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, 2022

FIRST 5 YOLO
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
COMMISSION MEMBERSHIP
FOR THE YEAR ENDED JUNE 30, 2022

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 of a special population, 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

Verna Sulpizio Hull, District 1
Community Representative

Jennifer Rexroad, District 3
Community Representative

Heidy Kellison, District 4 – Vice Chair
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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of First 5 Yolo Children and Families Commission (the Commission), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary 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 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 Schedule of the Status of Prior Audit Findings and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of the status of prior audit findings and schedule of expenditures of federal awards 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 19, 2022, 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 Commission's internal control over financial reporting and compliance.

Jensen Smith

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
October 19, 2022

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, 2022.

FISCAL YEAR 2021-2022 FINANCIAL HIGHLIGHTS

- The Commission earned $2,254,355 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 $1,435,477 of tobacco tax revenue (Propositions 10, 56 and SMIF) and $818,878 in state grants. Additional income of $1,854,826 was received from other sources, including interest earned of $14,237. Total revenues were $4,109,181.

- During the current fiscal year, the Commission's total expenses were $3,954,503, with expenses allocated as program expenses of $3,522,126, administrative expenses of $304,886 and evaluation expenses of $127,491.

- The Commission's ending General Fund balance of $2,563,474 was classified as follows: Restricted $46,696, Committed $1,390,528, and Assigned $1,126,250 and reflects an increase of $154,678.

- On the Commission's Government-wide financial statements, total revenues were $4,105,546 and total expenses were $4,072,080. 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 $1,623,466 (*net position)*, a decrease of $37,210, 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 14-30 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 on pages 31-39. This other supplementary information can be found on page 40.

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 2022 and 2021:

Statement of Net Position Comparison

	6/30/22	6/30/21	Change	% Change
ASSETS				
Current and other assets	$3,456,992	$3,125,193	$ 331,799	10.62%
Total assets	3,456,992	3,125,193	331,799	10.62%
Deferred outflows of resources:				
Deferred outflows related to pension and OPEB plans	328,621	241,899	86,722	35.85%
LIABILITIES				
Current and other liabilities	928,716	674,408	254,308	37.71%
Long-term liabilities	963,213	1,008,905	(45,692)	-4.53%
TOTAL LIABILITIES	1,891,929	1,683,313	208,616	12.39%
Deferred inflows of resources:				
Deferred inflows related to pension and OPEB plans	270,218	23,103	247,115	1,069.62%
NET POSITION				
Restricted	1,623,466	1,660,676	(37,210)	-2.24%
TOTAL NET POSITION	**$1,623,466**	**$1,660,676**	**(37,210)**	**-2.24%**

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 $1,623,466 (net position) at the close of the most recent fiscal year. The total net position decreased by $37,210.

The most significant portion of the Commission's current assets is its cash balance of $2,673,596. 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 $783,396 mostly consisting of the funds due from First 5 California and other governmental contracts. Current assets increased by $331,799 from fiscal year 2020-2021 to fiscal year 2021-2022 due to the amount of funds due from other governments and unspent funds.

Current liabilities of $928,716 included grants and contracts payable of $862,428 representing the final payments due to contractors which are accrued and will be paid during the subsequent fiscal year. Current liabilities increased by $254,308 from fiscal year 2020-21 to fiscal year 2021-22 due to the increased amount of contracts payable at the end of the fiscal year. Long-term liabilities decreased by $45,692 due to the net changes in the proportionate share of the County's net pension liability and net OPEB liability.

Deferred outflows of resources increased by $86,722 and deferred inflows of resources increased by $247,115 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, 2022 and 2021.

Statement of Activities Comparison

	6/30/22	6/30/21	Change	% Change
REVENUE				
Program Revenues:				
Proposition 10 & 56	$ 1,434,796	$ 1,522,432	$ (87,636)	5.7%
State and Other Grants	2,661,579	1,810,579	851,000	47.0%
Other Revenue	9,173	400	8,773	21.9%
Total Program Revenues	4,105,546	3,333,411	772,135	23.1%
General Revenues:				
Investment Income	(70,676)	1,470	(72,146)	(4907%)
Total Revenues	4,034,870	3,334,881	699,989	20.9%
EXPENSES				
Administrative Expenses	313,951	275,213	38,738	14.1%
Evaluation Expenses	131,282	121,132	10,150	8.4%
Program Expenses	3,626,847	2,614,931	1,011,916	38.7%
Total Expenses	4,072,080	3,011,276	1,060,804	35.2%
Change in net position	(37,210)	323,605	(360,815)	(111.5%)
NET POSITION, beginning of year	1,660,676	1,337,071	323,605	24.2%
NET POSITION, end of year	**$ 1,623,466**	**$ 1,660,676**	**$ (37,210)**	**(2.2%)**

The financial statements for fiscal year 2022 show a decrease in net position of $37,210. This reflects pension and OPEB expenses as well as a significant unrealized loss on investments due to global market decline.

