



COMMISSIONERS

Francisco Castillo – District 1
Heidy Kellison – District 4
Jennie Pettet – County of Yolo

Sally Brown – District 2
Sue Heitman – District 5
Jim Provenza, Chair -
Board of Supervisors

Jenn Rexroad – District 3
Jesse Ortiz – YCOE
Nichole Arnold – Children
w/ Special Needs

AGENDA

October 10, 2018

3:00-5:00 pm

First 5 Yolo Conference Room
502 Mace Blvd. Ste. 15
Davis, CA 95618

*Commissioner Sue Heitman will join the meeting via teleconference from:
19880 County Road 79, Capay, CA 95607*

*Commissioner Jennie Pettet will join the meeting via teleconference from:
777 W Convention Way, Anaheim, CA 92802*

ADMINISTRATIVE AGENDA

1. Chair Call to Order
2. Chair Roll Call
3. Chair Consider Approval of the Agenda
4. Chair Opportunity for Commissioners to state Conflict and Recusal
5. Public Public Comment
6. Chair Updates and Announcements from the Chair

CONSENT AGENDA

Executive Director recommends approval of Consent Agenda Items 7-8

General Administrative Function

7. Chair Approve First 5 Yolo Commission Meeting Minutes from 9/12/18
8. Chair Approve First 5 Yolo Finance Committee Meeting minutes from 10/1/18

REGULAR AGENDA **Presentation/Discussion/Possible Action**

9.	Chair	Public Hearing: FY17/18 First 5 Yolo Annual Report to the Legislature and First 5 CA	15 minutes
10.	Executive Director	Accept FY17/18 First 5 Yolo Annual Report to the Legislature and First 5 CA	5 minutes
11.	Executive Director	Public Hearing: FY17/18 Independent Financial Audit	20 minutes
12.	Business Services Officer	Approve and Accept FY17-18 Independent Financial Audit	5 minutes
13.	Executive Director	Authorize Maternal Mental Health Services Contract with CommuniCare Health Centers	15 minutes
14.	Executive Director	Executive Director Report	10 minutes
15.	Commissioners	Commissioner Reports	10 minutes
16.	Chair	Adjournment	

Next meeting scheduled: Commission Meeting
November 14, 2018
First 5 Yolo
502 Mace Blvd. Ste. 15, Davis, CA 95618

I declare under penalty of perjury that the foregoing agenda was posted **October 4, 2018** by 5:00 PM at the following places:

- 1) On the bulletin board at the East entrance of the Erwin Meier Administration Center, 625 Court Street, Woodland, California 95695
- 2) On the bulletin board at the First Yolo office, 502 Mace Blvd. Ste. 11, Davis, California 95618
Victoria Zimmerle, Business Services Officer
First 5 Yolo Children and Families Commission

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**First 5 Yolo Children and Families Commission
Agenda Item Cover Sheet**

Attachments

Agenda Item- Commission Meeting Minutes
<i>Background</i>
Final minutes from the First 5 Yolo Commission Meetings held on 9/12/18.
<i>Executive Director Overview</i>
First 5 Yolo Children and Families Commission held a regularly scheduled meeting on September 12, 2018 from 3:00-5:00PM at First 5 Yolo, 502 Mace Blvd. Ste. 15, Davis, CA 95618.
<i>Additional Information</i>
The next regularly scheduled Commission meeting will be held November 14, 2018 at 502 Mace Blvd. Ste. 15, Davis, CA 95618 from 3:00-5:00PM.
<i>Action Requested</i>
Approve minutes from 9/12/18 as submitted or propose edits.

FIRST 5 YOLO
Commission Meeting Minutes
September 12, 2018

The First 5 Yolo Children and Families Commission met on the 12th day of September, 2018 at First 5 Yolo, 502 Mace Blvd. Ste. 15, Davis, CA 95618.

Commissioners in Attendance: Jim Provenza, Sally Brown, Jenn Rexroad, Jesse Ortiz (left at 3:47pm), Jennie Pettet

Staff in Attendance: Gina Daleiden and Victoria Zimmerle

Public in Attendance: Marianne Estes and Mariah Piepho

Item #1: Call to order

J. Provenza called the meeting to order at 3:03 p.m.

Item #2: Roll Call

Absent: Heidy Kellison, Francisco Castillo, Nichole Arnold, Sue Heitman

Item #3: Approval of Agenda

Chair: J. Provenza deemed it approved.

Change order of items as follows: Item 15 will precede item 11, and item 13 will follow item 11.

Item #4: State of Conflict and Recusal

None.

Item #5: Public Comment

None.

Item # 6: Updates and Announcements from the Chair (wait until after voting items)

J. Provenza reported on an Air Board Meeting he recently attended. Particulate matter in the air has negative health impacts, particularly for children. He noted that during fire season, levels can nearly double, increasing the harmful effects of particulate matter which can have lasting impacts even with a single exposure. J. Provenza recommended the Commission consider doing community education to disseminate information related to limiting outside activity during days when the air quality is poor.

J. Rexroad shared that it would be great to identify community facilities that could open their doors to daycare providers for children 0-5 to access during poor air quality days. J. Pettet recommended discussing this possibility with the Child Care Consortium.

Item # 7-9 Consent Agenda

7. Approve 06/13/18 and 07/16/18 Commission Meeting Minutes
8. Adopt FY2018-2019 Commission Calendar
9. Receive Sponsorship Fund Allocation Report (Yolo County Resource Family Approval Foster Care Appreciation Picnic, YCCA Community Baby Shower, HHSA Safe Sleep Module/SIDS Awareness Month, and NCCTC Annual Dinner and Auction)
10. Approve Dedicated Grants to Empower Yolo, RISE, Inc., Yolo County Children's Alliance, and Northern California Children's Therapy Center for Delta MERP Education Project

Approve consent agenda items 7-10.

Item 12: Receive the CHILD Project Pilot Update

G. Daleiden shared that there has been tremendous enthusiasm and commitment from the perinatal team at Communicare, UC Davis contacts, and Yolo County Children's Alliance's HFA staff for The CHILD Project. New project pieces were reviewed and include a partnership with the Yolo Food Bank, who will put together food baskets and provide them for The CHILD Project families at no cost. Food baskets will be given to the Home Visitor to provide families during the initial program visits. Additionally, the MIND institute is actively recruiting a post-doc to help with the evaluation and coordination of this program. With this support, the Project will be able to track much more program and outcome data and current resources allow. It may also be possible to do some comparison of outcomes between families that enroll in home visiting and those that decline services. The MIND Institute should know if there is an available intern in late September.

The project officially started August 1, and the MOU with the City of Davis is signed by First 5 Yolo and awaiting final City signature. Approximately 25 administrative data screens have already been completed by Communicare Perinatal, and the families scoring in top 60% (approximately) will be introduced to the Assessment Worker who will complete the assessment and offer services, if appropriate. The Project is approximately one week away from the initial assessment visits and 1-2 weeks away from the first home visits. YCCA has hired needed staff and the new home visitor is currently being trained. G. Daleiden showed the Commission a flow chart that was developed and shared with all participating agencies to keep all parties on the same page with regard to understanding roles, responsibilities, and pathways.

S. Brown asked for clarification surrounding the ability of Communicare staff to override the administrative data screen and G. Daleiden noted that this ability for professional staff is considered best practice. S. Brown recommended tracking of overrides as another useful measure to guide the refinement of the administrative data screen.

J. Provenza asked when this project could be rolled out as a countywide program. G. Daleiden noted that Communicare has expressed a readiness and willingness to complete administrative data screens at clinics in Woodland and other clinics. Should funding become available, the project could be expanded.

First 5 Yolo also received another private donation of \$5,000 from a non-cannabis related source. G. Daleiden will meet with several policy makers in the coming weeks to continue discussions about the expansion of The CHILD Project.

J. Rexroad asked about the use of MHSA dollars under PEI for the Project. G. Daleiden noted that Yolo County previously funded Moving Beyond Depression (a service to address maternal depression) at Communicare through the use of IGT funds. Funding at the County for this program ended at the close of FY2018. In an effort to restore similar maternal mental health services, First 5 Yolo requested that unspent funds in First 5 Yolo's HMG MHSA-PEI contract be used to open access to maternal mental health services for clients identified by HMG or HMG partners such as HFA Step by Step. At the close of FY2018, First 5 Yolo had approximately \$28,000 in unspent MHSA Funds in the Help Me Grow PEI grant. These funds were approved to rollover and First 5 Yolo will use these funds to restore similar services under Help Me Grow. G. Daleiden thanked J. Pettet for her work moving the request through the MHSA system.

J. Rexroad mentioned that this service might qualify for MHSA Innovation funds as well.

Item # 17: Receive Reports from Commissioners

- J. Pettet: Child welfare is in the process of finalizing all the parent service contracts and they will now include an RBA component which will not only require parents to comply with program but require providers to measure and evaluate behavior change. CWS social workers had the opportunity to meet with providers at the Circling Services event (sponsored in part by First 5 Yolo), during which social workers had the opportunity to hear briefly, on a 1:1 basis, from different community agencies and learn about the resources available in the county. All in attendance reported that the event was highly valuable and additional events may be held in the future.
- J. Rexroad: Yolo County appears to be on the forefront of the partnership between HMG and child welfare. Statewide, they are implementing the CANS (Child and Adolescents Needs and Strengths assessment) and looking at how HMG can be integrated into the system for younger children. Heather Little (First 5 Association) is an expert in both the CANS and HMG. Heather recently attended a forum and presented. J. Rexroad noted that YC CWS might be a good partner to advocate for the use of HMG with Child Welfare Involved families. J. Pettet offered to reach out to Heather Little to discuss ways HMG and the CANS could be used in conjunction to support all ages in Child Welfare. G. Daleiden will connect J. Pettet and Heather Little via email.

Item #18: Adjournment

The meeting was adjourned at 4:15 p.m. The next Commission Meeting will be October 10, 2018 from 3-5pm at the First 5 Yolo, 502 Mace Blvd. Ste. 11, Davis, CA 95618.

**First 5 Yolo Children and Families Commission
Agenda Item Cover Sheet**

Attachments

Agenda Item- Commission Meeting Minutes
<i>Background</i>
Final minutes from the First 5 Yolo Commission Meetings held on 10/1/18.
<i>Executive Director Overview</i>
First 5 Yolo Children and Families Commission Finance Committee held a meeting on October 1, 2018 from 9:00-9:15AM at First 5 Yolo, 502 Mace Blvd. Ste. 15, Davis, CA 95618.
<i>Additional Information</i>
Meeting minutes from the Finance Committee meeting are included as Attachment A to this item.
<i>Action Requested</i>
Approve Finance Committee meeting minutes from 10/1/18 or propose edits.



**First 5 Yolo Children & Families Commission
Finance Committee Meeting Minutes
October 1, 2018, 9:00 a.m.**

Commissioners in Attendance: Jenn Rexroad, Francisco Castillo

Staff in Attendance: Gina Daleiden, Victoria Zimmerle

I. Call to Order

The meeting was called to order at 9:01 a.m.

II. Public Comment

None

III. Review and Approve FY2017-2018 Independent Financial Audit

- IV.** V. Zimmerle reviewed the auditor's report noting that there are no findings related to the presented financial statements, internal controls, or compliance.

