



**LASSEN COUNTY
CHILDREN AND FAMILIES COMMISSION**

PO Box 270826
Susanville, California 96127
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November 26, 2018

Lassen County Board of Supervisors
707 Nevada Street
Susanville, CA 96130

Re: First 5 Lassen Strategic Plan and Long Range Financial Plan, Annual Audit, Annual Report

In accordance with Health and Safety Code section 130140(a)(1)(D), (E) and (F) enclosed is a consolidated copy of the Revised Strategic Plan and Long Range Financial Plan for the Lassen County Children & Families Commission for Fiscal Year 2018-19 through 2021-22. The required public hearing was held on this Strategic Plan on June 7, 2018.

The Annual Audit and Annual Report are enclosed also. A public hearing was held on these documents on October 10, 2018. Should you have any questions I am happy to respond.

Sincerely,

Laura Roberts, Executive Director
Lassen County Children and Families Commission

Enclosures



STRATEGIC AND LONG RANGE

FINANCIAL PLAN

FY 2018-19 THROUGH FY 2022-23

Public Hearing Held
June 7, 2018

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First 5 Lassen County Children and Families Commission would like to thank the community members, staff and commissioners who participated in reviewing and updating the 2017-18 to 2020-21 Strategic Plan. The Commission meets monthly on the first Thursday at 1:30 p.m. at the Lassen County Office of Education 472-013 Johnstonville Road, Susanville, California. Meetings are open to the public.

First 5 Commission Members

Mae Sherman, Chairperson

Wendy Blackmon, Vice Chair

Mary Ann Murin, Secretary/Treasurer

Barbara Longo

David Teeter

Anita Osborn

Vacant Position

Wendy Jacobs

Jessica Jones

Commission Staff

Laura Roberts, Executive Director

Helen Finks, Finance

This document was presented at the April 2018 Commission meeting and approved at the public hearing in June 2018.

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PLAN SUMMARY

Executive Summary

Since the passage of Proposition 10 in 1998, California cigarette buyers have been paying an additional 50 cents per pack in sales tax. The revenues generated are distributed to County First 5 Commissions who are charged with funding programs and services for children ages 0-5 and their families.

First 5 Commissions must develop and annually review strategic plans that address the strategic results across four areas:

- 1) Improved Child Development: Children Learning and Ready for School
- 2) Improved Family Functioning: Strong Families
- 3) Improved Child Health: Healthy Children
- 4) Improved Systems of Care: Integrated, Consumer-Oriented, Accessible Services

First 5 Lassen County Children and Families Commission adopted its initial strategic plan in 2000. Each year since the Commission has reviewed and revised its strategic plan in conjunction with community members. They conducted various activities of the years to determine changing needs and challenges for children 0 to 5 and their families. This included a collaborative community needs assessment in FY 2006, online community surveys in 2007, and the Maternal Child and Adolescent Health needs assessment in 2010. Throughout, updated data from other sources such as the Children NOW report, www.kidsdata.org, California Department of Finance demographic data, etc. have also been used to inform planning. A review and discussion of the past year's progress, achievements and lessons learned, inform decisions about goals, objectives, indicators and strategies. Combined with information about the confines of current economic realities, these data and conversations have set the direction for the next year and beyond.

The Commission adopted the following vision and mission statements. The vision statement describes the future the Commission envisions for Lassen County, while the mission statement articulates the purpose of the Commission. Both statements are reviewed and updated as needed during the annual strategic planning process.

Vision Statement

All Lassen County children will thrive in supportive, nurturing and loving environments; enter school healthy and ready to learn; and become productive, well-adjusted members of society.

Mission Statement

The Lassen County Children and Families Commission is designed to support and encourage, on a countywide basis, a comprehensive, integrated, coordinated system of early childhood development services. The focus of the Commission is on quality health care, family strengthening, and early childhood education. The Commission will support prevention and intervention programs for children, prenatal through five years of age, and their families.

First 5 Lassen has adopted the Principles on Equity, and continues to incorporate the philosophy and intent of the principles in all aspects of operations.

PLAN SUMMARY

GOALS AND OBJECTIVES

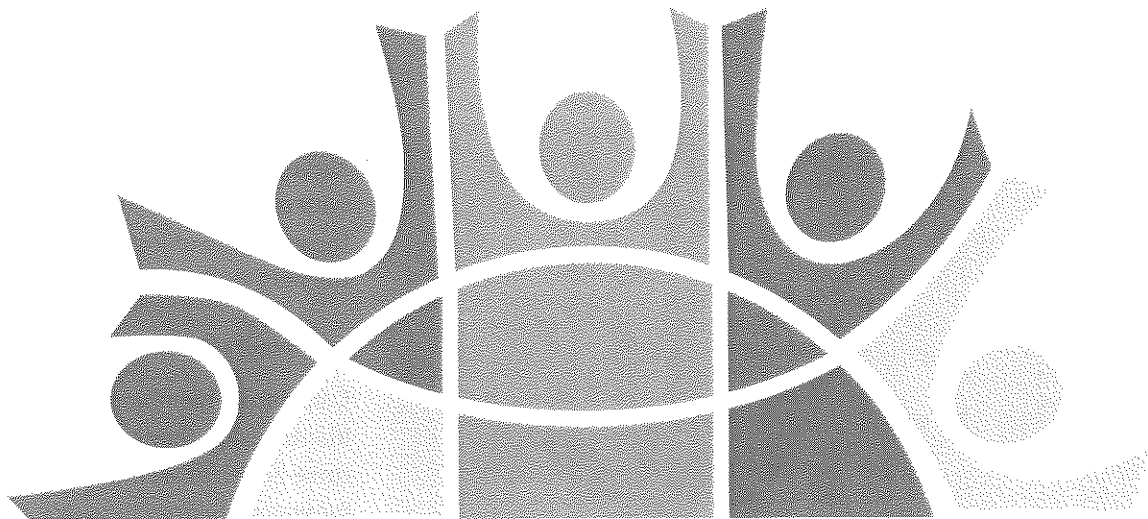
IMPROVED CHILD DEVELOPMENT	<p>Goal 1: Every child prenatal through 5 will reach his or her developmental potential and be ready for school.</p> <ul style="list-style-type: none">• Objective 1A: 100% of children served by First 5 home visiting will receive screenings according to accepted protocol.• Objective 1B: 100% of children identified as needing additional services will receive referral and referral support.• Objective 1C: 100% of children served will progress along a continuum toward school readiness.
IMPROVED FAMILY FUNCTIONING	<p>Goal 2: Families and other caregivers of children prenatal to 5 will provide optimal parenting and a healthy environment.</p> <ul style="list-style-type: none">• Objective 2A: At least 95% of parents/caregivers/providers served will report increased positive behaviors, knowledge and practices in parenting skills and healthy lifestyles.• Objective 2B: 60 to 80 high-risk families will be provided home visits annually.
IMPROVED CHILD HEALTH	<p>Goal 3: Every child prenatal through age five will achieve optimal health potential.</p> <ul style="list-style-type: none">• Objective 3A: 100% of children served by First 5 home visiting program will receive an annual physical health exam.• Objective 3B: 100% of children served by First 5 receive age-appropriate oral health screening.• Objective 3C: 100% of children identified as needing additional services will receive referral and referral supports.
IMPROVED SYSTEMS OF CARE	<p>Goal 4: First 5 funded programs, county and community services support and participate in comprehensive, coordinated systems of care for children prenatal through 5 that maximize the efficient use of resources.</p> <ul style="list-style-type: none">• Objective 4A: Public and private partners participate in collaborative efforts to design, implement and sustain a system that serves children prenatal through 5 and maximizes the efficient use of resources.• Objective 4B: Funded programs participate as appropriate in an inter-agency case conferencing system focusing on the birth to 5 population.

All strategies included in the five-year plan continue to improve and develop a consumer-oriented and easily accessible system for early childhood development within Lassen County. Funding continues to be used to support programs and activities that incorporate one or more of the strategies and are in alignment with the Guiding Principles for Implementation.

First 5 Lassen County Children and Families Commission will continue to issue RFPs for major programs, initiatives and projects (those in excess of \$10,000) as needed, and commit funding in three-year cycles. The Commission continues to retain the right to extend funding for an additional three years, or change funding commitments based on performance and outcomes achieved, as demonstrated through ongoing evaluation. The long range financial plan and anticipated expenditures are described in Fiscal Strategies and Long Range Financial Planning section of this document.

PLAN SUMMARY

The Commission continues to evaluate grantees' progress on a regular basis using the results based accountability evaluation plans developed in conjunction with currently funded grantees. Together the Commission and grantees share lessons learned with others in the community and beyond. In this way, opportunities for leveraging success among grantees, partners and the community can be promoted and the Commission will come closer to achieving its vision that all Lassen County children will thrive in supportive, nurturing and loving environments; enter school healthy and ready to learn; and become productive, well-adjusted members of society.



COMMUNITY ISSUES AND CONCERNS

Strategic Plan Update

TOP ISSUES AND CONCERNS – 2014-15 UPDATE

The most recent community and provider needs survey was done in 2014-2015; however, issues identified at that time are still valid today and informed the 2017 plan update discussions and decisions.

The First 5 Lassen County Children and Families collected information from service providers and community members in fiscal year 2014-15 to understand what issues people feel are important for young children and their families and what stops families with young children from getting help when they need it.

There was a total of 227 surveys completed: 109 from community members and 118 from providers. Community members were asked questions about conditions and concerns for children birth to five and their families. Providers were asked questions about the service delivery and coordination system. Following is a high-level summary of the results. More detailed information can be found in the Lassen County Profile and First 5 History section of this document.



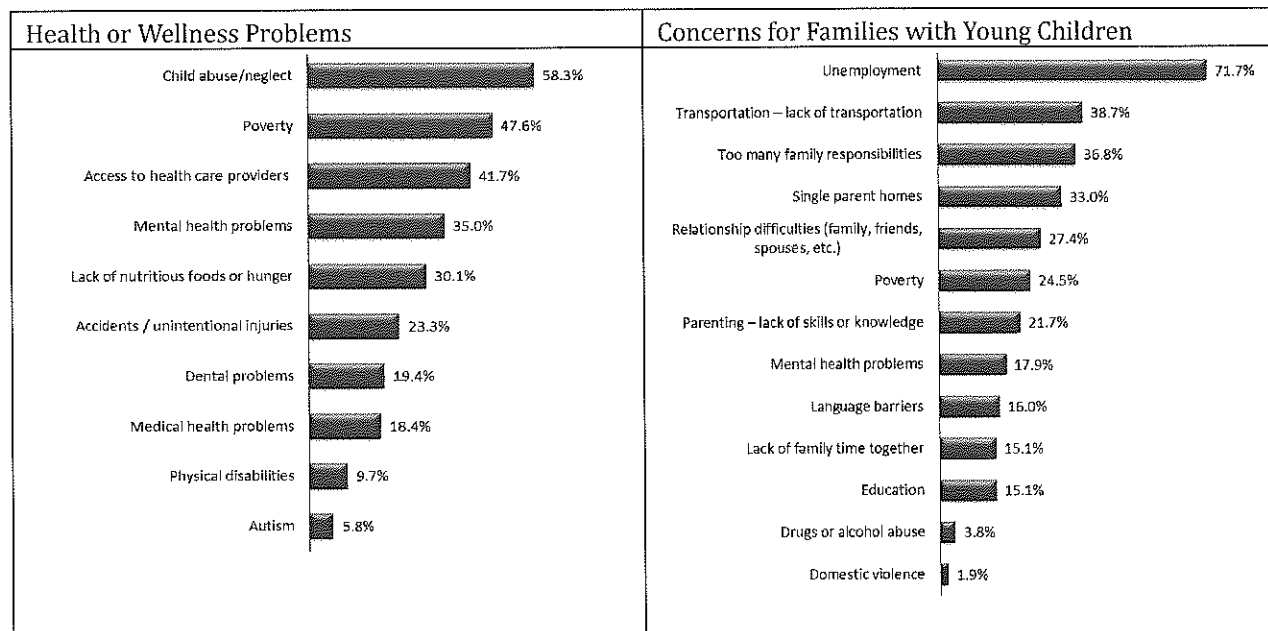
INPUT FROM BOTH COMMUNITY AND PROVIDER SURVEY RESPONDENTS SHOWS THAT ACCESS TO ALL TYPES OF HEALTH PROVIDERS HAS CONTINUED TO BE AMONG THE TOP PRIORITIES SINCE THE 2006 NEEDS ASSESSMENT SURVEY.

The information from the 2015 community and provider needs surveys was used in conjunction with evaluation results to develop the goals and objectives presented in the next section of this plan.

Community Survey Highlights

Community members were asked to identify what they consider the top three health or wellness problems for young children in their community. They were then asked to share the top three concerns for families with young children.

