
**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION**
(A component unit of the County of San Diego, California)

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023



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A PROPOSITION 10 COMMISSION**
(A component unit of the County of San Diego, California)

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

Manyee Cheng

Fiscal Manager

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A PROPOSITION 10 COMMISSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

TABLE OF CONTENTS

<u>INTRODUCTION SECTION</u>	<u>Page</u>
Letter of Transmittal	i
Board of Commissioners	vi
Organization Chart	viii
GFOA Certificate of Achievement	x
 <u>FINANCIAL SECTION</u>	
Independent Auditor's Report.....	1
Management's Discussion and Analysis	5
 Basic Financial Statements Government-wide Financial Statements	
Statement of Net Position	11
Statement of Activities.....	12
 Governmental Fund Financial Statements	
Balance Sheet	13
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	15
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.....	16
Notes to Basic Financial Statements.....	17
 Required Supplementary Information Section	
Budgetary Comparison Schedule Government Fund	33
 <u>SUPPLEMENTARY INFORMATION SECTION</u>	
 F5CA Home Visiting Coordination Grant	
Balance Sheet.....	36
Schedule of Revenues, Expenditures, and Changes in Fund Balance	37

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

F5CA Shared Services Alliance Pilot Grant

Balance Sheet.....	38
Schedule of Revenues, Expenditures, and Changes in Fund Balance.....	39

F5CA Refugee Family Services Grant

Balance Sheet.....	40
Schedule of Revenues, Expenditures, and Changes in Fund Balance.....	41

HHSA CalWORKs Home Visiting Program

Balance Sheet.....	42
Schedule of Revenues, Expenditures, and Changes in Fund Balance	43

HHSA Cal-Learn Educational Support Services

Balance Sheet	44
Schedule of Revenues, Expenditures, and Changes in Fund Balance	45

HHSA CA Home Visiting Program State General Fund Expansion

Balance Sheet	46
Schedule of Revenues, Expenditures, and Changes in Fund Balance	47

HHSA OSI Drowning Prevention Campaign Project

Balance Sheet.....	48
Schedule of Revenues, Expenditures, and Changes in Fund Balance.....	49

HHSA Public Health Services Doula Pilot Program

Balance Sheet.....	50
Schedule of Revenues, Expenditures, and Changes in Fund Balance.....	51

STATISTICAL SECTION (Unaudited)

Financial Trends

Net Position by Component.....	55
Changes in Net Position.....	56
Fund Balances – General Fund	57
Changes in Fund Balances – General Fund	58

Revenue Capacity

First 5 California County Tax Revenue Projections for Fiscal Years 2023-2028	59
Cigarette Taxes and Other Tobacco Products Surtax Revenue, 1959-60 to 2021-22	60

Debt Capacity

Ratio of Outstanding Debt by Type	61
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Demographic Information

California Live Births Data	62
Demographic Data	63
2021 American Community Survey – Income Data.....	64
2021 American Community Survey – Employment Status	65

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating Information
Capital Assets Statistics66

COMPLIANCE SECTION

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in accordance with
Government Auditing Standards 69

Independent Auditor’s Report on State Compliance..... 71

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INTRODUCTION SECTION



COMMISSION MEMBERS

VACANT– Chair

SANDRA L. McBRAYER - Vice Chair

RICK RICHARDSON – Secretary

DR. ERIC McDONALD – Commissioner

DR. WILMA J. WOOTEN- Commissioner

ALETHEA ARGUILEZ – Executive Director

September 15, 2023

To the Members of the Commission and the Citizens of the County of San Diego:

The Annual Financial Report (AFR) of the First 5 Commission of San Diego (F5SD) for the fiscal year ended June 30, 2023 is hereby submitted as mandated by applicable statutes. These statutes require First 5 San Diego to annually issue a report of its financial position and activity. A complete audit of the report by an independent firm of certified public accountants is also required. Responsibilities for both accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rest with the Commission's management. The information in this report is intended to present the reader with a comprehensive view of the Commission's financial position and the results of its operations for the fiscal year ending June 30, 2023, along with additional disclosures and financial information designed to enable the reader to gain an understanding of First 5 San Diego's financial activities.

Moss, Levy & Hartzheim, LLP Certified Public Accountants have issued an unmodified ("clean") opinion on First 5 San Diego's financial statements for the fiscal year ended June 30, 2023. The independent auditor's report is located on page 1 of this AFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction.

PROFILE OF THE COMMISSION

First 5 San Diego was created by the San Diego County Board of Supervisors on December 8, 1998, following the passage of Proposition 10, through which the California voters made an unprecedented investment in early childhood development. Since its inception, First 5 San Diego has made a lasting positive impact in San Diego County through its allocation of more than \$875 million towards programs and operations that improve the well-being of young children and families in San Diego County.

LOCAL ECONOMY

San Diego County encompasses 4,206 square miles and extends nearly 160 miles from the Pacific Ocean to Imperial County to the East. It borders Mexico to the South and Orange County and Riverside County to the North. There are 18 incorporated cities within the county. Total county population per the 2021 U.S. Census is 3,286,069, with children under 5 years old representing 5.7% of that total with 39,530 new births in 2022, the last year that data was available.

As of March 2023, the unemployment rate in San Diego County was 3.7% - a slight increase compared to last year's low of 2.9% in December 2022. In the United States as a whole, the unemployment rate is the lowest it has been in 53 years at 3.4%.

Statistics from the U.S. Bureau of Economic Analysis indicate that real gross domestic product (GDP) increased by 2.6% in the fourth and final quarter of 2022. Despite worries about a recession, the nation's economy has proven to be resilient as we proceeded to recover from the effects of the COVID-19 pandemic throughout the last few years. The U.S.'s labor market has remained strong with the addition of 253,000 jobs in April 2023 alone per the Bureau of Labor Statistics.

For the first time in two years, inflation rates have fallen below 5%. As of April 2023, inflation decreased to 4.9%, providing a semblance of relief compared to June 2022 when the rates were at a record-breaking high of 9%. In an effort to meet their 2% inflation goal, the Federal Reserve approved its most recent interest rate hike of .25% on May 3, 2023. Interest rates began their rise in March 2022. There have been 10 hikes for a total of 5%, from .25% to 5.25% as of May 2023.

COVID-19

In early May 2023, the World Health Organization (WHO) announced that COVID-19 was no longer classified as a global health emergency. According to the Centers of Disease Control and Prevention, May 7, 2023, marked the lowest case count since the CDC started their tracking efforts at the beginning of 2020. While its formal emergency categorization has been dropped, First 5 San Diego recognizes that COVID-19 is still an ongoing public health threat that poses risk to many of our most vulnerable communities. Federal agencies are cautiously monitoring the emergence of a new subvariant of Omicron called "Arcturus", or XBB.1.16. Fortunately, current transmission risk is not severe and County-wide hospitalizations remain low. According to the California Department of Public Health, 72.8% of the state's population has received the primary series of the COVID-19 vaccine (2 doses). In San Diego County specifically, 76.6% of our residents are fully vaccinated, with 60.8% of them obtaining a booster as well.

F5SD supported its contracted partners to ensure that the children of San Diego County were cared for as best as possible during this difficult time. F5SD continued a lead function within the County's Emergency Operations Center (EOC) leading COVID response on behalf of the early care and education/childcare sector county-wide. Additionally, F5SD engaged in an advisory role for the appropriation of Federal CARE's Act and ARPA funds that have been prioritized for the early care and education/childcare sector. This event has brought together cross sector leaders/ stakeholders throughout our region to lift up the vision and mission of F5SD.

MONKEYPOX

The World Health Organization (WHO) announced on May 11, 2023 that the recent spread of Monkeypox – also known as Mpox – was no longer considered a "public health emergency of international concern". As of May 12, 2023, there were a total of 5,760 confirmed cases in California. Region-specific data last

updated May 2, 2023 indicates that 474 cases of Monkeypox have been reported in San Diego County since the outbreak began last summer. Although the global health emergency status has ended, the Centers for Disease Control and Prevention (CDC) issued a warning for the potential resurgence of Monkeypox this upcoming summer as sizable crowds of people gather for festivals and other large-scale events. We will continue to monitor the circulation of Monkeypox as needed.

MAJOR ACCOMPLISHMENTS

- Recognizing the financial conditions facing the State, the County of San Diego, and San Diego County families with young children; the Commission allocated \$34,758,652 in contracts for services in the areas of health, education, family and community.
- The Commission leveraged funding from HHSA to administer the following programs: CalWORKs Home visiting, CA Home Visiting Program, Cal—Learn and a Doula pilot program. There was a grant from First 5 California to deliver support services to Refugee families in the region, this was done in collaboration with HHSA's Office of Refugee and Immigrant Affairs. All of these programs support the Commission's focus on supporting our children ages birth to five years and pregnant individuals.
- The Commission awarded contracts to 15 community-based agencies throughout San Diego County focused in the services areas of health, education, family, and community services.
- Government Finance Officers Association of the United States (GFOA) reviewed the ACFR from fiscal year 2021-2022 and has awarded the Certificate of Achievement for Excellence in Financial Reporting. The Commission has received the award for nine consecutive years.

FUTURE INITIATIVES

This was the third year of the 2020-2025 Strategic Plan which was approved by the Commission on April 18, 2019, covering fiscal years 2020/2021 through 2024/2025.

The primary components of this plan are:

- The accountability and framework designed to measure the success of the plan.
- Increase access, affordability and quality of early care and education.
- Increase access, affordability, and utilization for healthcare services for children 0-5.
- Identify and treat children with special health and developmental needs as early as possible.
- Ensure parents utilize age-appropriate health and development information in their parenting practices.
- Ensure that parents and caregivers are knowledgeable about available community resources and programs.
- In addition, the existing plan further captures four systems level strategic directions that are as follows: Resilient Families, Equity Centered Coordinated Systems of Care, Integrated Leadership and Policy Advocacy & Sustained Funding. A direct service approach will continue in the near-term, now with a greater focus on how these investments will continue to support systems change and sustainability that goes beyond First 5 San Diego's investments in the long-term.

OTHER FINANCIAL INFORMATION

Internal Control

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. The internal control structure is designed to protect the Commission's assets from loss, theft, or misuse and to ensure that adequate accounting data is compiled for the preparation of the financial statements in conformity with General Accepted Accounting Principles. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

Budgetary and Accounting Systems

The Commission is required to adopt an operating budget for the following year before the end of each fiscal year. Any increase in the adopted appropriations during the fiscal year must have Commission approval. Periodic financial updates are provided to the Commissioners at the regularly scheduled Commission meetings.

Financial Spending Plan

The Commission adopts a Financial Spending Plan (FSP) annually as part of the budget approval process. The FSP is being used to guide the reduction of the Sustainability Fund (Fund Balance) to an amount of \$5.0 million for a Management Reserve. It is anticipated that approximately \$5.9 million annually, on average, will be used from the Sustainability Fund over the next 4 years.

ACKNOWLEDGEMENTS

The Commission's Annual Financial Report was prepared through the combined effort of First 5 San Diego's staff. Special recognition is due to the Fiscal Department staff for their effort to ensure timely and accurate reporting. I would also like to thank the Commissioners and our Finance Committee members for their continued support and interest in planning the financial operations of First 5 San Diego in a responsible and comprehensive manner.

