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, 2021

FIRST 5 YOLO
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
COMMISSION MEMBERSHIP
FOR THE YEAR ENDED JUNE 30, 2021

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

Nichole Arnold, Member at Large
Children with Special Needs Representative

Sally Brown, District 2 - Treasurer
Community Representative

Dawnté Early West, District 1
Community Representative

Jennifer Rexroad, District 3
Community Representative

Heidy Kellison, District 4 – Vice Chair
Community Representative

Barb Boehler, District 4 - Alternate
Community Representative

Melissa Roberts, District 5
Community Representative

Garth Lewis, Yolo County Officer of Education
Education Representative

Karleen Jakowski, Director of Child, Youth & Families Branch
Yolo County Agency Representative

Jensen Smith
CERTIFIED PUBLIC ACCOUNTANTS, INC.

Making a Lasting Contribution
To our Clients, To our Community, To our Profession

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, 2021, 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 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, 2021, 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, Budgetary Comparison Information, and Schedules related to the pension liability and other post-employment benefits on pages 4 through 9 and 30 through 34 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 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 11, 2021, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Commission's 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

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
October 11, 2021

MANAGEMENT’S DISCUSSION & ANALYSIS

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, 2021.

FISCAL YEAR 2020-2021 FINANCIAL HIGHLIGHTS

- The Commission earned $3,405,740 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 $1,522,432 of tobacco tax revenue (Propositions 10, 56 and SMIF) and $411,362 in state grants. Additional income of $1,473,816 was received from other sources, including interest earned of $20,575. Total revenues were $3,407,610.

- During the current fiscal year, the Commission's total expenses were $3,090,009, with expenses allocated as program expenses of $2,683,301, administrative expenses of $282,409 and evaluation expenses of $124,299.

- The Commission ending General Fund balance of $2,483,107 was classified as follows: Nonspendable $1,944, Restricted $29,015, Committed $115,681, and Assigned $2,262,156 and reflects an increase of $317,601.

- On the Commission's Government-wide financial statements, total revenues were $3,334,881 and total expenses were $3,011,276. 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 $1,660,676 (*net position)*, an increase of $323,605, in comparison with the prior year.

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 10 and 11. The fund financial statements can be found on pages 12 and 13.

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 2021 and 2020:

Statement of Net Position Comparison

	6/30/21	6/30/20	Change	% Change
ASSETS				
Current and other assets	$3,125,193	$2,760,798	$ 364,395	13.2%
Total assets	3,125,193	2,760,798	364,395	13.2%
Deferred outflows of resources:				
Deferred outflows related to pension and OPEB plans	241,899	130,824	111,075	84.9%
LIABILITIES				
Current and other liabilities	647,408	545,131	129,277	23.7%
Long-term liabilities	1,008,905	790,281	218,624	27.7%
TOTAL LIABILITIES	1,683,313	1,335,412	510,320	43.5%
Deferred inflows of resources:				
Deferred inflows related to pension and OPEB plans	23,103	219,139	(196,036)	(89.5%)
NET POSITION				
Restricted	1,660,676	1,337,071	323,605	24.2%
TOTAL NET POSITION	**$1,660,676**	**$1,337,071**	**$ 323,605**	**24.2%**

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 $1,660,676(net position) at the close of the most recent fiscal year. The total net position increased by $323,605.

The most significant portion of the Commission's current assets is its cash balance of $2,518,722. This represents resources received from First 5 California from Proposition 10 taxes that will be expensed in future periods through the Commission's adopted 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 $604,527 mostly consisting of the funds due from First 5 California and other governmental contracts. Current assets increased by $364,395 from fiscal year 2019-2020 to fiscal year 2020-2021 due to the amount of funds due from other governments and unspent funds.

Current and other liabilities of $674,408 included grants and contracts payable of $617,750 representing the final payments due to contractors which are accrued and will be paid during the subsequent fiscal year. Current liabilities increased by $129,277 from fiscal year 2019-20 to fiscal year 2020-21 due to the increased amount of contracts payable at the end of the fiscal year. Long-term liabilities increased by $218,624 due to the net changes in the proportionate share of the County's net pension liability and the reporting of the net OPEB liability.

Deferred outflows of resources increased by $111,075 and Deferred inflows of resources decreased by $196,036 as a result of the change in proportionate share from year to year of the County's net pension liability and net OPEB liability.

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, 2021 and 2020.

