <ul style="list-style-type: none"> <li>• Not Applicable (IMPACT and IMPACT Hub)</li> <li>• Quality Counts California</li> </ul>                                                                                                                                                       | 0        | 0          | 628          | \$1,018,060        |
|                                 |                                                  |                                                                                                                                                                                                                                                                                       |          |            | <b>Total</b> | <b>\$1,582,541</b> |

## Improved Child Health

| Service                             | Grantee              | Program(s)                                                                                                                                                                                                                                                                                                 | Children | Caregivers | Providers | Unique Families | Amount             |
|-------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|-----------|-----------------|--------------------|
| Oral Health Education and Treatment | CBO/Non-Profit       | <ul style="list-style-type: none"> <li>Other - Describe county commission local efforts</li> </ul>                                                                                                                                                                                                         | 1688     | 523        | 0         | 0               | \$54,075           |
| Oral Health Education and Treatment | Hospital/Health Plan | <ul style="list-style-type: none"> <li>Other - Describe county commission local efforts</li> </ul>                                                                                                                                                                                                         | 692      | 0          | 0         | 0               | \$48,628           |
| Early Intervention                  | Hospital/Health Plan | <ul style="list-style-type: none"> <li>Care Coordination and Linkage</li> <li>Not Applicable (Help Me Grow; Provider Outreach and Training)</li> </ul>                                                                                                                                                     | 120      | 0          | 244       | 0               | \$207,224          |
| Early Intervention                  | CBO/Non-Profit       | <ul style="list-style-type: none"> <li>Care Coordination and Linkage</li> <li>Developmental Playgroups</li> <li>Mild-to-Moderate Supports</li> <li>Not Applicable (Help Me Grow; Parent education and support groups; outreach and marketing; provider training and TA; legal support services)</li> </ul> | 1202     | 3261       | 677       | 0               | \$738,312          |
|                                     |                      |                                                                                                                                                                                                                                                                                                            |          |            |           | <b>Total</b>    | <b>\$1,048,239</b> |

## Improved Systems Of Care

| Service                    | Grantee                                          | Program(s)                                                                                                                                                                                                                             | Amount             |
|----------------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Policy and Public Advocacy | Resource and Referral Agency (COE or Non-Profit) | <ul style="list-style-type: none"> <li>• Early Learning</li> <li>• Not Applicable (Build Up for SMC Kids Early Learning Facilities Project)</li> <li>• Resilient Families and Communities</li> <li>• Revenue Sustainability</li> </ul> | \$150,193          |
| Policy and Public Advocacy | Research/Consulting Firm                         | <ul style="list-style-type: none"> <li>• Not Applicable (Communications and Planning)</li> </ul>                                                                                                                                       | \$120,930          |
| Policy and Public Advocacy | Research/Consulting Firm                         | <ul style="list-style-type: none"> <li>• Child Health</li> </ul>                                                                                                                                                                       | \$16,031           |
| Policy and Public Advocacy | Research/Consulting Firm                         | <ul style="list-style-type: none"> <li>• Early Learning</li> <li>• Not Applicable (Child Care Needs Assessment and Associated Research Efforts)</li> </ul>                                                                             | \$33,499           |
| Systems Building           | Research/Consulting Firm                         | <ul style="list-style-type: none"> <li>• Trauma-Informed Care/ACES</li> </ul>                                                                                                                                                          | \$208,325          |
| Systems Building           | Research/Consulting Firm                         | <ul style="list-style-type: none"> <li>• Family Resiliency</li> </ul>                                                                                                                                                                  | \$50,000           |
| Systems Building           | Research/Consulting Firm                         | <ul style="list-style-type: none"> <li>• Early Identification and Intervention</li> </ul>                                                                                                                                              | \$94,650           |
| Systems Building           | First 5 County Commission                        | <ul style="list-style-type: none"> <li>• Early Identification and Intervention</li> <li>• Family Resiliency</li> <li>• Health Systems</li> <li>• Trauma-Informed Care/ACES</li> </ul>                                                  | \$546,502          |
| <b>Total</b>               |                                                  |                                                                                                                                                                                                                                        | <b>\$1,220,130</b> |



## Expenditure Details

| Category                                              | Amount      |
|-------------------------------------------------------|-------------|
| Program Expenditures                                  | \$5,022,922 |
| Administrative Expenditures                           | \$1,158,833 |
| Evaluation Expenditures                               | \$309,917   |
| Total Expenditures                                    | \$6,491,672 |
| Excess (Deficiency) Of Revenues Over (Under) Expenses | \$307,001   |

## Other Financing Details

| Category                             | Amount     |
|--------------------------------------|------------|
| Sale(s) of Capital Assets            | \$0        |
| Other                                | \$0        |
| <b>Total Other Financing Sources</b> | <b>\$0</b> |

## Net Change in Fund Balance

| <b>Category</b>            | <b>Amount</b> |
|----------------------------|---------------|
| Fund Balance - Beginning   | \$13,075,335  |
| Fund Balance - Ending      | \$13,382,336  |
| Net Change In Fund Balance | \$307,001     |

## Fiscal Year Fund Balance

| <b>Category</b>    | <b>Amount</b> |
|--------------------|---------------|
| Nonspendable       | \$0           |
| Restricted         | \$0           |
| Committed          | \$4,696,584   |
| Assigned           | \$8,685,752   |
| Unassigned         | \$0           |
| Total Fund Balance | \$13,382,336  |

## Expenditure Note

No data entered for this section as of 10/12/2023 3:03:15 PM.



**Annual Report AR-2**  
**San Mateo Demographic Worksheet**  
**July 1, 2022 - June 30, 2023**

**Population Served**

| <b>Category</b>                                 | <b>Number</b> |
|-------------------------------------------------|---------------|
| Children Less than 3 Years Old                  | 1,045         |
| Children from 3rd to 6th Birthday               | 1,156         |
| Children – Ages Unknown (birth to 6th Birthday) | 2,185         |
| Primary Caregivers                              | 4,889         |
| Providers                                       | 2,359         |
| <b>Total Population Served</b>                  | <b>11,634</b> |

## Primary Languages Spoken in the Home

| Category                                                   | Number of Children | Number of Primary Caregivers |
|------------------------------------------------------------|--------------------|------------------------------|
| English                                                    | 1,219              | 1,504                        |
| Spanish                                                    | 931                | 1,204                        |
| Cantonese                                                  | 16                 | 13                           |
| Mandarin                                                   | 20                 | 14                           |
| Korean                                                     | 1                  | 3                            |
| Other - Specify with text box<br>Tagalog                   | 1                  | 1                            |
| Other - Specify with text box<br>Bilingual English/Spanish | 183                | 143                          |
| Other - Specify with text box<br>Other                     | 41                 | 59                           |
| Unknown                                                    | 1,974              | 1,948                        |
| <b>Totals</b>                                              | <b>4,386</b>       | <b>4,889</b>                 |

## Race/Ethnicity of Population Served

| Category                                  | Number of Children | Number of Primary Caregivers |
|-------------------------------------------|--------------------|------------------------------|
| Alaska Native/American Indian             | 5                  | 3                            |
| Asian                                     | 289                | 303                          |
| Black/African-American                    | 44                 | 24                           |
| Hispanic/Latino                           | 1,250              | 808                          |
| Native Hawaiian or Other Pacific Islander | 21                 | 18                           |
| White                                     | 260                | 236                          |
| Two or more races                         | 67                 | 54                           |
| Other – Specify with text box<br>Other    | 72                 | 75                           |
| Unknown                                   | 2,378              | 3,368                        |
| <b>Totals</b>                             | <b>4,386</b>       | <b>4,889</b>                 |

# Duplication Assessment

| Category                      | Data                                                                                                                                                                                                                  |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Degree of Duplication         | 10%                                                                                                                                                                                                                   |
| Confidence in Data            | Somewhat confident                                                                                                                                                                                                    |
| Additional Details (Optional) | Past formal duplication assessments have found rates of 2-11%. Digital outreach touches are not included in deduplicated service numbers. Kits for New Parents are also not included in deduplicated service numbers. |

**First 5 San Mateo County FY 2022-23 Annual Report to F5 California****Evaluation Summary**

Trauma-Informed Organizational Practices Assessment: This year we conducted the baseline administration of our Trauma-Informed Organizational Practices Assessment (TIOA) for three large, public-facing County agencies working with children and families most in need of support. The TIOA helps agencies examine whether their internal policies, procedures, and working environments are trauma-informed. The assessment can be completed by staff at all levels and in all roles within the organization.

The domains are:

- Safety
- Trustworthiness & Transparency
- Peer Support
- Collaboration & Mutuality
- Empowerment, Voice, & Choice
- Cultural, Historical, Race, & Gender Awareness
- Administrative & Policy Support

More than 445 County staff completed the TIOA.

- 54% of respondents are direct service staff.
- 30% are supervisors.
- 32% have been at their agency for 3 years or less; 33% for 4-9 years, and 36% for 10 or more years.
- 69% identified as Black, Indigenous, or Person of Color.
- 45% reported growing up in a home where a language other than English was spoken.
- Almost half (48%) reported being first- or second-generation immigrants.

Overall, respondents report relatively high scores for their agencies on the TIOA, which is rated on a 4-point scale with 1 being the lowest score (less trauma-informed) and 4 being the highest (more trauma-informed).

- The overall average score was 2.9.
- The lowest score in Empowerment, Voice, & Choice was 2.75
- The highest scores of 3.05 were in Safety and in Cultural, Historical, Race, & Gender Awareness.

Findings from subgroup analyses include:

- A pattern where staff at lower levels in the organizational hierarchy report higher scores (i.e. they perceive the organization to be more trauma-informed).
- Staff with shorter tenures and those with more than 10 years tend to report higher scores than those with intermediate tenures.
- Supervisors report lower scores than staff without supervisory responsibilities.



- Respondents perceive that their organizations do a better job of implementing trauma- and resilience-informed environments and practices for clients than they do for staff.

Agency-specific results are being used to guide internal agency efforts to nurture a more trauma-informed work environment for staff. Participating agencies are identifying areas of challenge and developing plans to improve their practices. Agency leadership has held listening sessions to hear staff reactions to the TIOA results, and some have created workgroups to address secondary traumatic stress and to examine internal policies and practices identified through the TIOA as needing improvement. Agencies are receiving trauma-informed organizational coaching to support these efforts.

Partner Organization Interviews on Diversity, Equity, Inclusion, and Belonging: In order to better understand how our funded partners support diversity, equity, inclusion and belonging (DEIB) for the clients they serve, we conducted Key Informant Interviews. Participants were 28 executive-level staff from 24 agencies; 15 agencies serving children/families; 2 agencies serving providers who support children/families; and 7 agencies providing consultant services.

Common DEIB Practices among Partner Agencies:

- Communications and Outreach: 92% use the languages preferred by their clients and employ bilingual, bicultural, and culturally-competent staff
- Leadership: 88% report diverse agency leadership and that agency leaders champion DEIB principles and practices
- Data Collection and Evaluation: 88% report collecting data that allows for evaluating programs by characteristics relevant to DEIB such as race/ethnicity, home language, or child's disability
- Internal Efforts: 83% report training staff on DEIB principles and practices or having policies related to DEIB
- Funding: 79% report allocating resources towards DEIB efforts

Common Challenges:

- 50% report difficulties hiring and retaining culturally competent staff, providing services in a culturally relevant manner, or supporting clients with different disabilities.
- 29% report that service delivery aspects such as business hours, locations, or transportation impede their ability to offer inclusive services in an equitable manner
- 25% report that program eligibility criteria, insurance coverage, or cost result in less equitable and inclusive services

**DATE:** October 23, 2023  
**TO:** First 5 San Mateo County Commission  
**FROM:** Kitty Lopez, Executive Director  
**RE:** Approval of San Mateo County Office of Education Contract – First 5 California IMPACT Legacy Initiative in the Amount of \$581,344 with a term of August 1, 2023, through June 30, 2025

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**ACTION REQUESTED**

Approval of San Mateo County Office of Education Contract – First 5 California IMPACT Legacy Initiative in the Amount of \$581,344 with a term of August 1, 2023, through June 30, 2025.