Sincerely,



Alethea Arguilez
Executive Director
First 5 Commission of San Diego

Transmitted,



Manyee Cheng
Fiscal Manager

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**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Board of Commissioners

Vacant - Chair

Sandra L. McBrayer -Vice Chair

Rick Richardson - Secretary

Dr. Eric McDonald – Commissioner

Dr. Wilma J. Wooten - Commissioner

Executive Director

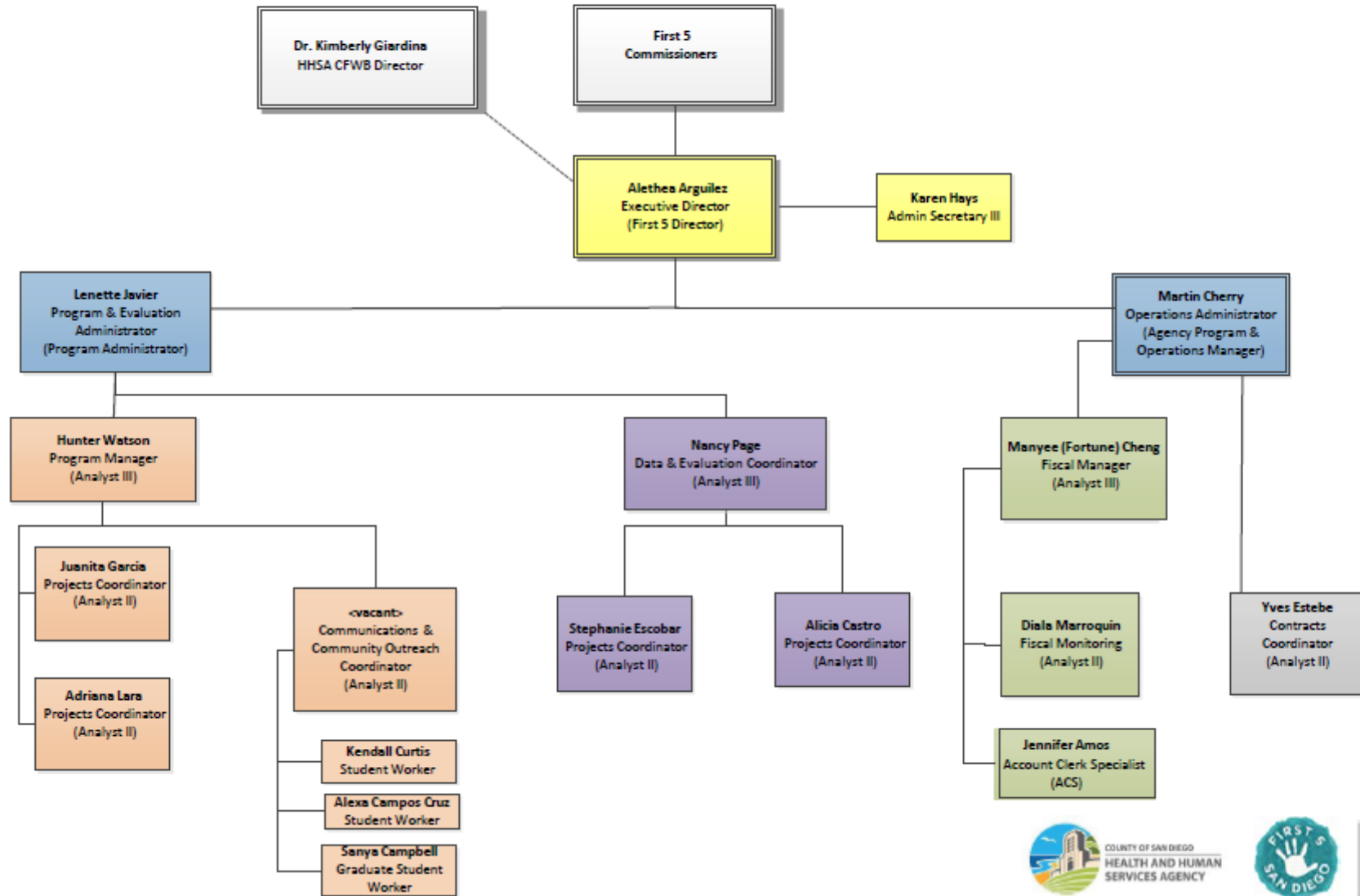
Alethea Arguilez

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HEALTH AND HUMAN SERVICES AGENCY – FIRST 5 SAN DIEGO

Department of Child and Family Well Being, Office of Family Strengthening

June 30, 2023



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Government Finance Officers Association

Certificate of
Achievement
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Reporting

Presented to

**First 5 Commission of San Diego
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrell

Executive Director/CEO

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FINANCIAL SECTION

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

9465 WILSHIRE BLVD., 3RD FLOOR
BEVERLY HILLS, CA 90212
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
First 5 Commission of San Diego
San Diego, California

Report on the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission as of June 30, 2023, and the respective changes in financial position for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis on pages 5 through 10 and the Budgetary Comparison Government Fund information on page 33 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

Supplementary Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section, supplementary information section, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The supplementary information on pages 36 through 51 are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2023, 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 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.



Moss, Levy & Hartzheim, LLP
Culver City, California
September 15, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

INTRODUCTION

Our discussion and analysis of the First 5 Commission of San Diego's (The Commission) financial performance provides an overview of the Commission's financial activities for the fiscal year that ended June 30, 2023. It should be read in conjunction with the Commission's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued June 1999; GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, an amendment to GASB Statements No. 21 and No. 34, issued in June 2001 and; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, issued in 2001. Certain comparative information between the current fiscal year and the prior fiscal year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS (FY 2022/2023)

The Financial Highlights section is based on governmental fund information.

Expenditures were \$5,064,558 more than revenues. This is due to the planned reduction of the Sustainability Fund. Overall revenues were \$29,240,051. Expenditures were \$34,304,609.

Expenditures fall within four categories: Administrative, Program, Evaluation, and Debt Service. Administrative expenditures were \$2,734,307 or 8% of the total expenditures (not to be confused with the Administrative Rate, which is calculated on the final Operating Budget); Program expenditures were \$30,439,628 or 88.7%; Evaluation expenditures were \$851,088 or 2.5%, and Debt Service expenditure were \$279,586 or 0.8%. Total expenditures were \$34,304,609.

The Commission's Administrative Rate is set by policy to be no more than 10% of the Total Operating Budget. For FY 2022/2023 the administrative rate was 7% of the budget. This is based on the Total Administrative Expenditures of \$2,734,307 and the final Total Operating Budget of \$38,785,275.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Commission's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Government-Wide Financial Statements

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

The *Statement of Net Position* presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave). The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other local governments, uses fund accounting to ensure compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. In the County of San Diego's ORACLE accounting system Proposition 10 funds are designated as a Special Revenue Fund.

The Commission adopts an annual appropriated budget for its special revenue fund. A budgetary comparison statement (page 33) has been provided for the special revenue fund to demonstrate compliance with this budget.

The fund financial statements can be found on pages 13 and 15 of this report.

Government-Wide Financial Analysis

Net Position

Table I: Net Position

	FY 2022/2023	FY 2021/2022
Assets:		
Current and other assets	\$ 45,239,373	\$ 50,140,999
Capital assets	2,149,161	2,445,597
Total assets	47,388,534	52,586,596
Liabilities:		
Long-term liabilities	2,364,084	2,586,067
Other liabilities	9,891,184	9,728,252
Total liabilities	12,255,268	12,314,319
Net Position:	35,133,266	40,272,277
Net investment in capital assets	(75,375)	(41,715)
Restricted	-	-
Unrestricted	35,208,641	40,313,992
Total Net Position	\$ 35,133,266	\$ 40,272,277

The Commission's total net position decreased by \$5,139,011 or 12.8% from the prior fiscal year due to the planned expenses being higher than revenues as the Commission's Sustainability Fund is drawn down over the next few fiscal years.

Changes in Net Position

Table II: Changes in Net Position

	FY 2022/2023	FY 2021/2022
Program Revenues	\$ 28,141,294	\$ 31,509,277
General Revenues	1,098,757	325,559
Total Revenues	29,240,051	31,834,836
Administrative Expenses	3,939,434	3,665,551
Program Expenses	30,439,628	30,016,968
Total Expenses	34,379,062	33,682,519
Change in net position	(5,139,011)	(1,847,683)
Net position – Beginning, July 1	\$ 40,272,277	\$ 42,119,960
Net position – Ending, June 30	\$ 35,133,266	\$ 40,272,277

Program expenses had an increase of \$422,660 or 1.4% from the previous fiscal year primarily due to a planned increase in expenses designed to bring down the Financial Spending Plan to a management reserve of \$5.0 million.

General Revenues increased by \$773,198 or 238% from the prior fiscal year due to higher yields from cash in the County Pool as interest rates increased in the economy.

The change in Net Position decreased by \$5,139,011 compared to the previous fiscal year. The change is due to more program costs that were planned to increase expenses by the end of the 2020 – 2025 Strategic Plan to reduce the balance in the Financial Spending Plan and the decrease in revenues compared to the previous fiscal year.

In 2009, the Commission decided to reduce the Sustainability Fund to zero through systematically spending more every fiscal year until the Fund was expended. The funds have been used to maintain funding in the community at a constant level as Prop 10 revenues continued to decline. The Net Position has decreased every fiscal year since 2013, except FY 2020-2021. For FY 2015 – 2020 Strategic Plan period, the fund was reduced by \$7.8 million per fiscal year on average. For FY 2020 – 2025 Strategic Plan period, the rate of reduction has been reduced to a \$6.2 million per fiscal year on average to change the slope so that when the fund does run out it will be less of an impact on the community.

BUDGETARY HIGHLIGHTS

- Prop 10 Tobacco Tax revenue was under budget by \$1,143,853 or 4.65% due to a decrease in Prop 10 tobacco tax and tobacco tax backfill of Prop 56.
- Revenue for the CalWORKs Home Visiting Program was less than budget by \$1,304,800 or 28.4% due to less expenses for the program.
- Revenue from Cal-Learn Educational Support Services was less than budget by \$503,079 or 62.5% due to less expenses for the program.

- Interest revenue had a favorable variance of \$811,957 compared to budget or 283% due to interest earned being higher than budget because of increased interest rates of invested dollars.
- Contributions to Community Outreach Projects (Program Expenses) had a favorable variance of \$4,319,024 or 12.4% due to lower than expected expenditures in contracts, likely recovering from the result of the pandemic.

BEYOND FY 2022/2023

In April 2019, the Commission approved the Strategic Plan that will guide the Commission's community investments for fiscal years 2020-21 to 2024-25. During this period, the Sustainability Fund that allowed the investment in programs well beyond the revenue received will be eliminated. By the end of the Strategic Plan 2020–2025 the Commission will no longer have a Sustainability Fund due to reduction of the fund over the life of the Strategic Plan. The plan is to convert the Sustainability Fund to an adequate Management Reserve, and match expenses to revenues in the future fiscal years beyond 2025.

The Sustainability Fund was used to supplement revenues by \$7.8 million on average over the 2015 – 2020 Strategic Plan. The fund is projected to supplement income on average by \$6.2 million per fiscal year and be nearly exhausted at the end of the 2020-2025 Strategic Plan period with \$5.0 million remaining as a management reserve.

The Commission, through formal action, approved the Budget that obligates funding for FY 2023-2024 for the following programs:

Healthy Development Services	\$ 12,700,000
First 5 First Steps Home Visiting	8,528,655
Learn Well Initiative	8,000,000
Oral Health Initiative	1,000,000
KidSTART Center	1,100,000
Mi Escuelita Therapeutic Preschool	653,160
F5CA Home Visiting Coordination Grant	470,000
HHSA Public Health – Doula Pilot Program	400,000
Parent & Public Education	400,000
2-1-1 Information & Referral	300,000
Childhood Injury Prevention	150,000
Maternity Housing Program	125,000
Community Outreach	100,000
Total	\$ 33,926,815

DECLINING REVENUES

The Prop 10 revenues derived from the sales of tobacco products decline as the sales of tobacco products decrease. It is estimated the Commission will receive about \$19 million per fiscal year in Proposition 10 revenues after the Sustainability Fund will be completely exhausted at the end of the 2024-2025 fiscal year. Leveraging of additional contracts, grants, and new sources of revenues are continuously being explored to support the future sustainability of the services provided to the children and families of San Diego County.

The latest projections from the State First 5 Commission are estimated to decline by 12.6% for San Diego County in the next fiscal year. They anticipate that this decline will continue for at least the next 5 years due to the recently enacted flavor ban on cigarettes and the California economy.

COVID-19 & Monkeypox

The World Health Organization (WHO) proclaimed that COVID-19 was no longer classified as a global health emergency in May 2023. At First 5 San Diego, we still recognize that COVID-19 is an ongoing public health threat. It is still the number five cause of deaths in the U.S. New variants continue to develop, with a variant of Omicron called Arcturus being the latest. In San Diego County hospitalizations are low. Nearly 73% of the State's population has received the primary two doses and in San Diego County that percentage is nearly 77%. The effects of the pandemic will always be with us, but it seems that things should only get better from here.

Monkeypox was determined to no longer be a health emergency in May 2023 as well. As of the middle of May 2023 there were 5,760 total cases in California, and 474 cases were in San Diego County. We will continue to monitor both COVID and Monkeypox over the next year.

Economy

At the beginning of the Fiscal Year, inflation was the highest it has been since the 1980s, over 9%. The Federal Reserve Board took action to slow the economy by raising the Federal Reserve Rate 10 times between March 2022 and May 2023 for a total of a 5% increase to 5.25%. This did as desired by reducing inflation to a current rate of 3.2%.

We are in a global economy. The global GDP is projected to increase at 2.9% in 2024. The US economic outlook from the Congressional Budget Office for 2023 to 2025 estimates GDP to go up by 1.5% for 2024, and 2.4% in 2025. This is projected to drive up unemployment to 4.1% by the end of 2023, and 4.7% by the end of 2024. For 2025 they see a slight decline to 4.5%. The overall economic projection for the next fiscal year is not looking good with some economists giving the odds of a recession at 59%.

California's economy mirrors the US but does have a higher unemployment rate. The US rate was 3.6% in June 2023 while California was 4.6%. San Diego County was 4.0%, beating California but still higher than the US overall.

California has been experiencing a decrease in population for the last couple of years which led to a loss of a Congressional House Seat for the first time ever. San Diego County's population decreased by 0.2% as well. All but one coastal county in California experienced a decrease in population in recent years; most likely due to the remote work options created by the pandemic that have allowed workers to move to lower cost of living areas.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the First 5 Commission of San Diego finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: First 5 Commission of San Diego, 9655 Granite Ridge Drive, Suite 120, San Diego, California 92123.