Statement of Activities Comparison

	6/30/21	6/30/20	Change	% Change
REVENUE				
Program Revenues:				
Proposition 10 & 56	$ 1,522,432	$ 1,522,978	$ (546)	0%
State and Other Grants	1,810,579	1,304,621	505,958	38.8%
Other Revenue	400	145,587	(145,187)	(99.7%)
Total Program Revenues	3,333,411	2,973,186	360,225	12.1%
General Revenues:				
Investment Income	1,470	63,887	(62,417)	(95.4%)
Total Revenues	3,334,881	3,037,073	297,808	9.8%
EXPENSES				
Administrative Expenses	275,213	181,058	94,155	52.0%
Evaluation Expenses	121,132	118,453	2,679	2.3%
Program Expenses	2,614,931	2,171,336	443,595	20.4%
Total Expenses	3,011,276	2,470,847	540,429	21.9%
Change in net position	323,605	566,226	(242,621)	(42.8%)
NET POSITION, beginning of year	1,337,071	770,845	566,226	73.5%
NET POSITION, end of year	**$ 1,660,676**	**$ 1,337,071**	**$ 323,605**	**24.2%**

The financial statements for fiscal year 2021 show an increase of net position of $323,605. This reflects the Commission's adoption of a new strategic plan implemented July 1, 2018 that intentionally focuses on maintaining steady levels of program funding across the life of the Strategic Plan by establishing and maintaining reserve amounts to ensure sustainability of current multi-year initiatives as well as lower than budgeted operational and professional service expenditures during the year. Under this Strategic Plan, unrestricted net position can be used to ensure continuity of program funding. The changes in the pension liability and OPEB liability proportions and activities also decreased the expenses by $98,241.

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, 2021, $1,522,432 was received from First 5 California in tobacco tax revenue, a decrease of $546, compared to the prior fiscal year. The Commission invests its funds in the Yolo County Treasury and earned $20,575 in interest and

$19,105 for unrealized losses for fiscal year 2021, a decrease of $62,417 (97.7%), due to a decrease 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 $297,808 (9.81%) or from $3,037,073 to $3,334,881 for the year ended June 30, 2021. This increase was due to increases in new grants income.

Expenses. During fiscal year 2021, the Commission expended a total of $3,011,276 of which $2,614,931 was expended to various service providers within Yolo County, Commission run programs and program support. This represents an increase of $443,595 or 20.4% in program costs in accordance with the Strategic Plan implemented July 1, 2018 that included decreased program funding in the first year of the Plan to allow sufficient time to develop a multi-year funding plan as revenue and leveraging opportunities became more apparent. Additional state grants provided additional funds to be expended on programs in Yolo County. Total expenses of $3,011,276 was an increase over the prior fiscal year by $540,429 (21.9%). Administrative costs were less than 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, 2021, the Commission's general fund reported an ending fund balance of $2,408,796, an increase of $317,601. The increase was due to a new strategic plan implemented July 1, 2018 that focuses on maintaining steady levels of program funding across the life of the Strategic Plan while also establishing and maintaining reserve amounts to ensure sustainability and additional grants provided. Under this Strategic Plan, unrestricted net position can be used to ensure continuity of program funding. Total revenue consisting of Proposition 10 funds, interest income, grants from other governmental entities, and other revenue increased by $517,577 (17.9%) or from $2,890,033 to $3,407,610 for the year ended June 30, 2021. Total expenditures of $3,090,009 was an increase over the prior fiscal year by $551,071 (21.7%). Administrative costs were $282,409 or 9.1% of total costs, evaluation costs were $124,299 or 4% of total costs and program costs were $2,683,301 or 86.9% of total costs.

General Fund Budgetary Highlight

Total Revenues were less than budgeted by $260,717 (7.1%) and total expenses were less than budgeted by $458,552 (12.9%). The decrease revenue in comparison to budget was largely due to the underspending of the grants in the fiscal year and the timing of the receivables.

Debt Administration

The Commission's long-term debt consists of compensated absences payable of $64,644 (of which $32,322 has been classified as a current liability), net pension liability of $810,135 and net OPEB liability of $166,448.

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. The Plan was extended for an additional two fiscal years in June 2021. 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 2019-2023 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

$11,463,702 is budgeted for programs in these areas in the 2019-2023 Strategic Plan.

With the continuing nature of the COVID-19 pandemic, the Commission is committed to supporting young children and their families through multitudinous challenges they face. The Commission is will work with local partners, the County, and other community based organizations in the year ahead to support young children and their families through the pandemic and recovery.

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.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	
Current Assets	
Cash and investments	$ 2,518,722
Due from other governments	468,300
Accounts receivable	136,227
Prepaid expenses	1,944
Total Current Assets	3,125,193
Total Assets	3,125,193
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows related to pensions	204,840
Deferred outflows related to OPEBs	37,059
Total Deferred Outflows of Resources	241,899
LIABILITIES	
Current Liabilities	
Accounts Payable	75
Grants and Contracts Payable	617,750
Accrued Wages and Benefits	24,261
Accrued Compensated Absences	32,322
Total Current Liabilites	674,408
Long-term Liabilities:	
Accrued Compensated Absences	32,322
Net pension liability	810,135
Net OPEB Liability	166,448
Total Long-term Liabilities	1,008,905
Total Liabilities	1,683,313
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows related to pensions	-
Deferred inflows related to OPEBs	23,103
Total Deferred Inflows of Resources	23,103
NET POSITION	
Restricted	1,660,676
Total Net Position	$ 1,660,676

See Accompanying Notes to Financial Statements.

FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
STATEMENT OF ACTIVITIES
JUNE 30, 2021

FIRST 5 PROGRAM EXPENSES	
Child Development	$ 3,011,276
Total Program Expenses	3,011,276
PROGRAM REVENUES	
Charges for services	400
Operating Grants and Contributions:	
Prop 10 Apportionment	1,169,822
Prop 56 Backfill	351,690
Surplus Money Investment Funds	920
Prop 10 Grants	408,404
Other Government Grants	1,402,175
Total Program Revenues	3,333,411
Net Program Revenues (Expense)	322,135
GENERAL REVENUES	
Interest Income	20,575
Unrealized Gain on Investments	(19,105)
Total General Revenues	1,470
Change in Net Position	323,605
Net Position - Beginning of Year	1,337,071
Net Position - End of Year	$ 1,660,676

See Accompanying Notes to Financial Statements.

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
BALANCE SHEET
JUNE 30, 2021

ASSETS		
Cash and investments	$	2,518,722
Due from other governments		393,989
Accounts receivable		136,227
Prepaid expenses		1,944
Total Assets	$	3,050,882
LIABILITIES		
Accounts payable	$	75
Grants and Contracts Payable		617,750
Accrued wages and benefits		24,261
Total Liabilities		642,086
FUND BALANCES		
Nonspendable		1,944
Restricted		29,015
Committed		115,681
Assigned		2,262,156
Total Fund Balances		2,408,796
Total Liabilities and Fund Balances	$	3,050,882

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

Fund Balance - Total Governmental Fund (from above)	$	2,408,796
Amounts reported for governmental activities in the statement of net position are different because:		
Revenue Receivables received after ninety days after the fiscal year end are not considered currently available and therefore are not reported in the governmental fund activities.		74,311
Deferred outflows of resources represents a comsumption of net position that applies to future period(s) and, therefore, will not be recognized as an outflow of resources (expense) in the fund financial		
Deferred outflows of resources related to pension		204,840
Deferred outflows of resources related to OPEB		37,059
Long-term liabilities, including notes payable , are not due and payable in the current period, and therefore are not reported in the governmental fund.		
Net Pension Liability		(810,135)
Net OPEB Liability		(166,448)
Compensated Absences		(64,644)
Deferred inflows of resources represents an acquisition of net position that applies to future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) in the fund financial statements.		
Deferred inflows of resources related to pension		-
Deferred inflows of resources related to OPEB		(23,103)
Net Position of Governmental Activities	$	1,660,676

See Accompanying Notes to Financial Statements.

FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

REVENUES		
Operating Grants and Contributions:		
Prop 10 Tabacco Tax Apportionment	$	1,169,822
Prop 56 Backfill		351,690
Surplus Money Investment Funds		920
Prop 10 Grants		337,051
Other Grants		1,546,257
Interest Income		20,575
Unrealized Gain on Investments		(19,105)
Other Revenue		400
Total Revenues		3,407,610
EXPENDITURES		
Child Development:		
Administrative		282,409
Evaluation		124,299
Program		2,683,301
Total Expenditures		3,090,009
Net change in Fund Balance		317,601
Fund Balance - Beginning of Year		2,091,195
Fund Balance - End of Year	$	2,408,796

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, 2021

Net Change to Fund Balance - Total Governmental Fund	$	317,601
Amounts reported for activities in the Statement of Activities differ from the amounts reported in the Statemen of Revenue, Expenditures and changes in fund balance because:		
Revenue Receivables received after ninety days after the fiscal year end are not considered currently available and therefore are not reported in the governmental fund activities.		(72,729)
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		58,113
Net Change in OPEB related amounts		40,128
Change in Compensated Absences		(19,508)
Change in Net Position of Governmental Activities	$	323,605

See Accompanying Notes to Financial Statements.

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 systems improvements and 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 the GASB statements.

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 10 and 11.

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 and to OPEBs. Refer to additional details in Note 10 and 11.

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. At June 30, 2021 there were two prior year receivables totaling $147,040 that were not received in the 90 day period after the fiscal year end June 30, 2020 and were therefore deferred to the fiscal year 2020-2021 fund financial statements. At June 30, 2021, there was a receivable for $74,311 that was not received within the 90 days after year end and was therefore deferred to the fiscal year 2021-2022.

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

Long-Term Liabilities

As of June 30, 2021 the Commission estimated its liability for vested compensated absences to be $64,644. 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 ($32,322) 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 $19,508 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, 2021, which is prepared on the modified accrual basis of accounting.