COMMUNITY ISSUES AND CONCERNS



Key findings from the community responses:

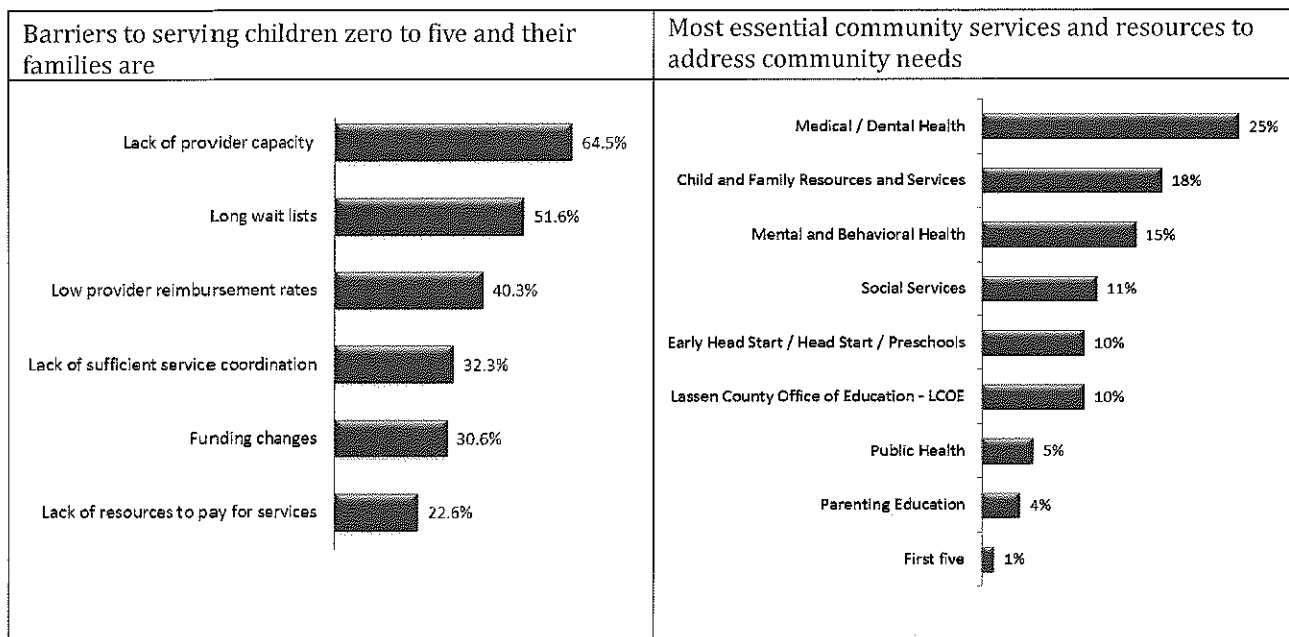
- ❖ Nearly 9 of 10 survey respondents (87%) agree that young children can get medical care when they need it.
- ❖ Eight of 10 respondents (78%) agree that young children can get dental care when they need it.
- ❖ Sixty-five (65%) are happy with the medical and dental care available for young children in their community.
- ❖ Fifty-nine (59%) indicate that paying for medical or dental care is not easy for families with young children.
- ❖ Most of the respondents (83%) strongly agree or agree that people can find good information and assistance for parenting young children when they want it.
- ❖ Nearly three of every four (73%) respondents agree that parents can find out if their child has a learning or health problem that hurts their growth, and that parents know how to support their young children to learn and grow.
- ❖ More than half of the respondents (54%) agree that parents can find good, safe and affordable child care.
- ❖ Only one in three (35%) agree that parents can pay for good child care.
- ❖ Less than half of the respondents agree that their community offers a lot of educational and learning activities (45%).
- ❖ Less than half (49%) agree that there are a lot of social and a physical activities.

COMMUNITY ISSUES AND CONCERNS

Provider Survey Highlights

No single agency can respond to the needs and concerns of families on its own. Therefore, a functioning service delivery system with good collaboration and a strong referral network is important.

Providers were asked to list barriers to serving children zero to five and their families. They were also asked to identify barriers for serving young children and their families, and to identify the most essential services or resources to address community needs.



Key findings from the providers' responses:

- ❖ Two-thirds of providers (67%) indicated they could effectively serve young children and their families. Those that disagreed, cited organization capacity as the biggest barrier to effective service delivery.
- ❖ Nearly nine out of every ten respondents (88%) consider the referral network was either effective or somewhat effective.
- ❖ Case management services are considered effective (51%) by half of the respondents, with another third indicating they are somewhat effective.
- ❖ Opinions were widely dispersed regarding "most essential" community resources and services, with six services / resource areas accounted for 90% of the responses.
- ❖ Nearly half of the respondents (48%) listed one of three services as most essential: medical/dental health (25%), Child and Family Resources and Services (18%), and mental and Behavioral Health (15%).
- ❖ Early education (for children 0 to 5) and Lassen County Office of Education were each identified by 10% of the respondents.

GOALS, OBJECTIVES AND INDICATORS

Goals, Objectives and Indicators

This section defines and describes the key components of the strategic plan and how they connect.

GOALS	Long-range (e.g. 5-10 years) statements of desired change in the condition of well-being for children, adults, families or communities, based upon First 5 Lassen County Children & Families Commission's vision that "All Lassen County children will thrive in supportive, nurturing and loving environments; enter school healthy and ready to learn; and become productive, well-adjusted members of society."
OBJECTIVES	Precise description of the desired change that is short-term (1-3 years), measurable, actionable, realistic and (time) specific. Objectives support the achievement of the goal. (They describe "what" will signal progress toward the Commission's Goals)
INDICATORS	The Commission uses two types of indicators to measure results. <u>Outcome indicators</u> measure the extent to which goals are being achieved and apply to <i>whole populations</i> within the county, while <u>performance indicators</u> determine whether programs, services, projects, or initiatives funded by the Commission are achieving results toward the goals and objectives. Performance indicators apply to <i>program target populations</i> .

2018-2019 GOALS, OBJECTIVES AND INDICATORS

There are four focus areas that First 5 Commissions address: 1) Improved Family Functioning: Strong Families; 2) Improved Child Development: Children Learning and Ready for School; 3) Improved Child Health: Healthy Children; and 4) Improved Systems: Integrated, Consumer-Oriented, Accessible Services. First 5 Lassen County Children and Families Commission has focused its goals and strategies in these four areas since its inception. It has worked to build and support an effective infrastructure, which could in turn provide needed services and programs to the county's children prenatal to five and their families.

Following are the goals and objectives, which will be pursued by the Commission for the coming year and beyond. Each objective has indicators which are tracked according to the evaluation plan for the funding initiative adopted by the Commission. A description of the evaluation approach is provided in the Evaluation section of this document.

RESULT AREA: IMPROVED CHILD DEVELOPMENT

Children are healthy and grow up confident in their ability to live a fulfilling, productive life. Healthy children have sufficient nutrition, health care, nurturing and guidance, and mental stimulation and they live in families that value them. The research on child development and the impact of the early years emphasizes the importance of children and their mothers beginning life with healthy nutrition and healthy environments. The importance of preparing children to succeed in school is critical. The role of education in a child's later ability to create a healthy, fulfilling life has been well documented. Skills that allow one to problem solve and think creatively are developed in the home, in early childhood development settings and nurtured through

GOALS, OBJECTIVES AND INDICATORS

community and parental reinforcement. The national association of Elementary School Principals has stated that “better childhoods” would be the single greatest contributor to improvement in school achievement.

Goal 1: Every child prenatal through 5 will reach his or her developmental potential and be ready for school.

Objectives	Indicators
Objective 1A: 100% of children served by First 5 home visiting will receive screenings according to accepted protocol.	<ul style="list-style-type: none"> Percentage of children served by Pathways who receive developmental screenings per protocol
Objective 1B: 100% of children identified as needing additional services will receive referral and referral support.	<ul style="list-style-type: none"> Percentage of children served through First 5 funded programs who receive referrals for service Percentage of children referred by First 5 funded programs who receive timely referral supports
Objective 1C: 100% of children served will progress along a continuum toward school readiness.	<ul style="list-style-type: none"> Percentage of parents/caregivers/providers served with increased knowledge of optimal parenting practices and involvement in their child’s development and education Number of parents taking parenting classes focused on supporting child physical, cognitive, socio-emotional development (identified as a school readiness (SR) indicator) Number of children served and demonstrating progress toward school readiness

RESULT AREA: IMPROVED FAMILY FUNCTIONING

Successful and strong families are those that are able to provide for the physical, mental and emotional development of their children. Young children are entirely dependent upon care givers for survival and nurturing. It is the interaction of the parent or primary care giver with the child that shapes the child’s view of himself or herself as an individual capable of interacting with the world and achieving desired outcomes from that interaction. Parents and caregivers provide the foundation for a child’s ability to create successful relationships, solve problems and carry out responsibilities. Children who are encouraged to develop a strong self-concept from an early age are more likely to achieve a productive and fulfilling life.

Goal 2: Families and other caregivers of children prenatal to 5 will provide optimal parenting and a healthy environment.

Objectives	Indicators
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GOALS, OBJECTIVES AND INDICATORS

Goal 2: Families and other caregivers of children prenatal to 5 will provide optimal parenting and a healthy environment.

Objectives	Indicators
Objective 2A: At least 95% of parents/caregivers/providers served will report increased positive behaviors, knowledge, and practices in parenting skills and healthy lifestyles.	<ul style="list-style-type: none"> Percentage of parents/caregivers/providers served with increased knowledge of effective parenting practices and involvement in child development and education (e.g., PAT, TouchPoints, etc.) Percentage of parents/caregivers/providers utilizing health and wellness opportunities (e.g., New Parent Kits, classes / workshops, home visits, clinics, TouchPoints, etc.) Percentage of parents/caregivers/providers served adopting improved nutrition, health and physical activity practices
Objective 2B: 60 to 80 high-risk families will be provided home visits annually.	<ul style="list-style-type: none"> Number of high-risk families served through home visiting

RESULT AREA: IMPROVED CHILD HEALTH

Health encompasses well-being of families with children ages 0-5, and addresses the aspects of physical, mental, oral health, physical activity and nutrition. Access to health care services continues to be a problem for families in the county, as health providers leave the county, decide to work for the prison, or simply quit accepting new and/or Medi-Cal clients. The ratio of health providers (physical, dental, and mental/behavioral health) to community members is far too low to meet needs.

Goal 3: Every child prenatal through age five will achieve optimal health potential.

Objectives	Indicators
Objective 3A: 100% of children served by First 5 home visiting program will receive an annual physical health exam.	<ul style="list-style-type: none"> Percentage of children served through First 5 home visiting program who receive annual physical exams
Objective 3B: 100% of children served by First 5 receive age-appropriate oral health screening.	<ul style="list-style-type: none"> Percentage of children served through First 5 home visiting program who receive age-appropriate annual oral health screenings

GOALS, OBJECTIVES AND INDICATORS

Goal 3: Every child prenatal through age five will achieve optimal health potential.

Objectives	Indicators
Objective 3C: 100% of children identified as needing additional services will receive referral and referral supports.	<ul style="list-style-type: none"> Percentage of children served through First5 funded programs who receive referrals for service Percentage of children referred by First 5 funded programs who receive timely referral supports

RESULT AREA: IMPROVED SYSTEMS OF CARE

This Improved Systems of Care result area is intended to serve as a screen for implementing programs to achieve results in the other areas. It is not intended to suggest that private and public systems are more important than the results they achieve. However, adding isolated programs to the current menu of services without attending to coordination and access issues only produces more fragmentation and does not efficiently use and maximize the existing available resources; and may actually deter the achievement of sustained long-term results for children and families. Integrating services into a “consumer-oriented and easily accessible system” requires deliberate and collaborative work in this result area.

Goal 4: First 5 funded programs, and county and community services support and participate in comprehensive, coordinated systems of care for children prenatal through 5 that maximize the efficient use of resources.

Objectives	Indicators
Objective 4A: Public and private partners participate in collaborative efforts to design, implement and sustain a system that serves children prenatal through 5 and maximizes the efficient use of resources.	<ul style="list-style-type: none"> A common set of goals is established Increased collaborating, partnering, and coordinating among providers of services to children 0-5 and their families (e.g. ASQ, ASQ-SE System, Touch Points, PAT, Lassen HEART [Health Education and Resource Tool], Lassen Healthcare Collaborative, etc.) Use of multi-disciplinary approach to meetings and attendance (participation)
Objective 4B: Funded programs participate as appropriate in an inter-agency case conferencing system focusing on the birth to	<ul style="list-style-type: none"> Coordinated home visiting case management system is selected and memoranda of understanding (MOUs) between partners established Shared processes and protocols are established, including reporting and joint case management for children 0-5 and their families served by First 5 funded programs

GOALS, OBJECTIVES AND INDICATORS

Goal 4: First 5 funded programs, and county and community services support and participate in comprehensive, coordinated systems of care for children prenatal through 5 that maximize the efficient use of resources.

Objectives	Indicators
5 population.	<ul style="list-style-type: none"> Increased collaboration and joint case management for children 0-5 and their families served by First 5 funded programs

The result areas, goals and objectives described in the previous section are clearly interrelated and therefore the strategies selected to achieve them should also be interconnected. The domains they encompass –child health, early education and learning, family strengthening, parent and community education, and systems and community building – ideally should form a “coherent whole that can be sustained over time and will produce widely valued outcomes for young children and their families.”

This section of the strategic plan describes the strategies that will be pursued to achieve the goals and objectives described in the previous section. It shows how these strategies align to support the four result areas. All strategies included in the plan continue to improve and develop a consumer-oriented and easily accessible system for early childhood well-being and development within Lassen County. Additionally, funding is used to support programs and activities that implement one or more of the strategies, and that are in alignment with the Guiding Principles for Implementation.

IMPLEMENTATION STRATEGIES

First 5 Lassen’s overall approach to service delivery is through collaborated systems that integrate early childhood development activities into a coherent whole. To determine which strategies to include in this year’s strategic plan, the planning participants reviewed current strategies and discussed new possibilities for achieving results toward the long-term goals and objectives. The group took into consideration evaluation results from previous years and the first two quarters of the current fiscal year. They looked at opportunities for working with existing partners and collaborations to extend the reach and impact of funding, and where new partnerships could be forged. Ultimately, the group decided to focus on implementing eleven strategies. The clear interrelationships between the goals – for example, children’s health and families’ strengthening directly affects children’s development and readiness to succeed in school - provide opportunities to use *integrated* strategies that address multiple issues rather than approaching each issue in isolation. In addition, *targeted* strategies are needed to focus on a single goal or objective in order to supplement the effects of the integrated strategies. All but three of the strategies developed for this strategic plan are considered integrated.

STRATEGIES

Strategies identify the specific programs, services and projects to be pursued in order to achieve the goals and objectives. The strategies are aligned with the goals and objectives and linked to the funding and fiscal priorities.

