

**FIRST 5 YUBA COUNTY
CHILDREN AND FAMILIES COMMISSION**

**Regular Meeting Agenda (Hybrid)
Thursday, June 27, 2024
3:30p.m. – 5:00p.m.**

This meeting will be held in compliance with the requirements of AB 2449(Government Code 54953(e)) - and will include in person public attendance at **1128 Yuba Street, Wheatland Room (Ground floor), Marysville, CA 95901**. Members of the public may observe the meeting and provide comments to the Board via email, Zoom (internet-based option) or telephone as described below.

The meeting will be live-cast via [Zoom](#) where members of the public shall have the right to observe and offer public comment.

Join Zoom Meeting

<https://us02web.zoom.us/j/85317131624?pwd=d2c0QTM4UXJqTmFHbjkzVmhNVXpNUT09>

Meeting ID: 853 1713 1624

Passcode: 843118

One tap mobile +16699009128,,85317131624#,,,,*843118# US (San Jose)

ITEM	SUBJECT
	Call to order, roll call and the Pledge of Allegiance
	Opportunity for Public Comments Items not on the Agenda – Limit five minutes per speaker.
1 Discussion/Action	Approval of Minutes of the April 25, 2024 Regular Commission Meeting
<i>Commissioner Reminder</i>	<i>All Commissioners are reminded to recuse themselves of abstain from voting on any agenda item with that has a real or perceived conflict of interest.</i>
2 Discussion/Action	Consider Administrative Contract: Jensen Smith CPA for external professional auditing services as required by Health and Safety Code Section 130140(d)(3)
3 Discussion/Action	Final Reading of the DRAFT 24-25 Annual Budget and Long Range Financial Plan - The Commission will review the final budget for the 2024-2025 fiscal year and long range financial plan pursuant to Health and Safety Code Section 130140(d)(3), Commission Policies and Procedures.
4 Discussion	Executive Director Monthly Activity Report The Commission will receive information on committees and operational and program activities.
Adjourn	

If you are planning to attend and need special accommodations, please contact us at (530) 749-4877 at least three days in advance of the meeting. The schedule of future meetings is posted on the Commission's website, www.first5yuba.org .

The next regular Commission meeting will be on August 22, 2024

Agendas, minutes and supporting material are available for public review at 1114 Yuba Street, Suite 141, Marysville CA. Agendas are posted at the Yuba County Government Center, 915 8th Street, Marysville CA 95901. Please email first5@co.yuba.ca.us to be added to the email distribution list.

MEETING MINUTES

PUBLIC SESSION

Call to Order at 3:34 p.m.

Roll Call-

-Commissioners and Staff Present: Chair- Sally Sokoloski, Melinda Staples, Jamie Bartolome, Jon Messick, and Rob Gregor. Executive Director (ED)- Ericka Summers, Robin Timoszyk, Rita Baker, and Carmen Rodriguez
-Excused: Commissioner Matt Ricardy and Vice-Chair Melissa Shaw

*****Public Comment:** None

- 1 Discussion/Action Items:** Approval of February 22, 2024, Commission Meeting Minutes
 - Motion by Commissioner Gregor to approve the Feb 22, 2024 Commission Mtg Minutes.
 - Second by Commissioner Bartolome.
 - Roll Call Vote
 - Ayes: Commissioner Sokoloski, Bartolome, Staples, Gregor, and Messick
 - Nay/Abstain: None
 - Motion carried.
- 2 Special Presentation:** Jolie Critchfield, Child Development Director, gave a brief update of what has been happening in the MJUSD School Readiness Program.
- 3 Strategic Partner 2024-2026 Contract Extensions:** All programs were asked in advance to revise SOW and a budget to show cut back of at least 10%. Commissioner Sokoloski mentioned that she went up to YES Charter to do a presentation and she wanted to see how the program was running as an outside classroom. She was impressed on the layout and looked like the program is moving along great. First 5 is going to work with Camptonville, there have been many changes in the past year and they seem to need and welcome support to continue with their program. Commissioner Staples did say her appreciation of the programs and especially the ones reaching the hills. No other comments and/or concerns expressed.
 - Motion by Commissioner Staples to approve two-year contract extensions for FY 24-26, totaling \$744,980, in alignment with the Strategic Plan and authorize the ED to negotiate terms of the agreement including but not limited to, scope of work, budget, etc., and carry out all administrative duties necessary to execute the agreements and implement services.
 - Second by Commissioner Gregor.
 - Roll Call Vote
 - Ayes: Commissioner Sokoloski, Bartolome, Staples, and Messick
 - Nay: None
 - Abstain: Commissioner Gregor
 - Motion carried.
- 4 First Reading of Draft 24/25 Annual Budget:** The ED presented and reviewed a draft budget options for FY 24/25. Currently still waiting to receive the actual numbers that First 5 needs to build some of the line items in the budget. As of now, she will continue to use the numbers she had for last year but thinks that some of those may go down. As said in the item # 3, most Strategic Partners are reducing their budgets by 10%, with the exception of OPUD whose contract doesn't expire until 6/30/2025. Staff reviewed the Mini Grant

program with option to either reduce the Mini Grants or possibly even eliminate this program all together. Tonya Byers, Child Care Planning Council Director, said that there is other funding that providers could apply for. Rita Baker, Program Specialist, agreed. The ED said at the next meeting she would bring the FY 24/25 budget and the Long Range Financial plan. Commissioner Gregor say that he would recommend eliminating the Mini Grants because of the continuous decrease in funding. The cost of staff time to process and keep up with these small grants is quite a bit.

