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## Agenda: Children and Families Commission 10-2014

735 East Carnegie Drive, Suite 150, San Bernardino, California 92408

**Meeting date, time, and place**      October 27, 2014 - 3:30 p.m.  
 First 5 San Bernardino  
 Commission Conference Center

**Pledge of Allegiance**                      Chair or designee will lead the Pledge of Allegiance

**Conflict of Interest Disclosure**              Commission members shall review agenda item contractors, subcontractors, and agents, which may require member abstentions due to conflict of interest and financial interests.  
 A Commission member with conflicts of interests shall state their conflict under the appropriate item. A Commission member may not participate in or influence the decision on a contract for which their abstention has been recorded.

**Report**    Advisory Committee Report by Margaret Hill, Chair

**Report**    Executive Director's Report by Karen E. Scott

**Consent Item**                                      The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time unless any Commissioner directs that an item be removed from the Consent Agenda for discussion.

Item No.	CONSENT ITEM
1	Approve minutes of September 10, 2014 Commission Meeting. (Presenter: Ann M. Calkins, Executive Assistant, 252-4252)
2	Approve Commission Schedule for 2015 (Presenter: Ann M. Calkins, Executive Assistant, 252-4252)

*The agenda and supporting documents are available for review during regular business hours at First 5 San Bernardino, 735 East Carnegie Drive, Suite 150, San Bernardino, California 92408.*

*Interpreters for hearing impaired and Spanish speaking individuals will be made available with forty-eight hours notice. Please call Commission staff (909) 386-7706 to request the service. This location is handicapped accessible.*

**Agenda: Children and Families Commission 10-2014**

**October 27, 2014**

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Item No.	DISCUSSION ITEM
3	Conduct public hearing of the Children and Families Commission for San Bernardino County Annual Report for Fiscal Year 2013-14. (Presenter: Scott McGrath, Supervisor, 252-4259)
4	Conduct public hearing of the Children and Families Commission for San Bernardino County Annual Audit for Fiscal Year 2013-14. (Presenter: Debora Dickerson, Administrative Supervisor II, 252-4269)
5	Approve Amendment A1 to Contract Number IC021 with Vavrinek, Trine, Day & Co., LLP increasing the contract amount by \$20,900 for a total of \$104,500 for Fiscal Year 2015-16 to conduct and prepare an annual audit and report of First 5 San Bernardino's financial statements. (Presenter: Debora Dickerson, Administrative Supervisor II, 252-4269)
6	Approve Amendment A4 to Contract CE009 with the County of San Bernardino on behalf of Children's Network extending and increasing the contract for 6 months for \$164,194 for the latter half of FY 2014-2015 for a total contract amount not to exceed \$1,680,338 to continue implementation of countywide educational campaigns and community events addressing child abuse prevention. (Presenter: Bobbi Albano, Staff Analyst II, 252-4266)
7	Approve Contract IC025 to Social Entrepreneurs, Inc. (SEI) for the period beginning October 28, 2014 and ending June 30, 2017 to assist in the facilitation and implementation of the First 5 San Bernardino Capacity Continuum Project in the amount of \$749,999 for Fiscal Years 2014-2017. (Presenter: Bobbi Albano, Staff Analyst II, 252-4266)

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**Public Comment**

Persons wishing to address the Commission will be given up to three minutes and pursuant to Government Code 54954.2(a)(2) "no action or discussion will be undertaken by the Commission on any item NOT on the agenda."

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**Commissioner Roundtable**

Open to comments by the Commissioners

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**Next Meeting**

December 3, 2014  
**PLEASE NOTE – NO MEETING IN NOVEMBER**  
First 5 San Bernardino  
Commission Conference Center

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**CHILDREN AND FAMILIES COMMISSION**  
**for San Bernardino County**  
**AGENDA: October 27, 2014**

**Subject:** Information Relative to Possible Conflict of Interest

**Instructions:** Contractors, subcontractors, principals and agents are listed below for each applicable agenda item. Commissioners are asked to review the items for possible conflicts of interest and to notify the Commission secretary prior to the Commission meeting of conflicts concerning items on the meeting's agenda. This procedure does not relieve the Commissioner of his or her obligations under the Political Reform Act.

**Background:** The Political Reform Act of 1974 (Government Code section 87100 et. Seq.) prohibits public officials from making, participating in making or in any way attempting to use their official position to influence a governmental decision in which they have reason to know they have a "financial interest." Additionally, Government Code section 1090 et seq. prohibits public officers and employees from being financially interested in any contract made by them in their official capacity or by the board of which they are members. A limited exception is allowed for County Children's and Families Commissions. (See Government Code section 1091.3)

Item No.	Contractor	Principals & Agents	Subcontractors; Principals & Agents	Commissioner Abstentions
1	N/A	N/A	N/A	
2	N/A	N/A	N/A	
3	N/A	N/A	N/A	
4	N/A	N/A	N/A	
5	Vavrinek, Trine, Day & Co	David E. Showalter, CPA	N/A	
6	County of San Bernardino Children's Network	Linda Haugan Assistant Executive Officer	N/A	
7	Social Entrepreneurs, Inc.,	Kelly Marshall President	N/A	



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## Minutes: Children and Families Commission Meeting

735 East Carnegie Drive, Suite 150, San Bernardino, California 92408

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**Meeting Date, Time and Location**      September 10, 2014  
3:30 p.m.  
Vice-Chair Ohikhuare called the meeting to order at 3:36 p.m.

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**Pledge of Allegiance**      The Pledge of Allegiance was led by Vice-Chair Ohikhuare

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**Conflict of Interest Disclosure**      Commission members shall review agenda item contractors, subcontractors, and agents, which may require member abstentions due to conflict of interest and financial interests.  
  
A Commission member with conflicts of interests shall state their conflict under the appropriate item. A Commission member may not participate in or influence the decision on a contract for which their abstention has been recorded.

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**Attendees**      **Commissioners Present**

- Leslie Egge
- Margaret Hill
- Maxwell Ohikhuare, M.D.
- Elliot Weinstein, M.D.

**Staff Present**

- Karen E. Scott, Executive Director
  - Cindy Faulkner, Operations Manager
  - Ann M. Calkins, Executive Assistant
  - Debora Dickerson-Sims, Administrative Supervisor II
  - Staci Scranton, Supervising Office Assistant
  - Mary Jaquish, Supervisor
  - Ruth Ann Martinez, Staff Analyst II
  - Bobbi Albano, Staff Analyst II
  - Mary Alvarez, Staff Analyst II
  - William Kariuki, Staff Analyst II
  - Chrystina Smith-Rasshan, Staff Analyst II
  - Ronnie Thomas, Staff Analyst II
  - Leslie Fountain, Media Specialist II
-

Report –  
Karen E. Scott  
Executive  
Director

**Save the Date**

We are completing the final work on the FY 2013/14 Audit report and want to remind you that this is presented to you late in October. Please save the date of October 22nd for that month's Commission meeting.

First 5 San Bernardino's Early Literacy Campaign events will be happening in October and November. Please save the date to attend the All Aboard the Reading Railroad event in the High Desert at the Hesperia Branch Library on October 1st, from 9 am to 2 pm. This event features entertainment, literacy activities and backpack giveaways for our children.

Jumpstart's Read for the Record event will be hosted at several locations across the County on Tuesday, October 21st. The First 5 office is one featured location at 11 am and 3 pm. If any Commissioners wish to be an "official reader" of this year's book selection "Bunny Cakes" by Rosemary Wells, please let us know.

The "All Aboard the Reading Railroad" event for the East Valley will be held at the Highland Branch Library on November 1st, from 10 am to 3 pm with the same features as our High Desert event. Information for these events can be found on page 2 of the ED report.

**State Commission Meeting**

On October 23rd, Commissioner Weinstein will be joining me at the State Commission meeting which is held in Burbank instead of Sacramento each October. If any Commissioner is interested in attending the State Commission meetings, which are typically held every other month, please let me know.

**Procurements**

First 5 staff and the Advisory Committee are very excited about beginning the work to actualize our newly adopted Strategic Plan to garner the best possible outcomes for our children prenatal through age 5.

**RFQ 14-01 and RFP 14-02**

As you may recall, we released RFQ 14-01 to procure for services to support the Capacity Continuum Project. This project aligns with Strategic Priority Area 2: Systems and Network, Goal 2.2 – Capacity Building. We have received several proposals in response to this RFQ and they are undergoing our formal review process. The selection recommendation for contract will be brought before the Commission on October 22nd.

Today, we seek your approval under Agenda Item 4 to release RFP 14-02 to procure services aligned with Strategic Priority Area 1: Children and Families, Goal 1.3 – Family and Community Support and Partnerships. The program requirements within this RFP support all of the objectives and activities outlined in the First 5 Strategic Plan and ensure evidence-based measurable outcomes.

First 5 Staff and Advisory Committee will continue work to develop and recommend procurement and implementation of funded services for Goal 1.1 Child Health and Goal 1.2 Early Learning for FY 2015 – 2018.

Speaking of procurements, several Commissioners have expressed concern about how wide spread is notice given when the Commission releases a funding opportunity. Rest assured that our organization has developed a strong, reliable marketing plan for sharing such information. We have provided you a copy of the announcement for this latest funding opportunity that, if approved today, will be

circulated tomorrow.

On page 2 of the ED report, there is an invitation to readers to view our procurement announcements on our First 5 website – the first and foremost important portal for all things related to First 5.

Our support staff uses Constant Contact to e-mail potential contractors from a list of over 1200 names that we have developed over the past few years. First 5 pays for space and publicizes in the Sun, Press Enterprise and many, many local newspapers ensuring saturation covering the East Valley, West End, High and Mid Deserts and the mountains. We post the announcements using social media – Facebook and Twitter.

And finally, we post to the Inland Empire's Nonprofit Resource Directory called "ieCapaceteria," a collaborative project of local funders, non-profits and capacity builders, designed to provide a centralized hub for non-profit resources throughout the Inland Empire, including areas of San Bernardino, Riverside and Los Angeles. So we've got it covered.

**Quarterly Budget Status**

3rd Quarter: July 2013 – March 2014

4th Quarter: July 2013 – June 2014

**Changes to the Agenda**

No changes to report.

**Consent**

A motion was made by Commissioner Weinstein and seconded by Commissioner Hill to approve the Consent Items. With Commissioners Ramos and Haugan absent and without further comment or objection, motion carried by unanimous vote.

<b>Item No.</b>	<b>CONSENT</b>
1	Approve minutes of August 6, 2014 Commission Meeting. (Presenter: Ann M. Calkins, Executive Assistant, 252-4252)

<b>Item No.</b>	<b>DISCUSSION</b>
2	<p>Approve Amendment A2 to Contract SI010 with Children's Fund to redirect \$58,000 for Fiscal Year 2014/2015 to San Bernardino Preschool Services Department (PSD) for Emergency Needs/Voucher Program Services. (Presenter: Bobbi Albano, Staff Analyst II, 252-4266)</p> <p><b><i>Continued from August 6, 2014 Commission Meeting</i></b></p> <p><b><u>Discussion</u></b>            Commissioner Hill cited an article she recently read that stated 35 percent of pre-school children in Washington, D.C. were suspended for wetting on themselves and hopes this kind of discipline is not used on children in this County.</p> <p>Commissioner Weinstein stated he likes the idea of being able to leverage Commission funds to go farther and this is a great way to start doing that.</p> <p>A motion was made by Commissioner Egge and seconded by Commissioner</p>

	<p>Weinstein to approve Agenda Item 2. With Commissioners Ramos and Haugan absent and without further comment or objection, motion carried by unanimous vote.</p> <p><b><u>Public Comment</u></b> None</p>
<p>3</p>	<p>Approve Amendment 2 to Contract HW042 with Kids Come First to increase the contract amount by \$25,000 for FY 2014/15 for a total contract amount of \$221,869. (Presenter: Karen E. Scott, Executive Director, 909-252-4252)</p> <p><b><u>Discussion</u></b> Commissioner Egge stated she recently visited the Kids Come First office and was impressed with how much they do and how they are involved in so many different things for the children. Commissioner Egge thanked them for coming and was glad she was able to visit their office and see for herself the great work they are doing. Commissioner Egge feels that visiting sites firsthand is the best way to ensure accountability among staff members and the agency.</p> <p>Commissioner Hill shared that she has recently received two invitations to visit and will be in contact with them to set a date.</p> <p>A motion was made by Commissioner Hill and seconded by Commissioner Weinstein to approve Agenda Item 3. With Commissioners Ramos and Haugan absent and without further comment or objection, motion carried by unanimous vote.</p> <p><b><u>Public Comment</u></b> Kathy Kinley, Kids Come First; Beverly Speak, Kids Come First</p>
<p>4</p>	<p>Approve the Family and Community Support Partnerships (FCSP) - Family Support Services (FSS) Request for Proposals (RFP) 14-02 for FY 2015-2018, in an amount not to exceed \$3.5 million per year and \$10.5 million for the three year funding cycle. (Presenter: Cindy Faulkner, Operations Manager, 252-4253)</p> <p><b><u>Discussion</u></b> Karen Scott read a few brief remarks provided by some service providers relating to the importance of taking Nurturing Parenting classes.</p> <p>Vice-Chair Ohikhuare asked about requirements. Cindy Faulkner answered contractors will be required to be certified. Information regarding locations for certification will be available on the First 5 website. The Nurturing Parenting website also lists training dates for the three-day sessions. Costs range between \$200 and \$300. There are many local people who are certified to offer these classes.</p> <p>Vice-Chair Ohikhuare is concerned that this may be a barrier for those who want to apply. He asked that if we make it clear that you don't have to be certified to submit a proposal, however, need to be prior to contract award.</p> <p>Commissioner Egge asked if there is a certain percentage of recruiting new contracts or is it just whoever has all "their ducks in a row". Ms. Faulkner stated she hopes new agencies apply. First 5 is ensuring that the word gets out as far reaching as possible and is encouraging anyone who is able to apply. Ms. Scott added that First 5 does not go by a certain percentage and that it's all done by the ranking and scoring of the proposals submitted of those who are most likely to</p>

	<p>provide the outcomes we are looking for.</p> <p>Commissioner Hill's concern is that everyone who does not have access to computers and newspapers is aware of this RFP and how they can apply. Ms. Faulkner stated that at any special event First 5 has been a part of there have been "Save the Date" flyers or some type of information and/or announcements for interested parties.</p> <p>A motion was made by Commissioner Hill and seconded by Commissioner Weinstein to approve Agenda Item 4. With Commissioners Ramos and Haugan absent and without further comment or objection, motion carried by unanimous vote.</p> <p><b><u>Public Comment</u></b> None</p>
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**Public Comment**

Ms. Scott presented a report on First 5's third and fourth quarterly expenses for FY2013-14. The report was inadvertently left out of her Executive Director report earlier in the meeting.

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**Commissioner Roundtable**

None

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**Adjournment**

A motion was made by Commissioner Egge and seconded by Commissioner Hill to adjourn the meeting. With Commissioners Ramos and Haugan absent and without further comment or objection, the meeting adjourned at 4:15 p.m. by unanimous vote.

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**Next Commission Meeting at First 5 San Bernardino**

October 27, 2014  
3:30 p.m. to 5:00 p.m.

Please note: This meeting falls on the Fourth Monday in October.

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**Attest**

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Maxwell Ohikhuare, M.D., Vice-Chair

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Ann M. Calkins, Commission Secretary

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**AGENDA ITEM 2  
OCTOBER 27, 2014**

<b>Subject</b>	Commission Meeting Schedule for 2015
<b>Recommendations</b>	Approve Commission Meeting Schedule for 2015 (Presenter: Ann M. Calkins, Executive Assistant, 252-4252)
<b>Background Information</b>	Each year, the Commission reviews the meeting schedule for the next year. Commission Meetings are held the first Wednesday of each month ( <b>with the exception of <u>July and October</u></b> ).  January 7, 2015 February 4, 2015 March 4, 2015 April 1, 2015 May 6, 2015 June 3, 2015 July 8, 2015 August 5, 2015 September 2, 2015 October 21, 2015 November 4, 2015 December 2, 2015
<b>Financial Impact</b>	None
<b>Review</b>	Regina Coleman, Commission Counsel

<b>Report on Action as taken</b>
<b>Action:</b>
<b>Moved:</b> _____ <b>Second:</b> _____
<b>In Favor:</b>
<b>Opposed:</b>
<b>Abstained:</b>
<b>Comments:</b> _____
<b>Witnessed:</b>



**AGENDA ITEM 3  
OCTOBER 27, 2014**

<b>Subject</b>	Annual Report for Program Year 2013-14
<b>Recommendations</b>	Conduct Public Hearing of the Children and Families Commission for San Bernardino County Annual Report for Program Year 2013-14. (Presenter: Scott McGrath, Supervisor, 252-4259)
<b>Background Information</b>	<p>The California Children and Families Act of 1998 (“Act”) was passed as Proposition 10 by California voters in November 1998 and enacted by the State Legislature through California Health and Safety Code Sections 130100 -130155 and Revenue and Taxation Code Section 30131.</p> <p>Section 130150 of the Act requires every County Commission, on or before October 31st of each year, to “issue a written report on the implementation and performance of, their respective functions during the preceding fiscal year.” Section 130140 (a) (1) (G) additionally requires the County Commission to “conduct at least one public hearing prior to adopting any . . . report”.</p> <p>The 2013-2014 Annual Report has been compiled and is an account of the program year that includes number of children and families served, priorities, activities, program highlights and overall accomplishments. The report also includes program and fiscal information and an analysis of services delivered based on the State’s Desired Results Areas – Improved Family Functioning, Improved Child Development, Improved Health and Improved Systems of Care.</p>
<b>Financial Impact</b>	None
<b>Review</b>	Regina Coleman, Commission Counsel

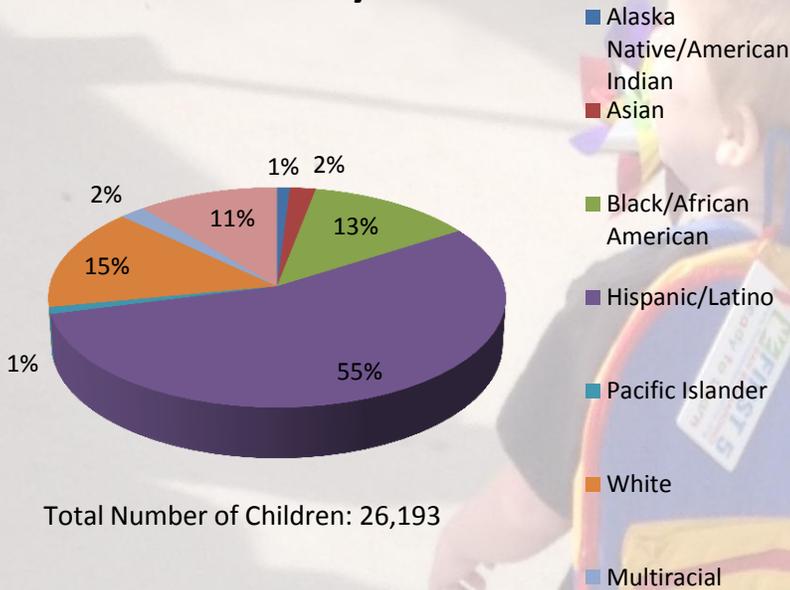
<b>Report on Action as taken</b>	
<b>Action:</b>	
<b>Moved:</b> _____	<b>Second:</b> _____
<b>In Favor:</b>	
<b>Opposed:</b>	
<b>Abstained:</b>	
<b>Comments:</b> _____	
<b>Witnessed:</b>	



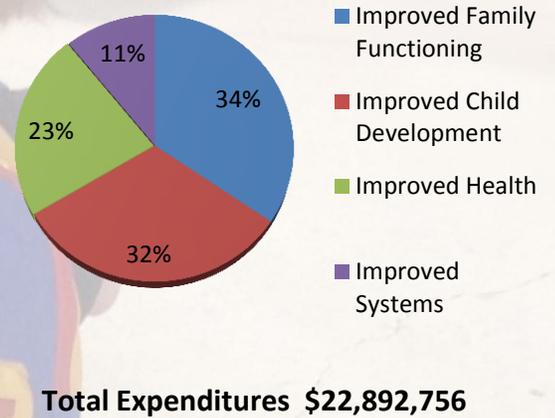
## Fiscal Year 2013-2014

### Children and Families Served

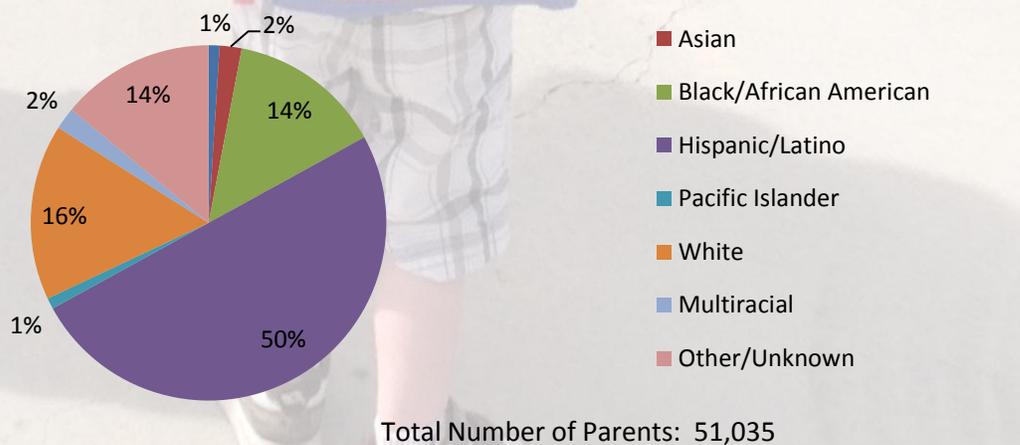
#### Ethnicity of Children



#### Annual Expenditures for Direct Services



#### Ethnicity of Parents





## 2013-14 Annual Report Narratives

### **Parent Education**

In fiscal year 2013-14, San Bernardino offered parenting education classes using the Nurturing Parenting Program countywide. A total of nine agencies contracted with F5SB to provide services to 1452 parents. The 12 week program focused on parenting attitudes and constructs related to child rearing that are aligned with risk of maltreatment and neglect. The data for the program year was very compelling and demonstrated that the Nurturing Parenting program was successful in reducing the presence of these constructs in parents, often an entire risk level, thereby significantly decreasing the likelihood that their children will experience maltreatment. Parents reported having a positive experience with the program, many requesting to repeat the program after graduation.