IMPLEMENTATION STRATEGIES & EVALUATION

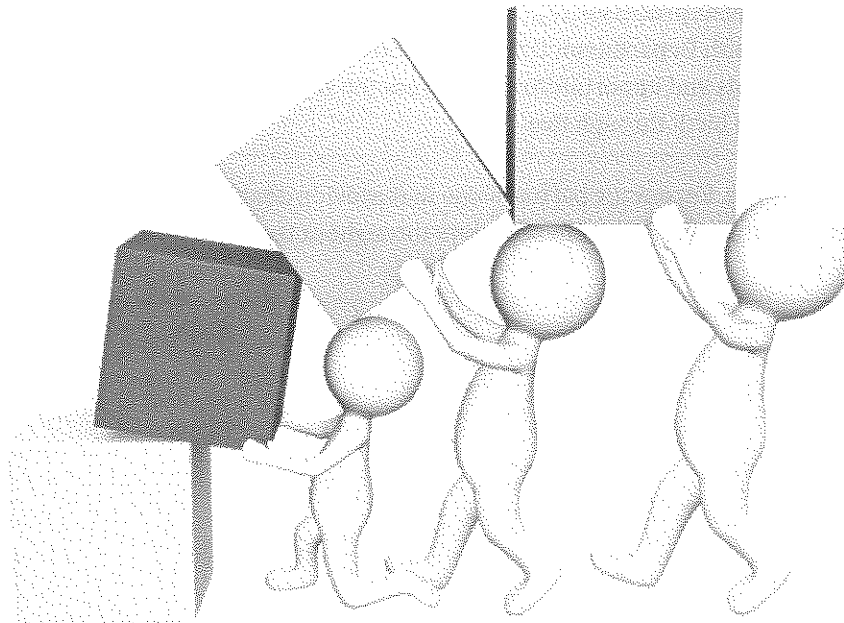
The table that follows lists the strategies that have been identified for the 2017-2018 Strategic Plan update. The first five strategies are funded programs through the Commission. The result areas impacted by the strategies are noted with a “◆” symbol.

Strategies	Improved Child Development	Improved Family Functioning	Improved Child Health	Improved Systems of Care
A. Home Visiting: Continue to coordinate with public and private agencies to deliver countywide school readiness programs and activities through implementing First 5 Lassen’s home visiting program through Pathways, Inc.	◆	◆	◆	◆
B. Oral Health Initiative: Encourage oral health professional education, screening and referral services; encourage public and private partners, including childcare providers to: integrate parent education about children’s oral health; implement a public awareness campaign; and work to maintain fluoride varnish and sealant services and case management services.	◆		◆	◆
C. Big Valley Child Care: Continue to support capacity building, professional development, and child care service provision for Big Valley children.	◆			
D. Emerging Initiatives: Seek and fund emerging initiatives that directly support First 5 Lassen’s goals and objectives. These initiatives will be identified by the Commission according to the funding priorities outlined in the long range financial plan.	◆	◆	◆	◆
E. Capacity Building. Provide technical assistance and training to funded organizations for utilizing web-based integrated data collection system and evaluation reporting through First 5 staff and contract consultants.				◆
F. 4P’s SART System: Encourage Lassen County Public Health and other partners (e.g., Lassen County Health and Social Services, Office of Education, Pathways, etc.) to support and promote health outreach and education initiatives specifically targeting services to children ages birth to 5.	◆	◆	◆	◆
G. Children’s System of Care: Continue to encourage community agencies e.g., Lassen County Health and Social Services, Office of Education, Public	◆	◆	◆	◆

IMPLEMENTATION STRATEGIES & EVALUATION

Strategies	Improved Child Development	Improved Family Functioning	Improved Child Health	Improved Systems of Care
Health) and other organizations (e.g., Pathways) to provide support for the design and implementation of a children's system of care (e.g., Health Education and Resource Tool (HEART) program, Touch Points, ASQ and ASQ-SE System, Wraparound, etc.).				
H. New Parent Kits. Coordinate distribution of New Parent Kits in Spanish and English with local resources and funded programs (i.e., Pathways, WIC, doctor's offices, family resource centers, etc.).	◆	◆	◆	◆
I. Tobacco Cessation. Promote the Tobacco Use Reduction project, funded programs, and others systems to extend information and referral services regarding tobacco cessation services.	◆	◆	◆	◆
J. Coordinated Needs Assessments. Continue to collaborate with identified public and private agencies to share data and participate in various community needs assessment processes (e.g., Lassen County Health and Social Services, Public Health Department, Office of Education, etc.) in order to effectively identify trends and opportunities to address the service needs and gaps for children aged birth through five.				◆
K. System Capacity Building. Encourage partnerships that provide dental screening services with trained oral health screeners throughout the County.			◆	◆

IMPLEMENTATION STRATEGIES & EVALUATION



EVALUATION

Evaluation

Evaluation is critically important to the long-term success of First 5 Lassen County Children and Families Commission. Over the past three years the Commission funded the development and implementation of results-based accountability plans for its major funded programs and initiatives. The evaluation plans are used by the Commission and our grantees to collect and analyze meaningful data and information on a regular basis so that we can make “course corrections” where needed and leverage successful practices and programs wherever possible. Our evaluation strategies are intended to provide us with a continual flow of information on unmet needs, where fragmentation still exists, which services or projects are having the best outcomes, and the degree to which we are meeting the changing needs of the target population. In addition, the evaluation plans meet the state evaluation framework requirements.

The commission continues to evaluate grantees’ progress on a regular basis using the results based accountability evaluation plans developed in conjunction with currently funded grantees. Together the Commission and grantees will continue to share lessons learned with others in the community and beyond. In this way, opportunities for leveraging success among grantees, partners and the community can be promoted and the Commission will come closer to achieving its vision that *all Lassen county children will thrive in supportive, nurturing and loving environments; enter school healthy and ready to learn; and become productive, well-adjusted members of society.*

The ongoing evaluation of progress toward achieving goals and objectives in the four major result areas is the joint responsibility of funded programs and organizations, First 5 Lassen County Children and Families Commission staff and Commission members, and a contract evaluator.

OBJECTIVES

There are four primary objectives for evaluation:

- Determine the effectiveness of programs, services and systems supported by Proposition 10 funds
- Increase providers’ capabilities to evaluate services
- Provide continuous information to the Commission and the community on the status of services of young children and their families in Lassen County
- Meet the Statewide Evaluation Framework Requirements

The major funded grants capture program data using tools and an encrypted, central database on a daily or weekly basis, depending on the service delivery frequency. By capturing program data in this way, the Commission is able to address evaluation questions within three overarching areas: 1) what did the Commission do; 2) how well did the Commission and its funded programs do; and, 3) what differences did programs make in child health, school readiness, family functioning, and systems integration?

The Commission will continue to track a series of indicators to monitor progress for specific goals and objectives (see the “Goals, Objectives and Indicators” section of this plan). This data, along with periodic

EVALUATION

updates to the community needs assessment data, will allow the Commission to gain an understanding of the health, safety and school readiness of children overall, as well as improvements to the service delivery system.

STRATEGIES

Evaluation is essential to ongoing system improvements and ensuring services are consumer-oriented and easily accessible. Evaluation is an ongoing process that is expected to result in enhancement to existing data collection and reporting tools over time.

In order to achieve its objectives the Commission has instituted protocols for collecting, analyzing and reporting on outcome data on a regular basis.

Emerging initiative funding projects will be evaluated at the conclusion of the project, and will be expected to provide data and information specific to the purpose of the project. Standard templates or report formats will be provided to the initiative/project in order to simplify the reporting and analysis functions.

Major funded programs and initiatives (referred to collectively as major grantees) will be evaluated according to the process described below and outlined in more detail in each of the specific evaluation plan documents. The evaluation plans identify and clearly articulate the program or initiative inputs, activities outcomes, indicators/performance measures, reporting expectations and milestones.

Major grantees will be expected to use the data collection tools and templates developed through the evaluation design and refinement process. They will capture program data on a daily and/or weekly basis. Data will be synthesized and reported on according to the key indicators or performance measures selected by the grantees and documented in the Scope of Work developed by the Commission. A common aspect of all evaluation processes is the inclusion of customer and/or client feedback, whether through focus groups, surveys, or other approved methods.

Currently funded major grantees will report quantitative and qualitative data (quadrants 1 through 4 in the evaluation plans) throughout the contract period. New grantees will be expected to report quantitative data during the first six months of their contract period as they learn to use the evaluation tools and templates. After that, the new major grantees will also report data and outcomes in all four evaluation quadrants throughout the remainder of the contract period.

Specific program data will be input daily or weekly (depending on service frequency) by each major grantee into program-specific evaluation tools and templates and the First 5 Lassen integrated database system, or other systems as required by the Statewide Evaluation Framework and the Small Population County Funding Augmentation Framework. Additionally, a program data summary will be provided to the First 5 Lassen County Children and Families Commission Executive Director monthly, along with a brief narrative report. A standard template for this report will be provided to the grantees by First 5 Lassen County Children and Families Commission so that grantees' information can be easily summarized for presentation to the Commission and community members. The monthly report is specifically designed to capture information about progress, including what's working well and where the grantee is experiencing difficulties. This will provide First 5 Lassen County Children and Families Commission staff and the contract evaluator information

EVALUATION

necessary to help the grantee “course correct” in a timely manner. The report includes program data and a narrative describing the results and progress by each outcome area.

On a quarterly basis, major grantees will be expected to include updates to their project budget and the number of persons served and services delivered. Again, a standard report template will be provided for grantees to use.

The evaluation reports will be used by the staff, Commission and community members during the annual strategic plan review process to identify opportunities for improving child health, child development, family strengthening, and service delivery systems.

This section of the strategic plan describes First 5 Lassen County Children and Families Commission funding priorities and the methods and processes for fund allocation. It is aligned with Fiscal Strategies and Long Range Financial Plan section.

HOW WE FUND

First 5 Lassen County Children and Families Commission will continue to issue RFP’s for major programs, initiatives and projects (those in excess of \$10,000) as needed, and commit funding in three-year cycles. The Commission continues to retain the right to extend funding for an additional three years, or change funding commitments based on performance and outcomes achieved, as demonstrated through ongoing evaluation.

Commission funds will not be used to supplant current expenditures, but rather to supplement, enhance or to fund new programs, services and infrastructure needed to create a consumer friendly, comprehensive, and coordinated system of early childhood development programs. To the maximum extent possible Proposition 10 funds will be used as leverage to obtain other resources needed to meet the goals and objectives of the strategic plan.

Funding will be consistent with the needs identified for children ages prenatal through age five and their parents, and with the goals and objectives outlined in this strategic plan. Furthermore, First 5 Lassen will continue to comply with applicable state laws governing contracting and procurement.

Guiding Principles

The mutually held values that serve to guide decision-making and actions, in this case related to the Commission’s funding priorities.

GUIDING PRINCIPLES FOR FUNDING

Funding decisions for all requests shall be based on the following guiding principles set by the Commission, which take into account the Commission’s desire to address the needs of the children in all of Lassen County’s Communities in an efficient and effective manner. The Principles on Equity served as the foundation for developing the 14 Guiding Principles described here.

- Comply with new state fiscal management guidelines and adopted Commission policies.
- Support the principles on equity.
- Comply with administrative and in-direct cost rate established by the Commission.

OBJECTIVES, PRINCIPLES AND STRATEGIES

- Allow for distributing funding equitably across the program components and priorities.
- Create a level playing field amongst applicants for funding.
- Support the goals and objectives of the strategic plan.
- Show evidence of effectiveness in addressing the goals and objectives of the strategic plan.
- Demonstrate a need for funding from the Commission.
- Move toward service coordination, accessibility, collaboration and comprehensive services.
- Be responsive to the diverse needs of the children and families in this County.
- Be supported by community input.
- Build on community strengths, will build capacity and will reap long-term benefits to the children and families in each of Lassen County's communities including meeting the special needs population in our County. Additionally, the last two principles will be applied for decision-making related to large grant requests (over \$10,000).
- Include a quality evaluation component, based on the Commission's evaluation framework and plans.
- Include an organized outreach component.

FUNDING PRIORITIES

Funding will be consistent with the needs identified through the community assessment update processes, and with the goals and objectives outlined in current update of strategic plan. Funding priority will be given to programs and projects whose plans address the following:

- Further at least one of the strategies and the related objectives and goals outlined in this plan
- The degree to which the Guiding Principles for Funding in this plan are reflected in the proposed project, program or activity
- Apply effective methods for ensuring collaboration and overall coordination and integration of services with existing agencies and programs, and efficient use of available resources
- Incorporate specific plans for addressing the assessment process as outlined in the evaluation plan(s), and the degree to which the program has effectively participated in and contributed to previous evaluation efforts
- Have the ability to leverage funds from other sources
- Demonstrates the ability to meet best practice standards set for major grants, whereby funded programs provide research-based strategies and activities (i.e., parent education-classes, workshops and playgroups designed to increase knowledge and practice of effective parenting skills, improved health practices, and link participants with child development and other community resources

OBJECTIVES, PRINCIPLES AND STRATEGIES

FUNDING OPTIONS, MECHANISMS AND ALLOCATION PROCESS

There are two funding mechanisms used to fund the Commission's programs and projects: major program grants and Commission-driven programs or initiatives. The allocation processes and funding cycles for each are described below.

Emerging Initiatives. The Commission may work directly with selected organizations and/or conduct projects with its own contracted staff to achieve the objectives described in this plan. Examples include the Home Visiting/School Readiness program, Oral Health Initiative, and a Child SART System. In some cases, the Commission may choose to issue a request for proposals (RFP) to identify additional partners.

Major Grants. Based on availability of funding, the Commission may decide to make larger grants available to organizations to conduct services and projects aimed at achieving the objectives described in this plan. The Commission will designate which objectives or strategies it is soliciting applications for, and qualified organizations (governmental agencies or 501(c)(3) nonprofits) may submit applications requesting funding for specific services and projects that are targeted to those objectives and strategies.

When the Commission decides to issue a RFP, currently funded programs, agencies and collaborative partners will be notified through established communication methods. At the same time, the RFP will be publicized to the broader community through First 5 Lassen website, newsletters, electronic and print media, public notices and other outreach methods. Prospective applicants will be asked to submit a Letter of Interest/Intent to Apply. Where duplicate applicants or projects have been proposed, the Commission may request that those agencies, organizations or groups work together to submit a collaborative and coordinated proposal, thereby ensuring services are linked, duplicated activities are streamlined, and administrative costs are reduced.

Proposals may be reviewed and rated by non-interested evaluators with expertise in specific areas. Proposal evaluators will recommend projects for funding to the Commission, who will make the final funding decisions. The Commission will award funding for a three-year period, with the ability to renew funding for an additional three years, based on satisfactory contract compliance. Each year the Commission will review available funding and update funded projects' contracts/scopes of work (SOW) as needed.