Revenues. The Commission receives a portion of 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, 2022, $1,435,477 was received from First 5 California in tobacco tax revenue, a decrease of $86,955, compared to the prior fiscal year. The Commission also invests its funds in the Yolo County Treasury and earned $14,235 in interest and $84,913 for unrealized losses for fiscal year 2022, a decrease of $72,146 (4,908%), due to a decrease in returns from the investment pool and a downturn in financial markets.

Total revenue consisting of Proposition 10 & 56 funds, interest income, grants from other governmental entities, and other revenue increased by $772,135 (23.16%) or from $3,333,411 to $4,105,546 for the year ended June 30, 2022. This increase was due to increases in new grants income.

Expenses. During fiscal year 2022, the Commission expended a total of $4,072,080 of which $3,626,847 was expended to various service providers within Yolo County, Commission run programs and program support. This represents an increase of $1,011,916 or 38.7% 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 and local grants provided additional funds to be expended on programs in Yolo County. Total expenses of $4,072,080 was an increase over the prior fiscal year by $1,060,804 (35.2%). 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 $2,563,474, an increase of $154,678. The increase was due to a new strategic plan implemented July 1, 2018 that focuses on maintaining steady levels of funding for multi-year programs across the life of the Strategic Plan by establishing and maintaining reserve amounts and leveraging 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 $701,571 (20.6%) or from $3,407,610 to $4,109,181 for the year ended June 30, 2022. Total expenditures of $3,954,503 was an increase over the prior fiscal year by $864,494 (28%). Administrative costs were $304,886 or 7.7% of total costs, evaluation costs were $127,491 or 3.2% of total costs and program costs were $3,522,126 or 89% of total costs.

General Fund Budgetary Highlight

Total Revenues were less than budgeted by $634,229 (13.4%) and total expenses were less than budgeted by $943,548 (19.3%). The decrease in revenue in comparison to budget was largely due to the underspending of the grants in the fiscal year.

Debt Administration

The Commission's long-term debt consists of compensated absences payable of $70,395 (of which $35,198 has been classified as a current liability), net pension liability of $706,046 and net OPEB liability of $221,970.

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

$14,951,639 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 the multitudinous challenges they face. The Commission 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.

In Fiscal Year 2022-2023, the State of California will consider a Ban Referendum on the sale of flavored tobacco products on the November 2022 ballot. This measure is expected to pass and will reduce projected tobacco-tax revenue apportionments to the Commission by approximately 15% by Fiscal Year 2025-2026.

The Commission views Proposition 10 as a leveraging 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, 2022

ASSETS	
Current Assets	
Cash and Investments	$ 2,673,596
Due from Other Governments	780,801
Accounts Receivable	2,595
Total Current Assets	3,456,992
Total Assets	3,456,992
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows Related to Pensions	218,923
Deferred Outflows Related to OPEBs	109,698
Total Deferred Outflows of Resources	328,621
LIABILITIES	
Current Liabilities	
Accounts Payable	2,071
Grants and Contracts Payable	862,428
Accrued Wages and Benefits	29,019
Accrued Compensated Absences	35,198
Total Current Liabilites	928,716
Long-term Liabilities:	
Accrued Compensated Absences	35,197
Net Pension Liability	706,046
Net OPEB Liability	221,970
Total Long-term Liabilities	963,213
Total Liabilities	1,891,929
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflows Related to Pensions	242,760
Deferred Inflows Related to OPEBs	27,458
Total Deferred Inflows of Resources	270,218
NET POSITION	
Restricted	1,623,466
Total Net Position	$ 1,623,466

See Accompanying Notes to Financial Statements.

FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
STATEMENT OF ACTIVITIES
JUNE 30, 2022

FIRST 5 PROGRAM EXPENSES	
Child Development	$ 4,072,080
Total Program Expenses	4,072,080
PROGRAM REVENUES	
Charges for services	8,490
Operating Grants and Contributions:	
Prop 10 Apportionment	1,074,455
Prop 56 Backfill	360,339
Surplus Money Investment Funds	683
Prop 10 Grants	744,567
Other Government Grants	1,917,012
Total Program Revenues	4,105,546
Net Program Revenues (Expense)	33,466
GENERAL REVENUES	
Interest Income	14,237
Unrealized Gain (Loss) on Investments	(84,913)
Total General Revenues	(70,676)
Change in Net Position	(37,210)
Net Position - Beginning of Year	1,660,676
Net Position - End of Year	$ 1,623,466

See Accompanying Notes to Financial Statements.