Zimmerle also reviewed the financial statements and Management Discussion and Analysis for fiscal year ended June 30, 2018 noting that all governmental fund statements were in line with information provided at the previous Commission meeting on 9/12/18.

As a result of the implementation of GASB75 which necessitated a prior period adjustment and changed how First 5's OPEB liability is reported, the Commission's net position at fiscal year-end is \$191,264, a decrease over the prior year. Prior to the implementation of GASB75, First 5's proportionate share of the net OPEB liability was reported on Yolo County's Financial Statements and were not reflected on First 5 Yolo's financial statements as a long term liability. The new standard resulted in the breakout of the OPEB liability across employers at the County level and therefore, First 5 Yolo is able to report its proportionate share on its financial statements. While total net position over the prior fiscal year has decreased as a result of this new standard, the Commission's fund balance increase over the prior year indicated an improved overall position. The OPEB liability, like the Pension liability, is a long-term liability that the Commission pays into as a percentage of payroll. Total OPEB and Pension liabilities are only reported on the Government Wide Financial Statements.

The Subcommittee reviewed the audited financial statements and asked clarifying questions.

Approve the FY2017-2018 Independent Financial Audit

MOTION J. Rexroad **SECOND:** F. Castillo Motion carries unanimously

- V. The Meeting was adjourned at 9:13 a.m.**

**First 5 Yolo Children and Families Commission
Agenda Item Cover Sheet**

Attachments

Agenda Item- PUBLIC HEARING: FY 17/18 First 5 Yolo Annual Report to the Legislature and First 5 CA.

Background

As required by the Proposition 10 Children & Families Act, the Commission must hold a public hearing to provide input into the Annual Report to First 5 CA for activities provided by First 5 Yolo for the fiscal year 2017-2018.

New this year, First 5 CA has changed the reporting format and requirements in several ways that they believe will enhance the ability to tell the story of impact statewide. Program investments are categorized in a standard format that may differ from individual First 5's. For this reason, "counts," or numbers served and dollars invested in particular focus areas, titles of categories or programs, may vary from the Annual Report to individual strategic plans.

Executive Director Overview

In addition to the attached financial report (AR1), the Annual Report contains primarily statistical data on the number of children, parents and providers served through all funded programs in FY17/18. It also provides demographic data on race/ethnicity, city of origin, and primary language. The final Annual Report must be submitted to First 5 CA by October 31, 2018.

Components of the Commission's Annual Report to the legislature are included in the agenda packet for approval including:

- AR1: Financial Report (Attachment A)
- AR2: Summary Demographics (Attachment B)
- AR3: Evaluation and Improved Systems Summary (Attachment C)

The AR-3 section has two parts. The first is a brief overview of evaluation activities from FY17/18. The second requires a very brief description of one or two funded activities related to "Improved Systems of Care" as defined by First 5 CA Annual Report instructions. First 5 Yolo's narratives focus on Clear Impact (capacity building tool) and Yolo Crisis Nursery's Mobile Client Navigator (direct service creating systems change).

A more detailed presentation and description of program outcomes will be provided to Commissioners in the Local Evaluation Report produced by First 5 Yolo Staff with support from Harder & Company at the Commission meeting in January 2019.

Please note that *The Annual Report has strict word limits and thus text is significantly condensed, and punctuation/grammar may be altered.*

Additional Information

As this is the first year of the new format, The First 5 Association and First 5 CA welcome feedback from local First 5's. First 5 Yolo has already recommended that next year's Report include a specific Help Me Grow program category, as many First 5's are moving to implement this program and the First 5 Association serves as the administrative body for Help Me Grow CA.

Action Requested

Hold Public Hearing.



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

Revenue Detail

Category	Amount
Tobacco Tax Funds	\$1,398,199
First 5 Impact Funds	\$0
Small County Augmentation Funds	\$0
DLL Pilot Funds	\$0
Donations	\$5,740
Revenue From Interest Earned	\$16,988
Grants	\$290,638
Other Funds	\$5,628
Total Revenue	\$1,717,193

Improved Family Functioning

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Family Support	CBO/Non-Profit	<ul style="list-style-type: none"> • Avance • Other 	52	71	0	\$162,437
Intensive Family Support	CBO/Non-Profit	<ul style="list-style-type: none"> • Other 	43	58	0	\$27,891
					Total	\$190,328

Improved Child Development

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
Quality Early Learning Supports	Other Public	<ul style="list-style-type: none"> • CLASS • Other 	3967	328	621	\$70,505
Quality Early Learning Supports	CBO/Non-Profit	<ul style="list-style-type: none"> • Facility Grants 	16	0	0	\$20,000
Early Learning Programs (Direct Costs)	Other Public	<ul style="list-style-type: none"> • Other 	581	580	4	\$47,230
Early Learning Programs (Direct Costs)	CBO/Non-Profit	<ul style="list-style-type: none"> • Playgroups • First 5 funded Preschool 	436	359	4	\$124,950
					Total	\$262,685

Improved Child Health

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
Prenatal and Infant Home Visiting	CBO/Non-Profit	<ul style="list-style-type: none"> Healthy Families America 	27	43	0	\$50,000
Early Intervention	CBO/Non-Profit	<ul style="list-style-type: none"> Other 	1391	1391	486	\$446,267
					Total	\$496,267

Improved Systems Of Care

Service	Grantee	Program(s)	Amount	
Policy and Public Advocacy	CBO/Non-Profit	<ul style="list-style-type: none"> Other 	\$3,257	
Policy and Public Advocacy	Internal	<ul style="list-style-type: none"> Other 	\$265,765	
Programs and Systems Improvement Efforts	CBO/Non-Profit	<ul style="list-style-type: none"> Other 	\$133,920	
Programs and Systems Improvement Efforts	Other Private/For Profit	<ul style="list-style-type: none"> Other 	\$6,000	
Programs and Systems Improvement Efforts	County Health & Human Services	<ul style="list-style-type: none"> Other 	\$7,862	
			Total	\$416,804

Expenditure Details

Category	Amount
Program Expenditures	\$1,366,084
Administrative Expenditures	\$166,076
Evaluation Expenditures	\$99,355
Total Expenditures	\$1,631,515
Excess (Deficiency) Of Revenues Over (Under) Expenses	\$85,678

Other Financing Details

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

Net Change in Fund Balance

Category	Amount
Fund Balance - Beginning	\$1,268,943
Fund Balance - Ending	\$1,354,621
Net Change In Fund Balance	\$85,678

Fiscal Year Fund Balance

Category	Amount
Nonspendable	\$8,357
Restricted	\$354,380
Committed	\$820,464
Assigned	\$171,420
Unassigned	\$0
Total Fund Balance	\$1,354,621

Expenditure Note

No data entered for this section as of 10/4/2018 1:31:23 PM.

Small Population County Funding Augmentation

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



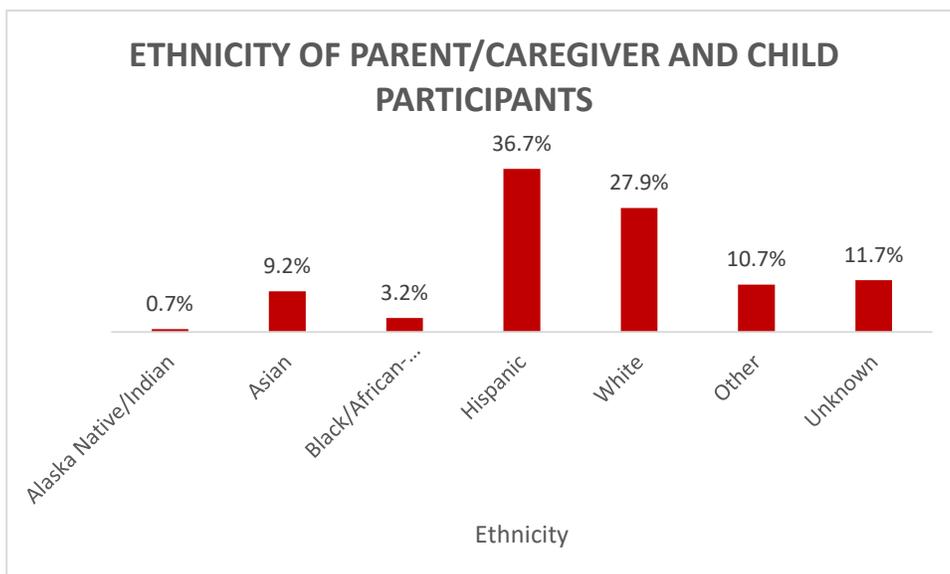
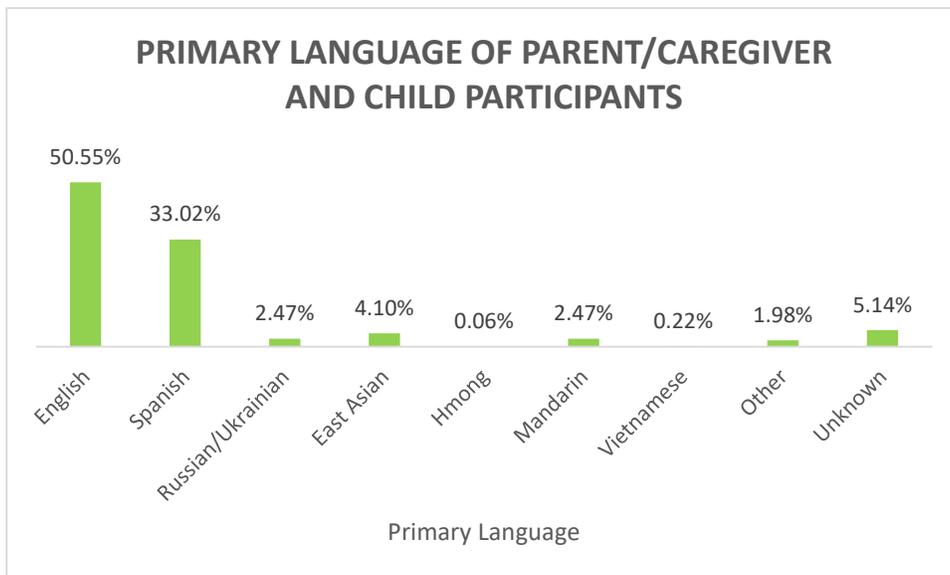
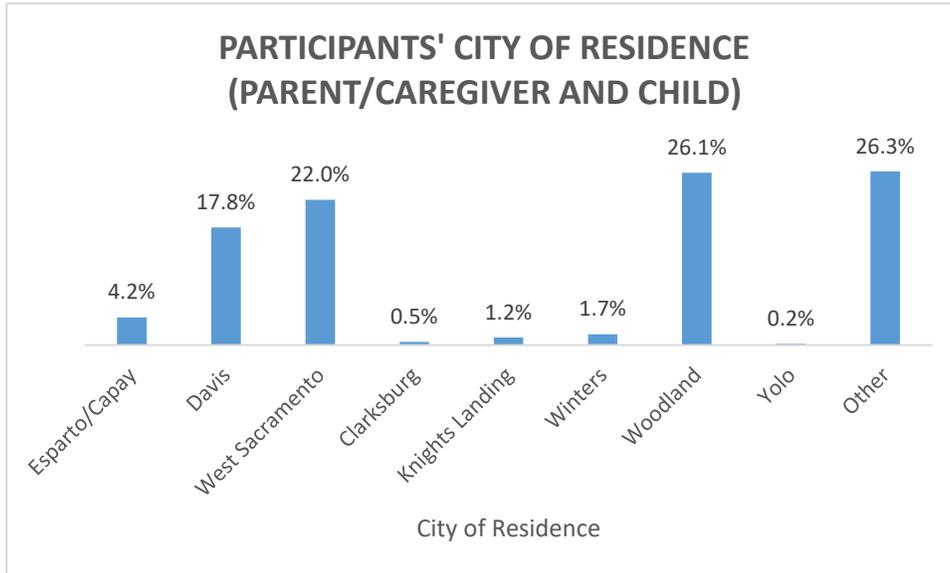
AR-2
Numbers Served: FY 2017-2018