FUNDING CYCLES

Emerging Initiatives

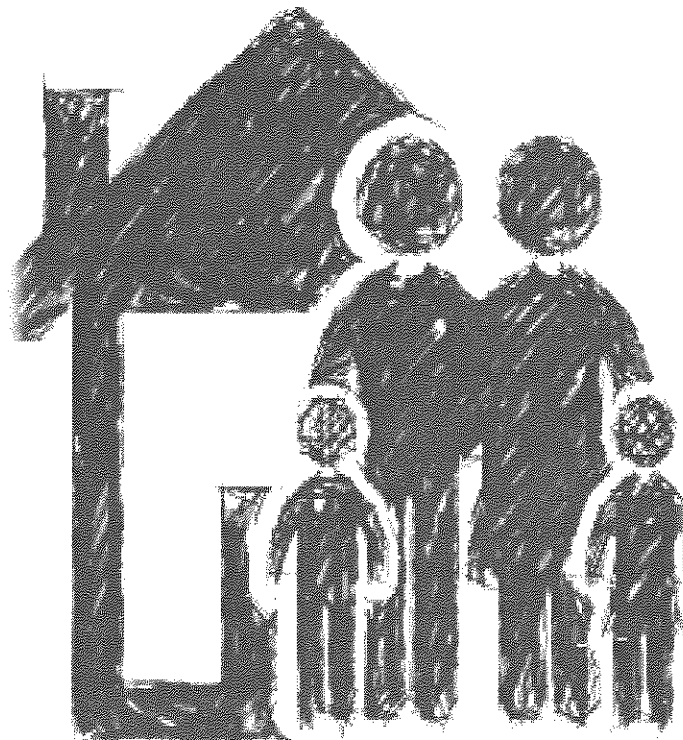
Funding for emerging initiatives is considered by the Commission as needs become known through collaboration with community partners. At the direction of the Commission, staff will work with individual groups to compile the necessary information for a request for funding. If the Commission issues an RFP for a Commission-driven program or initiative, the funding cycle will be the same as that of major grants. Otherwise, the funding cycle for Commission-driven programs and initiatives will be flexible for the first year of funding; and then mirror that of major grants in subsequent years.

Major Grants

The table below outlines the funding cycle for major grants. The cycle may be adjusted as necessary to take advantage of new opportunities or adjust for varying project lengths.

OBJECTIVES, PRINCIPLES AND STRATEGIES

RFP Process Activity	Schedule	Month in Cycle
RFP Released	March 1	Month one
Letters of Interest/Intent to Apply – two weeks after RFP is released	March 15	Month one
RFP Due four weeks from date of issue	First week April	Month two
Screening and recommendations by external review committee within 20 days of final submission deadline	First week May	Month three
Decision – next regularly scheduled Commission meeting, with time for public notice/posting	May/June	Month three/four
Contract development	June/July	Month four/five





FISCAL STRATEGIES & LONG RANGE FINANCIAL PLAN



Long Range Financial Plan

INTRODUCTION

The Lassen Children and Families Commission developed this financial plan to help address the challenges of sustained financing for projects and services supported by First 5 Lassen.

The five-year financial plan supports the strategic plan detailed in the first part of this document. While the purpose of the strategic plan is to describe the mission, vision and values of the Commission, and specify the long-term goals, objectives and strategies, the financial plan is the management tool for attracting and allocating financial resources within a specified time period in order to achieve long-term goals. This plan covers a five-year period from July 1, 2017 through June 30, 2022.

Over the past five years, the Commission has updated its long range financial plan as part of the annual strategic plan review and update process. In year 2014-15 the Commission blended the strategic and financial planning processes. Both plans were informed by a local needs assessment update and scan of environmental factors affecting funding, systems and ultimately services to the county's youngest children and their families.

Over the course of three months (February through April), the Commissioners reviewed the 2016-17 long range financial plan and discussed opportunities to leverage and expand resources within the county and across neighboring counties. Key questions continue to revolve around the Commission's current structure and funding priorities as compared with estimates of tax revenues and likelihood of continued small county augmentation. Ongoing transition issues such as the impact of moving to a virtual environment, effects of declining revenues on program and service delivery funding, and whether or not small county augmentation will continue into the future and at what levels, were considered. Additionally, discussions about emerging opportunities and risks, changes in service providers were woven into Commission discussions and decision making processes.

As with previous plans, this document complements the strategic plan and shows how the necessary financial resources will be acquired and managed. It also identifies the potential shortfalls the commission will face in the future and the actions to respond to these issues. In other words, the purpose of this plan is to help provide the Commission with the capacity (through dollars and fiscal strategies) to invest in projects and services each year while also fulfilling the many legal mandates imposed upon the Commission.

FUNDING ENVIRONMENT

The Funding & Investment Environment

EFFECTS OF PREVIOUS TOBACCO TAX LEGISLATION AND INCREASES

Smoking Age Increase to Age 21. Raised legal age to purchase tobacco products, including e-cigarettes, from 18 to 21, effective June 9, 2016. All projections were estimates, a projected loss to First 5 of \$24.5 million overall, and \$19.6 million loss to counties. At the time of the increase, estimates showed that young adults ages 18-20 had been funding approximately 10% of Prop 10 tax revenues.

E-Cigarette Regulation as Tobacco. Classified e-cigarettes as tobacco products subject to the same restrictions as existing tobacco products, effective June 9, 2016. There was no anticipated change in tobacco tax revenue to First 5.

Proposition 56. Increased excise taxes on distribution of cigarettes and other tobacco products, including e-cigarettes, by \$2 per pack. It included a backfill provision for Proposition 10. The Legislative Analyst's Office estimated e-cigarette tax could generate revenue from \$10-\$40 M for Prop 10 in 2017-18. This indicated potential revenues gained from Prop 56, which could offset revenues lost from raising the purchasing age to 21.

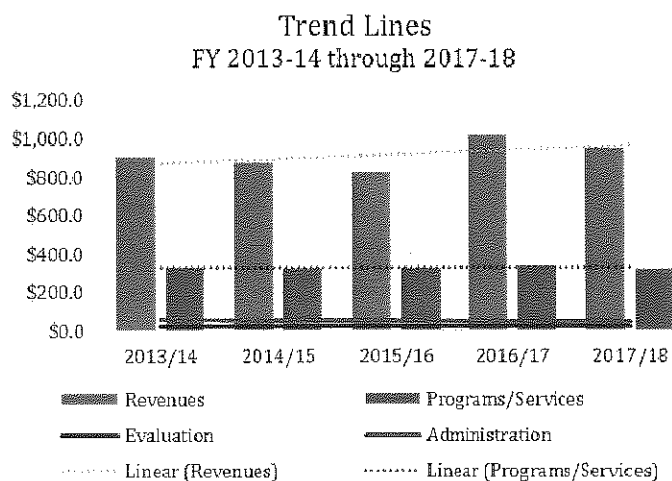
SHORTFALLS, OPPORTUNITIES AND STRATEGY

This section discusses the previous five years' spending the next five years' projections under two different scenarios. The opportunities and risks are discussed along with the Commission's approach for moving forward.

Spending Trend lines FY 2013-14 through 2017-18. As shown in the chart below, spending for programs and services has remained relatively level over past five years, while revenues declined through 2015-16, then increased the following year and declined again the next (2017-18).

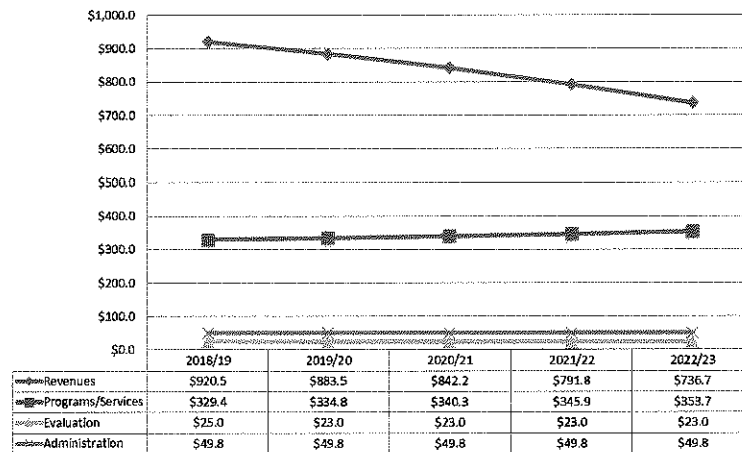
Future Revenue Declines.

Looking forward, the Commission discussed two scenarios: revenues that included ongoing Small Population County Funding Augmentation (SPCFA) and revenues that do not include it. The two charts that follow depict both scenarios.

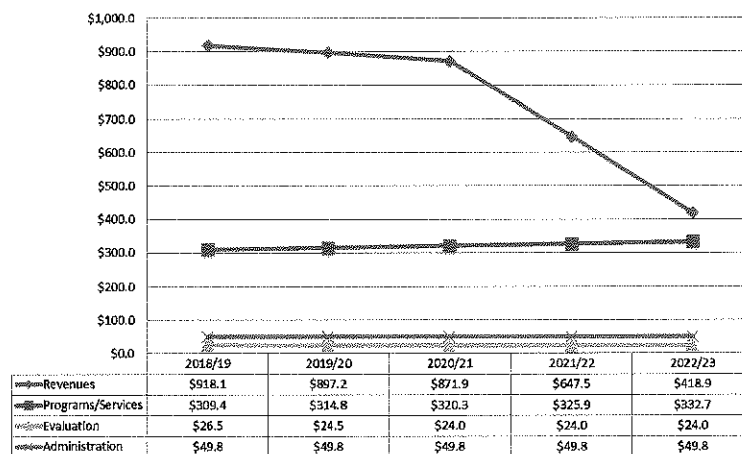


FUNDING ENVIRONMENT

5-Year Projections with SPCFA Framework beyond FY 2020-21



5-Year Projections without SPCFA Framework beyond FY 2020-21



Taking Advantage of Opportunities. The Commission discussed opportunities or trends that may emerge to affect the fiscal picture. There may be increases in the need for certain supportive services to connect young children and families to health services and supports as Congress reviews and acts on the new Administration's budget and policy directions. Federal funding implications from California declaring itself a sanctuary state are as yet unknown, and the current political environment around the topic is turbulent. Additionally, First 5 Commissions in proximity to First 5 Lassen continue to share interests in collaborative purchasing of professional services (auditing, evaluation, etc.). Should these opportunities come about, they may either result in additional program/initiative funding or reduce operating costs, or both. One continued

FUNDING ENVIRONMENT

opportunity for increased revenue to support to First 5 Lassen's strategic priority areas comes from Medi-Cal Administrative Activities (MAA), which are unrestricted. Lassen County Public Health has taken on and expanded First 5 Lassen's oral health work, which is being supported in part through a 5-year grant from Inter-Governmental Transfer (IGT) funds. The Commission will continue to track and pursue appropriate opportunities as they become available.

Managing Risks. The Commission carefully considered various options for managing financial risks and declining revenues. As currently projected under the "best case scenario," the Commission can continue funding at basic levels throughout the next five years and beyond. However, should augmentation cease, shortfalls will occur sooner (FY 2020-21), resulting in insufficient funds to maintain operations into FY 2022-23.

First 5 Lassen takes seriously the risks of declining revenues and the discontinuation of SPCFA. Their strategy is to continue to expend funding at the current levels for the home visiting initiative (Pathways) with modest cost of living increases, and smaller initiatives (i.e., Emerging Initiatives, and Big Valley Child Care) with the assumption of continued augmentation. This allows the Commission to make meaningful investments at a level that allows the programs to provide consistent, quality services and supports. The Commission and/or its funded initiatives, expect to have revenues from MAA reimbursements continue into the future to offset some of the cuts to services funding should augmentation cease or be suspended. However, if those options are not available the Commission will utilize a "cliff approach." They will cut funding to Emerging Initiatives as soon as they know when augmentation will end, with or without MAA offsets. This will allow Pathways (Home Visiting) funding to remain at the highest level possible, for as long as possible. When ending fund balances are approaching six to twelve months of operating and program funding, the Commission will look to fund a home visiting strategy through Lassen County Public Health or Health and Social Services. As noted, this scenario may occur as early as FY 2020-21, and is therefore being actively monitored and managed.

Due to these economic considerations and the Commission's effort to build community and program capacity, the Commission will monitor and reevaluate funding levels for all program investment areas throughout the year. They will adjust the 5-year forecast in 2018-19 as needed to reflect changing needs and priorities.

OBJECTIVES, PRINCIPLES AND STRATEGIES

Financial Objectives and Principles

Financial objectives describe what the financial plan should accomplish, consistent with the overall strategic plan for First 5 Lassen. The financial objectives established by the Commission for the five-year period covered by this plan are to:

1. **Limit the administrative cost percentage of the actual costs** incurred in the fiscal year to 15% in years where small county augmentation is provided, and to 20% in years where there is no administrative or operations augmentation awarded from the First 5 California Children and Families Commission.
2. **Sustain the activities described in the strategic plan** throughout the five-year period covered by the plan, and if possible beyond. Financial sustainability should occur at two levels:
 - The funded strategies level, consisting of the home visiting, oral health education, enhanced systems of care, and other Commission initiated projects for children; and
 - The system impact level, consisting of the First 5 Lassen infrastructure (Commission, staff and operations) needed to support and evaluate program service delivery, build partnerships and improve service delivery systems, including non-funded strategies, and carry out the work of the Commission.

The financial principles are guidelines for how the financial plan will be used to support short- and long-term funding and policy decisions. The following principles were reaffirmed and adopted by the Commission for this plan:

1. This plan is meant to be used as a framework for managing resources – it in no manner obligates the Commission to specific funding for programs or projects. The approval of specific grants, contracts, and budgets can only occur through special action of the Commission in public meetings; they are not in any way authorized by this financial plan.
2. This plan will be used as a starting point to develop the annual budget and assumptions, which will be modified to reflect changing conditions and trends.
3. Although program funding is projected for five years, the Commission continues to study a variety of scenarios to determine level of program funding beyond year one; how and when it will move from a physical office space to virtual offices; and, how it will distribute tax revenues once the reserve has been spent down.
4. The Commission will continue to focus on capacity building for funded programs and developing/leveraging partnerships in order to enhance the system of care and promote sustainability beyond Commission funding.

The Commission reserves the ability to amend the plan at any time new information affecting revenues/expenses is available, but at a minimum each year as part of the annual strategic plan review process.

OBJECTIVES, PRINCIPLES AND STRATEGIES

Fiscal Strategies

The Commission has adopted six fiscal strategies that will be used to achieve the financial objectives and to provide the financial resources necessary to carry out the strategic plan.