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
BALANCE SHEET
JUNE 30, 2022

ASSETS		
Cash and Investments	$	2,673,596
Due from Other Governments		780,801
Accounts Receivable		2,595
Total Assets	$	3,456,992
LIABILITIES		
Accounts Payable	$	2,071
Grants and Contracts Payable		862,428
Accrued Wages and Benefits		29,019
Total Liabilities		893,518
FUND BALANCES		
Restricted		46,696
Committed		1,390,528
Assigned		1,126,250
Total Fund Balances		2,563,474
Total Liabilities and Fund Balances	$	3,456,992

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

Fund Balance - Total Governmental Fund (from above)	$	2,563,474
Amounts reported for governmental activities in the statement of net position are different because:		
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		218,923
Deferred outflows of resources related to OPEB		109,698
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		(706,046)
Net OPEB Liability		(221,970)
Compensated Absences		(70,395)
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		(242,760)
Deferred inflows of resources related to OPEB		(27,458)
Net Position of Governmental Activities	$	1,623,466

FIRST 5 YOLO CHILDREN AND FAMILIES COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

REVENUES		
Operating Grants and Contributions:		
Prop 10 Tobacco Tax Apportionment	$	1,074,455
Prop 56 Backfill		360,339
Surplus Money Investment Funds		683
Prop 10 Grants		818,878
Other Grants		1,917,012
Interest Income		14,237
Unrealized Gain (Loss) on Investments		(84,913)
Other Revenue		8,490
Total Revenues		4,109,181
EXPENDITURES		
Child Development:		
Administrative		304,886
Evaluation		127,491
Program		3,522,126
Total Expenditures		3,954,503
Net Change in Fund Balance		154,678
Fund Balance - Beginning of Year		2,408,796
Fund Balance - End of Year	$	2,563,474

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	$	154,678
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.		(74,311)
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		(124,588)
Net Change in OPEB related amounts		12,762
Change in Compensated Absences		(5,751)
Change in Net Position of Governmental Activities	$	(37,210)

See Accompanying Notes to Financial Statements.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 by taxes levied by the State of California on tobacco products and grant revenues from other state and local jurisdictions.

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.

<u>Adjustments Between Fund Financial Statements and Government-Wide Financial Statements</u>

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 was a receivable for $74,311 that was not received in the 90 day period after the fiscal year end June 30, 2021 and were therefore deferred to the fiscal year 2021-2022 fund financial statements. At June 30, 2022, all receivables were received within the 90 days after year end. There was therefore no deferral to the fiscal year 2022-2023.

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

Long-Term Liabilities

As of June 30, 2022 the Commission estimated its liability for vested compensated absences to be $70,395. 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 ($35,198) 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 $5,751 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, 2022, 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 $2,673,596. 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, 2022 consisted of the following:

Pooled Investments:	Carrying Amount	Fair Value	Difference
Yolo County	$ 2,746,939	$ 2,673,596	$ (73,343)

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, 2022, 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, 2022 of $2,673,596 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, 2022, were as follows:

Due from Other Governments:	
Prop 10 Revenues:	
June 2022 allocations	$ 93,302
Surplus Money Investment Fund Allocations	683
County of Yolo – Welcome Baby program	164,458
Yolo County Office of Education – Preschool Development Grant - Revised	7,793
UC Davis – ACEs Aware program	9,960
Office of Child Abuse Prevention- Road to Resilience	150,532
First 5 California- Multiple Grants	354,073
Total Due from Other Governments	780,801
Miscellaneous Accounts Receivable	2,595
Total Due from Other Governments & Accounts Receivable	$ 783,396

Note 4. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital Assets: Equipment	$ 8,669	$ --	$ --	$ 8,669
Less Accumulated Depreciation	(8,669)	--	--	(8,669)
Capital Assets, Net	$ --	$ --	$ -	$ -

Note 5. Commitments - Leases

The Commission leased office space from a third party under a long-term operating lease, renewed on June 23, 2021 for the period August 1, 2021 through July 31, 2023. The lease called 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 are as follows:

Year Ended, June 30,	
2022	$ 23,328
2023	$ 9,914

Rent expense was $23,328 for the year ended June 30, 2022.