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2023

**GOVERNMENTAL
ACTIVITIES**

	<u>2023</u>
Assets	
Cash and investments in county treasury	\$ 41,427,653
Imprest cash	250
Accounts receivable	3,344,106
Due from County of San Diego	465,019
Prepaid expenses	2,345
Non-current assets:	
Capital Assets	
Right to use lease assets	2,742,033
Less accumulated amortization	<u>(592,872)</u>
Total assets	<u>47,388,534</u>
Liabilities	
Accounts payable	9,715,324
Due to County of San Diego	175,860
Long-term liabilities:	
Due within one year	356,194
Due more than one year	<u>2,007,890</u>
Total liabilities	<u>12,255,268</u>
Net Position	
Net position	
Net investment in capital asset	(75,375)
Unrestricted	<u>35,208,641</u>
Total net position	<u>\$ 35,133,266</u>

See accompanying notes to the basic financial statements

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION**

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

		<u>PROGRAM REVENUES</u>	<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
<u>GOVERNMENTAL ACTIVITIES</u>	<u>EXPENSES</u>	<u>PROPOSITION 10 AND SPECIAL FUND</u>	<u>GOVERNMENTAL ACTIVITIES</u>
			<u>2023</u>
Health	\$ 12,816,661	\$ 8,567,784	\$ (4,248,877)
Learning	8,908,889	9,476,234	567,345
Family	7,874,164	5,613,904	(2,260,260)
Community	839,914	577,597	(262,317)
General Administration	3,626,188	3,905,775	279,587
Interest on long-term debt	16,810	-	(16,810)
Amortization	<u>296,436</u>	<u>-</u>	<u>(296,436)</u>
Total governmental activities	<u>\$ 34,379,062</u>	<u>\$ 28,141,294</u>	<u>(6,237,768)</u>
GENERAL REVENUES:			
Net investment revenue			<u>1,098,757</u>
Total general revenues			<u>1,098,757</u>
Change in net position			(5,139,011)
Net position, beginning of fiscal year			<u>40,272,277</u>
Net position-end of fiscal year			<u>\$ 35,133,266</u>

See accompanying notes to the basic financial statements.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION**

BALANCE SHEET

**GOVERNMENTAL FUND
JUNE 30, 2023**

	<u>2023</u>
Assets	
Cash and investments in county treasury	\$ 41,427,653
Imprest cash	250
Accounts receivable	3,344,106
Due from County of San Diego	465,019
Prepaid expenditures	<u>2,345</u>
Total assets	<u>\$ 45,239,373</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts payable	\$ 9,715,324
Due to County of San Diego	<u>175,860</u>
Total liabilities	<u>9,891,184</u>
Fund Balance:	
Non-spendable	2,345
Committed	<u>35,345,844</u>
Total fund balance	<u>35,348,189</u>
Total liabilities and fund balance	<u>\$ 45,239,373</u>

See accompanying notes to the basic financial statements.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

JUNE 30, 2023

	<u>2023</u>
Total governmental fund balance	\$ 35,348,189
Right to use lease assets relating to governmental activities	
at historical costs:	\$ 2,742,033
Accumulated amortization	<u>(592,872)</u>
Net	2,149,161
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:	
Compensated absences	\$ (139,548)
Lease payable	<u>(2,224,536)</u>
Total	(2,364,084)
Net position of governmental activities	<u>\$ 35,133,266</u>

See accompanying notes to the basic financial statements.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Revenues:	<u>2023</u>
Prop 10 tobacco tax (including SMIF, CECET & Prop 56 back-fill)	\$ 23,470,990
F5CA Home Visiting Coordination Grant	47,586
F5CA Shared Services Alliance Pilot Grant	151,499
F5CA Refugee Family Services Grant	209,614
HHSA CalWORKs Home Visiting Program	3,296,525
HHSA Cal-Learn Educational Support Services	301,980
HHSA OSI Prevention Drowning Campaign Project	37,738
HHSA Public Health Services Doula Pilot Program	120,201
CA Home Visiting Program State General Fund Expansion Program	505,161
Interest revenue	<u>1,098,757</u>
 Total revenues	 <u>29,240,051</u>
 Expenditures:	
Labor and benefits (* less: Evaluation Labor)	2,451,116
Services and supplies	283,191
Evaluation (*added: Evaluation Labor)	851,088
Contributions to community outreach projects	30,439,628
Debt Service – Principal – Leases	262,776
Debt Service – Interest - Leases	<u>16,810</u>
 Total expenditures	 <u>34,304,609</u>
 Net change in fund balance	 (5,064,558)
 Fund balance, beginning of fiscal year	 40,412,747
 Fund balance, end of fiscal year	 <u><u>\$ 35,348,189</u></u>

See accompanying notes to the basic financial statements.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION**

**RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF
ACTIVITIES**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>2023</u>
Net change in total governmental fund balance	\$ (5,064,558)
In governmental funds, the cost of lease assets are reported as expenditures in the period when the assets are required. In the statement of activities, cost of lease assets are allocated over their lease terms as amortization expense.	(296,436)
In governmental funds, repayments of long-term debt are reported as expenditures. In the governmental-wide statements, repayment of long-term debt are reported as reduction of liabilities.	262,776
In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In the governmental fund, however, expenditures for these items are measured by the amount of financial resources used (essentially the amount paid).	<u>(40,793)</u>
Change in net position of governmental activities	<u><u>\$(5,139,011)</u></u>

See accompanying notes to the basic financial statements.

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The San Diego County Board of Supervisors established the First 5 Commission of San Diego, formerly the San Diego County Children and Families Commission (The Commission) on December 8, 1998, under the provisions of the California Children and Families Act of 1998 (Act). The Commission is discretely presented as a component unit of the County of San Diego, California. The Commission provides leadership for a network of support for all children from the prenatal stage through age five and their families; develops and operates in partnerships with communities and families; and is accountable for improving outcomes in children's health, safety and learning. The Commission is funded through tobacco tax revenue generated as a result of the California approval of the Proposition 10 Act (Prop 10) in November 1998. The Commission is made up of five members: one (1) member of the Board of Supervisors, two (2) members-at-large appointed by the Board of Supervisors, one (1) member is the Director of the Health and Human Services Agency and one (1) member is nominated by the Director of the Health and Human Services Agency from among the County health officer and persons responsible for management of the following County functions: children's services, public health services, social services, behavioral health services, and tobacco and other substance abuse prevention and treatment services.

In April 2019, the Commission adopted the Strategic Plan for 2020–2025. The plans focus the Commission's investments toward achieving key results that best promote early childhood development in San Diego County. The Commission's vision is that "All children are healthy, are loved and nurtured, and enter school as active learners." The current plan guides the allocation of up to \$33,926,815 for fiscal year 2023/2024 to support four strategic goal areas that strengthen the relationships essential for the healthy development of young children: (1) Health, (2) Learning, (3) Family, and (4) Community. The plan spends down the fund balance from \$40.5 million at the beginning of FY 2020/2021 to \$8.3 million excluding a Management Reserve of \$7.5 million at the end of FY 2024/2025.

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

The Commission's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission's more significant accounting policies are described below.

The government-wide financial statements (i.e. *The Statement of Net Position* and *The Statement of Activities* on pages 11 and 12 are reported using the *economic resources measurement focus* and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Contributions to community outreach projects through local contractors are recognized as expenditures when criteria for contract payments are met by the contractors.

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Statement of Net Position presents the Commission's financial position in a *net position approach*.

Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

The Statement of Activities reports the change in net position in a net program cost format to demonstrate the degree to which the expense of the Commission is offset by its program revenues (page 12) in the categories of 1) Health, 2) Learning, 3) Family, and 4) Community.

Governmental fund financial statements, presented after the government-wide financial Statements are reported using the *current financial resources measurement focus* and the *modified accrual* basis of accounting on pages 13 and 15. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues are considered to be *available* when they are collectible within 90 days of the end of the current fiscal period. Revenues susceptible to accrual include tax revenue, grants, and investment income. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

C. Budgets, Budgetary Process and Encumbrances

The Commission adopts an annual budget, which can be amended by the Commission throughout the fiscal year. Revenue (not including interest revenue) was budgeted at \$31.74 million per the Financial Spending Plan that was approved in April 2022. The Financial Spending Plan is reviewed annually and, if necessary, is revised to account for updated projections of birth rates, taxable sales of tobacco products and changes in interest rates. Budgeted revenues were established to balance revenues with projected expenditures. Liability for unrealized gains and losses under Governmental Accounting Standards Board's Statement No. 31 (GASB Statement No. 31) is not included in the budget.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Use of Estimates

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

E. Cash and Investments

Investments are valued at fair value. Fair value is defined as the amount that the Commission could reasonably expect to receive for an investment as a current sale between a willing buyer and seller and is generally measured by quoted market prices.

F. Right to use lease assets

The Commission has recorded right to use lease assets as a result of implementing GASB statement no. 87. The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

G. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 99	"Omnibus 2022"	The provision of this statement is effective for fiscal years beginning after June 15, 2022.
Statement No. 100	"Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62"	The provision of this statement is effective for fiscal years beginning after June 15, 2023.
Statement No. 101	"Compensated Absences"	The provision of this statement is effective for fiscal years beginning after December 15, 2023.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2: CASH AND INVESTMENTS IN COUNTY TREASURY

The Commission's cash and investments at June 30, 2023 are included in the County's balance sheet as "Cash and Investments in County Treasury". The Commission has two dedicated portfolios with the County Treasurer's Office, and a segment of these portfolios are positions in the County Investment Pool. The County Treasurer maintains an investment pool for all funds of the County and other agencies for which the County treasury is the depository. Interest earned on the pooled funds is allocated and credited to these funds quarterly. Interest on investments that are outside the County pool are recognized when earned (i.e. coupon payments on bonds). Interest from the County pool is apportioned to the Commission based on the average daily balances on deposit with the Treasurer of those funds. All cash and investments at June 30, 2023, are stated at fair value.

Cash and Investments in County Treasury consisted of the following at June 30, 2023:

Assets Invested through the County Treasurer's Office:

County Pool	\$ 41,427,653
Total Cash and Investments by County Treasury	<u>\$ 41,427,653</u>

Investments Authorized by the California Government Code

The California Government Code Section 53601 governs the investments of the Commission. The Commission adopted an investment policy on October 4, 2004 but it does not contain policies for exposure to interest rate risk, credit risk and concentration of credit risk. Portfolios will invest primarily in the County Investment Pool ("County Pool"), Commercial Paper, Negotiable CD, Medium Term Notes, US Agencies and Treasuries. The portfolio maturity structure will be driven by the cash flow needs of First 5, as provided by staff members and accommodations for appropriate levels of liquidity.

California Government Code 53601 provides that the County Board of Supervisors is empowered to authorize the Commission to hold investments with maturities that exceed five years. The Commission has received such an authorization from the San Diego Board of Supervisors on March 22, 2005 to invest for a maximum of 20 years.

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2: CASH AND INVESTMENTS IN COUNTY TREASURY (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Commission's investments by maturity:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity in Months</u>		
		<u>12 months or less</u>	<u>13 to 24 months</u>	<u>25 to 60 months</u>
Negotiable Certificates of Deposit	\$ -	\$ -	\$ -	\$ -
Commercial Paper Disc.	-	-	-	-
County Pool	<u>41,427,653</u>	<u>41,427,653</u>	-	-
Total	<u>\$ 41,427,653</u>	<u>\$ 41,427,653</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code Section 53601 (where applicable) and the actual rating as of fiscal year-end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Rating Required</u>	<u>Credit Quality Rating</u>
Negotiable Certificates of Deposit	\$ -	A-1 or equivalent	A-1
Commercial Paper Disc	-	A-1 or equivalent	AAA
County Pool	<u>41,427,653</u>	VARIOUS	AAA
Total	<u>\$ 41,427,653</u>		

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2: CASH AND INVESTMENTS IN COUNTY TREASURY (continued)

Concentration of Credit Risk

The California Government Code Section 53601 places limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, negotiable certificates of deposit, and external investment pools) that represent 1% or more of total investment are as follows:

Issuer	Investment Type	Amount	% of Total Investments
None for FY 2022/2023			

Custodial Credit Risk

Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code Section 53652 requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure government deposits by pledging first trust deed mortgage notes having a value of 150% of the secure public deposits.

Investment in San Diego Investment Pool

The Commission is a voluntary participant in the pool regulated by the California Government Code Sections 53601 and 53635, under the oversight of the Treasurer of the County of San Diego. The fair value of the Commission's investment in this pool is reported in the accompanying financial statements at amounts based upon the Commission's pro-rata share of the fair value provided by the County of San Diego for the entire pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the pool, which are recorded on a cash basis.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2: CASH AND INVESTMENTS BY COUNTY TREASURY (continued)

Fair Value

The Commission categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the Commission's own data. The Commission should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the Commission are not available to other market participants.

Uncategorized - Investments in the San Diego County Treasury Investment Pool and/or Local Agency Investment Funds/State Investment Pools are not measured using the input levels above because the Commission's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The Commission's fair value measurements at June 30, 2023 were as follows:

	Quoted Prices <u>Level 1</u>	Observable Inputs <u>Level 2</u>	Unobservable Inputs <u>Level 3</u>	<u>Uncategorized</u>	<u>Total</u>
Investments in county treasury	\$ -	\$ -	\$ -	\$ 41,427,653	\$ 41,427,653
Other investments	-	-	-	-	-
Total leveled investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,427,653</u>	<u>\$ 41,427,653</u>

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable is recorded at full value and represents the amount of Prop 10 revenue the California Children and Families Commission (First 5 California) owes the Commission for the month of May and June 2023, California Electronic Cigarette Excise Tax (CECET), and miscellaneous Surplus Money Investment Fund (SMIF) revenue. Additionally, the First 5 Commission of California owes First 5 San Diego CA Home Visiting Coordination, CA Shared Services Alliance Pilot Grant, and CA Refugee Family Services Grant for revenue earned in FY 2022/2023.