**BACKGROUND**

- At its May 26<sup>th</sup>, June 26<sup>th</sup> and July 24<sup>th</sup>, 2023 meetings, the Commission approved grants for continued funding in all Focus Area Strategies in alignment with the approved Strategic Plan for the final two years of the Commission’s five-year Strategic Plan (23-25). Community investments (\$3.780M per year) for strategic plan implementation in Quality Care and Education, Healthy Children, Resilient Families and Policy- Advocacy Communications focus area were approved in accordance with the approved Long-Term Financial Plan (LTFP).
- The community investment funding (\$3.780M per year) does not include external braided or leveraged funding to support grant activities.
- Funding for the agreement approval today is a grant award from First 5 California IMPACT Legacy (FY 23-25) and is a continuation of early learning quality improvement strategies approved in our strategic plan for Quality Care and Education.
- F5CA IMPACT Legacy is a comprehensive, statewide effort to enhance the quality of early learning and care environments, with a focus on addressing the needs of the whole child, including health, child development, and family strengthening. The statewide effort is a joint effort between California Department of Education (CDE), Departments of Social Services (DSS) and F5CA and builds upon years of quality improvement systems initiatives. Match funding is required.
- F5CA IMPACT priority populations: programs/early educators serving infants and toddlers, children who are multilingual learners, children in foster care, families who are unhoused, children with special needs, tribal, refugee/newcomer families, migrant families, and rural/isolated communities.
- Locally, IMPACT is implemented through SMCOE-Quality Counts SMC(QCSMC) and is guided by a SMC consortium, with fiscal, training, infrastructure standards, data reporting activities and policy work at the regional and state level. F5SMC serves as back bone support lead and SMCOE is lead implementer.
- The SMC consortium effectively braids state and local funding opportunities for quality improvement into one system and is co-led by SMCOE, F5SMC and the 4C’s Childcare Coordinating Council. The Child Care Partnership Council acts as the consortium advisory body.
- Leveraged funding from F5SMC and CDE funded grants, allows this local IMPACT grant (FY23-25) to support primarily Family Child Care Center (FCC) homes and workforce incentives for center-based and FCC educators. The Early Childhood and Inclusion Project (EQ+IP), funded by F5SMC, fills in the gaps for comprehensive Quality Incentives (QI) Improvement supports (i.e., family engagement, early childhood mental health consultation, multi-language learners, special needs/inclusion supports and SMC Family Child Care Association etc.) SMCOE’s Workforce Pathways grants provides additional supports for career pathways and stipends. Over \$2.5M annually is leveraged, braided, or matched for QI.

**RESULT OF CONTRACT NEGOTIATIONS**

The F5CA RFA for IMPACT Legacy was released on May 1, 2023, and due June 12, 2023. Funding was announced subsequently and released for local grant execution to begin August 1, 2023. Contract negotiations with SMCOE were successful and resulted in the following:

- Scope of Work: The Scope of Work (SOW) includes administrative, and implementation supports for quality improvement activities (i.e., incentives, stipends, and grants disbursements), Quality Counts San Mateo, QCSMC Coordinator/Coordination, and IMPACT. Sub-contractor 4C's-Childcare Coordinating Council, provides coaching, technical assistance, and incentives for Family Child Care Center's/Homes.
- The primary goal of IMPACT is to ensure that all of SMC's most vulnerable young children (infants and toddlers) have access to high quality early learning and care programs that use proven strategies to support and prepare them for success in school and life.
- The grant prioritizes the outreach and retaining of licensed and license-exempt family childcare homes, as well as center-based and alternative setting programs serving infants and toddlers. Leveraged funds for IMPACT expands access to programs serving children with varying abilities and multi-language learners.
- Budget Request and Budget Narrative: The budget structure supports administration and implementation supports for IMPACT (Quality Counts SMC). A local budget reduction of approximately 20% (from F5CA IMPACT FY 20-23) has occurred most likely due to F5CA changing the state and regional administration, grants management, and regional coordination infrastructure.

**RECOMMENDATION FOR FUNDING**

The table below reflects today's two-year funding recommendation for San Mateo County Office of Education – IMPACT Legacy Initiative. Please see Exhibit A (**Attachment #9.1**) for a summary description of the project and key deliverables. For budget information please see the Budget Request and Budget Narrative Forms (**Attachment #9.2**).

| Agency & Program                                              | Year 1 Budget Amount*                                  | (County-wide Supports)                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| San Mateo County Office of Education-IMPACT Legacy Initiative | \$84,000 (SMCOE)<br><br>\$206,116 (4Cs – Sub-contract) | <ul style="list-style-type: none"> <li>• 24-73 Family Child Care Centers/Homes</li> <li>• Coaching and QI Navigator</li> <li>• Quality Improvement Incentives</li> <li>• 300 Providers Stipends for Professional Development</li> <li>• 186 Center-based Programs-Coordination Support</li> <li>• Consortium co-lead and Lead Implementer</li> <li>• Data Collection and Reporting</li> <li>• 4C's: Sub-contractor</li> </ul> |
| <b>One Year Contract Total</b>                                | <b>\$290,672*</b>                                      |                                                                                                                                                                                                                                                                                                                                                                                                                               |

\* Year 1 Budget Amount corresponds with the attached FY 23/24 Budget, (Attachment #9.2).

**CONSIDERATIONS**

- F5CA IMPACT total funding for local implementation is \$721,344 and requires a 3:1 match or \$267,165.00. F5SMC's Early Childhood Quality and Inclusion Program (EQ+IP) provides the match funding.
- F5SMC's retains approximately 19% or \$140,000 for co-leading, backbone support, regional/state activities, and indirect costs. The remaining \$581,344 is the grant amount to SMCOE.
- F5 San Benito is Region 4 fiscal lead agency and F5SMC's grantor agency for IMPACT.

**FISCAL IMPACT**

The recommended award to San Mateo County Office of Education – First 5 California IMPACT Legacy Initiative is \$581,344. The award is in accordance with the approved funding allocations of the Strategic Plan Implementation Plan (SPIP) and the Long-Term Financial Plan (LTFP).

**RECOMMENDATION**

Approval of San Mateo County Office of Education Contract – First 5 California IMPACT Legacy Initiative in the Amount of \$581,344 with a term of August 1, 2023, through June 30, 2025.

**AGREEMENT BETWEEN FIRST 5 SAN MATEO COUNTY  
AND  
San Mateo County Office of Education  
(F5CA IMPACT Legacy Initiative)**

**EXHIBIT A**

**SCOPE OF WORK**

Pursuant to the Agreement for Services between First 5 San Mateo County and San Mateo County Office of Education, effective as of August 1, 2023, the Grantee shall provide services as described in this Exhibit A, over the term of this Agreement.

The Grantee commits to align its program with First 5 San Mateo County's strategic approach to collaborate with existing services. In doing so, resources are maximized with the goal of implementing comprehensive and integrated services which support the Commission's adopted Strategic Plan for children and families in San Mateo County, California.

Attachment A-1 to Exhibit A reflects the detailed scope of work for the term of this Agreement. Under this Agreement the Grantee provides administrative support for Quality Counts San Mateo County coordination and oversight of : quality improvement activities including coaching, quality improvement, grants disbursement, professional development opportunities, and stipends for Family Child Care Centers. Oversees sub-contract grant to 4C's Childcare Coordinating Council who provides coaching technical assistance to and incentives Family Child Care Center's/Homes.

**Project Services**

1. Supports all the QCSM Coordinator's administrative and implementation needs for IMPACT, Quality Counts SMC, data collection and reporting, Consortia co-lead, regional and state activities.
2. Management of Multiple funding sources for Quality Improvement (QI) activities
3. QI incentive disbursement to participating sites and family childcare centers.
4. Professional Development opportunities
5. Oversight of Sub-contractor 4C's Child Care Coordinating Council. 4C's provides technical assistance and coaching to Quality Counts participating centers that accept CAPP or CalWORKs vouchers. Incentives to participating Family Child Care Home providers.
6. F5SMC Standard Activities
  - a. Distribute the First 5 Kit for New Parents to your clients as appropriate.
  - b. Participate in F5SMC Grantee convenings, trainings, and other collaborative efforts.
  - c. Place F5SMC Tobacco-Free Premises placard in a prominent area where in-person services take place; notify virtual clientele of tobacco-free physical environment by posting on website and/or other virtual means.
  - d. Make tobacco education and cessation resources available to agency staff and those served by the agency, using the Kick-it California link and resources; include the Kick-it California link on the agency website (<https://kickitca.org>).
  - e. Report on this grant using Persimmony, the F5SMC online grant-management system. (Information available on the F5SMC website/Grantee Resources - Password: grant33)
7. F5SMC Standard Communications
  - a. Distribute F5SMC materials to project clients and at community events.
  - b. Recognize F5SMC by placing the F5SMC logo and/or the phrase "Funding provided by First 5 San Mateo County" in your agency's annual report, public education materials, outreach materials, website, media communications, presentations and papers on work funded (wholly or in part) by F5SMC.

- c. Proactively notify clientele receiving F5SMC services (whether virtual or in-person) that the project is funded by F5SMC (this can be accomplished by posting a placard where in-person services take place, utilizing a zoom background that includes the F5SMC logo, listing F5SMC as a funder on the agency website, etc.)
- d. Participate as able in relevant social media advocacy and resource sharing.

#### 8. F5SMC Standard Evaluation

- a. Collect individual-level data on clients served and services delivered through your F5SMC-funded programs as required. You may enter this information into Persimmony directly, upload the information into Persimmony from your agency's data system, or provide an export of this information to the F5SMC Research & Evaluation Specialist and/or any Evaluation Consultants working with F5SMC. If your agency administers assessments designed to identify client needs and/or track change over time (e.g. CBCL, PSI, ACES screens, ASQ, ASQ:SE, PEDS, Edinburgh, CES-D) this information should be included in the individual-level data provided to F5SMC.
- b. Administer F5SMC data collection and evaluation tools on clients served as required. These may include: Intake and Follow-Up Surveys, Parent Surveys, Provider Surveys, Satisfaction Surveys, and other surveys designed to evaluate the effectiveness of your F5SMC-funded program.
- c. Participate in F5SMC Systems Level research and evaluation activities as required. This will include completing a survey for a Social Network Analysis of F5SMC partner agencies in San Mateo County, and may also include activities such as key informant interviews, focus groups, and distribution of F5SMC - sponsored surveys to your staff and clients.
- d. Share with F5SMC any evaluation reports, presentations, issue briefs, or position papers developed by your staff or external evaluation consultants using data from your F5SMC-funded activities. These documents can be uploaded into Persimmony as PDFs.
- e. Participate in data collection and evaluation activities such as planning meetings and trainings as required by F5SMC.
- f. Participate in data-sharing and data-linking conversations and projects within San Mateo County as requested.



