

County of Solano  
Office of the Auditor-Controller



AN AUDIT OF THE  
FIRST 5 SOLANO  
CHILDREN & FAMILIES COMMISSION

Independent Auditor's Report and Financial Statements

Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters

Independent Auditor's Report on State Compliance

For the fiscal year ended June 30, 2015

Auditor-Controller: Simona Padilla-Scholtens, CPA  
Assistant Auditor-Controller: Phyllis Taynton, CPA  
Deputy Auditor-Controller: Kirk Starkey, CPA  
Auditor: Melinda S. Ingram, CPA

**First 5 Solano  
Children & Families Commission**  
**For the fiscal year ended June 30, 2015**

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**First 5 Solano Children & Families Commission  
Board of Commissioners  
(as of October 19, 2015)**

Aaron Crutison, Chairperson  
Deputy Director of Health & Social Services, Solano County

Marisela Barbosa, Vice-Chair  
Monarch Engineers, Vice President

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Funeral Arranger/Counselor, Bryan Braker Funeral Home

Elise Crane  
Management, Office of Early Care and Education

Dana Dean  
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Gerald Huber  
Director of Health & Social Services, Solano County

Liz Niedziela  
Transit Program Manager, Solano Transportation Authority

Jay Speck  
Solano County Superintendent of Schools

**Executive Director:**  
Michele Harris

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SIMONA PADILLA-SCHOLTENS, CPA  
Auditor-Controller

PHYLLIS TAYNTON, CPA  
Assistant Auditor-Controller



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**COUNTY**

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Board of Commissioners  
First 5 Solano  
Children and Families Commission  
Fairfield, CA 94533

## Independent Auditor's Report

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities and the special revenue fund of the First 5 Solano Children & Families Commission (Commission), a department (fund) of Solano County, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and in accordance with guidelines established by the State First 5 Commission; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements 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 the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting

policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the special revenue fund of the First 5 Solano Children & Families Commission as of June 30, 2015, and the respective changes in financial position thereof for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Information on pages 6 through 12 and page 28, respectively, be presented to supplement the basic financial statements. Such information, 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 required supplementary information 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 Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the First 5 Solano Children and Families Commission's basic financial statements. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

In connection with the audit contained herein, there are certain disclosures that are necessary pursuant to *Government Auditing Standards Statement No. 3*, more specifically, the general standard related to independence. As required by various statutes within the California Government Code, County Auditor-Controllers are mandated to perform certain accounting, auditing, and financial reporting functions. These activities could impair an audit organization's independence. Specifically, "auditors should not audit their own work or provide non-audit services in situations where the amounts or services involved are significant/material to the subject matter of the audit."

Although the Auditor-Controller is statutorily obligated to maintain the accounts of departments, districts, or funds that reside within the county treasury, we believe the following safeguards and division of responsibility exists. The Internal Audit Division has the responsibility to perform audits and as such has no other responsibility for the accounts and records being audited including the approval or posting of financial transactions that would therefore preclude the reader of this report from relying on the information contained therein.

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

In accordance with Government Auditing Standards, we also have issued our report dated October 19, 2015 on our consideration of the Commission’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards in considering the First 5 Solano Children & Families Commission’s internal control over financial reporting and compliance.

As discussed in Note I, the financial statements present only the Commission and do not purport to, and do not present fairly the financial position of the County of Solano, as of June 30, 2015, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Simona Padilla-Scholtens, CPA  
Auditor-Controller

Fairfield, California

October 19, 2015



CHILDREN ARE OUR BOTTOM LINE

## Management's Discussion and Analysis

As management of the First 5 Solano Children & Families Commission (Commission), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

### Financial Highlights

- The Commission's net position totaled \$7,514,061 at June 30, 2015. The entire \$7,514,061 is restricted for the purposes outlined under the California Children and Families Act of 1998 (Proposition 10).
- The Commission's total net position decreased by \$1,687,697 as a result of the following factors:
  - 1) The current fiscal year's operations decreased net position as expenses outpaced First 5 Solano funding from the Proposition 10 tax on tobacco products, a declining funding source.
  - 2) The funding decrease was partially offset by general revenues which consisted primarily of interest income earned from the Commission's cash maintained in the County Treasury.
- At June 30, 2015, the Commission's governmental funds reported an ending fund balance of \$8,812,636, a decrease of \$1,600,030 from June 30, 2014. The entire amount of \$8,812,636 is restricted as a result of the enabling legislation enacted under the California Children and Families Act of 1998 (Proposition 10).

### Overview of the Financial Statements

This management discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the Commission's assets, deferred outflows and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating. The Commission has adopted a revised Long-Term



Financial Plan (LTFP) which spends the Commission's assets over a five year period of time (FY 2013/14-FY 2017/18).