- 5 Executive Director Monthly Activity Report:** ED gave the commission a brief update on administration, program, special committee, and outreach activities.

The meeting adjourned at 4:36 p.m.

Next Regular Commission Meeting
Monday, June 27, 2024, 3:30 p.m. - 5:30 p.m.

DRAFT

AGENDA ITEM 2

June 27, 2024

Subject	Award Administrative contract with Jensen Smith Certified Public Accountant Inc. for professional auditing services
Supporting Document(s)	<ul style="list-style-type: none">• Letter of Intent to award sole source agreement to Jensen Smith CPA• Jensen Smith Proposal and Supporting Documents
Overview	<p>Commission Policies and Procedures Manual section 204 allows for sole source procurement “if the vendor is familiar with the Commission and is knowledgeable of its unique needs.”</p> <ul style="list-style-type: none">• Jensen Smith, CPA is currently the Commission external auditor and familiar with the Yuba County general ledger system and Commission staff.• On July 1, 2024 The County of Yuba will transition to a new financial system. In order to ensure seamless transition of financial records, Jensen Smith is best positioned and understands its unique needs to support the Commission with this transition. <p>Jensen Smith’s fee proposal includes a rate of \$225/hour for audit partners and \$125/hour for professional staff. The rates include travel, materials, insurance and the usual costs of conducting business. The annual cost would be \$8,225 for a three-year total of \$ 24,675.</p>
Recommendation	It is the recommendation of the Executive Director that the Commission approve a three-year contract with Jensen Smith Certified Public Accountants for auditing services fiscal years ending June 30, 2024-2026
Fiscal Impact	\$8,225 per year for administrative professional services starting fiscal year encumbered in FY 2024/25 through and continuing through 2026/2027 total \$ 24,675
Action Requested	Motion to award administrative contract with Jensen Smith CPA Inc. for professional auditing services and authorize staff to execute the contract.



June 11, 2024

Jennifer M. Jensen, CPA
Jensen Smith Certified Public Accountants, Inc.
PO Box 160
661 5th Street, Suite 101
Lincoln, CA 95648

Dear Ms. Jennifer M. Jensen,

We would like to inquire about your interest in entering a sole source contract with First 5 Yuba. Since 2013, Jensen Smith CPA Inc. has acted as First 5 Yuba's external auditor and has conducted thorough audits, and produced high quality reports with the utmost professionalism. Because of these factors, the First 5 Executive Committee and I believe that Jensen Smith CPA Inc. would be the best fit to continue to provide external auditing services for fiscal years ending in 2024, 2025, and 2026.

Under our financial management policies and procedures 2.3.4, we have determined that your agency is most "familiar with the commission and is knowledgeable of its unique needs" and most capable and appropriate to carry out these services.

Please consider this letter intent to sole source with Jensen Smith CPA, Inc. Should you accept this conditional offer please respond to this letter by June 21, 2024, and include any additional supporting documentation (proposal, resume etc.). Should you agree, I will present this information to the entire Commission for formal consideration during the June 27, 2024 regular meeting.

Warm regards,

A handwritten signature in blue ink, appearing to read "Ericka Summers", written over a large, light blue circular scribble.

Ericka Summers
Executive Director
First 5 Yuba Children and Families Commission

**FIRST 5 YUBA COUNTY
CHILDREN & FAMILIES COMMISSION
PROPOSAL TO PROVIDE
AUDIT SERVICES
FOR THE FISCAL YEARS ENDING
JUNE 30, 2024-2026**

**Submitted by:
Jensen Smith
Certified Public Accountants, Inc.
P.O. Box 160
Lincoln, CA 95648
(916) 434-1662**

P.O. Box 160
Lincoln, CA 95648
Office (916) 434-1662
Fax (916) 434-1090

June 11, 2024

Attn: Ericka Summers
First 5 Yuba County
Children & Families Commission
1114 Yuba Street, Suite 201
Marysville, CA 95901

Dear Ms. Summers,

Thank you for the opportunity to propose our services for the audit needs of First 5 Yuba County Children & Families Commission (the Commission). This letter will serve to explain our qualifications and the scope and approach of the services we would like to provide along with our commitment to providing the best in accounting and auditing services.

Firm History:

Our firm Jensen Smith, Certified Public Accountants, Inc. is a full service Certified Public Accountant firm based in Lincoln, California. Our physical location is 661 5th Street, Suite 101, Lincoln, CA 95648, and our mailing address is P.O. Box 160, Lincoln, CA 95648. Jensen Smith started as a partnership that was established in June of 2005 by Margaret R. Smith, CPA and Jennifer M. Jensen, CPA with the mission to provide our clients with the very best professional service, always putting our client's needs above our own. In 2015 we incorporated the firm under the name Jensen Smith Certified Public Accountants, Inc. We are pledged to uphold the highest degree of ethical and moral standards. Jennifer has been auditing non-profit and special districts for over fifteen years. Margaret Smith, CPA passed away in February 2011 and the firm was continued by Jennifer M. Jensen, CPA.

Firm Experience and Assignment:

Our managing/audit principal is Jennifer M. Jensen, CPA. She has considerable experience working with non-profit organizations and special districts and thoroughly understands the reporting requirements of Government Auditing Standards Board statement no. 34 and the compliance requirements for First 5 organizations from the California State Controller's Office. She has taught auditing techniques, new auditing standards and the principles of auditing non-profit organizations and local government entities to other professionals for a nationally recognized company. In 2010-2011 Jennifer co-authored and taught a course on "Essential Elements for Non-profit Accounting" for the Independent Living Centers through the California Department of Rehabilitation. Jennifer has also authored and taught a course on governmental auditing "GASB Greats and SAS 115." She is also very proficient with the steps necessary to convert the financial information from County accounting programs to GASB compliant financial statements.