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.

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.

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

Pensions

Fair Value Measurement

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.

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, 2021 is $2,518,722. 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 on the County's website. 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, 2021 consisted of the following:

Pooled Investments:	Carrying Amount	Fair Value	Difference
Yolo County	$ 2,507,152	$ 2,518,722	$ 11,570

The difference between the carrying value and the fair value of cash and investments was considered material to the Commission's financial statements; therefore, an adjustment to fair value was made for GASB No. 31 compliance. The change in fair market value from the prior year is recorded as an unrealized gain.

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, 2021, 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, 2021 of $2,518,722 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

Note 3. Due From Other Governments and Accounts Receivables

The due from other governments account represents amounts due to the Commission from the California Children and Families Commission ("State Commission") for Prop 10 related revenues and other governmental agencies. The amounts due to the Commission at June 30, 2021, were as follows:

Due from Other Governments:		
Prop 10 Revenues:		
June 2021 allocations	$	93,190
Surplus Money Investment Fund Allocations		920
County of Yolo – MHSA program		93,765
City of Davis		18,347
State of California (four grants)		355,843
Total Due from Other Governments		468,300
University of California, Davis (Accounts Receivable)		136,227
Total Due from Other Governments & Accounts Receivable	$	604,527

In addition to the financial revenues, First 5 Yolo facilitated the receipt and distribution of emergency supplies in response to the COVID-19 pandemic including diapers, wipes, cleaning supplies, personal protective equipment (PPE) and other needed items for families. Items were received from First 5 California as well as FEMA and Baby2Baby Foundation.

Note 4. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets: Equipment	$ 8,669	$ --	$ --	$ 8,669
Less Accumulated Depreciation	(8,669)	--	--	(8,669)
Capital Assets, Net	$ --	$ --	$ -	$ -

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 had one optional renewal for a two year period. The lease was renewed June 23, 2021 for the period August 1, 2021 through July 31, 2023. 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,	
2022	$ 23,328
2023	$ 23,328
2024	$ 1,944

Rent expense was $23,328 for the year ended June 30, 2021.

Note 6. Grants and Contracts Payable

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 funds grant recipients on a reimbursement of actual expenses incurred basis. The grantees are required to file quarterly cost reports detailing how much of the funding was used. At year end, grantees submit their final quarterly report and a payable is recorded. At June 30, 2021, the following was owed to grantees and was included in grants and contracts payable:

Grants and Contracts Payable		
Communicare Health Center	CHILD Project Road to Resilience	$ 118,052
Communicare Health Center	Maternal Mental Health Services	3,376
Lead 4 Tomorrow	Family Hui	6,219
Davis Art Center	IMPACT 2020	2,644
No. Calif. Children's Therapy Ctr.	Help Me Grow	140,245
No. Calif. Children's Therapy Ctr.	ACEs Aware Network of Care	101,775
RISE, Inc.	Help Me Grow	1,682
RISE, Inc.	IMPACT 2020	16,178
Woodland Joint Unified School Dist.	Dual Language Learner Expansion	14,402
Yolo County Children's Alliance	Help Me Grow	20,270
Yolo County Children's Alliance	IMAPCT 2020	34,134
Yolo County Children's Alliance	CHILD Project Road to Resilience	51,993
Yolo Crisis Nursery	CHILD Project Road to Resilience	12,550
Yolo Crisis Nursery	Help Me Grow	7,527
Yolo Crisis Nursery	Attachment & Biobehavioral Catch-Up	20,845
Yolo Crisis Nursery	Crisis Nursery Intervention Services	19,432
Yolo County Office of Ed.	Dual Language Learner Expansion	13,679
Other Contracts Payable	Multiple	32,747
Total Grants and Contracts Payable		$ 617,750

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.

In fiscal year 2020-21 the County of Yolo provided the following grants to the Commission:

Program	Funding
Attachment and Biobehavioral Catch-Up	$ 86,251
Help Me Grow Program	$378,786
Yolo County CARES (COVID Response)	$ 65,000
The CHILD Project: Road to Resilience	$ 52,339

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 $13,664 for all other County services provided during the year ended June 30, 2021.

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, 2021, the Commission expended $124,299 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.

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, 2021, was 30.40%. For the fiscal year ended June 30, 2021, the Commission was required to contribute $119,377 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, 2021, the Commission reported a liability of $810,135 for its proportionate share of the County's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. For the year ended June 30, 2021, the Commission recognized a pension expense of $66,627. At June 30, 2021, 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	$ 12,036	$ --
Change in proportion	50,354	--
Difference between expected and actual experience	23,073	--
Changes of assumptions	--	--
Employer contributions paid by the Commission Subsequent to the measurement date	119,377	--
Total	$ 204,840	$ --

The $119,377 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, 2021.