The statement of activities presents information showing how the Commission's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of 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 future fiscal periods.

The government-wide financial statements can be found on pages 13-14 of this report.

**Fund financial statements.** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements 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. Such information may be useful in evaluating a Commission's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Commission's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-26 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission's budgetary comparison schedule for the Special Revenue Funds. Required supplementary information can be found on pages 28-29 of this report.

## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the Commission's financial position. In the case of the Commission, assets exceeded liabilities by \$7,514,061 at June 30, 2015.

As previously stated, the Commission's total restricted net position as of June 30, 2015 has limitations on their use imposed by the California Children and Families Act of 1998 (Proposition 10).

**First 5 Solano Children & Families Commission**  
**Government-wide**  
**Statement of Net Position**  
**June 30, 2015 & 2014**

	6/30/2015	6/30/2014
<b>Assets:</b>		
Current and other assets	\$ 10,113,534	\$ 11,529,394
<b>Total assets</b>	<b>\$ 10,113,534</b>	<b>\$ 11,529,394</b>
<b>Deferred Outflows of Resources:</b>		
Deferred employer contribution	\$ 104,947	\$ -
<b>Total deferred outflows of resources</b>	<b>\$ 104,947</b>	<b>\$ -</b>
<b>Liabilities:</b>		
Current liabilities	\$ 1,300,898	\$ 1,116,728
Non-current liabilities	1,403,522	15,287
<b>Total liabilities</b>	<b>2,704,420</b>	<b>1,132,015</b>
<b>Net Position:</b>		
Restricted	7,514,061	10,397,379
<b>Total net position</b>	<b>\$ 7,514,061</b>	<b>\$ 10,397,379</b>

The key elements in the significant changes in current assets and liabilities are as follows:

Current assets: Current assets decreased by \$1,415,860 from 6/30/14. The primary reason is a reduction in the Commission's cash in the County Treasury resulting from the continued funding of various multi-year grantee agreements which outpaced the major revenue streams.

Current liabilities: Current liabilities increased by \$184,170 from 6/30/14. The increase is due to amounts owed at fiscal year-end to the Department of Health and Social Services for administration of the Baby First Pre-Natal Program.

Non-current liabilities: Non-current liabilities increased by \$1,388,235 from 6/30/14. The increase is due to implementation of the new financial reporting requirements for the Governmental Accounting Standards Board (GASB) Statement No. 68-Financial Reporting for Pensions, requiring the measurement and recording of a Net Pension Liability.

**Governmental activities** decreased the Commission's net position by \$1,687,697 during fiscal year 2014/15, which represents a decrease of approximately 18% from total net position at June 30, 2014.

**First 5 Solano Children & Families Commission**  
**Statement of Activities**  
**For the fiscal years ended June 30, 2015 & 2014**

	2015	2014
<b>Program expenses:</b>		
<b>General:</b>		
Employee services	\$ 1,018,410	\$ 927,850
Program evaluation costs	168,996	168,996
Professional & specialized services	139,250	104,382
Interfund services	125,673	96,693
Non-capitalized equipment	6,063	10,511
Rents & leases	7,277	9,125
Transportation & travel	11,287	8,659
Communication	5,215	6,607
Maintenance	9,558	-
Administrative overhead	-	6,576
Insurance	5,788	5,964
Special departmental expense	5,366	5,426
Utilities	5,000	5,000
Supplies	3,555	4,397
Miscellaneous	8,464	7,695
<b>Total general expenses</b>	1,519,902	1,367,881
<b>Grant:</b>		
Pre-natal	990,667	985,427
Early mental health	936,225	812,703
SR family support	660,530	698,858
Child care and development	324,000	341,030
Child care-CARES	233,352	237,884
Health access initiative	248,981	220,239
EPSDT- Early Periodic Screening Diagnosis & T	291,124	212,655
Parent education	191,146	200,952
H&SS IFSI - Family Strengthening Project	187,956	182,482
Pre K academy	203,113	142,812
Collaboration	143,219	124,733
Community engagement	58,485	76,316
First 5 futures	72,123	42,815
Pre-natal grants	33,642	30,968
Co-sponsorship of conferences	15,394	21,827
<b>Total grant expenses</b>	4,589,957	4,331,701
<b>Total program expenses</b>	6,109,859	5,699,582
<b>Program revenues:</b>		
Operating grants and contributions	3,709,788	3,860,033
Charges for services	653,240	471,472
<b>Total program revenues</b>	4,363,028	4,331,505
<b>Net program (expenses)</b>	(1,746,831)	(1,368,077)
<b>General revenues and extraordinary item:</b>		
Revenues from the use of money and property	50,755	44,867
Miscellaneous	8,379	1,634
<b>Total general revenues</b>	59,134	46,501
<b>Change in net position</b>	(1,687,697)	(1,321,576)
<b>Net position:</b>		
Beginning of the fiscal year	10,397,379	11,718,955
Prior period adjustment	(1,195,621)	-
Beginning, as restated	9,201,758	11,718,955
End of the fiscal year	\$ 7,514,061	\$ 10,397,379

The key elements for the significant changes in net position are as follows:

Program expenses-grants:

The following grant expenses increased overall from prior year by \$258,256 due to grantees spending a larger amount of grant awards in comparison to the prior year.

