



Finance Committee Meeting Minutes

October 11, 2021

The First 5 Yolo Finance Committee met on the 11th day of October, 2021 at 2:00pm via ZOOM virtual conference meeting.

Commissioners in Attendance: Sally Brown, Jenn Rexroad

Staff in Attendance: Gina Daleiden, Victoria Zimmerle

Call to Order-

I. Call to Order

The meeting was called to order at 2:05pm

II. Public Comment

None.

III. Review and Approve FY21 Revenue and Expenditure Summary Report update for approval by full Commission

V. Zimmerle shared that the year end revenue and expenditure report is presented to the Commission prior to the completion of the Independent Financial Audit and prior to close of the period of availability and any material updates related to subsequent events after June 30 are brought to the Commission in an updated year-end revenue and expenditure report. Since its original adoption, the following updates have been made:

1. First 5 Yolo uses a modified accrual basis for reporting on its Governmental Fund Financial Statements. Under this basis, revenues are only realized when they are available for expenditure within the current period. First 5 Yolo observes a period of availability of 90 days. One receivable, the First 5 CA IMPACT 2020 Q4 FY21 reimbursement, was not received from the state by 9/30/21. These funds are fully collectable however, the revenue must be realized in FY21-22. This has no long-term impact on the Commissions overall fund balance or financial position.
2. First 5 Yolo holds its funds with the County treasury in its investment pool. Annually, at the close of the fiscal year and in compliance with GASB standards, an adjustment to revenues is made to taking into account the fair market valuation (FMV) of all investments. Beginning in Fiscal Year 2019-2020, Yolo County DFS began recording FMV adjustments in the accounting system rather than only carrying the adjustment on the financial statements. As such, the adjustment is carried through on the Revenue and Expenditure Report as the Revenue and Expenditure Report is indicative of all revenue and expenditure transactions within the accounting system. In FY21, the fair market valuation of F5Y assets resulted in an unrealized loss of ~\$19,000. First 5 yolo has no plans to liquidate its assets with the County treasury and therefore is unlikely to realize the loss in value of its fund balance however, the unrealized loss/gain is included annually for reporting purposes.
3. Small immaterial updates were made to reflect accrual errors that were realized during the year-end reconciliation process and have an immaterial impact on fund balance.

Approve FY21 Revenue and Expenditure Summary Report update for approval by full Commission

MOTION: J. Rexroad **SECOND:** S. Brown **Motion carries unanimously**

IV. Review and approve Independent Financial Audit for Fiscal Year ended June 30, 2021 for full approval by Commission

V. Zimmerle reviewed the draft Independent Financial Audit for the year ended June 30, 2021 noting the following items:

1. There were no audit findings, and the audit ran smoothly
2. The ending net position and fund balance increased over the prior year indicating that the Commission continues to be in good health
3. Net OPEB and Pension liabilities were higher than the previous year as a result of an increase in First 5 Yolo's proportionate share in the County Plan.
4. Accrued Compensated absences were higher than the previous year as a result of longer standing staff continuing accrual of leave balances that have not been utilized.

Approve Independent Financial Audit for Fiscal Year Ended June 30, 2021 for approval by full Commission

MOTION: J. Rexroad **SECOND:** S. Brown **Motion carries unanimously**

V. Consider recommendation for allocation of \$125,000 unrestricted fund balance to First 5 Yolo's Board of Supervisor's approved ARP "Welcome Baby" project for approval by full Commission

G. Daleiden shared that the Commission set aside some of its unrestricted fund balance at the September Commission for leveraging into its American Rescue Plan proposals. Now that one of those projects, Welcome Baby, has been approved by the County, staff recommend formally allocating \$125,000 of unrestricted fund balance to the project. The total projected cost of Welcome Baby is \$3.125M and the County has allocated \$2M toward the project. First 5 Yolo is also seeking partnership from the cities.

Motion Recommend to full commission to allocated to \$125,000 to the Welcome Baby.

MOTION: J. Rexroad **SECOND:** S. Brown **Motion carries unanimously**

VI. Adjourn

The meeting was adjourned at 2:34pm.