Prop 10 revenue for:

May 2023	\$ 1,111,568
June 2023	1,674,396
CECET	313,671
SMIF	86,188
FSCA Home Visiting Coordination Grant	21,546
F5CA Shared Services Alliance Pilot Grant	50,810
F5CA Refugee Family Services Grant	85,927
	<u>\$ 3,344,106</u>

NOTE 4: CAPITAL ASSETS - RIGHT TO USE LEASE ASSET

The Commission has recorded a right to use lease asset. The asset is right to use asset for a leased office space. The related lease is discussed in the lease subsection of the lease payable section of this note. The right to use lease asset is amortized on a straight-line basis over the terms of the related lease.

Right to use lease asset activity for the Primary Government for the fiscal year ended June 30, 2023, was as follows:

<u>Capital Asset</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to use lease assets	\$ 2,742,033	\$ -	\$ -	\$ 2,742,033
Leased building	2,742,033	-	-	2,742,033
Total right to use lease assets				
Less accumulated amortization for:				
Leased building	296,436	296,436	-	592,872
Total accumulated amortization	296,436	296,436	-	592,872
Right to use lease assets, net	\$ 2,445,597	\$ (296,436)	\$ -	\$ 2,149,161

NOTE 5: ACCOUNTS PAYABLE

Accounts payable is comprised of \$9,715,324 in funding due to contractors at June 30, 2023.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6: DUE TO/DUE FROM COUNTY OF SAN DIEGO

These are funds that are “due to” or “due from” the County of San Diego’s general fund.

The County of San Diego owes the Commission \$465,019 for:

- 1) Investment interest earning of \$367,439;
- 2) Contract reimbursement of \$97,580;

The Commission owes the County of San Diego \$175,860 for:

- 3) Purchasing & Contracting services of \$179;
- 4) Computing and IT charges of \$5,476;
- 5) County Counsel services of \$298;
- 6) Commission labor and burden cost of \$116,376;
- 7) HHSA Office of Immigrant and Refugee Affairs charges of \$53,531

NOTE 7: COMPENSATED ABSENCES

Compensated absences represent the liability for unpaid vacation leave, holidays and other compensated absences with similar characteristics, except sick leave. Compensated absences liability activities for the fiscal year ended June 30, 2023 is as follows:

	Balance <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>July 1, 2023</u>	Due Within <u>One Year</u>	Due More Than <u>One Year</u>
Compensated Absences	<u>\$ 98,755</u>	<u>\$ 52,967</u>	<u>\$ (12,174)</u>	<u>\$ 139,548</u>	<u>\$ 83,437</u>	<u>\$ 56,111</u>

NOTE 8: LEASE PAYABLE

Office Lease

The Commission has entered into agreement to lease an office space. The lease agreement qualifies as other than short-term leases under GASB Statement No. 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement was executed on April 5, 2020, to lease an office space and requires 125 monthly payments, initially in the amount of \$21,060 per month and 3% annual escalation. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 0.71%, which is the estimated incremental borrowing rate of the Commission. As a result of the lease, the Commission has recorded a right to use lease asset with a net book value of \$2,149,161 at June 30, 2023. The right to use lease asset is discussed in more detail in the Note 1 F and Note 4 – Right to use lease asset.

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8: LEASE PAYABLE (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>
2024	\$ 272,757	\$ 14,912	\$ 287,669
2025	283,053	12,942	295,995
2026	293,673	10,898	304,571
2027	304,626	8,777	313,403
2028	315,923	6,578	322,501
2029-2032	754,504	6,333	760,837
	<u>\$ 2,224,536</u>	<u>\$ 60,440</u>	<u>\$ 2,284,976</u>

NOTE 9: REVENUE

The Commission receives a proportionate share of Proposition 10, California Electronic Cigarette Excise Tax (CECET), and Proposition 56 money from First 5 California based on the number of live births in the county in comparison to the number of live births statewide. This fund is identified in the County of San Diego's accounting records as the First 5 Commission Operating Fund (Fund Number 49217). The Commission also receives Special Funding, as explained in Note 10, and Surplus Money Investment Fund (SMIF) allocations from First 5 California. The SMIF allocations represent distributions of interest accrued on statewide Proposition 10 money.

Revenue for the fiscal year 2022/2023 is comprised of:

Prop 10 revenue (monthly allocations)	\$ 17,206,238
CECET (quarterly allocations)	313,671
SMIF	86,188
Prop 56 backfill (included in Prop10 in Financials)	5,864,893
F5CA Home Visiting Coordination Grant	47,586
F5CA Shared Services Alliance Pilot Grant	151,499
F5CA Refugee Family Services Grant	209,614
HHSA CalWORKs Home Visiting Program	3,296,525
HHSA Cal-Learn Educational Support Services	301,980
HHSA CA Home Visiting Program State GF Expansion	505,161
HHSA OSI Drowning Prevention Campaign Project	37,738
HHSA Public Health Services Doula Program	120,201
Interest	<u>1,098,757</u>
Total revenue	<u>\$ 29,240,051</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10: SPECIAL FUNDING

Special funding for FY 2022/2023 included \$47,586 for the F5CA Home Visiting Coordination Grant; \$151,499 for F5CA Shared Services Alliance Pilot Grant; \$209,614 for F5CA Refugee Family Services Grant; \$3,296,525 for HHSA CalWORKs Home Visiting Program; \$301,980 for HHSA Cal-Learn Educational Support Services; \$505,161 for HHSA CA Home Visiting Program State General Fund Expansion; \$37,738 for HHSA OSI Drowning Prevention Campaign Project; and \$120,201 for HHSA Public Health Services Doula Pilot Program.

F5CA Home Visiting Coordination Grant (F5 CA HVC). The primary purpose of the F5 CA HVC is to facilitate activities that improve cross-program service coordination and integration into a system of supports that enables families to be served during their greatest need, with the most appropriate program and services to recover from the effects of the COVID-19 pandemic. The HVC goals include: 1) increase cross-agency understanding of local population needs relative to the impacts of COVID-19 on families and services; 2) ensure families are served through efficient, coordinated, and sustainable evidence-based home visiting programs that meet their critical recovery needs; 3) embed home visiting into early childhood systems to promote strong family outcomes; and 4) Promote cross-county, shared learning and capacity-building, resource sharing, and expertise to strengthen local systems change efforts, and rebuild early childhood and family support systems following the pandemic. The balance sheet and schedule of revenue, expenditures, and changes in fund balance for this special funding program is presented as supplementary information in this report on pages 36 and 37.

F5CA Shared Services Alliance Pilot Grant (SSA) is an approach to strengthen small early learning and care businesses by providing them the supports to strengthen their business practices. The SSA is aimed at building a sustainable provider-based childcare system by providing technology and staff infrastructure that enable sharing of staff, information, and resources. A Shared Services Alliance Network provides business efficiencies to childcare providers, the majority of whom are low-income women of color, increasing business sustainability and expanding care for low-to-moderate income communities. The balance sheet and schedule of revenue, expenditures, and changes in fund balance for this special funding program is presented as supplementary information in this report on pages 38 and 39.

F5CA Refugee Family Services Grant (RFS) is an approach to provide support services to refugee families with children birth through age five resettling in counties throughout California. The goal of the RFS Program is to provide support for refugee families in the areas of socio-cultural adjustment and systems navigation support that include the following priority areas: language assistance, healthcare and care coordination (including behavioral health), transportation, and social capital. The balance sheet and schedule of revenue, expenditures, and changes in fund balance for this special funding program is presented as supplementary information in this report on pages 40 and 41.

HHSA CalWORKs Home Visiting Program. The California Work Opportunity and Responsibility to Kids (CalWORKs) Home Visiting Program (HVP) is a voluntary program supervised by the California Department of Social Services (CDSS) and administered by participating California counties. The HVP aims to support positive health development and well-being outcomes for pregnant and parenting people, families, and infants born into poverty, expand their future educational, economic, and financial capability opportunities, and improve the likelihood that they will exit poverty. The balance sheet and schedule of revenue, expenditures, and changes in fund balance for this special funding program is presented as supplementary information in this report on pages 42 and 43.

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10: SPECIAL FUNDING (continued)

HHSA Cal-Learn Educational Support Services. The Cal-Learn Program began in 1995 as part of a five- year California Work Pays Demonstration Project. It became a permanent program as of January 1, 1999, as part of California Work Opportunity and Responsibility to Kids (CalWORKs). The program is designed to prevent long-term dependence among pregnant and parenting teens receiving CalWORKs cash aid. The program's primary goal is to help teens achieve self-sufficiency through school participation leading to a high school diploma or its equivalent. Intensive case management and supportive services, including childcare and transportation assistance, as well as financial sanctions and incentive payments are used to encourage teens to stay in, or return to, high school. The balance sheet and schedule of revenue, expenditures, and changes in fund balance for this special funding program is presented as supplementary information in this report on pages 44 and 45.

HHSA CA Home Visiting Program State General Fund Expansion (CHVP) is designed for overburdened families who are at risk for Adverse Childhood Experiences (ACEs), including child maltreatment, domestic violence, substance abuse and mental illness. Home visiting gives parents the tools and know-how to independently raise their children. It's a preventive intervention focused on promoting positive parenting and child development. Decades of research on home visiting shows that home visits by a trained professional during pregnancy and in the first few years of life improves the lives of children and families by preventing child abuse and neglect, supporting positive parenting, improving maternal and child health, and promoting child development and school readiness. Contractor shall be responsible for the start-up, implementation, and on-going service delivery of the California Home visiting Program in South Region. Countywide Coordinator shall work with contractor and other partners to ensure that services are provided with fidelity to the home visiting model and curriculums. Core areas of responsibilities include home visiting service delivery, staff hiring, training, and certification, data collection and program evaluation, and inter-agency coordination. The balance sheet and schedule of revenue, expenditures and changes in fund balance for this special funding program is presented as supplementary information in this report on pages 46 and 47.

HHSA OSI Drowning Prevention Campaign Project

Since 2009, the Prevent Drowning Foundation of San Diego's purpose has been simple; they do everything they can to prevent drowning and save lives of children by targeting under-served communities that need swim lessons and water and ocean safety education. This grant swimming lessons and drowning prevention skills, as well as other media outreach and education campaign costs, as necessary. First 5 San Diego, in partnership with the County of San Diego, the Prevent Drowning Foundation of San Diego and MIG, Inc. created a multifaceted media campaign to ensure the most vulnerable county residents can participate in the program. The campaign aimed to increase awareness of methods for drowning prevention for families within California Health Places Index 4th Quartile communities (HPI-4Q) with an emphasis on the Black, Indigenous and People of Color (BIPOC) and lower socioeconomic status communities. The balance sheet and schedule of revenue, expenditures, and changes in fund balance for this special funding program is presented as supplementary information in this report on pages 48 and 49.

HHSA Public Health Doula Pilot Program

The County of San Diego, through the Maternal, Child, and Family Health Services Doula Pilot Program with First 5 San Diego aims to help bring greater doula access to BIPOC birthing people. The Doula Pilot Program seeks to overcome barriers by contracting with a community-based doula business with demonstrated experience providing services to birthing people who are BIPOC during

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10: SPECIAL FUNDING (continued)

pregnancy, for birth and delivery, and postpartum care. This program will serve more individuals at no cost to the program participants, train more doulas to sustainably serve communities, and promote better BIPOC maternal and infant health outcomes. The balance sheet and schedule of revenue, expenditures and changes in fund balance for this special funding program is presented as supplementary information in this report on pages 50 and 51.

NOTE 11: EVALUATION EXPENSES

The Commission spent \$851,088 on program evaluation during the audit period.

NOTE 12: FUND BALANCES

As of June 30, 2023, fund balances of the governmental funds are classified as follows:

Non-spendable – amounts that cannot be spent either because they are in non-spendable form (e.g. Prepaid Expense) or because they are legally or contractually required to be maintained intact (e.g. revolving fund or the principal of an endowment).