- Early Mental Health-\$123,522
- EPSDT-\$78,469
- Pre K Academy- \$60,301

The following grant expenses decreased overall from prior year due to grantees spending a smaller amount of grant awards in comparison to the prior year.

- SR Family Support- (\$38,328)
- Child care and development- (\$17,030)

Program expenses-general:

General program expenses increased from prior year by \$152,021 due to the following:

- Employee services increased in the amount of \$87,667 due to the implementation of GASB 68 reporting requirements wherein employer contributions to the Solano County pension plan and the change in the net pension liability are recognized as a part of current year operations.
- Professional and specialized services increased in the amount of \$34,868 due to consultant fees for strategic planning.
- Interfund services increased in the amount of \$28,980 due to various expenditures for professional services provided by other county departments.
- Maintenance increased in the amount of \$9,558 due to preparation of the childcare site at Health and Social Services for the Head Start Program.

**Financial Analysis of the Commission's Governmental Funds**

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The Special Revenue Fund is a governmental fund type that is used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The focus of the Commission's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's net resources available for spending at the end of the fiscal year. At June 30, 2015, the Commission's governmental fund reported an ending fund balance of \$8,812,636. This was the result of a decrease to fund balance of \$1,600,030 for the fiscal year ended June 30, 2015. The entire \$8,812,636 is restricted for the purposes outlined under the California Children and Families Act of 1998 (Proposition 10).

Governmental revenues totaled \$4,422,162 in fiscal year 2014/15. This represents an insignificant (1%) increase from fiscal year 2013/14.

Governmental expenditures totaled \$6,022,192 in fiscal year 2014/15. This represents a 4% net increase from fiscal year 2013/14 due to increases to both grant and general expenditures.

### **Budgetary Highlights**

The General Program Special Revenue Fund budget (Adopted and Final versions) is reflected in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, as presented on page 28 in the Required Supplementary Information (RSI) section of this report.

There were small changes between the adopted budget and the final budget of the General Program Special Revenue Fund in fiscal year 2014/15. The changes were budget adjustments decreasing overall grant disbursements in the amount of \$45,000 and increasing general expenditures (maintenance) in the amount of \$45,000. For fiscal year 2014/15, revenues recognized exceeded budget by \$304,057 and expenditures incurred were less than budget by \$1,921,204. This was the result of the Commission receiving more Proposition 10 funds from First 5 California than anticipated as well as services provided to the County for contract monitoring and interest earned on the Commission's cash residing in the County Treasury. In addition, the Commission incurred less grant disbursement expenditures than anticipated that resulted from various grantee organizations and First 5 programs under-spending their annual allocation as well as no expenditures were incurred using the contingencies budget line item.

### **Debt Administration**

*Long-term debt.* At June 30, 2015 the Commission had \$1,403,522 of long term debt composed of the net pension liability and compensated absences. This amount is entirely backed by the full faith and credit of the First 5 Solano Children & Families Commission. For more information see Note II A on page 23 of this report.

### **Economic Factors and Next Year's Operating Activities**

The Commission continues to face challenges in the upcoming fiscal year. The Commission is in the process of updating its Strategic Plan and future program investments. To allow time to accomplish a full strategic planning process, the Commission extended its current three year funding cycle for an additional year through FY2015/16.

The following services will continue to be funded during fiscal year 2015/16:

- Prenatal Services
- Family Support Services
- Children's Health Services
- Early Childhood Mental Health Services
- Quality Child Care Services
- Parent Education Services
- Pre-Kindergarten Academy Services

Commission management continues its fiscal policy of managing operating costs associated with Commission operations. The total fund balance, which is currently in excess of \$8 million, is dedicated to future years' spending as defined in the First 5 Solano Long-Term Financial Plan.

### **Requests for Information**

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest with the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the First 5 Solano Children and Families Commission, 601 Texas Street, Suite 210, Fairfield, CA 94533.