As of the date of this report, the Commission has formally communicated its intent to terminate its lease early under the above lease's early termination clause.

A new office space has been located and the Commission is in the process of negotiating the lease agreement.

Note 6: Commitments – Implementation of GASB 87

For fiscal year ended June 30, 2022, the Commission implemented Governmental Accounting Standards (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Commission's financial statements and had no impact on the financial statements as of and for the year ended June 30, 2022. Currently, the Commission has a lease for office space that will end in under a year from the date of issuance of the financial statements due to early termination. A new lease for office space is currently being negotiated.

Note 7. 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, 2022, 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	$ 120,527
CommuniCare Health Center	Maternal Mental Health Services	6,673
CommuniCare Health Center	Welcome Baby	87,176
Lead 4 Tomorrow	Family Hui	3,510
Davis Art Center	IMPACT 2020	6,071
No. Calif. Children's Therapy Ctr.	Help Me Grow	142,857
No. Calif. Children's Therapy Ctf.	Yolo Baby	4,700
RISE, Inc.	Help Me Grow	5,459
RISE, Inc.	IMPACT 2020	33,230
Woodland Joint Unified School Dist.	Dual Language Learner Expansion	16,116
Yolo County Children's Alliance	Welcome Baby	76,304
Yolo County Children's Alliance	Help Me Grow	13,986
Yolo County Children's Alliance	IMPACT 2020	35,948
Yolo County Children's Alliance	CHILD Project Road to Resilience	105,440
Yolo Crisis Nursery	Help Me Grow	7,918
Yolo Crisis Nursery	Attachment & Biobehavioral Catch-Up	23,277
Yolo Crisis Nursery	Crisis Nursery Intervention Services	14,746
Yolo County Office of Ed.	Dual Language Learner Expansion	47,536
Yolo County Office of Ed.	IMPACT 2020	39,578
International House Davis	Dual Language Learner Expansion	40,192
Other Contracts Payable	Multiple	31,184
Total Grants and Contracts Payable		$ 862,428

Note 8. 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 9. Uncertainties

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on the Commission's future operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Commission's partner agencies, the County offices and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Commission's financial position and changes in net position/fund balances is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Note 10. 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 2021-22 the County of Yolo provided the following grants to the Commission:

Program	Funding
Attachment and Biobehavioral Catch-Up	$ 77,724
Help Me Grow Program	$385,950
Welcome Baby	$281,598
Preschool Development	$ 15,060

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 $21,181 for all other County services provided during the year ended June 30, 2022.

Note 11. Program Evaluation

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

For the year ended June 30, 2022, the Commission expended $127,491 for program evaluation.

Note 12. 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.

Note 12. Defined Benefit Pension Plan (continued)

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.

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, 2022, was 31.37%. For the fiscal year ended June 30, 2022, the Commission was required to contribute $152,707 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, 2022, the Commission reported a liability of $706,046 for its proportionate share of the County's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. For the year ended June 30, 2022, the Commission recognized a pension expense of $733,060. At June 30, 2022, 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	$ -	$(242,760)
Change in proportion	50,353	-
Difference between expected and actual experience	15,863	-
Changes of assumptions	-	-
Employer contributions paid by the Commission Subsequent to the measurement date	152,707	-
Total	$ 218,923	$(242,760)

The $152,707 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, 2023.

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,	
2022	$ 803
2023	(5,196)
2024	(47,284)
2025	(58,134)
2026	(66,773)
Total	$ (176,543)

Note 12. 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 2020 actual contributions to the County's pension plan relative to the total contributions of the County as a whole. At June 30, 2020, the Commission's proportionate share (based on Contributions) was 0.3069% and at June 30, 2021 the Commission's proportionate share was 0.3951%, an increase of 0.0882%.

The components of the Commission's proportionate share of the Plan net pension liability as of June 30, 2021 and June 30, 2022 are as follows:

Commission's Proportionate Share	2021	2022
Total Pension liability	$ 2,469,111	$ 3,313,289
Less: Plan fiduciary net position	1,658,976	2,607,243
Net Pension Liability	$ 810,135	$ 706,046

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, 2020
Measurement date	June 30, 2021
Measurement period	July 1, 2020-June 30, 2021
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, 2020 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, 2021.