The net difference between projected and actual earnings on pension plan investments is amortized over a 5-year period on a straight line basis. One-fifth was recognized in pension expense during the measurement period, and the remaining net difference between projected and actual earnings on pension plan investments at June 30, 2020 is to be amortized over the remaining 3 year period.

Year Ended June 30,	
2021	$ 10,586
2022	54,970
2023	13,227
2024	6,679
Total	$ 85,463

Note 10. Defined Benefit Pension Plan (continued)

Actuarial methods and assumptions Used to Determine Total Pension Liability - The Commission's proportion of the County's net pension liability was based on the Commission's FY 2019 actual contributions to the County's pension plan relative to the total contributions of the County as a whole. At June 30, 2019, the Commission's proportionate share (based on Contributions) was 0.2533% and at June 30, 2020 the Commission's proportionate share was 0.3069%, an increase of 0.0536%.

The components of the Commission's proportionate share of the Plan net pension liability as of June 30, 2019 and June 30, 2020 are as follows:

Commission's Proportionate Share	2019	2020
Total Pension liability	$ 1,947,386	$ 2,469,111
Less: Plan fiduciary net position	1,320,070	1,658,976
Net Pension Liability	$ 627,316	$ 810,135

For the measurement period ended June 30, 2020 (measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability using standard roll-forward procedures. The Commission's proportion of the County's total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2019
Measurement date	June 30, 2020
Measurement period	July 1, 2019-June 30, 2020
Actuarial cost method	Entry age normal cost method
Actuarial Assumptions:	
Discount Rate	7.15%
Investment rate of return	7.15%
Inflation	2.50%
Projected Salary increases	Varies by Entry Age and Service

The mortality table used was developed based on CalPERS's specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publication at www.calpers.ca.gov.

Changes of Assumptions – There were no changes of assumptions for the measurement period ended June 30, 2020.

Note 10. Defined Benefit Pension Plan (continued)

Discount rate - The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and contributions from employers will be made at statutory required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Real Rate of Return - The long term expected rate of return on pension plan investments was determined using a building block method in which 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 took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class(A)	Target Allocation	Real Return, Years 1 -10 (B)	Real Return Years11+ (C)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	77.00%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	100.00%		

(A) In the County's System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(B) An expected inflation of 2.00% used for this period

(C) An expected inflation of 2.92% 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	$ 1,132,983	$ 810,135	$ 543,064

Note 10. Defined Benefit Pension Plan (continued)

Pension plan changes in the net pension plan liability and pension plan fiduciary net position - Detailed information about the County's collective net pension liability and plan fiduciary net position 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. 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 multiple-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, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

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 measurement dates June 30, 2016 to 2020 are as follows:

Commission's Proportionate Share	2016	2017	2018	2019	2020
Total OPEB liability	$ 272,668	$ 222,445	$ 202,523	$ 174,408	$ 216,804
Less: Plan fiduciary net position	6,201	18,062	28,856	34,011	50,316
Net OPEB liability of employers	$ 266,467	$ 204,383	$ 173,667	$ 140,397	$ 166,488

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, 2020, using an actuarial valuation as of June 30, 2019. At June 30, 2020, the Commission reported a Net OPEB liability of $166,478 for its proportionate share of the County's Net OPEB liability. The Commission's proportion of the County's net OPEB liability was based on the Commission's FY 2019-2020 actual contributions to the County's the Plan relative to the total contributions of the County as a whole. At June 30, 2019, the Commission's proportionate share was 0.2130% and at June 30, 2020 the Commission's proportionate share was 0.2532%, an increase of .0402%.

The June 30, 2020 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:	2.75%
Salary Increases:	Aggregate 3% annually;
Discount rate and Long-term expected rate of return:	6.75% at June 30, 2020; Expected County contributions projected to keep sufficient plan assets to pay all benefits from trust.
Mortality, Retirement, Disability, Termination:	CalPERS 1997-2015 Experience Study
Healthcare Cost Trend Rate:	Non-Medicare – 7% for 2022, decreasing to an ultimate rate of 4.0% in 2076; Medicare (Non-Kaiser) – 6.1% for 2022, decreasing to an ultimate rate of 4.0% in 2076; Medicare (Kaiser) – 5% for 2022, decreasing to an ultimate rate of 4.0% in 2076.

Mortality information was derived from data collected during the 1997 to 2015 CalPERS Experience Study dated December 2017 and post-retirement mortality information was derived from the 2007 to 2015 CalPERS Experience Study which assumed future mortality improvements using Society of Actuaries (SOA) Scale MP-2019. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

Changes of Assumptions – In 2020, medical trend tax rate decreased for Kaiser Senior Advantage plans, mortality improvement scale was updated to Scale MP-2019 and ACA Excise Tax was removed.