**First 5 Solano Children & Families Commission**  
**Government-Wide Financial Statements**  
**Statement of Net Position**  
**June 30, 2015**

**ASSETS**

**Current assets**

Cash & equivalents	\$ 9,334,497
Due from other county funds	49,298
Due from State Commission	729,739
Total current assets	10,113,534
Total assets	\$ 10,113,534

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred employer contribution	104,947
Total deferred outflows of resources	104,947

**LIABILITIES**

**Current liabilities**

Outstanding warrants	\$ 51,088
Accounts payable	568,785
Due to other county funds	638,261
Due to other agencies	42,764
Total current liabilities	1,300,898

**Noncurrent liabilities**

Compensated absences	32,704
Net pension liability	1,370,818
Total noncurrent liabilities	1,403,522
Total liabilities	2,704,420

**Net position**

Restricted	7,514,061
Total net position	\$ 7,514,061

The notes to the financial statements are an integral part of this statement.

**First 5 Solano Children & Families Commission**  
**Government-Wide Financial Statements**  
**Statement of Activities**  
**For the fiscal year ended June 30, 2015**

**Program expenses:**

**General**

Employee services	\$ 1,018,410
Program evaluation costs	168,996
Professional & specialized services	139,250
Interfund services	125,673
Transportation & travel	11,287
Maintenance	9,558
Rents & leases	7,277
Non capitalized equipment	6,063
Insurance	5,788
Special departmental expense	5,366
Communication	5,215
Utilities	5,000
Supplies	3,555
Miscellaneous	8,464
<b>Total general expenses</b>	<u>1,519,902</u>

**Grants**

Pre-natal	990,667
Early mental health	936,225
SR family support	660,530
Child care and development	324,000
EPSDT - Early Periodic Screening Diagnosis & Treatment	291,124
Health access initiative	248,981
Child care- CARES	233,352
Pre K academy	203,113
Parent education	191,146
H&SS IFSI - Family Strengthening Project	187,956
Collaboration	143,219
First 5 futures	72,123
Community engagement	58,485
Pre-natal grants	33,642
Co-sponsorship of conferences	15,394
<b>Total grant expenses</b>	<u>4,589,957</u>
<b>Total program expenses</b>	<u>6,109,859</u>

**Program revenues:**

Operating grants and contributions	3,709,788
Charges for services	653,240
<b>Total program revenues</b>	<u>4,363,028</u>

**Net program (expenses)** (1,746,831)

**General revenues:**

Revenues from the use of money and property	50,755
Miscellaneous	8,379
<b>Total general revenues</b>	<u>59,134</u>

**Change in net position** (1,687,697)

Net position- beginning of the fiscal year	10,397,379
Prior period adjustment	(1,195,621)
Beginning, as restated	9,201,758
<b>Net position- end of the fiscal year</b>	<u><u>7,514,061</u></u>

The notes to the financial statements are an integral part of this statement.



**First 5 Solano Children & Families Commission**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

<b>Assets</b>	
Cash & equivalents	\$ 9,334,497
Due from other county funds	49,298
Due from State Commission	729,739
Total assets	\$ 10,113,534
 <b>Liabilities</b>	
Outstanding warrants	\$ 51,088
Accounts payable	568,785
Due to other county funds	638,261
Due to other agencies	42,764
Total liabilities	1,300,898
 <b>Fund Balance</b>	
Restricted	8,812,636
Total fund balance	8,812,636
Total liabilities and fund balance	\$ 10,113,534

The notes to the financial statements are an integral part of this statement.

**First 5 Solano Children & Families Commission  
 Reconciliation of the Balance Sheet  
 of Governmental Funds to the Statement of Net Position  
 For the fiscal year ended June 30, 2015**

Governmental fund balance	\$ 8,812,636
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred amounts used for payment of debt used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Deferred outflow-pension	104,947
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(32,704)
Other long-term obligations-pension liability	<u>(1,370,818)</u>
Net position of governmental activities	<u>\$ 7,514,061</u>

The notes to the financial statements are an integral part of this statement.

**First 5 Solano Children & Families Commission**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the fiscal year ended June 30, 2015**