Note 12. 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)
Public 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 ACFR, 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	$ 1,136,064	$ 706,046	$ 350,067

Note 12. 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 13. 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. The employer contribution rate for the fiscal year ended June 30, 2022, was 7.7%. 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, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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 2021 are as follows:

Commission's Proportionate Share	2016	2017	2018	2019	2020	2021
Total OPEB liability	$ 272,668	$ 222,445	$ 202,523	$ 174,408	$ 216,804	$ 339,275
Less: Plan fiduciary net position	6,201	18,062	28,856	34,011	50,316	117,305
Net OPEB liability of employers	$ 266,467	$ 204,383	$ 173,667	$ 140,397	$ 166,488	221,970

Note 13. 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, 2021, using an actuarial valuation as of June 30, 2020. At June 30, 2021, the Commission reported a Net OPEB liability of $221,970 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 2020-2021 actual contributions to the County's the Plan relative to the total contributions of the County as a whole. At June 30, 2020, the Commission's proportionate share was 0.2532% and at June 30, 2021 the Commission's proportionate share was 0.3770%, an increase of 0.1238%.

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:	6.5% at June 30, 2021; 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 2021, discount rate was updated based on newer capital market assumptions.

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%	4.56%
Fixed Income	20.0%	0.78%
Real Estate Investment Trusts	2.0%	4.06%
Cash	5.0%	(0.50%)
Total	100.0%	

* Assumed long-term rate of inflation 2.75%; Expected long term net rate of return 6.50%.

Note 13. Retiree Medical Plan – Other Postemployment Benefits (continued)

Discount Rate – The discount rate used to measure the total OPEB liability was 6.50 percent at June 30, 2021 and 6.75 percent at June 30, 2020. 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 6.50 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 (5.50 percent) or 1 percentage-point higher (7.50 percent) than the current rate:

Discount Rate	1.00% Decrease (5.50%)	Current Discount Rate (6.50%)	1.00% Increase (7.50%)
Commission's proportionate share of the County's net OPEB liability	$ 257,975	$ 221,970	$ 191,235

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	$ 205,912	$ 221,970	$ 239,817

** See Healthcare Cost Trend Rate assumptions above*

Covered Participants – At June 30, 2021, 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	1,937
Total	TBD

TBD - Covered participant counts were available to the actuary as of the valuation date (June 30, 2021), but updated counts were not provided to the actuary as of measurement date (June 30, 2021). 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, 2021 is to be amortized over the remaining 3-year period.

Note 13. Retiree Medical Plan – Other Postemployment Benefits (continued)

For the year ended June 30, 2022, the Commission recognized an OPEB expense of $22,927. At June 30, 2022, 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	$ --	$ 15,550
Net difference between expected and actual experience	6,553	6,726
Change of assumptions	6,990	5,182
Change in proportion	59,989	--
Employer contributions paid by the Commission subsequent to the measurement date	36,166	--
Total	$ 109,698	$ 27,458

The $36,166 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, 2022.

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, 2022 is to be amortized over the remaining 3-year period:

Measurement Period Ending Year Ended June 30,	
2023	1,065
2024	5,656
2025	6,561
Thereafter	32,792
Total	$46,074

Note 14. Subsequent Events

The Commission has evaluated subsequent events through October 19, 2022, the date which the financial statements were available to be issued. The following event required disclosure:

As of the date of this report, the Commission has elected to terminate its current lease for office space and is negotiating the terms of a new lease at an alternate location. See ***Note 5***. ***Commitments – Leases*** and ***Note 6 – Commitments – Implementation of GASB 87*** for details.

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, 2022

	Original Budget	Final Budget	Actual Amount	Variance With Final Budget
Resources (Inflows)				
Operating Grants and contributions:				
First 5 California Tobacco Tax Allocations	$ 1,330,196	$ 1,479,931	$ 1,435,477	$ (44,454)
First 5 California Grants	772,757	890,978	818,878	(72,100)
Other Grants	1,519,144	2,347,501	1,917,012	(430,489)
Other Miscellaneous Income	5,000	5,000	8,490	3,490
Unrealized Gain on Investments	-	-	(84,913)	(84,913)
Interest Income	20,000	20,000	14,237	(5,763)
Total Revenues	3,647,097	4,743,410	4,109,181	(634,229)
Charges to Appropriations (Outflows)				
Child Development:				
Personnel Costs	787,810	732,763	748,629	(15,866)
Program Funding	2,948,792	3,979,442	3,123,482	855,960
Operating Expenses	96,735	105,974	47,110	58,864
Professional Services	50,273	50,273	35,282	14,991
Contingency Funds	26,604	29,599	-	29,599
Total Expenditures	3,910,214	4,898,051	3,954,503	943,548
Net Change in Fund Balance	(263,117)	(154,641)	154,678	309,319
Fund Balance - Beginning of Year	2,408,796	2,408,796	2,408,796	
Fund Balance - End of Year	$ 2,145,679	$ 2,254,155	$ 2,563,474	

