



Finance Committee Meeting Minutes October 10, 2022

The First 5 Yolo Finance Committee met on the 10th day of October 2022 at 12:00 PM via ZOOM virtual conference meeting.

Commissioners in Attendance: Sally Brown, Jenn Rexroad

Staff in Attendance: Victoria Zimmerle, Gina Daleiden, Rachel McFarland

I. Call to Order

S. Brown called the meeting to order at 12:03 pm

II. Public Comment

None.

III. Review and approve FY22 Revenue and Expenditure Summary Report for approval by full Commission

V. Zimmerle presented the Fiscal Year 2021-2022 Year-End Revenue and Expenditure Summary Report. Of note was the lower-than-budgeted revenue from grants, which was due to lower-than-budgeted program costs. Unspent program dollars for multi-year grants were rolled into future fiscal years. Proposition 10 revenue was also less than budgeted and in line with staff mid-year projections. In recognition of declining Prop 10 revenues from the State and in anticipation of further declines, at the September Commission Meeting, The Commission voted to reduce budgeted office rent and seek a smaller and less expensive office space.

V. Zimmerle noted that the funding for the Yolo County Basic Income Pilot/Family Poverty Reduction Pilot which was unspent in FY22 and needed to be added to the breakout of Fund Balance Reserves and restricted funding.

Committee members asked questions and discussed.

Approve FY22 Revenue and Expenditure Summary Report include staff corrections for approval by full Commission.

MOTION: J. Rexroad

SECOND: S. Brown

Motion carries unanimously

IV. Review and approve draft Independent Financial Audit for Fiscal Year ended June 30, 2022 for approval by full Commission

- V.** V. Zimmerle noted that this year the Audit has been delayed due to difficulty receiving needed reports from Yolo County and staff are presenting a draft to the Finance Committee. As such, no action is required and staff request the Finance Committee Receive the draft report and updates.

Commission deadlines for audits are much earlier than for the County's. Draft reports from the County utilized in compiling the presented draft and the reports are currently with the County's external Auditor for finalization. Yolo County is working with their external auditors and expect to have the finalized audit Pension and OPEB reports to Commission staff in the week ahead and in advance of the

Full Commission meeting on Wednesday, October 19, 2022. If finalized reports are not available by the full Commission meeting, staff will work with Commissioners to hold a special meeting and may need to seek an extension from the State.

In addition to the annual audit of the First 5 Yolo Finance Statements and Compliance audit, this is the first year the Commission has been subject to the Single Audit Act as the Commission received revenues from federal sources exceeding \$750,000 in the fiscal year.

Of note are the following items:

- No findings nor material deficiencies across the financial, compliance, or single audit.
- The Commission's Net Position decreased approximately \$37,000 from FY21 to FY22.
- The Commission's ending Fund Balance is \$2,563,474
- The anticipated passage of the CA Ban Referendum of Flavored Tobacco Products on the November 2022 ballot is expected to reduce Prop 10 revenue by ~15% by Fiscal Year 2025-2026. F5Y's strategic planning process this year will help adjust for this expected deficit in the coming years. G. Daleiden noted that the planned move of F5Y to a less expensive office space is intended to help offset this deficit.

Commissioners discussed and asked questions. G. Daleiden proposed consideration of formally moving the October Commission meeting to the last week of the month instead of the 2nd Wednesday of the month and not holding a meeting in November in recognition of the timing differences between the County and Commission audit timelines.

The draft Independent Financial Audit was reviewed by the Financial Committee, with the final draft to be sent for their review when available.

VI. Adjourn

The Meeting was adjourned at 12:58 pm.