Revenues:	
Intergovernmental revenues	\$ 3,678,236
Charges for services	653,240
Revenues from the use of money and property	50,755
United Way Grant	16,452
Pre K Academy donations	15,100
Miscellaneous	8,379
Total revenues	<u>4,422,162</u>
Expenditures:	
General	
Employee services	930,743
Program evaluation costs	168,996
Professional & specialized services	139,250
Interfund services	125,673
Transportation & travel	11,287
Maintenance	9,558
Rents & leases	7,277
Non capitalized equipment	6,063
Insurance	5,788
Special departmental expense	5,366
Communication	5,215
Utilities	5,000
Supplies	3,555
Miscellaneous	8,464
Total general expenditures	<u>1,432,235</u>
Grants	
Pre-natal-BabyFirst	990,667
Early mental health	936,225
SR family support	660,530
Child care and development	324,000
EPSDT - Early Periodic Screening Diagnosis& Treatment	291,124
Health access initiative	248,981
Child care - CARES	233,352
Pre K academy	203,113
Parent education	191,146
H&SS IFSI - Family Strengthening Project	187,956
Collaboration	143,219
First 5 futures	72,123
Community engagement	58,485
Pre-natal grants	33,642
Co-sponsorship of conferences	15,394
Total grant expenditures	<u>4,589,957</u>
Total expenditures	<u>6,022,192</u>
Deficiency of revenues under expenditures	(1,600,030)
Fund balance - beginning	10,412,666
Fund balance - ending	<u>\$ 8,812,636</u>

The notes to the financial statements are an integral part of this statement.

**First 5 Solano Children & Families Commission**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the fiscal year ended June 30, 2015**

Net change in fund balance - governmental funds \$ (1,600,030)

Amounts reported for governmental activities in the statement of activities are different because:

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in net pension liability	(70,250)
Change in compensated absences	(17,417)

Change in net position of governmental activities \$ (1,687,697)

**First 5 Solano Children & Families Commission**  
**Notes to the Financial Statements**  
**For the fiscal year ended June 30, 2015**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Solano County is a political subdivision of the State of California. An elected, five-member Board of Supervisors governs the County.

First 5 Solano Children and Families Commission of Solano County (Commission) was organized on July 8, 1999, by the Solano County Board of Supervisors through the adoption of Ordinance No. 1579 in accordance with the California Children and Families First Act of 1998. The Commission currently operates under the State of California Health and Safety Code § 130100-130155 and Solano County Code § 7.3. The purpose of the Commission is to promote, support, and improve the early development of children from the prenatal stage through five years of age. The First 5 Solano Commission is funded by a tax of fifty (50) cents per pack of cigarettes and by a similar tax on other tobacco related products.

The Commission consists of nine members serving four-year terms. The Board of Supervisors of Solano County approves the appointment of each member.

The activities of the Commission are accounted for as a special revenue fund. This is a governmental fund type which is a part of the basic financial statements of the County of Solano, the reporting entity. The special revenue fund accounts for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes.

**B. Government-wide and Fund Financial Statements**

The Commission's financial accounts are maintained in accordance with generally accepted accounting principles (GAAP) and the uniform accounting system for counties prescribed by the State Controller in compliance with the Government Code of the State of California.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Commission. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Intergovernmental revenue, interest income and other items not included among program revenues are reported as general revenues.

### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements 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 related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proposition 10 funds, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

The Commission reports the following major governmental fund:

The *General Program Fund* is the Commission's primary operating fund. This Special Revenue Fund is used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes.

The amounts reported as program revenues in the statement of activities include operating grants and contributions received from First 5 California as well as charges to customers for program services. General revenues include interest income.

### **D. Assets, Liabilities, Net Position or Equity**

#### ***1. Cash and Cash Equivalents***

The Commission's cash is maintained in the County Treasury and is pooled with the County of Solano. The Commission is a mandatory depositor, pursuant to Solano County Code § 7.3 and Health & Safety Code § 130105. The Commission's ability to withdraw large sums of cash from the County Treasury may be subject to certain restrictions set by the County Treasurer.

The County's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the County Board of Supervisors. The objectives of the policy (in order of priority) are: legality, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in

which the County will deposit funds, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio which may be invested in certain instruments with longer terms of maturity. A detailed breakdown of cash and investments and a categorization of risk factors per GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, are presented in the County of Solano Comprehensive Annual Financial Report.

**2. *Due from Other County Funds***

Due from other county funds represents amounts due to the Commission for the management of several county general fund contracts.

**3. *Due from State Commission***

Due from other agencies represents amounts due to the Commission from the State (First 5 California Children & Families Commission) as of June 30, 2015 for amounts approved but not received.

**4. *Outstanding Warrants***

Outstanding warrants represent the amount of warrants issued but not yet presented to the County for payment. When warrants are mailed, expenditures are recorded in the Commission's fund and an outstanding warrant liability is created, pending payment of the warrant.

**5. *Accounts Payable***

Accounts payable represents the balance owed for goods received and/or services rendered.

**6. *Due to Other County Funds***

Due to other funds represents amounts owed to funds within the reporting entity (Solano County) for grantee services provided by the Department of Health and Social Services.

**7. *Due to Other Agencies***

Due to other agencies represents amounts owed to grantees outside the reporting entity.