1. **Continue to fund local programs and collaborations in order to reach those most at risk.** The Commission will fund Pathways for direct services (home visiting, child development and family strengthening; and its capacity building efforts to work more effectively and efficiently. It will also continue to promote collaborations to increase access to oral health services.
2. **Actively advocate for continued Small Population County Funding Augmentation** funding each time that it comes up for discussion. This revenue source allows the Commission to conduct evaluation and program support activities in addition to the business of the Commission and direct the tax allocation to programs.
3. **Actively participate in state and regional discussions** to demonstrate the value and impact of First 5 investments at the local level in order to dissuade attempts at eliminating or redirecting First 5 funding to other state budget items.
4. **Look for ways to imbed funded activities** in public agencies or other service organizations so that they become part of the ongoing service delivery system and not reliant solely on First 5 funding to sustain activities and results. This strategy includes encouraging new partnerships to take over [previously] funded Commission activities, and promoting opportunities to take advantage of cost sharing strategies.
5. **Partner with identified public, private and tribal agencies** to identify and encourage opportunities for the integration of existing services and expand resources benefitting the health, development, school readiness, and family strengthening for children birth through 5.
6. **Encourage and promote the First 5 Association of California recommendations** for prioritizing children in all policies¹, related to Family Functioning, Early Identification and Intervention, Oral Health, Quality Early Learning, and System Sustainability and Reach.

¹ First 5 Association of California, 2015 Association Policy Goals 020615, February 6, 2015

FINANCIAL FORECAST

Future Revenue and Expense Assumptions

Following are the revenue and expense assumptions for the five year financial forecast. They were updated to include data and information shared at the state level, feedback from the Commissioner's survey, and discussions with Laura Roberts, Executive Director. The attached spreadsheet shows how these assumptions affect the financial situation of the Commission over the next five years. These assumptions result in a continual reduction of the annual budget with \$470,500 ending fund balance at the end of five years.

REVENUE ASSUMPTIONS

Statutory allocation of tobacco tax revenues to Lassen County. State law specifies that 80% of statewide tobacco taxes raised through the 50 cent-per-pack tax imposed by Proposition 10 are allocated to the 58 counties according to each county's birth rate. The county's ten-year birth rate has averaged 305 (2008-2017) births per year. The number of births in California is expected to continue gradually declining over the next ten years, which is the case also for Lassen County. The average birthrate is projected to decrease from 296 to 281 between 2017 and 2026.²

Lassen County became a minimum allocation county based on birth rates in fiscal year 2009-10, when its revenue projections dropped below \$200,000. Based on forecasts for the near future, Lassen County will remain a minimum allocation county. This means the County is to receive additional First 5 tax revenues to bring total revenues to \$200,000. However, the total amount received last year was less than projected, and likely attributed to the first year decline from effects of the 2016 tobacco tax legislation and increases. This is further described in the tax distribution assumption below.

Declining tax distributions. The Governor's 2018 budget projections for tobacco tax distribution was released in January.³ It includes the new projections for First 5 revenues in 2018- 2019 that are substantially lower than previous projections. The budget shows preliminary total Prop 10 revenues for 2016-17 of \$426.7 million, dropping to \$355.4 million in 2017-18, and dropping again in 2018-19 to \$346.4 million. Projections of cigarette tax revenues are based on projected per capita consumption of cigarettes, population growth, and the impact from the higher smoking age as well as the increased prices due to Proposition 56. Further, revenue estimates for other tobacco products, which now include electronic cigarettes, also reflect recent law changes. The cumulative effect of product price and tax increases, the increasingly restrictive environments for smokers, and anti-smoking campaigns (including state campaigns funded by Proposition 99 Tobacco Tax and Health Protection Act revenues and revenues from the Master Tobacco Settlement) have reduced cigarette consumption considerably.

The statewide budget comparison of tobacco tax revenue forecasts between last year and the current year are shown in the charts that follow.

² California Department of Finance. Demographic Research Unit. 2017. Historical and Projected Fertility Rates and Births, 1990-2040. Sacramento: California Department of Finance. March 2018

³ 2018-19 Governor's Budget Summary – California Budget. Accessed online on March 21, 2018 at <http://www.ebudget.ca.gov/2018-19/pdf/BudgetSummary/RevenueEstimates.pdf>.

FINANCIAL FORECAST

Figure REV-11
Tobacco Tax Revenue
(Dollars in Millions)

	2015-16 Preliminary	2016-17 Forecast	2017-18 Forecast
General Fund	\$85.3	\$79.3	\$64.8
Cigarette and Tobacco Products Surtax Fund	276.3	261.0	221.7
Breast Cancer Fund	17.0	15.9	13.0
California Children and Families First Trust Fund	461.4	432.6	358.3
California Healthcare, Research and Prevention Tobacco Tax Act of 2016	0.0	367.9	1,433.2
Total	\$840.0	\$1,156.7	\$2,091.0

Figure REV-11
Tobacco Tax Revenue
(Dollars in Millions)

	2016-17 Preliminary	2017-18 Forecast	2018-19 Forecast
General Fund	\$80.3	\$64.9	\$63.0
Cigarette and Tobacco Products Surtax Fund	\$246.0	\$215.8	\$211.7
Breast Cancer Fund	\$16.0	\$13.0	\$12.6
California Children and Families First Trust Fund	\$426.7	\$355.4	\$346.4
California Healthcare, Research and Prevention Tobacco Tax Act of 2016	\$466.6	\$1,421.8	\$1,385.2
Total	\$1,235.6	\$2,070.9	\$2,018.9

First 5 California's Fiscal Services Office provided the following update to the County Commission, based on information provided to them by the Department of Finance prior to the January 10 release of the FY 2018-19 Proposed Governor's Budget. It provides updated revenue and backfill projections, comparing the original estimates from July 2017 with the revised projections as of January 2018.

Funds Available for Transfer (in thousands) <i>Reflects final amount for transfer Prop 99 backfill and admin costs are removed</i>			
Fiscal Year	Original as of July 2017	Revised as of January 2018	Variance
2017-18	276,910	270,258	(6,652)
2018-19	323,773	305,362	(18,411)
2019-20	314,834	297,434	(17,400)
2020-21	305,874	289,581	(16,293)

While the revenue projections decreased by one percent or less, the backfill projections for 2018-19 through 2021-22 were also reduced by an annual average of 20 percent. Assumptions from the original projections included an increase in Other Tobacco Product (OTP) revenue due to the inclusion of e-cigarettes and a decrease in cigarette tax revenues due to the implementation of Propositions 56 (Prop 56), which directly correlated to a higher backfill projection. The actual revenue data collected for the first part of the fiscal year indicated that OTP revenue did not increase as projected, while the cigarette tax revenue did not decline. The net result of this is the small adjustment to ongoing revenue projections, and a significant decrease in the projected backfill.

Revenues from Prop 10 tax allocations for first six months of FY 2017-18 (through December) were \$81,812.79, or an average of \$13,635 per month. If the reimbursements continue to average this amount, tax allocations revenues for the current fiscal year will exceed the forecast by approximately \$2,000. While this seems promising, over the past few years total revenues received in a year have not been as high as projected. Therefore, the Commission will continue to take a conservative approach and estimate declining tobacco tax allocations based on the First 5 California projections. Those estimates project \$185,700 in year one, declining to \$177,300 in year five.

FINANCIAL FORECAST

Small Population County Funding Augmentation. Prior to 2012, Lassen County had been receiving approximately \$113,000 a year from First 5 California for administrative and travel costs through the Small Population County Fund Augmentation project (SPCFA). The First 5 Association worked with a coalition of small counties and the State Commission to develop recommendations for a new small county augmentation and accountability framework. The new framework, referred to as Small Population County Funding Augmentation (SPCFA) has eligibility and accountability measures, which Lassen meets. The SPCFA was approved by the State Commission in April 2014 and increased allocations to Lassen County to a recurring \$200,000 per year for three years.

In January 2017, the State Children and Families Commission approved the continuation of these funds, initially at the same level. Combined with the statutory tax allocation, the augmentation is intended to bring annual projected revenues to \$400,000. However, this was not the case in FY 2016-17. Therefore, while the financial plan therefore assumes that these augmentation funds will be continued for the next five years, the levels have been adjusted downward to \$190,600 each year.

Although Small Population County Funding Augmentation was approved, the conversation at the state level continues around regionalization. Specifically, what the potential benefits (cost savings and efficiencies to administration and services) might be realized from different implementation structures and partnerships. First 5 Lassen continues to remain open to pursuing these relationships.

Non-Prop 10 grants and contributions. This plan does not currently provide for revenues from other grant sources or public/private contributions.

Interest and other income. The audited combined total for this category as of June 2017 was \$18,166, comprised of interest earnings and federal reimbursements for conducting eligible health related administrative activities for the Medi-Cal Administrative Activities (MAA) Program. This amount also included nearly \$9,000 returned from Lassen County Office of Education. To remain conservative in revenue estimates for the next five years, total for interest and other income is set at \$7,000 each year of the forecast. Interest earnings are estimated at \$2,000 - \$3,000 per year (calculated as 0.3% of beginning fund balance and revenues for the year), and MAA reimbursements are estimated at \$4,000 per year.

EXPENSE ASSUMPTIONS

Following are the expense assumptions for the next five years, based on Commission discussion and decisions during the April planning session.

Operating costs –Contract for staff support and operations. Commission will continue to contract for professional services and staff to manage its operations but the level (amount of hours) and type (virtual vs. physical presence) will vary over the five years.

Contracted personnel will perform general administration, program support and technical assistance, and evaluation functions on behalf of the Commission, but at different intensity levels. Operating in a virtual environment, ongoing costs are covered by vendors under their contract. Evaluation will be done in part through the general administration vendor, with targeted supplemental contract support from external

FINANCIAL FORECAST

evaluators. The contracted amount for fiscal year 2017-18 was \$79,900. This amount is forecasted to decline slightly over the next two years, to \$75,900, after which it will remain flat.

Operating – Other. These line items include the annual audit, Commission insurance and other contracted services (program database) to support the work of First 5 Lassen County.

Contractors. Combined costs for outside contractors will total \$61,000 over the five years. This includes external evaluation support and a single contract for three years to maintain and update the database system. The total Commission contracts for outside evaluation and technical assistance to programs (external data review, analysis and report writing) continue to range between \$13,000 and \$14,500 each year.

Audit & Commissioner Insurance. Expenses for both the annual audit and Commission Insurance are projected to remain level at \$7,000 and \$1,500 respectively throughout the five years.

Other. Other operating costs include dues, which remain at \$3,125 for each of the next five years.

Home Visiting Program. The financial plan includes funding for the variety of Pathways home visiting activities under Improved Child Development and Improved Family Functioning result areas over the next five years. Funding is anticipated to remain level for The Home Visiting program with modest increases for cost of living estimated at 2 percent each year. Funding begins at \$270,300 (\$102,600 for Improved Child Development and \$167,700 for Improved Family Functioning) and increases over the five year period to \$292,600 in year five. This investment links directly with Goal 1, Objectives 1A and 1B; Goal 2, Objectives 2A, 2B and 2C; Goal 4, Objective 4B.

Oral Health Initiative. The financial forecast provides no funding for oral health initiatives. Lassen County Public Health has assumed leadership for this work and is continuing this effort under a 5-year grant with IGT funds. First 5 will continue to promote and encourage this work, which links directly with Goal 3, Objectives 3B and 3C.

Emergency Oral/Medical Health. The financial plan includes \$3,000 each of the next five years to expand access to emergency or medical health services for families with no other coverage. This investment links to Goal 3, Objective 3B.

Emerging Initiatives or Other Programs. The forecast includes \$20,000 per year to invest in emerging initiatives and other programs (e.g., Big Valley Child Care Center, 2-1-1, etc.). Funds may be used as a match from First 5 Lassen to support expanded collaboration (i.e., a single point entry for multi-agency case conferencing through Public Health, including the birth to 5 population) and leverage other funding. Emerging initiative investments link directly with Goal 3, Objective 3B. The investment in Big Valley Child Care Center linked directly with Goal 2, Objectives 2C; and other investments in Emerging Initiatives may link to multiple areas, but minimally Goal 4, Objectives 4A and 4B.

FINANCIAL FORECAST

Five-Year Financial Forecast

Fund balances are categorized in accordance with GASB54 definitions and as approved in First 5 Lassen's Policy and Procedures Manual. Line items are categorized as follows:

Committed

- Contractors – Audit, Diversified Management, Inc., Bailey Data Management, Social Entrepreneurs, Inc.
- Home Visiting
- Oral Health Initiative
- Emergency Oral/Medical Health
- Emerging Initiatives

Assigned

- Association Dues
- Educational Materials
- Emerging Initiatives
- Insurance
- Travel
- Misc. Program Costs

Unassigned

No forecasted funds are unassigned

The next two pages show projected income and expense levels over the next five years, based on the objectives, principles, assumptions and strategies contained in this financial plan under the “worst-case” scenario of continued SPCFA. However, a forecast under a more favorable situation of continued SPCFA is also shown.

The Commission is using the best-case scenario for planning, based on the First 5 California's continuation of SPCFA at roughly the current levels for the next three years.

FINANCIAL FORECAST

2018-19 to 2022-23 Forecast Scenarios

Table 1: Best-case scenario budget forecast by program, with continuation of Small Population County Funding Augmentation.