Result Area : Improved Family Functioning (General Family Support & Intensive Family Support)					
Program	Agency	Children	Parent/ Guardians	Other Family Members	Providers
AVANCE	RISE, Inc.	29	47	0	0
FAMILY HUI	Lead 4 Tomorrow	17	24	22	0
EMERGENCY CARE SLOTS	Yolo Crisis Nursery	51	39	0	0
Result Area : Improved Child Development (Early Learning Program Direct Services & Quality Early Learning Support)					
PLAY SCHOOL EXPERIENCE -	Empower Yolo, RISE, Inc., YCCA	412	346	13	4
IMPACT	City of West Sacramento	3803	0	0	594
EARLY LITERACY FOR FAMILIES	Yolo County Library	581	649	49	4
BOOST	City of Winters	164	248	80	27
PRESCHOOL EQUIPMENT	RISE, Inc.	16	0	0	0
ENHANCEMENT OF THE ARTS	Ark Preschool	24	0	0	0
Result Area : Improved Health (Prenatal and Infant Home Visitation & Early Intervention)					
HEALTHY FAMILIES AMERICA (STEP BY STEP/PASO A PASO)	YCCA/ YC HHSa	27	43	0	0
HELP ME GROW	Norther California Children's Therapy Center	1391	1380	11	483
Result Area: Improved Systems of Care (Program and System Improvement)					
FOSTER FAMILY RECRUITMENT AND RETENTION	YCCA	87	70	0	0
MOBILE CLIENT NAVIGATOR	Yolo Crisis Nursery	116	108	38	0
<u>TOTAL</u>		<u>6718</u>	<u>2954</u>	<u>213</u>	<u>1112</u>



AR-2

Parent/Caregiver and Child Participant Demographic Data FY2017-2018



AR-3, Part 1

Evaluation Activities Completed

Working with the Commission's local evaluator, Harder+Co., as appropriate, First 5 Yolo completed the following evaluation activities:

- Reviewed and refined funded program evaluation plans to ensure alignment with First 5 Yolo Strategic Plan, and that each program had tools and clearly defined performance measures to best capture key data.
- Developed specific, meaningful performance measures, reflective of a defined program purpose and goal of using data to understand impact for each funded program.
- Refined Friedman Results Based Accountability format templates for each program.
- Fully implemented training on, and use of, Clear Impact Software, a system of contract management, program improvement, and reporting consistent with Friedman RBA.
- Reviewed and adjusted data collection tools, either individual or across contracts.
- Together with funded partners, analyzed data reported in Clear Impact to focus on continuous quality improvement and efforts to “turn the curve.”
- Analyzed survey and assessment data to learn about the impact of First 5 Yolo funding.
- Prepared final FY 16/17 Local Evaluation Report and shared with community and Commission in January 2018.
- Began FY 17/18 Local Evaluation Report to be completed by January 2019.
- Prepared FY16/17 First 5 CA Report.
- Prepared a comprehensive Evaluation Plan Matrix to align with the new Strategic Plan adopted June 2018. This plan is designed to examine system and program level changes, using data collection instruments tailored for First 5 Yolo, and also based on current best practices in the fields of evaluation and early childhood development and early childhood education. This includes a new retrospective pre/post assessment for Healthy Families America Home Visiting, in preparation for the pilot launch of The CHILD Project in FY18/19.

The following evaluation methods were used for FY17/18 programs and reviewed Q2 and Q4:

1. Child Health investments were specifically focused on Help Me Grow, using HMG National Indicators including demographics, presenting issues, referrals to services, changes in screening results after intervention, and other outcomes. YesYolo is the locally developed data base used for Help Me Grow Yolo. It tracks client data as well as scores developmental and maternal mental health screens.

2. Family Functioning evaluation framework included administrative data from CWS, the HFPI tool, HFA pre/post parent surveys, and Avance program-specific tools.
3. Child Development evaluations included provider surveys, CLASS, ERS, and Early Learning Parent Survey (across multiple programs and providers).
4. Demographic Data reviewed quarterly by First 5 Yolo Staff.

Additional activities included the following on-going efforts:

- Made technological improvements to reporting system and streamlined internal processes for collection, review, and analysis as Friedman RBA is more fully utilized.
- Continued meetings of Funded Partners Roundtables in smaller groups to emphasize work on continuous quality improvement. The Roundtable provides a venue for funded partners (executive directors and program managers) to share outcomes, and for First 5 Yolo to look across our system of care to further understand impact and strategize for improvements. Roundtables are typically held after Q2 and Q4 reporting times.
- Met individually with programs to discuss position entering first year of new Strategic Plan, with a focus on increased coordination among programs along a continuum of high to lower intensity services.

Evaluation Findings Reported

Findings from FY16/17 Local Evaluation were reported early in FY17/18. Funded programs included improved local foster care systems, home visiting for at-risk families, emergency overnight child care and a mobile client navigator to prevent child maltreatment, parent education programs, Help Me Grow Yolo for systemic change, and quality preschool.

Key Highlights

F5Y invested over \$1.1 million in programs that addressed one or more Priority Areas: Child Health, Family Functioning, Child Development, and Systems. F5Y served over 6,700 participants, and reached high proportions of at-risk and underserved participants. The increase in total number served from FY15/16 to FY16/17 is likely from the first full year of implementation of HMG.

In Child Health, F5Y funded HMG to increase the number of children 0-5 screened for developmental, social emotional, behavioral, and cognitive issues; connect families to needed services; and identify and address barriers to accessing services.

- In FY15/16, the nascent HMG program screened 551 children, increasing to 703 children FY16/17.
- Of the children screened, 30% scored in the “concern” range on one or more of the assessments. Identifying these concerns is a first step toward early intervention.

- 50% of the children who scored in the “monitor” or “concern” range were re-screened with an improved score after connecting to referrals or resources.
- 88% of parents served by HMG reported having a better understanding of child development after service.
- The HMG program nearly doubled cross-sector partnerships with multiple agencies to build a system for identifying and supporting children 0-5(n=41). An MHSA grant awarded to F5Y co-funds this program FY17/18-19/20, and will expand medical provider partnerships.

To enhance early learning and development, programs and services focused on increasing parent/child bonding, enhancing early learning, increasing access to high quality preschool, and quality improvement for early childhood providers.

- 99% of Playschool Experience parents reported a better understanding of early learning and development.
- Parents who attended Storytime at the Library increased the amount of time they spent on early literacy activities, including 73% increasing time singing songs with their children, and 66% increasing time reading together.
- F5Y leverages funds with First CA IMPACT to grow a network of high quality early childhood providers. Classrooms participating reached “high quality,” overall avg. QRIS tier score 4.05 (n=43). CLASS scores exceeded quality standard for instructional support, classroom organization, and emotional support.

Family Functioning program investments improved parenting skills, strengthened families, and prevented child maltreatment.

- F5Y continued support of HFA Home Visiting, with 97% of families in this high intensity program avoiding CWS entry.
- All families in HFA were up to date on prenatal/well child medical visits.
- Prevention of child maltreatment was evident at Yolo Crisis Nursery, funded for trauma-informed Emergency Overnight Care. Nearly all parents reported a reduction in stress, and of the highest risk clients (Overnight) 95% avoided entry into CWS, up from 82% the previous year.
- YCN served more children in Overnight Care in FY16/17 than 15/16, as the program strategically expanded.
- In a lower intensity program, 88% of parent in peer-led support groups, Family Hui, reported participation helped them connect to other families.
- Dual-generational AVANCE parent-child education program used an EBP curriculum to build skills and knowledge.

F5Y invests in efforts to improve the systems serving families across YC. The decade-long Foster Care Program highlights this focus. Providing training and support for foster families to help children remain in YC, 100% of newly licensed homes were retained, up 10% from

previous year. 57% of foster children were placed in local homes, compared to only 10% before program inception.

Policy Impact of Evaluation Results

Findings from program level performance measures and evaluations are reviewed on a regular basis by First 5 Yolo Staff, local evaluators, local providers, and The Commission.

Opportunities to increase program quality and impact are made based upon the review of this data. Funded partners are supported in the on-going use of Friedman RBA method of identifying measurable indicators to focus more intently on the extent to which clients are “better off” as a result of programs and services (in addition to reporting numbers in the program). First 5 Yolo invests and trains in Clear Impact performance measure software to enhance the capacity of funded partners to use data to guide program changes, track reporting, and more fully execute RBA.

First 5 Yolo is exploring strategies related to the recommendations made in the FY16/17 Local Evaluation Report, including, but not limited to:

- Targeting services to families across the county and most in need
- Monitoring progress made across similar indicators related to child health, safety, and early learning to help guide future investments
- Monitoring and actively facilitating progress during the expansion and enhancement of Help Me Grow Yolo to increase access to early childhood mental health prevention and early intervention with the first year of a 3-year matching grant from MHSA
- Outreach to community partners, both public and private, to work toward improved coordination in systems of care, and to explore braiding of funds
- Using program data to inform the planning for the new Strategic Plan (adopted June 2018)

In FY17/18, particularly with the 10-month planning process for the new Strategic Plan, First 5 Yolo made greater strides toward improving the systems that serve the County’s youngest children and their families. Steps included committing to increasing systems change investment, including direct services done to improve systems, as well as continued dedication of staff time to participate in and support systems change efforts. Most notably, staff were increasingly involved in successfully advocating for new revenues (from cannabis-related taxes and fees) to be dedicated to early childhood at both the city and county level. This "Thrive by Five" effort will result in new funding beginning FY18/19.

With the new Strategic Plan, the Commission is moving toward funding at the earliest point of leverage to change life trajectory, and a focus on highest-risk families with a coordinated approach to perinatal assessment and programming. A new pilot project, The CHILD Project, begins FY18/19. This project is jointly funded by First 5 Yolo and city cannabis-related

revenue. The purpose is to identify the top highest risk families prenatally, create access to high intensity services for the top 5% of risk, and triage others into appropriate programs. Additionally, funded programs for the next two years will be more coordinated along a continuum of care with the goal of greater impact.

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AR-3, Part 2

Yolo County - Improved Systems of Care (AR 3)

Who was the primary audience for the service?

Clear Impact Performance Improvement and Reporting Software (CI): This investment builds the capacity of providers to strategically address CQI. Providers, public agencies, and the public are all primary targets for this investment.