**First 5 San Mateo County  
BUDGET REQUEST FORM**

Complete this form to show the budget for the **entire** project for the fiscal year. If there are subcontractors or collaborative agency budgets involved, please complete an additional budget request form for each and identify the subcontractor.

|                       |                                                     |
|-----------------------|-----------------------------------------------------|
| Agency Name:          | <b>San Mateo County Office of Education</b>         |
| Program/Project Name: | <b>First 5 California IMPACT Legacy/First 5 SMC</b> |
| Amount of Request:    | <b>\$290,672.00</b>                                 |
| Budget Period:        | <b>08/01/2023-06/30/2024</b>                        |
| Submission Date:      | <b>8/29/2023</b>                                    |

\*\* List Leveraged Amount Available-Non F5SMC funds available to support the project, excluding the amount being requested from the Commission. At the bottom of the form under section VII, please list the funding source for all funds included in this column and any amounts from this column that are not yet secured.

| I. PERSONNEL                      |              |        | FY23-24 Amt Requested<br>A. Quality Improvement | FY23-24 Amt Requested B.<br>Accountability | C.Total Program Budget (A+B) |
|-----------------------------------|--------------|--------|-------------------------------------------------|--------------------------------------------|------------------------------|
| Position Title                    | Salary Range | # FTEs |                                                 |                                            |                              |
| D. Administrative Assistant for A | \$77,928     | 0.600  | \$ 44,146.00                                    |                                            | \$ 44,146.00                 |

|                             |  |             |                     |  |                     |
|-----------------------------|--|-------------|---------------------|--|---------------------|
| Benefits                    |  |             | \$ 25,002.00        |  | \$ 25,002.00        |
| <b>Subtotal - Personnel</b> |  | <b>0.60</b> | <b>\$ 69,148.00</b> |  | <b>\$ 69,148.00</b> |

| II. OPERATING EXPENSES                      |  |  | FY22-23 Amt Requested<br>A. Quality Improvement | FY22-23 Amt Requested B.<br>Accountability | C.Total Program Budget (A+B) |
|---------------------------------------------|--|--|-------------------------------------------------|--------------------------------------------|------------------------------|
| (4300) Materials and Supplies               |  |  |                                                 |                                            | \$ -                         |
| (4301) Instructional Materials and Supplies |  |  |                                                 |                                            | \$ -                         |
| (4302) Office Supplies                      |  |  |                                                 |                                            | \$ -                         |
| (4303) Photocopy/Printing                   |  |  |                                                 |                                            | \$ -                         |
| (4400) Non-capitalized equipment            |  |  |                                                 |                                            | \$ -                         |
| (5201) Mileage reimbursement                |  |  |                                                 |                                            | \$ -                         |
| (5202) Staff Dev/ Conference/Travel         |  |  |                                                 |                                            | \$ -                         |
| Emergent Strategies                         |  |  |                                                 |                                            | \$ -                         |
| <b>Subtotal - Operating Expenses</b>        |  |  | <b>\$ -</b>                                     | <b>\$ -</b>                                | <b>\$ -</b>                  |

| A. (5100) Subcontractors (itemize): |  |  | FY22-23 Amt Requested<br>A. Quality Improvement | FY22-23 Amt Requested B.<br>Accountability | C.Total Program Budget (A+B) |
|-------------------------------------|--|--|-------------------------------------------------|--------------------------------------------|------------------------------|
|                                     |  |  | \$ -                                            |                                            | \$ -                         |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                 |                                               |                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------|---------------------------------|
| <b>B. (5800) Subcontractors (itemize):</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                 |                                               |                                 |
| B1. 4C's                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$                                              | 206,116.00                                    | \$ 206,116.00                   |
| B2. Incentives to support QIPs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$                                              | 7,110.24                                      | \$ 7,110.24                     |
| B3. PD stipends support                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                 |                                               | \$ -                            |
| B4. Other/Fingerprinting                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                 |                                               | \$ -                            |
| <b>Subtotal - Operating Expenditures (all)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>\$</b>                                       | <b>213,226.24</b>                             | <b>\$ 213,226.24</b>            |
| <b>IV. INDIRECT COSTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                 |                                               |                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | FY22-23 Amt Requested<br>A. Quality Improvement | Requested B.<br>Accountability                | C.Total Program<br>Budget (A+B) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <u>SMCOE approved rate 12.00%</u>               | \$ 8,297.76                                   | \$ 8,297.76                     |
| <b>Subtotal - Indirect Costs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>\$</b>                                       | <b>8,297.76</b>                               | <b>\$ 8,297.76</b>              |
| <b>V. TOTAL PROGRAM COSTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                 |                                               |                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | FY20-21 Amt Requested<br>A. Quality Improvement | FY22-23 Amt<br>Requested B.<br>Accountability | C.Total Program<br>Budget (A+B) |
| <b>Total of sections I - IV</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>\$</b>                                       | <b>290,672.00</b>                             | <b>\$ 290,672.00</b>            |
| <p><b>VI. IN KIND SUPPORT:</b> Please identify any in-kind support that is available to this project (example: volunteer hours, donated office space or equipment). If volunteer hours are listed, please indicate the role(s) of volunteers in the project.<br/> <i>In Kind Support includes:</i> For SMCOE, office space for personnel, access to technology, printers, photocopiers, website, and mass media support / services, custodial staff and facilities (meeting rooms, storage space), inter-departmental and cross-project collaboration that require more 'helping hands' than are included in the staffing for this project.</p> <p><b>VII. LEVERAGED FUNDS ARE FROM:</b> Please list the funding sources and their amounts for leveraged funds. Also indicate which leveraged funds are not yet secured. Per the IMPACT Grant Application the following funds are leveraged by the SMCOE: F5SMC EQ+IP \$1,478,942.70; CSPP QRIS Block Grant \$810,849.00; QCC-QRIS- \$205,457; QCC-PDG-R \$164,571.50; Workforce Pathways Grant - \$180,879.00; and IMPACT Hub -\$45,083.00</p> |                                                 |                                               |                                 |
| <b>Date Prepared:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 10/7/2022                                       | <b>*Prepared By:</b>                          | Edirle Menezes                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                 |                                               |                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                 |                                               |                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                 |                                               |                                 |





**First 5 San Mateo County  
BUDGET NARRATIVE FORM**

|                                             |                                                     |                                                                                     |
|---------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------|
| Agency Name:                                | <b>San Mateo County Office of Education</b>         |                                                                                     |
| Program/Project Name:                       | <b>First 5 California IMPACT Legacy/First 5 SMC</b> |                                                                                     |
| Amount of Request:                          | <b>\$290,672.00</b>                                 |                                                                                     |
| Budget period:                              | <b>08/01/2023-06/30/2024</b>                        |                                                                                     |
| Submission Date:                            | <b>8/29/2023</b>                                    |                                                                                     |
| <b>I. PERSONNEL</b>                         |                                                     |                                                                                     |
|                                             | FY22-23 Total<br>Amt Requested<br>(QI & A)          | Description / Explanation                                                           |
| <u>Position Title</u>                       |                                                     |                                                                                     |
|                                             |                                                     |                                                                                     |
| D. Administrative Assistant for A           | \$ 44,146.00                                        | Supports all the QCSM Coordinator's administrative needs, including the management  |
| Benefits                                    | \$25,002                                            | Benefits includes all statutory benefits and associated costs of employment (H & W, |
| <b>Subtotal - Personnel</b>                 | <b>\$ 69,148.00</b>                                 |                                                                                     |
| <b>II. OPERATING EXPENSES</b>               |                                                     |                                                                                     |
|                                             | FY22-23 Total<br>Amt Requested<br>(QI & A)          |                                                                                     |
| (4300) Materials and Supplies               |                                                     |                                                                                     |
| (4301) Instructional Materials and Supplies |                                                     |                                                                                     |
| (4302) Office Supplies                      |                                                     |                                                                                     |
| (4303) Photocopy/Printing                   |                                                     |                                                                                     |
| (4400) Non-capitalized equipment            |                                                     |                                                                                     |
| (5201) Mileage reimbursement                |                                                     |                                                                                     |
| (5202) Staff Dev/ Conference/Travel         |                                                     |                                                                                     |
| Emerging strategies                         |                                                     |                                                                                     |
| <b>Subtotal - Operating Expenses</b>        |                                                     |                                                                                     |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                            |                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------------------------------------|
| <b>A. (5100) Subcontractors (itemize):</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | FY22-23 Total<br>Amt Requested<br>(QI & A) | Description / Explanation                                                           |
| <b>B. (5800) Subcontractors (itemize):</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | FY22-23 Total<br>Amt Requested<br>(QI & A) | Description / Explanation                                                           |
| B1. 4C's                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | \$206,116                                  | Quality Improvement- 4Cs will provide incentives to participating Family Child Care |
| B.2.Incentives to support QIPs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | \$ 7,110.24                                | Quality Improvement incentives to FCCs and center-based programs to create and      |
| B3. PD stipends support                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                            |                                                                                     |
| B.4. Other - Employee Fingerprinting                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                            |                                                                                     |
| <b>Subtotal - Operating Expenditures (all)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>\$ 213,226.24</b>                       |                                                                                     |
| <b>IV. INDIRECT COSTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | FY22-23 Total<br>Amt Requested<br>(QI & A) | Allocation Method / Formula Used                                                    |
| <u>SMCOE approved rate 12.00%</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                            | FY 23-24 approved rate of 12.0% taken on personnel and operating expenses.          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | \$ 8,297.76                                |                                                                                     |
| <b>Subtotal - Indirect Costs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>\$8,297.76</b>                          |                                                                                     |
| <b>V. TOTAL PROGRAM COSTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | A. Amount Requested                        |                                                                                     |
| <b>Total of sections I - IV</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>\$</b>                                  | <b>290,672.00</b>                                                                   |
| <p>VI. IN KIND SUPPORT: Please identify any in-kind support that is available to this project (example: volunteer hours, donated office space or equipment). If volunteer hours are listed, please indicate the role(s) of volunteers in the project.<br/> <i>In Kind Support includes:</i> For SMCOE, office space for personnel, access to technology, printers, photocopiers, website, and mass media support / services, custodial staff and facilities (meeting rooms, storage space), inter-departmental and cross-project collaboration that require more 'helping hands' than are included in the staffing for this project.</p> <p><b>VII. LEVERAGED FUNDS ARE FROM:</b> Please list the funding sources and their amounts for leveraged funds. Also indicate which leveraged funds are not yet secured. Per the IMPACT Grant Application the following funds are leveraged by the SMCOE: F5SMC EQ+IP \$1,478,942.70; CSPP QRIS Block Grant \$810,849.00; QCC-QRIS- \$205,457; QCC-PDG-R \$164,571.50; Workforce Pathways Grant - \$180,879.00; and IMPACT Hub -\$45,083.00</p> |                                            |                                                                                     |

Mail signed First 5 San Mateo County Budget Request and Budget Narrative Forms to :

**First 5 San Mateo County**  
**Attn: F5SMC Program Specialist**  
**1700 S. El Camino Real, Suite 405**  
**San Mateo, CA 94402 – 3050**

Electronic copy must also be submitted to:

**F5SMC Program Specialist**



## First 5 San Mateo County BUDGET REQUEST FORM

Complete this form to show the budget for the **entire** project for the fiscal year. If there are subcontractors or collaborative agency budgets involved, please complete an additional budget request form for each and identify the subcontractor.

|                       |                                                                  |
|-----------------------|------------------------------------------------------------------|
| Agency Name:          | <b>Child Care Coordinating Council of San Mateo County, Inc.</b> |
| Program/Project Name: | <b>Quality Counts</b>                                            |
| Amount of Request:    | <b>\$206,116.00</b>                                              |
| Budget Period:        | <b>7/1/2023-6/30/2024</b>                                        |
| Submission Date:      | <b>5/22/2023</b>                                                 |

\*\* List Leveraged Amount Available-Non F5SMC funds available to support the project, excluding the amount being requested from the Commission. At the bottom of the form under section VII, please list the funding source for all funds included in this column and any amounts from this column that are not yet secured.

| I. PERSONNEL                     |              |             | A. Amount Requested  | B. Leveraged Amount Available** | C. Total Program Budget (A+B) |
|----------------------------------|--------------|-------------|----------------------|---------------------------------|-------------------------------|
| Position Title                   | Salary Range | # FTEs      |                      |                                 |                               |
| Program Specialist AF            | \$ 70,699.20 | 0.75        | \$ 53,024.40         | \$ -                            | \$ 53,024.40                  |
| Quality Improvement Navigator YF | \$ 60,569.60 | 0.70        | \$ 42,398.72         | \$ 18,452.68                    | \$ 60,851.40                  |
| Coaching Support                 | \$ 58,802.00 | 0.09        | \$ 5,292.18          |                                 | \$ 5,292.18                   |
| Coaching Support                 | \$ 58,802.00 | 0.11        | \$ 6,366.82          | \$ 6,468.22                     | \$ 6,468.22                   |
|                                  |              |             |                      |                                 |                               |
| Benefits @ %                     |              |             | \$ 30,214.59         | \$ 1,940.47                     | \$ 32,155.06                  |
|                                  |              |             |                      |                                 |                               |
| <b>Subtotal - Personnel</b>      |              | <b>1.65</b> | <b>\$ 137,296.71</b> | <b>\$ 26,861.37</b>             | <b>\$ 157,791.26</b>          |

