

FIRST 5 SAN MATEO COUNTY

Presentation of the June 30, 2023 Fiscal Year End Financial Statement Audit

Brown Armstrong

Accountancy Corporation

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**BROWN
ARMSTRONG**
CERTIFIED PUBLIC ACCOUNTANTS

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Scope of Services Recap

- ❖ Audit of First 5's financial statements 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
- ❖ Other communications required by professional standards including:
 - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with *Government Auditing Standards (Yellow Book Report)*
 - Report on State Compliance
 - Required Communication with those Charged with Governance (SAS 114)

Audit Timeline/Critical Dates List

- Audit Planning – April 2023
- Interim Audit Work – May 22, 2023
 - Walkthroughs and Understanding of Key Accounting Areas
 - Test of Controls over Expenditures and Payroll
 - Statement on Auditing Standards (SAS) No. 99 Fraud procedures
 - State Compliance
 - Update Minutes and Agreements
- Year-End Audit Work – September 5, 2023
 - Substantiate Material Accounts and Balances
- Draft Financial Statements and Reports -
September 2023
- Audit Opinions Issued – October 4, 2023

Audit Areas of Focus

Significant Risk Areas	Brown Armstrong's Response
Revenue Recognition - Receivables and Revenue	<ul style="list-style-type: none">•We confirmed proposition 10 revenue•Vouched to documents for other revenues•Other substantive analytics were also performed
Management Override of Controls	<ul style="list-style-type: none">• An understanding of controls over journal entries was obtained and a detailed sample testing of journal entries was performed•Inquiries performed with individual involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries
Payroll and Disbursements	<ul style="list-style-type: none">•Walkthrough performed over all significant accounting areas to gain an understanding•Test of controls was performed over payroll and disbursements (a sample of 40 each were tested - no findings)

Audit Areas of Focus

Significant Audit Areas	Brown Armstrong's Response
State Compliance	<ul style="list-style-type: none"> • Perform procedures for ensuring First 5 complied with the First 5 Guide for: <ul style="list-style-type: none"> • Contracting and Procurement • Long Range Plans • Conflict of Interest • Administrative Costs • County Ordinance • Program Evaluation • Financial Condition of the Commission • Salaries and Benefit Policies
Accounts Receivable (AR) and Revenues	<ul style="list-style-type: none"> • We performed substantive testing procedures for AR such as: <ul style="list-style-type: none"> • Test for proper recording in the correct period • Walkthrough understanding of controls • High level analytics
Accounts Payable (AP) and Expenditures	<ul style="list-style-type: none"> • We performed a search for unrecorded liabilities to ensure AP was complete • We performed walkthrough understanding of controls • We performed high level analytics
Net Pension Liability (NPL) and Net OPEB Liability (NOL) and Related Accounts	<ul style="list-style-type: none"> • We obtained the actuary valuation reports • We reviewed the County calculations • performed walkthrough understanding of controls • We performed high level analytics

Results of the Audit

Report	Summary
Report on Financial Statements (Opinion)	<ul style="list-style-type: none"> • Unmodified
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 (Yellow Book Report)	<ul style="list-style-type: none"> • No noncompliance noted • No material weaknesses noted • No significant deficiencies or control deficiencies identified
Report on State Compliance	<ul style="list-style-type: none"> • No noncompliance noted
Required Communication to those Charged with Governance in Accordance with Professional Standards (SAS 114)	<ul style="list-style-type: none"> • Implementation of GASB Statements – none • Significant Estimates Reviewed <ul style="list-style-type: none"> <input type="checkbox"/> Fund balance commitments <input type="checkbox"/> Investments <input type="checkbox"/> Right-to-use building <input type="checkbox"/> Net Pension Liability (NPL) <input type="checkbox"/> Net OPEB Liability (NOL) • Disagreements with Management – None • Corrected and Uncorrected Misstatements – None

Questions/Thank Staff

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Annual Report to
 First 5 California
 Fiscal Year 2022-23