Mobile Client Navigator (MCN): Victims of family violence w/ children 0-5, parents experiencing domestic violence and other crisis that put their young children at risk of abuse or neglect are the target audience. MCN is embedded at a family violence collaborative.

What were the types of services provided?

CI: Builds RBA capacity for providers to report and analyze data, as well as providing embedded training for following the RBA process for quality improvement in programs. "Scorecards" share data, improvements, and forecasting, building public engagement. CI also streamlines contract management and evaluation by F5Y.

MCN: Opens access to emergency childcare, the Mobile Client Navigator provides crisis intervention, risk assessment, safety planning, navigation and wrap-around case management.

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

CI: The launch of Clear Impact has allowed F5Y to move beyond quantity as a measure of success to a deeper focus on the extent to which investments leave the community "better off" and effect change. The tool also promotes continuous quality improvement in funded programs, and gives F5Y the opportunity to work with funded partners in evaluating and enhancing the system of care in Yolo. CI encourages and supports effective use of RBA, and the intended, dynamic approach to improving systems.

MCN: Improves reach to families when they are seeking a range of services, changing system of entry and care. Pairing Yolo Crisis Nursery directly with these clients opens access to a safety net and helps to stabilize families at-risk of family violence and human trafficking. 97% of parents reported they were able to access services because of the on-site location of MCN, and well over half of the clients entered full Crisis Nursery services. 100% of children avoided entry into CWS during services.

**First 5 Yolo Children and Families Commission
Agenda Item Cover Sheet**

Attachments

Agenda Item- Accept FY17/18 First 5 Yolo Annual Report to the Legislature and First 5 CA

Background

As required by the Proposition 10 Children & Families Act, the Commission votes to accept the Annual Report to First 5 CA for activities provided by First 5 Yolo after holding a public hearing.

Executive Director Overview

Previous to this item, the Commission will hold a public hearing on The First 5 Yolo Annual Report in Item #10. The draft Annual Report can be found in the attachments to Item #10 as Attachments A-C. Please refer to previous item for Annual Report details.

Additional Information

Action Requested

Accept FY17/18 First 5 Yolo Annual Report to the Legislature and First 5 CA.

**First 5 Yolo Children and Families Commission
Agenda Item Cover Sheet**

Attachments

Agenda Item- Public Hearing: FY17/18 Independent Financial Audit

Background

An independent financial audit is conducted annually for First 5 Yolo Children & Families Commission, as mandated by the Children & Families Act.

Over the last year, First 5 Yolo has continued to see improvement in the interface between First 5 and Yolo County, strengthened internal controls, and implementation of best practices related to fiscal oversight, policy, and procedures.

In May 2017, the Commission released an RFP for Independent Audit Services for Fiscal Years ending June 30, 2017, 2018, 2018 and selected JensenSmith to conduct the Commissions annual audit. This is the second year this contract is in effect.

Business Services Officer Overview

The Commission is pleased to report that there were no findings nor auditor adjustments for the current year Independent Financial Audit. Additionally, as a result of improved policies, internal controls, and accounting practices, the Commission’s Independent Auditor notes that, “Staff has made great strides in improving the efficiency and controls within the Commission, including reconciling County reports to internal reports and organization of files and permanent records.”

For the 2017-2018 Fiscal Year, the Commission reported the following:

Item	FY17/18	FY16/17	Change
Net Position- Government Wide Financial Statements	\$191,264	\$273,146	\$(81,882)*
Fund Balance- Fund Financial Statements	\$1,354,621	\$1,268,943	\$85,678
OBEB Liability	\$204,383	\$266,467	\$(62,084)
Pension Liability	\$826,217	\$1,022,270	\$(196,053)

* While total net position over the prior fiscal year has decrease as a result of the implementation of GASB75, the Commission *fund balance increased* over the prior period indicating an improved overall position.

- A prior period adjustment (PPA) in the amount of \$240,598 was recorded to reflect the change in accounting standards due to Governmental Accounting Standards Board (GASB) Statement No 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. FY17/18 ending balances presented in the table above are adjusted to reflect the PPA.

Additional Information

Attached is the Final Draft of the Audited Financial Statements for Fiscal Year ended June 30, 3018.

Action Requested

Hold public hearing.

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**FIRST 5 YOLO COUNTY
CHILDREN AND FAMILIES COMMISSION
(a component unit of the County of Yolo, California)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2018**



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**FIRST 5 YOLO
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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**FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
COMMISSION MEMBERSHIP
FOR THE YEAR ENDED JUNE 30, 2018**

First 5 Yolo Commissioners are appointed by members of the Yolo County Board of Supervisors. Members of First 5 Yolo include five community representatives, one from each of the five districts of Yolo County, two representatives from county agencies, one representative from the business community, and one member of the Yolo County Board of Supervisors

Jim Provenza, Yolo County Supervisor - Chair
Board of Supervisors Representative

Francisco Castillo, Treasurer, District 1
Community Representative

Sally Brown, District 2
Community Representative

Jenn Rexroad, District 3, Finance Committee
Community Representative

Heidy Kellison, Vice Chair, District 4
Community Representative

Sue Heitman, MSW, District 5
Community Representative

Jesse Ortiz, Ed.D., Superintendent Yolo County Office of Education
Education Representative

Jill Cook, MS, RN, PHN, Deputy County Administrative Officer
Yolo County Agency Representative

Nichole Arnold, Member at Large
Children with Special Needs Representative

P.O. Box 160
661 5th Street, Suite 101
Lincoln, CA 95648
Office (916) 434-1662
Fax (916) 434-1090

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
First 5 Yolo County
Children and Families Commission
Davis, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of First 5 Yolo County Children and Families Commission (The Commission), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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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 each major fund of the Commission, as of June 30, 2018, 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 4 through 9 and 30 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with

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auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2018 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
October 10, 2018

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MANAGEMENT'S DISCUSSION & ANALYSIS

**FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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On November 3, 1998, California voters approved Proposition 10 – the Children and Families Act of 1998. The Act imposed 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 Yolo County (County) Board of Supervisors created the Yolo County Children and Families Commission in 1999 under the provisions of the Act. The Commission consists of nine commissioners appointed by the County Board of Supervisors. The Commission is a public entity legally separate and apart from the County, and is considered a discreetly presented component unit of the County.

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, 2018.

FISCAL YEAR 2017-18 FINANCIAL HIGHLIGHTS

- The Commission earned \$1,700,205 from the State of California from revenues collected under the California Children and Families Act (Proposition 10 and Proposition 56) and grants from other governmental funds. This revenue includes an apportionment of \$1,398,199 of tobacco tax revenue (Propositions 10 and 56) and \$296,266 grants. Additional income of \$22,728 was received from other sources, including interest earned of \$16,988. Total revenues were \$1,717,193.
- During the current fiscal year, the Commission's program expenses included \$1,093,319 in grants disbursed to various service providers.
- The total assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$191,264 (*net position*), a decrease of \$81,882, including a prior period adjustment of (\$240,598) for the change in accounting standards due to Governmental Accounting Standards Board (GASB) Statement No 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in comparison with the prior year.
- The Commission ending General Fund balance of \$1,354,621 was classified as follows: Nonspendable \$8,357, Restricted \$354,380, Committed \$820,464, and Assigned \$171,420.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to First 5 Yolo'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 themselves.

In this report, the government-wide financial statements for the Commission are presented on pages 9 and 10. The fund financial statements can be found on pages 11 and 12.

**FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of First 5 Yolo'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, deferred outflows, liabilities, and deferred inflows with the difference 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. The Commission, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. The Commission adopts an annual appropriated budget for its fund. A budgetary comparison schedule has been provided for the fund to demonstrate compliance with the budget on page 30 under required supplemental information.

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 fund financial statements. The notes to the financial statements can be found on pages 14-29 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 Yolo finances. This other supplementary information can be found on pages 32 through 34 of this report.

Commission-Wide Financial Statement Analysis

The following summarizes the Commission's Statement of Net Position comparing assets, deferred outflows, liabilities, deferred inflows and net position for fiscal years 2018 and 2017:

**FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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Statement of Net Position Comparison

	<u>6/30/17</u>	<u>6/30/17</u>	Change	% Change
ASSETS				
Current and other assets	\$1,590,356	\$1,436,467	\$ 153,889	10.7%
Total assets	<u>1,590,356</u>	<u>1,436,467</u>	153,889	10.7%
Deferred outflows of resources:				
Deferred outflows related to pensions	<u>199,697</u>	<u>274,997</u>	(75,300)	(27.4%)
LIABILITIES				
Current and other liabilities	248,828	167,524	81,304	48.5%
Long-term liabilities	<u>1,043,692</u>	<u>1,039,642</u>	4,050	0.4%
TOTAL LIABILITIES	<u>1,292,520</u>	<u>1,207,166</u>	85,354	7.1%
Deferred inflows of resources:				
Deferred inflows related to pensions	<u>306,269</u>	<u>231,152</u>	75,117	32.5%
NET POSITION				
Restricted	<u>191,264</u>	<u>273,146</u>	(81,882)	(30.0%)
TOTAL NET POSITION	<u>\$ 191,264</u>	<u>\$ 273,146</u>	(\$81,882)	(30.0%)

Net Position. Net position may serve over time as a useful indicator of the Commission's financial position. In the case for First 5 Yolo, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$191,264 (net position) at the close of the most recent fiscal year. The total net position decreased by \$81,882 (including the prior period adjustment of \$240,598).

The most significant portion of the Commission's current assets is its cash balance of \$1,251,536. This represents resources received from First 5 California from Proposition 10 taxes that will be expensed in future periods through the Commission's long term sustainability plan. All of the Commission's cash is maintained in the County's cash and investment pool where interest earned on the Commission's balance is apportioned to the Commission. Another source of current assets is the Commission's receivables of \$329,958 mostly consisting of the funds due from First 5 California and the County MHSA contract. Current assets increased by \$153,889 from fiscal year 2016-17 to fiscal year 2017-2018 due to the amount of funds due from other governments.

Current and other liabilities includes grants and contracts payable of \$225,565 representing the final payments due to contractors which are accrued and will be paid during the subsequent fiscal year. Current liabilities increased by \$81,304 from fiscal year 2016-2017 to fiscal year 2017-2018 due to the increased amount of contracts payable at the end of the fiscal year. Long-term liabilities increased by \$4,050 due to the net changes in the proportionate share of the County's net pension liability and the new reporting of the net OPEB liability.

Deferred outflows of resources decreased by \$75,300 and Deferred inflows of resources increased by \$75,117 as a result of the change in proportionate share from year to year of the County's net pension liability and net OPEB liability.

**FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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Change in Net Position

The following is a summary of the Commission's Statement of Activities comparing revenues, expenses and changes in Net Position for the fiscal years ended June 30, 2018 and 2017.