### **School Based Infant-Toddler Care Program**

In fiscal year 13-14, First 5 San Bernardino offered a school based program to teen parents age 15-19 with children age 0-3 providing child care so that they could complete their education and obtain a high school diploma. 23 parents participated in the program an average of 121 school days and nine graduated with their diploma. Others are set to graduate fiscal year 14-15. In addition to the benefit of daycare, the children received age-appropriate enrichment activities and the parents participated in an average of 14 parenting enrichment activities outside of the educational requirements. The program received overwhelmingly positive satisfaction ratings from participants, many stating that it changed their lives.



**AGENDA ITEM 4  
OCTOBER 27, 2014**

<b>Subject</b>	Annual Audit for Fiscal Year 2013-14
<b>Recommendations</b>	Conduct public hearing for the Children and Families Commission of San Bernardino County Annual Audit for Fiscal Year 2013-14. (Presenter: Debora Dickerson-Sims, Administrative Supervisor II, 252-4269)
<b>Background Information</b>	<p>The California Children and Families Act of 1998 (“Act”) was passed as Proposition 10 by California voters in November 1998 and enacted by the State Legislature through California Health and Safety Code Sections 130100-130155 and Revenue and Taxation Code Section 30131.</p> <p>Section 130150 of the Act requires every County Commission, on or before October 15 of each year, to “conduct an audit of, and issue a written report on the implementation and performance of, its functions during the preceding fiscal year.” Section 130140 (a) (1) (G) additionally requires the County Commission to “conduct at least one public hearing prior to adopting any annual audit ...”.</p> <p>Vavrinek, Trine, Day &amp; Co. LLP (VTD) conducted an audit of the First 5 San Bernardino Commission encapsulating all fiscal activity of the Commission for Fiscal Year 2013-14 and has developed an audit report as required by Section 130150.</p> <p>If applicable, audit findings will be presented which includes auditor’s recommendation and First 5 staff’s response to the findings.</p>
<b>Financial Impact</b>	None
<b>Review</b>	Regina Coleman, Commission Counsel

<b>Report on Action as taken</b>
<b>Action:</b>
<b>Moved:</b> _____ <b>Second:</b> _____
<b>In Favor:</b>
<b>Opposed:</b>
<b>Abstained:</b>
<b>Comments:</b> _____
<b>Witnessed:</b>



To the Board of Commissioners  
First 5 San Bernardino Children and Families Commission  
San Bernardino, California

We have audited the financial statements of the governmental activities and the general fund of the First 5 San Bernardino Children and Families Commission (Commission), a component unit of the County of San Bernardino, for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 8, 2014. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 10, 2014.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

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

Other Matters

We applied certain limited procedures to the management discussion and analysis and budgetary comparison schedule, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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

*Vaurinik, Trine, Day & Co. LLP*

Rancho Cucamonga, California  
October 10, 2014

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION**  
(A Component Unit of the County of San Bernardino,  
California)

Independent Auditors' Reports, Basic Financial Statements,  
Required Supplementary Information and Compliance Section

For the Year Ended June 30, 2014

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**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
FOR THE YEAR ENDED JUNE 30, 2014**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
First 5 San Bernardino Children and Families Commission

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the First 5 San Bernardino Children and Families Commission (Commission), a component unit of the County of San Bernardino, California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

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

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

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Commission, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–8 and 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2014, 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.

*Vavrinik, Trine, Day & Co. LLP*

Rancho Cucamonga, California  
October 10, 2014

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2014**

On November 3, 1998, California voters approved Proposition 10 – the Children and Families Act of 1998 (the Act). The Act imposed an additional excise tax on cigarettes and tobacco related products to fund programs that promote, support, and improve the early development of children from prenatal through age five. The intent is for all California children to be healthy, to live in a healthy and supportive family environment, and to enter school ready to learn.

The San Bernardino County Board of Supervisors (the County) created the San Bernardino County Children and Families First Trust Fund in December 1998 under the provisions of the Act. The Children and Families First Commission (First 5 San Bernardino) was created by County Ordinance No. 3745 on January 5, 1999. The Commission consists of one member of the Board of Supervisors, the Assistant County Administrator for Human Services, the Director of Public Health or the Health Officer, and four members appointed by the Board of Supervisors, pursuant to County Code Section 12.293. The Commission is a public entity legally separate and apart from the County, and is considered a component unit of the County due to the operational relationship between the Commission and the County. The First 5 San Bernardino Commission is associated with the County of San Bernardino, but has certain autonomy from the County government to develop budgets, fund programs and approve most contracts without the approval of the San Bernardino County Board of Supervisors. First 5 San Bernardino contracts with County departments such as County Counsel, Human Resources and the Auditor-Controller/Treasurer/Tax Collector for services.

As management of the Commission, we offer readers of our financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2014.

**Financial Highlights**

- The Commission recorded \$21,181,010 from the State of California from revenues collected under the California Children and Families Act (Proposition 10). This amount is \$803,488 less than budgeted due to a decrease in tobacco tax collections at the State level and is \$988,031 less than fiscal year 2013.
- During the current fiscal year, the Commission recognized \$23,197,465 in grant related expenses to various service providers.
- The total assets of the Commission exceeded its liabilities at the close of the most recent fiscal year by 84,387,816 (*net position*), a decrease of \$6,645,688 in comparison with the prior year.
- At the end of the fiscal year 2013-2014, total Governmental Funds *unassigned fund balance* was \$36,484,754.

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2014**

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to First 5 San Bernardino's basic financial statements. The Commission's basic financial statements are comprised of two components:

- 1) Government-wide financial statements and
- 2) Fund financial statements

This report also contains other supplementary information in addition to the basic financial statements.

In this report, the government-wide financial statements of the Commission are presented on pages 9 and 10. The fund financial statements can be found on pages 11 through 14.

**Government-Wide Financial Statements** The *government-wide financial statements* are designed to provide readers with a broad overview of First 5 San Bernardino's finances, in a manner similar to a private sector business.

The *statement of net position* presents summary information on all of the Commission's assets and liabilities, with the difference between the two reported as *net position*.

The *statement of activities* 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).

**Fund Financial Statements** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the Commission's activities are accounted for in the general fund.

**Governmental Fund Financial Statements** focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the year.

**Notes to the Financial Statements** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and general fund financial statements. The notes to the financial statements can be found on pages 15 through 27 of this report.

**Other Information** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the First 5 San Bernardino finances. Required supplementary information can be found on pages 28 through 29 of this report.

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2014**

**Commission-Wide Financial Analysis**

The following summarizes the Commission's assets, liabilities and net position and compares fiscal year 2013-2014 with 2012-2013:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>Change</u>
<b>Assets:</b>			
Current and other assets	\$ 91,910,872	\$ 97,717,535	\$ (5,806,663)
Capital assets, net	136,033	0	136,033
 Total Assets	 <u>92,046,905</u>	 <u>97,717,535</u>	 <u>(5,670,630)</u>
 <b>Liabilities:</b>			
Current Liabilities	7,486,872	6,535,121	951,751
Due to the County of San Bernardino	11,559	11,032	527
Noncurrent Liabilities	<u>160,658</u>	<u>137,878</u>	<u>22,780</u>
 Total Liabilities	 <u>7,659,089</u>	 <u>6,684,031</u>	 <u>975,058</u>
 <b>Net Position:</b>			
Net investment in capital assets	136,033	-	136,033
Unrestricted	<u>84,251,783</u>	<u>91,033,504</u>	<u>(6,781,721)</u>
 Total Net Position	 <u>\$ 84,387,816</u>	 <u>\$ 91,033,504</u>	 <u>\$ (6,645,688)</u>

**Net position** Net position may serve over time as a useful indicator of the Commission's financial position. In the case of First 5 San Bernardino, assets exceed liabilities by \$84,387,816 (net position) at the close of the most recent fiscal year. The total net position decreased by \$6,645,688.

The most significant portion of the Commission's current assets is its cash balance of \$88,033,199. This represents resources received from the State of California from Proposition 10 taxes that have not been expended. Cash and investments are maintained in the County Treasurer's cash and investment pool where interest earned on the Commission's balance is apportioned to the Commission. The decrease in cash and net position is partly as a result of the spend down of fund balance, as described in the five-year plan, and partly due to a decrease in Proposition 10 revenues and investment earnings. Another source of current assets is the Commission's receivables "Due from the State of California" which includes:

Proposition 10 allocations for May 2014	\$1,905,806
Proposition 10 allocations for June 2014	1,961,769
Surplus Money Investment Fund (SMIF)	5,674

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2014**

The following is a summary of the Commission's revenue, expenses and change in net position comparing fiscal year 2013-2014 with fiscal year 2012-2013:

	<u>FY 2013-14</u>	<u>FY 2012-13</u>	<u>Change</u>
<b>Program Revenues:</b>			
Proposition 10 allocations	\$ 21,181,010	\$ 22,169,041	\$ (988,031)
Total Program Revenues	21,181,010	22,169,041	(988,031)
<b>General Revenues:</b>			
Investment Income	(591,990)	1,194,314	(1,786,304)
Other Income	6,768	6	6,762
Total Revenues	<u>20,595,788</u>	<u>23,363,361</u>	<u>(2,767,573)</u>
<b>Expenses:</b>			
Salaries and benefits	2,181,467	1,955,091	226,376
Services and supplies	1,429,172	1,379,931	49,241
Relocation	424,822	-	424,822
Depreciation	8,550	-	8,550
Contract payments to agencies	23,197,465	20,527,470	2,669,995
Total Expenses	<u>27,241,476</u>	<u>23,862,492</u>	<u>3,378,984</u>
<b>Change in net position</b>	(6,645,688)	(499,131)	(6,146,557)
<b>Net position, beginning</b>	<u>91,033,504</u>	<u>91,532,635</u>	<u>(499,131)</u>
<b>Net position, end of period</b>	<u>\$ 84,387,816</u>	<u>\$ 91,033,504</u>	<u>\$ (6,645,688)</u>

The financial statements for fiscal year 2013-2014 show a decrease of net position of \$6,645,688 or seven percent (7%).. The decrease in net position is primarily due to the following. First, the State Proposition 10 funding decreased \$955,031 from the previous year mainly due to the decrease in tobacco product purchases. Second, investment income decreased by \$1,786,304 due to market changes related to the investments in the County's investment pool. Third, there was an increase in contracted program expenses of \$2,669,995 over last year, which was in line with the Commission's decision to use existing General Fund balance for services as planned in the 5-year long range financial plan. Finally, the Commission incurred additional expenses related to the relocation of the First 5 San Bernardino office during the current fiscal year of \$424,822.

**Revenues** The Commission receives a significant portion of its revenue from the State allocation of Proposition 10 funds and from interest earned on its investments. In the fiscal year ending June 30, 2014, the \$21,181,010 recorded from the State was a decrease of \$988,031 for the general fund or five percent (5%), compared to the prior fiscal year. The Commission invests its funds in the San Bernardino County Treasury and incurred a loss of \$597,664 as a result of a decline in fair market value of investments in accordance with Governmental Standards Board (GASB) Statement No 34. Interest of \$5,674 from surplus money investment funds (SMIF), held by the State of California, is included in investment income. Total investment income including SMIF for FY 2013-2014 was a loss of \$591,990, for a

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2014**

decrease of \$1,786,304, or one hundred and fifty percent (150%) due to decreased returns on the County's investment pool.

**Expenses** During the fiscal year 2013-2014, the Commission expensed \$27,241,476 in program costs, which includes \$23,197,465 in expenses to various service providers within San Bernardino County. This represents an overall increase in program expenses of \$3,378,984 or fourteen percent (14%) over the prior fiscal year. Fiscal year 2013-2014 represented the second of three years of new contracts. The agencies overall expenses were less than contracted. Administrative costs were thirteen percent (13%) of total costs.

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

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

For the year ended June 30, 2014, the Commission's general fund reported an ending fund balance of \$84,428,471 a decrease of \$6,765,691 or seven percent and four tenths percent (7.4%) from the prior year. Variances are as follows:

- Nonspendable fund balance increased by \$938.
- Committed fund balance decreased by \$71,367.
- Assigned fund balance increased \$14,193,867, and
- Unassigned fund balance decreased by \$20,889,129.

Fiscal year 2012-2013 committed fund balance included the obligations for two contract years; whereas, the current year's committed fund balance includes commitments for one year. The changes in assigned and unassigned fund balances occurred primarily as a result of the reconciliation and reassignment of unexpended contracted amounts. The assigned fund balance also includes 2015 fiscal year contract obligations and the 2015 fiscal year's excess of budget over revenues. Finally, the nonspendable fund balance increased as a result of recognizing the current year's prepaid expense for insurance premiums.

**General Fund Budgetary Highlights**

There were no changes from the original budget to the final budget. Total actual revenues were less than budgeted by \$1,817,309. Total actual expenditures were less than budgeted by \$12,998,234. The major portion of the difference was because the contracted payments were \$11,802,535 less than budgeted and the services and supplies was \$1,075,195 less than budgeted. The Commission also realized a positive variance in expenditures for salaries and benefits and relocation expenditures of \$120,504.

**Debt Administration**

The Commission's long-term debt consists of compensated absences payable in the amount of \$176,688.

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

**June 30, 2014**

**Capital Assets**

The Commission purchased \$144,583 in capital assets. The location of the administrative office was moved and the expenditures incurred were necessary for the infrastructure of the office space. Assets purchased were as follows:

<u>Asset Category:</u>		
Leasehold Improvements	\$	54,843
Furniture and Fixtures		75,434
Servers/Information Technology Equipment		14,306
Totals Capital Assets	\$	<u>144,583</u>

**Economic Factors and Next Year’s Budget**

The First 5 San Bernardino Commission has unveiled a new Strategic Plan for fiscal years 2015-2020. In this plan, two strategic priority areas (SPA) were identified: SPA 1 – Children and Families and SPA 2 – Systems and Network, both of which will guide the Commission’s work over the next 5 years. The Strategic Plan is used to identify priorities in which the Commission will allocate its resources.

Within a total \$34 million operating budget for fiscal year 2014/15, \$30 million is allocated to strategic priority areas to fund direct service contracts. The budget for fiscal year 2014/2015 demonstrates the Commission’s strong commitment to allocating the majority of its funds to direct services in order to “move the needle” and improve the lives of young children and their families in San Bernardino County.

Fiscal year 2014/15 marks the end of the Commission’s latest three year contract cycle. First 5 San Bernardino is excited about the results of some recent initiatives such as the Pre-K Academy under the Early Education strategy to ensure that more children enter kindergarten ready to learn and the Healthy Cities/Healthy Communities initiative, which enables cities to design and implement policies, programs and activities that support their continued success in battling childhood obesity and other social issues in their communities and countywide. It is anticipated that these initiatives will continue in fiscal year 2014/15.

As First 5 Commissions celebrate the 15 year anniversary of the passage of Prop 10, we continue to learn and evolve and support efforts that provide our children the strongest foundation in their most important developmental years - from birth to age 5. In partnership with our non-profit, government, school and business communities, we look forward to great accomplishments in the next year.

**Requests for Information**

This financial report is designed to provide a general overview of the First 5 San Bernardino finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to First 5 San Bernardino at 735 East Carnegie Drive, Suite 150, San Bernardino, California 92408. We can be reached at 909-386-7706 or [www.sanbernardino.org](http://www.sanbernardino.org).

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
Statement of Net Position**

**June 30, 2014**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 88,033,199
Due from State of California:	
Allocations	3,867,575
Interest	5,674
Due from County of San Bernardino	717
Prepaid item	938
Due from agencies, net of allowance	2,769
Capital assets, net of accumulated depreciation	136,033
Total Assets	92,046,905
<b>LIABILITIES</b>	
Contracts payable	7,279,891
Accounts payable	75,447
Due to County of San Bernardino	11,559
Accrued payroll	115,504
Noncurrent Liabilities:	
Due within one year	16,030
Due in more than one year	160,658
Total Liabilities	7,659,089
<b>NET POSITION</b>	
Net investment in capital assets	136,033
Unrestricted	84,251,783
Total Net Position	\$ 84,387,816

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

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
Statement of Activities**

**For the Year Ended June 30, 2014**

	<b>Governmental Activities</b>
<b>PROGRAM EXPENSES</b>	
Child Development	\$ 27,241,476
Total Program Expenses	27,241,476
<b>PROGRAM REVENUES</b>	
Operating Grants and Contributions:	
Proposition 10 Allocations	21,181,010
Total Program Revenues	21,181,010
Net program revenues (expenses)	(6,060,466)
<b>GENERAL REVENUES</b>	
Investment Income, net of unrealized losses	(591,990)
Other	6,768
Total General Revenues	(585,222)
Change in Net Position	(6,645,688)
Net Position, Beginning of Period	91,033,504
Net Position, End of Period	\$ 84,387,816

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

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
Balance Sheet  
Governmental Fund**

**June 30, 2014**

	<b>General Fund</b>
<b>ASSETS</b>	
Cash and Investments	\$ 88,033,199
Due from State of California	
Allocations	3,867,575
Interest	5,674
Due from County of San Bernardino	717
Due from agencies, net of allowance	2,769
Prepaid items	938
Total Assets	\$ 91,910,872
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Contracts payable	\$ 7,279,891
Accounts payable	75,447
Due to the County of San Bernardino	11,559
Accrued payroll	115,504
Total Liabilities	7,482,401
Fund Balances:	
Nonspendable	938
Committed	1,041,480
Assigned	46,901,299
Unassigned	36,484,754
Total Fund Balances	84,428,471
 Total Liabilities and Fund Balances	 \$ 91,910,872

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

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
Reconciliation of Governmental Fund Balance Sheet  
to the Statement of Net Position**

**June 30, 2014**

Fund Balances of Governmental Funds	\$	84,428,471
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The long-term liability, compensated absences, is not due and payable in the current period and therefore, not reported in the fund financial statements.		
		(176,688)
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as an asset in the fund financial statements.		
		<u>136,033</u>
Net Position of Governmental Activities	\$	<u><u>84,387,816</u></u>

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

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
Statement of Revenues, Expenditures  
and Changes in Fund Balances – Governmental Fund**

**For the Year Ended June 30, 2014**

	<b>General Fund</b>
<b>REVENUES</b>	
State allocations	\$ 21,181,010
Investment income, net of unrealized losses	(591,990)
Other revenues	6,768
Total Revenues	20,595,788
<b>EXPENDITURES</b>	
Current:	
Salaries and benefits	2,165,437
Services and supplies	1,429,172
Relocation expenditures	424,822
Contract payments to agencies	23,197,465
Capital outlay	144,583
Total Expenditures	27,361,479
<b>Excess (Deficiency) of revenues Over (under) expenditures</b>	(6,765,691)
Fund Balances, Beginning of Period	91,194,162
Fund Balances, End of Period	\$ 84,428,471

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

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
Reconciliation of Statement of Revenues, Expenditures  
and Changes in Fund Balance to the Statement of Activities**

**For the Year Ended June 30, 2014**

Net Change in Fund Balance – Total Governmental Fund	\$	(6,765,691)
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Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of revenues, expenditures and changes in fund balance because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. The amount represents the net additions to capital assets, net of depreciation.

136,033

Compensated absence expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. This amount represents the net change in the compensated absences liability.

(16,030)

Change in Net Position of Governmental Activities	\$	<u>(6,645,688)</u>
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The accompanying notes are an integral part of these financial statements.

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The First 5 San Bernardino Children and Families Commission (the Commission) formerly known as San Bernardino County Children and Families First Commission, was established on January 5, 1999 pursuant to Health and Safety Code § 130140. The Commission was also established in accordance with the provisions of the California Children and Families Act of 1998 (the Act) and by San Bernardino County Ordinance No. 3745. The Commission is a public entity legally separate and apart from the County of San Bernardino (the County). The purpose of the Commission is to develop, adopt, promote and implement early childhood development and readiness for school programs in the County of San Bernardino consistent with the goals and objective of the Act. The Commission's programs are funded primarily by taxes levied by the State of California (the State) on tobacco products.