**8. *Compensated Absences***

The Commission follows County policy which permits permanent employees to accumulate earned but unused vacation and sick leave benefits. Accrued vacation and sick leave is paid at the time of the employee's termination or retirement based on established County limitations. Compensated absences leave is accrued when incurred in the government-wide financial statements. A liability is reported in the governmental fund only if unused vacation and sick leave after limitations are expected to be liquidated (paid out due to an

employee separating from service with the Commission) with expendable available financial resources.

The notes to the County's basic financial statements provide detail for the County as a whole regarding compensated absences in accordance with accounting principles generally accepted in the United States of America.

#### **9. *Net Pension Liability***

The new financial reporting requirements for the Governmental Accounting Standards Board (GASB) Statement No. 68-Financial Reporting for Pensions requires the measurement of a Net Pension Liability. The net pension liability is measured as the total pension liability less the pension plan's fiduciary net position. The Commission's pension liability is included with the County of Solano, the reporting entity. The notes to the County of Solano Comprehensive Annual Financial Report provide detail for the County as a whole regarding net pension liability as required in accordance with accounting principles generally accepted in the United States of America.

#### **10. *Prior Period Adjustment***

The prior period adjustment in the amount of \$1,195,621 represents the Commission's net pension liability as of June 30, 2014.

#### **11. *Net Position/Fund Balance***

The government-wide financial statements utilize a net position presentation. The net position is categorized as restricted.

- *Restricted* – This category represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

The various categories of fund balance represent relative strength or hierarchy of spending constraints. These categories are established either by inherent, external or internal limitations.

As of June 30, 2015, fund balance was categorized as follows:

- *Restricted* – the constraints imposed by the enabling legislation of Proposition 10 represents a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.



## 12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

## II. DETAILED NOTES

### A. Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net pension liability	\$ -	\$ 1,370,818	\$ -	\$ 1,370,818	\$ 104,947
Compensated absences	76,780	-	44,076	32,704	-
Total long-term liabilities	\$ 76,780	\$ 1,370,818	\$ 44,076	\$ 1,403,522	\$ 104,947

## III. OTHER INFORMATION

### A. Description of Programs

#### 1. General Programs

General programs address the issue of developing a comprehensive, collaborative, and integrated system of information and services to promote, support, and optimize early childhood development from the prenatal stage to five years of age. General program expenses capture those costs related to the staffing and operations of the First 5 administrative office, both programmatic as well as administrative.

#### 2. Pre-Kindergarten Academies

Pre-Kindergarten (Pre-K) Academies are offered throughout the County and provide quality early childhood experiences for entering kindergarteners who lack prior preschool experience or have another high-risk factor such as English language learner, poverty, remoteness, substance abuse, family violence, child abuse and neglect, special needs, and other challenges. Pre-K Academies are designed to support school readiness, both for the entering kindergartener as well as the family and the school.

### ***3. Family Strengthening Partnerships (Family Resource Centers)***

Family Strengthening Partnerships (FSP) is a comprehensive set of services which are centrally coordinated through the Family Resource Center network in Solano County, which are designed to reduce child abuse and neglect and increase family stability. Services include information and referral, basic needs, and home-visiting for high-risk families. FSP offers neighborhood based services, including multi-disciplinary team case conferencing (including a Child Welfare Services Social Worker and Public Health Nurse), information-sharing via a comprehensive case management and tracking system, parent education, and provider capacity-building and support.

### ***4. Parent Education***

Parent Education classes and workshops are provided throughout the County in both English and Spanish, focusing on high-risk families and families of children with special needs, to increase parenting competency and reduce likelihood of abuse and neglect.

### ***5. Quality Child Care***

#### ***a. Comprehensive Approaches to Raising Educational Standards (CARES Plus)***

CARES Plus is a jointly-funded (First 5 Solano and First 5 California) program to provide resources to address the retention of qualified child care employees and increase the education and skills of the child care workforce for children aged birth-to-five.

#### ***b. Head Start Wrap-Around Care***

Head Start Wrap-Around funds full-day, full-year care for children in the Head Start Program.

#### ***c. Child Signature Program***

The Child Signature Program (CSP) is a jointly funded (First 5 Solano and First 5 California) program designed to provide early care and education centers the opportunity to increase quality in their early learning programs for children ages 0-5. The program is targeted to centers in neighborhoods areas with lower academic achievement in the elementary schools and/or serving high numbers of low-income children. Classrooms and teachers are provided with training, technical assistance and other support based upon the classroom needs.

### ***6. BabyFirst Solano – Prenatal Services***

BabyFirst Solano is a prenatal and early childhood home visiting program which provides a system of care in Solano that supports and educates pregnant and parenting women and families. The goal of the BabyFirst Solano program is that all babies will be born healthy, full term with a healthy birth weight, and live in a nurturing environment where they will thrive. BabyFirst Solano utilizes evidence based Healthy Families America and Nurse Family Partnership home visiting models.