Purpose of the Annual Report to F5 California

The Annual Report provides information about our local activities and expenditures to First 5 California. It includes:

- Fiscal Information (e.g. expenditures)
- Client data (number of children, parents, and providers served)
- Narrative (County Highlights and brief description of Evaluation Activities)

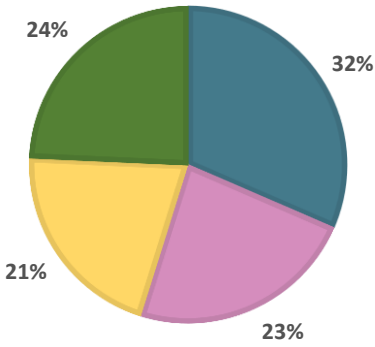


Our Local Investments



- Family Functioning: \$1,172,012
- Child Health: \$1,048,239
- Child Development: \$1,582,541
- Improved Systems of Care: \$1,220,130

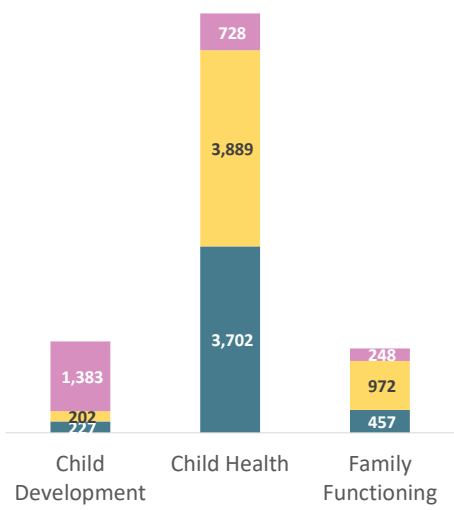
■ Child Development ■ Family Functioning
■ Child Health ■ Improved Systems



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N = 11,808

■ Providers ■ Parents/Family Members ■ Children

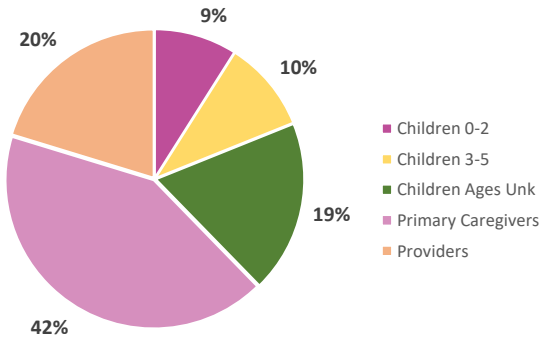


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Clients Served

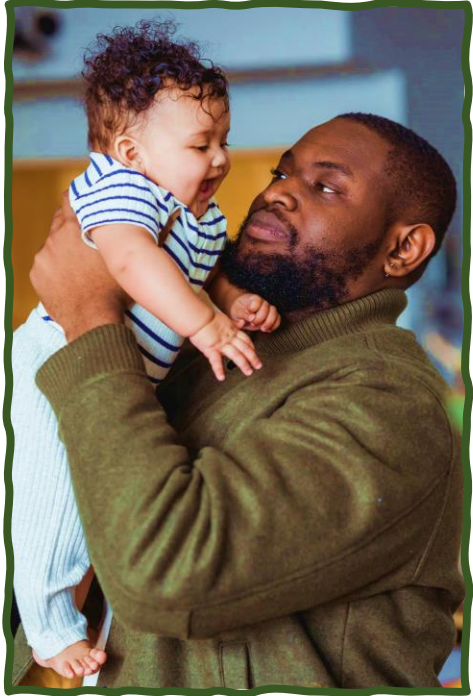


Clients Served, by Type



Family Demographics

Race/Ethnicity	First 5 SMC	SMC MediCal Eligible Children
AI/AN	0.23%	0.1%
Asian	17%	15%
Black/African-American	2%	2%
Latine	58%	74%
Pacific Islander	1.1%	NR
White	14%	9%
Multiracial/Other	8%	NR
Language	First 5 SMC	Bay Area MediCal Children
English	51%	32%
Spanish	40%	10%
Asian Languages	1.3%	9%
Bilingual English/Spanish	6%	33%