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

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 – page 1 of 2

Fiscal Year Ended June 30,	2022	2021	2020
Commission's proportion of the net pension liability	0.3951%	0.3069%	0.2533%
Commission's proportionate share of the County's net pension liability	$ 706,046	$ 810,135	$ 627,316
Commission's proportionate share of covered payroll	$391,487	$ 292,450	$ 245,900
Commission's proportionate share of the County's net pension liability as a percentage of covered employee payroll	180.35%	277.02%	278.78%
Plan fiduciary net position as a percentage of the total pension liability	78.69%	67.19%	67.79%
Measurement date:	June 30, 2021	June 30, 2020	June 30, 2019

CONTRIBUTIONS – page 1 of 2

Fiscal Year Ended June 30,	2022	2021	2020
Actuarially determined contributions	$ 112,240	$ 78,968	$ 86,378
Contributions in relation to the actuarially determined contribution	(123,077)	(83,184)	(86,378)
Contribution deficiency (excess)	$ (10,837)	$ (4,216)	$ -
Commission's covered-employee payroll	$ 391,487	$ 292,450	$ 295,293
Contributions as a percentage of covered-employee payroll	31.44%	28.44%	29.25%

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 – page 2 of 2

Fiscal Year Ended:	2019	2018	2017	2016	2015
Commission's proportion of the net pension liability	0.3063%	0.3530%	0.4923%	0.5129%	0.7668%
Commission's proportionate share of the County's net pension liability	$ 709,780	$826,217*	$1,022,270	$866,207	$1,244,674
Commission's proportionate share of covered payroll	$ 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	273.01%	280.16%	260.48%	230.89%	228.48%
Plan fiduciary net position as a percentage of the total pension liability	68.24%	66.71%	67.41%	72.06%	72.06%
Measurement date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

CONTRIBUTIONS – page 2 of 2

Fiscal Years Ended June 30,	2019	2018	2017	2016	2015
Actuarially determined contributions	$ 60,299	$ 61,793	$ 66,248	$ 86,150	$ 79,185
Contributions in relation to the actuarially determined contribution	(60,299)	(61,793)	(66,248)	(86,150)	(79,185)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Commission's covered-employee payroll	$ 245,900	$ 260,523	$287,051	$542,750	$ 670,560
Contributions as a percentage of covered-employee payroll	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 – page 1 of 2

	Fiscal Years Ended June 30,		
Total Pension Liability (Commission's proportionate share of County)	**2022**	**2021**	**2020**
Service cost	$63,538	$47,757	$37,675
Interest on total pension liability	224,463	167,301	131,913
Assumption Changes	-	-	-
Actual vs. expected experience	11,143	18,463	26,160
Benefit payments, including refunds of employee contributions	(164,565)	(123,875)	(96,614)
Net change in total pension liability	134,580	109,646	(99,135)
Change in proportions	-	412,079	(386,724)
Total pension liability - beginning	3,178,708	1,947,385	2,234,974
Total pension liability - ending (a)	$3,313,288	$2,469,110	$1,947,385
Plan Fiduciary Net Position			
Contributions – employer (proportionate)	$123,077	$83,184	$56,093
Contributions – employee(proportionate)	29,502	22,494	17,053
Net investment income	485,617	80,022	83,149
Benefit payments	(164,565)	(123,874)	(96,614)
Administrative expense	(2,133)	(2,255)	(900)
Other Misc Income/(Expense)	-	-	3
Net change in plan fiduciary net position	471,495	59,571	58,784
Change in proportions	-	279,335	(263,909)
Plan fiduciary net position - beginning	2,135,748	1,320,069	1,525,194
Plan fiduciary net position - ending (b)	$2,607,243	$1,658,975	$1,320,069
Net pension liability - ending (a)-(b)	$706,046	$810,135	$627,316
Plan fiduciary net position as a percentage of the total pension liability	78.69%	67.19%	67.79%
Covered payroll – as a proportion of Yolo County	$ 391,487	$ 292,450	$ 225,020
Plan net pension liability/(asset) as a percentage of covered payroll	180.35%	277.02%	278.78%
Measurement Date June 30,:	2021	2020	2019