## ***7. Children's Health Access***

Solano Kids Insurance Program (SKIP) increases the number of children ages 0-5 who have health insurance and access to health services. The program includes outreach, enrollment, assistance to access medical services, and health insurance retention assistance.

## ***8. Early Childhood Mental Health***

### ***a. Early Periodic Screening Diagnosis and Treatment (EPSDT)***

Solano County Health & Social Services Department implements the EPSDT program, which provides early mental health screening, assessment and treatment to Medi-Cal-eligible children. The Commission funding leverages state and federal match which exponentially increases the capacity of the early childhood mental health system.

### ***b. Partnership for Early Access for Kids (PEAK)***

PEAK is a county-wide, multi-agency collaborative coordinating, integrating, and expanding services with the goal of earlier identification and intervention of infants and young children needing developmental, health, and social emotional/early childhood mental health services. This program is jointly funded by First 5 Solano and Solano County Mental Health Services Act-Prevention and Early Intervention.

## ***9. Collaboration***

Collaboration efforts are provided through Help Me Grow Solano which is an affiliate program that uses existing resources and builds collaboration across sectors (child health care, early care and education, family support, and others) to connect at-risk children with the services they need.

## ***10. First 5 Futures***

First 5 Futures is a 5-year campaign to help ensure the sustainability and expansion of the Solano early childhood system by securing critical resources and policy improvements for children ages 0-5 in Solano County. The plan has three main goals: secure large foundation and government grants and contracts; obtain corporate grants and strengthen corporate and business partnerships; and pursue legislative and policy changes to increase support for the mission of First 5 Solano.

## ***11. Other Programs***

First 5 Solano also funds a variety of programs internally. These programs include community engagement efforts, customization of the First 5 California Kit for New Parents for distribution in Solano County, the co-sponsorship of conferences and other trainings for providers of services to children 0-5 and their families, and organizational supports for agencies partnering with First 5 Solano to provide services in the County.

## **B. Program Evaluation Costs**

The Commission spent \$168,996 on program evaluation during the audit period. Evaluation activities include an ongoing, countywide evaluation of First 5 Solano Children and Families Commission funded programs, initiatives and system-change activities aimed at improvements in the health, well-being and development of young children.

## **C. Employee Pension Plan**

Plan Description: The Commission contributes through the County of Solano to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public employers within the State of California. Benefit provisions and all other requirements are established by state statute and local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from CalPERS Executive Office located at 400 P St., Sacramento, CA 95814.

All permanent employees participate in CalPERS. Benefits vest after five years of service. Employees who retire at or after age 50 with five years of credited service are entitled to retirement benefits. CalPERS combines pension details of the Commission with the County of Solano. The notes to the County of Solano Comprehensive Annual Financial Report provide detail for the County as a whole regarding actuarial funding and assumptions, annual pension costs and unfunded liability as required in accordance with accounting principles generally accepted in the United States of America.

## **D. Risk Management**

The County carries coverage administered through the Solano County Risk Management Division, for all risks under a multi-peril policy, including accident and property, workers' compensation, and general liability insurance programs.

Solano County also participates in the California State Association of Counties–Excess Insurance Authority (CSAC-EIA), a joint powers authority created to provide self-insurance programs for California counties.