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:

Asset Class	Target Allocation	Expected Real Rate of Return
Global Equity	73.0%	4.82%
Fixed Income	20.0%	1.47%
Real Estate Investment Trusts	2.0%	3.76%
Cash	5.0%	0.06%
Total	100.0%	

* Assumed long-term rate of inflation 2.75%; Expected long term net rate of return 6.75%.

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

Discount Rate – The discount rate used to measure the total OPEB liability was 6.75 percent at June 30, 2020 and June 30, 2019. 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 6.75 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 (5.75 percent) or 1 percentage-point higher (7.75 percent) than the current rate:

Discount Rate	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Commission's proportionate share of the County's net OPEB liability	$ 189,048	$ 166,478	$ 147,133

Sensitivity of Net OPEB Liability to Changes in Healthcare Cost Trend Rate – The following presents the Net OPEB liability as of June 30, 2020, 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:

Healthcare Cost Trend Rate*	1.00% Decrease (Trend -1%)	Current Trend Rate	1.00% Increase (Trend +1%)
Commission's proportionate share of the County's net OPEB liability	$ 157,219	$ 166,478	$ 176,628

** See Healthcare Cost Trend Rate assumptions above*

Covered Participants – At June 30, 2020, the measurement date, the following numbers of participants were covered by the benefit terms in the County Misc. Plan. Commission employees participate in the County plan as Yolo County employees and, as such are included in these figures:

	COUNTY
Inactives currently receiving benefits	TBD
Inactives entitled to but not yet receiving Benefits	TBD
Active Employees	1,481
Total	TBD

TBD - Covered participant counts were available to the actuary as of the valuation date (June 30, 2020), but updated counts were not provided to the actuary as of measurement date (June 30, 2020). Counts do not impact any other information in the actuary reports.

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, 2020 is to be amortized over the remaining 3-year period.

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

For the year ended June 30, 2021, the Commission recognized an OPEB expense of $5,698. At June 30, 2021, 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	$ 1,389	$ --
Net difference between expected and actual experience	5,247	5,808
Change of assumptions	--	4,370
Change in proportion	--	12,925
Employer contributions paid by the Commission Subsequent to the measurement date	30,423	--
Total	$ 37,059	$ 23,103

The $30,423 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, 2021.

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, 2020 is to be amortized over the remaining 3-year period:

Measurement Period Ending Year Ended June 30,	
2022	(12,005)
2023	(7,427)
2024	(2,881)
2025	(1,977)
Thereafter	8,670
Total	$ (16,467)

Note 12. Subsequent Events

The Commission has evaluated subsequent events through October 11, 2021, the date which the financial statements were available to be issued. The following event required disclosure:

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a global pandemic. In addition, as of March 19, 2020, Governor Newsom ordered the closure of the physical location of every "non-essential" business which was released and reinstated throughout 2020 and into 2021. Business continuity, including supply chains and consumer demand across a broad range of industries and countries were impacted throughout 2020 and into 2021. Vaccines became widely available in early 2021 and less restrictions were required as 2021 has progressed. Although the Commission's services are considered essential, the office was closed to the public, certain other services transitioned to online-only. There was no financial impact to the June 30, 2021 fiscal year. Because the Commission's major revenue sources, including businesses that collect sales taxes related to the Proposition 10 and Proposition 56 taxes, are directly impacted by these events, it is probable that this matter will negatively impact the Commission state funding in the future. However, the ultimate financial impact and duration cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

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, 2021

	Original Budget	Final Budget	Actual Amount	Variance With Final Budget
Resources (Inflows)				
Operating Grants and contributions:				
First 5 California Tobacco Tax Allocations	$ 1,396,986	$ 1,396,986	$ 1,522,432	$ 125,446
First 5 California Grants	420,711	587,632	337,051	(250,581)
Other Grants	1,378,480	1,658,709	1,546,257	(112,452)
Other Miscellaneous Income	5,000	5,000	400	(4,600)
Unrealized Gain on Investments	-	-	(19,105)	(19,105)
Interest Income	20,000	20,000	20,575	575
Total Revenues	3,221,177	3,668,327	3,407,610	(260,717)
Charges to Appropriations (Outflows)				
Child Development:				
Personnel Costs	669,925	686,042	664,051	21,991
Program Funding	2,427,892	2,727,363	2,346,357	381,006
Operating Expenses	56,517	61,817	46,354	15,463
Professional Services	45,399	45,399	33,247	12,152
Contingency Funds	27,940	27,940	-	27,940
Total Expenditures	3,227,673	3,548,561	3,090,009	458,552
Net Change in Fund Balance	(6,496)	119,766	317,601	197,835
Fund Balance - Beginning of Year	2,091,195	2,091,195	2,091,195	
Fund Balance - End of Year	$ 2,084,699	$ 2,210,961	$ 2,408,796	

See Accompanying Notes and Auditor's Report.

