



Imperial County Children and Families First Commission
MINUTES
Meeting of December 3, 2020

I. Call to Order

This Regular Meeting of First 5 Imperial was called to order by Karla Sigmond, Chairperson, at 3:34 p.m. The meeting was held via a video conferencing webinar hosted through Zoom.

II. Roll Call

Commissioners Present:

- Yurii Camacho
Ray Castillo
Barbara Deol
Becky Green
Joong Kim
Fred Miramontes
Veronica E. Rodriguez
Karla Sigmond

Commissioners Absent:

- Danila Vargas

Staff:

- Julio C. Rodriguez
Bea Duran
Christian Hernandez

III. Public Comment

No public comments were made.

IV. Adoption of Minutes

A motion was made by Commissioner Deol and seconded by Commissioner Camacho to adopt the Minutes of the Meeting held on October 1, 2020; having noted no further discussion or public comment, the motion carried with all in favor.

V. Consent Calendar Items

Upon review of the consent calendar items for the meeting, a motion was made by Commissioner Deol and seconded by Commissioner Miramontes to approve the consent calendar items; having noted no further discussion or public comment, the motion carried with all in favor.

VI. Administrative Report (Julio C. Rodriguez, Executive Director)

- 1. Request to Approve FY 2019-2020 Annual Audit Report: At this time, Christian Hernandez, Fiscal Analyst, presented the annual audit of the Imperial County Children and Families First Commission FY 2019-2020 which was prepared by Fechter and Company, CPAs. The audit was included in the meeting packet.

Mr. Hernandez noted that Commission assets as of June 30, 2020 were \$5,586,138, the amount included \$11,047 received from the County of Imperial from the interest pool funds. The Commission's net position is comprised of \$2,798,350 in assigned funds; \$1,905,315 in committed funds, and \$853,944 in unassigned funds. The liabilities consisted of \$11,635 in accounts payables and \$16,724 in accrued payroll liabilities for total liabilities being \$28,359. During the 2019-2020 fiscal year, the Commission received \$1,960,893 in revenues collected from First 5 California (Prop 10) and it distributed \$1,234,922

through the RFP major grant and other grants to fund local projects. The assets of the Commission exceeded its liabilities on June 30, 2020, and the net position at the end of the fiscal year was \$5,528,287.

Mr. Hernandez provided an account of the Statement of Revenue, Expenditures and Changes in General Fund Balance of the audit. He explained that Commission revenues received during the fiscal year consisted of three funding streams of which \$2,607,366 were received from Proposition 10 State aid funds; interest income received from the County of Imperial was \$63,962; and other refunds and reimbursements in the amount of \$2,840. The refunds and reimbursements category were a minor amount received for rebates as well as reimbursements made from grantees. The total revenue received by the Commission during the year was \$2,674,168. Total expenses reported by the Commission for the audited year were \$2,382,775. Of that, \$1,226,672 were identified as grantee payments made for RFP General Grants, the Community Development Mini-Grants, the Community Outreach Support and the Professional Development Grants. Other Commission programs included First 5 Impact Program expenses that were \$466,801; School Readiness Program expenses that were 9,975; the Southern California Region 9 HUB program expenses that were \$104,712. The PACES early care and education stipend to ECE providers were identified as being \$6,500. Other program service expenses were \$176,968 and evaluation costs were \$230,797. Administrative services expenses account for \$160,350, which reflected 6.73% of the total budget for the year. The Commission's ending fund balance as reflected in the audit is \$5,557,779.

The audit reflects that there is a favorable increase in the actual revenues less expenditures compared to the final budget that was approved for the Commission of \$696,729. Professional and special services expenses were less than the amount that was budgeted by \$588,891; and the services and supplies expenses were more than the budgeted amount by \$146,200. There is a favorable decrease of the total expenses below the amount that was budgeted by \$442,691.

Mr. Hernandez provided an explanation and a review of the letter that was addressed to the Board identified as the "Independent Auditor'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" (page 26 of the audit). In particular, he discussed the section which stated "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... 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." Mr. Hernandez went on to review and discuss the tests that were conducted by the auditors for compliance matters as per the state laws and regulations.

Mr. Hernandez explained that this audit did not identify any "Financial Statement Findings" or "State Compliance Findings" (page 31 of the audit).