We have enclosed our partner's resume for your review.

Our office currently consists of one licensed certified public accountant, two certified public accountant candidates, two seasonal professional staff and two administrative office staff members. If selected as your audit firm, Jennifer M. Jensen, CPA would be the engagement partner and lead auditor for your audit and responsible for supervising and signing the reports.

Proposed Work Plan

August - September of each year -- compile trial balance into financial statements; evaluate internal control and compliance procedures; plan audit programs; obtain confirmations begin audit procedures, begin audit testing.

September- October -- Complete audit field work and compliance testing; begin draft of audit reports and GASB financial statements for approval.

October of each year – finalize and present reports no later than the October board meeting for approval and submission to the State by November 1.

We propose to perform an examination of your governmental entity's financial statements for the fiscal years ending June 30, 2024 through June 30, 2026. In order to meet the state deadline for reporting each year, you will provide us your final financial statements no later than the third week in September of each year. We will begin planning procedures with the preliminary statements from the County in anticipation of the final close usually in September.

Our examination will be conducted in accordance with generally accepted auditing standards; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the California State Controller's Standards and Procedures of local Entities Administering the California Children and Families Act (First 5). The purpose of our examination will be to express an opinion on the financial statements and on compliance as required by the State Controller's office.

If for any reason, we feel it necessary to give an opinion on these financial statements or on compliance that is other than an unqualified opinion, we will discuss the reason with you in advance of rendering our opinion.

We understand that the First 5 Yuba's staff will be compiling the financial statements for the audit.

Independence:

Our firm is independent of the Commission as defined by Government Auditing Standards.

Fee Proposal:

Fee Proposal:

Our fees are based upon time expended at the hourly rate of partners and staff assigned to your audit. Our rates are \$225 an hour for audit partners and \$125 an hour for professional staff. Our rates include travel, materials, insurance and the usual costs of conducting an accounting and auditing practice and is the only cost that will be billed to the contract. We are willing to

perform these services for a three-year contract cost of \$24,675 or \$8,225 for each year. These fees are based upon anticipated cooperation from your personnel, the assumption that unexpected circumstances will not be encountered during the audits, and that there will be no major operational changes or additions during the three fiscal years covered by the contract. If significant additional time is necessary, or if there are major operational changes or additions, we will discuss this with you and arrive at a new fee estimate before we incur the additional costs.

Tasks by hours and rates:

Tasks by hours and rates:

<u>Task</u>	<u>Hours</u>	<u>Jenn \$225</u>	<u>Hours</u>	<u>Staff \$125</u>	
Planning	8	\$ 1,800	-	\$ -	
Field Work	10	2,250	10	1,250	
Supervision	1	225	-	-	
Draft Statements	5	1,125	-	-	
Draft Reports	5	1,125	-	-	
Review	2	450	-	-	
Total	31	\$ 6,975	10	\$ 1,250	\$ 8,225

References:

Please see enclosed a comprehensive list of audit clients and reference numbers.

The First 5 Commissions we currently audit are:

- First 5 Alpine, Amy Broadhurst (530) 694-2235
- First 5 Amador, Nina Machado (209) 257-1092
- First 5 Butte, Anna Bauer (530) 538-6464
- First 5 Calaveras, Amy Eaves (209) 754-6914
- First 5 Lake, Samantha Bond (707) 263-6169
- First 5 Mendocino, Jenna Flesch, Business Manager, (707) 462-4453
- Sutter County Children & Families, Michele Blake (530) 822-7505
- First 5 Nevada County CFFC, Melody Easton (530)265-0611 x224
- First 5 El Dorado, Kathleen Guerrero (530)622-5787

Unique Qualifications:

We believe that there are several factors that make us especially qualified to service your District:

1. We have significant experience in auditing special districts and First 5 Children and Families Commissions. We are very familiar with the State Controller’s Office guidelines and have been following the changes in the guidelines with California First 5. We are also familiar with County accounting systems and how to efficiently convert

- the cash flow reports provided monthly from the County into the required GASB 34 format.
2. Our firm is a member of the American Institute of Certified Public Accountants Governmental Audit Quality Center. Although 2,018 firms nationwide are members, only 132 firms in California belong to this group committed to improving the quality of government audits.
 3. We have the personal and professional philosophy that the agency and auditor work together as a team to provide the best service at the minimum cost. In this spirit we encourage our audit clients to call during the year when they have questions or problems so that we can be an effective part of the solution and minimize the risk of significant audit findings.
 4. As proof of our commitment to quality and service, please note that the attached copy of our peer review report shows that we received the rating of “Pass” with no deficiencies.

We have enclosed a copy of our partner’s resume of qualifications and, as required by Government Auditing Standards, a copy of our most recent quality control review report dated September 27, 2023. If you chose to accept our proposal, please contact us and we will prepare the required engagement letter fully detailing the terms of our engagement.

Again, thank you for the opportunity to propose our services.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer M. Jensen". The signature is fluid and cursive, with a large initial "J" and "M".

Jennifer M. Jensen, CPA
Jensen Smith Certified Public Accountants, Inc.