Trauma-Informed Organizational Practices Assessment

- Over 445 staff at three large County agencies participated
 - Children & Family Services
 - Behavioral Health & Recovery Services
 - San Mateo County Office of Education
- Practices assessed across seven domains:
 - Safety
 - Trustworthiness & Transparency
 - Peer Support
 - Collaboration & Mutuality
 - Empowerment, Voice & Choice
 - Cultural, Historical, Race & Gender Awareness
 - Administrative & Policy Support



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Trauma-Informed Organizational Practices Assessment

- TIOA practices are rated on a 4-point developmental scale
 - A score of 1 indicates that the organization is at an earlier stage of development for a particular item or domain, and a score of 4 indicates a later stage of development
 - The overall average rating on the assessment was 2.9
 - The domain rated earliest in development was Empowerment, Voice & Choice with a score of 2.75
 - The two domains rated as furthest along in development were Cultural, Historical, Race & Gender Awareness and Safety, with scores of 3.05
- Findings from subgroup analyses included:
 - Staff at lower levels in the organizational hierarchy tend to perceive their agencies as being at later stages of development (i.e. more trauma-informed)
 - Staff with intermediate tenures (those that have been at an agency for 4-10 years) tend to report that the organization is at earlier stages of TIO development than those with shorter and longer tenures
 - 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



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**Strategic Plan
Implementation Plan
FY 2023 - 2025
Continuation
Strategies
Recommendations and
Funding Agreements**

First 5 San Mateo County
Commission Meeting
October 23, 2023

F5SMC Team




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SPIP 23-25 AGREEMENTS FOR APPROVAL TODAY

AGENDA ITEMS #9 AND #10

FOCUS AREA	SUBSTRATEGY	AGENCY	PROGRAM
Quality Care & Education # 9	Quality Improvement	San Mateo County Office of Education	IMPACT-SMC Quality Counts
Quality Care & Education #10	Quality Improvement	San Mateo County Office of Education	IMPACT Hub-SMC Quality Counts



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F5CA IMPACT LEGACY AND IMPACT HUB



3

F5CA IMPACT LEGACY AND IMPACT HUB

- A comprehensive, statewide effort to enhance the quality of early learning and care (ELC) environments, with a focus on addressing the whole child and at promised populations.
- Local, Regional and State activities based on Collective Impact Principles



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



CONSIDERATIONS- IMPACT LEGACY FY23-25

IMPACT Legacy total funding for local implementation is \$721, 344 and requires a 3:1 match or \$267,165. F5SMC's Early Childhood Quality and Inclusion Program provides the match.

F5SMC's retains 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 Legacy.



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



CONSIDERATIONS- IMPACT HUB FY 23-25

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 (\$5401). The remaining \$104,650.04 is the grant amount for SMCOE

F5 San Benito is Region 4 fiscal lead agency and F5SMC's grantor agency for IMPACT Hub.





Questions/Comments





Strategic Planning Timeline

Kitty Lopez & Michelle Blakely
October 23, 2023

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“The System isn’t broken they were designed to be this way”
Parent Quote – Family Story Project

EMPHASIS ON

- WHOLE CHILD
- WHOLE FAMILY
- WHOLE COMMUNITY
- INDIVIDUAL AND COLLECTIVE
- VOICE AND LEADERSHIP
- DATA AND CONTEXT
- EVERY INSTITUTION AND SYSTEM

EQUITY

SOCIAL DETERMINANTS OF HEALTH

Systems Change: Shifting Conditions That Keep Problems in Place (FSG 2018)



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STRATEGIC PLANNING FY 2025-2030 TIMELINE