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 at 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.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS

NET PENSION LIABILITY

Fiscal Year Ended:	2021	2020	2019	2018	2017	2016	2015
Commission's proportion of the net pension liability	0.3069%	0.2533%	0.3063%	0.3530%	0.4923%	0.5129%	0.7668%
Commission's proportionate share of the County's net pension liability	$ 810,135	$ 627,316	$ 709,780	$826,217*	$1,022,270	$866,207	$1,244,674
Commission's proportionate share of covered payroll	$ 292,450	$ 245,900	$ 260,523	$ 287,051	$ 542,750	$670,560	$654,775
Commission's proportionate share of the County's net pension liability as a percentage of covered employee payroll	277.02%	278.78%	273.01%	280.16%	260.48%	230.89%	228.48%
Plan fiduciary net position as a percentage of the total pension liability	67.19%	67.79%	68.24%	66.71%	67.41%	72.06%	72.06%
Measurement date:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

CONTRIBUTIONS

Fiscal Years Ended June 30,	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	$ 78,968	$ 86,378	$ 60,299	$ 61,793	$ 66,248	$ 86,150	$ 79,185
Contributions in relation to the actuarially determined contribution	(83,184)	(86,378)	(60,299)	(61,793)	(66,248)	(86,150)	(79,185)
Contribution deficiency (excess)	$ (4,216)	$ -	$ -	$ -	$ -	$ -	$ -
Commission's covered-employee payroll	$ 292,450	$ 295,293	$ 245,900	$ 260,523	$287,051	$542,750	$ 670,560
Contributions as a percentage of covered-employee payroll	28.44%	29.25%	23.32%	23.72%	23.08%	15.87%	11.81%

*During the Fiscal Year 2017-18, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68). Initially reported as $716,913.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS

CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	Fiscal Years Ended June 30,						
Total Pension Liability (Commission's proportionate share of County)	2021	2020	2019	2018	2017	2016	2015
Service cost	$47,757	$37,675	$43,670	$49,606	$59,834	$58,956	$91,047
Interest on total pension liability	167,301	131,913	151,235	167,812	226,314	223,629	323,858
Assumption Changes	-	-	(17,140)	138,094	-	(53,662)	-
Actual vs. expected experience	18,463	26,160	10,072	(7,511)	30,627	(40,205)	-
Benefit payments, including refunds of employee contributions	(123,875)	(96,614)	(198,430)	(115,185)	(155,554)	(152,525)	(213,739)
Net change in total pension liability	109,646	(99,135)	81,297	232,816	161,221	36,193	201,166
Change in proportions	412,079	(386,724)	(328,360)	(887,582)	(124,512)	(1,516,720)	-
Total pension liability - beginning	1,947,385	2,234,974	2,482,038	3,136,804	3,100,095	4,580,622	4,379,456
Total pension liability - ending (a)	$2,469,110	$1,947,385	$2,234,974	$2,482,038	$3,136,804	$3,100,095	$4,580,622
Plan Fiduciary Net Position							
Contributions – employer (proportionate)	$83,184	$56,093	$58,923	$66,165	$85,386	$78,290	$102,631
Contributions – employee(proportionate)	22,494	17,053	20,529	22,268	30,807	29,675	43,842
Net investment income	80,022	83,149	122,012	168,601	11,037	49,586	500,118
Benefit payments	(123,874)	(96,614)	(106,540)	(115,185)	(155,554)	(152,525)	(213,739)
Administrative expense	(2,255)	(900)	(2,243)	(2239)	(1,307)	(2,500)	-
Other Misc Income/(Expense)	-	3	(4,252)	-	-	-	-
Net change in plan fiduciary net position	59,571	58,784	88,429	139,610	(29,632)	2,526	432,852
Change in proportions	279,335	(263,909)	(219,056)	(598,323)	(89,721)	(1,104,587)	-
Plan fiduciary net position - beginning	1,320,069	1,525,194	1,655,821	2,114,534	2,233,888	3,335,948	2,903,096
Plan fiduciary net position - ending (b)	$1,658,975	$1,320,069	$1,525,194	$1,655,821	$2,114,534	$2,233,888	$3,335,948
Net pension liability - ending (a)-(b)	$810,135	$627,316	$709,780	$826,217	$1,022,270	$866,207	$1,244,674
Plan fiduciary net position as a percentage of the total pension liability	67.19%	67.79%	68.24%	66.71%	67.41%	72.06%	72.83%
Covered payroll – as a proportion of Yolo County	$ 292,450	$ 225,020	$ 259,986	$294,907	$392,455	$375,157	$ 544,768
Plan net pension liability/(asset) as a percentage of covered payroll	277.02%	278.78%	273.01%	280.16%	260.48%	230.89%	228.48%
Measurement Date June 30,:	2020	2019	2018	2017	2016	2015	2014