**REQUIRED SUPPLEMENTARY INFORMATION**

**First 5 Solano Children & Families Commission**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**General Program**  
**Budget and Actual**  
**For the fiscal year ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Adopted</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental revenues	\$ 3,487,398	\$ 3,487,398	\$ 3,678,236	\$ 190,838
Charges for services	605,858	605,858	653,240	47,382
Revenues from the use of money & property	24,849	24,849	50,755	25,906
United Way Grant	-	-	16,452	16,452
Pre K Academy pledges	-	-	15,100	15,100
Miscellaneous	-	-	8,379	8,379
Total revenues	<u>4,118,105</u>	<u>4,118,105</u>	<u>4,422,162</u>	<u>304,057</u>
Expenditures:				
General				
Employee services	1,083,657	1,083,657	930,743	152,914
Program evaluation costs	170,000	170,000	168,996	1,004
Professional & specialized services	148,799	148,799	139,250	9,549
Interfund services	103,968	103,968	125,673	(21,705)
Transportation & travel	7,800	7,800	11,287	(3,487)
Maintenance	2,000	47,000	9,558	37,442
Rents & leases	9,000	9,000	7,277	1,723
Non capitalized equipment	7,500	7,500	6,063	1,437
Insurance	6,311	6,311	5,788	523
Special departmental expense	7,075	7,075	5,366	1,709
Communication	6,510	6,510	5,215	1,295
Utilities	-	-	5,000	(5,000)
Supplies	5,800	5,800	3,555	2,245
Contingencies	1,157,814	1,157,814	-	1,157,814
Miscellaneous	6,400	6,400	8,464	(2,064)
Total general expenditures	<u>2,722,634</u>	<u>2,767,634</u>	<u>1,432,235</u>	<u>1,335,399</u>
Grants				
Pre-natal-BabyFirst	1,026,185	1,026,185	990,667	35,518
Early mental health	1,060,282	1,060,282	936,225	124,057
SR family support	688,079	763,079	660,530	102,549
Child care and development	331,500	331,500	324,000	7,500
EPSDT - Early Periodic Screening Diagnosis& Treatment	299,870	299,870	291,124	8,746
Health access initiative	250,000	250,000	248,981	1,019
Child care - CARES	267,480	267,480	233,352	34,128
Pre K academy	160,000	160,000	203,113	(43,113)
Parent education	204,173	204,173	191,146	13,027
H&SS IFSI - Family Strengthening Project	187,956	187,956	187,956	-
Collaboration	100,000	100,000	143,219	(43,219)
First 5 futures	172,393	172,393	72,123	100,270
Community engagement	88,000	88,000	58,485	29,515
Pre-natal grants	35,000	35,000	33,642	1,358
Co-sponsorship of conferences	50,000	50,000	15,394	34,606
Service grants	299,844	179,844	-	179,844
Total grant expenditures	<u>5,220,762</u>	<u>5,175,762</u>	<u>4,589,957</u>	<u>585,805</u>
Total expenditures	<u>7,943,396</u>	<u>7,943,396</u>	<u>6,022,192</u>	<u>1,921,204</u>
Deficiency of revenues under expenditures	(3,825,291)	(3,825,291)	(1,600,030)	2,225,261
Fund balance - beginning	10,412,666	10,412,666	10,412,666	-
Fund balance - ending	<u>\$ 6,587,375</u>	<u>\$ 6,587,375</u>	<u>\$ 8,812,636</u>	<u>\$ 2,225,261</u>

The notes to the required supplementary information are an integral part of this statement.

**First 5 Solano Children & Families Commission**  
**Notes to Required Supplementary Information**  
**For the fiscal year ended June 30, 2015**

***Budgetary Information***

The Commission shall conform to Solano County Code § 7.3 for the First 5 Solano Children and Families Commission by approving a budget for the fiscal year in accordance with the Solano County annual budget calendar. The budget shall include anticipated revenues to the First 5 Solano Children & Families Trust Fund and shall provide for carrying out the adopted strategic plan. The budget shall be transmitted to the County Administrator for inclusion in the Final Budget of Solano County.

In accordance with provisions of Sections 29000-29144 of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a final balanced budget each fiscal year by July 1.

An operating budget prepared on the modified accrual basis is adopted each fiscal year for the special revenue funds.



Board of Commissioners  
First 5 Solano  
Children and Families Commission  
Fairfield, CA 94533

## 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*

We have audited, 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, the financial statements of the governmental activities of First 5 Solano Children and Families Commission (Commission), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 19, 2015.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Commission'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 may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission'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 determination of financial statement amounts. 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 the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the County Board of Supervisors, the County Commission, the State Commission, and the State Controller's Office, federal agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

  
Simona Padilla-Scholtens, CPA  
Auditor-Controller

Fairfield, California

October 19, 2015



Board of Commissioners  
First 5 Solano  
Children and Families Commission  
Fairfield, CA 94533

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

### Compliance

We have audited the First 5 Solano Children and Families Commission's (Commission) 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 the Commission's statutory requirements identified below for the fiscal year ended June 30, 2015.

### Management's Responsibility

Management is responsible for compliance with the requirements of the laws and regulations applicable to the California Children and Families Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Commission's compliance with the requirements referred to above based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, 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. Those standards and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements referred to above that could have a direct and material effect on the statutory requirements listed below. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Commission’s compliance with those requirements. In connection with the audit referred to above, we selected and tested transactions and records to determine the Commission’s compliance with the state laws and regulations applicable to the following items:

<u>Description</u>	<u>Audit Guide Procedures</u>	<u>Procedures 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

**Opinion**

In our opinion, the First 5 Solano California Children and Families Commission 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 fiscal year ended June 30, 2015.

This report is intended solely for the information of the County Board of Supervisors, the County Commission, the State Commission, and the State Controller’s Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

  
 Simona Padilla- Scholtens, CPA  
 Auditor-Controller

Fairfield, California

October 19, 2015