| II. OPERATING EXPENSES        |  | A. Amount Requested | B. Leveraged Amount Available ** | C. Total Program Budget (A+B) |
|-------------------------------|--|---------------------|----------------------------------|-------------------------------|
| Rent and Utilities            |  |                     | \$ 5,165.54                      | \$ 5,165.54                   |
| Office Supplies and Materials |  |                     | \$ 100.00                        | \$ 100.00                     |
| Telephone/Communications      |  |                     | \$ 2,099.06                      | \$ 2,099.06                   |
| Leasehold Improvement         |  |                     | \$ 1,700.85                      |                               |
| Postage/Mailing               |  |                     | \$ 100.00                        | \$ 100.00                     |
| Printing/Copying              |  |                     | \$ 75.00                         | \$ 75.00                      |
| Equipment Lease               |  |                     | \$ 5,396.04                      | \$ 5,396.04                   |
| Travel Using Personal Vehicle |  |                     | \$ 150.00                        | \$ 150.00                     |
| Training                      |  |                     | \$ 1,000.00                      | \$ 1,000.00                   |
| Meals & Catering              |  |                     | \$ 150.00                        | \$ 150.00                     |
| Program/Curriculum Materials  |  |                     | \$ 500.00                        | \$ 500.00                     |
| Audit Fees                    |  |                     | \$ 1,750.34                      | \$ 1,750.34                   |
| Insurance                     |  |                     | \$ 2,000.07                      | \$ 2,000.07                   |
| Payroll Processing            |  |                     | \$ 2,636.00                      | \$ 2,636.00                   |
| IT Support                    |  |                     | \$ 2,065.32                      | \$ 26,721.64                  |
| Program Grants/Stipends       |  | \$ 52,343.68        | \$ 24,656.32                     | \$ 77,000.00                  |

|                                      |                     |                     |                      |
|--------------------------------------|---------------------|---------------------|----------------------|
| Recruitment Activities               | \$ -                | \$ -                | \$ -                 |
|                                      | \$ -                | \$ -                | \$ -                 |
|                                      | \$ -                | \$ -                | \$ -                 |
| <b>Subtotal - Operating Expenses</b> | <b>\$ 52,343.68</b> | <b>\$ 49,544.54</b> | <b>\$ 124,843.69</b> |

| <b>III. CAPITAL EXPENDITURES</b>                                                                                                                                                   | A. Amount Requested | B. Leveraged Amount Available ** | C. Total Program Budget (A+B) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------|-------------------------------|
| Itemize and describe items requested. Competitive bids may be requested by the Commission prior to contract. This section can be left blank if no capital requests are being made. |                     |                                  |                               |
| A.                                                                                                                                                                                 | \$ -                |                                  | \$ -                          |
| B.                                                                                                                                                                                 | \$ -                |                                  | \$ -                          |
| C.                                                                                                                                                                                 | \$ -                |                                  | \$ -                          |
| D.                                                                                                                                                                                 | \$ -                |                                  | \$ -                          |
| E.                                                                                                                                                                                 | \$ -                |                                  | \$ -                          |
|                                                                                                                                                                                    | \$ -                |                                  | \$ -                          |
| <b>Subtotal - Capital Expenditures</b>                                                                                                                                             | <b>\$ -</b>         | <b>\$ -</b>                      | <b>\$ -</b>                   |

| <b>IV. INDIRECT COSTS</b>                                                                                          | A. Amount Requested | B. Leveraged Amount Available ** | C. Total Program Budget (A+B) |
|--------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------|-------------------------------|
| 12%                                                                                                                | \$ 16,475.61        | \$ 6,209.95                      | \$ 22,685.56                  |
| (Attach copy of approved indirect cost rate proposal if percentage exceeds 12%, or submit a proposal for approval) |                     |                                  | \$ -                          |
|                                                                                                                    |                     |                                  |                               |
| <b>Subtotal - Indirect Costs</b>                                                                                   | <b>\$ 16,475.61</b> | <b>\$ 6,209.95</b>               | <b>\$ 22,685.56</b>           |

| <b>V. TOTAL PROGRAM COSTS</b>   | A. Amount Requested  | B. Leveraged Amount Available ** | C. Total Program Budget (A+B) |
|---------------------------------|----------------------|----------------------------------|-------------------------------|
| <b>Total of sections I - IV</b> | <b>\$ 206,116.00</b> | <b>\$ 82,615.86</b>              | <b>\$ 305,320.50</b>          |

**VI. IN KIND SUPPORT:** Please identify any in-kind support that is available to this project (example: volunteer hours, donated office space or equipment). If volunteer hours are listed, please indicate the role(s) of volunteers in the project.

**VII. LEVERAGED FUNDS ARE FROM:** Please list the funding sources and their amounts for funds identified in Column B. Also indicate which leveraged funds are not yet secured.

|                       |  |                      |  |
|-----------------------|--|----------------------|--|
| <b>Date Prepared:</b> |  | <b>*Prepared By:</b> |  |
|-----------------------|--|----------------------|--|

\* Must be signed by an Authorized signor of the agency



**First 5 San Mateo County  
BUDGET NARRATIVE FORM**

|                       |                                                                  |
|-----------------------|------------------------------------------------------------------|
| Agency Name:          | <b>Child Care Coordinating Council of San Mateo County, Inc.</b> |
| Program/Project Name: | <b>Quality Counts</b>                                            |
| Amount of Request:    | <b>\$206,116</b>                                                 |
| Budget period:        | <b>8/1/2023-6/30/2024</b>                                        |
| Submission Date:      | <b>5/22/2023</b>                                                 |

| <b>I. PERSONNEL</b>              | A. Amount Requested  | Description / Explanation  |
|----------------------------------|----------------------|----------------------------|
| Program Specialist AF            | \$ 53,024.40         | Program Specialist .75 FTE |
| Quality Improvement Navigator YF | \$ 42,398.72         | Program Specialist 1.0 FTE |
| Coaching Support                 | \$ 5,292.18          | Program Specialist .13 FTE |
| Coaching Support                 | \$ 6,366.82          | Program Specialist .11 FTE |
| Benefits                         | \$ 30,214.59         |                            |
| <b>Subtotal - Personnel</b>      | <b>\$ 137,296.71</b> |                            |
|                                  |                      |                            |
|                                  |                      |                            |

| <b>II. OPERATING EXPENSES</b>        | A. Amount Requested | Description / Explanation        |
|--------------------------------------|---------------------|----------------------------------|
| Rent and Utilities                   |                     |                                  |
| Office Supplies and Materials        |                     |                                  |
| Telephone/Communications             | \$ -                |                                  |
| Postage/Mailing                      | \$ -                |                                  |
| Printing/Copying                     | \$ -                |                                  |
| Equipment Lease                      | \$ -                |                                  |
| Travel Using Personal Vehicle        | \$ -                |                                  |
| Training                             | \$ -                |                                  |
| Meals & Catering                     | \$ -                |                                  |
| Program/Curriculum Materials         | \$ -                |                                  |
| Audit Fees                           | \$ -                |                                  |
| Insurance                            | \$ -                |                                  |
| Payroll Processing                   | \$ -                |                                  |
| IT Support                           |                     |                                  |
| Program Grants/Stipends              | \$ 52,343.68        | Qi Grants for Title 22 programs. |
| Recruitment Activities               | \$ -                |                                  |
|                                      |                     |                                  |
| <b>Subtotal - Operating Expenses</b> | <b>\$ 52,343.68</b> |                                  |

| <b>III. CAPITAL EXPENDITURES</b> | A. Amount Requested | Description / Explanation |
|----------------------------------|---------------------|---------------------------|
| A.                               | \$ -                |                           |
| B.                               | \$ -                |                           |
| C.                               | \$ -                |                           |
| D.                               | \$ -                |                           |
| E.                               | \$ -                |                           |
|                                  |                     |                           |

|                                        |                      |                                       |
|----------------------------------------|----------------------|---------------------------------------|
| <b>Subtotal - Capital Expenditures</b> |                      |                                       |
| <b>IV. INDIRECT COSTS</b>              | A. Amount Requested  | Allocation Method / Formula Used      |
| (                                      | \$ 16,475.61         | (Personnel + Operating)-Stipends* .12 |
| <b>Subtotal - Indirect Costs</b>       | <b>\$ 16,475.61</b>  |                                       |
| <b>V. TOTAL PROGRAM COSTS</b>          | A. Amount Requested  |                                       |
| <b>Total of sections I - IV</b>        | <b>\$ 206,116.00</b> |                                       |

VI. IN KIND SUPPORT: Please identify any in-kind support that is available to this project

*Mail signed First 5 San Mateo County Budget Request and Budget Narrative Forms to :*  
**First 5 San Mateo County**  
**Attn: F5SMC Program Specialist**  
**1700 S. El Camino Real, Suite 405**  
**San Mateo, CA 94402 – 3050**

*Electronic copy must also be submitted to:*  
**F5SMC Program Specialist**

**DATE:** October 23, 2023  
**TO:** First 5 San Mateo County Commission  
**FROM:** Kitty Lopez, Executive Director  
**RE:** Approval of San Mateo County Office of Education Contract – First 5 California IMPACT Legacy Hub Training and Technical Assistance in the Amount of \$104,650.04 with a term of August 1, 2023, through June 30, 2025

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### **ACTION REQUESTED**

Approval of San Mateo County Office of Education Contract – First 5 California IMPACT Legacy Hub Training and Technical Assistance in the Amount of \$110,051.04 with a term of August 1, 2023, through June 30, 2025.

### **BACKGROUND**

- At its May 26<sup>th</sup>, June 26<sup>th</sup> and July 24<sup>th</sup>, 2023, meetings the Commission approved grants for continued funding in all Focus Area Strategies in alignment with the approved Strategic Plan for the final two years of the Commission’s five-year Strategic Plan (23-25). Community investments (\$3.780M per year) for Strategic Plan Implementation Plan (SPIP) for Quality Care and Education, Healthy Children, Resilient Families and Policy- Advocacy Communications focus area is in accordance with the approved Long-Term Financial Plan (LTFP).
- The community investment funding (\$3.780M per year) does not include external braided or leveraged funding to support grant activities.
- Funding for the agreement approval today is a grant award from First 5 California IMPACT Legacy Hub (FY 23-25) and is a continuation of early learning quality improvement strategies approved in our strategic plan for Quality Care and Education.
- IMPACT Regional Hubs serve as training and technical assistance (T&TA) coordination leads for CA IMPACT Legacy in its efforts to support California’s Early Learning & Care Quality System. Key functions of the Hubs are regional and local county alignment in a range of supports including coaching, training & technical assistance for learning educators’ coaches, trainers, and communities; partnering with F5CA to achieve the Multi-Language Learners, Family Engagement, and safe, stable, nurturing relationships; incentives for professional development, evaluation, data reporting and data-base management.
- Locally, IMPACT Hub is implemented through SMCOE-Quality Counts SMC(QCSMC) and is guided by a SMC consortium, with fiscal, training, infrastructure standards, data reporting activities and policy work at the regional and state level. F5SMC serves as back bone support lead and SMCOE is lead implementer.

### **RESULT OF CONTRACT NEGOTIATIONS**

The F5CA RFA for IMPACT Legacy Hub (FY 23-25) was released on May 1, 2023 and due June 12, 2023. Funding was announced subsequently and released for local grant execution to begin August 1, 2023. F5MC functions as the backbone Contract negotiations with SMCOE were successful and resulted in the following:

- Scope of Work: The Scope of Work (SOW) includes quality improvement incentives, stipends, and Vertical Change database management. (Vertical Change is also the database management system for early learning initiatives including California Department of Education, F5SMC, Big Lift, Etc.).
- The primary goal of IMPACT is to ensure that all of SMC’s most vulnerable young children (infants and toddlers) have access to high quality early learning and care programs that use proven strategies to support and prepare them for success in school and life.
- Budget Request and Budget Narrative: The budget structure supports administration and implementation supports for IMPACT (Quality Counts SMC). A local budget reduction of

approximately 20% (from F5CA IMPACT FY 20-23) has occurred, most likely due to F5CA changing the state and regional administration, grants management, and regional coordination infrastructure.

**RECOMMENDATION FOR FUNDING**

The table below reflects today’s two-year funding recommendation for San Mateo County Office of Education – IMPACT Legacy Initiative Please see Exhibit A (**Attachment #10.1**) for a summary description of the project and key deliverables. For budget information please see the Budget Request and Budget Narrative Forms (**Attachment #10.2**).

| Agency & Program                                                  | Year 1 Budget Amount* | County-wide Supports                                                                                                                                 |
|-------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| San Mateo County Office of Education-IMPACT Legacy Hub Initiative | \$53,788*             | <ul style="list-style-type: none"> <li>• Database Management</li> <li>• Quality Improvement Incentives</li> <li>• Regional Hub activities</li> </ul> |
| <b>Two-Year/Contract Total</b>                                    | <b>\$104,650.04</b>   |                                                                                                                                                      |

\* Year 1 Budget Amount corresponds with the attached FY 23/24 Budget, (**Attachment #10.2**).