5-Year Financial Projections by Program, FY 2018-19 to 2022-23

<i>Dollars in Thousands</i>						
	Five Year Total	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Beginning Fund Balance:		532.3	516.8	492.4	462.2	423.2
Revenue:						
Emergency Oral Health Account	10.5	2.5	2.0	2.0	2.0	2.0
Tobacco tax allocation	900.0	185.7	180.8	179.9	176.3	177.3
Small Population County Funding Augmentation	953.0	190.6	190.6	190.6	190.6	190.6
Interest and other income	35.0	7.0	7.0	7.0	7.0	7.0
Total revenues	4,325.4	918.1	897.2	871.9	838.1	800.1
Expenses:						
Community programs and services:	1,522.7	293.3	298.7	304.2	309.8	316.6
Home Visiting	1,406.7	270.3	275.7	281.2	286.8	292.6
Oral Health Initiative	-	-	-	-	-	-
Emergency Oral/Medical Health	15.0	3.0	3.0	3.0	3.0	3.0
Emerging Initiatives - linked to Goal 4	100.0	20.0	20.0	20.0	20.0	20.0
Other program costs						
Misc. program costs	10.0	2.0	2.0	2.0	2.0	2.0
Travel	6.5	1.5	1.5	1.5	1.0	1.0
Educational materials/media	2.5	0.5	0.5	0.5	0.5	0.5
Program evaluation (Bailey DMS)	21.0	4.5	4.5	4.0	4.0	4.0
Program evaluation (contractor)	50.0	10.0	10.0	10.0	10.0	10.0
Total community programs and services	1,612.7	311.8	317.2	322.2	327.3	334.1
First 5 operating costs:						
Administration contract	381.5	77.9	75.9	75.9	75.9	75.9
Administration	207.5	41.5	41.5	41.5	41.5	41.5
Evaluation	52.0	12.0	10.0	10.0	10.0	10.0
Program support/TA	80.5	16.1	16.1	16.1	16.1	16.1
Rent	26.0	5.2	5.2	5.2	5.2	5.2
Utilities	5.0	1.0	1.0	1.0	1.0	1.0
Technology	10.5	2.1	2.1	2.1	2.1	2.1
Dues	15.6	3.1	3.1	3.1	3.1	3.1
Audit	35.0	7.0	7.0	7.0	7.0	7.0
Insurance	7.5	1.5	1.5	1.5	1.5	1.5
Total operating costs	439.6	89.5	87.5	87.5	87.5	87.5
Total expenses:	2,052.3	401.3	404.7	409.7	414.9	421.6
Ending fund balance		516.8	492.4	462.2	423.2	378.5

FINANCIAL FORECAST

Figure 1: 5-Year Projection with continuation of SCPFA

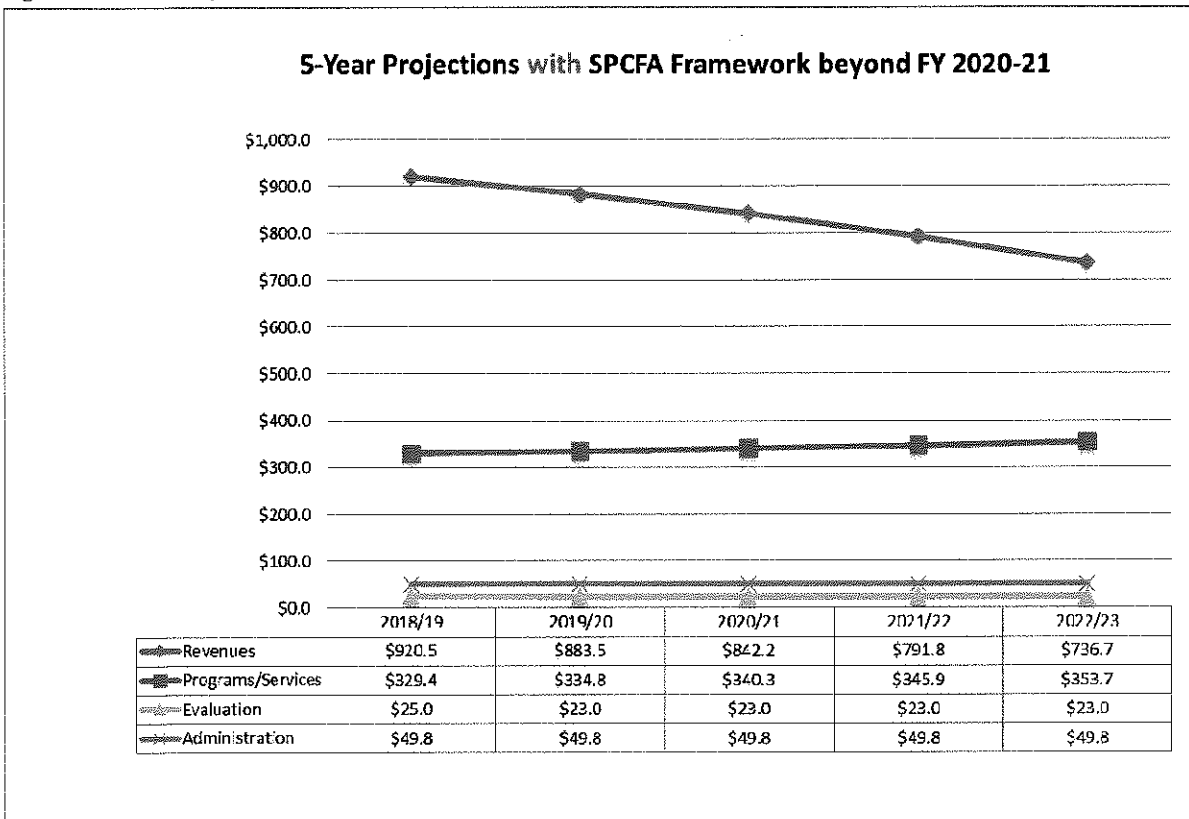


Table 2: Expenditures by category best case scenario

Percentage of Expenditures by Category	2018/19	2019/20	2020/21	2021/22	2022/23
Programs/Services	80.2%	80.9%	81.3%	81.5%	81.8%
Administration	12.9%	12.8%	12.6%	12.5%	12.3%
Evaluation	6.9%	6.3%	6.1%	6.0%	5.9%
	100.0%	100.0%	100.0%	100.0%	100.0%

FINANCIAL FORECAST

Table 3: Worse-case scenario budget forecast by program, without continuation of Small Population County Funding Augmentation.

5-Year Financial Projections by Program, FY 2018-19 to 2022-23

<i>Dollars in Thousands</i>						
	Five Year Total	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Beginning Fund Balance:		532.3	516.8	492.4	462.2	232.6
Revenue						
Emergency Oral Health Account	10.5	2.5	2.0	2.0	2.0	2.0
Tobacco tax allocation	900.0	185.7	180.8	179.9	176.3	177.3
Small Population County Funding Augmentation	571.8	190.6	190.6	190.6	0.0	0.0
Interest and other income	35.0	7.0	7.0	7.0	7.0	7.0
Total revenues	3,753.6	918.1	897.2	871.9	647.5	418.9
Expenses:						
Community programs and services:	1,522.7	293.3	298.7	304.2	309.8	316.6
Home Visiting	1,406.7	270.3	275.7	281.2	286.8	292.6
Oral Health Initiative	-	-	-	-	-	-
Emergency Oral/Medical Health	15.0	3.0	3.0	3.0	3.0	3.0
Emerging Initiatives - linked to Goal 4	100.0	20.0	20.0	20.0	20.0	20.0
Other program costs						
Misc. program costs	10.0	2.0	2.0	2.0	2.0	2.0
Travel	6.5	1.5	1.5	1.5	1.0	1.0
Educational materials/media	2.5	0.5	0.5	0.5	0.5	0.5
Program evaluation (Bailey DMS)	21.0	4.5	4.5	4.0	4.0	4.0
Program evaluation (contractor)	50.0	10.0	10.0	10.0	10.0	10.0
Total community programs and services	1,612.7	311.8	317.2	322.2	327.3	334.1
First 5 operating costs:						
Administration contract	381.5	77.9	75.9	75.9	75.9	75.9
Administration	207.5	41.5	41.5	41.5	41.5	41.5
Evaluation	52.0	12.0	10.0	10.0	10.0	10.0
Program support/TA	80.5	16.1	16.1	16.1	16.1	16.1
Rent	26.0	5.2	5.2	5.2	5.2	5.2
Utilities	5.0	1.0	1.0	1.0	1.0	1.0
Technology	10.5	2.1	2.1	2.1	2.1	2.1
Dues	15.6	3.1	3.1	3.1	3.1	3.1
Audit	35.0	7.0	7.0	7.0	7.0	7.0
Insurance	7.5	1.5	1.5	1.5	1.5	1.5
Total operating costs	439.6	89.5	87.5	87.5	87.5	87.5
Total expenses:	2,052.3	401.3	404.7	409.7	414.9	421.6
Ending fund balance		516.8	492.4	462.2	232.6	(2.7)

FINANCIAL FORECAST

Figure 2: 5-Year Projection without continuation of SCPFA

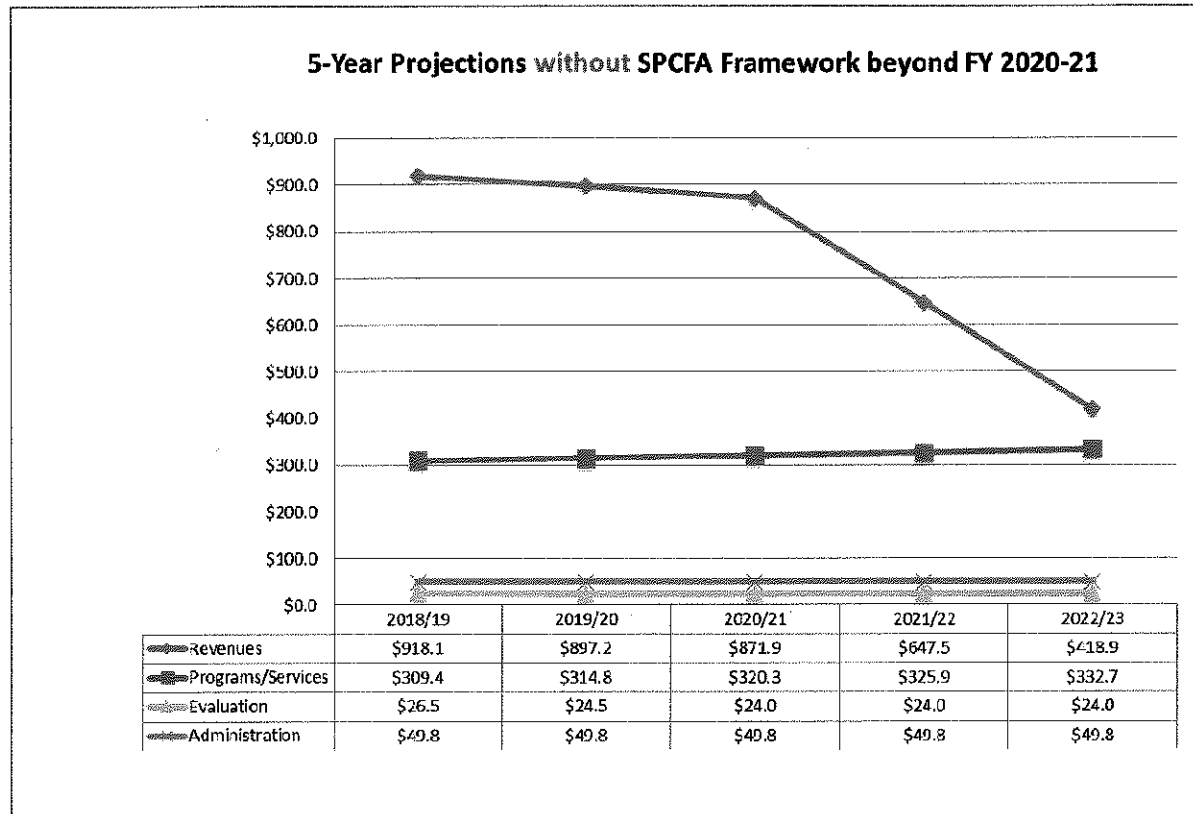


Table 4: Expenditures by category

Percentage of Expenditures by Category	2018/19	2019/20	2020/21	2021/22	2022/23
Programs/Services	80.2%	80.9%	81.3%	81.5%	81.8%
Administration	12.9%	12.8%	12.6%	12.5%	12.3%
Evaluation	6.9%	6.3%	6.1%	6.0%	5.9%
	100.0%	100.0%	100.0%	100.0%	100.0%

**LASSEN COUNTY CHILDREN AND
FAMILIES COMMISSION**

**AUDIT REPORT
JUNE 30, 2018**



LASSEN COUNTY CHILDREN AND FAMILIES COMMISSION
Audit Report
JUNE 30, 2018

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FINANCIAL SECTION

Independent Auditor's Report on Financial Statements

Board of Commissioners
Lassen County Children and Families Commission
Susanville, CA 96130

Members of the Board of Commissioners:

We have audited the accompanying financial statements of the governmental activities and the major fund of the Lassen County Children and Families Commission as of and for the year ended June 30, 2018, 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; 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.

Auditors' 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 fraud or error. 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.

Opinions

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 major fund of the Lassen County Children and Families Commission as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a basic part of the 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

The other supplementary schedules as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the other supplementary information schedules as listed in the table of contents are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2018, on our consideration of the Commission'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 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 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 the Commission's internal control over financial reporting and compliance.

Respectfully submitted,

SingletonAuman PC

SingletonAuman, PC
Susanville, California
August 27, 2018

**Lassen County Children and Families Commission
Management's Discussion and Analysis (MD&A)
June 30, 2018**

INTRODUCTION

Our discussion and analysis of Lassen County Children and Families Commission (Commission) financial performance provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2018. It should be read in conjunction with the Commission's financial statements (including notes and supplementary information), which follow this section.

FINANCIAL HIGHLIGHTS

- ❑ Total net position was \$641,613 at June 30, 2018. This was an increase of \$45,121 (7.5%) over the prior year.
- ❑ Overall revenues were \$415,491, which was more than expenses of \$370,370 by \$45,121.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the Commission. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ❑ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- ❑ **Fund financial statements** focus on reporting the individual parts of the Commission operations in more detail. The fund financial statements comprise the remaining statements.
 - **Governmental funds** statements tell how general government services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the financial statements. A comparison of the Commission's budget for the year is included.

Government-Wide Statements

The government-wide statements report information about the Commission as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Commission's net position and how it has changed. Net position, the difference between the assets and liabilities, is one way to measure the Commission's financial health or position.

- ❑ Over time, increases or decreases in the Commission's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- ❑ To assess the overall health of the Commission, one needs to consider additional nonfinancial factors such as changes in enrollment, changes in the birth rates within the county, changes in program funding by the Federal and State governments, and condition of facilities.