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal “Action Item” of the Commission. This formal “Action Item” is the approval by the Commission of a meeting agenda action item, if approved resulting in a final resolution to be implemented. The Commission is the highest level of decision-making authority. These committed amounts cannot be used for any other purpose unless the Commission removes or changes the specific uses through the same type of formal action taken to establish the commitment.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Commission’s adopted policy, only the Commission or Executive Director may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

When an expense 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 expense is incurred for which committed, assigned, or unassigned fund balance 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 has provided otherwise in its commitment or assignment actions.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12: FUND BALANCES (continued)

The details of the fund balances as of June 30, 2023 are presented below:

Fund Balance:

Non-spendable:

Prepaid items	\$ 2,345
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Committed To:

Administration	2,222,613
Evaluation	570,516
Healthy Development Services	8,340,013
KidStart	722,363
Oral Health Initiative	656,694
Reducing Childhood Injuries	98,504
Public Health – Doula Pilot Program	262,678
Refugee Family Services Program	138,924
Learn Well Initiative	5,253,551
Mi Escuelita	428,926
F5CA Shared Services Alliance Grant	72,006
First 5 First Steps Home Visiting	2,681,971
HHSA Public Health CDPH-Home Visiting	189,982
HHSA CalWorks Home Visiting Program	2,648,151
HHSA Cal-Learn Education Support Services	264,352
HHSA CA Home Visiting Program State GF Expansion	187,158
Parent & Public Education	262,678
Information & Referral	197,008
Maternity Housing Program	82,087
Community Outreach Projects	65,669
Management Reserve	<u>10,000,000</u>

Total Committed	<u>35,345,844</u>
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Total Fund Balance	<u>\$35,348,189</u>
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NOTE 13: RELATED PARTY

For FY 2022-23 the First 5 Commission had a contract with The Children's Initiative for \$150,000 for the Childhood Injury Prevention Program. The Chief Executive Officer of The Children's Initiative is Sandra McBrayer, one of the five First 5 San Diego Commissioners.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

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**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BUDGETARY COMPARISON SCHEDULE GOVERNMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**BUDGETED AMOUNTS
(UNAUDITED)**

	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSTIVE (NEGATIVE)
Revenues:				
Prop 10 Tobacco Tax	\$ 24,614,843	\$ 24,614,843	\$ 23,470,990	\$ (1,143,853)
HHSA CA Home Visit Coord. Grant	100,000	100,000	47,586	(52,414)
HHSA CalWORKs Home Visiting Program	3,528,938	4,601,325	3,296,525	(1,304,800)
HHSA Cal-Learn Educational Support Services	1,172,729	805,059	301,980	(503,079)
HHSA-PHS Doula Pilot Program	400,000	400,000	120,201	(279,799)
HHSA Home Visiting Pgm State GF	578,567	578,567	505,161	(73,406)
HHSA Drowning Prevention Campaign Project	-	-	37,738	37,738
F5CA Shared Services Alliances Pilot	219,298	219,298	151,499	(67,799)
F5CA Refugee Family Support Program	-	423,071	209,614	(213,457)
Interest revenue	<u>286,800</u>	<u>286,800</u>	<u>1,098,757</u>	<u>811,957</u>
Total revenues	<u>\$ 30,901,175</u>	<u>\$ 32,028,963</u>	<u>\$ 29,240,051</u>	<u>\$ (2,788,912)</u>
Expenditures:				
Labor & benefits (less Evaluation labor)	2,407,093	2,491,356	2,451,116	40,240
Services and Supplies	528,051	568,051	283,191	284,860
Evaluation (with Evaluation Labor)	922,216	967,216	851,088	116,128
Contributions to Community Outreach	30,799,387	34,758,652	30,439,628	4,319,024
Debt Service - Principle - Leases	-	-	262,776	(262,776)
Debt Service - Principle - Interest	<u>-</u>	<u>-</u>	<u>16,810</u>	<u>(16,810)</u>
Total expenditures	<u>\$ 34,656,747</u>	<u>\$ 38,785,275</u>	<u>\$ 34,304,609</u>	<u>\$ 4,480,666</u>
Net change in fund balance OVER (UNDER) Expenditures	(3,755,572)	(6,756,312)	(5,064,558)	1,691,754
Fund balance, beginning of fiscal year	<u>40,412,747</u>	<u>40,412,747</u>	<u>40,412,747</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 36,657,175</u>	<u>\$ 33,656,435</u>	<u>\$ 35,348,189</u>	<u>\$ 1,691,754</u>

Budget and Budgetary Process

The Commission adopts an annual budget which can be amended throughout the fiscal year. The basis used to prepare the budget is in accordance with accounting principles generally accepted in the United States (GAAP).

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SUPPLEMENTARY INFORMATION SECTION

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

F5CA HOME VISITING COORDINATION GRANT

JUNE 30, 2023

	<u>2023</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
Fund balance:	
Restricted for F5CA Home Visiting Coordination Grant	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

F5CA HOME VISITING COORDINATION GRANT

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

	<u>2023</u>
Revenues:	
F5CA Home Visiting Coordination Grant	<u>\$ 47,586</u>
Total revenues	<u>47,586</u>
 Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>47,586</u>
Total expenditures	<u>47,586</u>
 Net change in fund balance	-
 Fund balance, beginning of fiscal year	<u>-</u>
 Fund balance, end of fiscal year	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

F5CA SHARED SERVICES ALLIANCE PILOT GRANT

JUNE 30, 2023

	<u>2023</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
Fund balance:	
Restricted for F5CA Shared Services Alliance Pilot Grant	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

F5CA SHARED SERVICES ALLIANCE PILOT GRANT

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

	<u>2023</u>
Revenues:	
F5CA Shared Services Alliance Pilot Grant	<u>\$ 151,499</u>
Total revenues	<u>151,499</u>
Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>151,499</u>
Total expenditures	<u>151,499</u>
Net change in fund balance	-
Fund balance, beginning of fiscal year	<u>-</u>
Fund balance, end of fiscal year	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

F5CA REFUGEE FAMILY SERVICES GRANT

JUNE 30, 2023

	<u>2023</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
Fund balance:	
Restricted for F5CA Refugee Family Services Grant	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

F5CA REFUGEE FAMILY SERVICES GRANT

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

	<u>2023</u>
Revenues:	
F5CA Refugee Family Services Grant	<u>\$ 209,614</u>
Total revenues	<u>209,614</u>
Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>209,614</u>
Total expenditures	<u>209,614</u>
Net change in fund balance	-
Fund balance, beginning of fiscal year	<u>-</u>
Fund balance, end of fiscal year	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

HHSA CalWORKs HOME VISITING PROGRAM

JUNE 30, 2023

	<u>2023</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
Fund balance:	
Restricted for HHSA CalWORKs Home Visiting Program	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

HHSA CalWORKs HOME VISITING PROGRAM

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

	<u>2023</u>
Revenues:	
HHSA CalWORKs Home Visiting Program	<u>\$ 3,296,525</u>
Total revenues	<u>3,296,525</u>
 Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>3,296,525</u>
Total expenditures	<u>3,296,525</u>
 Net change in fund balance	-
 Fund balance, beginning of fiscal year	<u>-</u>
 Fund balance, end of fiscal year	 <u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

HHSA CAL-LEARN EDUCATIONAL SUPPORT SERVICES

JUNE 30, 2023

	<u>2023</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
Fund balance:	
Restricted for HHSA Cal-Learn Educational Support Services	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

HHSA CAL-LEARN EDUCATIONAL SUPPORT SERVICES

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

	<u>2023</u>
Revenues:	
HHSA Cal-Learn Educational Support Services	<u>\$ 301,980</u>
Total revenues	<u>301,980</u>
 Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>301,980</u>
Total expenditures	<u>301,980</u>
 Net change in fund balance	-
 Fund balance, beginning of fiscal year	<u>-</u>
 Fund balance, end of fiscal year	 <u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

**HHSA CA HOME VISITING PROGRAM STATE GENERAL FUND
EXPANSION**

JUNE 30, 2023

	<u>2023</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
Fund balance:	
Restricted for HHSA CA Home Visiting Program State GF Expansion	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

**HHSA CA HOME VISITING PROGRAM STATE GENERAL FUND
EXPANSION**

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

	<u>2023</u>
Revenues:	
HHSA CA Home Visiting Program State GF Expansion	<u>\$ 505,161</u>
Total revenues	<u>505,161</u>
Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>505,161</u>
Total expendituresNet	<u>505,161</u>
change in fund balance	-
Fund balance, beginning of fiscal year	<u>-</u>
Fund balance, end of fiscal year	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

HHSA OSI DROWNING PREVENTION CAMPAIGN PROJECT

JUNE 30, 2023

	<u>2023</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
Fund balance:	
Restricted for HHSA OSI Drowning Prevention Campaign Project	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

**HHSA PUBLIC HEALTH SERVICES
DOULA PILOT PROGRAM**

JUNE 30, 2023

	<u>2023</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
 Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
 Fund balance:	
Restricted for HHSA Public Health Services Doula Pilot Program	<u>-</u>
Total fund balance	<u>-</u>
 Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

**HHSA PUBLIC HEALTH SERVICES
DOULA PILOT PROGRAM**

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

	<u>2023</u>
Revenues:	
HHSA Public Health Services Doula Pilot Program	<u>\$ 120,201</u>
Total revenues	<u>120,201</u>
Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>120,201</u>
Total expenditures	<u>120,201</u>
Net change in fund balance	-
Fund balance, beginning of fiscal year	<u>-</u>
Fund balance, end of fiscal year	<u>\$ -</u>

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STATISTICAL SECTION

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2023

The information in this section is not covered by the Independent Auditor's Report, but it is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report. The objectives of the statistical section information are to provide financial statement users with additional statements, notes to financial statements and required supplemental information to understand and assess the Commission's economic condition.

	<u>Pages</u>
<u>Financial Trends</u>	
These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.	55 - 58
<u>Revenue Capacity</u>	
These schedules contain trend information to help the reader assess the Commission's most significant revenue base.	59 - 60
<u>Debt Capacity</u>	
This table present information to help the reader assess the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future.	61
<u>Demographic Information</u>	
These schedules offer economic and demographic indicators to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.	62 - 65

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2023

Net Position by Component
Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	35,133,266	40,272,277	42,119,960	40,449,779	46,523,865	55,106,348	65,232,870	73,239,274	79,330,400	100,898,266
Total net position	<u>\$ 35,133,266</u>	<u>\$ 40,272,277</u>	<u>\$ 42,119,960</u>	<u>\$ 40,449,779</u>	<u>\$ 46,523,865</u>	<u>\$ 55,106,348</u>	<u>\$ 65,232,870</u>	<u>\$ 73,239,274</u>	<u>\$ 79,330,400</u>	<u>\$ 100,898,266</u>

* Governmental Accounting Standards Board (GASB) Statement 63 was implemented by the Commission in fiscal year ended June 30, 2013. Net Position was reported as net assets prior to GASB 63 implementation.

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2023

Changes in Net Position
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Prop 10 Tobacco Taxes (see page 15)	\$23,470,990	\$26,670,216	\$ 28,636,321	\$ 27,663,745	\$ 26,411,158	\$ 25,589,026	\$ 17,887,814	\$ 21,643,265	\$ 18,440,315	\$ 13,579,043
Prop 10 Quality Preschool Initiative	-	-	-	-	-	-	10,769,855	7,877,537	11,728,390	15,962,144
Prop 10 Child Signature Program	-	-	-	-	-	-	1,677,313	3,454,625	3,454,625	3,354,625
CDE QRIS Certification Grant	-	-	34,396	181,918	179,039	189,959	-	-	-	-
Federal Medi-Cal administrative	-	-	-	-	-	-	-	-	-	93,553
Race to the Top	-	-	-	-	-	-	-	1,830,888	2,245,507	1,657,897
F5CA Shared Services Alliance Pilot Grant	151,499	11,232	-	-	-	-	-	-	-	-
F5CA Refugee Family Services Program	209,614	-	-	-	-	-	-	-	-	-
F5CA IMPACT Grant	-	-	-	2,173,883	1,599,578	1,587,196	1,607,269	-	-	-
F5CA IMPACT Hub Grant	-	-	544,079	541,277	339,197	400,661	250,321	-	-	-
F5CA Home Visiting Coordination Grant	47,586	80,179	35,153	-	-	-	-	-	-	-
HHSA Office of Violence Prevention	-	250,000	-	-	-	-	-	-	-	-
HHSA PHS Doula Pilot Program	120,201	-	-	-	-	-	-	-	-	-
HHSA OSI Drowning Prevention	37,738	208,370	-	-	-	-	-	-	-	-
HHSA CalWORKs Home Visiting Program	3,296,525	2,823,098	2,453,747	-	-	-	-	-	-	-
HHSA Cal-Learn Educational Support Svcs	301,980	866,183	717,980	-	-	-	-	-	-	-
HHSA CA Home Visiting Program GF	505,161	599,999	164,941	-	-	-	-	-	-	-
Interest revenue	1,098,757	325,559	413,747	955,100	1,021,281	784,637	828,087	578,755	443,268	658,242
Other miscellaneous	-	-	-	-	-	-	-	43,146	-	-
Net increase (decrease) in FMV	-	-	-	-	206,530	248,038	25,604	(79,750)	(3,050)	(74,500)
Total revenues	\$ 29,240,051	\$ 31,834,836	\$ 33,000,364	\$ 31,515,923	\$ 29,756,783	\$ 28,799,517	\$ 33,046,263	\$ 35,348,466	\$ 36,309,055	\$ 35,231,004
Health	\$ 12,816,661	\$ 12,010,123	\$ 11,627,348	\$ 14,622,113	\$ 15,613,398	\$ 15,804,733	\$ 15,398,149	\$ 15,592,246	\$ 19,462,588	\$ 22,368,743
Learning	8,908,889	8,832,179	7,595,960	13,280,171	12,770,648	13,181,082	13,761,649	14,158,039	18,310,440	21,384,302
Family	7,874,164	7,957,275	7,733,280	4,686,816	5,118,518	5,031,315	5,426,101	5,221,359	9,514,082	9,801,110
Community	839,914	1,217,391	814,546	1,304,628	1,307,091	1,166,445	2,876,033	2,540,614	5,723,442	3,531,080
General Administration	3,626,188	3,352,098	3,484,606	3,696,281	3,529,611	3,742,464	3,590,735	3,927,334	4,866,369	4,624,665
Interest on long-term debt	16,810	17,017	-	-	-	-	-	-	-	-
Amortization	296,436	296,436	-	-	-	-	-	-	-	-
Change in net position	\$ (5,139,011)	\$ (1,847,683)	\$ 1,744,624	\$ (6,074,086)	\$ (8,582,483)	\$ (10,126,522)	\$ (8,006,404)	\$ (6,091,126)	\$ (21,567,866)	\$ (26,478,896)