**CONSIDERATIONS**

- F5CA IMPACT Legacy Hub FY 23-25 total funding for local implementation is \$110,051.04. F5SMC’s is retaining 5% indirect cost for hub support (\$5,401). The remaining \$104,650.04 is the grant amount for SMCOE.
- F5 San Benito is Region 4 hub fiscal lead and coordination lead agency and F5SMC’s grantor agency for IMPACT Hub.

**FISCAL IMPACT**

The recommended award to San Mateo County Office of Education – First 5 California IMPACT Legacy Hub Initiative is \$104,650.04. The award is in accordance with the approved funding allocations of the Strategic Plan Implementation Plan (SPIP) and the Long-Term Financial Plan (LTFP).

**RECOMMENDATION**

Approval of San Mateo County Office of Education Contract – First 5 California IMPACT Legacy Hub Training and Technical Assistance in the Amount of \$104,650.04 with a term of August 1, 2023, through June 30, 2025.



**AGREEMENT BETWEEN FIRST 5 SAN MATEO COUNTY  
AND  
San Mateo County Office of Education  
(F5CA IMPACT Legacy Hub)**

**EXHIBIT A**

**SCOPE OF WORK**

Pursuant to the Agreement for Services between First 5 San Mateo County and San Mateo County Office of Education effective as of August 1, 2023, the Grantee shall provide services as described in this Exhibit A, over the term of this Agreement.

The Grantee commits to align its program with First 5 San Mateo County's strategic approach to collaborate with existing services. In doing so, resources are maximized with the goal of implementing comprehensive and integrated services which support the Commission's adopted Strategic Plan for children and families in San Mateo County, California.

Attachment A-1 to Exhibit A reflects the detailed scope of work for the term of this Agreement. Under this Agreement the Grantee provides F5CA IMPACT Legacy Hub Training and Technical Assistance, data base management and quality improvement support and other regional and local quality improvement strategies.

**Project Services**

- 1. Vertical Change database management (i.e. Quality Counts)**
- 2. Quality improvements stipends and incentives for participating programs.**
- 3. Regional Hub activities**
- 4. F5SMC Standard Activities**
  - a. Distribute the First 5 Kit for New Parents to your clients as appropriate.
  - b. Participate in F5SMC Grantee convenings, trainings, and other collaborative efforts.
  - c. Place F5SMC Tobacco-Free Premises placard in a prominent area where in-person services take place; notify virtual clientele of tobacco-free physical environment by posting on website and/or other virtual means.
  - d. Make tobacco education and cessation resources available to agency staff and those served by the agency, using the Kick-it California link and resources; include the Kick-it California link on the agency website (<https://kickitca.org/>).
  - e. Report on this grant using Persimmony, the F5SMC online grant-management system. (Information available on the F5SMC website/Grantee Resources - Password: grant33)
- 5. F5SMC Standard Communications**
  - a. Distribute F5SMC materials to project clients and at community events.
  - b. Recognize F5SMC by placing the F5SMC logo and/or the phrase "Funding provided by First 5 San Mateo County" in your agency's annual report, public education materials, outreach materials, website, media communications, presentations and papers on work funded (wholly or in part) by F5SMC.
  - c. Proactively notify clientele receiving F5SMC services (whether virtual or in-person) that the project is funded by F5SMC (this can be accomplished by posting a placard where in-person services take place, utilizing a zoom background that includes the F5SMC logo, listing F5SMC as a funder on the agency website, etc.)
  - d. Participate as able in relevant social media advocacy and resource sharing.
- 6. F5SMC Standard Evaluation**
  - a. Collect individual-level data on clients served and services delivered through your F5SMC-funded programs as required. You may enter this information into Persimmony directly, upload the information into Persimmony from your agency's data system, or provide an export of this information to the F5SMC Research & Evaluation Specialist and/or any Evaluation Consultants working with F5SMC. If your agency administers assessments

designed to identify client needs and/or track change over time (e.g., CBCL, PSI, ACES screens, ASQ, ASQ:SE, PEDS, Edinburgh, CES-D) this information should be included in the individual-level data provided to F5SMC.

- b. Administer F5SMC data collection and evaluation tools on clients served as required. These may include Intake and Follow-Up Surveys, Parent Surveys, Provider Surveys, Satisfaction Surveys, and other surveys designed to evaluate the effectiveness of your F5SMC-funded program.
- c. Participate in F5SMC Systems Level research and evaluation activities as required. This will include completing a survey for a Social Network Analysis of F5SMC partner agencies in San Mateo County and may also include activities such as key informant interviews, focus groups, and distribution of F5SMC - sponsored surveys to your staff and clients.
- d. Share with F5SMC any evaluation reports, presentations, issue briefs, or position papers developed by your staff or external evaluation consultants using data from your F5SMC-funded activities. These documents can be uploaded into Persimmony as PDFs.
- e. Participate in data collection and evaluation activities such as planning meetings and trainings as required by F5SMC.
- f. Participate in data-sharing and data-linking conversations and projects within San Mateo County as requested.



**First 5 San Mateo County  
BUDGET REQUEST FORM**

Complete this form to show the budget for the **entire** project for the fiscal year. If there are subcontractors or collaborative agency budgets involved, please complete an additional budget request form for each and identify the subcontractor.

|                       |                                             |
|-----------------------|---------------------------------------------|
| Agency Name:          | <b>San Mateo County Office of Education</b> |
| Program/Project Name: | <b>IMPACT Hub</b>                           |
| Amount of Request:    | <b>\$53,788.00</b>                          |
| Budget Period:        | <b>07/01/2022-06/30/2023</b>                |
| Submission Date:      | <b>7/13/2023</b>                            |

\*\* List Leveraged Amount Available-Non F5SMC funds available to support the project, excluding the amount being requested from the Commission. At the bottom of the form under section VII, please list the funding source for all funds included in this column and any amounts from this column that are not yet secured.

| <b>I. PERSONNEL</b>                 |              |        | A. Amount Requested | B. Leveraged Amount Available**  | C.Total Program Budget (A+B)  |
|-------------------------------------|--------------|--------|---------------------|----------------------------------|-------------------------------|
| Position Title                      | Salary Range | # FTEs |                     |                                  |                               |
| A.                                  | \$ -         | 0.00   | \$ -                | \$ -                             | \$ -                          |
| B.                                  | \$ -         | 0.00   | \$ -                | \$ -                             | \$ -                          |
| C.                                  | \$ -         | 0.00   | \$ -                | \$ -                             | \$ -                          |
| D.                                  | \$ -         | 0.00   | \$ -                | \$ -                             | \$ -                          |
| Benefits @__%                       |              |        | \$ -                | \$ -                             | \$ -                          |
| <b>Subtotal - Personnel</b>         |              |        | <b>\$ -</b>         | <b>\$ -</b>                      | <b>\$ -</b>                   |
| <b>II. OPERATING EXPENSES</b>       |              |        | A. Amount Requested | B. Leveraged Amount Available ** | C. Total Program Budget (A+B) |
| A. Rent and Utilities               |              |        | \$ -                | \$ -                             | \$ -                          |
| B. Office Supplies and Materials    |              |        | \$ -                | \$ -                             | \$ -                          |
| C. Telephone/Communications         |              |        | \$ -                | \$ -                             | \$ -                          |
| D. Postage/Mailing                  |              |        | \$ -                | \$ -                             | \$ -                          |
| E. Printing/Copying                 |              |        | \$ -                | \$ -                             | \$ -                          |
| F. Equipment Lease                  |              |        | \$ -                | \$ -                             | \$ -                          |
| G. Travel Using Personal Vehicle    |              |        | \$ -                | \$ -                             | \$ -                          |
| H. Travel Using Company Vehicle     |              |        | \$ -                | \$ -                             | \$ -                          |
| I. Consultants (itemize):           |              |        |                     |                                  |                               |
|                                     |              |        | \$ -                | \$ -                             | \$ -                          |
|                                     |              |        | \$ -                | \$ -                             | \$ -                          |
| <b>J. Subcontractors (itemize):</b> |              |        |                     |                                  |                               |
| ii. Subvertical                     |              |        | \$ 20,000.00        | \$ -                             | \$ 20,000.00                  |
|                                     |              |        | \$ -                | \$ -                             | \$ -                          |
| <b>K. Other (itemize):</b>          |              |        |                     |                                  |                               |
|                                     |              |        |                     | \$ -                             | \$ -                          |

|                                      |                     |             |                     |
|--------------------------------------|---------------------|-------------|---------------------|
| QI incentives                        | \$ 33,788.00        | \$ -        | \$ 33,788.00        |
| <b>Subtotal - Operating Expenses</b> | <b>\$ 53,788.00</b> | <b>\$ -</b> | <b>\$ 53,788.00</b> |

| III. CAPITAL EXPENDITURES                                                                                                                                                          | A. Amount Requested | B. Leveraged Amount Available ** | C. Total Program Budget (A+B) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------|-------------------------------|
| Itemize and describe items requested. Competitive bids may be requested by the Commission prior to contract. This section can be left blank if no capital requests are being made. |                     |                                  |                               |
| A.                                                                                                                                                                                 | \$ -                | \$ -                             | \$ -                          |
| B.                                                                                                                                                                                 | \$ -                | \$ -                             | \$ -                          |
| C.                                                                                                                                                                                 | \$ -                | \$ -                             | \$ -                          |
| D.                                                                                                                                                                                 | \$ -                | \$ -                             | \$ -                          |
| E.                                                                                                                                                                                 | \$ -                | \$ -                             | \$ -                          |
| <b>Subtotal - Capital Expenditures</b>                                                                                                                                             | <b>\$ -</b>         | <b>\$ -</b>                      | <b>\$ -</b>                   |

| IV. INDIRECT COSTS                                                                                                 | A. Amount Requested | B. Leveraged Amount Available ** | C. Total Program Budget (A+B) |
|--------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------|-------------------------------|
| 8%                                                                                                                 | \$ -                | \$ -                             | \$ -                          |
| (Attach copy of approved indirect cost rate proposal if percentage exceeds 12%, or submit a proposal for approval) |                     |                                  | \$ -                          |
| <b>Subtotal - Indirect Costs</b>                                                                                   | <b>\$ -</b>         | <b>\$ -</b>                      | <b>\$ -</b>                   |

| V. TOTAL PROGRAM COSTS          | A. Amount Requested | B. Leveraged Amount Available ** | C. Total Program Budget (A+B) |
|---------------------------------|---------------------|----------------------------------|-------------------------------|
| <b>Total of sections I - IV</b> | <b>\$ 53,788.00</b> | <b>\$ -</b>                      | <b>\$ 53,788.00</b>           |

**VI. IN KIND SUPPORT:** Please identify any in-kind support that is available to this project (example: volunteer hours, donated office space or equipment). If volunteer hours are listed, please indicate the role(s) of volunteers in the project.