A governing board of seven members – three mandatory standing members by statute and four appointed by the County Board of Supervisors, pursuant to County Code Section 12.293, oversees the Commission. The mandatory members consist of one member of the Board of Supervisors, the Assistant County Administrator for Human Services and the Director of Public Health or the Health Officer. Other members are considered at-large. The members of the Commission serve for two (2) years, except for the Board of Supervisors, the Assistant County Administrator for Human Services, and the Public Health Director or Officer who shall serve for the duration of their employment in that position. Officers of the Commission are the Chair and Vice-Chair who are elected by the voting members of the Commission. The terms of these officers are one year, commencing upon the adjournment of the meeting at which they are elected. All officers shall hold office until their successors are duly elected. The members of the Commission shall serve at the pleasure of the Board of Supervisors. Any Commissioner may be removed from office at any time by a majority vote of the Board of Supervisors favoring such removal. As a result, the Commission is considered a component unit of the County of San Bernardino.

Upon termination of the Commission, all assets of the Commission shall be returned to the State of California. The liabilities of the Commission shall not become liabilities of the County upon either termination of the Commission or the liquidation or disposition of the Commission's remaining assets.

**Basis of Accounting and Measurement Focus**

The basic financial statements of the Commission are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Government-Wide Financial Statements

Government-wide financial statements consist of the statement of net position and statement of activities. These statements are presented on an economic resources measurement focus. All economic resources and obligations of the reporting government are reported in the financial statements.

The government-wide financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting all assets and liabilities of the Commission are included on the statement of net position. Net position represents the resources the Commission has available for use in providing services. The Commission's net position is classified as follows:

Net investment in capital assets – This category groups all capital assets into one component of net position. Accumulated depreciation reduces the balance in this category.

Unrestricted – This category represents neither restricted nor invested in capital assets and may be used by the Commission for any purpose though they may not necessarily be liquid.

Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 33.

Fund Financial Statements

The fund financial statements consist of the balance sheet and the statement of revenues, expenditures and changes in fund balance of the Commission's general fund. These statements are presented on a current financial resources measurement focus. Generally, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance for the general fund generally present increases (revenues) and decreases (expenditures) in net current assets. The Commission has one major fund; the general fund is used to account for the Commission's operations which consist solely of child development programs.

The fund financial statements have been prepared on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are considered available if they are received within 60 days after year-end. Revenues susceptible to accrual include tax revenues, grant revenues and investment income. Expenditures are recognized in the accounting period in which the fund liability is incurred except for compensated absences, which are recognized when due and payable at year-end.

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Long-Term Liabilities**

As of June 30, 2014, the Commission estimated its liability for vested compensated absences to be \$176,688. Compensated absence obligations are considered long-term in nature and are reported in the fund financial statements as expenditures in the period paid or when due and payable at year-end under the modified accrual basis of accounting. The compensated absences have been accrued in the government-wide financial statements and are included in long-term liabilities. The compensated absences increased by \$16,030 during the year. The compensated absences are liquidated by the general fund.

**Cash and Investments**

The Commission maintains all of its cash in the San Bernardino County Treasury. The County's investment pool operates in accordance with appropriate state laws and regulations. The method used to determine the value of participant's equity withdrawn is based on the book value, amortized cost plus accrued interest, multiplied by the Commission's percentage at the date of such withdrawal, which approximates fair value.

**Due from State of California**

Due from State of California represents receivables from the State. Management has determined the Commission's receivables from the State are fully collectable. Accordingly, no allowance for doubtful accounts has been made.

**Prepaid Items**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**Capital Assets**

Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets include leasehold improvements, information technology equipment and office furniture and fixtures and are recorded at cost. The Commission depreciates capital assets using a straight-line method over the following estimated useful lives:

- Infrastructure - 10 to 100 years
- Structures and improvements - up to 45 years
- Furniture, equipment and software - 5 to 15 years

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives are not capitalized.

**Due from Agencies**

Due from agencies represents receivables from contracted agencies and is reported net of allowance for doubtful accounts in the amount of \$49,052.

**Revenues**

Revenues consist of receipts collected pursuant to the taxes imposed by Section 30131.2 of the California Revenue and Taxation Code. The California Children and Families Trust fund allocates 80% of these receipts to participating California counties, including San Bernardino County based on the annual number of live births in the county.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Budgetary and Budgetary Reporting**

The Commission is required by County ordinance to prepare a budget each year based on estimates of revenues and expected expenditures. The Commission's Board of Commissioners adopted an annual budget for the General fund and includes revenues and expenditures for the year ended June 30, 2014, which is prepared on the modified accrual basis of accounting. The budget control is at the category level (i.e., salaries & benefits and services & supplies). The Commission utilizes an encumbrance system as a management control technique to assist in controlling contract expenditures.

**Restricted Net Position**

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, it is presumed that restricted funds are spent first.

**Fund Balance Classification**

In accordance with the generally accepted accounting principles, the Commission implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications, discussed in more detail below, are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- *Nonspendable:* portion of net resources that cannot be spent because they are not in an expendable form (e.g., Prepaid Expense or Inventory), or portion of net resources that cannot be spent because they must be maintained intact (e.g., revolving fund or the principal of an endowment).
- *Restricted:* amounts or limitations constrained to specific purposes by their providers (such as creditors, grantors, contributors, or laws and regulations of other governments (e.g., funds granted by First 5 CA under specific agreements for services such as matching funds for specific initiatives).
- *Committed:* limitation imposed at the highest level of decision-making that require the same formal action to remove or modify. The highest level of decision-making is the appointed Commissioners, and the agenda item is the formal action used to commit fund balance.
- *Assigned:* amounts or limitations are constrained by the Commission’s intent to be used for a specific purpose. The Commission’s Board is responsible for assigning fund balance through a formal action by an agenda item however the Executive Director has the authority to remove the assignment.
- *Unassigned:* resources in the fund balance that cannot be reported in any other classification or negative fund balance.

The Commission has not established a policy for its use of unassigned fund balance. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is presumed that restricted funds are spent first. When an expenditure is incurred for purposes for which amounts in any unassigned fund balances could be used, it is presumed that the committed amounts are spent first, then the assigned amounts, then the unassigned amounts.

**NOTE 2 – COMPENSATED ABSENCES**

Compensated absences represent the liability for unpaid vacation leave, holidays and other compensated absences with similar characteristics. Changes in the liability for the 2013-14 fiscal year are summarized as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Amount Due Within One Year
Compensated Absences	\$ 160,658	\$ 164,360	\$ 148,330	\$ 176,688	\$ 16,030



**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

<b>Governmental Activities:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Leasehold improvements	\$ -	\$ 54,843	\$ -	\$ 54,843
Furniture and fixtures	-	75,434	-	75,434
Computer equipment	-	14,306	-	14,306
Total depreciable assets	-	144,583	-	144,583
Less: Accumulated depreciation	-	(8,550)	-	(8,550)
Governmental activities capital assets, net	\$ -	\$ 136,033	\$ -	\$ 136,033

Depreciation expense amounted to \$8,550 for the year ended June 30, 2014, and is reflected in the Statement of Activities in the Child Development function.

**NOTE 7 – OPERATING LEASES**

The Commission leases office space from a third party under a long-term operating lease, which expires on October 31, 2023. The term of the office lease is for a period of ten years with two five-year options to extend. The Commission has the right to terminate the office lease after 60 months, or October 31, 2018, with a penalty of \$300,000. The Commission also rents three copy machines under a short-term rental agreement that expires on December 5, 2015. The term of the agreement for the copy machines is three years. The future minimum rental payments under these obligations are as follows:

<b>Year Ended June 30,</b>	<b>Office Space</b>	<b>Equipment</b>
2015	\$ 285,303	\$ 7,815
2016	293,791	3,256
2017	302,276	-
2018	310,757	-
2019	348,540	-
2020-2024	1,616,224	-
Total	\$ 3,156,891	\$ 11,071

Rent expense was \$268,567 for the year ended June 30, 2014.

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 8 – GRANTEE PAYABLES**

The Commission’s primary expenditures consist of funding to various governmental and non-profit agencies that provide services directly to children ages 0-5 and their families. The Commission pays on a monthly reimbursement basis to the contracted agencies. These agencies are required to file monthly expenditure reports detailing how much of the funding was used. At year end a payable generally exists depending on the actual level of expenditures by the grantee. At June 30, 2014, the following was owed to agencies and is included in contracts payable:

Contracts Payable by Focus Area:

Health	\$	3,329,830
Family		986,616
Education		1,851,887
Commission Responsiveness Initiatives		1,025,639
Evaluation		85,919
Total Contracts Payable	\$	<u>7,279,891</u>

**NOTE 9 – CONTINGENCIES**

The Commission is involved in various legal proceedings from time to time in the normal course of business. In management’s opinion, the Commission is not involved in any legal proceeding that will have a material adverse effect on financial position or changes in financial position of the Commission.

**NOTE 10 – RELATED PARTY TRANSACTIONS**

The required composition of the Board of Commissioners includes members from the County, other local governments, and community based organizations which serve children. Many of the programs funded by the Commission are operated by organizations represented by the Commissioners. Commissioners must abstain from voting on issues directly related to their respective organizations. The following table shows the contracts awarded in FY 2014, whereby Commissioners were required to abstain from voting:

<u>Organization</u>	<u>Award Amount</u>
Loma Linda University Medical Center	\$ 287,367
Children’s Fund	167,809
Children’s Network	985,651
Total	<u>\$ 1,440,827</u>

Total expenses paid to related parties for FY 2014 were \$7,824,785.

The Commission also contracts with the County to provide accounting, banking and investment, purchasing, human resources, risk management and other administrative services. The Commission participates in the County’s risk management programs (commercial and self-insurance programs) for

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 10 – RELATED PARTY TRANSACTIONS (Continued)**

general and automobile liability insurance, public official liability, rental interruption, personal property, workers’ compensation, group health indemnified plans, group salary continuance plan, group dental plan and unemployment benefit plan. The Commission incurred expenses totaling \$281,937 for all other County services provided during the year ended June 30, 2014.

**NOTE 11 – PROGRAM EVALUATION**

In accordance with the *Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program*, issued by the California State Controller, the Commission is required to disclose the amounts expended during the fiscal year on program evaluation. Program evaluation costs pertain to those activities undertaken to support the collection, production, analysis and presentation of evaluation information for Commission management, Commissioners and other interested parties.

For the year ended June 30, 2014, the Commission expended \$541,518 for program evaluation.

**NOTE 12 – FUND BALANCE**

General Fund:

Committed fund balance of \$1,041,480 consists of the State Program Cares Plus Match.

Assigned fund balance of \$46,901,299 consists of the following:

Contracts for Evaluation Services	\$	552,420
Contracts for Operation Services		436,386
Contracts for Program Services		32,109,836
2015 Budget In Excess of Revenues		13,802,657
Total Assigned Fund Balance	\$	<u>46,901,299</u>

**NOTE 13 – DEFINED BENEFIT PENSION PLAN**

The Commission’s employees are participants in the San Bernardino County Employees’ Retirement Association (SBPEA) cost-sharing multiple-employer defined benefit pension plan (the Plan) operating under the California County Employees’ Retirement Act of 1937 (1937 Act). It provides retirement, death and disability benefits to members. The Plan is governed by the San Bernardino Board of Retirement under the 1937 Act. Employees become eligible for membership on their first day of employment and become fully vested after five years. The SBCERA is controlled by its own board, which acts as a fiduciary agent for the accounting and control of member and employer contributions and investment income.

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)**

SBCERA publishes its own CAFR and receives a separate independent audit, which may be obtained by contacting the Board of Retirement at 348 W. Hospitality Lane, Third Floor, San Bernardino, California 92415-0014.

Employees are required by statute to contribute a percentage of their covered salary based on certain actuarial assumptions and their age at entry in the Plan. Employee contribution rates vary according to age and classification. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of the 1937 Act. The County contributes approximately 7% of an employee’s covered salary who were hired prior to July 2008, as determined pursuant to Section 31453 of the 1937 Act. As of January 1, 2013 the County no longer contributes 7% of contract employee’s salary. Pension expense was \$390,736 for the year ended June 30, 2014.

Information is not available separately for the Commission as to the funding policy, annual pension cost, and required supplementary information related to funding progress and trend information. Refer to the County’s CAFR for further information.

The Commission’s actual and required contributions for the current year and two preceding years were as follows:

<b>Fiscal Year Ending</b>	<b>Annual Required Contributions (ARC)</b>	<b>Percentage of ARC Contributed</b>
6/30/2012	\$341,084	100%
6/30/2013	331,306	100%
6/30/2014	390,736	100%

**NOTE 14 – RISK MANAGEMENT**

The Commission is part of the County of San Bernardino’s insurance programs which includes risk management, workers’ compensation, and auto liability; however, the Commission holds its own general liability providing limits of \$5,000,000 per occurrence.

The Commission experienced a loss due to theft of equipment purchased during the fiscal year. The Commission filed an insurance claim for the value of the equipment, which was \$2,813. After a \$1,000 deductible was applied, the Commission recovered \$1,813.

During the last three fiscal years, the Commission had no settlements exceeding insurance coverage for these categories of risk.

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 15 – NEW ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) released new accounting and financial reporting standards which may have a significant impact on the Commission's financial reporting process. Standards that have been implemented in the current year include:

GASB Statement No. 65 – GASB Concepts Statement No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in Concepts Statement no. 4. Based on those definitions, Statement 65 reclassifies and recognizes certain items currently be reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. The requirements of this Statement are effective for the fiscal year ending June 30, 2014. This standard did not have a material effect on the Commission's financial statements.

GASB Statement No. 66 – amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state and local government's risk financing activities to the general fund and the internal service fund type. As a result, governments would base their decisions about governmental fund type usage for risk financing activities on the definitions in Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

This Statement also amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues*, respectively. The requirements of this Statement are effective for the fiscal year ending June 30, 2014. This standard did not have a material effect on the Commission's financial statements.

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 15 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)**

GASB Statement No. 67 – replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in trust for paying retirement benefits) and a statement of changes in fiduciary position. Statement 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in the 10-year RSI schedules. The standard is not applicable to the Commission.

GASB Statement No. 70 – In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The requirements of this Statement are effective for the fiscal year ending June 30, 2014. This standard did not have a material effect on the Commission’s financial statements.

Future new standards which may impact the Commission include the following:

GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Government Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively measure the annual costs of benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The requirements of this Statement are effective for the fiscal year ending June 30, 2015. The Commission has not determined its effect on the financial statements.

GASB Statement No. 69 – In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in the Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The requirements of this Statement are effective for the fiscal year ending June 30, 2015. The Commission has not determined its effect on the financial statements.

**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 15 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)**

GASB Statement No. 71 – In November 2013, GASB issued Statement No. 70, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement addresses transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of the Statement by employers and nonemployer contributing entities. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The requirements of this Statement are effective for the fiscal year ending June 30, 2015. The Commission has not determined its effect on the financial statements.

**Required Supplementary Information**

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**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual – General Fund**

**For the Year Ended June 30, 2014**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>REVENUES</b>				
State Allocations	\$21,984,498	\$21,984,498	\$21,181,010	\$(803,488)
Investment Income	419,599	419,599	(591,990)	(1,011,589)
Other Revenues	9,000	9,000	6,768	(2,232)
Total Revenues	<u>22,413,097</u>	<u>22,413,097</u>	<u>20,595,788</u>	<u>(1,817,309)</u>
<b>EXPENDITURES</b>				
Current:				
Salaries and Benefits	2,205,346	2,205,346	2,165,437	39,909
Services and Supplies	2,504,367	2,504,367	1,429,172	1,075,195
Relocation expenditures	650,000	650,000	424,822	225,178
Contract Payments to Agencies	35,000,000	35,000,000	23,197,465	11,802,535
Capital Outlay	-	-	144,583	(144,583)
Total Expenditures	<u>40,359,713</u>	<u>40,359,713</u>	<u>27,361,479</u>	<u>12,998,234</u>
Net Change in Fund Balance	(17,946,616)	(17,946,616)	(6,765,691)	11,180,925
Fund Balance, beginning of period	<u>91,194,162</u>	<u>91,194,162</u>	<u>91,194,162</u>	<u>-</u>
Fund Balance, end of period	<u>\$73,247,546</u>	<u>\$73,247,546</u>	<u>\$84,428,471</u>	<u>\$11,180,925</u>

The accompanying notes are an integral part of this required supplementary information.

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**FIRST 5 SAN BERNARDINO  
CHILDREN AND FAMILIES COMMISSION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2014**

**Budget and Budgetary Process**

In accordance with Commission By-laws, the Commission's Governing Board shall adopt an annual budget consistent with California Counties' law and standards on or before July 1. A public hearing must be conducted to receive comments prior to adoption. The Commission's Governing Board satisfied these requirements. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental fund types. The budgetary control is at the category code level.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) outstanding at year-end do not constitute expenditures or liabilities because the commitments will lapse and be at the category level and honored during the subsequent year.

**Actual Over Budget**

The overall budget for relocation expenditures was \$650,000. After review, the Commission determined that \$144,583 were capital assets and reclassified this amount. The relocation expenditures, including the purchases of the capital assets, were \$569,405, which was \$80,595 under the total budgeted amount.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
First 5 San Bernardino Children and Families Commission
San Bernardino, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the First 5 San Bernardino Children and Families Commission (Commission), a component unit of the County of San Bernardino, California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 10, 2014.

Internal Control over Financial Reporting

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

Compliance and Other Matters

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

## Purpose of this Report

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

Vavrinik, Trine, Day & Co. LLP

Rancho Cucamonga, California

October 10, 2014



**INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE**

To the Board of Commissioners  
 First 5 San Bernardino Children and Families Commission  
 San Bernardino, California

**Compliance**

We have audited the First 5 San Bernardino Children and Families Commission's (Commission), a component unit of the County of San Bernardino, 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 year ended June 30, 2014.

**Management's Responsibility**

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

**Auditors' Responsibility**

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

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

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

## Opinion

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2014.

## Purpose of Report

The purpose of this report on compliance is solely to describe the scope of our testing 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*, issued by the State Controller's Office. Accordingly, this report is not suitable for any other purpose.

Varrinck, Trine, Day & Co. LLP

Rancho Cucamonga, California  
October 10, 2014



**AGENDA ITEM 5  
OCTOBER 27, 2014**

<b>Subject</b>	Vavrinek, Trine, Day & Co., LLP Contract for Auditing Services
<b>Recommendations</b>	Approve Amendment A1 to Contract Number IC021 with Vavrinek, Trine, Day & Co., LLP increasing the contract amount by \$20,900 for a total of \$104,500 for fiscal year 2015-16 to conduct and prepare an annual audit and report of First 5 San Bernardino's financial statements. (Presenter: Debora Dickerson, Administrative Supervisor II, 252-4269)
<b>Background Information</b>	<p>On June 15, 2011 the Commission approved a contract with Vavrinek, Trine, Day &amp; Co., LLP (VTD) to conduct and prepare an Annual Audit and Report; and render an opinion of the Commission's financial statements. This contract was for a period of three (3) years and four (4) months, beginning July 1, 2011 and ending October 31, 2014. This contract agreement covered four (4) annual audits.</p> <p>According to the Governmental Accounting Standards Board (GASB) Statement 67 "<i>Financial Reporting for Pension Plans</i>" and Statement 68 "<i>Accounting and Financial Reporting for Pensions</i>", the audit report due for FY 2014-15 mandates a significant change in the way pension cost is reported. It is now required that government entities recognize their long-term obligation for pension benefits as a liability. VTD is currently working with the County of San Bernardino and the Retirement Board to determine this cost. VTD will also work with the County to determine how much of this cost is allocated to First 5 San Bernardino (F5SB).</p> <p>Given this new requirement and VTD's understanding of F5SB's processes and relationship to the County, F5SB staff recommends an extension to the contract for an additional year beginning November 1, 2014 and ending October 31, 2015.</p>
<b>Financial Impact</b>	\$20,900 included in annual budget
<b>Review</b>	Regina Coleman, Commission Counsel

<b>Report on Action as taken</b>
<b>Action:</b>
<b>Moved:</b> _____ <b>Second:</b> _____
<b>In Favor:</b>
<b>Opposed:</b>
<b>Abstained:</b>
<b>Comments:</b> _____
<b>Witnessed:</b>

**CHILDREN  
AND FAMILIES  
COMMISSION  
FOR  
SAN BERNARDINO COUNTY  
STANDARD CONTRACT**

FOR COMMISSION USE ONLY						
<input checked="" type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Cancel	Vendor Code VAVRINE289	<b>SC</b>	Dept. 903	<b>A</b>	Contract Number IC021A1	
Organization Children and Families Commission			Dept. 903	Orgn. ADMI	Contractor's License No. California CPA License No. 2376	
Commission Representative Cindy Faulkner, Operations Manager			Telephone 909-386-7706		Total Contract Amount \$104,500	
Contract Type <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:						
If not encumbered or revenue contract type, provide reason:						
Commodity Code 95200	Contract Start Date July 1, 2011	Contract End Date October 31, 2015	Original Amount \$83,600	Amendment Amount \$104,500		
Fund RRC	Dept. 903	Organization ADMI	Appr. 200	Obj/Rev Source 2405	GRC/PROJ/JOB No.	Amount \$20,900
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount
Abbreviated Use Annual Audit and Report			Estimated Payment Total by Fiscal Year			
			FY	Amount	I/D	
			FY11-12	20,900		FY15-16 20,900 I
			FY12-13	20,900		
			FY13-14	20,900		
			FY14-15	20,900		

THIS CONTRACT is entered into in the State of California by and between the Children and Families Commission for San Bernardino County, hereinafter called the Commission, and

Legal Name (hereinafter called the Contractor)

Vavrinek, Trine, Day & Company, LLP

Department/Division

Address

8270 Aspen Avenue

Rancho Cucamonga, CA 91730

Phone

(909) 466-4410

Federal ID No.