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2023

Fund Balance – General Fund
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Fund Balance										
Non-spendable	\$ 2,345	\$ 2,227	\$ 2,196	\$ 2,081	\$ 1,946	\$ 1,895	\$ 1,889	\$ 32,325	\$ 2,816	\$ 1,914
Committed	35,345,844	40,410,520	42,221,595	40,537,402	46,577,066	55,162,594	65,278,719	73,257,337	79,438,411	100,986,459
Restricted	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	<u>\$ 35,348,189</u>	<u>\$ 40,412,747</u>	<u>\$ 42,223,791</u>	<u>\$ 40,539,483</u>	<u>\$ 46,579,012</u>	<u>\$ 55,164,489</u>	<u>\$ 65,280,608</u>	<u>\$ 73,289,662</u>	<u>\$ 79,441,227</u>	<u>\$100,988,373</u>

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2023
Changes in Fund balances – General Fund Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Prop 10 Tobacco Taxes	\$23,470,990	\$26,670,216	\$ 28,636,321	\$ 27,663,745	\$ 26,411,158	\$ 25,589,026	\$ 17,887,814	\$ 21,643,265	\$ 18,440,315	\$ 13,579,043
Prop 10 Quality Preschool Initiative	-	-	-	-	-	-	10,769,855	7,877,537	11,728,390	15,962,144
Prop 10 Child Signature Program	-	-	-	-	-	-	1,677,313	3,454,625	3,454,625	3,354,625
CDE QRIS Certification Federal Grant	-	-	34,396	181,918	179,039	189,959	-	-	-	-
Federal Medi-Cal Administrative	-	-	-	-	-	-	-	-	-	93,553
Race to the Top	-	-	-	-	-	-	-	1,830,888	2,245,507	1,657,897
F5CA Shared Services Alliance Pilot Grant	151,499	11,232	-	-	-	-	-	-	-	-
F5CA Refugee Family Services Program	209,614	-	-	-	-	-	-	-	-	-
F5CA IMPACT Grant	-	-	-	2,173,883	1,599,578	1,587,196	1,607,269	-	-	-
F5CA IMPACT Hub Grant	-	-	544,079	541,277	339,197	400,661	250,321	-	-	-
F5CA Home Visiting Coordination Grant	47,586	80,179	35,153	-	-	-	-	-	-	-
HHSA Office of Violence Prevention	-	250,000	-	-	-	-	-	-	-	-
HHSA PHS Doula Pilot Program	120,201	-	-	-	-	-	-	-	-	-
HHSA OSI Drowning Prevention	37,738	208,370	-	-	-	-	-	-	-	-
HHSA CalWORKs Home Visiting Program	3,296,525	2,823,098	2,453,747	-	-	-	-	-	-	-
HHSA Cal-Learn Educational Support	301,980	866,183	717,980	-	-	-	-	-	-	-
HHSA CA Home Visiting Program GF	505,161	599,999	164,941	-	-	-	-	-	-	-
Interest revenue	1,098,757	325,559	413,747	955,100	1,021,281	784,637	828,087	578,755	443,268	658,242
Other miscellaneous	-	-	-	-	-	-	-	43,146	-	-
Net increase (decrease) in FMV	-	-	-	-	206,530	248,038	25,604	(79,750)	(3,050)	(74,500)
Total revenues	\$ 29,240,051	\$ 31,834,836	\$ 33,000,364	\$ 31,515,923	\$ 29,756,783	\$ 28,799,517	\$ 33,046,263	\$ 35,348,466	\$ 36,309,055	\$ 35,231,004
Expenditures										
Labor & benefits	\$ 2,451,116	\$ 2,257,841	\$ 2,015,727	\$ 2,074,074	\$ 2,053,585	\$ 2,226,197	\$ 2,123,804	\$ 2,542,561	\$ 3,033,480	\$ 2,735,486
Services & supplies	283,191	223,912	574,392	723,356	654,081	632,742	627,523	623,890	622,703	628,161
Debt Service – Principal - Leases	262,776	254,721	-	-	-	-	-	-	-	-
Debt Service – Interest - Leases	16,810	17,017	-	-	-	-	-	-	-	-
Evaluation	851,088	875,421	880,360	864,294	824,939	873,122	842,058	821,321	1,189,466	1,283,035
Contributions to community outreach projects	30,439,628	30,016,968	27,771,134	33,893,728	34,809,655	35,183,575	37,461,932	37,512,258	53,010,552	57,085,235
Total expenditures	\$ 34,304,609	\$ 33,645,880	\$ 31,241,613	\$ 37,555,452	\$ 38,342,260	\$ 38,915,636	\$ 41,055,317	\$ 41,500,030	\$ 57,856,201	\$ 61,731,917
Net change in fund balances	\$ (5,064,558)	\$ (1,811,044)	\$ 1,758,751	\$ (6,039,529)	\$ (8,588,477)	\$ (10,116,119)	\$ (8,009,054)	\$ (6,151,564)	\$(21,547,146)	\$(26,500,913)
Debt's service as a percentage of noncapital expenditures	0.82%	0.81%	-	-	-	-	-	-	-	-

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
 Statistical Section (Unaudited)
 For the Fiscal Year Ended June 30, 2023

FIRST 5 CALIFORNIA COUNTY TAX REVENUE PROJECTIONS FOR 2023-24 THROUGH 2027-28 with Flavor Ban
 UTILIZING DOF's MAY 2023 UPDATED TOBACCO TAX PROJECTIONS AND
 DOF BIRTH RATES FOR CALIFORNIA STATE AND COUNTIES 1990-2040
 UPDATED 7/3/2023

COUNTY	2019 Births ¹	2019 Birthrate	2023-24 TAX REVENUE PROJECTION	2020 Births ¹	2020 Birthrate	2024-25 TAX REVENUE PROJECTION	2021 Births ¹	2021 Birthrate	2025-26 TAX REVENUE PROJECTION	2022 Births ¹	2022 Birthrate	2026-27 TAX REVENUE PROJECTION	2023 Births ¹	2023 Birthrate	2027-28 TAX REVENUE PROJECTION
1 Alameda	18,197	4.075%	\$9,675,063	18,082	4.029%	\$9,144,444	17,678	4.046%	\$8,920,542	17,492	4.000%	\$8,562,940	17,302	3.974%	\$8,261,878
2 Alpine	17	0.004%	\$9,039	6	0.001%	\$3,034	12	0.003%	\$6,055	4	0.001%	\$1,958	7	0.002%	\$3,343
3 Amador	314	0.070%	\$166,949	321	0.072%	\$162,336	336	0.077%	\$169,550	301	0.069%	\$147,350	330	0.076%	\$157,578
4 Butte	2,149	0.481%	\$1,142,590	2,083	0.464%	\$1,053,417	1,914	0.438%	\$965,829	1,958	0.448%	\$958,509	1,989	0.457%	\$949,767
5 Calaveras	401	0.090%	\$213,205	392	0.087%	\$198,243	390	0.091%	\$199,827	415	0.095%	\$203,157	411	0.094%	\$196,257
6 Colusa	249	0.056%	\$132,389	253	0.056%	\$127,947	256	0.056%	\$129,181	273	0.062%	\$133,643	246	0.057%	\$117,467
7 Contra Costa	11,811	2.645%	\$6,279,726	11,999	2.674%	\$6,068,144	11,898	2.723%	\$6,003,881	12,011	2.747%	\$5,879,801	12,118	2.784%	\$5,786,466
8 Del Norte	281	0.053%	\$149,403	235	0.052%	\$118,844	239	0.055%	\$120,602	250	0.057%	\$122,384	249	0.057%	\$118,900
9 El Dorado	1,531	0.343%	\$814,009	1,577	0.351%	\$797,522	1,748	0.400%	\$882,063	1,718	0.393%	\$841,021	1,769	0.406%	\$844,715
10 Fresno	14,051	3.147%	\$7,470,699	14,367	3.202%	\$7,265,691	14,115	3.231%	\$7,122,607	14,098	3.224%	\$6,901,459	14,157	3.252%	\$6,760,109
11 Glenn	398	0.089%	\$211,610	398	0.089%	\$201,277	397	0.084%	\$185,193	391	0.089%	\$191,400	413	0.095%	\$197,212
12 Humboldt	1,408	0.315%	\$747,548	1,371	0.306%	\$693,343	1,277	0.282%	\$644,390	1,287	0.294%	\$630,031	1,208	0.277%	\$576,832
13 Imperial	2,618	0.586%	\$1,391,950	2,553	0.569%	\$1,291,105	2,509	0.574%	\$1,266,073	2,497	0.571%	\$1,222,368	2,513	0.577%	\$1,199,983
14 Inyo	191	0.043%	\$101,352	177	0.039%	\$89,513	176	0.040%	\$88,812	168	0.038%	\$82,242	179	0.041%	\$85,474
15 Kern	12,772	2.860%	\$6,790,675	13,088	2.912%	\$6,608,760	12,809	2.832%	\$6,463,583	12,819	2.831%	\$6,275,344	12,818	2.844%	\$6,120,723
16 Kings	2,101	0.470%	\$1,117,069	2,206	0.492%	\$1,115,620	2,149	0.482%	\$1,084,413	2,186	0.495%	\$1,060,332	2,119	0.487%	\$1,011,844
17 Lake	732	0.164%	\$389,193	729	0.162%	\$368,670	701	0.160%	\$353,733	682	0.156%	\$333,963	717	0.165%	\$342,375
18 Lassen	294	0.064%	\$150,998	245	0.055%	\$123,902	241	0.055%	\$121,612	261	0.060%	\$127,769	241	0.055%	\$115,080
19 Los Angeles	106,987	23.952%	\$56,893,331	106,450	23.721%	\$53,833,984	102,129	23.377%	\$51,535,582	101,442	23.197%	\$49,659,372	100,114	22.997%	\$47,805,435
20 Madera	2,066	0.463%	\$1,098,460	2,117	0.472%	\$1,070,611	2,032	0.465%	\$1,025,373	1,968	0.450%	\$963,404	1,942	0.446%	\$927,324
21 Marin	2,083	0.468%	\$1,107,499	2,059	0.459%	\$1,041,279	1,945	0.445%	\$981,477	1,975	0.452%	\$968,831	1,901	0.437%	\$907,746
22 Mariposa	132	0.030%	\$70,182	156	0.035%	\$78,892	135	0.031%	\$68,123	150	0.034%	\$73,430	146	0.034%	\$69,716
23 Mendocino	926	0.207%	\$492,340	950	0.212%	\$480,435	945	0.193%	\$426,398	929	0.212%	\$454,778	876	0.201%	\$418,299
24 Merced	3,851	0.862%	\$2,047,517	4,029	0.988%	\$2,037,549	4,017	0.919%	\$2,027,029	4,160	0.951%	\$2,036,464	4,213	0.968%	\$2,011,750
25 Modoc	89	0.020%	\$47,320	29	0.006%	\$14,666	39	0.009%	\$19,680	47	0.011%	\$23,008	60	0.014%	\$28,651
26 Mono	128	0.029%	\$68,056	99	0.022%	\$50,066	101	0.023%	\$50,966	111	0.025%	\$54,338	108	0.025%	\$51,571
27 Monterey	5,882	1.317%	\$3,127,368	5,777	1.287%	\$2,921,549	5,555	1.272%	\$2,803,123	5,551	1.269%	\$2,717,407	5,428	1.247%	\$2,591,924
28 Napa	1,294	0.290%	\$688,000	1,278	0.285%	\$646,311	1,251	0.289%	\$631,270	1,300	0.297%	\$636,395	1,272	0.292%	\$607,393
29 Nevada	812	0.182%	\$431,728	828	0.185%	\$418,737	783	0.179%	\$395,112	883	0.202%	\$432,259	842	0.193%	\$402,063
30 Orange	34,909	7.818%	\$18,560,575	35,201	7.844%	\$17,801,880	34,169	7.821%	\$17,242,108	34,514	7.892%	\$16,895,798	34,660	7.962%	\$16,550,496
31 Placer	3,660	0.820%	\$1,945,965	3,759	0.838%	\$1,901,005	3,717	0.851%	\$1,875,645	3,932	0.899%	\$1,924,850	4,072	0.935%	\$1,944,421
32 Plumas	162	0.036%	\$86,133	149	0.033%	\$75,352	153	0.035%	\$77,206	159	0.036%	\$77,836	167	0.036%	\$74,969
33 Riverside	28,256	6.327%	\$15,022,746	28,908	6.442%	\$14,619,378	28,582	6.538%	\$14,412,745	29,093	6.653%	\$14,242,031	28,969	6.655%	\$13,832,987
34 Sacramento	18,988	4.252%	\$10,095,625	19,130	4.263%	\$9,674,440	18,755	4.293%	\$9,464,010	18,717	4.280%	\$9,162,620	18,566	4.285%	\$8,865,451
35 San Benito	791	0.177%	\$420,562	802	0.179%	\$405,588	818	0.187%	\$412,773	789	0.180%	\$386,243	837	0.192%	\$399,676
36 San Bernardino	28,688	6.424%	\$15,252,965	29,035	6.470%	\$14,683,605	28,594	6.545%	\$14,428,893	28,770	6.579%	\$14,083,911	28,772	6.609%	\$13,738,918
37 San Diego	38,645	8.654%	\$20,546,948	38,936	8.676%	\$19,690,747	37,782	8.648%	\$19,065,274	37,531	8.582%	\$18,372,724	37,124	8.528%	\$17,727,081
38 San Francisco	8,396	1.880%	\$4,464,023	8,346	1.880%	\$4,220,746	8,296	1.897%	\$4,181,220	8,099	1.852%	\$3,964,741	8,020	1.842%	\$3,829,630
39 San Joaquin	10,076	2.256%	\$5,357,253	10,184	2.269%	\$5,150,261	10,272	2.351%	\$5,183,381	10,287	2.352%	\$5,035,843	10,631	2.442%	\$5,076,409
40 San Luis Obispo	2,464	0.552%	\$1,310,071	2,522	0.562%	\$1,275,428	2,422	0.554%	\$1,222,172	2,541	0.581%	\$1,243,908	2,517	0.578%	\$1,201,893
41 San Mateo	8,253	1.848%	\$4,387,992	8,157	1.818%	\$4,125,165	7,717	1.766%	\$3,894,096	7,487	1.712%	\$3,665,146	7,154	1.643%	\$3,416,106
42 Santa Barbara	5,512	1.234%	\$2,930,645	5,456	1.216%	\$2,759,213	5,440	1.245%	\$2,745,093	5,501	1.258%	\$2,692,930	5,662	1.301%	\$2,703,662
43 Santa Clara	21,100	4.725%	\$11,218,543	20,971	4.673%	\$10,605,472	20,150	4.612%	\$10,167,944	20,022	4.579%	\$9,801,462	19,688	4.518%	\$9,391,667
44 Santa Cruz	2,395	0.538%	\$1,273,384	2,425	0.540%	\$1,226,373	2,389	0.547%	\$1,205,520	2,462	0.563%	\$1,205,234	2,386	0.548%	\$1,139,339
45 Shasta	1,876	0.420%	\$997,440	1,876	0.418%	\$948,732	1,942	0.445%	\$979,958	1,917	0.438%	\$938,438	1,883	0.433%	\$899,151
46 Sierra	24	0.005%	\$12,760	20	0.004%	\$10,114	20	0.005%	\$10,092	25	0.006%	\$12,238	20	0.005%	\$9,550
47 Siskiyou	434	0.097%	\$230,751	332	0.074%	\$167,899	381	0.083%	\$182,165	369	0.084%	\$180,638	408	0.094%	\$194,824
48 Solano	5,053	1.132%	\$2,686,602	5,119	1.141%	\$2,588,785	4,938	1.130%	\$2,491,777	4,886	1.117%	\$2,391,866	4,928	1.132%	\$2,353,169
49 Sonoma	4,377	0.980%	\$2,327,183	4,333	0.966%	\$2,191,288	4,270	0.977%	\$2,154,696	4,155	0.950%	\$2,034,016	4,164	0.957%	\$1,988,352
50 Stanislaus	7,295	1.634%	\$3,878,638	7,489	1.664%	\$3,777,229	7,268	1.664%	\$3,667,524	7,271	1.663%	\$3,559,406	7,322	1.682%	\$3,496,328
51 Sutter	1,255	0.281%	\$667,264	1,249	0.278%	\$631,645	1,218	0.279%	\$614,618	1,320	0.302%	\$646,186	1,343	0.309%	\$641,296
52 Tehama	788	0.176%	\$418,967	803	0.179%	\$406,094	802	0.184%	\$404,699	808	0.185%	\$395,544	819	0.188%	\$391,081
53 Trinity	94	0.021%	\$49,978	108	0.024%	\$54,618	97	0.022%	\$48,947	97	0.022%	\$47,485	127	0.029%	\$60,644
54 Tulare	6,763	1.515%	\$3,585,782	6,944	1.547%	\$3,511,726	6,811	1.559%	\$3,436,917	6,937	1.588%	\$3,395,902	6,927	1.591%	\$3,307,712
55 Tuolumne	466	0.104%	\$247,765	464	0.103%	\$234,654	479	0.110%	\$241,709	436	0.100%	\$213,437	468	0.108%	\$223,475
56 Ventura	8,829	1.977%	\$4,684,243	8,819	1.965%	\$4,459,952	8,379	1.918%	\$4,228,149	8,430	1.928%	\$4,126,777	8,426	1.936%	\$4,023,499
57 Yolo	2,080	0.466%	\$1,105,904	2,203	0.491%	\$1,114,103	2,203	0.504%	\$1,111,662	2,272	0.520%	\$1,112,223	2,324	0.534%	\$1,109,733
58 Yuba	1,167	0.261%	\$620,476	1,200	0.267%	\$606,865	1,212	0.277%	\$611,590	1,170	0.268%	\$572,756	1,286	0.295%	\$614,078
TOTALS	446,548	100%	\$237,422,654	448,754	100%	\$226,944,254	436,879	100%	\$220,454,654	437,304	100.000%	\$214,075,454	435,328	100.000%	\$207,873,470
¹ DOF projected births by county.															
FROM REVENUE BREAKDOWN			\$237,422,654			\$226,944,254			\$220,454,654			\$214,075,454			\$207,873,470