2511 Garden Road
Suite A180
Monterey, CA 93940
831-373-3337
Fax 831-373-3437

379 West Market Street
Salinas, CA 93901
831-424-2737
Fax 831-424-7936

Report on the Firm's System of Quality Control

September 27, 2023

To the Shareholders of Jensen Smith CPAs Inc. and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Jensen Smith CPAs Inc. (the firm) in effect for the year ended December 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Gerald Ray, CPA | Patricia Kaufman, CPA, CGMA | Smriti Shrestha, CPA

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Jensen Smith CPAs Inc. in effect for the year ended December 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Jensen Smith CPAs Inc. has received a peer review rating of *pass*.

McGilloway, Ray, Brown & Kaufman

McGilloway, Ray, Brown & Kaufman

P.O. Box 160
Lincoln, CA 95648
Office (916) 434-1662
Fax (916) 434-1090

Jennifer M. Jensen, CPA

Jensen Smith
Certified Public Accountants, Inc.
P.O. Box 160
Lincoln, CA 95648
(916)434-1662
Jennifer@lincolncpa.com

Professional Experience:

July 2005- Current

Jensen Smith, CPAs Inc.

Lincoln, CA 95648

Partner/Owner

Public accounting and auditing including financial and compliance auditing for local governmental units and programs, not-for-profit entities, and small business entities; small business accounting and consulting, forensic accounting and litigation support, income tax preparation for individuals, partnerships, corporations, trusts, and estates, development of cost and financial accounting systems for both non-profit and for-profit entities, and development of business plans for small to medium sized businesses.

July 2003- June 2005

Johnson, Smith & Associates, CPAs

Lincoln, CA 95648

Staff Accountant

- Planning and performing audits for non-profit organizations and local governmental entities.
 - Including: GAAS audits, GAGAS audits, Single Audits, and Special Districts
- Preparation of income tax returns for various entities
- Bookkeeping, sales tax returns, and miscellaneous accounting tasks

April 2002-
June 2003

Francis, Scinto & Associates, LLP

Grass Valley, CA 95945

Staff Accountant

- Planning and performing audits, reviews and compilations of various types of entities, including non-profit organizations, construction contractors, and small corporations and partnerships.
- Preparation of income tax returns for various entities
- Bookkeeping, sales tax returns, business property tax returns, payroll preparation

January 2002-
April 2002

Tate, Prop, Beggs and Sugimoto, an accountancy corporation
Sacramento, CA
Staff Accountant

- Planning and performing audits and compilations for various types of entities
- Preparation of individual tax returns

October 2001-
December 2001

Margaret R. Smith, CPA
Grass Valley, CA 95945
Staff Accountant

- Planning and performing audits of non-profit organizations
- Sales tax returns, non-profit information returns, payroll tax returns

June 2002-
2010

Thomson Publishing Co. (Gear Up Tax Seminars, Inc.)
Portland, OR 97281
Speaker-Lecturer

Lecture in cities throughout the state on Non-Profit Accounting Principles and Auditing Standards.

May 2005-
2010

Graduate Realty Institute
Pasadena, CA 91106

Lecture to Realtors in cities throughout the state on tax issues that affect real estate transactions.

June 2003-
2017

Nonprofit Resource Center
Sacramento, CA 95833

Lecture to Executive Directors on reading and understanding non-profit financial statements and other financial issues unique to the nonprofit arena.

Professional and Other Memberships and Other Distinctions:

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- Government Audit Quality Center
- 2008 Awarded President's Volunteer Service Award by the President's Council on Service and Civic Participation
- Past Treasurer, United Way of Nevada County
- Past President, Kiwanis Club of Lincoln
- Past Treasurer, Kiwanis Club of Lincoln
- Past Assistant Treasurer, Soroptimist International of Lincoln

Education:

- University of Phoenix, Sacramento B.S. in Accounting
- Golden Gate University, San Francisco, M.S. in Taxation
- AICPA Certificate Programs –
 - Not-for Profit II
 - Advanced Single Audit

AGENDA ITEM 3

June 27, 2024

Subject	Final Reading- Fiscal Year (FY) 2024-2025 Budget & Long Range Financial Plan
Supporting Document(s)	<ol style="list-style-type: none">1. Budget Narrative2. Budget3. Long Rang Financial Plan
Overview	<p>Pursuant to Health and Safety Code provisions and the County of Yuba Ordinance Code 4.45, the Commission must adopt a budget prior to the start of the fiscal year. This budget uses the most recent Prop 10 projections provided by the Department of Finance from January 2024.</p> <p>A final reading of the draft budget and long range financial plan will be reviewed and discussed.</p>
Discussion	<p>The Commissioners will receive an update and final draft budget and long range financial plan to review and consider for the 24/25 fiscal year.</p>
Recommendation	<p>Review final budgets and accept the proposed budget authorizing the Executive Director to perform all operational and administrative duties necessary to implement the strategic plan in FY 2024/2025.</p>
Fiscal Impact	<p>Total Revenues \$1,249,003: Total Expenditures \$1,393,050: Transfer \$144,047 from Children’s Trust Account</p> <p>Prop 10 expenditures total \$ 891,387 in FY 24/25. Costs are distributed into 3 expenditure categories in the following ways:</p> <ul style="list-style-type: none">• Administrative: \$175,074• Program: \$645,169• Evaluation: \$71,104 <p>Additional non-Prop 10 Revenues sources (external grants): \$544,048</p>
Action Requested	<p>Motion to approve the proposed budget for FY 2024-2025</p> <p>Motion to approve the Long Range Financial Plan for FY 2024-2028</p>



Draft Budget Narrative Fiscal Year 2024-2025

Pursuant to Health and Safety Code provisions and the County of Yuba Ordinance Code 4.45, the Commission will adopt a budget prior to the start of each fiscal year. This narrative is intended to brief the Commission on the annual budget planning, revenues and the long range financial plan in accordance with Health and Safety Code provisions and the County of Yuba Ordinance Code 4.45 in adopting a budget for the 24/25 fiscal year.