The government-wide financial statements of the Commission include governmental activities. Most of the Commission's basic services are included here, such as school readiness, home visits, oral health, and general administration. State grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Commission's most significant funds - not the Commission as a whole. Funds are accounting devices that the Commission uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The Board of Commissioners can establish other funds to control and manage money for particular purposes or to show that the Commission is meeting legal responsibilities for using certain revenues. The Commission has one kind of fund:

- **Governmental fund** - All of the Commission's basic services are included in the governmental fund, which generally focuses on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the government fund statements that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The Commission's combined net position was \$641,613 at June 30, 2018. See Table 1.

Many factors contributed to the change in net position. However, certain events of the last year stand out beyond the others: Augmentation funding for the 2016-17 year was not recorded as revenue until the 2017-18 fiscal year, as a result of the change in accounting policy. In future years revenue will be reported consistently as it is available.

Table 1:
Net Position

	Governmental Activities		Total Percentage
	2018	2017	Change 2018-2017
Assets			
Cash	\$ 604,663	\$ 571,126	5.87%
Accounts Receivable	36,950	25,366	45.67%
TOTAL ASSETS	<u>641,613</u>	<u>596,492</u>	7.56%
Liabilities			
Accounts Payable and Accrued Liabilities	-	-	0.00%
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	0.00%
Net Assets			
Restricted	641,613	596,492	7.56%
TOTAL NET POSITION	<u>\$ 641,613</u>	<u>\$ 596,492</u>	7.56%

Changes in Net Assets

The Commission's total revenues were \$415,491. A majority of the revenue comes from grants (98.2%). Interest accounted for another 1.8% of total revenues. Revenues increased from the prior year due to changes in how the stated funded the Commission.

The total cost of all programs and services was \$370,370.

Table 2:
Changes in Net Position

	Governmental Activities		Total Percentage Change
	2018	2017	2018-2017
Revenues			
Program Revenues:			
State and Local Entitlements	\$ 408,416	\$ 350,635	16.48%
General Revenues			
Interest and Other Income	7,075	18,166	-61.05%
TOTAL REVENUES	415,491	368,801	12.66%
Program Expenses			
Grants and Projects	370,370	398,180	-6.98%
TOTAL EXPENSES	370,370	398,180	-6.98%
INCREASE IN NET ASSETS	\$ 45,121	\$ (29,379)	253.58%

Governmental Activities

Table 3 presents the cost of each of the Commission's functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by charges for services, operating grants and capital grants and contributions.

The cost of all governmental activities this year was \$370,370.

Most of the costs were paid directly by grants and contributions of \$408,416.

Table 3
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Grants and Projects	370,370	398,180	(38,046)	29,379
TOTAL	\$ 370,370	\$ 398,180	\$ (38,046)	\$ 29,379

FINANCIAL ANALYSIS OF THE COMMISSIONS FUNDS

The overall financial performance of the Commission as a whole is reflected in its governmental funds as well. As the Commission completed the year, its governmental fund reported a fund balance of \$641,613, which is above last year's ending fund balance of \$596,492.

General Fund Budgetary Highlights

Over the course of the year, the Commission revises its annual budget to reflect unexpected changes in revenues and expenditures. The final amendment to the budget was approved on June 30, 2018. A schedule of the Commission's original and final budget amounts compared with actual revenues and expenses is provided in the supplemental section of the audited financial report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the Commission had no capital assets.

Debt

At year end, the Commission had no debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the time these financial statements were prepared and audited, the Commission was aware of several circumstances that could affect its future financial health:

- ❑ The uncertainty of federal and state funding can have a profound impact on the financial health of the Commission. Although no changes are currently anticipated, the federal and the state governments could implement budget cuts.
- ❑ The budget assumptions used to prepare the budget for 2018 were based on revenue and expense assumptions detailed in the Long Range Financial Plan.
- ❑ FUTURE EVENTS OR DEVELOPMENTS:
 - Continued County-wide school readiness program through home visiting
 - Children's Oral Health Project
 - Increased collaboration with and support of organizations experiencing financial cuts in programs servicing young children
 - Continued distribution of New Parent Kits
 - Increased public awareness of Commission activities
 - Continued enhancement and use of web based data collection system
 - Continued exploration of emerging initiatives
 - Continued efforts in the development and implementation of streamlined service systems for children.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact:

Laura Roberts
Executive Director
Lassen County Children and Families Commission
P.O. Box 270826
Susanville, CA 96130

LASSEN COUNTY CHILDREN AND FAMILIES COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Governmental Activities</u>
Assets	
Cash in County Treasury	\$ 479,713
Cash in Banks	124,950
Accounts Receivable	36,950
Total Assets	<u>\$ 641,613</u>
Liabilities	
Accounts Payable and Accrued Liabilities	\$ -
Total Liabilities	<u>\$ 0</u>
Net position	
Restricted	\$ 641,613
Total Net Position	<u>\$ 641,613</u>

Please note, this statement may be subject to rounding differences.

The accompanying notes are an integral part of this statement.

LASSEN COUNTY CHILDREN AND FAMILIES COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

<u>Governmental Activities</u>	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Total Governmental Activities</u>
First 5 Projects	\$ 370,370	\$ 408,416	\$ 38,046
Total Governmental Activities	<u>\$ 370,370</u>	<u>\$ 408,416</u>	<u>\$ 38,046</u>
General Revenues:			
Interest and Other Income			<u>7,075</u>
Total General Revenue			7,075
Change in net assets			45,121
Net position beginning			<u>596,492</u>
Net position ending		\$	<u><u>641,613</u></u>

The accompanying notes are an integral part of this statement.

LASSEN COUNTY CHILDREN AND FAMILIES COMMISSION
BALANCE SHEET
JUNE 30, 2018

	<u>General Fund</u>
Assets	
Cash in County Treasury	\$ 479,713
Cash in Banks	124,950
Accounts Receivable	<u>36,950</u>
 Total Assets	 <u>\$ 641,613</u>
 Liabilities and Fund Balance	
Liabilities:	
Accounts Payable and Accrued Liabilities	\$ <u>-</u>
Total Liabilities	<u>-</u>
 Fund Balance:	
Committed for future contracts	403,400
Assigned for First 5 Programs	<u>238,213</u>
Total Fund Balance	<u>641,613</u>
 Total Liabilities and Fund Balance	 <u>\$ 641,613</u>

Please note, this statement may be subject to rounding differences.

The accompanying notes are an integral part of this statement.

**LASSEN COUNTY CHILDREN AND FAMILIES COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2018**

Total Fund Balances - Governmental Funds	\$ 641,613
Reconciling Items:	
Adjustments to Govenmental Funds	<u>-</u>
Total Net Position - Governmental Activities	<u>\$ 641,613</u>

There were no entries necessary to convert from Governmental Fund Balances to Net Position.

Please note, this statement may be subject to rounding differences.

The accompanying notes are an integral part of this statement

**LASSEN COUNTY CHILDREN AND FAMILIES COMMISSION
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>
Revenue:	
Prop 10 Allocation	\$ 408,416
Interest and Other Income	<u>7,075</u>
Total Revenue	<u>415,491</u>
Expenditures:	
Administration:	
Contracted Staff	79,900
Professional Services	7,000
Dues	3,125
Insurance	1,321
Program:	
Improved Child Development	100,000
Improved Family Functioning	165,000
Other Program Costs	1,511
Evaluation:	
Contracted Staff	9,000
Other Evaluation Costs	<u>3,513</u>
Total Expenditures	<u>370,370</u>
Revenue Over (Under) Expenditures	<u>45,121</u>
Fund Balance July 1, 2017	<u>596,492</u>
Fund Balance June 30, 2018	<u>\$ 641,613</u>

Please note, this statement may be subject to rounding differences.

The accompanying notes are an integral part of this statement.

LASSEN COUNTY CHILDREN AND FAMILIES COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2018

Net Changes in Fund Balances - Total Governmental Funds	\$ 45,121
---	-----------

Reconciling Items:

Adjustments to Governmental Funds	<u>-</u>
-----------------------------------	----------

Changes in Net Position of Governmental Activities - Statement of Activities	<u>\$ 45,121</u>
--	------------------

There were no entries necessary to convert from Governmental Changes in Fund Balances to Changes in Net Position.

Please note, this statement may be subject to rounding differences.

The accompanying notes are an integral part of this statement

Lassen County Children and Families Commission
Notes to the Financial Statements
June 30, 2018

Note 1 - Summary of Significant Accounting Policies

The Lassen County Children and Families Commission (Commission), accounts for its financial transactions in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting Entity

The Commission was established on January 12, 1999, pursuant to Health and Safety Code Section 130140. The Commission was also established in accordance with the provisions of the California Children and Families First Act of 1998 and by Lassen County Ordinance #538. The ten members of the Commission are appointed by the Lassen County Board of Supervisors. The purpose of the Commission is to develop a strategic plan describing programs, services, and projects to promote, support, and improve the early development of children. The Commission is funded by a tax of fifty cents per pack on cigarettes and by a similar tax on other tobacco products.

The accounting methods and procedures adopted by the Commission conform to Generally Accepted Accounting Principles as related to governmental entities. These financial statements present the government and any component units, entities for which the Commission is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14. Based on the application of the criteria set forth by GASB 14, the Commission has determined that there are no component units of the Commission.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The Commission does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Lassen County Children and Families Commission
Notes to the Financial Statements
June 30, 2018

Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Commission's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Commission reports the following major governmental fund:

The General Fund is the Commission's primary operating fund. It accounts for all financial resources of the Commission.

b. Measurement Focus, Basis of Accounting

Government-Wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include county assessments, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Amounts reported as program revenues include entitlement revenue from the State of California.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Commission does not consider revenues collected more than 60 days after its year-end to be available in the current period. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Lassen County Children and Families Commission
Notes to the Financial Statements
June 30, 2018

3. Assets, Liabilities, and Equity

a. Deposits and Investments

The Commission maintains a significant portion of its cash in the County Treasury. Funds are pooled with those of other agencies and invested. These pooled funds are carried at cost, which closely approximates fair market value as determined by the pooled fund manager. Therefore, no adjustment has been made to reflect the current market value in the financial statements. Assumptions made in determining the fair value of the pooled investment portfolios are available from the Lassen County Treasurer. Interest earned is deposited into participating funds. Any investment losses are proportionately shared by all funds in the pool.

Cash balances held in banks (\$124,950) are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

The Commission is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the Commission are either secured by federal depository insurance or are collateralized.

b. Capital Assets

The Commission does not report any capital assets in its financial statements. The Commission leases its office furniture and equipment. The Commission does not have a capitalization policy because they do not expect to have capital assets in the future.

c. Receivable and Payable Balances

The Commission believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

d. Equity Classifications and Restrictions

Fund Financial Statements:

The Commission has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

Lassen County Children and Families Commission
Notes to the Financial Statements
June 30, 2018

The following classifications describe the relative strength of the spending constraints:

- **Nonspendable fund balance**—amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.
- **Restricted fund balance**—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- **Committed fund balance**—amounts constrained to specific purposes by the Commission itself, using its highest level of decision-making authority (i.e., Commission Board). To be reported as committed, amounts cannot be used for any other purpose unless the Commission takes the same highest level action to remove or change the constraint.
- **Assigned fund balance**—amounts the Commission intends to use for a specific purpose. Intent can be expressed by the Commission Board or by an official or body to which the Commission Council delegates the authority. The Commission has chosen not to delegate this authority.
- **Unassigned fund balance**—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Beginning fund balances for the Commission's governmental funds have been restated to reflect the above classifications.

The Commission establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as obligated for future contracts). Assigned fund balance is established by Commission Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commission Board has provided otherwise in its commitment or assignment actions.

Lassen County Children and Families Commission
Notes to the Financial Statements
June 30, 2018

Government Wide Financial Statements:

For Government Wide financial statements, equity is classified in three components as follows:

Net Investment in Capital Assets consists of capital assets reduced by accumulated depreciation and the outstanding balances of debt borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position consists of net assets with restrictions placed on the use either by external groups such as contributors, grantors, or regulations of other governments, or law through constitutional provisions or enabling legislation.

Unrestricted Net Position consists of all other net assets that do not meet the definition of "restricted" or "net investment in capital assets."

e. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates. Actual results could differ from those estimates.

f. Budget

The Commission adopted a budget consistent with the modified accrual basis of accounting used in governmental funds.

Note 2 - Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None Reported	Not Applicable

2. Deficit Fund Balance or Fund Net Assets of Individual Funds

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None Reported	Not Applicable	Not Applicable

Lassen County Children and Families Commission
Notes to the Financial Statements
June 30, 2018

Note 3 - Excess of Expenditures over Appropriations

The Commission did not have any expenditures over appropriations for the year ending June 30, 2018.

Note 4 – Commitments and Contingencies

Litigation

The Commission is not currently involved in any litigation. In the opinion of management and legal counsel, the disposition of any litigation pending will not have a material effect on the financial statements.

State Allowances, Awards, and Grants

The Commission has received State funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

Note 5 - Risk Management and Litigation

The Commission is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and patrons; and natural disasters. The Commission has managed these risks by obtaining coverage from commercial insurance companies as well as providing employee education and prevention programs. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported are considered.

The Commission estimates that the amount of actual or potential claims against the Commission as of June 30, 2018 will not materially affect the financial condition of the Commission. Therefore, the General Fund contains no provision for estimated claims. Information relating to an analysis of claims activities for the year was not available.

Note 6 – Program Evaluation

The amount spent on Program Evaluations during the year ended June 30, 2018 was \$12,513.

Note 7 – Concentration of Revenue Risk

The Commission received approximately 98% of its revenue from the State of California. If the Commission's programs experience partial or complete cuts due to a state budget shortfall, the Commission will be unable to continue its current level of service.