Further review and discussion continued regarding the "Summary of Prior Year Findings and Responses" (page 32 of the audit). Mr. Hernandez explained that "Finding 2019-001 (Material Weakness)" was due to the fact that the Commission did not have a complete set of accounting records because the records were kept in two separate accounts; one was the Commission's payroll account and the other were program and administrative expenses account which was maintained by the County. The

recommendation for correction to the Commission at that time was to implement an accounting system that included both the activities of the payroll account and the activities of the County Auditor's account. In response to the finding, the Commission is now utilizing QuickBooks which addressed the need to incorporate both accounts. Mr. Hernandez advised that this finding has been corrected and was implemented in February 2020, and as such is reflected in this audit.

Finding 2019-002 (Significant Deficiency) which was also a finding identified in the previous audit was discussed. Mr. Hernandez stated that the Commission was found deficient due to the fact that it had processed employee paychecks in batches ahead of time. He reminded Commissioners that the reason this was done was to ensure timely signature of the paychecks by the Chairperson. The recommendation for correction to the Commission was to implement a process designed to provide reasonable assurance that errors in payroll will be prevented, detected and deterred in a timely manner. In response to the finding, Mr. Hernandez advised that all payroll (26 in the fiscal year) is no longer processed in batches but is processed one at a time, timely, and according to the Payroll Policy that was adopted by the Commission. He noted the policy was adopted June 6, 2019. Mr. Hernandez acknowledged and thanked Commissioner Sigmond for responding to the signatory responsibility diligently and advised that this finding has been implemented.

Finding 2019-003 (Compliance) Administrative Costs, Financial Condition and Program Evaluation: Mr. Hernandez explained that this finding also referenced to the issue with the dual accounting system that was previously identified. He further stated that the Commission's financial statements were incomplete because the payroll policy was not implemented until June 2019; further, Commissioners were advised that we would be delayed in presenting the statements because we were in the process of implementing the new accounting system which was QuickBooks, and this was done in February 2020. He advised that for this fiscal year, the Commission has a system that has merged both accounting systems and are able to present accurate and complete financial statements. This includes presenting the Administrative Costs Report, reporting evaluation expenses, and the Commission's financial condition according to the Communication of Financial Condition policy that was adopted. He also discussed the fact that the Commission has not exceeded the administrative cost limit of 15%, and he talked a little more about the process of reporting.

Mr. Hernandez pointed out that the status of the findings identified as 2019-001, 2019-002, and 2019-003 have been implemented and reported in the audit by Fechter and Company.

A motion to approve the Imperial County Children and Families First Commission Audit Report FY 2019-2020 as prepared by Fechter and Company, CPA, was made by Commissioner Miramontes and it was seconded by Commissioner Deol; having noted no further discussion or public comment, the motion carried with all in favor.

2. Request to Approve Revised Administrative Costs Report FY 2019-2020: Mr. Hernandez explained that the Administrative Costs report is presented to Commissioners at the beginning of the year with the budgeted administrative costs breakdown. The report is again presented at the end of the year with an approximation of costs for the year that passed. Once the audit is completed with adjustments made to the administrative costs report it is then presented one final time. The 2019-2020 Administrative Costs report identifies the percentage of all expenses for administrative costs is 6.73%, program expenses at 83.58%, and evaluation expenses at 9.69%.

A motion to approve the revised Administrative Costs Report for FY 2019-2020 was made by Commissioner Deol and it was seconded by Commissioner Camacho. Mr. Kim stated that the Commission should consider reviewing the limit placed on the administrative costs; he feels that if expenditures increase due to grant expenses or because of the special COVID-19 circumstances, this

probably increases administrative expenses. He recommends that we review the 15% limit since it hasn't been changed in several years.

Commissioner Green joined the meeting at this time.

The motion to approve the revised Administrative Costs Report for FY 2019-2020 was put to a vote and the motion carried with 1 abstention (B.Green).

3. Request to Approve Annual Report FY 2019-2020 Submitted to First 5 California: Mr. Rodriguez explained that the annual report is also another one of the Commission's reporting obligation to First 5 California. Mr. Rodriguez provided a summary of the 3 components within the report: AR-1 – Revenue and Expenditure Summary; AR-2 Demographic Worksheet; and AR-3 County Evaluation and Highlights. He noted that the totals in the Revenue Details page of the report are in line with the Commission's audit as far as the revenue reporting goes for fiscal year 2019-2020. He further noted that the expenses are broken down by 4 result areas which are: Improved Family Functioning where the total expenses were \$635,462; Improved Child Development where the total expenses were \$1,033,005; Improved Child Health where expenses were \$183,004; and Improved Systems of Care where expenses were \$140,157. He also stated that some of these expenses represented funds that were carried over from the previous year but paid in the current year. Mr. Rodriguez further explained that Imperial County is not eligible for the Small Population County Funding Augmentation; Imperial County ranks 13 in the counties list. Mr. Rodriguez provided a summary of the demographics section of the report noting that the total population of children up to 6 years, primary caregivers and providers that received services was 5,717. The last component of the report is a summary of the evaluation and highlights of the County which will then be incorporated into First 5's annual report. Mr. Rodriguez advised that the annual report was submitted on October 29<sup>th</sup> via a web-based portal.