OVERVIEW

Over the past decade tobacco tax revenues have been declining. In addition, the recent passing of proposition 31 (ban on flavors) has had a consistent and irreversible effect on declining state and local tobacco tax revenues. While proposition 31 was without a doubt the right public health choice, the unintended consequence has resulted in a fast decline in revenues.

The updated projections from January of 2024 reflect a higher projection than from May of 2023. However, the lower-than-expected cigarette tax distributions continue to be persistent, and the unstable projections from the DOF are cause for caution.

In the urgency of this steep and lasting revenue decline the Executive Director has thoroughly reviewed the final draft budget and determined possible areas to reduce expenditures. In addition, the ED worked with Strategic Partners in sustainability planning, requesting a reduction in program budgets by ten percent (10%). Lastly, additional external grant revenues were secured to support overall First 5 Yuba program investments and sustainability.

DISCUSSION:

REVENUES:

Prop 10 Revenue Projections: FY 2024-2025: **\$703,445**

Department of Finance (DOF) released updated Prop 10 projections in January of 2024 revised after one year post passage of Prop 31. The projected tobacco tax revenue allocation for Yuba County in 2024-25 is projected **\$703,455** which is down ~3% percent from 23/24 annual projections. Overall annual projections are down approximately 11% prior to the passage of the flavors ban.

External Grant Revenues:

Estimated external revenues include the following external grant revenues: **\$544,048.**

- CDPH Tobacco Systems- \$272,302
- FFCA- Home Visiting: \$55,910
- FFCA IMPACT- \$50,354

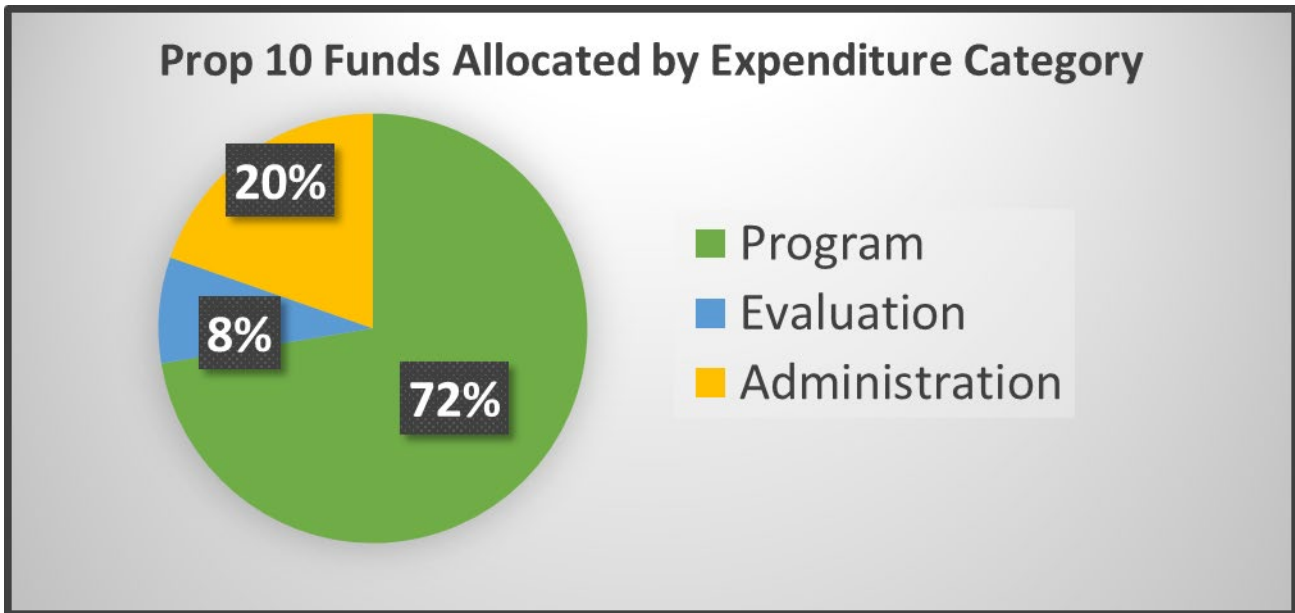
- Office of Traffic Safety- \$26,726 (through Sept.)
- CYBHI- Parenting Program- \$68,769
- Peach Tree Health – Developmental Screenings- \$10,000
- Health & Human Services \$11,500
- Yuba County Probation –\$50,000

Total Revenues 1,249,003

ALLOCATED EXPENDITURE CATAGORIES

In compliance with state law, expenditures made by the Commission shall be assigned to one of the three categories: *Administrative, Program and Evaluation*. In compliance with best practices in government finance, and First 5 Yuba Financial Policies & Procedures section 207 the Commission has established an upper limit on administrative expenditures at twenty percent (20%).

The chart below represents total Prop 10 expenditures for FY 24/25 \$891,387 allocated in the following ways: Program \$645,169; Evaluation \$71,104; Administrative \$175,074. In FY 24/25 the Commission’s annual administrative operating budget is just under twenty percent (19.6%).