Statement of Activities Comparison

	6/30/18	6/30/17	Change	% Change
REVENUE				
Program Revenues:				
Proposition 10 & 56	\$ 1,398,199	\$1,537,789	\$(139,590)	(9.1%)
State Grants	296,266	90,000	206,266	229.2%
Other Revenue	5,740	1,030	4,710	457.3%
Total Program Revenues	<u>1,700,205</u>	<u>1,628,819</u>	<u>71,386</u>	<u>4.4%</u>
General Revenues:				
Investment Income	16,988	14,612	2,376	16.3%
Total Revenues	<u>1,717,193</u>	<u>1,643,431</u>	<u>73,762</u>	<u>4.5%</u>
EXPENSES				
Administrative Expenses	155,845	179,411	(23,563)	(13.1%)
Evaluation Expenses	93,509	86,862	6,647	7.7%
Program Expenses	1,309,121	1,108,834	200,287	18.1%
Total Expenses	<u>1,558,477</u>	<u>1,375,107</u>	<u>183,370</u>	<u>13.3%</u>
Change in net position	158,716	268,324	(109,608)	(40.8%)
NET POSITION, beginning of year	276,146	84,650	4,822	1.8%
Prior Period Adjustment	(240,598)	(79,828)	(160,770)	(201.4%)
NET POSITION, end of year	<u>\$ 191,264</u>	<u>\$273,146</u>	<u>\$ (81,882)</u>	<u>(30%)</u>

The financial statements for fiscal year 2018 show an increase of net position of \$158,716. This reflects the Commission's adoption of a new strategic plan implemented July 1, 2015 that no longer uses unrestricted net position to expand services. A prior period adjustment was recorded to reflect a change in governmental accounting standards. Additional information regarding the prior period adjustment can be found in the Notes to Financial Statements Note 11 later in these financial statements.

**FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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Revenues. The Commission receives a significant portion of all its revenue from the State allocation of Proposition 10 & 56 funds and from interest earned from its Surplus Money Investment Fund (SMIF). In the fiscal year ending June 30, 2018, \$1,398,199 was received from First 5 California in tobacco tax revenue, a decrease of \$139,590, 9.1% compared to the prior fiscal year. The Commission invests its funds in the Yolo County Treasury and earned \$16,988 in interest for fiscal year 2018, an increase of \$2,376 (16.3%), due to an increase in returns from the investment pool.

Total revenue consisting of Proposition 10 & 56 funds, interest income, grants from other governmental entities, and other revenue increased by \$73,762 (4.5%) or from \$1,643,431 to \$1,717,193 for the year ended June 30, 2018. This increase was due to an increase of Grant Revenue that was offset by decreases in Proposition 10 allocation and other revenues.

Expenses. During fiscal year 2018, the Commission expended \$1,093,319 to various service providers within Yolo County and program support. This represents an increase of \$182,053 in accordance with the strategic plan implemented July 1, 2015 that no longer uses unrestricted net position to expand services. Total expenses of \$1,558,477 was an increase over the prior fiscal year by \$183,370 (13.3%). Administrative costs were 10% of total costs.

Financial Analysis of the Commissions Governmental Fund

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The difference between the governmental fund analysis and the General Fund analysis is the recognition of current and long-term liabilities for compensated absences, net pension liability, deferred outflows, inflows and other post-employment benefits (OPEB) payable. In addition, the receipt of funds related to current period revenues must occur within the Commission's period of availability after the end of the year.

For the year ended June 30, 2018, the Commission's general fund reported an ending fund balance of \$1,354,621, an increase of \$85,678. The increase was due to a new strategic plan implemented July 1, 2015 that no longer uses unrestricted net position to expand services. Total revenue consisting of Proposition 10 funds, interest income, grants from other governmental entities, and other revenue decreased by \$155,446 (9.05%) or from \$1,872,639 to \$1,717,193 for the year ended June 30, 2018. Total expenditures of \$1,631,515 was an increase over the prior fiscal year by \$120,358 (8%). Administrative costs were \$166,076 or 10% of total costs, evaluation costs were \$99,355 or 6% of total costs and program costs were \$1,366,084 or 84% of total costs.

General Fund Budgetary Highlight

Total Revenues were more than budgeted by \$79,195 (5%) and total expenses were less than budgeted by \$45,443 (4.7%). The increase revenue in comparison to budget was largely due to the new Proposition 56 funding which "backfills" the Proposition 10 funds.

**FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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Debt Administration

The Commission's long-term debt consists of compensated absences payable of \$26,185 (of which \$13,093 has been classified as a current liability), net pension liability of \$826,217 and net OPEB liability of \$204,383.

Economic Factors and Next Year's Budget

The Commission is committed to investing in the health, education, and wellbeing of children prenatal to five by utilizing Proposition 10 funds to promote and sustain comprehensive, integrated programs and services for young children and families. The First 5 Yolo Commission understands that significant brain development occurs in the first five years of a child's life, and the concentration of efforts in prevention and early intervention in the first five years is critical and foundational.

The Commission developed and approved a new three year Strategic Plan in 2018 for implementation beginning in fiscal year 2018-2019. Beginning with fiscal year 2019, the Commission's budget reflects expenditures that do not exceed revenues over the life of the adopted strategic plan.

The 2019-2021 Strategic Plan developed by the Commission focuses on four priority areas:

- Improved Child Health
- Improved Child Safety
- Improved Quality Early Learning
- Improved Systems and Networks

\$3,390,168 is budgeted for programs in these areas in the 2019-2021 Strategic Plan.

The Commission views Proposition 10 as a mechanism to establish and fund a sustainable system of results-oriented early childhood development and family support services for the 0-5 population. In that regard, the Commission will focus on the new Strategic Plan programs and work in the community to support children and families. The Commission developed an evaluation plan to track the results of funded programs to determine what is working effectively and to support continual quality improvement to impact the health and wellbeing of children and maximize the impact of Proposition 10 funding in Yolo County. The results of these evaluation activities will help inform the Commission as it plans for the future.

Requests for Information

This financial report is designed to provide a general overview of the First 5 Yolo Children & Families Commission 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 the First 5 Yolo Children & Families Commission at 502 Mace Blvd., Suite 11, Davis, California 95618.

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**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS

Current Assets	
Cash and investments	\$ 1,251,536
Due from other governments	329,958
Accounts receivable	505
Prepaid expenses	8,357
Total Current Assets	<u>1,590,356</u>
Total Assets	<u>1,590,356</u>

DEFERRED OUTFLOWS OF RESOURCES:

Deferred outflows related to pensions	178,855
Deferred outflows related to OPEBs	20,842
Total Deferred Outflows of Resources	<u>199,697</u>

LIABILITIES

Current Liabilities	
Accounts Payable	1,097
Grants and Contracts Payable	225,565
Accrued Wages and Benefits	9,073
Accrued Compensated Absences	13,093
Total Current Liabilities	<u>248,828</u>
Long-term Liabilities:	
Accrued Compensated Absences	13,092
Net pension liability	826,217
Net OPEB Liability	204,383
Total Long-term Liabilities	<u>1,043,692</u>
Total Liabilities	<u>1,292,520</u>

DEFERRED INFLOWS OF RESOURCES:

Deferred inflows related to pensions	256,718
Deferred inflows related to OPEBs	49,551
Total Deferred Inflows of Resources	<u>306,269</u>

NET POSITION

Restricted	<u>191,264</u>
Total Net Position	<u><u>\$ 191,264</u></u>

See Accompanying Notes to Financial Statements.

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FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
STATEMENT OF ACTIVITIES
JUNE 30, 2018

FIRST 5 PROGRAM EXPENSES

Child Development	\$ 1,558,477
Total Program Expenses	<u>1,558,477</u>

PROGRAM REVENUES

Charges for services	5,740
Operating Grants and Contributions:	
Prop 10 Apportionment	1,334,146
Prop 56 Backfill	62,018
Other Government Grants	296,266
Surplus Money Investment Funds	2,035
Total Program Revenues	<u>1,700,205</u>
Net Program Revenues (Expense)	141,728

GENERAL REVENUES

Interest Income	16,988
Total General Revenues	<u>16,988</u>

Change in Net Position	158,716
Net Position - Beginning of Year	273,146
Prior Period Adjustment	(240,598)
Net Position - End of Year	<u>\$ 191,264</u>

See Accompanying Notes to Financial Statements.

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**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS**

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**FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
BALANCE SHEET
JUNE 30, 2018**

ASSETS

Cash and investments	\$ 1,251,536
Due from other governments	329,958
Accounts receivable	505
Prepaid expenses	8,357
Total Assets	<u><u>\$ 1,590,356</u></u>

LIABILITIES

Accounts payable	\$ 1,097
Grants and Contracts Payable	225,565
Accrued wages and benefits	<u>9,073</u>
Total Liabilities	235,735

FUND BALANCES

Nonspendable	8,357
Restricted	354,380
Committed	820,464
Assigned	171,420
Unassigned	-
Total Fund Balances	<u>1,354,621</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,590,356</u></u>

**Reconciliation of the Governmental Fund Balance Sheet
to the Government - Wide Statement of Net Position - Governmental Activities**

Fund Balance - Total Governmental Fund (from above)	\$ 1,354,621
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred Inflows, Outflows and the Net Pension Liability applicable to the Commission's governmental activities are not due and payable or receivable in the current period and accordingly are not reported as a fund asset or liability.	
Deferred outflows of resources related to pensions and OPEBs	199,697
Net Pension and OPEB Liabilities	(1,030,600)
Deferred inflows of resources related to pension	(306,269)
Long-term liabilities, including notes payable, are not due and payable in the current period, and therefore are not reported in the governmental fund.	
Compensated Absences	<u>(26,185)</u>
Net Position of Governmental Activities	<u><u>\$ 191,264</u></u>

See Accompanying Notes to Financial Statements.

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**FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

REVENUES

Operating Grants and Contributions:

Prop 10 Tobacco Tax Apportionment	\$ 1,334,146
Prop 56 Backfill	62,018
Other Grants	296,266
Interest Income	16,988
Surplus Money Investment Funds	2,035
Other Revenue	5,740
Total Revenues	<u>1,717,193</u>

EXPENDITURES

Child Development:

Administrative	166,076
Evaluation	99,355
Program	1,366,084
Total Expenditures	<u>1,631,515</u>

Net change in Fund Balance 85,678

Fund Balance - Beginning of Year	<u>1,268,943</u>
Fund Balance - End of Year	<u><u>\$ 1,354,621</u></u>

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Fund to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2018**

Net Change to Fund Balance - Total Governmental Fund \$ 85,678

Amounts reported for activities in the Statement of Activities differ from the amounts reported in the Statement of Revenue, Expenditures and changes in fund balance because:

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

Net Change in pension related amounts	74,345
Net Change in OPEB related amounts	7,506
Change in Compensated Absences	(8,813)
Change in Net Position of Governmental Activities	<u><u>\$ 158,716</u></u>

See Accompanying Notes to Financial Statements.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 1. Nature of the Entity and Summary of Significant Accounting Policies

A. Reporting Entity

The First 5 Yolo Children and Families Commission (Commission), formerly known as Yolo County Children and Families Commission, was established on January 8, 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 and By Yolo County Ordinances 1231, 1233, 1238, and 1247. The Commission is a public entity legally separate and apart from the County of Yolo (County). The purpose of the Commission is to develop, adopt, promote and implement early childhood development and school readiness programs in the County of Yolo consistent with the goals and objective of the Act. The Commission's programs are funded primarily by taxes levied by the State of California on tobacco products.