2019 Baseline

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2023
Cigarette Tax

TABLE 30A—CIGARETTE TAXES AND OTHER TOBACCO PRODUCTS SURTAX REVENUE, 1959-60 TO 2021-22

Fiscal Year From	Fiscal Year To	Cigarette Tax Revenue	Cigarette Tax Distributors' Discount	Gross Value Of Cigarette Tax Indicia	Cigarette Tax Refunds	Other Tobacco Products Surtax Revenue	Other Tobacco Products Surtax Rate
2021	2022	1,552,563,789	4,611,767	1,557,175,556	847,881	288,996,313	63.49
2020	2021	1,700,943,000	5,053,000	1,705,996,000	335,000	266,694,000	56.93
2019	2020	1,708,597,000	5,075,000	1,713,672,000	1,191,000	258,560,000	59.27
2018	2019	1,786,074,000	5,305,000	1,791,379,000	3,659,000	271,772,000	62.78
2017	2018	1,882,025,000	5,590,000	1,887,615,000	1,033,000	211,440,000	65.08
2016	2017	950,676,000	6,091,000	956,768,000	1,185,000	95,330,000	27.30
2015	2016	741,937,000	6,360,000	748,297,000	1,262,000	101,427,000	28.13
2014	2015	748,022,000	6,413,000	754,434,000	837,000	86,949,000	28.95
2013	2014	751,513,000	6,443,000	757,956,000	600,000	86,424,000	29.82
2012	2013	782,115,000	6,705,000	788,820,000	498,000	82,548,000	30.68
2011	2012	820,322,000	7,032,000	827,355,000	1,017,000	80,424,000	31.73
2010	2011	828,831,000	7,105,000	835,937,000	1,308,000	77,016,000	33.02
2009	2010	838,709,000	7,187,000	845,896,000	1,583,000	84,617,000	41.11
2008	2009	912,724,000	7,819,000	920,543,000	626,000	85,506,000	45.13
2007	2008	955,030,000	8,185,000	963,215,000	727,000	85,929,000	45.13
2006	2007	998,723,000	8,558,000	1,007,281,000	1,330,000	79,946,000	46.76
2005	2006	1,026,497,000	8,795,000	1,035,293,000	1,707,000	67,348,000	46.76
2004	2005	1,024,272,000	8,778,000	1,033,051,000	1,653,000	58,441,000	46.76
2003	2004	1,021,366,000	8,755,000	1,030,121,000	4,721,000	44,166,000	46.76
2002	2003	1,031,772,000	8,845,000	1,040,617,000	13,248,000	40,996,000	48.89
2001	2002	1,067,004,000	9,146,000	1,076,150,000	10,774,000	50,037,000	52.65
2000	2001	1,110,692,000	9,503,000	1,120,195,000	8,741,000	52,834,000	54.89
1999	2000	1,166,880,000	9,980,000	1,176,859,000	9,413,000	66,884,000	66.5
1998	1999	841,911,000	7,206,000	849,117,000	6,808,000	42,137,000	61.53
1997	1998	612,066,000	5,244,000	617,309,000	5,448,000	39,617,000	29.37
1996	1997	629,579,000	5,394,000	634,973,000	5,060,000	41,590,000	30.38
1995	1996	639,030,000	5,469,000	644,499,000	6,193,000	32,788,000	31.20
1994	1995	656,923,000	5,628,000	662,551,000	11,159,000	28,460,000	31.20
1993	1994	647,993,000	5,553,000	653,546,000	8,353,000	19,773,000	23.03
1992	1993	667,479,000	5,715,000	673,195,000	9,138,000	21,480,000	26.82
1991	1992	711,275,000	6,086,000	717,362,000	7,791,000	22,016,000	29.35
1990	1991	729,612,000	6,242,000	735,854,000	7,904,000	24,064,000	34.17
1989	1990	770,042,000	6,581,000	776,623,000	11,615,000	24,956,000	37.47
1988	1989	499,712,000	4,273,000	503,984,000	4,968,000	9,994,000	41.67
1987	1988	254,869,000	2,180,000	257,049,000	2,970,000	0	0
1986	1987	257,337,000	2,202,000	259,539,000	2,661,000	0	0
1985	1986	260,960,000	2,231,000	263,190,000	2,834,000	0	0
1984	1985	265,070,000	2,267,000	267,337,000	2,390,000	0	0
1983	1984	265,265,000	2,267,000	267,532,000	2,756,000	0	0
1982	1983	273,748,000	2,336,000	276,084,000	2,060,000	0	0
1981	1982	278,667,000	2,383,000	281,050,000	1,843,000	0	0
1980	1981	280,087,000	2,395,000	282,482,000	1,567,000	0	0
1979	1980	272,119,000	2,327,000	274,446,000	1,645,000	0	0
1978	1979	270,658,000	2,315,000	272,973,000	1,408,000	0	0
1977	1978	275,042,000	2,352,000	277,394,000	1,239,000	0	0
1976	1977	270,502,000	2,315,000	272,817,000	832,000	0	0
1975	1976	269,852,000	2,309,000	272,161,000	927,000	0	0
1974	1975	264,182,000	2,262,000	266,444,000	745,000	0	0
1973	1974	259,738,000	2,222,000	261,960,000	632,000	0	0
1972	1973	253,089,000	2,167,000	255,256,000	626,000	0	0
1971	1972	248,398,000	2,127,000	250,525,000	677,000	0	0
1970	1971	240,372,000	2,058,000	242,430,000	552,000	0	0
1969	1970	237,220,000	2,032,000	239,253,000	455,000	0	0
1968	1969	238,836,000	2,046,000	240,882,000	492,000	0	0
1967	1968	208,125,000	1,862,000	209,987,000	328,000	0	0
1966	1967	75,659,000	1,543,000	77,202,000	129,000	0	0
1965	1966	74,880,000	1,528,000	76,407,000	88,000	0	0
1964	1965	74,487,000	1,520,000	76,007,000	61,000	0	0
1963	1964	71,530,000	1,459,000	72,989,000	71,000	0	0
1962	1963	70,829,000	1,445,000	72,274,000	79,000	0	0
1961	1962	68,203,000	1,390,000	69,593,000	47,000	0	0
1960	1961	66,051,000	1,675,000	67,726,000	76,000	0	0
1959	1960	61,791,000	767,000	62,558,000	67,000	0	0

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2023

Ratios of Outstanding Debt by Type
Last Ten Fiscal Year

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Lease Payable	\$ 2,224,536	\$ 2,487,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage of Personal Income	*	*	-	-	-	-	-	-	-	-
Per Capita	*	*	-	-	-	-	-	-	-	-

* 2022 and 2023 personal income and County population datas are not available as the time ACFR issued.