95-264-8289

Program Address (if different from legal address):

**IT IS HEREBY AGREED AS FOLLOWS:**

**AMENDMENT NO. 1**

**I. TERM OF CONTRACT**

The following language has been amended to read as follows:

The term of this contract will be for a five-year period beginning with the audits for fiscal year ending June 30, 2011 and ending with the audits for fiscal year ending June 30, 2015.

This contract expires on October 31, 2015.

*continued on next page*

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

**IV. COMPENSATION**

The following language has been amended to read as follows:

1. As total compensation for all services to be performed by **CONTRACTOR** under this contract, **COMMISSION** shall pay **CONTRACTOR** an amount not to exceed \$20,900 for the audits and reviews for fiscal year ending June 30, **2011**; \$20,900 for the audits and reviews for fiscal year ending June 30, **2012**; and \$20,900 for the audits and reviews for fiscal year ending June 30, **2013**; and \$20,900 for the audits and reviews for fiscal year ending June 30, **2014**; and \$20,900 for the audits and reviews for fiscal year ending June 30, **2015**. Partial payment is authorized on the basis of monthly progress billing. However, no more than 90% of each fiscal year's fee shall be paid before receipt of the final audit reports for such fiscal year.

**ATTACHMENTS:**

**Attachment B** –The attached Budget for audit review period FY2014-2015 is added to the Contract.

All other terms and conditions of this contract remain in full force and effect.

CHILDREN & FAMILIES COMMISSION FOR  
SAN BERNARDINO COUNTY

VAVRINEK, TRINE, DAY & COMPANY, LLP

Legal Entity

▶ \_\_\_\_\_  
Authorized Signature

Linda Haugan  
Printed Name

Commission Chair  
Title

\_\_\_\_\_  
Dated

▶ \_\_\_\_\_  
Authorized Signature

David Showalter  
Printed Name

Partner  
Title

\_\_\_\_\_  
Dated

Official Stamp

Reviewed for Processing

▶ \_\_\_\_\_  
Cindy Faulkner  
Operations Manager

\_\_\_\_\_  
Date

Approved as to Legal Form

▶ \_\_\_\_\_  
Regina Coleman  
Commission Counsel

\_\_\_\_\_  
Date

Presented to Commission for  
Signature

▶ \_\_\_\_\_  
Karen E. Scott  
Executive Director

\_\_\_\_\_  
Date

**ATTACHMENT B - FIRST 5 SAN BERNARDINO COST/FEE**

<b>Budget for Audit Review ending in June 30, 2015 (FY15-16)</b>			
Staff Level			
(List Staff Involved)	Standard Hourly	Estimated Hours	Proposed Fees
Partner	205	12	\$ 2,460
Manager	185	16	2,960
Supervisor	165	40	6,600
Senior	135	80	10,800
Staff	85	80	6,800
Subtotal		232	\$ 29,900
Less Professional Discount			\$ (9,000)
Total Costs Not to Exceed Maximum Fees			\$ <b>20,900</b>

Agenda Item 5: October 27, 2014 Commission Meeting



**AGENDA ITEM 6  
OCTOBER 27, 2014**

<b>Subject</b>	Children's Network Contract Amendment
<b>Recommendations</b>	Approve Amendment A4 to Contract CE009 with the County of San Bernardino on behalf of Children's Network extending and increasing the contract for 6 months for \$164,194 for the latter half of FY 2014-2015 for a total contract amount not to exceed \$1,680,338 to continue implementation of countywide educational campaigns and community events addressing child abuse prevention. (Presenter: Bobbi Albano, Staff Analyst II, 252-4266)
<b>Background Information</b>	<p>Children's Network was created to identify gaps and overlaps in services, provide a forum for clarifying perceptions and expectations among and between agencies and the community. Children's network also sets priorities for interagency projects and implements collaborative programs, public and private, to ensure better, more comprehensive services to children and youth.</p> <p>In an effort to continue this collaboration within the County and under the direction of the Children's Policy Council, Children's Network will continue to coordinate with the members of the Children's Policy Council, the Child Abuse Prevention Council and First 5 San Bernardino to provide a systematic approach to provide child abuse awareness and prevention training in San Bernardino County. This will consist of four activities outlined in the proposed semi-annual contract amendment.</p> <p>First, this amendment will support the Annual Shine a Light on Child Abuse Awards Breakfast. This event historically attracts more than 400 professionals who provide services to children in San Bernardino County. This annual awards breakfast honors individuals and organizations for their outstanding dedication and tireless efforts on behalf of at-risk children in our communities.</p> <p>Additionally, Children's Network will continue its partnership with Arrowhead Regional Medical Center (ARMC) on the shaken baby prevention project, which provides Shaken Baby Syndrome Prevention training to new parents of children born at ARMC. Continuing efforts to reach out to other medical centers in the county will be pursued as well in order to make this training available to new parents giving birth at other medical facilities.</p> <p>The comprehensive and strategic media campaign will be continued with collaboration between the Children's Policy Council, the Child Abuse Prevention Council and First 5 San Bernardino. The campaign will increase the public awareness on the prevention of child abuse and focus on safe sleep, shaken baby syndrome, post-partum depression and other topics related to child abuse prevention and child safety.</p> <p>Finally, Children's Network will participate in the Child Death Review meetings and provide quarterly and annual reports on findings specific to the 0-5 population.</p> <p>Pending Commission approval, these activities resolve to enhance the outcome that communities are engaged and empowered to meet the needs of children through community education, public education campaigns and community collaboratives.</p>

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**Financial Impact**      Total financial investment of \$164,194 for the remainder of Fiscal Year 2014-2015.

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**Review**                      Regina Coleman, Commission Counsel

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<b>Report on Action as taken</b>
<b>Action:</b>
<b>Moved:</b> _____ <b>Second:</b> _____
<b>In Favor:</b>
<b>Opposed:</b>
<b>Abstained:</b>
<b>Comments:</b> _____
<b>Witnessed:</b>



## Program Outline Document 2014-2015

### AGENCY INFORMATION

Contract #: CE009 A4

Legal Entity: County of San Bernardino

Dept./Division: Children's Network

Project Name: Community Engagement

Address: 825 East Hospitality Lane, 2<sup>nd</sup> Floor  
San Bernardino, CA 92415

Phone #: (909) 383-9677

Website: <http://hs.sbcounty.gov/CN>

Fax #: (909) 383-9688

Program Site Address: 825 East Hospitality Lane, 2<sup>nd</sup> Floor  
San Bernardino, CA 92415  
(see attached for additional sites)

Client Referral Phone #: (909) 383-9677

### CONTACT INFORMATION

#### CONTRACT REPRESENTATIVE/SIGNING AUTHORITY

Name: Janice Rutherford

Title: Chair, Board of Supervisors

Address: 385 North Arrowhead Avenue, Fifth Floor  
San Bernardino, CA 92415

Direct Phone #: (909) 387-4833

Fax #: (909) 387-9090

E-Mail: [janice.rutherford@bos.sbcounty.gov](mailto:janice.rutherford@bos.sbcounty.gov)

#### PROGRAM CONTACT

Name: Kristy Loufek

Title: Community & Events Coordinator

Address: 825 East Hospitality Lane, 2<sup>nd</sup> Floor  
San Bernardino, CA 92415

Direct Phone #: (909) 383-9651

Fax #: (909) 383-9688

E-Mail: [kloufek@hss.sbcounty.gov](mailto:kloufek@hss.sbcounty.gov)

#### FISCAL CONTACT

Name: Janki Naik

Title: Analyst

Address: 825 East Hospitality Lane, 2<sup>nd</sup> Floor  
San Bernardino, CA 92415

Direct Phone #: (909) 383-9771

Fax #: (909) 383-9688

E-Mail: [janki.naik@hss.sbcounty.gov](mailto:janki.naik@hss.sbcounty.gov)

**ADDITIONAL CONTACT (Describe):** Contract Representative

**Name:** Kathy Turnbull **Title:** Associate Network Officer

**Address:** 825 East Hospitality Lane, 2<sup>nd</sup> Floor **Direct Phone #:** (909) 383-9758  
San Bernardino, CA 92415

**Fax #:** (909) 383-9688

**E-Mail:** [kturnbull@hss.sbcounty.gov](mailto:kturnbull@hss.sbcounty.gov)

**PROGRAM INFORMATION**

**TYPE OF AGENCY**

- Educational Institution **Describe:** Choose an item.
- Government Agency **Describe:** County
- Private Entity/Institution **Describe:** Choose an item.
- Community-Based **Describe:** Choose an item.

**FIRST 5 FOCUS AREA**

**STRATEGY**

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Health             | <input type="checkbox"/> Early Screening and Intervention             | <input type="checkbox"/> Health & Safety Education     |
|   | <input type="checkbox"/> Health Care Access                           | <input type="checkbox"/> Other:                        |
|   | <input type="checkbox"/> Oral Health                                  | <hr/>  |
| <input type="checkbox"/> Education          | <input type="checkbox"/> Early Education Programs                     | <input type="checkbox"/> Quality Provider Programs     |
|   | <input type="checkbox"/> Access to Quality Child Care                 | <input type="checkbox"/> Other:                        |
|   |   | <hr/>  |
| <input type="checkbox"/> Family             | <input type="checkbox"/> Parent Education                             | <input type="checkbox"/> Other:                        |
|   | <input type="checkbox"/> Resource Center & Case Management            | <hr/>  |
| <input checked="" type="checkbox"/> Systems | <input type="checkbox"/> Integrated Systems Planning & Implementation | <input checked="" type="checkbox"/> Community Outreach |
|   | <input type="checkbox"/> Countywide Information Referral Systems      | <input type="checkbox"/> Other:                        |
|   | <input type="checkbox"/> Organizational Capacity Building             | <hr/>  |

**PROGRAM DESCRIPTION**

For the final six months of the fiscal year 2014/15, Children’s Network will continue to provide community outreach through various awareness events including the Shine a Light on Child Abuse Awards Breakfast, post-partum awareness campaign and shaken baby syndrome awareness training.

**SERVICE AREA (LOCATIONS)**

Countywide

**COMMISSION LEVEL OUTCOMES**

Families, providers, and stakeholders collaborate on the well-being of a child.

**ASSIGNED ANALYST:** Bobbi Albano

---

**CONTRACT AMOUNT**

<b>Fiscal Year</b>	<b>Amount</b>
2011-2012	\$ 488,008
2012-2013	\$ 398,098
2013-2014	\$ 411,344
2014-2015 (1 <sup>st</sup> )	\$ 218,694
2014-2015 (2 <sup>nd</sup> )	\$ 164,194
<b>Total</b>	<b>\$ 1,680,338</b>



**Agency Name:**  
**Program Name:**  
**Contract #:**  
**Fiscal Year:** Choose an item.

NAME OF SITE, SITE ADDRESS, PHONE NUMBER & CONTACT NAME	NUMBER OF PARTICIPANTS SERVED
Name of Site Address City, State Zip Contact Name, Title	
Name of Site Address City, State Zip Contact Name, Title	
Name of Site Address City, State Zip Contact Name, Title	
Name of Site Address City, State Zip Contact Name, Title	
Name of Site Address City, State Zip Contact Name, Title	
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Name of Site Address City, State Zip Contact Name, Title	
Name of Site Address City, State Zip Contact Name, Title	

**CHILDREN  
AND FAMILIES  
COMMISSION  
FOR  
SAN BERNARDINO COUNTY  
STANDARD CONTRACT**

FOR COMMISSION USE ONLY						
<input type="checkbox"/> New <input checked="" type="checkbox"/> Change <input type="checkbox"/> Cancel	Vendor Code SANBERN748C	<b>SC</b>	Dept. 903	<b>A</b>	Contract Number CE009 A4	
Organization Children and Families Commission			Dept. 903	Orgn. PROG	Contractor's License No.	
Commission Representative Cindy Faulkner, Operations Manager			Telephone 909-386-7706		Total Contract Amount \$1,680,338	
Contract Type <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:						
If not encumbered or revenue contract type, provide reason: _____						
Commodity Code 95200		Contract Start Date July 1, 2011		Contract End Date June 30, 2015		Original Amount \$488,008
Amendment Amount \$164,194						
Fund RRC	Dept. 903	Organization PROG	Appr. 300	Obj/Rev Source 3357	GRC/PROJ/JOB No. SICIRY15	Amount \$164,194
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount
Abbreviated Use Community Engagement & Systems Improvement			Estimated Payment Total by Fiscal Year			
			FY	Amount	I/D	
			11-12	\$ 488,008		
			12-13	\$ 398,098		
			13-14	\$ 411,344		
			14-15	\$ 164,194	I	

THIS CONTRACT is entered into in the State of California by and between the Children and Families Commission for San Bernardino County, hereinafter called the Commission, and

Legal Name (hereinafter called the Contractor)

County of San Bernardino \_\_\_\_\_

Department/Division \_\_\_\_\_

Children's Network \_\_\_\_\_

Address \_\_\_\_\_

825 E. Hospitality Lane, 2<sup>nd</sup> Floor \_\_\_\_\_

San Bernardino, CA 92415-0049 \_\_\_\_\_

Phone \_\_\_\_\_

(909) 383-9696 \_\_\_\_\_

Federal ID No. \_\_\_\_\_

Program Address (if different from legal address):

\_\_\_\_\_

\_\_\_\_\_

**IT IS HEREBY AGREED AS FOLLOWS:**

**AMENDMENT NO. 4**

**SECTION V. FISCAL PROVISIONS.** Paragraph A. is amended to read as follows:

A. Contract Amount

The contract amount shall not exceed \$ 382,888 for fiscal year 2014-2015 and is not to exceed a cumulative total of \$ 1,680,338 for the duration of the Contract term subject to the availability of California Children and Families Trust Fund monies. The consideration to be paid to Contractor, as provided herein, shall be in full payment for all Contractor's services and expenses incurred in the performance hereof. These funds are divided as follows:

July 1, 2014 through December 31, 2014     \$ 218,694

January 1, 2015 through June 30, 2015     \$ 164,194

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**SECTION VIII. TERM.** Paragraph A. is amended to read as follows:

A. This Contract is effective commencing July 1, 2011 and is extended to June 30, 2015, but may be terminated earlier in accordance with provisions of paragraph below or Section VII of this Contract.

Initial Here

**ATTACHMENTS:**

**Attachment A** –The attached revised Program Work Plan for 2014-2015 is added to the Contract.

**Attachment B** –The attached revised Budget for 2014-2015 is added to the Contract.

All other terms and conditions of this contract remain in full force and effect.

CHILDREN & FAMILIES COMMISSION FOR  
SAN BERNARDINO COUNTY

COUNTY OF SAN BERNARDINO

Legal Entity

▶ \_\_\_\_\_  
Authorized Signature

Linda Haugan  
Printed Name

Commission Chair  
Title

\_\_\_\_\_  
Dated

▶ \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

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Dated

Official Stamp

Reviewed for Processing

▶ \_\_\_\_\_  
Cindy Faulkner  
Operations Manager

\_\_\_\_\_  
Date

Approved as to Legal Form

▶ \_\_\_\_\_  
Regina Coleman  
Commission Counsel

\_\_\_\_\_  
Date

Presented to Commission for  
Signature

▶ \_\_\_\_\_  
Karen E. Scott  
Executive Director

\_\_\_\_\_  
Date



## PROGRAM BUDGET FISCAL YEAR 2014-2015

AGENCY NAME Children's NetworkCONTRACT # CE009 A4

DESCRIPTION		TOTAL PROGRAM COSTS	OTHER FUNDING	DONATED RESOURCES	FIRST 5 FUNDED PROJECT	FIRST 5 PROGRAM RELATED COSTS	FIRST 5 ADMIN COSTS	FIRST 5 %
A. SALARIES & BENEFITS		A	B	C	D			E
FTE	POSITION TITLE							
1	0.75 CN Analyst	54,454	13,614		\$ 40,840	40,840		75.00%
2	0.75 Child Abuse Prevention Coordinator	51,824	12,956		\$ 38,868	38,868		75.00%
3	0.5 Community & Events Coordinator	71,410	35,706		\$ 35,704	35,704		50.00%
TOTAL SALARIES		\$177,688.00	\$62,276.00		\$ 115,412	115,412		64.95%
31	TOTAL BENEFITS				\$ 44,976	4,976		
<b>TOTAL SALARIES, BENEFITS, PROGRAM &amp; ADMIN</b>		<b>\$177,688.00</b>	<b>\$62,276.00</b>		<b>\$ 160,388</b>	160,388		<b>90.26%</b>
B. SERVICES & SUPPLIES		A	B	C	D	D		E
1	PROGRAM MATERIALS/SUPPLIES	25,000			\$ 25,000	25,000		100.00%
2	PARTICIPANT SUPPORT/INCENTIVES				\$ 0			
3	PARTICIPANT TRANSPORTATION				\$ 0			
4	FOOD EXPENSE FOR CLASSES/MEETINGS	1,000			\$ 1,000	1,000		100.00%
5	STAFF DEVELOPMENT/TRAINING	6,000			\$ 6,000	6,000		100.00%
6	EMPLOYEE MILEAGE/TRAVEL				\$ 0			
7	ADVERTISEMENTS	125,000			\$ 125,000	125,000		100.00%
8	PRINTING	15,000			\$ 15,000	15,000		100.00%
9	POSTAGE				\$ 0			
10	SUBSCRIPTIONS	1,000			\$ 1,000	1,000		100.00%
11	OFFICE SUPPLIES				\$ 0			
12	OFFICE EQUIPMENT				\$ 0			
13	RENT/LEASE BUILDING				\$ 0			
14	BUILDING/EQUIPMENT MAINTENANCE				\$ 0			
15	UTILITIES				\$ 0			
16	INSURANCE / TAXES / LICENSES				\$ 0			
17	PROFESSIONAL SERVICES/CONSULTANTS							
	17.1 Shaken Baby Technical Assistance	1,500			\$ 1,500	1,500		
PROFESSIONAL SERVICES - SUBTOTAL		\$ 1,500	\$	\$	\$ 1,500	1,500	\$	
18	INDIRECT COSTS (AS APPROVED)				\$ 0			
<b>TOTAL SERVICES/SUPPLIES</b>		<b>\$174,500.00</b>			<b>\$ 174,500</b>	174,500		<b>100.00%</b>

**PROGRAM BUDGET**  
**FISCAL YEAR 2014-2015**

AGENCY NAME Children's NetworkCONTRACT # CE009 A4

DESCRIPTION	TOTAL PROGRAM COSTS	OTHER FUNDING	DONATED RESOURCES	FIRST 5 FUNDED PROJECT	FIRST 5 PROGRAM RELATED COSTS	FIRST 5 ADMIN COSTS	FIRST 5 %
<b>C. SUBCONTRACTS</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>ER</b>		<b>E</b>
<i>SUBCONTRACTS - AGENCY NAME</i>							
1     1 National Orange Show	12,000	2,000		\$ 10,000	10,000		83.33%
2     2 Ontario Convention Center	126,000	88,000		\$ 38,000	38,000		
<b>TOTAL SUBCONTRACTS</b>	<b>\$ 138,000</b>	<b>\$ 90,000</b>	<b>\$</b>	<b>\$ 48,000</b>	48,000	<b>\$</b>	<b>34.78%</b>
<b>TOTAL PROJECT BUDGET</b>	<b>\$ 490,188</b>	<b>\$ 152,276</b>	<b>\$</b>	<b>\$ 382,888</b>	382,888	<b>\$</b>	<b>78.11%</b>
<b>First 5 Funding %</b>	100.00%	31.06%		78.11%			
<b>Administrative Cost %</b>				<b>100.00%</b>			

**BUDGET NARRATIVE - SALARIES & BENEFITS**

AGENCY NAME Children's Network

CONTRACT # CE009 A4

Line	Position	Hours per Fiscal Year	Total Program Costs	Other Funding	Other Funding Sources	Donated Resources	First 5 Costs	Narrative (Please describe position duties)
1	CN Analyst	1560	\$ 27,227	\$ 6,807		\$ -	\$ 40,840	75% of Salary is \$20,420 and benefits are \$7,556. This position is responsible for fiscal management of the First 5 contracts, data collection, analysis of data. Also provides support to SART and CAP programs. Produces the annual report and CDRT report.
2	Child Abuse Prevention Coordinator	1560	\$ 51,824	\$ 12,956		\$ -	\$ 38,868	75% of salary is \$19,434 and benefits are \$7,191. Attends community events throughout County disseminating CAP and safety materials. Will assist First 5 contracted agencies with resource information.
3	Community & Events Coordinator	1040	\$ 71,410	\$ 35,706		\$ -	\$ 35,704	50% of salary is \$17, 852 and benefits are \$7,741. Plans and implements major CN events including conference and breakfast. Will serve as lead staff in launching Shaken Baby prevention pilot with ARMC.
			\$ -	\$ -		\$ -	\$ -	
<b>TOTAL SALARIES</b>			\$ 150,461	\$ 55,469		\$ -	\$ 115,412	