A motion approving the submittal of the Annual Report FY 2019-2020 to First 5 California was made by Commissioner Green and it was seconded by Commissioner Kim; having noted no further discussion or public comment, the motion carried with all in favor.

4. Request to Change Scope-of-Work for Imperial Valley Food Bank Mini-Grant: The IV Food Bank Director submitted a letter requesting the Commission to consider a scope-of-work change that would reallocate the \$25,000 grant made to the Imperial Valley Food Bank for Pop-Up Farmers Markets to their "Weekend Food Kit" program. The cost to run the Weekend Food Kit program is \$260,000 and it provides weekly meals to 1,300 students. The letter was included in the packet.

Mr. Rodriguez stated that the request is being made namely because the program that was approved by the Commission is essentially "undoable" due to COVID-19. He added that there is a significant difference in the scope-of-work noting that moving the funds to the Weekend Food Kit would target children multiple times throughout the year versus where the Pop-Up Farmers Market is much less. Mr. Rodriguez expressed his support of the program noting that COVID-19 has made it difficult for many families who are in need of food assistance. He recommends, however, that the program consider working more on its data, consider TK programs in the school system, and seeking other preschools that are open and providing some type of service.

A motion to approve the scope-of-work changes with modifications as recommended for the Imperial Valley Food Bank was made by Commissioner Green and it was seconded by Commissioner Camacho.

Commissioner Green asked about their plan of distribution and questioned whether it would be difficult to monitor that assistance provided by the Commission and ensure that services would target families that have children within the 0 to 5 age group. Mr. Rodriguez explained that the IV Food Bank will serve

children using a drive thru model targeting different schools. In the past, the IV Food Bank had provided a similar program through their Backpack Food Program with the difference now being this is a drive-thru model due to COVID-19 which actually serves more students. IV Food Bank came up with an estimate stating that they will serve more than 139 children 0 to 5. This data, Mr. Rodriguez is recommending for the Commission work with the IV Food Bank to establish how these estimates are calculated in order to ensure children 0-5 are being served. Commissioner Green advised that Title V Centers might be able to provide better estimates and advise families about the food program.

The motion to approve the scope-of-work changes with modifications as recommended for the Imperial Valley Food Bank was put to a vote and the motion carried with all in favor. Direction was given to Mr. Rodriguez to work with the program on the above-noted changes and data.

5. Request to Re-Issue payments for Imperial County Free Library and Brawley Public Library: Mr. Rodriguez advised that the Brawley Public Library is due a final 5% payment for their Contract FY 2018-2019. He explained that the final payment is given to agencies upon submittal of their audit report. The City of Brawley was late in getting their audit report turned in. The audit was eventually submitted by the City during the summer and payment of \$9,403.00 is now due to them. Another payment Mr. Rodriguez advised needs to be re-issued is due to the Imperial County Free Library. He explained that the agency requested an extension for submittal of the audit, and it was granted. The final 5% payment in the amount of \$3,605 was issued to the IC Free Library, however, the check was misplaced and never cashed. Another factor that affected the process with the uncashed check was the fact that the County Auditor usually notifies the Commission when there is an uncashed check that has been in the system for over 6 month, however, this time they didn't send a notification until after the close of the fiscal year.

Mr. Rodriguez added that the funds for these amounts are available, however, these payments are being brought to the Commission for approval because they both are expenditures for services made in Fiscal Year 2018-2019, and are not represented in the current budget. For accounting purposes, we are seeking approval.

A motion approving the payments to the Imperial County Free Library and the Brawley Public Library was made by Commissioner Green and it was seconded by Commissioner Miramontes; having noted no further discussion or public comment, the motion carried with all in favor.