A governing board of nine members, which are appointed by the County Board of Supervisors, oversees the commission. One member of the Commission shall be a member of the Board of Supervisors. Two members are considered Mandatory Members, and are the County Health Officer or persons responsible for management of the following County functions: children's services, education, public health services, behavioral health services, social services, tobacco and other substance abuse prevention and treatment services. One member is selected from the following categories: recipients of project services included in the County strategic plan, representatives of a local child care resource or referral agency, or a local child care coordinating group; representatives of a local organization for prevention of early intervention for families at risk; representatives of community-based organization that have the goal of promoting and nurturing early childhood development; representatives of the business community and representatives of local medical, pediatric or obstetric associations or societies. Five other members are considered At-Large Rotating Members and are nominated by each individual Supervisor from the above categories: The County Board of Supervisors may remove any Commission Member at any time. The Commission is considered a component unit of the County of Yolo.

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.

B. Basis of Presentation and Accounting

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

Government- Wide Statements

Government-wide financial statements consist of the statement of net position and the 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. 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 GASB Statement No. 33.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 1. Nature of the Entity and Summary of Significant Accounting Policies (continued)

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, deferred outflows of resources, current liabilities and deferred inflows of resources are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance for the governmental fund generally presents inflows (revenues) and outflows (expenditures) in net current position. All operations of the Commission are accounted for in the general fund.

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 90 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.

Adjustments Between Fund Financial Statements and Government-Wide Financial Statements

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Commission reports deferred outflows related to pensions and Other Post Employment Benefits (OPEBs). Refer to additional details in Note 12.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. In the fund financial statements the Commission has one item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental fund reports unavailable revenues from intergovernmental revenues. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The Commission also reports deferred inflows related to pensions. Refer to additional details in Note 12.

Under the modified accrual basis of accounting, revenue is recognized in the fund financial statements if it has been collected after year-end within the Commission's established availability period of 90 days. All other accrued revenues due the Commission are deferred at year-end in the fund financial statements.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1. Nature of the Entity and Summary of Significant Accounting Policies (continued)

Long-Term Liabilities

As of June 30, 2018, the Commission estimated its liability for vested compensated absences to be \$26,185. 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. Half of the accrued compensated absences (\$13,093) have been classified as current liabilities as these will likely be used in the next year. The remaining compensated absences have been accrued in the government wide financial statements and are included in long-term liabilities. The compensated absences increased by \$8,813 during this year. The compensated absences are liquidated by the general fund.

C. Due from other governments

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

D. Net Position

Net position is displayed in three components:

- Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation, and net of related debt.
- Restricted net position – Consists of resources in the net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other resources making up net position that do not meet the definition of “restricted” or “net investment in capital assets.”

The Commission applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available

E. 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.

Budget 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 of expenditures for the year ended June 30, 2018, which is prepared on the modified accrual basis of accounting.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 1. Nature of the Entity and Summary of Significant Accounting Policies (continued)

Fund Balance Classification

Fund balance can be displayed under the following components:

- **Nonspendable –**

This category includes elements of the fund balance that cannot be spent because of their form, or because they must be maintained intact. For example:

- Assets that will never convert to cash, such as prepaid items and inventories of supplies;
- Assets that will not convert to cash soon enough to affect the current period, such as non-financial assets held for resale; or
- Resources that must be held intact pursuant to legal or contractual requirements, such as revolving loan fund capital or the principal of an endowment.

- **Restricted –**

This category includes resources that are subject to constraints that are externally enforceable legal restrictions. Examples include:

- Funding from the State Commission or foundations that are legally restricted to specific uses. For example, funds advanced by First 5 CA under specific agreements for services, or matching funds for specific initiatives.
- Funds legally restricted by County, state, or federal legislature, or a government's charter or constitution.
- Amounts collected from non-spendable items, such as the long term portion of loan outstanding, if those amounts are also subject to legal constraints.
- Funding that has been designated for legally enforceable contracts but not yet spent. This includes multi-year contracts.

- **Committed –**

Two criteria determine the Commission's fund balance:

1. Use of funds is constrained by limits imposed by the government's highest level of decision making. The highest level of decision making for the Commission would be the Commissioners.
2. Removal or modification of use of funds can be accomplished only by formal action of the Commission. Both commitments and modifications or removal must occur prior to the end of reporting period; that is, the fiscal year being reported upon. For First 5 organizations, resources in this category would include:
 - Resources committed for a future initiative as long as commission action is also required to remove this commitment.
 - Resources that have been committed by a commission for specific agreements that have not yet been executed, where commission action is also required to remove this commitment.
 - Resources committed as the local match for a State Commission initiative.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 1. Nature of the Entity and Summary of Significant Accounting Policies (continued)

Fund Balance Classification (continued)

- **Assigned –**

The assigned portion of the fund balance reflects a commission’s intended use of resources, which is established either by the county First 5 Commission, a body created by the commission, such as a commission finance committee, or an official designated by the commission (e.g., an Executive Director). The “assigned” component is similar to the “committed” component, with two essential differences, shown in the following table:

Key Differences Between Committed and Assigned Fund Balance		
	Committed	Assigned
A decision to use funds for a specific purpose requires action of First 5 Commission	Yes	No
Formal action of Commission is necessary to impose, remove or modify this constraint and formal action has taken place before end of reporting period)	Yes	No

Another key difference is that the purpose of the assignment must be narrower than the fund itself. Consequently, tobacco tax revenues would not automatically be placed in the “committed” component. Resources that fit into this category include:

- Appropriation of a portion of existing fund balance sufficient to eliminate a projected deficit in the subsequent year’s budget, where the Executive Director may decide whether to use the entire amount.
- Resources assigned to a specific program or project or organization for which the commission has approved a plan or budget
- Resources approved by a commission for a long range financial plan where formal approval is not required to modify the amount.

First 5 Yolo can assign amounts under this category, and may also authorize the Executive Director to assign amounts under this category when that decision is consistent with the approved long term financial plan.

- **Unassigned –**

This category includes the fund balance that cannot be classified into any of the other categories.

The Commission’s policy states that 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; and when an expenditure is incurred for purposes for which amounts in any unrestricted fund balances could be used, it is presumed that the committed amounts are spent first, then the assigned amounts, then the unassigned amounts.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Yolo County Pension Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by California Public Employees Retirement System (CalPERS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 1. Nature of the Entity and Summary of Significant Accounting Policies (continued)

Pensions

Fair Value Measurement

As of July 1, 2015, the Commission retrospectively applied Governmental Accounting Standards Board (“GASB”) Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. The Commission categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Commission does not have any investments that are measured using Level 3 inputs.

Note 2. Cash and Investments

The Commission maintains its cash and investments with the Yolo County Treasurer in a cash and investment pool. On a quarterly basis, the Treasurer allocates interest to participants based upon their average daily balances. The Yolo County Treasury Oversight Committee oversees the Treasurer's investments and policies. The balance of the Commission’s investment in the Yolo County Treasury pool at June 30, 2018 is \$1,251,536. The County investment pool is not registered with the Securities and Exchange Commission as an investment company.

The Commission had no deposit or investment policy that addressed a specific type of risk. Investments held in the County's investment pool are available on demand and are stated at cost plus accrued interest, which approximates fair value. Required disclosure information regarding the classification of investments and other deposit and investment risk disclosures can be found in the County's Comprehensive Annual Financial Report (CAFR). The County of Yolo's financial statements may be obtained by contacting the County of Yolo's Auditor-Controller's Office at 625 Court Street, Room 103, Woodland, California 95695 or at <http://www.yolocounty.org/general-government/general-government-departments/auditor-controller-treasurer-tax-collector/publications> investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

Cash at June 30, 2018 consisted of the following:

Cash and investments in County Treasury Pool	\$1,251,536
Total Cash and Investments	<u>\$1,251,536</u>

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 2. Cash and Investments (continued)

Fair Value Measurements

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2018, the Commission held no individual investments. All funds are invested in the County Treasurer's Investment Pool.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Commission's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals in the Pools are made on the basis of \$1 and not fair value. Accordingly, the Commission's share of investments in the County Treasurer's Investment Pool at June 30, 2018 of \$1,251,536 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

Note 3. Due From Other Governments

The due from other governments account represents amounts due to the Commission from the California Children and Families Commission ("State Commission") for Prop 10 and Prop 56 related revenues and other governmental agencies. The amounts due to the Commission at June 30, 2018, we as follows:

Due from Other Governments:

Prop 10 Revenues:

May and June 2018 allocations	\$	210,884
Surplus Money Investment Fund Allocations		2,035
Prop 56 "Backfill"		62,018
County of Yolo – MHSA program		55,021

Total Due from Other Governments	\$	329,958
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Note 4. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2018 is as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Capital Assets Being Depreciated:				
Equipment	\$ 8,669	\$ --	\$ -	\$ 8,669
Less Accumulated Depreciation	<u>(8,669)</u>	<u>--</u>	<u>--</u>	<u>(8,669)</u>
Governmental Activities Capital Assets, Net	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 5. Commitments

The Commission leases office space from a third party under a long-term operating lease. The lease was signed May 2016 with a five year and one month lease term beginning July 1, 2016 and ending July 31, 2021. The lease has one optional renewal for a two year period. The lease calls for monthly payments of \$1,944 for the term of the lease. The future minimum rental payments due under the lease for the next five years is as follows (includes renewal option):

Year Ended June 30,	
2019	\$ 23,328
2020	\$ 23,328
2021	\$ 23,328
2022	\$ 23,328
2023	\$ 23,328

Rent expense was \$23,332 for the year ended June 30, 2018.

Note 6. 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 generally advances a portion of the funding each quarter. The grantees are required to file quarterly cost reports detailing how much of the funding was used. At year end expenditures are analyzed to determine the amount of the total cost reimbursement to be paid. If the funds advanced fall short of the actual expenditures a payable is recorded, up to the amount of funding allocated. At June 30, 2018, the following was owed to grantees and is included in grants and contracts payable:

Grants and Contracts Payable

RISE, Inc.	Help Me Grow	\$ 2,486
RISE, Inc.	Play School Experience	6,000
RISE, Inc.	AVANCE	35,194
Yolo County Children's Alliance	Help Me Grow	18,750
Yolo County Children's Alliance	Play School Experience	10,625
Yolo County Children's Alliance	Foster Care Recruitment and Retention	21,540
Lead 4 Tomorrow	Family Hui	3,493
City of West Sacramento	Impact	25,000
City of Winters	BOOST	5,126
Yolo Crisis Nursery	Emergency Overnight Childcare	2,500
Yolo Crisis Nursery	Help Me Grow	5,021
Yolo Crisis Nursery	Attachment & Biobehavioral Catch-Up	10,555
Children's Home Society	Conference Speakers	2,500
Empower Yolo	Play School Experience	13,075
No. Calif. Children's Therapy Ctr.	Help Me Grow	<u>63,700</u>
Total Grants and Contracts Payable		<u>\$ 225,565</u>

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 7. 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 8. Related Party Transactions

The required composition of the Board of Commissioners includes members from the County and other local governments, 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.

Fiscal Year 2017-18

Yolo County Health and Human Services Agency:

Healthy Families America Grant	\$50,000
Resource Family Approval Support	<u>7,862</u>
Total	<u>\$57,862</u>

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 general and automobile liability insurance, public official liability, rental interruption, personal property, worker's compensation, group health indemnified plans, group salary continuance plan, group dental plan and unemployment benefit plan. The Commission incurred expenses totaling \$10,121 for all other County services provided during the year ended June 30, 2018.