**VII. LEVERAGED FUNDS ARE FROM:** Please list the funding sources and their amounts for funds identified in Column B. Also indicate which leveraged funds are not yet secured.

|                       |           |                     |                |
|-----------------------|-----------|---------------------|----------------|
| <b>Date Prepared:</b> | 9/22/2022 | <b>Prepared By:</b> | Edirle Menezes |
|-----------------------|-----------|---------------------|----------------|

| First 5 San Mateo County Use Only |  |                     |  |
|-----------------------------------|--|---------------------|--|
| <b>Date Approved:</b>             |  | <b>Approved By:</b> |  |



**First 5 San Mateo County**  
**BUDGET NARRATIVE FORM**

Attachment 10.2

|                       |                                             |
|-----------------------|---------------------------------------------|
| Agency Name:          | <b>San Mateo County Office of Education</b> |
| Program/Project Name: | <b>IMPACT Hub</b>                           |
| Amount of Request:    | <b>\$53,788</b>                             |
| Budget period:        | <b>07/01/2022-06/30/2023</b>                |
| Submission Date:      | <b>7/13/2023</b>                            |

| I. PERSONNEL                | A. Amount Requested | Description / Explanation |
|-----------------------------|---------------------|---------------------------|
| <u>Position Title</u>       |                     |                           |
| A.                          | \$ -                |                           |
| B.                          | \$ -                |                           |
| C.                          | \$ -                |                           |
| D.                          | \$ -                |                           |
| Benefits @ %                | \$ -                |                           |
|                             |                     |                           |
| <b>Subtotal - Personnel</b> | <b>\$ -</b>         |                           |

| II. OPERATING EXPENSES               | A. Amount Requested | Description / Explanation                       |
|--------------------------------------|---------------------|-------------------------------------------------|
| A. Rent and Utilities                | \$ -                |                                                 |
| B. Office Supplies and Materials     | \$ -                |                                                 |
| C. Telephone/Communications          | \$ -                |                                                 |
| D. Postage/Mailing                   | \$ -                |                                                 |
| E. Printing/Copying                  | \$ -                |                                                 |
| F. Equipment Lease                   | \$ -                |                                                 |
| G. Travel Using Personal Vehicle     | \$ -                |                                                 |
| H. Travel Using Company Vehicle      | \$ -                |                                                 |
| I. Consultants (itemize):            |                     |                                                 |
|                                      | \$ -                |                                                 |
|                                      | \$ -                |                                                 |
| <b>J. Subcontractors (itemize):</b>  |                     |                                                 |
|                                      |                     |                                                 |
| ii. Subvertical                      | \$ 20,000.00        | Maintance of Quality Counts San Mateo database. |
|                                      | \$ -                |                                                 |
| <b>K. Other (itemize):</b>           |                     |                                                 |
| Staff.Dev/Travle                     |                     |                                                 |
| QI incentives                        | \$ 33,788.00        | Incentives for QCSM programs.                   |
|                                      |                     |                                                 |
| <b>Subtotal - Operating Expenses</b> | <b>\$ 53,788.00</b> |                                                 |

| III. CAPITAL EXPENDITURES              | A. Amount Requested | Description / Explanation |
|----------------------------------------|---------------------|---------------------------|
| A.                                     | \$ -                |                           |
| B.                                     | \$ -                |                           |
| C.                                     | \$ -                |                           |
| D.                                     | \$ -                |                           |
| E.                                     | \$ -                |                           |
|                                        |                     |                           |
| <b>Subtotal - Capital Expenditures</b> | <b>\$ -</b>         |                           |

| IV. INDIRECT COSTS               | A. Amount Requested | Allocation Method / Formula Used          |
|----------------------------------|---------------------|-------------------------------------------|
| <u>0.08</u>                      | \$ -                | Charged for operating expenses and Other. |
|                                  |                     |                                           |
|                                  |                     |                                           |
| <b>Subtotal - Indirect Costs</b> | <b>\$ -</b>         |                                           |

| V. TOTAL PROGRAM COSTS          | A. Amount Requested |
|---------------------------------|---------------------|
| <b>Total of sections I - IV</b> | <b>\$ 53,788.00</b> |

VI. IN KIND SUPPORT: Please identify any in-kind support that is available to this project (example: volunteer hours, donated office space or equipment). If volunteer hours are listed, please indicate the role(s) of volunteers in the project.

VII. LEVERAGED FUNDS ARE FROM: Please list the funding sources and their amounts for funds identified in Column B. Also indicate which leveraged funds are not yet secured.

*Mail signed First 5 San Mateo County Budget Request and Budget Narrative Forms to :*

**First 5 San Mateo County**  
**Attn: F5SMC Program Specialist**  
**1700 S. El Camino Real, Suite 405**  
**San Mateo, CA 94402 – 3050**

*Electronic copy must also be submitted to:*

**F5SMC Program Specialist**

**FIRST 5 SAN MATEO COUNTY (F5SMC)  
FIRST 5 STAFF TEAM REPORT  
OCTOBER 2023**

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**STRATEGIC INVESTMENT FOCUS AREAS – UPDATE**

**QUALITY CARE AND EDUCATION**

**Advocacy Alert: Child Care Partnership Council (CCPC)**

Sarah Kinahan, Coordinator of the Child Care Partnership Council, issued an advocacy alert for verbal or written testimonials at the SMC Board of Supervisor's meeting on Tuesday October 17<sup>th</sup>. The call was heeded. Per the CCPC's Advocacy Alert, "At their Tuesday October 17<sup>th</sup> meeting the Mateo County Board of Supervisors (BOS) Meeting, the BOS determined priority areas for Measure K grants for 2024 (Measure K is the County's ½ cent sales tax that generates approx. \$110 million/year). These are the items they are considering:

- Agenda Item 6: Adopt a resolution establishing 3 priority areas (Children/Families/Seniors, Housing and Homelessness, Emergency Preparedness) and authorizing the development of a notice of funding opportunity process for Measure K grants.
- Agenda Item 7: Provide direction for how to allocate funds across the 3 priority areas. It is great children and families are being included as a priority area, and child care as a subcategory. However, **we need to elevate the urgency of investing in early care and education as essential infrastructure for our county's families and children.** Now is the time to advocate to address the needs identified in our *2022 San Mateo County Child Care Needs Assessment*:
  - Need more than 5,000 additional spaces for infants and toddlers (which includes both quality facilities and qualified staff to work in the programs); only 38% of need for this age group is met.
  - Need more than 11,000 additional subsidized spaces for children under age 5 in low-income, working families.
  - 73% of our survey respondents turned down work due to a lack of child care.
  - Need more than 2,800 new early care and education teachers and other staff to meet demand.
  - Need to raise wages for childcare and early educators by 82% so that these essential workers can live and work in our County.
  - Every dollar invested in the childcare sector results in an immediate \$1.88 in economic benefit in our County.
  - The private market cannot address our child care needs alone – current average market rates only cover 57% of the true cost of care for infants -that includes a family-sustaining wage for child care workers – we need public investment in this essential sector" (CCPC Advocacy Alert)

## HEALTHY CHILDREN

### Help Me Grow National Forum

From October 10-12, the HMG SMC Leadership Team: F5SMC staff member Emily Roberts, along with HMG SMC Consultant Cheryl Oku and Carol Elliott, Children's Services Manager at AbilityPath, attended the In-Person Help Me Grow National Forum in Fort Worth, Texas. The Forum, which was held for the first time back in-person after four years, offered an opportunity for HMG Affiliates nationwide to share knowledge, receive technical assistance, and reflect on our collective and individual HMG systems.

### Centering Family Voice Project Launch

After a competitive bid process, First 5 SMC selected WithIn Collaborative to shepherd a community co-design process that, together with parents and community stakeholders, seeks to increase parental involvement in the shaping of services, policies, and systems intended to benefit their children and families. This project is just getting underway. Look for updates and findings to weave into future planning processes for F5SMC.

### Systems Change for Children with Special Needs Meeting

The quarterly meeting of the Systems Change for Children with Special Needs Meeting took place virtually on October 19. The meeting offered participants time to take stock of the current services and supports and to reflect on pressing needs and challenges families of children with special needs face when attempting to seek support for their children.

## RESILIENT FAMILIES

### Friday CAFÉ

On October 6, 2023, Friday CAFE held its first in person peer to peer session at the Village Hub in Woodside. Anthony Thomas, manager of Community Services for Peninsula Conflict Resolution Center, was the Conversation Catalyst. See Attachment 12.1 for Friday Café Information & schedule and learn more about Anthony.

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## POLICY & ADVOCACY UPDATES

### Letter of Support: Small Business Support of the Child Care Stabilization Act

On September 29, 2023, F5SMC along with other organizations sent a letter to Majority Leader, Chuck Schumer and House Speaker, Kevin McCarthy supporting the Child Care Stabilization Act for continued childcare funding. (See Attachment 12.2)

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## FIRST 5 CALIFORNIA & FIRST 5 ASSOCIATION UPDATES

### Save the Date! First 5 Association Advocacy Day

The First 5 Association Advocacy Day will be held at the California Endowment on February 7, 2024. More details to follow.





**Mental Health Services Act (MHSA) Bill Signing:**

Avo Makdessian, Executive Director of the First 5 State Association, was asked to attend the [October 12, 2023 bill signing](#) for SB 326 (Eggman), modernizing the Mental Health Services Act, and AB 531 (Irwin), a \$6.38 Billion bond to build new behavioral health housing and treatment settings across the state. It was a celebratory event that featured several local city and county leaders, dozens of legislators, labor groups, veterans groups, local chambers, and other community advocates that supported these bills. Avo had a chance to talk with Governor Newsom for a few moments and congratulate him. He also had a chance to talk with Health & Human Services (HHS) Secretary Mark Ghaly, about the value of the First 5 Network. He talked with several legislators about the work of First 5s and the revenue/funding challenges all First 5's face.

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**COMMUNITY AND STATEWIDE EVENTS & UPDATES****United for Youth Blueprint for School and Transition - Age Youth Well-Being.**

On September 2023, the San Mateo County Office of Education, SMC Health and The Coalition for Safe Schools and Community launched workgroups as part of a strategic planning process to update its understanding of the behavioral health needs of children and youth in San Mateo County. The process includes landscape assessment; strengths & gap analysis using a common framework (Multi-tiered Systems of Supports (MTSS)); recommendations and prioritized actions to inform the development of a plan of action for school-aged and transitional age youth. Strategic Planning is guided by a Steering Committee and four workgroups: TK-Elementary, Middle School, High School, and Transitional Age Youth. Michelle Blakely is participating on the TK-Elementary workgroup. The local plan of action will be completed in June 2024.

**SMC Home Visiting Systems Initiative**

F5SMC, Hamai Consulting and home visiting providers and partners met on October 18, 2023, to kick-off the next phase of collective work for implementing the home visiting strategic plan. The North Star of the initiative as determined by parents, home visitors and administrators: *Envisioning an effective system of care that supports young children and their families with culturally- and linguistically relevant services, holds and nurtures parents as they navigate the system of care, and efficiently minimizes the burden on families and providers.* Strategic Plan priorities include a better understanding of and or expansion of program eligibility and flexibility to increase families' access to home visiting programs; strengthening continuity of care for families and improve the quality of home visiting services (.e.g community or practice, involving families in decision making, etc). Updates will be provided regularly.

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**COMMUNICATIONS****Quarterly e-Newsletter**

Read about the [First 5 SMC Quarterly Newsletter](#) released on October 3, 2023. Learn more about the 5 Reasons Why Sharing Stories is Vital for Early Childhood Care Advocacy, Tu y Yo: Building Community Around Early Childhood, exciting news for child care providers, registering for Friday CAFEs and the accessing the parent resources on the F5SMC's Community Toolkit.

**Social Media and Analytics Reports (See Attachment 12.3)**



## SAVE THE DATE!

October 6, 2023

*In-person!*

November 3, 2023

December 1, 2023

February 2, 2024

*In-person!*

March 1, 2024

April 5, 2024

May 3, 2024

June 7, 2024

*In-person!*



Conversation Catalyst

Anthony Thomas

# Friday C.A.F.E.

## Community and Family Engagement

Friday C.A.F.E. (Community and Family Engagement) is a professional peer support network for providers supporting families with young children. The C.A.F.E.s offer space for self-exploration, networking, and authentic dialogue to restore, inspire and deepen our connections with families.



“Friday C.A.F.E. is a great opportunity to connect with colleagues in the field and share our experiences.”

– Friday C.A.F.E participant

**Oct 6, 2023, 9:00-11:00AM**

Calling all Family Engagement professionals based in early learning programs and family serving organizations to join us for morning refreshments and networking with colleagues at our **in-person** Fall Friday CAFÉ at the Village Hub in Woodside. Please see the link below for more information and to register.

REGISTER: [bit.ly/CAFE\\_OCT](https://bit.ly/CAFE_OCT)



## Meet Our Conversation Catalyst!



### **Anthony Thomas**

**Manager of Community Services**

**Peninsula Conflict Resolution Center (PCRC)**

Anthony received a Master's Degree in Education and an Advanced Graduate Studies Degree in Educational Leadership. He moved to the Bay Area from New York City and has loved every minute of it. With over fifteen years of administrative and teaching experience, he has worked within a variety of school settings in Atlanta, Brooklyn, and overseas in Abu Dhabi. Anthony's hobbies include cycling, hiking, yoga, reading, and planning his next travel experience.





September 29, 2023

The Honorable Chuck Schumer  
Majority Leader, United States Senate  
104 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Kevin McCarthy  
Speaker, United States House of Representatives  
217 Ford House Office Building  
Washington, D.C. 20515

*SRE: Small Business Support of the Child Care Stabilization Act (S. 2770; H.R.5433)*

Dear Majority Leader Schumer and Speaker McCarthy:

As representatives of America's 33 million small businesses, our organizations write today in support of the Child Care Stabilization Act (S. 2770; H.R.5433). It is essential that Congress passes the Child Care Stabilization Act to ensure adequate and continued childcare funding, which can bolster quality workforce and be a key factor in entrepreneurial sustainability.