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 – page 2 of 2

	Fiscal Years Ended June 30,				
Total Pension Liability (Commission's proportionate share of County)	**2019**	**2018**	**2017**	**2016**	**2015**
Service cost	$43,670	$49,606	$59,834	$58,956	$91,047
Interest on total pension liability	151,235	167,812	226,314	223,629	323,858
Assumption Changes	(17,140)	138,094	-	(53,662)	-
Actual vs. expected experience	10,072	(7,511)	30,627	(40,205)	-
Benefit payments, including refunds of employee contributions	(198,430)	(115,185)	(155,554)	(152,525)	(213,739)
Net change in total pension liability	81,297	232,816	161,221	36,193	201,166
Change in proportions	(328,360)	(887,582)	(124,512)	(1,516,720)	-
Total pension liability - beginning	2,482,038	3,136,804	3,100,095	4,580,622	4,379,456
Total pension liability - ending (a)	$2,234,974	$2,482,038	$3,136,804	$3,100,095	$4,580,622
Plan Fiduciary Net Position					
Contributions – employer (proportionate)	$58,923	$66,165	$85,386	$78,290	$102,631
Contributions – employee(proportionate)	20,529	22,268	30,807	29,675	43,842
Net investment income	122,012	168,601	11,037	49,586	500,118
Benefit payments	(106,540)	(115,185)	(155,554)	(152,525)	(213,739)
Administrative expense	(2,243)	(2239)	(1,307)	(2,500)	-
Other Misc Income/(Expense)	(4,252)	-	-	-	-
Net change in plan fiduciary net position	88,429	139,610	(29,632)	2,526	432,852
Change in proportions	(219,056)	(598,323)	(89,721)	(1,104,587)	-
Plan fiduciary net position - beginning	1,655,821	2,114,534	2,233,888	3,335,948	2,903,096
Plan fiduciary net position - ending (b)	$1,525,194	$1,655,821	$2,114,534	$2,233,888	$3,335,948
Net pension liability - ending (a)-(b)	$709,780	$826,217	$1,022,270	$866,207	$1,244,674
Plan fiduciary net position as a percentage of the total pension liability	68.24%	66.71%	67.41%	72.06%	72.83%
Covered payroll – as a proportion of Yolo County	$ 259,986	$294,907	$392,455	$375,157	$ 544,768
Plan net pension liability/(asset) as a percentage of covered payroll	273.01%	280.16%	260.48%	230.89%	228.48%
Measurement Date June 30,:	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 2021-2022	Fiscal Year 2020-2021	Fiscal Year 2019-2020	Fiscal Year 2018-2019	Fiscal year 2017-2018
Service cost	$ 9,791	$ 6,583	$ 5,377	$ 8,705	$ 9,048
Interest on total OPEB liability	21,670	13,913	11,425	13,654	14,004
Actual vs. expected experience	-	6,094	-	(9,691)	-
Assumption Changes	8,136	(1,547)	-	(5,070)	-
Benefit payments, including refunds of employee contributions	(23,129)	(15,563)	(12,561)	(12,848)	(13,993)
Change in proportions	-	32,916	(32,356)	(14,672)	-
Net change in total OPEB liability	16,468	42,397	(28,115)	(19,922)	9,059
Total OPEB liability - beginning	322,807	174,408	202,523	222,445	213,386
Total OPEB liability - ending (a)	$ 339,275	$ 216,805	$ 174,408	$ 202,523	$ 222,445
Plan Fiduciary Net Position					
Contributions - employer	$ 38,864	$ 24,822	$ 20,657	$ 23,128	$ 25,870
Net investment income	27,203	958	1,869	1,826	1,362
Benefit payments	(23,129)	(15,563)	(12,561)	(12,848)	(13,993)
Administrative expense	(611)	(291)	(199)	(120)	(30)
Change in proportions	-	(6,420)	(4,611)	(1,192)	-
Net change in plan fiduciary net position	42,327	16,346	5,155	10,794	13,209
Plan fiduciary net position - beginning	74,978	34,011	28,856	18,062	4,853
Plan fiduciary net position - ending (b)	$ 117,305	$ 50,357	$ 34,011	$ 28,856	$ 18,062
Net OPEB liability - ending (a)-(b)	$ 221,970	$ 166,448	$ 140,397	$ 173,667	$ 204,383
Plan fiduciary net position as a percentage of the total OPEB liability	34.58%	23.20%	19.50%	14.25%	8.12%
Covered payroll – as a proportion of Yolo County	$469,984	$311,423	$230,867	$260,486	$270,977
Net OPEB liability as percentage of covered payroll	47.23%	53.4%	60.8%	66.67%	75.42%
Measurement Date:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017