Note 9. 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, 2017, the Commission expended \$99,355 for program evaluation.

Note 10. Defined Benefit Pension Plan

Plan Description - The Commission employees participate in the County of Yolo's Miscellaneous defined benefit pension plan administered by the State of California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for California cities and governmental jurisdictions, which participate in this retirement plan.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 10. Defined Benefit Pension Plan (continued)

Contributions - Rates for the County's contributions are set by CalPERS based upon annual experience of County members and on periodic actuarial valuations. The contribution rate for the Commission is established by the County of Yolo. The employer contribution rate for the fiscal year ended June 30, 2018, was 23.277 percent. For the fiscal year ended June 30, 2018, the Commission was required to contribute \$61,793 to the County of Yolo for the plan. The Commission made all required contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the Commission reported a liability of \$826,217 for its proportionate share of the County's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The Commission's proportion of the County's net pension liability was based on the Commission's FY 2017 actual contributions to the County's pension plan relative to the total contributions of the County as a whole. At June 30, 2016, the Commission's proportionate share was .4923% and at June 30, 2017 the Commission's proportionate share was .3530%, a decrease of .1393%.

For the year ended June 30, 2018, the Commission recognized a negative pension expense of \$130,769. At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 22,012	\$ -
Change in proportion	-	251,889
Difference between expected and actual experience	6,275	4,829
Changes of assumptions	88,775	-
Employer contributions paid by the Commission		
Subsequent to the measurement date	61,793	-
Total	\$ 178,855	\$ 256,718

The \$61,793 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions to the County's plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Commission's proportion of the County's pension plan will be recognized in pension expense as follows:

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 10. Defined Benefit Pension Plan (continued)

Year Ended June 30,	
2019	\$ 52,253
2020	62,970
2021	9,324
2022	<u>(12,314)</u>
Total	<u>\$ 112,233</u>

Actuarial assumptions - The Commission's proportion of the County's total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2016
Measurement date	June 30, 2017
Actuarial cost method	Entry age normal cost method

Actuarial Assumptions:

Discount Rate	7.15%
Investment rate of return	7.15%
Inflation	2.75%
Projected Salary increases	Varies by Entry Age and Service
Cost of Living Adjustments	2.75%

Post Retirement Benefit Increase: Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

The mortality table used was developed based on CalPERS's specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report available on CalPERS website at www.calpers.ca.gov.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Changes of Assumptions – In 2017 the accounting discount rate was reduced from 7.65 percent to 7.15 percent.

Discount rate - The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 10. Defined Benefit Pension Plan (continued)

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimates ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown below was adopted by the Board effective July1, 2016.

Long-Term Expected Real Rate of Return:

Asset Class	Target Allocation	Real Return, Years 1 -10 (A)	Real Return 11+ (B)
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Linked Securities	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
	100.00%		

(A) An expected inflation of 2.5% used for this period

(B) An expected inflation of 3.0% used for this period

Sensitivity of the Commission's proportionate share of the County's net pension liability to changes in the discount rate - The following table presents the Commission's proportionate share of the County's net pension liability calculated using the discount rate of 7.15 percent, as well as what the Commission's proportionate share of the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1.00% Decrease (6.15%)	Current Discount Rate (7.15%)	1.00% Increase (8.15%)
Commission's proportionate share of the County's net pension liability	\$ 1,159,093	\$ 826,217	\$ 551,284

Pension plan fiduciary net position - Detailed information about the County's collective net pension liability is available in the County's separately issued Comprehensive Annual Financial Report (CAFR). The County of Yolo's financial statements may be obtained by contacting the County of Yolo, Department of Financial Services, 625 Court Street, Room 103, Woodland, California 95695 or visiting the County's website at www.yolocounty.org.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 10. Defined Benefit Pension Plan (continued)

Detailed information about the CalPERS fiduciary net position is available in a separately issued CalPERS comprehensive annual financial report. Copies of the CalPERS annual report may be obtained from CalPERS Headquarters, Lincoln Plaza North, 400 Q Street, Sacramento, California 95811, or visiting www.calpers.ca.gov.

Note 11. Retiree Medical Plan – Other Postemployment Benefits

Plan Description. The Commission is a participant in the County of Yolo’s Retiree Medical Plan (the Plan). The County of Yolo Retiree Healthcare Plan (the Plan) provides postemployment medical and dental insurance to retired employees through a single-employer defined benefit OPEB plan. Medical insurance benefits are administered by the California Public Employee’s Retirement System, (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California, in accordance to the Public Employees Medical and Hospital Care Act (PEMHCA). To be eligible, an employee must retire under the CalPERS program within 120 days of separation from employment from Yolo County. Dental insurance is provided through Yolo County’s Dental Self Insurance program. Medical and dental insurance benefits for retirees are continued based on current labor agreements. In order to fund retiree health benefits, the County established an irrevocable trust with Public Agency Retirement Services (PARS), an agent multiple-employer OPEB plan. PARS issues a separate annual financial report and copies of the report may be obtained by writing to PARS at 4350 Von Karman Ave., Suite 100, Newport Beach, CA 92660 or by calling 800-540-6369.

Employers participating in the Plan are required to report OPEB information in their financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

The accompanying schedules were prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations.

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

The components of the Plan net OPEB liability as of June 30, 2016 and 2017 are as follows:

Commission’s Proportionate Share	<u>2016</u>	<u>2017</u>
Total OPEB liability	\$ 272,668	\$ 222,445
Less: Plan fiduciary net position	6,201	18,062
Net OPEB liability of employers	\$ 266,467	\$ 204,383

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 11. Retiree Medical Plan – Other Postemployment Benefits (continued)

The Commission's proportionate share of the County's net OPEB liability of the Plan was measured as of June 30, 2017, using an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures.

The June 30, 2017 total OPEB liabilities for the Plan were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Inflation:	3.00%
Salary Increases:	3.25%
Investment Rate of Return:	6.50%
Healthcare Cost Trend Rate:	Non-Medicare – 6.5% for 2018, decreasing 0.5% per year to an ultimate rate of 5.0% for 2021 and later years Medicare – 6.7% for 2018, decreasing to an ultimate rate of 5.0% for 2021 and later years.

Mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study which assumed future mortality improvements using Society of Actuaries (SOA) Scale MP-14 converging to ultimate rates in 2022. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

Target Asset Allocation

The long-term expected rate of return on the Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the table below.

The County's investment guidelines for OPEB are detailed in the "Investment Guidelines Document – Yolo County Other Post-Employment Benefits Trust – March 2017". The following is the Board's adopted asset allocation policy for OPEB:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Global Equity	58.0%	4.82%
Fixed Income	35.0%	1.47%
Real Estate Investment Trusts	2.0%	3.76%
Cash	5.0%	0.06%
Total	100.0%	

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 11. Retiree Medical Plan – Other Postemployment Benefits (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in Discount Rate

The following presents the net OPEB liability as of the measurement date, calculated using the discount rate of 6.5 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.5 percent) or 1 percentage-point higher (7.5 percent) than the current rate:

	1.00% Decrease (5.5%)	Current Discount Rate (6.5%)	1.00% Increase (7.5%)
Discount Rate			
Commission's proportionate share of the County's net OPEB liability	\$ 230,592	\$ 204,383	\$ 182,430

Sensitivity of Net OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the Net OPEB liability as of June 30, 2017, calculated using the healthcare cost trend rate of 1 percent higher as well as using trend rate 1 percent lower than the current trend rates:

	1.00% Decrease (Trend -1%)	Current Trend Rate	1.00% Increase (Trend +1%)
Healthcare Cost Trend Rate			
Commission's proportionate share of the County's net OPEB liability	\$ 184,663	\$ 204,383	\$ 227,895

Non-Medicare trend rate of 6.5%, decreasing 0.5% per year to an ultimate rate of 5.0% for 2021 and later years. Medicare trend rate of 6.7%, decreasing to an ultimate rate of 5.0% for 2021 and later years.

Amortization of Deferred Outflows and Deferred Inflows of Resources

The net difference between projected and actual earnings on OPEB plan investments is amortized over a 5-year period on a straight-line basis. One-fifth was recognized in OPEB expense during the measurement period, and the remaining net difference between projected and actual earnings on OPEB plan investments at June 30, 2017 is to be amortized over the remaining 4-year period.

At June 30, 2018, the Commission reported a Net OPEB liability of \$204,383 for its proportionate share of the County's Net OPEB liability. The Net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. The Commission's proportion of the County's net OPEB liability was based on the Commission's FY 2017 actual contributions to the County's the Plan relative to the total contributions of the County as a whole. At June 30, 2016, the Commission's proportionate share was 0.3468% and at June 30, 2017 the Commission's proportionate share was 0.2714%, a decrease of .0754%.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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Note 11. Retiree Medical Plan – Other Postemployment Benefits (continued)

For the year ended June 30, 2018, the Commission recognized an OPEB expense of \$13,337. At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 530
Change in proportion	-	49,021
Employer contributions paid by the Commission		
Subsequent to the measurement date	20,842	-
Total	\$ 20,842	\$ 49,551

The \$20,842 reported as deferred outflows of resources related to OPEBs resulting from the Commission's contributions to the County's plan subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Commission's proportion of the County's OPEB plan will be recognized in pension expense as follows:

Year Ended June 30,	
2019	\$ 24,643
2020	24,644
2021	133
2022	131
Total	\$ 49,551

Note 11. Prior Period Adjustment

As noted above in Note 11, employers participating in the Plan are required to report OPEB information in their financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 was retroactively applied to prior fiscal years and therefore due to this change in accounting principles the net position was required to be adjusted for the net OPEB liability and related deferred inflow and outflow of resources. The change to the beginning net position was (\$240,598).

Note 12. Subsequent Events

The Commission has evaluated subsequent events through October 10, 2018, the date which the financial statements were available to be issued. No events requiring disclosure have occurred through this date.

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REQUIRED SUPPLEMENTARY INFORMATION

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FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance With Final Budget</u>
<u>Resources (Inflows)</u>				
Operating Grants and contributions:				
First 5 California Tobacco Tax Allocations	\$ 1,581,358	\$ 1,319,998	\$ 1,398,199	\$ 78,201
Other Grants	315,000	315,000	296,266	(18,734)
Other Miscellaneous Income	-	-	5,740	5,740
Interest Income	3,000	3,000	16,988	13,988
Total Revenues	<u>1,899,358</u>	<u>1,637,998</u>	<u>1,717,193</u>	<u>79,195</u>
<u>Charges to Appropriations (Outflows)</u>				
Child Development:				
Administrative	205,397	213,877	166,076	47,801
Evaluation	108,968	100,815	99,355	1,460
Program	1,441,058	1,492,099	1,366,084	126,015
Total Expenditures	<u>1,755,423</u>	<u>1,806,791</u>	<u>1,631,515</u>	<u>175,276</u>
Net Change in Fund Balance	143,935	(168,793)	85,678	254,471
Fund Balance - Beginning of Year	<u>1,268,943</u>	<u>1,268,943</u>	<u>1,268,943</u>	
Fund Balance - End of Year	<u>\$ 1,412,878</u>	<u>\$ 1,100,150</u>	<u>\$ 1,354,621</u>	

See Accompanying Notes and Auditor's Report.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

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BUDGET AND BUDGETARY ACCOUNTING

The Commission prepares and legally adopts a budget on or before June 30th of each fiscal year. The Commission operation, commencing July 1st, is governed by the proposed budget, adopted by the board of Commissioners by June of the prior fiscal year.