Lassen County Children and Families Commission
Notes to the Financial Statements
June 30, 2018

Note 8 – Subsequent Events

Subsequent events have been evaluated through August 27, 2018, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**LASSEN COUNTY CHILDREN AND FAMILIES COMMISSION
GENERAL FUND STATEMENT OF REVENUES AND
EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	General Fund			Variance with Final Budget Favorable (Unfavorable)
	Budget Amounts			
	Original	Final	Actual	
Revenue:				
Prop 10 Allocation	\$ 414,800	\$ 403,360	\$ 408,416	\$ 5,056
Interest and Other Income	1,700	4,724	7,075	2,351
Total Revenue	416,500	408,084	415,491	7,407
Expenditures:				
Administration:				
Contracted Staff	79,900	79,900	79,900	-
Professional Services	7,000	7,000	7,000	-
Dues	3,100	3,125	3,125	-
Insurance	1,500	1,321	1,321	-
Program:				
Improved Child Development	100,000	100,000	100,000	-
Improved Family Functioning	165,000	165,000	165,000	-
Improved Systems For Families	10,000			
Improved Child Health	33,000			
Other Program Costs	4,000	1,512	1,511	1
Evaluation:				
Contracted Staff	9,000	9,000	9,000	-
Other Evaluation Costs	4,000	3,513	3,513	-
Total Expenditures	416,500	370,371	370,370	1
Revenue Over (Under) Expenditures	\$ -	\$ 37,713	\$ 45,121	\$ 7,408

Please note, this statement may be subject to rounding differences.

**LASSEN COUNTY CHILDREN AND FAMILIES COMMISSION
SUPPLEMENTAL SCHEDULE OF FIRST 5 CALIFORNIA (F5CA) FUNDING
FOR THE YEAR ENDED JUNE 30, 2018**

Program or Project Title	Revenue F5CA Funds	Expenditures	Change in Net Assets	Net Assets Beginning of FY	Net Assets End of FY
Prop 10 Tobacco Tax	\$ 178,079	\$ 265,000	\$ (86,921)	\$ 12,599	\$ (74,322)
Prop 10 Tobacco Tax Small County Augmentation	\$ 229,997	\$ 105,370	\$ 124,627	\$ (51,638)	\$ 72,989
Prop 10 Tobacco Tax SMIF	\$ 340		\$ 340	\$ 98	\$ 438
Total F5CA Funds	\$ 408,416	\$ 370,370	\$ 38,046	\$ (38,941)	\$ (895)

Please note, this statement may be subject to rounding differences.

OTHER SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Commissioners
Lassen County Children and Families Commission
Susanville, CA 96130

Members of the Board of Commissioners:

Compliance

We have audited the Lassen County California Children and Families Commission's 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 requirement identified below for the year ended June 30, 2018.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Commission's compliance with the requirements listed above based on our audit. We conducted our compliance audit 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 compliance 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 that 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</u>	<u>Procedures</u>
	<u>Guide</u>	<u>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 Lassen County 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 year ended June 30, 2018.

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.

Respectfully Submitted,

SingletonAuman PC

SingletonAuman PC
Susanville, California
August 27, 2018

**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**

Board of Commissioners
Lassen County Children and Families Commission
Susanville, CA 96130

Members of the Board of Commissioners:

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 the Lassen County Children and Families Commission as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated August 27, 2018.

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 our opinions 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 of those charged with governance.

Our consideration of the 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 Commission's financial statements are free of 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 that are required to be reported under *Government Auditing Standards*.

Purpose of the Report

This 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, 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.

Respectfully submitted,

SingletonAuman PC

SingletonAuman PC
Susanville, California
August 27, 2018

**LASSEN COUNTY CHILDREN AND FAMILIES COMMISSION
COMBINED SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2018**

EXECUTIVE SUMMARY

The Families First Initiative of 1998 (Prop 10), was approved by the voters of the State of California on November 10, 1998. In order to carry out the requirements of the Initiative, the Lassen County Board of Supervisors adopted an ordinance establishing the Lassen County Children and Families Commission. The Commission is responsible for the creation and implementation of a comprehensive, collaborative and integrated system of information and services to enhance early childhood development.

The quality of the Commission's internal controls is highly dependent upon involvement in the day to day operations by the volunteer Commission Board Members. Also, due to the limited number of employees of the Commission, there is an inability to segregate the custody of and accountability for Commission assets in the manner generally required for model systems of internal accounting controls. A summary of the auditors' results follows:

1. **Type of Auditors' Report on Financial Statements:** Unmodified
2. **Internal Control Findings:** No Significant Deficiencies and No Material Weaknesses.
3. **Material Noncompliance Noted:** None.

**LASSEN COUNTY CHILDREN AND FAMILIES COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(FINDINGS FROM THE JUNE 30, 2017 AUDIT REPORT)
JUNE 30, 2018**

There were no prior year audit findings.

**LASSEN COUNTY CHILDREN AND FAMILIES COMMISSION
CORRECTIVE ACTION PLAN
JUNE 30, 2018**

There were no findings in the current year audit.



Annual Report AR-1
Lassen Revenue and Expenditure Summary
July 1, 2017 - June 30, 2018

Revenue Detail

Category	Amount
Tobacco Tax Funds	\$169,477
First 5 Impact Funds	\$0
Small County Augmentation Funds	\$229,997
DLL Pilot Funds	\$0
Donations	\$0
Revenue From Interest Earned	\$7,075
Grants	\$0
Other Funds	\$8,942
Total Revenue	\$415,491

Improved Family Functioning

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
Intensive Family Support	CBO/Non-Profit	<ul style="list-style-type: none"> Parents as Teachers 	134	97	0	\$265,000
Total						\$265,000

Improved Child Development

No data entered for this section as of 10/2/2018 11:25:21 AM.

Improved Child Health

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Health Education and Promotion	County Office of Education/School District	• Other	308	242	0	\$0
General Health Education and Promotion	Child Care Centers	• Other	12	3	1	\$0
Oral Health Education and Treatment	County Health & Human Services	• Oral Health Screening and Varnish	200	175	8	\$0
Total						\$0

Improved Systems Of Care

Service	Grantee	Program(s)	Amount
Programs and Systems Improvement Efforts	Other Private/For Profit	• Family Strengthening Systems	\$32,671
Total			\$32,671

Expenditure Details

Category	Amount
Program Expenditures	\$297,671
Administrative Expenditures	\$51,527
Evaluation Expenditures	\$21,172
Total Expenditures	\$370,370
Excess (Deficiency) Of Revenues Over (Under) Expenses	\$45,121

Other Financing Details

Category	Amount
Sale(s) of Capital Assets	\$0
Other	\$0
Total Other Financing Sources	\$0

Net Change in Fund Balance

Category	Amount
Fund Balance - Beginning	\$596,492
Fund Balance - Ending	\$641,613
Net Change In Fund Balance	\$45,121

Fiscal Year Fund Balance

Category	Amount
Nonspendable	\$0
Restricted	\$0
Committed	\$403,400
Assigned	\$238,213
Unassigned	\$0
Total Fund Balance	\$641,613

Expenditure Note

Assigned and Committed funds include multi-year contracts.

Small Population County Funding Augmentation

Category	Amount	Comment
Administration	\$0	
Evidence Based Programs	\$0	
Evidence Informed Programs	\$229,970	
Funded Programs	\$0	
Professional Development, Training and Technical Assistance	\$0	
Evaluation	\$0	
Other (Please Explain)	\$0	
Total	\$229,970	
If unspent funds occurred during the FY, please list amount and provide explanation.	\$0	



Annual Report AR-2
Lassen Demographic Worksheet
July 1, 2017 - June 30, 2018

Population Served

Category	Number
Primary Caregivers	97
Children Less than 3 Years Old	67
Children from 3rd to 6th Birthday	30
Other Family Members (including siblings)	37
Total Population Served	231

Primary Languages Spoken in the Home

Category	Number of Children	Number of Adults
English	97	134
Totals	97	134

Race/Ethnicity of Population Served

Category	Number of Children	Number of Adults
Hispanic/Latino	15	10
Black/African-American	1	1
Native Hawaiian or Other Pacific Islander	3	2
Alaska Native/American Indian	19	8
Unknown	3	3
White	56	110
Totals	97	134

Duplication Assessment

Category	Data
Degree of Duplication	0%
Confidence in Data	Very confident
Additional Details (Optional)	The data collection software only counts a family once. It calculates the number of home visits received over time, but the family demographics are only counted once.



Annual Report AR-3

Lassen County Evaluation & Improved Systems

July 1, 2017 - June 30, 2018

County Evaluation Summary

Evaluation Activities Completed

The funded program has an evaluation plan, reporting template and a schedule for data input, analysis and reporting. The home visiting program is fully functional in the reporting database. Evaluation Method: The evaluation approach for the Lassen Children and Families Commission is rooted in the results based accountability (RBA) model. The evaluation is conducted according to an evaluation plan geared toward a results orientation. A number of tools were selected to measure changes in outcomes established in the evaluation plan. The tools measure child, parent, family and systems changes. The evaluation is integrated into the daily routines of the home visitors. Information is collected upon intake into the program and then screening and assessment data is collected on both parents and children throughout the course of the program. Opportunities for group learning events such as playgroups and parent meetings also provide evaluation data to inform the program on the relevancy of the content and the degree to which parents and/or children gained new knowledge or skills. Linking parents to a variety of resources and documenting and following up on referrals is another method of evaluation at the individual, program and community level. In addition, parents are asked to provide their level of satisfaction with the program. Taking measurements at multiple points in time using validated assessments such as the life skills progression, allows for meaningful data in indicators areas that match the evaluation plan and school readiness outcomes. This data is input into a database system created for First 5 Lassen by Bailey Data Management. Information is also input into the Ages and Stages software to track individual and program-wide progress. The reports generated from the database are used to prepare quarterly reports to the Commission. The quarterly reports are aligned with the First 5 California reporting requirements as well as the local evaluation plan. This allows for tracking toward outcome completion on a quarterly basis and ensures that ongoing data input and analysis is completed throughout the year. Program staff and Commissioners can make decisions on the data results at multiple points during the year since there is a system for data collection, input, reporting and analysis. Comparison of data from year to year and to the baseline that was established in 2007-2008 allows for further evaluation of the effectiveness of the home visiting program. Further, children being enrolled in multiple years allows for case studies and in-depth analysis of the degree to which the home visiting program has made an impact in all four result areas. Specific tools include: locally designed customer satisfaction surveys, group event forms modeled after PAT group forms, ASQ and ASQ-SE screening tools, the life skills progression tool, case management and contact logs, and referral forms and reports.

Evaluation Findings Reported

IMPROVED FAMILY STRENGTHENING: Goal #1: Families and other caregivers of children prenatal to five will provide optimal parenting and a healthy environment. Results: (99%) parents agreed or strongly agreed that they were provided information to help them parent, provided ideas for their children's activities, and activities were age appropriate. Additionally, all (99%) of parents agreed that they learned something new about their child's development, had a good understanding of typical child development, had a good understanding of activities to help their child develop, and that the program has increased their knowledge. The measurements from the Life Skills Progression from the past two years indicate that families maintained, and in some categories, increased skills in discipline, support of development, communication, gross motor, fine motor, social-emotional, and regulation.

IMPROVED CHILD DEVELOPMENT: Goal #2: Every child prenatal through five will reach his or her developmental potential and be ready for school. Result: All children in the home visiting program were screened for concerns about developmental progress in the home visiting program. Five were found to have concerns in 2017-2018. No children were found to be eligible for Part C (early intervention) and no children were eligible for Part B (child centered education programs). All children enrolled received a screening utilizing the Ages and Stages Questionnaire (ASQ or ASQ-SE). The ASQ provides a range of typical development in five domain areas. A total of 60 children were screened for the ASQ, one of which was identified with developmental concerns. Upon further assessment the single child referred was not found eligible for Early Intervention Services. Five children were found to be in the monitoring zone and these children continue to participate in the home visiting program and receive ongoing monitoring. Home visiting continues to work closely with partner agencies to provide specialized services. A total of 20 children were screened for the ASQ-SE, five of which were identified with behavioral concerns: three of the five were referred with two families declining referrals. These two continue to be monitored while their parents are receiving behavioral management services. Of the three referrals only one child was determined eligible for continuing services through Behavioral Health. The Life Skills Progression Tool also monitors children's development and parental understanding of that development. Scores for all domains (relationship with home visitor, use of information, and use of resources) increased by at least 0.9 points this year.

IMPROVED CHILD HEALTH: Goal: Each child prenatal through five will achieve optimal health potential. Results: Home visitors track the number of children in the program who receive annual screenings or well child care. For 2017-2018, all (100 percent) children in the home visiting program received an annual screening. Additionally, a total of twenty seven children were referred for dental screening and another three received oral health direct service, while all (100%) of the children received oral health education. The measurements from the Life Skills Progression from the past two years indicate that families maintained, and in some categories, increased skills in prenatal care, child well care, child dental care, child immunizations, and medical/health insurance.

Policy Impact of Evaluation Results

Impact of evaluation data is monitored biannually. Programs are fine-tuned throughout the year based on the results being presented in biannual report. The evaluation findings have been used on an individual basis and program basis to make improvements. Using screenings such as the ASQ allows staff to monitor if a child is below a cutoff score and provide additional learning opportunities in that domain area and/or make a referral for further assessments. The LSP findings allow for targeted referrals for parents and/or children and interventions that meet the specific needs of parents. Program modifications are made based on results of satisfaction surveys, group events, referral reports and screening and assessment scores. Providing an annual evaluation report to the Commission allows decision making at a level that can impact program design and potential policy changes. In addition, the program can use evaluation data throughout the year to continue to build upon the strengths of the program and the families enrolled, while also modifying areas that could be strengthened. The evaluation system allows for multiple points in time to determine ways to support those enrolled, make changes to the program or link to larger initiatives in the county to improve services in Lassen County.

Improved Systems of Care

Who was the primary audience for the service?

Agencies serving children aged prenatal through five years and their families.

What were the types of services provided?

Through collaboration and outreach to agencies serving children prenatal through age 5 and their families, the Lassen County Public Health Department and their Lassen HEART program, brought together key service providers in the form of an Interagency Case Conferencing Committee (ICCC) to collaborate and coordinate services for families with multi-agency involvement.

What was the intended result of the service? What was the community impact of the service?

The intended result was the coordination of services for multi-agency involved children and families. Those who provide child care, early care and education, and human service will have the knowledge, skills, and resources to be able to identify children at risk for developmental and behavioral problems, and through the ICCC/HEART component, can partner effectively with multiple agencies and families to promote children's healthy development. The Lassen HEART program maintains the goal of universal developmental screenings for all children 0-5 in Lassen Co., and the ability for children and families to be connected to services they need to reach their developmental potential. Both Lassen HEART and the ICCC (Interagency Case Conferencing Committee) offer the nucleus of an improved system of care with coordination and greater access for families, improved access to health and dental care, improved family functioning and child health. Both systems were tested. Lassen HEART was selected.