6. Request to Approve Extensions on Grantee Agreements for General RFP Grants through FY 2021-2022: Mr. Rodriguez stated that the Commission at a previous meeting discussed the idea of whether proceeding with a new RFP cycle would be prudent at this time due to the COVID-19 pandemic or whether the Commission would consider other options. Commissioners made a recommendation, as had been done in the past, to approve extensions to grantees for an additional year. Mr. Rodriguez is seeking direction from the Commission on how to proceed.

Commissioner Sigmond stated that due to the extraordinary circumstances, it would be best to extend contracts to grantees for the next year and wait to see what happens with COVID-19. As Commissioner Green advised, the contracts would be optional to those grantees wishing to continue a third year.

A motion to approve extensions on Grantee Agreements for the RFP General Grant up through FY 2021-2022 was made by Commissioner Deol and it was seconded by Commissioner Green; having noted no further discussion or public comment, the motion carried with all in favor.

7. First 5 Imperial Community Development Mini-Grant Application FY 2021-2022: Mr. Rodriguez is seeking direction on how the Commission wishes to proceed in regard to the Community Development

Mini-grant. He asked whether the Commission wishes to increase the mini-grant funding, target specific initiatives, change priorities set in the mini-grant for example by providing special consideration in support of COVID-19 or continue as in previous years. He offered alternatives and ideas the Commission could consider.

Commissioner Sigmond stated that social media is a very important source for sharing information; she commented further about the method of outreach and notification of the mini-grant.

Commissioner Green is recommending that they leave out the section that states priority will be given to applicants that have never received funding for a grant with the Commission before. She feels that priorities should not go against an agency that has applied, it leaves it open. Commissioner Miramontes expressed that he agreed with this recommendation.

Commissioner Kim gave his feedback on providing more assistance to agencies who serve children, their families, especially during this time. He is encouraging the process to be more open and that more funding be given to support families. Mr. Kim advised about holding a special meeting, this would move things faster.

Commissioner Rodriguez stated that with the uncertainty the county is facing, she would like to provide direction for the Director to come back with strategies and options for the mini-grant process and to bring it back to the Commission so that they can address it further.

Commissioner Green added that she would like to include language on how agencies propose to meet their strategies during the COVID-19 period.

Mr. Rodriguez acknowledged that he would come back with strategies, scenarios and address the COVID-19 issue. Commissioners were open to increasing the funding to \$200,000.

8. 2020 Imperial County Early Care and Education Workforce Study: Mr. Rodriguez stated that the data collection process of the ECE Workforce Study has been completed. He advised that they started right at the beginning of the COVID-19 pandemic which made the process more challenging. During the summer there was contact with sites and providers due to the COVID-19 relief effort that was provided by the Commission which allowed more collection of data. The next phase is to put the data and analysis together and bring back to the Commission for review and consideration, he expects this will be done in February. Mr. Rodriguez went on to provide a brief analysis on the data collected from the family childcare providers. Commissioner Sigmond acknowledged the significance of the study and how it could possibly affect the education communities.
9. COVID-19 Grantee and Provider Relief Support: Mr. Rodriguez provided an update on the distribution of supplies/materials that were given as part of the COVID-19 relief efforts:
  - Commission reached out to 10 major grants and 5 mini-grants and of those, 9 agencies requested support/materials to address COVID-19.
  - Baby wipes were provided to Imperial Valley College.
  - Gowns were given to preschool teachers; all preschools will be surveyed regarding their need for gowns.
  - There was a request for games, artbooks, puzzles and books. Books were purchased and additional books will be received by First 5 California.
  - Webcams for IVROP home visitors were provided as well as for the IC Child Abuse Prevention Council.
  - Refurbished laptops were provided to the Neighborhood House for use by their program staff.

- Diapers, thermometers and cleansers were provided to the Betty Jo McNeece Receiving Home.
- Will coordinate a distribution with the IC Office of Education targeting family childcare providers including FFNs.

## **VII. Commissioner Comments**

Commissioner Deol suggested that they contact the hospitals for information on obtaining baby formula.

Commissioner Castillo commented on the COVID-19 restrictions and progress being made with the pandemic. He thanked Tony Rouhoutas, County CEO, for his plans in dealing with staff and restrictions. He advised that vaccines will probably be available later this month and early next year but will be limited to certain personnel.

## **VIII. Adjournment**

A motion adjourning the meeting was made by Commissioner Green and it was seconded by Commissioner Deol; the meeting was adjourned at 5:26 pm. The next meeting is scheduled on February 4, 2021.