Line	Listing of Covered Benefits	Total Program Costs	Other Funding	Other Funding Sources	Donated Resources	First 5 Costs	Narrative (Please describe how benefits are calculated)
31	Benefits	\$ -	\$ -		\$ -	\$ 44,976	Benefits are determined by the use of BudgetPro and reflect benefits standard to county employees
<b>TOTAL SALARIES &amp; BENEFITS</b>		\$ 150,461	\$ 55,469		\$ -	\$ 160,388	

**BUDGET NARRATIVE - SERVICES & SUPPLIES**

AGENCY NAME Children's Network

CONTRACT # CE009 A4

Line	Service/Supply	Total Program Costs	Other Funding	Other Funding Sources	Donated Resources	First 5 Costs	Narrative (Please describe need for services/supplies)
1	PROGRAM MATERIALS/SUPPLIES	\$ 25,000	\$ -		\$ -	\$ 25,000	Purchase child abuse prevention literature, safe baby/ toddler materials, and promotional items for dissemination in the community. Pay for fees associated with the hosting collaborative meetings and participating in community fairs/events. Purchase Safe Sleep Survival Kits for parents of newborns. Pay for other child abuse prevention program materials as deemed necessary, i.e., post-partum depression campaign.
2	PARTICIPANT SUPPORT/INCENTIVES	\$ -	\$ -		\$ -	\$ -	
3	PARTICIPANT TRANSPORTATION	\$ -	\$ -		\$ -	\$ -	
4	FOOD EXPENSE FOR CLASSES/MEETINGS	\$ 1,000	\$ -		\$ -	\$ 1,000	Provide some refreshments for Child Abuse Prevention Council meetings and other CAP-related community events hosted by Children's Network.
5	STAFF DEVELOPMENT/TRAINING	\$ 6,000	\$ -		\$ -	\$ 6,000	Attend the APSAC conference in 2015. Attend the Safe Sleep Conference in Pennsylvania in 2015. Also allow staff to attend other program related trainings and other child abuse conferences, as appropriate.
6	EMPLOYEE MILEAGE/TRAVEL	\$ -	\$ -		\$ -	\$ -	
7	ADVERTISEMENTS	\$ 125,000	\$ -		\$ -	\$ 125,000	Pay for an array of advertising related to child abuse prevention, safe sleep for infants, and post-partum depression campaigns. Types and location of advertising will be based on market analysis. Year round presence of advertising is the goal with placement of at least one item per quarter.
8	PRINTING	\$ 15,000	\$ -		\$ -	\$ 15,000	Cover costs of printing brochures and posters i.e., safe sleep, post-partum depression, and other 0-5 specific topics. Cover the cost of printing materials related to Shaken Baby Syndrome Prevention program pilot.
9	POSTAGE	\$ -	\$ -		\$ -	\$ -	
10	SUBSCRIPTIONS	\$ 1,000	\$ -		\$ -	\$ 1,000	Subscriptions/memberships to various professional child abuse and development journals and organizations.
11	OFFICE SUPPLIES	\$ -	\$ -		\$ -	\$ -	
12	OFFICE EQUIPMENT	\$ -	\$ -		\$ -	\$ -	
13	RENT/LEASE BUILDING	\$ -	\$ -		\$ -	\$ -	
14	BUILDING/EQUIPMENT MAINTENANCE	\$ -	\$ -		\$ -	\$ -	
15	UTILITIES	\$ -	\$ -		\$ -	\$ -	

**BUDGET NARRATIVE - SERVICES & SUPPLIES**

AGENCY NAME Children's Network

CONTRACT # CE009 A4

Line	Service/Supply	Total Program Costs	Other Funding	Other Funding Sources	Donated Resources	First 5 Costs	Narrative (Please describe need for services/supplies)
16	INSURANCE / TAXES / LICENSES	\$ -	\$ -		\$ -	\$ -	
17	PROFESSIONAL SERVICES - SUBTOTAL		\$ -		\$ -	\$ 1,500	Technical assistance training for Shaken Baby Syndrome Prevention Program.
18	INDIRECT COSTS (AS APPROVED)	\$ -	\$ -		\$ -	\$ -	
<b>TOTAL SERVICES &amp; SUPPLIES</b>		\$ 173,000	\$ -		\$ -	\$ 174,500	

**BUDGET NARRATIVE - SUBCONTRACTORS**

AGENCY NAME Children's Network

CONTRACT # CE009 A4

Line	Subcontractor	Total Program Costs	Other Funding	Other Funding Sources	Donated Resources	First 5 Costs	Narrative (Please describe need for subcontractors)
1	National Orange Show	\$ 12,000	\$ 2,000		\$ -	\$ 10,000	The annual Shine a Light on Child Abuse Prevention Awards Breakfast is held at this centrally located venue each year.
2	Ontario Convention Center	\$ 126,000	\$ 88,000		\$ -	\$ 38,000	This is the only venue that can meet the needs of our conference based on our large attendance. The total fees cover rental, food, parking, and other fees for over 500 participants.
<b>TOTAL SUBCONTRACTORS</b>		<b>\$ 138,000</b>	<b>\$ 90,000</b>		<b>\$ -</b>	<b>\$ 48,000</b>	



**AGENDA ITEM 7  
OCTOBER 27, 2014**

<b>Subject</b>	RFQ 14-01 Capacity Continuum Contract
<b>Recommendations</b>	Approve Contract IC025 to Social Entrepreneurs, Inc. (SEI) for the period beginning October 28, 2014 and ending June 30, 2017 to assist in the facilitation and implementation of the First 5 San Bernardino Capacity Continuum Project in the amount of \$749,999 for Fiscal Years 2014-2017. (Presenter: Bobbi Albano, Staff Analyst II, 252-4266)
<b>Background Information</b>	<p>On August 7, 2014, the Children and Families Commission approved release of the Capacity Building Continuum Project Request for Qualifications (RFQ 14-01). The deadline for the submission of proposals was 4:00 p.m. on September 4, 2014. A total of four proposals were submitted.</p> <p>Three internal reviewers and three external reviewers, selected for their expertise in capacity building, sustainability training and funding perspective, were selected to evaluate the proposals. An aggregate scoring process was administered which standardized the rating system. Through this critical review process, Social Entrepreneurs, Incorporated was chosen as the most qualified consultant to provide capacity continuum services to support the Commission's goal to further develop strong, adaptive and sustainable organizations that serve the 0-5 population in San Bernardino County.</p> <p>Over the years, there has been an increased investment in capacity building by the First 5 community and many other funders nationwide. While First 5 San Bernardino and other Commissions have been providing a range of trainings, conferences and workshops, many are looking for opportunities to deepen the impact of capacity building assistance to agencies. A growing body of research points to the need for a comprehensive multi-pronged approach that goes beyond individual trainings to include coaching, tailored technical assistance, peer learning and a more intensive training series.</p> <p>Pending Commission approval, Social Entrepreneurs, Incorporated will continue these efforts and create positive outcomes for First 5 Capacity Building Academy graduates, members of the Inland Empire Community Collaborative, graduates of the Academy for Grassroots Organizations, the Expanding Nonprofit Excellence Project and other organizations ready to build upon previous capacity building training.</p>
<b>Financial Impact</b>	\$749,999 for Fiscal Years 2014-2017
<b>Review</b>	Regina Coleman, Commission Counsel

<b>Report on Action as taken</b>
<b>Action:</b>
<b>Moved:</b> _____ <b>Second:</b> _____
<b>In Favor:</b>
<b>Opposed:</b>
<b>Abstained:</b>
<b>Comments:</b> _____
<b>Witnessed:</b>



## Program Outline Document 2014-2015

### AGENCY INFORMATION

Contract #: IC025

Legal Entity: Social Entrepreneurs, Inc.

Dept./Division: \_\_\_\_\_

Project Name: \_\_\_\_\_

Address: 6548 South McCarran Boulevard, Suite B  
Reno, NV 89509

Phone #: (775) 324-4567

Website: [www.socialent.com](http://www.socialent.com)

Fax #: (775) 324-4941

Program Site Address: 6548 South McCarran Boulevard, Suite B  
Reno, NV 89509  
(see attached for additional sites)

Client Referral Phone #: (775) 324-4941

### CONTACT INFORMATION

#### CONTRACT REPRESENTATIVE/SIGNING AUTHORITY

Name: Kelly A. Marschall

Title: Principal

Address: 6548 South McCarran Boulevard, Suite B  
Reno, NV 89509

Direct Phone #: (775) 324-4567

Fax #: (775) 324-4941

E-Mail: [kmarschall9@socialent.com](mailto:kmarschall9@socialent.com)

#### PROGRAM CONTACT

Name: Sarah Boxx

Title: Principal

Address: 6548 South McCarran Boulevard, Suite B  
Reno, NV 89509

Direct Phone #: (775) 324-4567

Fax #: (775) 324-4941

E-Mail: [sboxx@socialent.com](mailto:sboxx@socialent.com)

#### FISCAL CONTACT

Name: Peter Marschall

Title: Operations Associate

Address: 6548 South McCarran Boulevard, Suite B  
Reno, NV 89509

Direct Phone #: (775) 324-4567

Fax #: (775) 324-4941

E-Mail: [pmarschall9@socialent.com](mailto:pmarschall9@socialent.com)

**ADDITIONAL CONTACT (Describe):** Choose an item.

**Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Address:** \_\_\_\_\_ **Direct Phone #:** \_\_\_\_\_

\_\_\_\_\_

**Fax #:** \_\_\_\_\_

**E-Mail:** \_\_\_\_\_

**PROGRAM INFORMATION**

**TYPE OF AGENCY**

**Educational Institution** **Describe:** Choose an item. \_\_\_\_\_

**Government Agency** **Describe:** Choose an item. \_\_\_\_\_

**Private Entity/Institution** **Describe:** **For Profit** \_\_\_\_\_

**Community-Based** **Describe:** Choose an item. \_\_\_\_\_

**FIRST 5 FOCUS AREA**

**STRATEGY**

**Health**  **Early Screening and Intervention**  **Health & Safety Education**  
 **Health Care Access**  **Other:** \_\_\_\_\_  
 **Oral Health**

**Education**  **Early Education Programs**  **Quality Provider Programs**  
 **Access to Quality Child Care**  **Other:** \_\_\_\_\_

**Family**  **Parent Education**  **Other:** \_\_\_\_\_  
 **Resource Center & Case Management**

**Systems**  **Integrated Systems Planning & Implementation**  **Community Outreach**  
 **Countywide Information Referral Systems**  **Other:** \_\_\_\_\_  
 **Organizational Capacity Building**

**PROGRAM DESCRIPTION**

Social Entrepreneurs, Inc. provides consultant services to serve as Sustainability Project Facilitator of the Capacity Continuum Project.

**SERVICE AREA (LOCATIONS)**

Countywide

**GOAL:**

Communities have the capacity to address diverse needs of children.

**ASSIGNED ANALYST:** Bobbi Albano

**CONTRACT AMOUNT**

<b>Fiscal Year</b>	<b>Amount</b>
2014-2015	\$ 185,277
2015-2016	\$ 408,731
2016-2017	\$ 155,991
<b>Total</b>	<b>\$ 749,999</b>



**Agency Name:**  
**Program Name:**  
**Contract #:**  
**Fiscal Year:** Choose an item.

NAME OF SITE, SITE ADDRESS, PHONE NUMBER & CONTACT NAME	NUMBER OF PARTICIPANTS SERVED
Name of Site Address City, State Zip Contact Name, Title	
Name of Site Address City, State Zip Contact Name, Title	
Name of Site Address City, State Zip Contact Name, Title	
Name of Site Address City, State Zip Contact Name, Title	
Name of Site Address City, State Zip Contact Name, Title	
Name of Site Address City, State Zip Contact Name, Title	
Name of Site Address City, State Zip Contact Name, Title	
Name of Site Address City, State Zip Contact Name, Title	

**CHILDREN  
AND FAMILIES  
COMMISSION  
FOR  
SAN BERNARDINO COUNTY  
STANDARD CONTRACT**

<i>FOR COMMISSION USE ONLY</i>						
<input checked="" type="checkbox"/> New	Vendor Code			<b>SC</b>	Dept. <b>A</b>	Contract Number
<input type="checkbox"/> Change				903		<b>IC025</b>
<input type="checkbox"/> Cancel						
Organization				Dept.	Orgn.	Contractor's License No.
Children and Families Commission				903	PROG	
Commission Representative				Telephone		Total Contract Amount
Cindy Faulkner, Operations Manager				909-386-7706		\$749,999
Contract Type						
<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:						
If not encumbered or revenue contract type, provide reason: _____						
Commodity Code		Contract Start Date		Contract End Date		Original Amount
95200		October 28, 2014		June 30, 2017		\$749,999
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount
RRC	903	PROG	300	3357	SYINY15	\$749,999
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount
Abbreviated Use				Estimated Payment Total by Fiscal Year		
Capacity Continuum Project				FY	Amount	I/D
				14-15	\$185,277	_____
				15-16	\$408,731	_____
				16-17	\$155,991	_____

THIS CONTRACT is entered into in the State of California by and between the Children and Families Commission for San Bernardino County, hereinafter called the Commission, and

Legal Name (hereinafter called the Contractor)

Social Entrepreneurs, Inc. \_\_\_\_\_

Department/Division \_\_\_\_\_

Address \_\_\_\_\_

6548 South McCarran Blvd., Suite B \_\_\_\_\_

Reno, NV 89509 \_\_\_\_\_

Phone \_\_\_\_\_

(775) 324-4567 \_\_\_\_\_

Federal ID No. \_\_\_\_\_

86-0847995 \_\_\_\_\_

Program Address (if different from legal address): \_\_\_\_\_

**IT IS HEREBY AGREED AS FOLLOWS:**

**WHEREAS**, the Commission has been authorized by the State of California under Section 130100 -130155 of the Health and Safety Code and Section 30131.2 of the Revenue and Taxation Code, in accordance with the Children and Families Act of 1998, to promote, support and improve the early development of children prenatal through age five, and

**WHEREAS**, the Commission has been authorized by these cited references and by County of San Bernardino Code under Sections 12.291 – 12.297 to contract with organizations for services to children prenatal through age five and their families in San Bernardino County, and

**WHEREAS**, the Commission desires that such services be provided by Contractor and Contractor agrees to provide the services as set forth in this contract,

**NOW THEREFORE**, in accordance with the conditions stated herein, the Commission and Contractor mutually agree to the following terms and conditions:

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## **I. CONTRACTOR'S SERVICE RESPONSIBILITIES**

- A. Contractor shall deliver services for capacity continuum project as outlined in the Request for Qualifications for Capacity Continuum Project and as described in the Project Work Plan **(Attachment A)**.
- B. Contractor shall provide adequate staff for the satisfactory and timely completion of project. The Commission reserves the right to approve the assignment or re-assignment of all key staff roles as identified in Attachment A. Contractor will notify the Commission of any changes of staff assigned to the project.
- C. Contractor shall collaborate with any consultant, technical advisor, or committee designated by the Commission to support the Capacity Continuum Project in the development and implementation process.
- D. Contractor agrees to attend and participate in all meetings relative to the Capacity Continuum Project as requested.
- E. Contractor shall immediately notify the Commission of any reason, problem or potential problem that will impact the quality or quantity of work or the level of performance under this contract and prove specification of any change required.

## **II. CONTRACTOR'S GENERAL RESPONSIBILITIES**

### **A. Performance**

Contractor will provide all services and perform all activities identified in Attachment A of this Contract and will administer the project in a manner acceptable by Commission.

It is understood that the Contractor has the skills, experience and knowledge necessary to perform the work agreed to be performed under this Agreement, and that the Commission relies upon the Contractor's representation about its skills, experience and knowledge to perform the contractor's work in a competent and safe manner. Acceptance by the Commission of the work to be performed under this Agreement does not operate as a release of said Contractor from the responsibility for the work performed.

It is further understood and agreed that the Contractor is apprised of the scope of the work to be performed under this Agreement and the Contractor agrees that said work can and shall be performed in a fully competent and safe manner.

### **B. Contractor Capacity**

In the performance of this Contract, Contractor its agents and employees shall act in an independent capacity and not as officers, employees, or agents of the Commission.

### **C. Contract Assignability**

Without the prior written consent of the Commission, the Contract is not assignable by Contractor either in whole or in part.

### **D. Conflict of Interest**

Contractor shall make all reasonable efforts to ensure that no conflict of interest exists between its officers, employees, subcontractors, independent contractors, consultants, professional service representatives, volunteers and the Commission. Contractor shall make a reasonable effort to prevent employees, consultants, or members of governing bodies from using their positions for purposes that are, or give the appearance of being motivated by a desire for private gain for themselves or others such as those with whom they have family, business, or other ties. In addition, Contractor's employees shall not simultaneously receive payment for work done as an independent contractor without obtaining prior approval from the Executive Director or designee. In the event that the Commission determines that a conflict of interest situation exists, the Commission may disallow any increase in costs associated with the conflict of interest situation and such conflict may constitute grounds for termination of this contract.

E. Former Commission Administrative Officials

Contractor agrees to provide or has already provided information on former Commission administrative officials (as defined below) who are employed by or represent Contractor. The information provided includes a list of former Commission administrative officials who terminated Commission employment within the last five years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of Contractor. For purposes of this provision, "Commission Administrative Official" is defined as a member of the Commission or such Administrative Staff.

If during the course of the administration of this Contract, the Commission determines that the Contractor has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the Commission, this Contract may be immediately terminated. If this Contract is terminated according to this provision, the Commission is entitled to pursue any available legal remedies.

F. Subcontracting

Contractor agrees not to enter into any subcontracting agreements for work contemplated under the contract without first obtaining written approval from the Commission. Any subcontractor shall be subject to the same provisions as the Contractor. Contractor shall be ultimately responsible for the performance of any subcontractor.

G. Recordkeeping

Contractor shall maintain all records and books pertaining to the delivery of services under this Contract and demonstrate accountability for contract performance. Said records shall be kept and maintained within the County of San Bernardino. County shall have the right upon reasonable notice and at reasonable hours of business to examine and inspect such records and books.

Records, should include, but are not limited to, monthly summary sheets, sign-in sheets, and other primary source documents. Fiscal records shall be kept in accordance with Generally Accepted Accounting Principles and must account for all funds, tangible assets, revenue and expenditures. Fiscal records must also comply with the appropriate Office of Management and Budget (OMB) Circulars that state the administrative requirements, cost principles and other standards for accountancy.

All records shall be complete and current and comply with all Contract requirements. Failure to maintain acceptable records per the preceding requirements shall be considered grounds for withholding of payments for billings submitted and for termination of the Contract.

H. Change of Address

Contractor shall notify the Commission in writing of any change in mailing and/or service address. Notification shall occur in advance of the address change. At a minimum, notification must occur within five days of the address change. Change of address shall not interrupt service deliverables outlined in Attachment A.

I. Staffing and Notification

Contractor shall notify Commission of any continuing vacancies and any positions that become vacant during the term of this Contract that may result in reduction of services to be provided under this Contract. Upon notices of vacancies, the Contractor shall apprise Commission of the steps being taken to provide the services without interruption and to fill the position as expeditiously as possible. Vacancies and associated problems shall be reported to the Commission on each periodically required report for the duration of said vacancies and/or problems.

In the event of a problem or potential problem that will severely impact the quality or quantity of service delivery, or the level of performance under this contract, Contractor will notify the Commission within one working day, in writing and by telephone.

J. Contractor Primary Contact

The Contractor will designate one individual to serve as the primary contact and one to serve as the alternate contact, if primary contact is unavailable, on behalf of the Contractor and will notify the Commission of these designees within 15 days after contract approval. The primary contact shall have the authority to identify, on behalf of the Contractor, other parties able to give or receive information on behalf of this contract.

Contractor shall notify the Commission when the primary contact will be unavailable or out of the office for two weeks or more or if there is any change in either the primary or alternate contact.

K. Responsiveness

Contractor or a designee must respond to Commission inquiries within five business days.

L. Grievance Policy

Contractor shall provide a system, approved by the Commission, through which participants of services shall have an opportunity to express their views and complaints regarding the delivery of service. Participants will be made aware of First 5 San Bernardino Grievance Procedures and a copy of the grievance procedures will be made available upon the participant's request.

M. Governing Board

Upon request, Contractor shall provide the Commission with a listing identifying the members of the Board of Directors or other governing party, written schedule of all Board of Directors or other governing party meetings and provide the Commission with copies of the Board of Directors' minutes when discussions or actions taken during these meetings may impact on the contract. All Board of Directors' minutes shall be submitted to the Commission with each periodically required report submitted following approval of the minutes. Further, the Commission representative shall have the option of attending Board meetings during the term of this contract.

N. Confidentiality

Contractor shall require its officers, agents, employees, volunteers and any subcontractor to sign a statement of understanding and comply with the provisions of federal, state and local statutes to assure that:

- All applications and records concerning any individual made or kept by any public officer or agency or contractor in connection with the administration of any services for which funds are received by the Contractor under this contract, will be confidential and will not be open to examination for any purpose not directly connected with the administration, performance, compliance, monitoring or auditing of such services;
- No person will publish, disclose, or permit to be published or disclosed or used, any confidential information pertaining to any applicant or participant of services under this contract;
- Contractor agrees to inform all subcontractors, consultants, employees, agents, and partners of the above provisions.