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2023

California Live Births Data

TABLE: PROVISIONAL LIVE BIRTHS, CALIFORNIA COUNTIES, 2010-2022 (By Place of Residence)

COUNTY	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
CALIFORNIA	375,365	419,355	448,754	464,300	454,244	485,901	488,490	491,789	502,973	494,390	503,788	502,023	509,979
ALAMEDA	16,367	16,935	17,302	18,875	18,225	19,551	19,559	19,440	19,657	19,050	19,550	19,002	19,302
ALPINE	0	0	14	6	10	5	4	5	6	6	8	6	4
AMADOR	162	341	272	327	305	309	308	305	291	269	285	269	272
BUTTE	786	2,012	1,984	2,394	2,419	2,430	2,493	2,444	2,482	2,372	2,397	2,392	2,454
CALAVERAS	0	373	364	370	375	381	373	379	348	328	347	326	346
COLUSA	0	0	292	284	267	311	315	300	285	306	314	302	338
CONTRA COSTA	7,727	11,934	11,814	12,567	11,995	12,927	12,342	12,600	12,560	12,173	12,061	12,057	12,352
DEL NORTE	155	251	258	254	269	315	308	300	324	317	302	337	372
EL DORADO	199	1,595	1,477	1,764	1,678	1,590	1,599	1,598	1,618	1,561	1,513	1,629	1,618
FRESNO	11,719	13,939	13,828	14,891	14,413	15,116	15,098	15,363	15,796	15,939	15,953	16,157	16,281
GLENN	0	349	359	402	365	380	379	374	416	391	368	391	434
HUMBOLDT	1,121	1,217	1,258	1,336	1,365	1,521	1,487	1,446	1,474	1,455	1,511	1,448	1,551
IMPERIAL	1,926	2,436	2,426	2,958	2,628	3,108	2,976	3,216	3,270	3,139	3,041	3,075	3,072
INYO	153	0	171	199	176	199	182	202	226	219	219	213	192
KERN	11,597	12,495	12,349	13,415	12,874	13,732	13,721	13,770	14,199	14,514	14,558	14,287	14,416
KINGS	1,251	2,148	2,235	2,369	2,256	2,216	2,247	2,277	2,342	2,417	2,357	2,565	2,507
LAKE	251	644	700	697	714	726	752	723	748	726	739	715	721
LASSEN	22	292	281	328	307	296	302	295	326	298	298	300	322
LOS ANGELES	99,615	95,908	97,770	111,500	110,167	121,413	122,958	124,442	130,150	127,194	131,697	130,312	133,160
MADERA	116	2,027	2,106	2,090	2,076	2,257	2,347	2,223	2,313	2,339	2,258	2,401	2,434
MARIN	495	2,330	2,082	1,799	2,122	2,239	2,258	2,287	2,403	2,310	2,306	2,385	2,368
MARIPOSA	0	159	124	155	154	157	148	167	138	137	161	132	145
MENDOCINO	584	887	881	918	896	994	1,023	1,052	1,020	1,077	1,153	1,061	1,059
MERCED	758	3,881	3,774	4,305	3,870	4,073	4,109	4,106	4,158	4,279	4,311	4,281	4,248
MODOC	0	80	77	105	100	88	105	79	90	72	76	87	119
MONO	0	124	124	137	129	134	132	152	149	142	131	156	151
MONTEREY	4,309	5,396	5,603	5,904	5,887	6,304	6,213	6,428	6,458	6,552	6,652	6,814	6,764
NAPA	447	1,200	1,200	1,334	1,206	1,441	1,408	1,456	1,478	1,501	1,431	1,572	1,525
NEVADA	551	782	776	832	772	823	776	875	817	812	810	761	793
ORANGE	33,839	30,706	30,921	37,250	35,643	36,693	38,107	37,622	38,610	37,429	38,186	38,100	38,237
PLACER	9,435	3,788	3,481	3,792	3,664	3,820	3,734	3,747	3,644	3,806	3,648	3,832	3,824
PLUMAS	0	0	162	185	168	172	172	162	147	156	151	165	170
RIVERSIDE	25,790	27,588	27,149	30,001	28,684	30,596	30,629	30,511	30,271	30,540	30,316	30,610	30,659
SACRAMENTO	17,404	18,363	17,995	19,362	19,052	19,540	19,598	19,431	19,886	19,439	19,618	19,998	20,055
SAN BENITO	242	828	725	781	772	755	780	718	697	763	701	772	735
SAN BERNARDINO	28,177	26,805	26,778	30,354	28,964	30,217	31,120	30,619	31,306	30,265	30,691	30,573	31,367
SAN DIEGO	39,530	37,564	37,266	39,258	40,008	42,574	42,578	43,960	44,596	42,676	44,391	43,621	44,838
SAN FRANCISCO	50,11	7,472	7,984	8,924	8,690	9,077	9,065	8,970	9,102	8,768	9,070	8,813	8,800
SAN JOAQUIN	4,043	9,742	9,740	10,010	9,811	10,411	10,234	9,988	10,095	10,179	10,129	10,328	10,593
SAN LUIS OBISPO	2,325	2,432	2,353	2,419	2,433	2,749	2,574	2,670	2,595	2,580	2,580	2,632	2,736
SAN MATEO	1,581	7,468	7,757	8,192	8,326	8,975	8,961	9,039	9,098	8,815	9,182	9,047	9,193
SANTA BARBARA	6,388	5,445	5,332	5,557	5,256	5,396	5,493	5,675	5,829	5,664	5,584	5,803	5,819
SANTA CLARA	22,919	19,109	19,509	20,871	21,267	22,958	23,011	23,394	23,759	23,224	24,308	23,652	23,936
SANTA CRUZ	1,657	2,227	2,183	2,460	2,447	2,688	2,804	2,843	3,047	3,005	3,084	3,232	3,190
SHASTA	1,714	1,814	1,839	2,085	1,961	1,996	2,056	2,075	2,083	2,051	2,110	2,021	2,136
SIERRA	0	0	25	32	26	28	34	30	21	19	19	23	23
SISKIYOU	159	401	390	456	438	458	458	467	451	482	501	472	434
SOLANO	3,838	4,945	4,946	5,241	5,039	5,192	5,253	5,134	5,251	5,161	5,061	5,158	5,047
SONOMA	4,439	4,479	4,306	4,244	4,525	5,101	4,964	5,016	5,075	5,157	5,144	5,150	5,391
STANISLAUS	8,363	7,237	7,049	7,552	7,339	7,790	7,867	7,701	7,521	7,644	7,592	7,737	7,804
SUTTER	0	1,235	1,256	1,383	1,266	1,396	1,363	1,303	1,317	1,290	1,258	1,326	1,360
TEHAMA	140	737	731	802	731	840	787	826	787	751	767	728	767
TRINITY	0	99	102	127	113	104	115	103	112	108	125	123	107
TULARE	454	6,790	6,701	7,315	6,900	7,380	7,149	7,411	7,618	7,854	8,000	7,966	8,155
TUOLUMNE	242	437	395	473	450	441	456	467	454	444	459	430	487
VENTURA	9,279	8,785	8,331	9,300	9,025	9,975	9,580	10,062	10,471	10,565	10,641	10,656	11,147
YOLO	394	1,957	1,962	2,134	2,127	2,372	2,423	2,400	2,395	243	2,452	2,340	2,426
YUBA	384	1,167	1,117	1,225	1,099	1,171	1,238	1,156	1,193	1,232	1,213	1,282	1,223

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2023
San Diego County
Demographic Data

	Percentage										
Demographic		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Population		3,286,069	3,323,970	3,338,330	3,343,364	3,337,685	3,317,349	3,299,521	3,263,431	3,211,252	3,177,063
White	42.6%	1,399,865	1,492,463	1,495,572	1,504,514	1,511,971	1,522,663	1,517,780	1,524,022	1,510,757	1,509,733
Hispanic	34.8%	1,143,552	1,126,826	1,138,371	1,133,400	1,131,475	1,111,312	1,102,040	1,083,459	1,057,428	1,037,685
Asian	11.8%	387,756	388,904	393,923	394,517	393,847	381,495	379,445	372,031	356,394	356,437
Pacific Islander	0.4%	13,144	13,296	13,353	13,373	13,351	13,269	13,198	13,054	14,008	15,207
Black	4.4%	144,587	152,903	156,902	160,481	153,534	155,915	161,677	150,118	154,477	153,435
American Indian & Alaskan Native	.2%	6,572	13,296	13,353	13,373	13,351	13,269	9,899	9,790	11,962	12,433
Multi-race or other race	5.8%	190,592	136,283	126,857	123,704	120,157	119,425	115,483	110,957	106,226	92,133
Female	49.3%	1,620,032	1,648,689	1,659,150	1,661,652	1,658,829	1,648,722	1,643,161	1,621,925	1,595,992	1,579,000
Male	50.7%	1,666,037	1,675,281	1,679,180	1,681,712	1,678,856	1,668,627	1,656,360	1,641,506	1,615,260	1,598,063
Under 5 years	5.7%	187,306	206,086	203,638	207,289	213,612	212,310	214,469	215,386	208,731	209,686
5-14 years	12.0%	394,328	392,228	397,261	397,860	400,522	398,082	395,943	394,875	517,012	517,861
15-24 years	13.4%	440,333	455,384	454,013	461,384	460,601	471,064	481,730	482,988	366,083	371,716
25-34 years	16.0%	525,771	551,779	550,824	551,655	547,380	544,045	534,522	525,412	510,589	495,622
35-44 years	14.1%	463,336	445,412	457,351	448,011	443,912	434,573	432,237	430,773	423,795	422,549
45-54 years	12.1%	397,614	408,848	403,938	414,577	420,548	424,621	425,638	427,509	423,885	425,726
55-64 years	11.8%	387,756	392,228	393,923	394,517	397,185	388,130	382,744	372,031	362,871	352,654
65-74 years	8.9%	292,460	272,566	280,420	270,812	263,677	255,436	244,165	231,704	218,365	203,332
75+ years	6.0%	197,164	199,438	196,961	197,258	190,248	189,089	188,073	182,752	179,830	174,738

Source: US Census Bureau, American Community Survey

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2023

Income Data

2021 American Community Survey (1-year estimates)
INCOME (IN 2021 INFLATION-ADJUSTED DOLLARS)
California, Counties, and Places of 65,000 or more

Geography	Median household income (dollars) - Estimate	Median household income (dollars) - Margin of Error	Median household income (dollars) - Estimate	Median household income (dollars) - Margin of Error	Median family income (dollars) - Estimate	Median family income (dollars) - Margin of Error	Mean family income (dollars) - Estimate	Mean family income (dollars) - Margin of Error	Per capita Mean income (dollars) - Estimate	Per capita Mean income (dollars) - Margin of Error
California	\$84,907	+/- \$542	\$120,953	+/- \$696	\$97,388	+/- \$579	\$135,633	+/- \$772	\$42,396	+/- \$233
San Diego County	\$91,003	+/- \$1,377	\$121,451	+/- \$2,418	\$104,115	+/- \$1,506	\$138,194	+/- \$3,339	\$44,377	+/- \$890

2021 American Community Survey (1-year estimates)
PERCENTAGE OF FAMILIES AND PEOPLE WHOSE INCOME IN THE PAST 12 MONTHS IS BELOW POVERTY LEVEL
California, Counties, and Places of 65,000 or more

Geography	All families - Percent	All families - Percent Margin of Error	Married couple families - Percent	Married couple families - Percent Margin of Error	Families with female householder, no spouse present - Percent	Families with female householder, no spouse present Percent Margin of Error
California	9.0%	+/- .2%	5.4%	+/- .1%	20.6%	+/- .6%
San Diego County	7.3%	+/- .6%	4.5%	+/- .6%	19.0%	+/- 2%

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2023

Employment Status

2021 American Community Survey (1-year estimates)
EMPLOYMENT STATUS
California, Counties, and Places of 65,000 or more

Geography	Population 16 years and over - Estimate	Total - Estimate	Total - Percent (Labor Force Participation Rate)	Civilian labor force - Total Civilian labor force - Estimate	Civilian labor force - Employed - Estimate	Civilian labor force - Employed- Percent	Civilian labor- Employed- Estimate	Civilian labor force - Unemploye d - Percent	Civilian labor force - Unemployed Rate - Percent	Armed Forces - Estimate	Armed Forces - Percent	Not in labor force - Estimate	Not in labor force - Percent
California	31,507,237	19,961,610	63.4%	19,805,371	18,156,051	57.6%	1,649,320	5.2%	8.3%	156,239	0.5%	11,545,627	36.6%
San Diego County	2,668,188	1,771,060	66.4%	1,680,193	1,537,091	57.6%	143,102	5.4%	8.5%	90,867	3.4%	897,128	33.6%

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2023

Capital Asset Statistics by Function
Last Ten Fiscal Year

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Administration										
Right of use lease assets	\$2,149,161	\$ 2,445,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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COMPLIANCE SECTION



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

9465 WILSHIRE BLVD., 3RD FLOOR
BEVERLY HILLS, CA 90212
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

**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
First 5 Commission of San Diego
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the First 5 Commission of San Diego (the Commission), a discretely presented component unit of the County of San Diego, California, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the First 5 Commission of San Diego's basic financial statements, and have issued our report thereon dated September 15, 2023.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, CA
September 15, 2023



MOSS, LEVY & HARTZHEIM LLP

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INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Commissioners
First 5 Commission of San Diego
San Diego, California

Report on Compliance

Opinion

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

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

Basis for Opinion

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

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for our opinion. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws,

statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the California Children and Families Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act. Accordingly, this report is not suitable for any other purpose.



Moss, Levy & Hartzheim, LLP
Culver City, California
September 15, 2023