After the budget is approved, the Commission's executive director is authorized to adjust a line item appropriation within the total budget and must notify the Commission in writing. Changes in the total budget amount must be approved by the Commission. All such changes must be within the revenues and reserves estimated as available in the original budget or within revised revenue estimates as approved by the Commission.

An operating budget is adopted each fiscal year in the modified accrual basis of accounting. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if the unpaid contracts in process at yearend are fully performed by year-end or purchase commitments satisfied. Unencumbered appropriations lapse a year-end and encumbrance balances that will not be honored are liquidated.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the fund level.

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OTHER SUPPLEMENTARY INFORMATION

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
JUNE 30, 2018

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	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commission's proportion of the net pension liability	0.3530%	0.4923%	0.5129%
Commission's proportionate share of the County's net pension liability	\$ 826,217	\$ 1,022,270	\$ 866,207
Commission's covered-employee payroll	\$ 260,523	\$ 287,051	\$ 670,560
Commission's proportionate share of the County's net pension liability as a percentage of covered employee payroll	31.53%	28.08%	129.18%
Plan fiduciary net position as a percentage of the total pension liability	66.71%	67.41%	72.06%
Measurement date:	June 30, 2017	June 30, 2016	June 30, 2015

See Accompanying Auditor's Report

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
SCHEDULE OF CONTRIBUTIONS
JUNE 30, 2018

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	2018	2017	2016
Actuarially determined contributions	\$ 61,793	\$ 66,248	\$ 86,150
Contributions in relation to the actuarially determined contribution	(61,793)	(66,248)	(86,150)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Commission's covered-employee payroll	\$ 260,523	\$ 287,051	\$ 542,750
Contributions as a percentage of covered-employee payroll	23.72%	23.08%	15.87%

See Accompanying Auditor's Report

**FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

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No Findings noted in prior year audit (Fiscal year ended June 30, 2017):

See Accompanying Auditor's Report

P.O. Box 160
661 5th Street, Suite 101
Lincoln, CA 95648
Office (916) 434-1662
Fax (916) 434-1090

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

Board of Commissioners
First 5 Yolo County Children and Families Commission
Davis, 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 each major fund of First 5 Yolo County Children and Families Commission (Commission), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements and have issued our report thereon dated October 10, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the First 5 Yolo County Children and Families Commission internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Commission’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control.

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

Our consideration of internal control over financial reporting 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

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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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
October 10, 2018

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Office (916) 434-1662
Fax (916) 434-1090

INDEPENDENT AUDITOR’S REPORT ON STATE COMPLIANCE

Board of Commissioners
First 5 Yolo County Children and Families Commission
Davis, California

Compliance

We have audited the First 5 Yolo County Children and Families Commission’s (Commission) compliance with the requirements specified in the State of California’s *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller’s Office, applicable to the Commission’s statutory requirements identified below for the year ended June 30, 2018.

Management’s Responsibility

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

Auditor’s Responsibility

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

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selected and tested transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items:

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

Opinion

In our opinion, First 5 Yolo County Children and Families Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2018.

Jensen Smith
 Certified Public Accountants, Inc.
 Lincoln, California
 October 10, 2018

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Fax (916) 434-1090

October 10, 2018

Board of Commissioners
First 5 Yolo
Davis, California

Dear Ladies and Gentlemen,

Thank you for your confidence in choosing us for your auditing needs.

In planning and performing our audit of the financial statements of First 5 Yolo (the Commission) for the year ended June 30, 2018, we considered the Commission's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A separate letter dated October 10, 2018 contains our report on the Commission's internal control. This letter does not affect our report dated October 10, 2018, on the financial statements of the Commission.

This year was a big year for the change in accounting standards for the Other Post Employment Benefits (OPEB) reporting and disclosure. We discussed the changes with staff and the County and they were able to quickly get the last pieces to us in order to get the reports completed for the Commission meeting. Staff has made great strides in improving the efficiency and controls within the Commission, including reconciling County reports to internal reports and organization of files and permanent records. We wish to thank your staff for their assistance in completing the audit and their prompt responses to our questions.

We wish you success in the fiscal year 2018-2019.

Sincerely,

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California

**First 5 Yolo Children and Families Commission
Agenda Item Cover Sheet**

Attachments

Agenda Item- Approve and Accept FY17/18 Independent Financial Audit

Background

An independent financial audit is conducted annually for First 5 Yolo Children & Families Commission, as mandated by the Children & Families Act. Current Agenda Item #11 included a public hearing of the draft Audited Financial Statements for Fiscal Year ending June 30, 2018. Additional background information is included in the coversheet for Item #11.

Business Services Officer Overview

Previous to this item, the Commission will hear the draft Audited Financial Statements in public hearing in Item #11. An overview of the highlights from this year's financial statements, can be found in Item #11.

The final draft of the FY2017-2018 Audited Financial Statements is included in the Commission Packet as Item #11, Attachment A.

Additional Information

Action Requested

Approve and Accept FY17/18 Independent Financial Audit.

**First 5 Yolo Children and Families Commission
Agenda Item Cover Sheet**

Attachments

Agenda Item- Authorize Maternal Mental Health Services Contract with Communicare Health Care

Background

First 5 Yolo obtained a Mental Health Services Act (MHSA) Prevention and Early Intervention (PEI) Grant from County of Yolo HHSA for FY2017-2020. This partnership between First 5 Yolo and MHSA has allowed for the expansion and enhancement of First 5 Yolo's Help Me Grow program.

MHSA grants are funded on a reimbursement basis only. Because one of the new direct services staff hired (1.0FTE) into HMG started employment a few weeks after the beginning of the grant, First 5 Yolo has just over \$28,000 in "unspent" MHSA dollars from FY17/18. These dollars must be re-purposed, consistent with the grant, to be spent.

Executive Director Overview

First 5 Yolo Executive Director has proposed, and HHSA has approved, that unspent MHSA dollars allocated to First 5 Yolo for Help Me Grow be directed to services in FY18/19 consistent with the grant for prevention and early intervention 0-5.

As part of the MHSA Help Me Grow grant, First 5 Yolo proposes to offer in-home Cognitive Behavioral Therapy to pregnant and/or post-partum Moms (up to 18 months post-partum) who have been identified as needing a mental health assessment and intervention through the Help Me Grow Yolo network. First 5 Yolo will contract with Communicare Health Care for these services.

HMG Yolo screening includes a maternal mental health screen (PHQ-9) as part of the screening tools offered, and some key partners, home visiting programs in particular, use maternal mental health screens as well. Using the unspent MHSA dollars to provide some amount of therapy would improve access for those screened and identified, and be consistent with the allocation of these dollars specifically for 0-5 PEI.

These services will open access to women in need of maternal mental health services identified by HMG or through HMG partners, including First 5 Yolo's new CHILD Project Pilot, increasing the effectiveness of home visiting services by addressing mental health needs.

Additional Information

Services would be provided by Master's level therapist/social workers trained in perinatal mood and anxiety disorders. Communicare has experience providing mental health services in conjunction with home visiting in Yolo County, and already has an established relationship with First 5 Yolo funded partner, YCCA HFA Step by Step/Paso a Paso program. Sole Source documentation is attached to this item as Attachment A.

The therapy includes the ability to provide services in-home, an option that can be particularly important for very new mothers. For some clients, Communicare will be able to bill MediCal for in-clinic services, thus increasing the sustainability of the services.

As this contract uses unspent grant funds, there is no impact to First 5 Yolo Prop. 10 funds.

Action Requested

Authorize contract with Communicare Health Care for maternal mental health services in the amount of \$28,000.



SOLE SOURCE PROCUREMENT AND CONTRACTING JUSTIFICATION FORM

Name of Potential Provider/Contractor: Communicare Health Care

Name of Project: Maternal Mental Health Services

Project Dates: October 2018-June 2019

Description of Service to be provided: _____

In-home Cognitive Behavioral Health therapy provided to pregnant and/or postpartum women who are identified by Help Me Grow partners as needing mental health assessment and intervention.

Amount: \$28,000

Justification:

Sole source procurement will only be used when competitive procurement procedures are deemed infeasible for at least one of the following reasons: (check the boxes that apply)

- There is only one viable provider of the required service in the community.
- After solicitation of a number of sources, competition is determined to be inadequate.
- A local provider is the only provider with the required expertise, skills and capacity to provide the service.
- All local providers of a particular service will receive funding.
- The Commission is contemplating an effort that has not previously been done in the community and is therefore unable to either develop an RFP with sufficient specificity or to identify potential providers.
- The contract is with a state, federal or local government.
- The contract is for a continuation or augmentation of a project or service previously performed by the contractor.
- Other: The proposal specifically addresses situations where State, federal or other grant funding reductions/cuts impact the ability of agencies to meet existing and/or increased demand in service needs of eligible families, but would not violate the supplantation prohibition.

Whenever sole source procurement is used, the rationale will be fully justified in writing and approved by the Commission or its designated agent (e.g., Executive Director) before a contract is signed. The documentation justifying a sole source procurement include the following:

The effort made to solicit competitive bids or proposals, if any.

A summary outlining the reason for the sole source, based on the allowable exceptions set forth above.

Communicare provides medical services, including maternal mental health services and programming. They have a history of working closely with home visiting programs, HMG partners, and have the professional level staff with the skills to
Implement this mental health program. It is in the best interest of the public to access these trained professionals immediately.

Special factors affecting the cost under the contract.

Staff at Communicare are already trained in maternal mental health cognitive therapy.

Other Comments:

The fiscal year has already begun, and there is immediate need for maternal mental health services that can be delivered in-home, and are coordinated with HMG screening. The County used to fund Moving Beyond Depression, a maternal mental health program, but this program is no longer in effect and was not linked to HMG.

Approval and Signature:



Executive Director

5/18/18

Date

**First 5 Yolo Children and Families Commission
Agenda Item Cover Sheet**

Attachments

Agenda Item- Executive Director's Report
<i>Background</i>
The Executive Director updates the Commission on activities and developments.
<i>Executive Director Overview</i>
Updates: <ul style="list-style-type: none">○ First 5 Leadership Network, 2nd Training Oct 2-5○ CHILD Project Pilot Update○ Organizational Studies by regional First 5's looking to First 5 Yolo model○
<i>Additional Information</i>
<i>Action Requested</i>
Receive Executive Director's Report.

**First 5 Yolo Children and Families Commission
Agenda Item Cover Sheet**

Attachments

Agenda Item- Commissioner Reports
<i>Background</i>
Commissioners have the opportunity to provide updates on activities and events relating to their role as First 5 Yolo Commissioner and/or professional capacity in the County.
<i>Executive Director Overview</i>
<i>Additional Information</i>
<i>Action Requested</i>
Receive Commissioner reports.