Small business owners and their employees need affordable and accessible childcare in order to thrive and keep our economy moving. While it's well-documented that access to childcare has been a particular challenge over the last few years, thousands of childcare providers and the families they serve greatly benefited from federal pandemic-related funding, which will end in a matter of days. This looming deadline will impact more than [700,000 childcare programs](#), many of which are likely to close.

This will create a massive domino effect that will greatly impact small businesses and their employees, and the overall economy. A recent [economic analysis by the Century Foundation](#) estimates that as a result of this funding cliff, states will experience an estimated \$10.6 billion loss in tax and business revenue per year. Parents around the country, many of whom own or work for a small business, will be forced to choose between their job and their families.

This is why it is of utmost importance for you to pass the Child Care Stabilization Act. This commonsense proposal would provide \$16 billion in funding over the next five years, helping to alleviate the drop off in critical investments to keep childcare centers afloat during this vital time.

Entrepreneurs and small business owners need a stable and affordable childcare industry. [Thirty-six percent of small business owners](#) with children report that not having access to childcare was a barrier to starting their own business, while more than 3 in 10 employers report that employees' families and childcare issues affect their job performance or productivity.

What's more, many childcare providers are small business owners themselves, the [majority of whom are women and people of color](#) and who already struggle to access funding and resources for their businesses. If these businesses close, our economy will face an [estimated \\$9 billion in earning losses](#) annually. By supporting small childcare providers, we can continue working toward a path of inclusive recovery.

We thank you for your consideration of this legislation to increase childcare accessibility and affordability, and for your support of America's small business owners and those they employ.

Sincerely,

Adelante Community Development  
Asian Americans Advancing Justice Southern  
California

Atlanta Wealth Building Initiative  
California Asian Pacific Chamber of Commerce

California Association for Micro Enterprise Opportunity (CAMEO)  
California Black Chamber of Commerce  
California Capital Financial Development Corporation  
California EDGE Coalition  
California Health Professional Student Alliance at Berkeley  
California Pan-Ethnic Health Network (CPEHN)  
California Physicians Alliance  
California WIC Association  
Caring Across Generations  
Career Ladders Project (CLP)  
Center for Community Action and Environmental Justice  
Ceres Community Project  
Child Care Law Center  
Child Care Resource Center of California  
Children Now  
Colorado Black Chamber of Commerce  
Colorado Center on Law and Policy  
Community for Innovation, Entrepreneurship, Leadership & Opportunities (CIELO)  
Community Foundation of the San Luis Valley  
Community Health Partnership  
Compañeros: Four Corners Immigrant Resource Center  
Courage California  
Energize Colorado  
EveryChild California  
First 5 California  
First 5 San Mateo County  
Focus Center/Enfocar Centro  
Georgia Early Education Alliance for Ready Students (GEEARS)

Grail Family Services  
Inland Empire Immigrant Youth Collective  
Jefferson Economic Development Institute (JEDI)  
Legal Aid at Work  
Los Angeles Economic Equity Accelerator and Fellowship (LEEAF)  
LA Best Babies Network  
The Latino Chamber of Commerce of Boulder County  
Main Street Alliance  
Maternal and Child Health Access  
Mi Casa Resource Center  
Mixteco/Indígena Community Organizing Project  
National Council of Jewish Women, Los Angeles  
New Moms  
Orange County Equality Coalition  
Raizes Collective  
Rocky Mountain MicroFinance Institute (RMMFI)  
San Diego County Breastfeeding Coalition  
San Francisco Filipino American Chamber of Commerce  
Sistahbiz Global Network  
Small Business Majority  
Stanislaus 2030  
Startup Colorado  
UNITE-LA  
University Childcare of Chicago  
Vail Valley Partnerships  
Ventures  
Watsonville Law Center  
Women's Business Development Center (WBDC)  
Young Invincibles

CC: The Honorable Patty Murray  
The Honorable Katherine M. Clark



# Digital Communications Analytics Report

## September 1, 2023- September 30, 2023

In September, we continued to emphasize the importance of impactful storytelling through our blog posts. Content presented in list format consistently performed well. Additionally, we shared resources and calls to action, inviting parents to join new groups and access available resources at the start of the school year.

Our Meta audience growth ad concluded in September, leading to a slight slowdown in audience growth. Due to its success in previous months, we plan to reintroduce this ad in October.

On X (formerly Twitter), we maintained an overall engagement rate of 2% and gained two new followers. Our top tweet targeted Spanish-speaking families with a resource-oriented message, which received 32 impressions on X, even though this platform isn't typically our primary audience for parents. We also received recognition through reposts from community organizations.

On LinkedIn, we noticed that our followers engaged the most with our Spanish posts and events.

## Website

### Who is using your website?

|       |           |                                        |                           |
|-------|-----------|----------------------------------------|---------------------------|
| Users | New users | Average engagement time <span>?</span> | Engaged sessions per user |
| 728   | 692       | 0m 40s                                 | 0.49                      |

### What pages do your users visit?

|                                          |     |
|------------------------------------------|-----|
| <a href="#">First 5 San Mateo Co...</a>  | 279 |
| <a href="#">5 Reasons Why Shari...</a>   | 310 |
| <a href="#">OpEd: We need to ad...</a>   | 5   |
| <a href="#">Resources – First 5 ...</a>  | 54  |
| <a href="#">Who We Are – First 5...</a>  | 59  |
| <a href="#">Car Seat Checks – Fi...</a>  | 43  |
| <a href="#">Investing in Infant M...</a> | 4   |

### How do users get to the website? What actions do users take?

|                                |     |
|--------------------------------|-----|
| <a href="#">Organic Search</a> | 358 |
| <a href="#">Organic Social</a> | 279 |
| <a href="#">Direct</a>         | 181 |
| <a href="#">Referral</a>       | 29  |
| <a href="#">Unassigned</a>     | 11  |

|                                 |       |
|---------------------------------|-------|
| <a href="#">page_view</a>       | 1,390 |
| <a href="#">session_start</a>   | 848   |
| <a href="#">user_engagement</a> | 796   |
| <a href="#">first_visit</a>     | 692   |
| <a href="#">scroll</a>          | 375   |
| <a href="#">file_download</a>   | 88    |

# Meta: Facebook & Instagram

Facebook reach ⓘ

16,646 ↓ 29.7%

Instagram reach ⓘ

2,933 ↑ 175.9%

Paid reach ⓘ

19,928 ↓ 19.5%

Paid impressions ⓘ

40,992 ↓ 56.5%

## Audience

Facebook followers Facebook visits ⓘ

2,374

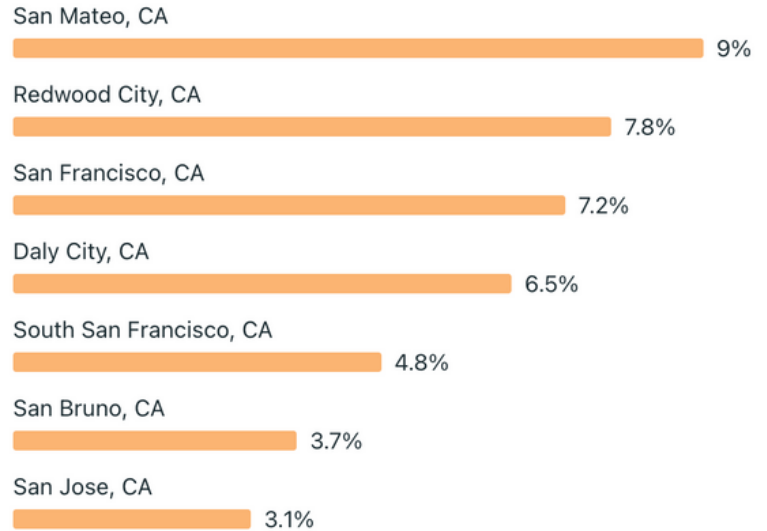
164 ↓ 80.1%

Instagram followers Instagram profile visits











1,425

20 ↓ 54.5%

## Top Cities



## Top Content by Reach

| Title                                                                                                                                                                                                                                          | Reach ⓘ ↓    | Impressions ⓘ ↑↓     | Interactions ⓘ ↑↓  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------|--------------------|
|  Sharing stories creates a ripple effect t..<br> First 5 San Mateo County | 12K<br>Reach | 23.4K<br>Impressions | 8<br>Interactions  |
|  "Serve and return" interactions between<br> first5sanmateo               | 194<br>Reach | 219<br>Impressions   | 9<br>Interactions  |
|  Help Me Grow San Mateo County is recr<br> First 5 San Mateo County       | 158<br>Reach | 164<br>Impressions   | 9<br>Interactions  |
|  Fall is here and so are Friday C.A.F.E.s!<br> First 5 San Mateo County   | 139<br>Reach | 145<br>Impressions   | 3<br>Interactions  |
|  Menlo Park-based non-profit, Communi<br> first5sanmateo                  | 124<br>Reach | 130<br>Impressions   | 10<br>Interactions |

# X (Formerly Twitter)



## September Reposts



**SAMCEDA** reposted 2 of your posts

Help Me Grow San Mateo County is recruiting for our 2nd Tu y Yo Group of 2023-2024. Tu y Yo is a virtual group facilitated by Help Me Grow and StarVista. The sessions support your understanding of your child's development through play. Sign up today!  
forms.gle/7AZuAbYjS6UYP2... pic.twitter.com/BMjRzoL4PO

[Show all](#)



**sardinfluencer** liked your post

With child care becoming increasingly harder to access, California parents are having to navigate kindergarten readiness on their own. This incredible guide by KQED offers resources for families throughout the Bay Area, and we are proud to be one of them.  
kqed.org/news/11959904/...



**Catalyst California** reposted your post

With child care becoming increasingly harder to access, California parents are having to navigate kindergarten readiness on their own. This incredible guide by KQED offers resources for families throughout the Bay Area, and we are proud to be one of them.  
kqed.org/news/11959904/...

Engagement rate

2.0%

Sep 30  
0.0% engagement rate



Link clicks

4

Sep 30  
0 link clicks



Retweets without comments

4

Sep 30  
0 Retweets without comments



## Top Tweets



**First 5 San Mateo Co** @first5sanmateo · Sep 25

Help Me Grow San Mateo County is recruiting for our 2nd Tu y Yo Group of 2023-2024. Tu y Yo is a virtual group facilitated by Help Me Grow and StarVista. The sessions support your understanding of your child's development through play. Sign up today!  
forms.gle/7AZuAbYjS6UYP2...  
pic.twitter.com/BMjRzoL4PO

[View Tweet activity](#)

Impressions      Engagements      Engagement rate

32                      4                      12.5%



**First 5 San Mateo Co** @first5sanmateo · Sep 25

Help Me Grow El condado de San Mateo está reclutando para nuestro segundo grupo Tu y Yo de 2023-2024. Tu y Yo es un grupo virtual facilitado por Help Me Grow y StarVista. Comparte esto con tus familias de habla hispana.