O. Meeting Attendance

Contractor will be required to attend meetings, workshops and training sessions around issues related to Contractor's particular region or directly related to the type of services being provided by Contractor as determined by the Commission. Notifications of such meetings will be provided to Contractor within 10 business days.

P. Indemnification and Insurance Requirements

Contractor agrees to and shall comply with the following indemnification and insurance requirements:

1. Indemnification – The Contractor agrees to indemnify, defend (with counsel reasonably approved by the Commission) and hold harmless the Commission and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this contract from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses

incurred by the Commission on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. The Contractor's indemnification obligation applies to the Commission's "active" as well as "passive" negligence but does not apply to the Commission's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

2. Additional Insured – All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain endorsements naming the Commission and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the Commission to vicarious liability but shall allow coverage for the Commission to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.
3. Waiver of Subrogation Rights – The Contractor shall require the carriers of required coverages to waive all rights of subrogation against the Commission, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Contractor and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against the Commission.
4. Policies Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the Commission.
5. Severability of Interests – The Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Contractor and the Commission or between the Commission and any other insured or additional insured under the policy.
6. Proof of Coverage – The Contractor shall furnish Certificates of Insurance to the Commission Department administering the contract evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this contract, the Contractor shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.
7. Acceptability of Insurance Carrier – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A- VII".
8. Deductibles and Self-Insured Retention - Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by Risk Management.
9. Failure to Procure Coverage – In the event that any policy of insurance required under this contract does not comply with the requirements, is not procured, or is canceled and not replaced, the Commission has the right but not the obligation or duty to cancel the contract or obtain insurance if it deems necessary and any premiums paid by the Commission will be promptly reimbursed by the Contractor or Commission payments to the Contractor will be reduced to pay for Commission purchased insurance.
10. Insurance Review – Insurance requirements are subject to periodic review by the Commission. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk

Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the Commission. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the Commission, inflation, or any other item reasonably related to the Commission's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this contract. Contractor agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of the Commission to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the Commission.

11. The Contractor agrees to provide insurance set forth in accordance with the requirements herein. If the Contractor uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Contractor agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the contract services.

Without in anyway affecting the indemnity herein provided and in addition thereto, the Contractor shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

- a. Workers' Compensation/Employers Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Contractor and all risks to such persons under this contract.

If Contractor has no employees, it may certify or warrant to the Commission that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the Commission's Director of Risk Management.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

- b. Commercial/General Liability Insurance – The Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:

- 1) Premises operations and mobile equipment.
- 2) Products and completed operations.
- 3) Broad form property damage (including completed operations).
- 4) Explosion, collapse and underground hazards.
- 5) Personal injury
- 6) Contractual liability.
- 7) \$2,000,000 general aggregate limit.

- c. Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If the Contractor is transporting one or more non-employee passengers in performance of contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.

If the Contractor owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

- d. Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a “dropdown” provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

- e. Professional Liability – Professional Liability Insurance with limits of not less than one million (\$1,000,000) per claim or occurrence and two million (\$2,000,000) aggregate limits

or

Errors and Omissions Liability Insurance with limits of not less than one million (\$1,000,000) and two million (\$2,000,000) aggregate limits

or

Directors and Officers Insurance coverage with limits of not less than one million (\$1,000,000) shall be required for Contracts with charter labor committees or other not-for-profit organizations advising or acting on behalf of the County.

If insurance coverage is provided on a “claims made” policy, the “retroactive date” shall be shown and must be before the date of the start of the contract work. The claims made insurance shall be maintained or “tail” coverage provided for a minimum of five (5) years after contract completion.

#### Q. Licenses and Permits

Contractor shall comply with all applicable laws, statutes, ordinances, administrative orders, rules or regulations relating to its duties, obligations and performance under the terms of the Contract and shall procure all necessary licenses and permits required by the laws of the United States, State of California, San Bernardino County and all other appropriate governmental agencies, and agrees to pay all fees and other charges required thereby. Contractor shall maintain all required licenses during the term of this Contract. Contractor will notify the Commission immediately of loss or suspension of any such licenses and permits. Failure to comply with the provisions of this section may result in immediate termination of this Contract.

#### R. Health and Safety

Contractor shall comply with all applicable local, state and federal health and safety codes and regulations, including fire clearances, for each site where program services are provided under the terms of the Contract.

#### S. Contract Compliance/Equal Employment Opportunity

Contractor agrees to comply with the provisions of all applicable Federal, State, and County Laws, regulations and policies relating to equal employment or social services to Participant(s), including laws and regulations hereafter enacted. Contractor shall not unlawfully discriminate against any employee, applicant for employment, or service Participant(s) on the basis of race, national origin or ancestry, religion, sex, marital status, age, political affiliation, sexual orientation, or disability. Information on the above rules and regulations may be obtained from the Commission.

T. Americans with Disabilities Act

Contractor shall comply with all applicable provisions of the Americans with Disabilities Act (ADA).

U. Attorney's Fees

Contractor Understands and agrees that any and all legal fees or costs associated with lawsuits concerning this Contract against the Commission shall be the Contractor's sole expense and shall not be charged as a cost under this Contract. In the event of any Contract dispute herunder, each Party to this Contract shall bear its own attorney's fees and costs regardless of who prevails in the outcome of the dispute.

V. Ownership Rights

The Commission shall have a royalty-free, non-exclusive and irrevocable license to publish, disclose, copy, translate, and otherwise use, copyright or patent, now and hereafter, all reports, studies, information, data, statistics, forms, designs, plans, procedures, systems, and any other materials or properties developed under this contract including those covered by copyright, and reserves the right to authorize others to use or reproduce such material.

W. Attribution

Contractor shall properly acknowledge the Commission per the requirements stated in the First 5 San Bernardino Attribution Standards.

X. Incongruous Activities

Contractor agrees it will not perform or permit any political promotion or religious proselytizing activities in connection with the performance of this contract. Contractor will ensure no staff will conduct activity intended to influence legislation, administrative rule making or the election of candidates for public office during the time compensated under this contract or under representation such activity is being performed under this contract.

Y. Reports

Contractor, in a timely and accurate manner, shall submit reports on designated key aspects of the project as required by the Commission. Instructions, format and required information for the content will be provided by the Commission and available on the website: [www.first5sanbernardino.org](http://www.first5sanbernardino.org).

Report requirements include, but are not limited to and subject to change, the following:

- Project Reports

Contractor shall submit a final internal report of lessons learned including: recommendations for follow-up with agencies, an outline of next steps, and evaluating the success of the Capacity Continuum Project, unless otherwise requested by the Commission.

Initial Here

Z. Debarment, Suspension, and Other Responsibility Matters

As required by Executive Order 12549 [51 Fed. Reg. 6370 (Feb. 18, 1986)] and Debarment and Suspension, And Other Responsibility Matters (45 C.F.R., section 76):

- a. The Contractor certifies that it and any potential subcontractors:

- 1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions (as defined at 45 C.F.R. section 76.200) by any federal department or agency;
- 2) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

- 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (a) (2) of this certification; and
  - 4) Have not within a three-year period proceeding this application had one or more public transactions (federal, state, or local) terminated for cause or default; and
- b. Where the Contractor is unable to certify as true any of the statements in this certification, he or she shall include an explanation in the proposal.

AA. Recycled Paper Products

The Commission has adopted a recycled product purchasing standards policy (11-10), which requires contractors to use recycled paper for proposals and for any printed or photocopied material created as a result of a contract with the Commission. The policy also requires Contractors to use both sides of the paper sheets for reports submitted to the Commission whenever practicable.

**III. COMMISSION RESPONSIBILITIES**

- A. Monitor and evaluate the performance of Contractor in meeting terms of the contract and the quality and effectiveness of services provided, based on criteria determined by Commission, as delineated in this contract.
- B. Compensate Contractor for approved expenses in accordance with Section IV, of this contract.
- C. Specify all reports and deliverables required from the Contractor.
- D. The Executive Director, on behalf of the Commission, may approve any changes or modifications to the scope of work that do not alter the overall purpose or cost of this contract. Any request for a change or modification must be submitted in writing to the Commission and may not be implemented without prior written approval.
- E. The Commission will designate one individual to serve as the primary contact for the contract and will notify the Contractor of this designee within 15 days of the contract approval.

**IV. FISCAL PROVISIONS**

A. Contract Amount

The contract amount shall not exceed \$185,277 for fiscal year 2014 - 2015 and \$408,731 for fiscal year 2015-2016 and \$155,991 for fiscal year 2016 – 2017 and is not to exceed a cumulative total of \$749,999 for the duration of the contract term subject to the availability of California Children and Families Trust Fund monies.

Initial Here

B. Payment Provisions

The Commission will disburse funds on a fee for service/reimbursement payment process based on the contract budget amount for the applicable fiscal year.

Reimbursements under this Contract will be limited to the obligations and expenditures specified in the Project Budget, included in **Attachment B**.

Reimbursement will be limited to items as included in the Budget or as an approved modification and will not be provided for any charge resulting from an error, oversight or omission by Contractor.

Contractor will provide invoices monthly to the Commission within fifteen (15) working days of the month following services performed. The Commission reserves the right to disallow expenditures if the corresponding invoice is not provided to the Commission within sixty (60) days following the month in which services were performed.

C. EFT Payments

Contractor shall accept all payments from the Commission via electronic funds transfers (EFT) directly deposited into the Contractor's designated checking or other bank account. Contractor shall promptly comply with directions and accurately complete forms provided by the Commission required to process EFT payments.

D. Allowable Costs

Funds provided pursuant to this contract shall be expended by Contractor in accordance with the Attachment B –Budget.

Such specified expenditures will be further limited to those that are considered both reasonable and necessary as determined by the Commission. Contractor agrees Commission may recover any payments for services or goods, including rental of facilities, which were not reasonable and necessary or which exceeded the fair market value. The recovery shall be limited to payments over and above reasonable or fair market amounts and any costs of recovery.

The reasonable and allowable reimbursement rate for use of motor vehicles is current IRS allowable rate.

Costs must be incurred only during the contract term, except when specifically approved by the Commission. Contractor shall not use current year funds to pay prior or future year obligations. Contractor will not be reimbursed for expenditures incurred after the expiration or termination of this contract.

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E. Supplanting of Funds

In accordance with the Commission's Supplantation Policy, Contractor shall not supplant any Federal, State or County funds intended for the purposes of this contract with any funds made available under this contract. Contractor shall not claim reimbursement from Commission for, or apply sums received from Commission with respect to that portion of its obligations, which have been paid by another source of revenue. Contractor agrees that it will not use funds received pursuant to this contract, either directly or indirectly, as a contribution or compensation for purposes of obtaining State funds under any State program or County funds under any County programs without prior written approval of the Commission.

F. Payment of Taxes

Commission is not liable for the payments of any taxes, other than applicable sales or use tax, resulting from this Contract however designated, levied or imposed, unless Commission would otherwise be liable for the payment of such taxes in the course of its normal business operations.

G. Budget Line Item Changes

A Budget Revision Request may be submitted by the Contractor to the Commission to modify a line or lines of the approved budget. The request must indicate the proposed line item changes, the budget as amended applying the requested changes and a written justification for each requested change. The request cannot result in any alteration or degradation to the program services and performance target as specified in this contract.

The Executive Director, on behalf of the Commission, has the authority to approve (or deny) the request, provided that the modification does not deviate from the original intent of the contract or increase the total contract amount. Contractor is limited to two Budget Revision Requests per fiscal year.

The Contractor must submit any requests to the Commission no later than March 31st of the fiscal year. Requests must be submitted in hard copy form with original signatures. Postmarked envelopes received after March 31st will not be accepted in lieu of receipt.

H. Budget Line Item Variance

Variances in excess of 10% of a line item cannot be made by the Contractor without prior approval of the Commission. Variance shall not result in a change to the total contract amount or an increase to

the administrative cost allocation of the approved budget. Contractor shall provide written justification for any budget line item variances of more than 10% made during a fiscal quarter in the following Quarterly Expenditure Report/Request for Funds.

I. Procurement

Contractor shall procure services or goods required under this contract on a competitive basis (3 bid process), unless otherwise provided by law, and make selections based on obtaining the best value possible. When a non-competitive procurement is used, a written justification must be maintained and be made available upon request.

J. Fixed Assets

The purchase of any equipment, materials, supplies or property of any kind, including items such as publications, copyrights, which have a single unit cost of \$5000 or more, including tax, and was not included in Contractor's approved budget, shall require the prior written approval of the Executive Director, on behalf of the Commission. Any such purchase shall directly relate to Contractor's services or activities under the terms of the contract.

Any item with a single unit cost of \$1000 or more, including tax, purchased with funds received under the terms of this contract and not fully consumed during the contract term shall revert to be the property of the Commission, unless otherwise specified by the Commission. The disposition of such equipment or property must be approved by the Executive Director upon contract termination.

K. Fiscal Record Keeping

Fiscal records shall be kept in accordance with Generally Accepted Accounting Principles (GAAP) and must account for all funds, tangible assets, revenue and expenditures.

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**V. RIGHT TO MONITOR AND AUDIT**

A. Right to Monitor and Audit

The Commission or any subdivision or appointee thereof, and the State of California or any subdivision or appointee thereof, including the Auditor General, shall have absolute right to monitor and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have absolute right to observe the performance of Contractor in the delivery of services provided under this Contract. Contractor shall give full cooperation during any auditing or monitoring conducted.

Contractor shall cooperate with Commission in the implementation and evaluation of this Contract and comply with any and all reporting requirements established by Commission.

B. Availability of Records

All records pertaining to service delivery and all fiscal, statistical and management books and records shall be available for examination and audit by the Commission, and State representatives for a period of five years after final payment under the Contract or until all pending Commission and State audits are completed, whichever is later. Records, should include, but are not limited to participant files, monthly summary sheets, sign-in sheets, and other primary source documents. Contractor will have available for Commission review, all relevant financial records for the fiscal year being audited including documentation to verify shared costs or costs allocated to various funding sources as well as the basis for which the shared cost was allocated.

Program data shall be retained locally in San Bernardino County and made available upon request or turned over to Commission. If said records are not made available at the scheduled monitoring visit, Contractor may, at Commission's option, be required to reimburse Commission for expenses incurred due to required rescheduling of monitoring visit(s). Such reimbursement will not exceed \$50 per hour (including travel time) and be deducted from the invoiced monthly payment.

C. Assistance by Contractor

Contractor shall provide all reasonable facilities and assistance for the safety and convenience of Commission's representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work of the Contractor.

D. Independent Audit Provisions

On an annual basis, Contractor is required to hire an independent licensed Certified Public Accountant (CPA), who shall prepare and file with the Commission, an Independent Auditor's Report for the term of the Contract.

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E. Recovery of Investigation and Audit Costs

Contractor shall reimburse the Commission for all direct and indirect expenditures incurred in conducting an audit/investigation when Contractor is found in violation of the terms of the contract. Reimbursement for such costs will be withheld from any amounts due to Contractor.

When additional information (receipts, paperwork, etc.) is requested of the Contractor as a result of any audit or monitoring, Contractor must provide all information requested by the deadline specified by the Commission. A failure to provide the information by the specified deadline, will subject the Contractor to the provisions of Section VII (Correction of Performance Deficiencies and Termination).

**VI. CORRECTION OF PERFORMANCE DEFICIENCIES AND TERMINATION**

A. Failure by Contractor to comply with any of the provisions, covenants, requirements, or conditions of this contract shall be a material breach of this contract. In such event the Commission, in addition to any other remedies available at law, in equity, or otherwise specified in this contract, may:

- Afford Contractor a time period within which to cure the breach, which period shall be established at the sole discretion of the Executive Director; and
- Request Contractor provide and implement an action plan to correct breach within a reasonable timeframe; and/or
- Discontinue reimbursement to the contractor for and during the period in which the Contractor is in breach, which reimbursement shall not be entitled to later recovery; and/or;
- Withhold funds pending duration of the breach; and/or
- Offset against any monies billed by the Contractor but yet unpaid by the Commission those monies disallowed pursuant to bullet 3 of this paragraph; and/or
- Immediately terminate this contract with just cause and be relieved of the payment of any consideration to the Contractor should the Contractor fail to perform the covenants herein contained at the time and in the manner herein provided. In the event of such termination, the Commission may proceed with the work in any manner deemed proper by the Commission. The cost to the Commission shall be deducted from any sum due to the contractor under this Contract and the balance, if any, shall be paid by the Contractor upon demand.

B. The Executive Director, on behalf of the Commission, shall give Contractor notice of any action pursuant to this paragraph, which notice shall be effective when given.

C. The Executive Director is authorized to exercise Commission's rights with respect to initiating any remedies or termination of this contract in his/her sole discretion and to give notice as set forth below in this Contract.

**VII. TERM**

A. This contract is effective commencing October 28, 2014 and expires June 30, 2017, but may be terminated earlier in accordance with provisions of paragraph below or Article VII of this Contract.

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- B. Notwithstanding Paragraph A, this Contract may be terminated by either party by serving a written notice thirty days in advance of termination. The Executive Director for the Commission has the authority and discretion to exercise this right on behalf of the Commission.
- C. The contract term may be extended for one additional one-year period by mutual agreement of the parties.
- D. Continuation of this contract for each fiscal year after June 30, 2017 is contingent on a Project Work Plan and a Project Budget being submitted by Contractor and approved by the Commission in the form of an amendment to this contract. Continuation of this contract is also contingent on the priorities, direction, and vision for investments of the Commission.

## VIII. GENERAL PROVISIONS

### A. Notices

When notices are required to be given pursuant to this contract, the notices shall be in writing and mailed to the following respective addresses listed below.

**Contractor:** Social Entrepreneurs, Inc.  
6548 South McCarran Blvd., Suite B  
Reno, NV 89509

**Commission:** First 5 San Bernardino  
735 E. Carnegie Drive, Suite 150  
San Bernardino, CA 92408

- B. Commission shall have Power of Attorney to pay delinquent debts and unpaid wages from accounts payable to Contractor in the event debts and wages have not been paid on a current basis.
- C. Nothing contained in this contract shall be construed as creating a joint venture, partnership or employment arrangement between the parties hereto, nor shall either party have the right, power or authority to create an obligation or duty, expressed or implied, on behalf of the party hereto.
- D. No waiver of any of the provisions of the contract shall be effective unless it is made in a writing which refers to provisions so waived and which is executed by the parties in an amendment to this contract.
- E. Any alterations, variations, modifications, or waivers of provisions of the contract, unless specifically allowed in the contract, shall be valid only when they have been reduced to writing, duly signed and approved by the authorized representatives of both parties as an amendment to this contract. No oral understanding or contract not incorporated herein shall be binding on any of the parties hereto. No course of dealing and no delay or failure of a party in exercising any right under any contract shall affect any other or future exercise of that right or any exercise of any other right. A party shall not be precluded from exercising a right by its having partially exercised that right or its having previously abandoned or discontinued steps to enforce that right.
- F. If any provision of the contract is held by a court of competent jurisdiction to be unenforceable or contrary to law, it shall be modified where practicable to the extent necessary so as to be enforceable, giving effect to the intention of the parties, and the remaining provisions of the contract shall not be affected.
- G. This contract shall be governed by and construed in all aspects in accordance with the laws of the State of California without regard to principles of conflicts of laws. The parties agree to the exclusive jurisdiction of the state courts located in the County of San Bernardino, for any and all disputes arising under this contract, to the exclusion of all other federal and state courts.
- H. Contractor understands and agrees that any and all legal fees or costs associated with lawsuits against Commission concerning this contract shall be Contractor's sole expense and shall not be charged as a

cost under this contract. In the event of any contract dispute hereunder, each party to this contract shall bear its own attorneys' fees and costs regardless of who prevails in the outcome of the dispute.

## **IX. EQUAL EMPLOYMENT OPPORTUNITY/CIVIL RIGHTS**

### **A. Equal Employment Opportunity Program**

Contractor agrees to comply with: the provisions of the County of San Bernardino Equal Employment Opportunity Program and rules and regulations adopted pursuant thereto; Executive Order 11246 [30 Fed. Reg. 12319 (Sept. 24, 1965)], as amended by Executive Orders 11375, 11625, 12138, 12432, and 12250; Title VII of the Civil Rights Act of 1964 (42 U.S.C. section 2000(e), et seq.); Division 21 of the California Department of Social Services Manual of Policies and Procedures; California Welfare and Institutions Code section 10000); the California Fair Employment and Housing Act (Cal. Gov. Code section 12900, et seq.); and other applicable federal, state, County and Commission laws, regulations and policies relating to equal employment or social services to welfare recipients, including laws and regulations hereafter enacted.

The Contractor shall not unlawfully discriminate against any employee, applicant for employment, or service recipient on the basis of race, color, national origin or ancestry, religion, sex, marital status, age, political affiliation or disability. Information on the above rules and regulations may be obtained from the Commission.