CONTRIBUTIONS - For Fiscal Years ended June 30,

	2022	2021	2020	2019	2018
Actuarially determined contributions	$ 35,649	$ 24,550	$ 24,230	$ 20,842	$ 21,571
Contributions in relation to the actuarially determined contribution	(41,754)	(26,044)	(24,230)	(20,842)	(21,571)
Contribution deficiency (excess)	$ (6,105)	$ (1,493)	$ -	$ -	$ -
Commission's covered employee payroll (**)	$ 496,854	$ 315,652	$ 295,293	$ [illegible]	$ 260,523
Contributions as a percentage of covered-employee payroll	8.40%	8.30%	8.21%	8.48%	8.28%

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

* 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, 2022, 2021, 2020, 2019 and 2018 respectively

In accordance with Actuarial Standards of Practice, the following methods and assumptions were used to for the 2021-22 actuarially determined contribution rates:

a) Actuarial valuation date: June 30, 2020
b) Actuarial cost method: Entry Age Normal
c) Amortization method: Level Percent of Payroll
d) Amortization period: 13 year fixed period for 2021-22
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

SUPPLEMENTARY INFORMATION

FIRST 5 YOLO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	Expenditures to Subrecipients
US Department of the Treasury				
Passed through Yolo County County Administrator's Office				
Coronavirus State and Local Fiscal Recovery Funds	21.027	4191	$ 281,598	$ 254,739
Total US Department of the Treasury			**281,598**	**254,739**
US Department of Health and Human Services (subteir = Administration for Children and Families)				
Passed through CA Office of Child Abuse Prevention (OCAP)				
Child Abuse and Neglect State Grants	93.669	RR-F5Y-19-22	605,073	545,457
Total US Department of Health and Human Services			**605,073**	**545,457**
Total Federal Awards Expended			**$ 886,671**	**$ 800,195**

The Commission did not elect to use the 10% de minimis cost rate to charge indirect costs to programs.

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

No Findings noted in prior year audit (Fiscal year ended June 30, 2021).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Commission and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Jensen Smith
CERTIFIED PUBLIC ACCOUNTANTS, INC.

Making a Lasting Contribution
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INDEPENDENT AUDTIOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of First 5 Yolo County Children and Families Commission (Commission), a component unit of Yolo County, as of and for the year ended June 30, 2022, 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 19, 2022.

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 19, 2022

Jensen Smith
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited First 5 Yolo Children and Families Commission's (the Commission) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2022. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:
• exercise professional judgment and maintain professional skepticism throughout the audit.
• identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Example Entity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
• obtain an understanding of Example Entity's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance

with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Commission as of and for the year ended June 30, 2022, and have issued our report thereon dated October 19, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Jensen Smith

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
October 19, 2022

Jensen Smith
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INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

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

Report on Compliance

Opinion

We have audited the First 5 Yolo County Children and Families Commission's (the 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, 2022.

In our opinion, First 5 Yolo 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, 2022.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the California Children and Families Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether the material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the California Children and Families Program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;

- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal controls over compliance. Accordingly, we express no such opinion; and

- Select and test 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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act.* Accordingly, this report is not suitable for any other purpose.

Jensen Smith

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
October 19, 2022

FIRST 5 YOLO COUNTY CHILDREN AND FAMILIES COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Section I - Summary of Audit Results

Financial Statements		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP [*Unmodified, Qualified, Adverse, or Disclaimer*]: **Unmodified**		
Internal control over financial reporting:		
• Material weakness(es) identified?	______ yes	___X____ no
• Significant deficiency(ies) identified?	______ yes	___X___ no
Noncompliance material to financial statements noted?	______ yes	___X____ no
Federal Awards		
Internal control over financial reporting:		
• Material weakness(es) identified?	______ yes	___X____ no
• Significant deficiency(ies) identified?	______ yes	___X____ no
Type of auditor's report issued on compliance for major federal programs [*Unmodified, Qualified, Adverse, or Disclaimer*]: **Unmodified**		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______ yes	___X____ no
Identification of major federal programs:		
CFDA Number(s)	Name of Federal Program or Cluster	
CFDA No.: 93.669 Child Abuse and Neglect State Grants – Passed through CA Office of Child Abuse Prevention		
Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as low-risk auditee?	___X__ yes	______ no

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October 19, 2022

Board of Commissioners
First 5 Yolo
Davis, California

Dear Commissioners,

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, 2022, 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 19, 2022, contains our report on the Commission's internal control. This letter does not affect our report dated October 19, 2022, on the financial statements of the Commission.

This year brought on the addition of a new level of audit – the audit of major federal programs. We wish to thank your staff for their assistance in completing the audit.

We wish you success in the fiscal year 2022-2023.

Sincerely,

Jensen Smith

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California