Regístrate en el enlace!  
forms.gle/7AZuAbYjS6UYP2...  
pic.twitter.com/zyWV6tw7qm

18                      2                      11.1%



# LinkedIn

## Visitor highlights

6

Page views

▲200%

4

Unique visitors

▲100%

193

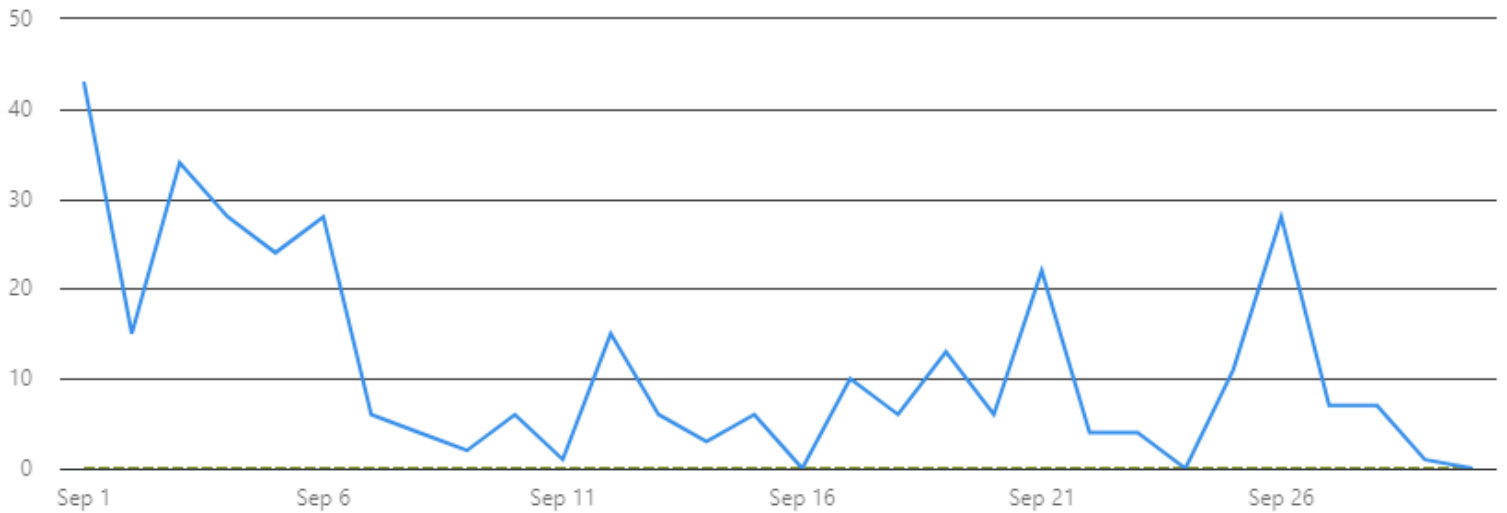
Total followers

5

New followers in the last 30 days

▲66.7%

## Visitor Metrics



## LinkedIn Content

| Post title                                                                                                                                                                                               | Post type | Audience      | Impressions | Views | Clicks | CTR   | Reactions |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------|-------------|-------|--------|-------|-----------|
| <p>Fall is here and so are Friday C.A.F.E.s! Join us for an in-person C.A.F.E. to share your...</p> <p>Posted by <a href="#">Noa Elliott (she/her)</a></p> <p>9/26/2023</p> <p><a href="#">Boost</a></p> | Image     | All followers | 10          | -     | 0      | 0%    | 0         |
| <p>Help Me Grow San Mateo County is recruiting for our 2nd Tu y Yo Group of...</p> <p>Posted by <a href="#">Noa Elliott (she/her)</a></p> <p>9/25/2023</p> <p><a href="#">Boost</a></p>                  | Image     | All followers | 16          | -     | 1      | 6.25% | 0         |
| <p>Help Me Grow El condado de San Mateo está reclutando para nuestro segundo...</p> <p>Posted by <a href="#">Noa Elliott (she/her)</a></p> <p>9/25/2023</p> <p><a href="#">Boost</a></p>                 | Image     | All followers | 15          | -     | 0      | 0%    | 0         |

**DATE:** October 23, 2023  
**TO:** First 5 San Mateo County (F5SMC) Commission  
**FROM:** Kitty Lopez, Executive Director  
**RE:** Committee Updates

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**Program, Operations and Planning (POP) Committee Meeting – October 2, 2023**

- Commissioners Present: Claire Cunningham, Nancy Magee, Nkia Richardson
- Public Member: Harvey Kaplan, Liz Scully
- Staff: Kitty Lopez, Michelle Blakely, Myra Cruz

**1. Programs, Communications, and Systems Updates**

- **Strategic Plan FY 23 – 25**

Kitty Lopez, F5SMC's Executive Director and Michelle Blakely, F5SMC's Deputy Director, shared the following:

- F5SMC is preparing the planning process for the next Strategic Plan (SP) for FY 2025 – 2030. The preparation and development takes approximately 1-2 years before final presentation to the Commission for approval. This includes getting feedback from community & stakeholders, evaluating survey and research, creating an Ad Hoc Committee by the Commission to assist and support a consultant to facilitate the planning process and reviewing the current landscape of services & systems. The Draft SP FY 25 - 30 timeline will be presented at the October 23, 2023 Commission meeting.

- **Communications Plan Priorities FY 23 – 25**

Michelle Blakely shared the communications plan, priorities, and strategies that were developed with its communications firm, VIVA Social Impact Partners. Blakely sought input from the Committee regarding utilizing "X" formerly Twitter. Discussion ensued. Committee expressed a lack of favor for using "X", citing it as having no added value. They suggested looking into NextDoor and Thread platforms as alternatives.

- **Collaboration and Systems Highlights:**

- **Children Youth and Behavioral Health Round 2 and 3 Grant proposal updates:**

Blakely shared that funding awards and procurement release timelines have been delayed. The change in the timeline might affect our local planning timeline for early mental health systems work and environmental scan. F5SMC in partnership with SMC Behavioral Health and other partners are submitting a joint proposal focusing on system capacity and workforce development. This state has allocated four billion dollars to support mental health services for children and youth. First 5 SMC, along with partners, submitted a proposal to enhance infant and early mental health workforce capacity and services. We're working on strategic planning, seeking grants, and addressing gaps in youth mental health services. The funding and planning is evolving, and we'll provide updates as things progress.

- **Children’s Funding Updates**

F5 and other local early learning partners will participate in the Children’s Funding Institute’s Children’s Funding Projects team work sessions. (See attachment 13.1 on Children’s Funding Institute). F5SMC acknowledges the significant need for increased funding in SMC for services and infrastructure supporting children birth through 5 (i.e workforce compensation, wages, and capacity). Several sectors are experiencing capacity challenges: childcare, early intervention, speech and language pathology, early mental health practitioners and professionals. SMC early learning advocates attending are: Sarah Kinahan of San Mateo County Office of Education, David Fleishman of 4Cs, Christine Thorsteinson of Silicon Valley Community Foundation, and Gina Quiney of Supervisor Ray Mueller’s Office. The purpose is to learn more about what other counties and states are doing and exploring additional ways to raise more local funding to support the sector and children 0-5. Commissioner Cunningham suggested seeking additional insights from other participants in California regarding how their local governments raise money since there are some restrictions on these activities in California.

- **Guaranteed Baby Income Pilot**

Kitty Lopez reminded the Committee that former Congresswoman Jackie Speier had attended our Commission Meeting last July, 2023 to present the Guaranteed Baby Income Pilot Initiative – to eliminate child poverty in San Mateo County. The initiative aims to provide monthly financial assistance of \$300 to \$360 to a subset of Medi-Cal mothers, accompanied by wraparound support services such as CalFresh enrollment, medical home access, home visiting, and more, targeting a duration of 3 years. Hon. Speier convened a small group including SMC Health Chief, Louise Rogers, Lisa Chamberlain of Stanford Children’s Health, and First 5 SMC to explore how to set up the infrastructure needed to support this initiative. First 5 SMC will serve as the potential operational coordinator; details are still being worked out. We’re looking into having an outside entity to distribute the funds to the families. Lopez also shared that First 5 Sonoma County has done a similar pilot, and they will be sharing their information to us. The Committee suggested to also connect with Children Family Services as they are also doing a guaranteed income pilot with foster youth in the county.

**The meeting adjourned at 5:00 pm.**

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**Finance and Administration Committee Meeting – October 16, 2023**

- Commissioners: Alexis Becerra (Chair), Sylvia Espinoza, Rosanne Foust
- Staff: Kitty Lopez, Khanh Chau

**1. Review and Recommend Approval of First 5 San Mateo County (F5SMC) FY 2022-23 Budget Close Out as of June 30, 2023**

Kitty Lopez briefly presented the key highlights of F5SMC FY2022-23 Budget Close Out as of June 30, 2023 and recommended the Committee members review the Budget Close Out Memo Attachment 3 in conjunction with Attachments 3A, 3B and 3C, which presents FY2022-23 Budget Close Out in greater details.

Kitty Lopez provided an overview of the Economic Factor and Current Year Budget highlighting the agency implementation of 3-tier robust fiscal budget – and strategic plan FY2020-2023, the previous cycle of the strategic plan FY2018-2020 Carry Over, and Other Grant executions and grantees' staffing challenges in San Mateo County. Kitty Lopez provided further details of Total Revenues, Total Expenditures, and Ending Fund Balance as of June 30, 2023 that produce positive variance readings of 4%, 34%, and 35% respectively. Overall, agency delivers approximately 66% of fiscal year budget.

Kitty Lopez cited that there are some saving in the Operating Budget Close Out as the result of staff working outside of the office; underspending funds of the SPIP 2018-20 as of June 30, 2023 have been added back to Fund Balance resulting \$3.M higher Ending Fund Balance as of June 30, 2023.

Committee members reviewed the Budget Close Out and had no further questions.

A Motion for Recommend Approval of F5SMC FY2022-23 Budget Close Out as of June 30, 2023 was made by Commissioner Foust, seconded by Commissioner Espinoza. Unanimously approved.

**2. Review and Recommend Approval of First 5 San Mateo County (F5SMC)'s Basic Financial Statements for the Year Ending June 30, 2023 Audit Report and Its Submission to First 5 California and to California State's Controller Office**

Kitty Lopez cited that agency continues hiring Brown Armstrong CPA firm for the professional audit services for the year ending 6.30.2023 for the third year. First 5 San Mateo County has obtained a "clean opinion" for the Independent Auditor Report for the year ending June 30, 2023, as the Audit Report Outcomes presented in the audit memo:

- Independent Auditors' Report on the Financial Statements: Unmodified opinion (clean opinion);
- Independent Auditors' Report on Internal Control over Financial Reporting and on Compliances and Other Matters: No deficiencies, no instances of non-compliances (clean opinion);
- Independent Auditors' Report on State Compliance: F5SMC complied in all material respects with the compliance requirements (clean opinion).

Kitty Lopez stated that the Brown Armstrong CPA firm will make the audit presentation at the Commission Meeting on October 23, 2023

Committee members appreciated the clean audit opinion of the F5SMC's Basic Financial Statements for the year ending 6.30.2023 and the hard work staff have offered for the quality audit.

Committee members reviewed and endorsed the audit report approval to the full Commission. A Motion for Approval of F5SMC's Basic Financial Statements for the Year Ending June 30, 2023 Audit Reports and its Submission to First 5 California and to California State's Controller Office was made by Commissioner Foust, seconded by Commissioner Espinoza. Unanimously approved.

# Children's Funding Project

## About Us

May 2023 | Children and Youth

Children and youth spend 80% of their time outside of school. Yet the public services that help nurture and prepare them remain dramatically underfunded and deeply inequitable. Access to high-quality early childhood care and education, after-school and summer programs, mental health support, food and nutrition resources, college and workforce preparation, and other social services often depends on a family's ability to pay. In a nation with so much collective abundance, a family's income should not prevent children from receiving the care and support they need to thrive.

[Children's Funding Project](#) is a nonprofit social impact organization that helps communities and states expand equitable opportunities for children and youth through strategic public financing. Through our hands-on technical assistance and collection of resources, we

- *help* local and state leaders and public agencies understand the multiple sources that fund services for children and youth;
- *coach* policymakers on aligning existing funds with local and state priorities and implementing strategies to maximize their impact;
- *equip* advocates with the skills and resources to build public and policymaker support for children and youth services and to generate new and sustainable revenue sources;
- *collaborate* with communities and states to develop customized financing solutions tailored to their individual needs and goals; and
- *build* collective momentum toward an equitable and proactive approach to children's funding.



During our first full year as an independent nonprofit organization, we helped nearly 100 communities understand their existing funding, coordinate those resources, and generate new revenue dedicated to children and youth. Specifically, we supported the creation or reauthorization of dedicated children's funds in six communities that will generate more than \$2 billion in resources during the next decade.


Meanwhile, in 2021, we provided information and tools to more than 100 communities to help local advocates understand, access, and use the federal funding their communities will receive from the [American Rescue Plan](#), which includes more than \$500 billion that states and localities can spend on children. As we continue to grow, Children's Funding Project will build a culture within the children and youth services field that prioritizes strategic financing to ensure that this historic level of federal aid becomes a down payment on sustained and robust investments in children and youth going forward.

By working with communities, states, and national partners, Children's Funding Project builds a constituency of advocates committed to supporting children and youth—from birth to young adulthood. Through this collective action, we will realize our vision for a nation where all children and youth thrive because all communities maintain equitable, coordinated, and sustainable funding for comprehensive programs and services.

Children's Funding Project is a nonprofit social impact organization that helps communities and states expand equitable opportunities for children and youth through strategic public financing. [childrensproject.org](https://childrensproject.org)

**CHILDREN'S**   
FUNDING PROJECT

 @FundOurKids

 Children's Funding Project

 @ChildrensFundingProject

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