### **B. Civil Rights Compliance**

The Contractor shall develop and maintain internal policies and procedures to assure compliance with each factor outlined by State regulation. These policies must be developed into a Civil Rights Plan, which is to be on file with the Commission within 30 days of awarding of the Contract. The Plan must address prohibition of discriminatory practices, accessibility, language services, staff development and training, dissemination of information, complaints of discrimination, compliance review, and duties of the Civil Rights Liaison. Upon request, the Commission will supply a sample of the Plan format. The Contractor will be monitored by the Commission for compliance with provisions of its Civil Rights Plan.

## **X. IMPROPER CONSIDERATION**

Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the Commission in an attempt to secure favorable treatment regarding this Contract.

The Commission, by written notice, may immediately reject any proposal or terminate any Contract if it determines that any improper consideration as described in the preceding paragraph was offered to any officer, employee or agent of the Commission with respect to this Contract. This prohibition shall apply to any amendment, extension or evaluation process once a Contract has been awarded.

Contractor shall immediately report any attempt by a Commission officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor. The report shall be made to the supervisor or manager charged with supervision of the employee or to the Commission Administrative Office. In the event of a termination under this provision, the Commission is entitled to pursue any available legal remedies.

## **XI. DISCLOSURE OF CRIMINAL AND CIVIL PROCEEDINGS**

The Commission reserves the right to request the information described herein from the Contractor. Failure to provide the information may result in termination of the Contract. The Commission also reserves the right to obtain the requested information by way of a background check performed by an investigative firm. The Contractor also may be requested to provide information to clarify initial responses. Negative information provided or discovered may result in termination of the Contract.

The Contractor may be asked to disclose whether the firm or any of its partners, principals, members, associates or key employees (as that term is defined herein), within the last ten years, has been

indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense arising directly or indirectly from the conduct of the firm's business, or whether the firm, or any of its partners, principals, members, associates or key employees, has within the last ten years, been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense involving financial misconduct or fraud. If the response is affirmative, the Contractor will be asked to describe any such indictments or charges (and the status thereof), convictions and the surrounding circumstances in detail.

In addition, the Contractor may be asked to disclose whether the firm, or any of its partners, principals, members, associates or key employees, within the last ten years, has been the subject of legal proceedings as defined herein arising directly from the provision of services by the firm or those individuals. "Legal proceedings" means any civil actions filed in a court of competent jurisdiction, or any matters filed by an administrative or regulatory body with jurisdiction over the firm or the individuals. If the response is affirmative, the Contractor will be asked to describe any such legal proceedings (and the status and disposition thereof) and the surrounding circumstances in detail.

For the purposes of this provision "key employees" includes any individuals providing direct service to the Commission. "Key employees" do not include clerical personnel providing service at the Contractor's offices or locations.

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*continued on next page*

**XII. CONCLUSION**

- A. This contract, consisting of 17 pages and Attachments A - B, inclusive, is the full and complete document describing services to be rendered by Contractor to Commission, including all covenants, conditions, and benefits. Attachments A - B are attached hereto and incorporated herein as though set forth in full.
- B. The signatures of the parties affixed to this contract affirm that they are duly authorized to commit and bind their respective institutions to the terms and conditions set forth in this document.

CHILDREN & FAMILIES COMMISSION FOR  
SAN BERNARDINO COUNTY

SOCIAL ENTREPRENEURS, INC.

Legal Entity

▶ \_\_\_\_\_  
Authorized Signature

▶ \_\_\_\_\_  
Authorized Signature

Linda Haugan  
Printed Name

Kelly Marschall  
Printed Name

Commission Chair  
Title

President  
Title

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

Official Stamp

Reviewed for Processing

Approved as to Legal Form

Presented to Commission for  
Signature

▶ \_\_\_\_\_  
Cindy Faulkner  
Operations Manager

▶ \_\_\_\_\_  
Regina Coleman  
Commission Counsel

▶ \_\_\_\_\_  
Karen E. Scott  
Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Attachment A. Detailed Project Work Plan**

A detailed work plan is provided below showing the individual tasks that are envisioned in order to fulfill all aspects of the project scope and approach described in the proposal. The estimated hours required from SEI and target timeframes for each task are also provided; hours are divided according to type of resource (Consulting Manager and Project Support). The timeframes assume that work can start by October 28, 2014.

**DETAILED WORK PLAN - YEAR 1**

Task #	Description	Timeframe	Hours					Notes
			Principal	Manager	Associate	Research	Support	
<b>PHASE 1: Inform and Engage</b>		Month/Year						
1	Project kickoff meeting with First 5 to review and adjust approach based on their feedback.	Nov-14	6	3				At First 5 office
2	Present revised project approach to IECC and CBA I, II, III and IV graduates to inform and gauge interest and plan open house.	Nov-14	6	3				At First 5 conference room
3	Contact Academy for Grassroots Organizations (Academy Go) to 1) identify how to collaborate on capacity building and 2) identify graduates who may be interested in participating in the Capacity Building Continuum (CBC).	Nov-14	3					Will be bundled with other planned meetings as possible
4	Contact Funder's Alliance to 1) identify how to collaborate on capacity building and 2) identify graduates of the Expanding Nonprofit Excellence Project who may be interested in participating in the CBC.	Nov-14	3					Will be bundled with other planned meetings as possible
5	Create outreach plan based on input provided by First 5, IECC, CBA Graduates, Academy for Grassroots Organizations and the Funder's Alliance.	Nov-14	6	6				
6	Implement outreach plan to identify, inform and engage organizations serving children 0 to 5 to participate in the CBC. Time includes establishment of list serv.	Dec-14	20				30	Constant Contact and working with IECC and other graduates
7	Create materials to communicate CBC options including advanced learning workshops, peer learning groups, IECC participation, and individual organizational capacity building coaching.	Dec-14		20				Includes PowerPoint, calendar, interest form, brochures and overview of the CBC
8	Schedule and manage logistics for open house.	Dec-14					20	
9	Teleconference with IECC to script their role in the open house.	Dec-14	3				3	via teleconference

**DETAILED WORK PLAN - YEAR 1**

Task #	Description	Timeframe	Hours					Notes
			Principal	Manager	Associate	Research	Support	
10	Craft and forward electronic invitation to open house.	Dec-14		4			12	Send to AGO, Funders Alliance, First 5 and SBCCBC
11	Track and manage RSVP list and prepare packets for open house.	Dec-14					20	
12	Conduct open house.	Dec-14	12	6				at First 5
	Travel time during the phase		60	24				

Subtotal for phase - hours

119      66      0      0      85

Subtotal for phase - professional fees

\$15,575      \$7,830      \$0      \$0      \$4,675

PHASE 2: Assess and Prepare		Month/Year						
13	Collect and review interest forms, identifying class configurations and individual coaches for organizational assessment (OCAT) completion.	Jan-15	16	8				Whole team meeting to assign classes and coaches to each participating organization
14	Allowance to contact organization and set up kickoff meetings.	Jan-15	8	4				
15	Conduct kickoff meetings.	Jan 15 - Feb 15	24	12				
16	Technology support and password management for OCAT completion.	Jan 15 - Feb 15	8	4			20	
17	Facilitate completion of organizational assessments and download reports.	Jan 15 - Feb 15	80	40				All participating organizations that haven't completed an OCAT in the past 12 months
18	Create individual TA plans/recommendations based on OCAT results.	Mar-14	20					
19	Map capacity strengths/gaps for San Bernardino organizations based on OCAT results and draft a summary report.	Mar-14	12	12			6	Access database
20	Provide summary report to First 5, IECC, Academy Go, Funders Alliance and SBCCBC for review <b>and</b> to identify tools and resources to include in the CBC to address the gaps.	Mar-14	8				8	

**DETAILED WORK PLAN - YEAR 1**

Task #	Description	Timeframe	Hours					Notes
			Principal	Manager	Associate	Research	Support	
21	Scheduling and communication with IECC, First 5, Academy Go, Funders Alliance and SBCCBC to meet, establish and review tools and resources to include in the CBC to address the gaps.	Mar-14	24	12		30	12	Deliverable will be the toolkit and topics for advanced learning workshops and to address county gaps
22	Facilitate meeting to finalize the 14-15 CBC menu of service offerings.	Mar 15 - Apr 15	4	2		8		IECC, First 5, Academy Go, Funder's Alliance, SBCCBC
23	Provide menu and calendar of CBC service offerings to First 5, IECC, Academy Go, Funders Alliance and SBCCBC.	Apr-15				12		Electronically
	Travel time during the phase		60	32				
	Subtotal for phase - hours		264	126	0	50	46	
	Subtotal for phase - professional fees		\$40,950	\$15,950	\$0	\$3,750	\$2,530	

PHASE 3: Capacity Building: Coach, Connect, Coordinate		Month/Year						
24	Allowance for individual coaching and TA for organizations opting to participate in individual organizational capacity building.	Apr 15 - Jun 15	30	15				Shortened timeframe for TA in Year 1
25	Identify coordinator to support IECC and ongoing local coordination and advocacy.	Nov 14 -Dec 14	8					Recruit from IECC
26	Allowance for monthly communication with First 5, project team and SBCCBC.	Oct 14 - Jun 15	8				8	
27	Allowance for monthly IECC support and facilitation.	Nov 14 - Jun 15	16		106		48	Based on 8 months during Year 1
28	Create peer learning group handbook and evaluation form.	Jan-15	12	12		24	12	
29	Identify peer leaders for each session.	Dec 14 - Jan 15	2				8	
30	Conduct training and orientation for peer leaders on handbook.	Feb-15	8					
31	Support peer leaders in implementing peer group learning sessions (includes an allowance for leadership assessment if selected as an area of interest.)	Mar 15 - Jun 15	16	16				Estimated that two peer learning sessions will occur in year 1
32	Create agenda and invitation list for Annual Capacity Building Continuum Funders Forum and Recognition Ceremony.	Apr-15	2					Celebrate 5 years of capacity building

**DETAILED WORK PLAN - YEAR 1**

Task #	Description	Timeframe	Hours					Notes
			Principal	Manager	Associate	Research	Support	
33	Coaching and support with peer leader participants for ceremony.	Apr 15 - Jun 15	16					
34	Coaching and support for organizations participating in Individual coaching to present capacity building plan(s).	Apr 15 - Jun 15	10	10				
35	Dress rehearsal for ceremony.	Jun-15	16	8				
36	Prepare certificates for ceremony and manage RSVP.	Jun-15					20	Work with First 5 on logistics
37	Coordination with First 5 on logistics of ceremony.	Apr 15 - May 15	8				8	
38	Conduct Annual Capacity Building Continuum Funders Forum and Recognition Ceremony.	Jun-15	16	8				
	Travel time during the phase		48	16				

Subtotal for phase - hours

186      70      106      24      104

Subtotal for phase - professional fees

\$33,600      \$11,165      \$12,190      \$1,800      \$5,720

**YEAR 1 TOTALS**

	Total	By Resource				
Hours	1246	569	262	106	74	235
Professional fees	\$155,735	\$90,125	\$34,945	\$12,190	\$5,550	\$12,925

**DETAILED WORK PLAN - YEAR 2**

Task #	Description	Timeframe	Hours				Support	Notes
			Principal	Manager	Associate	Research		
<b>PHASE 1: Inform and Engage</b>		Month/Year						
1	Project kickoff meeting with First 5 to review and adjust approach to year 2 based on lessons learned, evaluations and feedback.	Jul-15	6	3				At First 5 office
2	Present revised project approach to IECC and CBA I, II, III and IV graduates to structure year 2 calendar and to gather input about soliciting participation in the CBC for year 2.	Jul-15	6	3	3			At First 5 conference room
3	Coach CBC-1 graduates to contact Academy for Grassroots Organizations (Academy Go) to 1) identify how to collaborate on capacity building and 2) identify graduates who may be interested in participating in the CBC.	Jul 15 - Aug 15	3		3			Will be bundled with other planned meetings as possible
4	Coach CBC-1 graduates to contact Funder's Alliance to 1) identify how to collaborate on capacity building and 2) identify graduates of the Expanding Nonprofit Excellence Project who may be interested in participating in the CBC.	Jul 15 - Aug 15	3		3			Will be bundled with other planned meetings as possible
5	Create outreach plan with CBC-1 graduates and members of the IECC.	Aug-15	6	6	6			
6	Implement outreach plan to identify, inform and engage organizations serving children 0 to 5 to participate in Year 2 of the CBC.	Oct-15	4		20		30	Constant Contact and working with IECC and other graduates
7	Create Peer review panel to evaluate interest forms for Year 2 participants.	Oct 15 - Nov 15	2				4	
	Travel time during the phase		12	6				

Subtotal for phase - hours

42                      18                      35                      0                      34

Subtotal for phase - professional fees

\$6,300                      \$2,175                      \$4,025                      \$0                      \$1,870

<b>PHASE 2: Assess and Prepare</b>		Month/Year						
8	Create agenda and tools for year 2 assessment.	Dec-15	2			12		
9	Meet with peer leaders to match them with year 2 participants in supporting the completion of organizational assessments.	Dec-15	8	4	8			One SEI on site with team via teleconference
10	Technology support and password management for OCAT completion.	Dec-15	2				12	
11	Kick off meetings and allowance to assess 15 organizations.	Jan-16	15		15			One SEI on site with Associate Coordinator

**DETAILED WORK PLAN - YEAR 2**

Task #	Description	Timeframe	Hours				Support	Notes
			Principal	Manager	Associate	Research		
12	Support peer leaders in working with year 2 participants to complete assessment.	Jan 16 -Feb 16	15		45			SEI remotely and Associate Coordinator on site
13	Create individual organizational TA plans/recommendations based on OCAT results.	Mar-16	15	15			10	
14	Create menu and calendar of CBC service offerings based on results of previous task.	Mar-16	2		8		8	SEI to create menu with Associate support to canvass participants and calendar activities for Year 2 in consultation with Academy Go
15	Facilitate meeting to review year 2 menu and calendar of CBC service offerings with First 5, IECC, Academy for Grassroots Organizations (Academy Go), Funders Alliance and SBCCBC and to identify additional tools and resources to include in the Continuum to address identified gaps.	Mar-16	3	3	3			Associate Coordinator
	Travel time during the phase		12	8				

Subtotal for phase - hours

74

30

79

12

30

Subtotal for phase - professional fees

\$11,900

\$3,770

\$9,085

\$900

\$1,650

PHASE 3: Capacity Building: Coach, Connect, Coordinate		Month/Year						
16	Create templates for additional tools as approved in phase 2, year 2.	Apr-16	6	6			12	Deliverable will be new Tools and topics for advanced learning workshops and to address county gaps
17	Conduct research for up to six tools.	Jul 15 - Jun 16	12				36	
18	Conduct targeted research to update Year 1 toolkits and digitize them.	Jul 15 - Jun 16		4			32	YouTube channel
19	Draft tools.	Jul 15 - Jun 16		18			36	
20	Review and edit toolkits based on research.	Jul 15 - Jun 16		8			12	
21	Issue advanced learning workshop assignments and schedule dates for them to occur.	Jul-15	2		6		4	
22	Prepare agendas, evaluations and materials for advanced learning workshops.	Jul 15 - Jun 16	24				24	Estimated at 6 hours per workshop

**DETAILED WORK PLAN - YEAR 2**

Task #	Description	Timeframe	Hours					Notes
			Principal	Manager	Associate	Research	Support	
23	Conduct advanced learning workshops.	Jul 15 Oct 15 Jan 16 Apr 16	36		36			Estimated at 4 workshops with 1 out of state presenter and one associate coordinator per workshop. Months may change based on schedules.
24	Create peer leadership tools and evaluation form for use during peer learning groups.	7/1/2015	12	20	8		32	
25	Identify peer leaders for each peer learning group session.	Jul-15	2		8		8	
26	Conduct training and orientation for peer leaders - year 2.	Jul 15 - Aug 15	8	8	8			
27	Support peer leaders in implementing group learning sessions.	Aug 15 Nov 15 Feb 16 May 16	48		36			Partner with one SEI resource. Months may change based on schedules.
28	Establish year 2 priorities for coordinator to support IECC, and provide local coordination and advocacy.	Jul-15	8					May be the same or a new associate coordinator
29	Allowance for monthly IECC support and county coordination.	Jul 15 - Jun 16	24		144		48	Estimated at 12 hours per month for coordinator
30	Conduct individual coaching and TA for organizations opting to participate in individual organizational capacity building.	Jul 15 - Jun 16	100	150				Bank of 250 hours for 25 Year 1 and 2 assessed organizations at 10 hours on average per organization (will vary based on TA plan)
31	Collect evaluation and impact data.	Monthly	3	3	12		24	
32	Plan Annual Capacity Building Continuum Funders Forum and Recognition Ceremony.	Apr 16 - Jun 16	3	3	12		12	
33	Dress Rehearsal for Ceremony.	Jun-16	16	8	8			With IECC, peer leaders and associate coordinator
34	Prepare certificates for ceremony and manage RSVP.	Jun-16	1				15	Work with First 5 on logistics
35	Conduct Annual Capacity Building Continuum Ceremony.	Jun-16	16	8	8			Travel under dress rehearsal
36	Provide summary report to IECC and First 5 with recommended changes for year 3 based on results.	Jun-16	5	5	20		10	

**DETAILED WORK PLAN - YEAR 2**

Task #	Description	Timeframe	Hours				Notes
			Principal	Manager	Associate	Research	
37	Allowance for monthly project team communication and communication with First 5 and SBCCBC.	Jul 15 - Jun 16	24	12	12		
	Travel time during the phase		60	35			
Subtotal for phase - hours			350	253	318	116	189
Subtotal for phase - professional fees			\$102,375	\$72,538	\$83,475	\$30,450	\$49,613

**YEAR 2 TOTALS**

	Total	By Resource				
Hours	1580	466	301	432	128	253
Professional fees	\$380,125	\$120,575	\$78,483	\$96,585	\$31,350	\$53,133

**DETAILED WORK PLAN - YEAR 3**

Task #	Description	Timeframe	Hours				Notes
			Principal	Manager	Associate	Research	
<b>PHASE 1: Inform and Engage</b>		Month/Year					
1	Project kickoff meeting with First 5 to review and adjust approach to year 3 based on lessons learned, evaluations and feedback.	Jul-16	6	3			At First 5 office
2	Present revised project approach to IECC and CBA I, II, III and IV graduates to structure year 3 calendar and to gather input about soliciting participation in the CBC for year 3.	Jul-16	6	3	3		Bundle travel with previous task
3	Coach CBC-2 graduates to contact Academy for Grassroots Organizations to 1) identify how to collaborate on capacity building and 2) identify graduates who may be interested in participating in the CBC.	Jul 16 - Aug 16	3		3		Will be bundled with other planned meetings as possible
4	Coach CBC-2 graduates to contact Funder's Alliance to 1) identify how to collaborate on capacity building and 2) identify graduates of the Expanding Nonprofit Excellence Project who may be interested in participating in the CBC.	Jul 16 - Aug 16	3		3		Will be bundled with other planned meetings as possible
5	Create outreach plan with CBC-1 and CBC-2 graduates and members of the IECC.	Aug-16	1	1	6		

**DETAILED WORK PLAN - YEAR 3**

Task #	Description	Timeframe	Hours					Notes
			Principal	Manager	Associate	Research	Support	
6	Implement outreach plan to identify, inform and engage organizations serving children 0 to 5 to participate in year 3 of the CBC.	Oct-16	2		20		30	Constant Contact and working with IECC and other graduates
7	Create Peer review panel to evaluate interest forms for year 3.	Oct 16 - Nov 16	1		10		4	
	Travel time during the phase		12	6				
Subtotal for phase - hours			34	13	45	0	34	
Subtotal for phase - professional fees			\$4,900	\$1,450	\$5,175	\$0	\$1,870	

PHASE 2: Assess and Prepare		Month/Year						
8	Create agenda and tools for year 3 assessment.	Dec-16	2	2		12		
9	Meet with peer leaders to match them with year 3 participants in supporting the completion of organizational assessments.	Dec-16	4	2	2			One SEI on site with team via teleconference
10	Technology support and password management for OCAT completion.	Dec-16	2		2		6	
11	Kick off meetings and allowance to assess 10 organizations.	Jan-17	10		10			One SEI on site with associate coordinator
12	Support peer leaders in working with year 3 participants to complete assessment.	Jan 17 -Feb 17	10		30			SEI remotely and associate coordinator on site
13	Create individual organizational TA plans/recommendations based on OCAT results.	Mar-17	5	5	1		5	
14	Create menu and calendar of CBC service offerings based on results of previous task.	Mar-17	1		4		8	SEI to create menu with Associate support to canvass participants and calendar activities for year 2 in consultation with Academy Go
15	Facilitate meeting to review year 3 menu and calendar of CBC service offerings with First 5, IECC, Academy for Grassroots Organizations (Academy Go), Funders Alliance and SBCCBC and to identify additional tools and resources to include in the continuum to address identified gaps.	Mar-17	3		3			Associate coordinator
	Travel time during the phase		12	12				
Subtotal for phase - hours			49	21	52	12	19	