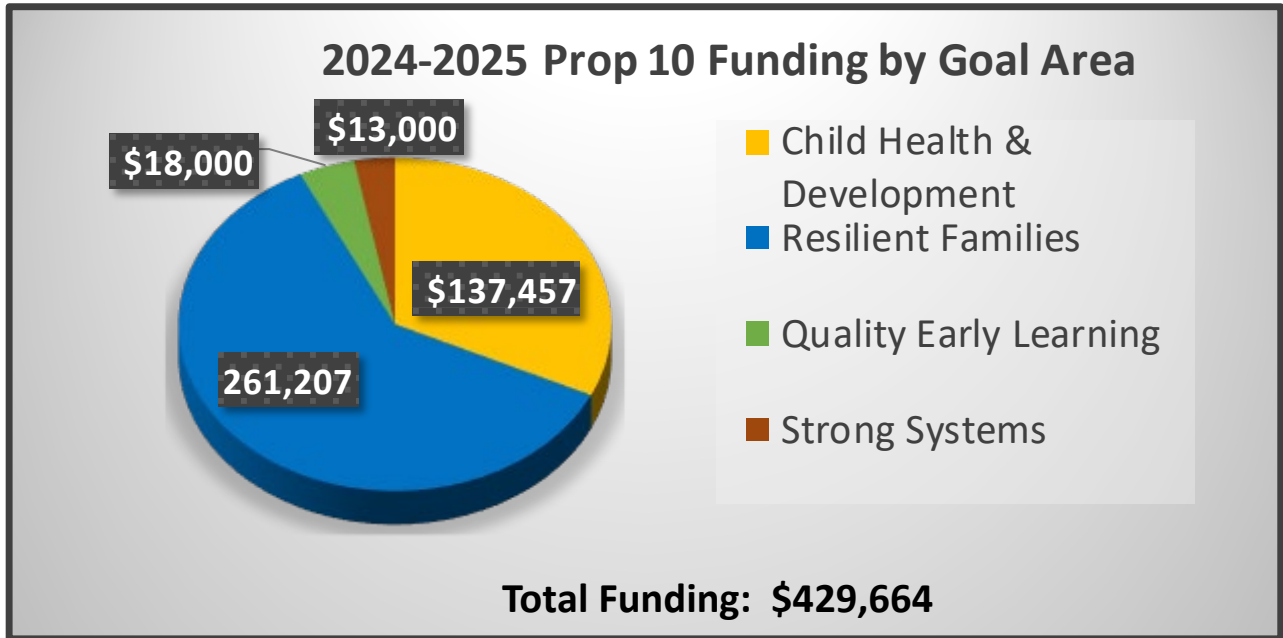


PROP 10 PROGRAM EXPENDITURES

Projected Prop 10 annual program expenditures for the upcoming FY are estimated to be **\$429,664**. This program allocation is down in comparison to the previous FY due to reductions in new contract allocations and no program rollover. The funding is allocated to the following goal areas in alignment with our strategic plan:

1. Child Health & Development: \$137,457
2. Resilient Families: \$261,207
3. Quality Early Learning: \$18,000

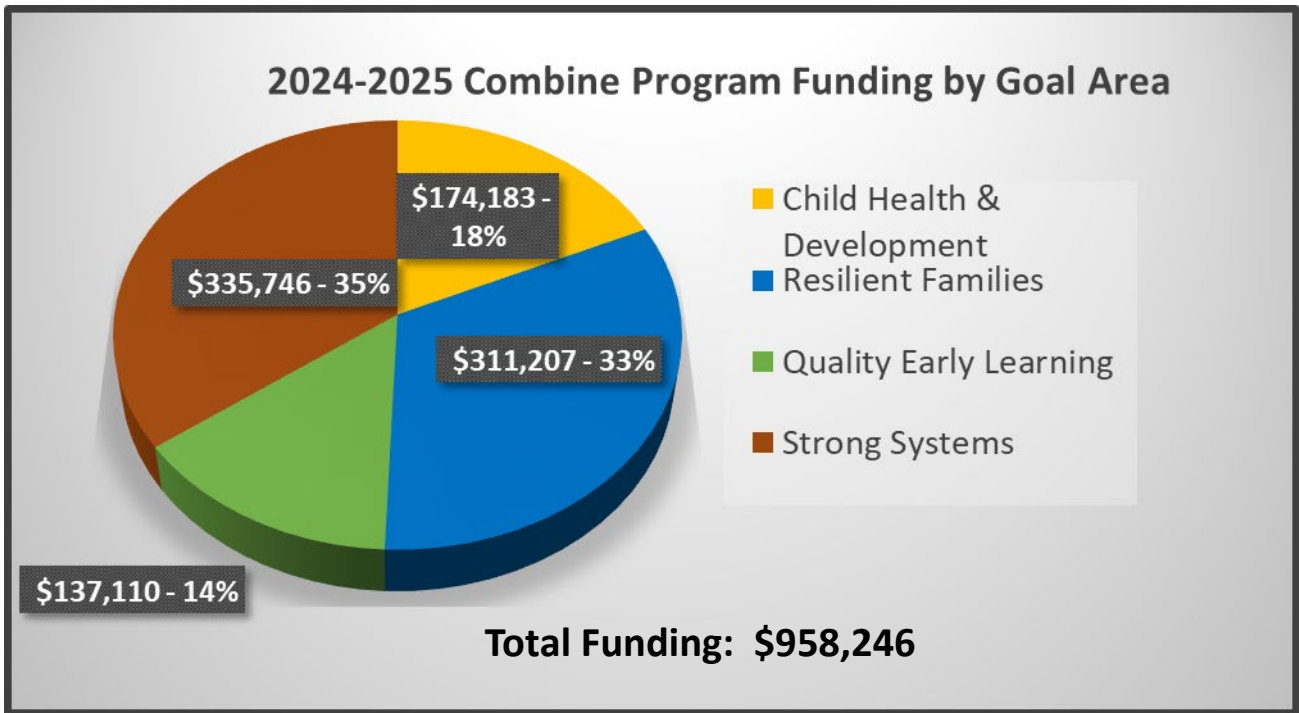
4. Strong Systems: \$13,000



COMBINE PROGRAM EXPENDITURES

With additional external revenues (grant sources); total projected program investments for the upcoming fiscal year are **\$958,246** and similar to allocations in the previous year. Combine program funding is allocated to the following goal areas in alignment with our strategic plan:

- Child Health & Development - \$174,183
- Family Functioning - \$311,207
- Quality Early Learning - \$137,110
- Systems of Care - \$335,746



BUDGET HIGHLIGHTS (Prop 10)

Revenues:

Prop 10 Revenues continue to decline. In-kind costs from external funding are projected to be approximately \$42,000 which will offset some revenues loss. However administrative time to manage grants can have trickle down effects on Prop 10 administration.

Prop 10 Administrative Costs:

Salaries & Benefits:

Overall prop 10 salaries and benefits decreased by ~\$26,000 from the prior FY, as FTE is allocated to external grants resources.

****NOTE:** total Salaries and Benefits did increase substantially across First 5 positions due to a county wide classification study resulting in increase pay in each job classification in addition to an annual 3% COLA ratified by the Board of Supervisors on July 25, 2024.

Other Administrative Costs: Overall increase reasons include:

- Minimal increase in county A-87 charges

Prop 10 Program Expenditures

The projected Prop 10 annual program expenditures for the upcoming FY are estimated to be **\$429,664** which reflects an decreased investment of \$80,000 from the previous year.

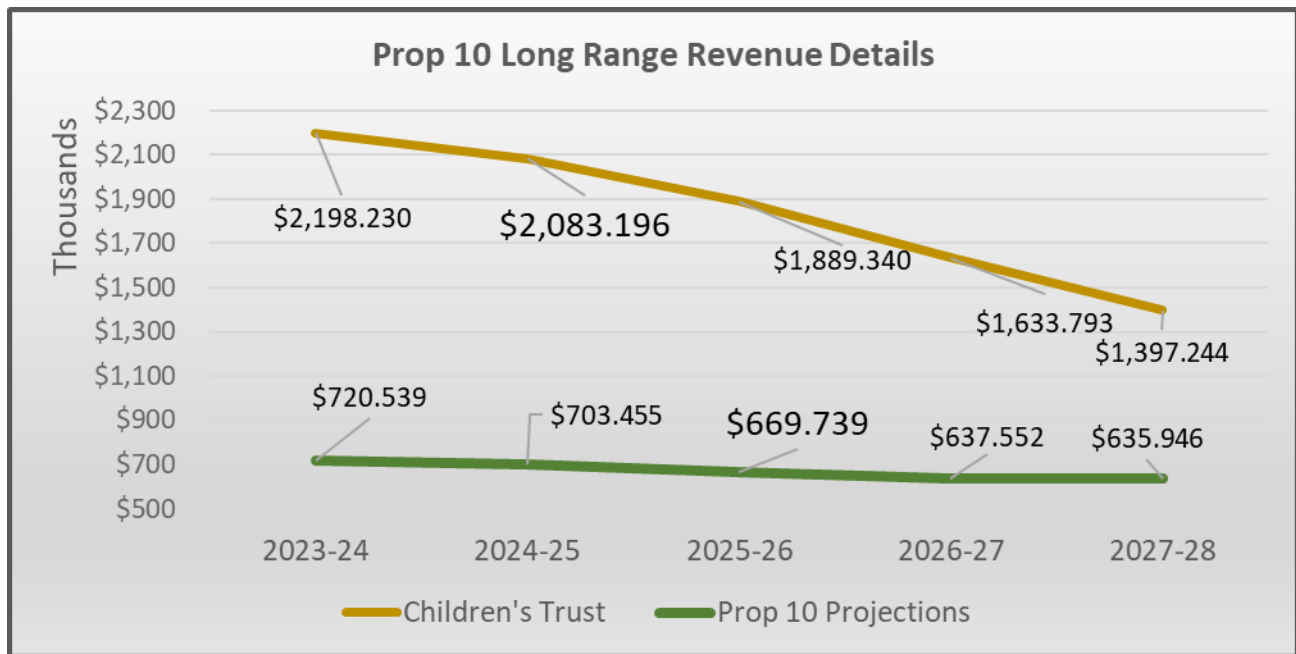
1. Decrease investment in all programs of 10%
2. No program rollover was allocated due to new contracts
3. Elimination of Mini Grant programs
4. Strategic investments in community outreach and awareness

Evaluation Expenditures

The projected Prop 10 Evaluation expenditures for the upcoming FY is estimated to be **\$44,470**.

Long Rang Financial Plan (LRFP):

The LRFP is an estimate of revenues and expenditures over the next 5 years. Program, Administrative and Evaluation expenditures are only forecasted using Prop 10 FTE. As illustrated, between FY 2024 and 2028 it is projected that the Commission will have ~\$1,371,244 in reserves. FY 2027/2028 was estimated out using current program funding levels and an estimates Prop 10 revenue.