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS AND CONTRIBUTIONS

CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS *

Total OPEB Liability (Commission's proportionate share of County)	Fiscal Year 2020-2021	Fiscal Year 2019-2020	Fiscal Year 2018-2019	Fiscal year 2017-2018
Service cost	$ 6,583	$ 5,377	$ 8,705	$ 9,048
Interest on total OPEB liability	13,913	11,425	13,654	14,004
Actual vs. expected experience	6,094	-	(9,691)	-
Assumption Changes	(1,547)	-	(5,070)	-
Benefit payments, including refunds of employee contributions	(15,563)	(12,561)	(12,848)	(13,993)
Change in proportions	32,916	(32,356)	(14,672)	-
Net change in total OPEB liability	42,397	(28,115)	(19,922)	9,059
Total OPEB liability - beginning	174,408	202,523	222,445	213,386
Total OPEB liability - ending (a)	$ 216,805	$ 174,408	$ 202,523	$ 222,445
Plan Fiduciary Net Position				
Contributions - employer	$ 24,822	$ 20,657	$ 23,128	$ 25,870
Net investment income	958	1,869	1,826	1,362
Benefit payments	(15,563)	(12,561)	(12,848)	(13,993)
Administrative expense	(291)	(199)	(120)	(30)
Change in proportions	(6,420)	(4,611)	(1,192)	-
Net change in plan fiduciary net position	16,346	5,155	10,794	13,209
Plan fiduciary net position - beginning	34,011	28,856	18,062	4,853
Plan fiduciary net position - ending (b)	$ 50,357	$ 34,011	$ 28,856	$ 18,062
Net OPEB liability - ending (a)-(b)	$ 166,448	$ 140,397	$ 173,667	$ 204,383
Plan fiduciary net position as a percentage of the total OPEB liability	23.20%	19.50%	14.25%	8.12%
Covered payroll – as a proportion of Yolo County	$ 311,423	$ 230,867	$ 260,486	$ 270,977
Net OPEB liability as percentage of covered payroll	53.4%	60.8%	66.67%	75.42%
Measurement Date:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

CONTRIBUTIONS - For Fiscal Years ended June 30,

	2021	2020	2019	2018
Actuarially determined contributions	$ 24,550	$ 24,230	$ 20,842	$ 21,571
Contributions in relation to the actuarially determined contribution	(26,044)	(24,230)	(20,842)	(21,571)
Contribution deficiency (excess)	$ (1,493)	$ -	$ -	$ -
Commission's covered employee payroll (**)	$ 315,652	$ 295,293	$ 245,900	$ 260,523
Contributions as a percentage of covered-employee payroll	8.3	8.21%	8.48%	8.28%

* Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.
** For the 12-months ended June 30, 2021, 2020, 2019 and 2018 respectively

In accordance with Actuarial Standards of Practice, the following methods and assumptions were used to for the 2020-21 actuarially determined contribution rates:

a) Actuarial valuation date: June 30, 2018
b) Actuarial cost method: Entry Age Normal
c) Amortization method: Level Percent of Payroll
d) Amortization period: 13 year fixed period for 2020-21
e) Asset valuation method: Investment gains and losses spread over 5-year rolling period
f) Discount rate: 6.75%
g) General Inflation: 2.75%
h) Investment rate of return: 6.75% Net of OPEB Plan Investment and Administrative Expense;
i) Mortality: CalPERS 1997-2015 Experience Study
j) Mortality Improvement: Mortality Projected fully generational with Scale MP-2019

The full GASB 75 Actuarial Report is available on the County's website, www.yolocounty.org

OTHER SUPPLEMENTARY INFORMATION

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

No Findings noted in prior year audit (Fiscal year ended June 30, 2020).

Jensen Smith
CERTIFIED PUBLIC ACCOUNTANTS, INC.

Making a Lasting Contribution
To our Clients, To our Community, To our Profession

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

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*
INDEPENDENT AUDITOR'S REPORT

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), a component unit of Yolo County, as of and for the year ended June 30, 2021, 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 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Jensen Smith

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
October 11, 2021

Jensen Smith
CERTIFIED PUBLIC ACCOUNTANTS, INC.

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To our Clients, To our Community, To our Profession

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 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, 2021.

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

Description	Audit Guide Procedures	Procedures Performed
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, 2021.

Jensen Smith

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
October 11, 2021

Jensen Smith
CERTIFIED PUBLIC ACCOUNTANTS, INC.

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Lincoln, CA 95648
Office (916) 434-1662
Fax (916) 434-1090

October 11, 2021

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, 2021, 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 11, 2021, contains our report on the Commission's internal control. This letter does not affect our report dated October 11, 2021, on the financial statements of the Commission.

Although the Covid-19 precautions created obstacles again this year, the audit went very smoothly. Staff quickly answered my questions and provided documents electronically for our audit tests. 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 2021-2022.

Sincerely,

Jensen Smith

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California