**DETAILED WORK PLAN - YEAR 3**

Task #	Description	Timeframe	Hours					Notes
			Principal	Manager	Associate	Research	Support	
Subtotal for phase - professional fees			\$7,525	\$2,175	\$5,980	\$900	\$1,045	
<b>PHASE 3: Capacity Building: Coach, Connect, Coordinate</b>		Month/Year						
16	Create templates for additional tools as approved in phase 2, year 3.	Apr-17	6	6		12		Deliverable will be new tools and topics for advanced learning workshops and to address county gaps
17	Conduct targeted research to update year 2 toolkits and digitize them.	Jul 16 - Jun 17		4		32		
18	Issue advanced learning workshop assignments and schedule dates for them to occur.	Jul-16	2	2	6		4	
19	Prepare agendas, evaluations and materials for advanced learning workshops	Jul 16 - Jun 17	12		12		24	Estimated at 6 hours per workshop
20	Conduct advanced learning workshops.	Jul 16 Oct 16 Jan 17 Apr 17	36		36			Estimated at 4 workshops with 1 out of state presenter and one associate coordinator per workshop
21	Create peer leadership tools and evaluation form for use during peer learning groups.	Jul-16	2	4	8		20	
22	Identify peer leaders for each peer learning group session.	Jul-16	2		8		8	
23	Conduct training and orientation for peer leaders - year 3.	Jul 16 - Aug 16	8		8			
24	Support peer leaders in implementing group learning sessions.	Aug 16 Nov 16 Feb 17 May 17	36		36			Partner with one SEI resource
25	Establish year 3 priorities for coordinator to support IECC, and provide local coordination and advocacy.	Jul-16	2		8			May be the same or a new associate coordinator
26	Allowance for monthly IECC support and county coordination.	Jul 16 - Jun 17	12		144		48	Estimated at 12 hours per month for coordinator
27	Identify sustainability strategies for CBC.	May 17 - Jun 17	2		2			via teleconference

**DETAILED WORK PLAN - YEAR 3**

Task #	Description	Timeframe	Principal	Manager	Hours			Notes
					Associate	Research	Support	
28	Conduct individual coaching and TA for organizations opting to participate in individual organizational capacity building.	Jul 16 - Jun 17	50	50				Bank of 100 hours for 10 year 1, 2, or 3 assessed organizations at 10 hours on average per organization (will vary based on TA plan)
29	Collect evaluation and impact data.	Monthly	1	3	12		12	
30	Plan Annual Capacity Building Continuum Funders Forum and Recognition Ceremony.	Apr 17 - Jun 17	2	2	12		12	
31	Dress rehearsal for ceremony.	Jun-17	8	8	8			With IECC, peer leaders and associate coordinator
32	Prepare certificates for ceremony and manage RSVP.	Jun-17	1				20	Work with First 5 on logistics
33	Conduct Annual Capacity Building Continuum Ceremony.	Jun-17	16	8	8			Travel under dress rehearsal
34	Allowance for monthly project team communication and communication with First 5 and SBCCBC.	Jul 16 - Jun 17	12	12	12			
35	Sustainability support for the CBC and coordinator which may include grant writing, revenue generation strategies, special events and donor appeals.	Jul 16 - Jun 17	4		40			
	Travel time during the phase							

Subtotal for phase - hours  
Subtotal for phase - professional fees

214                      99                      360                      44                      148  
\$37,450                \$14,355                \$41,400                \$3,300                \$8,140

**YEAR 3 TOTALS**

	Total	By Resource				
Hours	1144	297	133	457	56	201
Professional fees	\$135,665	\$49,875	\$17,980	\$52,555	\$4,200	\$11,055

**Timeline**

In order to accomplish the Strategic Objectives listed in the RFQ and to perform the Scope of Services needed to accomplish those objectives, we propose the following project deliverables and timeline:



Phase	Year 1 (Y1) 2014-2015	Year 2 (Y2) 2015-2016	Year 3 (Y3) 2016-2017
<b>Inform &amp; Engage</b>	<ul style="list-style-type: none"> <li>• Outreach &amp; engage participants for CBC1.</li> <li>• Host open house event.</li> </ul>	<ul style="list-style-type: none"> <li>• Coach Y1 peer leaders to outreach &amp; engage participants for CBC2.</li> </ul>	<ul style="list-style-type: none"> <li>• Coach Y2 peer leaders to outreach &amp; engage participants for CBC3.</li> </ul>
<b>Assess &amp; Prepare</b>	<ul style="list-style-type: none"> <li>• Facilitate completion of organizational assessments.</li> <li>• Establish menu of service options.</li> <li>• Establish Capacity Building / TA Plans.</li> <li>• Develop Peer Leader Handbook.</li> <li>• Establish and train a cadre of Peer Leaders.</li> </ul>	<ul style="list-style-type: none"> <li>• Coach Y1 peer leaders to support the completion of organizational assessments.</li> <li>• Establish menu of service options.</li> <li>• Establish Capacity Building / TA Plans.</li> <li>• Expand, train, and support cadre of Peer Leaders.</li> </ul>	<ul style="list-style-type: none"> <li>• Coach Y2 peer leaders to support the completion of organizational assessments.</li> <li>• Establish menu of service options.</li> <li>• Establish Capacity Building / TA Plans.</li> <li>• Expand, train, and support cadre of Peer Leaders.</li> </ul>
<b>Capacity Building: Coach, Connect, Coordinate</b>	<ul style="list-style-type: none"> <li>• Recruitment of Local Associate Coordinator.</li> <li>• Coach Associate Coordinator in provision of local support and advocacy.</li> <li>• Monthly Support for IECC.</li> <li>• Individual Coaching and TA to implement Capacity Building Plans.</li> <li>• Facilitate Peer Learning Groups (2).</li> <li>• Plan and facilitate CBC Funders Forum &amp; Recognition Ceremony.</li> </ul>	<ul style="list-style-type: none"> <li>• Support Associate Coordinator in provision of local support and advocacy.</li> <li>• Monthly Support for IECC.</li> <li>• Individual Coaching and TA to implement Capacity Building Plans.</li> <li>• Support Peer-facilitated Learning Groups (4).</li> <li>• Develop Advanced Learning Toolkits and facilitate workshops (4).</li> <li>• Plan and facilitate CBC Funders Forum &amp; Recognition Ceremony.</li> </ul>	<ul style="list-style-type: none"> <li>• Support Associate Coordinator in provision of local support and advocacy.</li> <li>• Sustainability support activities (grant writing, revenue generation strategies, etc.)</li> <li>• Monthly Support for IECC.</li> <li>• Individual Coaching and TA to implement Capacity Building Plans.</li> <li>• Support Peer-facilitated Learning Groups (4).</li> <li>• Develop Advanced Learning Toolkits and facilitate workshops (4).</li> <li>• Plan and facilitate CBC Funders Forum &amp; Recognition Ceremony.</li> </ul>

Our approach is to build both local agency and systems capacity over the course of the three year term, moving from direct coordination and facilitation of activities in Year 1 to a coaching and mentoring model in Years 2 and 3. The graphic on the following page provides additional information about our approach.

October – December  
2014, 2015, 2016

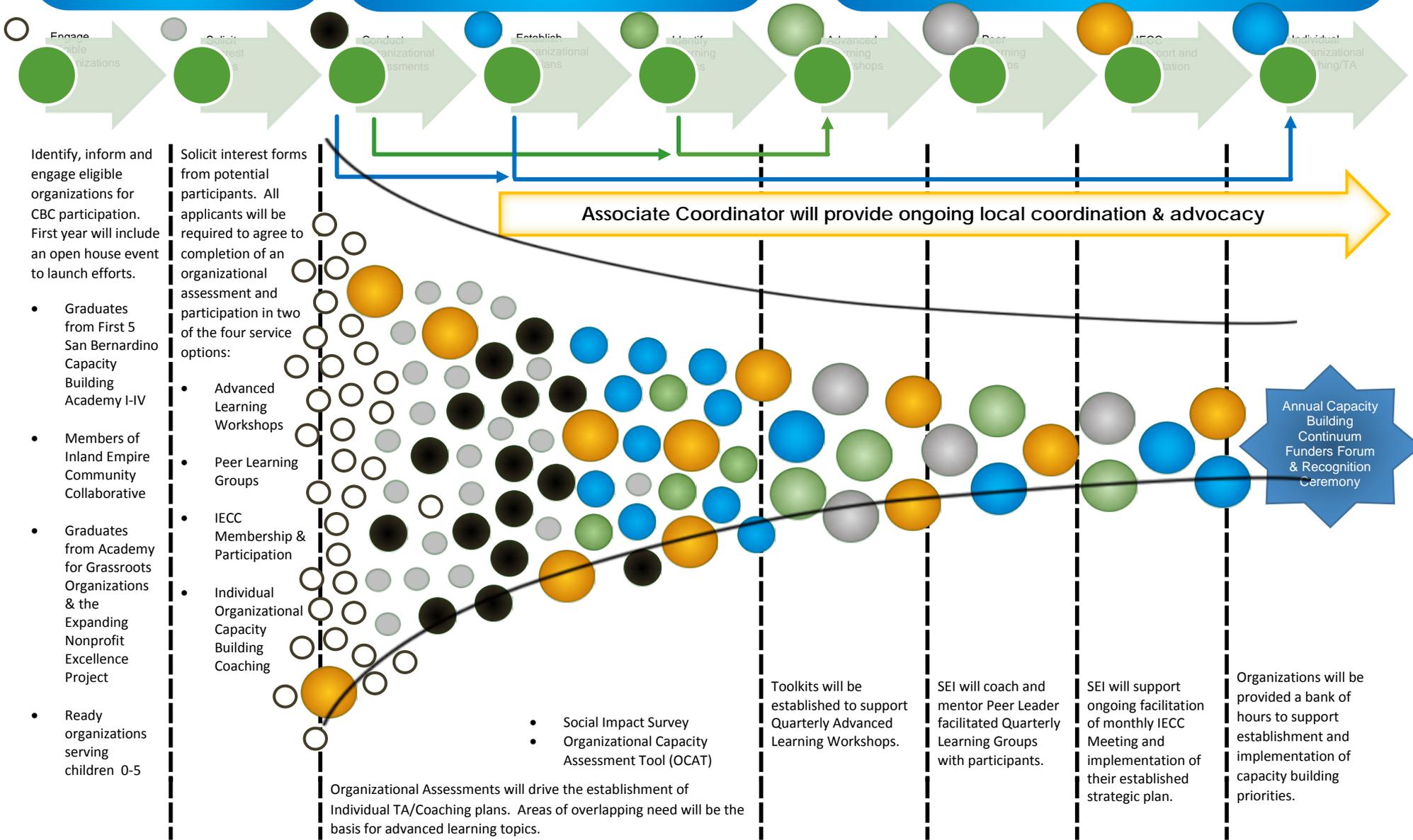
January - March  
2014, 2015, 2016

April – June 2017

**Inform and Engage**

**Assess and Prepare**

**Capacity Building: Coach, Connect, Coordinate**



Identify, inform and engage eligible organizations for CBC participation. First year will include an open house event to launch efforts.

- Graduates from First 5 San Bernardino Capacity Building Academy I-IV
- Members of Inland Empire Community Collaborative
- Graduates from Academy for Grassroots Organizations & the Expanding Nonprofit Excellence Project
- Ready organizations serving children 0-5

Solicit interest forms from potential participants. All applicants will be required to agree to completion of an organizational assessment and participation in two of the four service options:

- Advanced Learning Workshops
- Peer Learning Groups
- IECC Membership & Participation
- Individual Organizational Capacity Building Coaching

Organizational Assessments will drive the establishment of Individual TA/Coaching plans. Areas of overlapping need will be the basis for advanced learning topics.

- Social Impact Survey
- Organizational Capacity Assessment Tool (OCAT)

Toolkits will be established to support Quarterly Advanced Learning Workshops.

SEI will coach and mentor Peer Leader facilitated Quarterly Learning Groups with participants.

SEI will support ongoing facilitation of monthly IECC Meeting and implementation of their established strategic plan.

Organizations will be provided a bank of hours to support establishment and implementation of capacity building priorities.

Associate Coordinator will provide ongoing local coordination & advocacy

Annual Capacity Building Continuum Funders Forum & Recognition Ceremony

**BUDGET**

The activities appropriate to accomplishing the Work Plan are described in Attachment A which contains details outlining the timing and resources by task within each step and demonstrating the activities upon which the budget is based.

To accomplish the scope, the maximum total cost for completion of all activities described in this proposal is \$749,998, consisting of \$671,525 in professional fees and \$78,473 in expenses. These costs will support:

- The establishment of 8 learning toolkits for use during the **Advanced Learning Workshops**.
- The establishment of a peer learning handbook to be used in the recruitment, support and facilitation of **9 Peer Learning Group Sessions**.
- The completion of **Organizational Assessments** that serve to inform the development of up to 35 Organizational Capacity Building TA Plans.
- The provision of more than 500 **Professional TA Consulting** hours to support the development and implementation of Organizational Capacity Building Plans.
- Coaching, mentoring, and establishment of local support for the **IECC Strategic Plan Implementation**.
- Recruitment and support for Associate Coordinator in provision of **Local Coordination and Advocacy**.
- **Sustainability activities** which may include grant writing, revenue generation strategies, special events and donor appeals.
- Annual coordination of the **Capacity Building Continuum Funders Forum and Recognition Ceremony**.

The professional fees are based on the estimated hours contained in the detailed project work plan found in Attachment C of this proposal and hourly rates of \$175 for Principals (Sarah Boxx and Kelly Marschall), \$145 for Consulting Managers (Lisa Watson), \$115 for a Consulting Associate in the form of one or more persons, and \$55 for Project Support. Hours and fees by Year include:

<b><u>TOTAL PROJECT</u></b>	<b><u>SEI Hours</u></b>	<b><u>Professional Fees</u></b>	<b><u>Expenses</u></b>	<b><u>Total Cost</u></b>
Year 1	1246	\$155,735	\$29,542	\$185,277
Year 2	1580	\$380,125	\$28,606	\$408,731
Year 3	1144	\$135,665	\$20,326	\$155,991
<b>Totals</b>	<b>3970</b>	<b>\$671,525</b>	<b>\$78,474</b>	<b>\$749,999</b>

<u>YEAR 1</u>	<u>SEI Hours</u>	<u>Professional Fees</u>	<u>Expenses</u>	<u>Total Cost</u>
PHASE 1: Inform and Engage	270	\$28,080	\$7,732	\$35,812
PHASE 2: Assess and Prepare	486	\$63,180	\$11,748	\$74,928
PHASE 3: Capacity Building: Coach, Connect, Coordinate	490	\$64,475	\$10,062	\$74,537
Totals	1246	\$155,735	\$29,542	\$185,277

<u>YEAR 2</u>	<u>SEI Hours</u>	<u>Professional Fees</u>	<u>Expenses</u>	<u>Total Cost</u>
PHASE 1: Inform and Engage	129	\$14,370	\$4,918	\$19,288
PHASE 2: Assess and Prepare	225	\$27,305	\$3,340	\$30,645
PHASE 3: Capacity Building: Coach, Connect, Coordinate	1226	\$338,450	\$20,348	\$358,798
Totals	1580	\$380,125	\$28,606	\$408,731

<u>YEAR 3</u>	<u>SEI Hours</u>	<u>Professional Fees</u>	<u>Expenses</u>	<u>Total Cost</u>
PHASE 1: Inform and Engage	126	\$13,395	\$2,108	\$15,503
PHASE 2: Assess and Prepare	153	\$17,625	\$2,605	\$20,230
PHASE 3: Capacity Building: Coach, Connect, Coordinate	865	\$104,645	\$15,613	\$120,258
Totals	1144	\$135,665	\$20,326	\$155,991

Direct expenses reflect the projected SEI out-of-pocket costs for travel, printing, long distance telephone calls, and other expenses directly related to the project. A breakdown of the estimated expenses is shown in the table below.

**TOTAL EXPENSE BREAKDOWN**

<b>Expense Type</b>	<b>Expense Calculation</b>	<b>Total Cost</b>
Airfare Year 1	Estimated 35 total plane flights at an average cost of \$458.20 per trip	\$16,037
Airfare Year 2	Estimated 34 total plane flights at an average cost of \$465.00 per trip	\$15,810
Airfare Year 3	Estimated 23 total plane flights at an average cost of \$465.00 per trip	\$10,695
Lodging Year 1	Estimated 35 room nights at an average cost of \$122.00 per night, including room taxes and surcharges	\$4,270
Lodging Year 2	Estimated 34 room nights at an average cost of \$125.00 per night, including room taxes and surcharges	\$4,250
Lodging Year 3	Estimated 23 room nights at an average cost of \$125.00 per night, including room taxes and surcharges	\$2,875
Meals	Up to 92 travel days at \$48.00 per day	\$4,416
Car rental and gas	Estimated 84 days of car rental at an average cost of \$65.00 per day for rental charges and gas	\$5,460
Airport parking	Estimated 85 days of airport parking for trips involving plane flights, at an average cost of \$32.00 per day	\$2,720
Meeting supplies	20 meetings requiring special supplies, at an average cost of \$25.00 per meeting	\$500
Meeting refreshments	Provide simple refreshments for attendees at up to 25.00 meetings, at an average cost of \$325.00 per meeting	\$8,125
Long distance phone calls	Allowance for long distance telephone calls throughout the project	\$145
Teleconference services	Allowance for teleconference services throughout the project to connect people at multiple locations together on conference calls	\$40
Copies and printing	Allowance for printing costs throughout the project, such as copies of agendas and handouts for meetings and other printing needed to complete tasks in the detailed work plan	\$320
Miscellaneous	Online subscription to support Continuum	\$360
	Allowance for cost of Leadership Assessment \$125 x 10 assessments	\$1,250
	Annual purchase of binders, USB drives and dividers	\$1,200
<b>Total Estimated Expenses</b>		<b>\$78,474</b>

**YEAR 1 EXPENSE BREAKDOWN**

<b>Expense Type</b>	<b>Expense Calculation</b>	<b>Total Cost</b>
Airfare	Estimated 35 total plane flights at an average cost of \$458.20 per trip	\$16,037
Lodging	Estimated 35 room nights at an average cost of \$122.00 per night, including room taxes and surcharges	\$4,270
Meals	Up to 35 travel days at \$48.00 per day	\$1,680
Car rental and gas	Estimated 31 days of car rental at an average cost of \$65.00 per day for rental charges and gas	\$2,015
Airport parking	Estimated 30 days of airport parking for trips involving plane flights, at an average cost of \$32.00 per day	\$960
Meeting supplies	6 meetings requiring special supplies, at an average cost of \$25.00 per meeting	\$150
Meeting refreshments	Provide simple refreshments for attendees at up to 7.00 meetings, at an average cost of \$325.00 per meeting	\$2,275
Long distance phone calls	Allowance for long distance telephone calls throughout the project	\$25
Teleconference services	Allowance for teleconference services throughout the project to connect people at multiple locations together on conference calls	\$40
Copies and printing	Allowance for printing costs throughout the project, such as copies of agendas and handouts for meetings and other printing needed to complete tasks in the detailed work plan	\$320
Miscellaneous	Online subscription to support Continuum	\$120
	Allowance for cost of Leadership Assessment \$125 x 10 assessments	\$1,250
	Annual purchase of binders, USB drives and dividers	\$400
Total Estimated Expenses - Year 1		\$29,542

**YEAR 2 EXPENSE BREAKDOWN**

<b>Expense Type</b>	<b>Expense Calculation</b>	<b>Total Cost</b>
Airfare	Estimated 34 total plane flights at an average cost of \$465.00 per trip	\$15,810
Lodging	Estimated 34 room nights at an average cost of \$125.00 per night, including room taxes and surcharges	\$4,250
Meals	Up to 34 travel days at \$48.00 per day	\$1,632
Car rental and gas	Estimated 31 days of car rental at an average cost of \$65.00 per day for rental charges and gas	\$2,015
Airport parking	Estimated 33 days of airport parking for trips involving plane flights, at an average cost of \$32.00 per day	\$1,056
Meeting supplies	7 meetings requiring special supplies, at an average cost of \$25.00 per meeting	\$175
Meeting refreshments	Provide simple refreshments for attendees at up to 9.50 meetings, at an average cost of \$325.00 per meeting	\$3,088

Long distance phone calls	Allowance for long distance telephone calls throughout the project	\$60
Miscellaneous	Online subscription to support Continuum	\$120
	Annual purchase of binders, USB drives and dividers	\$400
Total Estimated Expenses - Year 2		\$28,606

**YEAR 3 EXPENSE BREAKDOWN**

<b>Expense Type</b>	<b>Expense Calculation</b>	<b>Total Cost</b>
Airfare	Estimated 23 total plane flights at an average cost of \$465.00 per trip	\$10,695
Lodging	Estimated 23 room nights at an average cost of \$125.00 per night, including room taxes and surcharges	\$2,875
Meals	Up to 23 travel days at \$48.00 per day	\$1,104
Car rental and gas	Estimated 22 days of car rental at an average cost of \$65.00 per day for rental charges and gas	\$1,430
Airport parking	Estimated 22 days of airport parking for trips involving plane flights, at an average cost of \$32.00 per day	\$704
Meeting supplies	7 meetings requiring special supplies, at an average cost of \$25.00 per meeting	\$175
Meeting refreshments	Provide simple refreshments for attendees at up to 8.50 meetings, at an average cost of \$325.00 per meeting	\$2,763
Long distance phone calls	Allowance for long distance telephone calls throughout the project	\$60
Miscellaneous	Online subscription to support Continuum	\$120
	Annual purchase of binders, USB drives and dividers	\$400
Total Estimated Expenses - Year 3		\$20,326