Executive Director Comments

While tobacco tax revenue is decreasing every year, the needs of children and their families continue to rise as income driven inequities, inflation, and the high cost of childcare impact California families. At the same time, we know more now than ever before about the impact of trauma, adverse childhood experiences, and inequities to access affect the development of infants and toddlers. The role of First 5 Yuba continues to be as important as ever.

The Commission should consider all contributing factors to this steep decline and explore ways to conserve resources but also consider new and non-traditional solutions. As illustrated in our Long Range Financial Plan, relying solely on Trust Fund reserves is not sustainable, or fiscally responsible. The current budget was developed without estimating “carry over” to ensure we were not providing a false sense of security. The Commission must take a deeper dive to find solutions over the next fiscal year.

As the Executive Director, I am committed to exploring potential and reasonable solutions through the end of the fiscal year and moving forward which will include the following:

1. Work with Strategic Partners to support them in exploring sustainability efforts.
2. Connect previously supported local partner agencies to other local resources and revenue streams.
3. Explore non-traditional partners such as other County departments, Lead Education Agencies, Managed Care Plans or fraternal organizations (Kiwanis, Lions etc.).
4. Continue to peruse additional local, state and federal grant revenue sources.
5. Increase visibility of First 5, our purpose and successes to key stakeholders in order to increase awareness and gain support for sustainability of First 5 in Yuba County.
6. Commit that the Children's Trust does not fall below 1 Million or one (1) years total expenditures.

FIRST 5 YUBA COUNTY CHILDREN AND FAMILIES COMMISSION

LONG RANGE FINANCIAL PLAN 2023-2028

	FY 23/24 Projections	FY 24/25 Projections	FY 25/26 Projections	FY 26/27 Projections	FY 27/28 Projections
110 Fund Balance	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
210 Fund Balance	\$ 2,324,204	\$ 2,153,230	\$ 2,038,196	\$ 1,844,340	\$ 1,588,793
Beginning of Year Fund Balance	\$ 2,369,204	\$ 2,198,230	\$ 2,083,196	\$ 1,889,340	\$ 1,633,793
REVENUE					
Tobacco Tax (Prop 10 & 56)	\$ 720,539	\$ 703,455	\$ 669,739	\$ 637,552	\$ 635,946
Other Income (In Kind)	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Interest Income (110 & 210)	\$ 20,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
TOTAL REVENUE	\$ 765,539	\$ 743,455	\$ 709,739	\$ 677,552	\$ 675,946
EXPENDITURES					
Program					
Special Needs Services	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000
Medical & Dental Home	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Behavioral Consultations	\$ 90,135	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000
Recreation and Enrichment	\$ 17,000	\$ 17,000	\$ 17,000	\$ 15,000	\$ 15,000
Total Improved Child Health & Development	\$ 142,135	\$ 137,000	\$ 137,000	\$ 135,000	\$ 135,000
Parent Education	\$ 60,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000
School Readiness	\$ 176,415	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Playgroups & Creative Arts	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Improved Family Functioning- Resilient Families	\$ 271,415	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000
Workforce Development	\$ 20,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000
Early Learning Programs	\$ 15,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Literacy Programs	\$ 25,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Quality Early Learning	\$ 60,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Mini Grant Program	\$ 15,000				
Community Outreach, Education & Advocacy	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
HMG Service Coordination& Navigation	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Strong Systems of Care	\$ 45,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Salaries & Benefits	\$ 138,973	\$ 167,419	\$ 199,783	\$ 215,506	\$ 200,667
Operating Expenses	\$ 74,919	\$ 62,869	\$ 64,755	\$ 66,698	\$ 68,698
Total Expenditures - Program	\$ 732,442	\$ 687,288	\$ 721,538	\$ 737,203	\$ 724,366
Evaluation					
Professional Evaluation Services	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Data Systems	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Salaries & Benefits	\$ 25,669	\$ 19,932	\$ 23,971	\$ 26,635	\$ 24,075
Operating Expenses	\$ 18,730	\$ 15,717	\$ 16,189	\$ 16,674	\$ 17,175
Total Expenditures - Evaluation	\$ 89,399	\$ 80,649	\$ 85,160	\$ 88,310	\$ 86,249
Administration					
Salaries & Benefits	\$ 21,024	\$ 11,966	\$ 15,954	\$ 24,215	\$ 16,006
Operating Expenses	\$ 93,649	\$ 78,586	\$ 80,944	\$ 83,372	\$ 85,873
Total Expenditures - Administration	\$ 114,673	\$ 90,552	\$ 96,898	\$ 107,587	\$ 101,879
TOTAL EXPENDITURES	\$ 936,513	\$ 858,488	\$ 903,595	\$ 933,099	\$ 912,495
Net Change in Fund Balance	\$ (170,974)	\$ (115,033)	\$ (193,856)	\$ (255,547)	\$ (236,549)
END OF YEAR FUND BALANCE	\$ 2,198,230	\$ 2,083,196	\$ 1,889,340	\$ 1,633,793	\$ 1,397,244

AGENDA ITEM 4
June 27, 2024

Subject	Executive Director Activity Report: May- June
Supporting Document(s)	ED Report Provided at meeting
Overview	The Commission will receive information on committees, First 5 CA and Association updates, operational/program activities, and the Executive Director special report.
Discussion	Further discussion upon inquiry
Recommendation	None
Fiscal Impact	None
Action Requested	None