

MEETING DATE:
APRIL 15 2021 12:30PM



Facilitator: Eric Harrold

THIS MEETING IS HELD VIA TELECONFERENCE/WEBINAR DUE TO COVID 19 RESTRICTIONS

Computer Link:

<https://saccounty-net.zoomgov.com/j/1612983982?pwd=ajVRYVNDNR3laU3RMaEtFU1d0Q2RJUT09>

Meeting ID: 161 298 3982

Passcode: 201253

Phone in: 1-669-900-6833 US (San Jose)
Using the same meeting id and password as above.

**FINANCIAL PLANNING COMMITTEE
MEETING AGENDA**

Commission Members: Kathy Kossick (Chair), Beth Hassett (Vice-Chair), Lee Turner-Johnson
Advisory Committee Members: Walter Wyniarczuk, Silvia Rodriguez

1. Call to Order/Roll Call
2. Public Comments on Off-Agenda Items
3. Approve Draft Action Summary of January 21, 2021
4. Receive Staff Updates
5. Review and Approval of Proposed Recommended Budget for FY 2021-22
6. Review and Approval of Adjusting Journal Entry Reducing Fund Balance by \$331,658.78.
7. Review and Comment on Financial Statements
8. Committee Member Comments

Location: 2750 Gateway Oaks Dr., #330, Sacramento, CA 59833
Quarterly/Third Thursday of the month
First 5 Conference Room

FIRST 5 SACRAMENTO COMMISSION
2750 Gateway Oaks Dr., Suite 330
Sacramento, CA 95833

FINANCIAL PLANNING COMMITTEE

DRAFT ACTION SUMMARY

Thursday, January 21, 2021 – 12:30 PM

Members: Kathy Kossick (Chair), Beth Hassett (Vice-Chair), Lee Turner-Johnson

Advisory Committee Members: Walter Wyniarczuk, Silvia Rodriguez

Staff: Julie Gallelo, Eric Harrold, Stephanie Wills

Absent: Walter Wyniarczuk

1. Welcome/Call to order and Roll Call
Action: The meeting was called to order at 12:31PM. A quorum was established.
2. Public Comments on Off-Agenda Items
Action: None
3. Approve Draft Action Summary of October 22, 2020
Action: Turner-Johnson/Hassett. Approved as recommended.
4. Receive Staff Updates
Action: Eric Harrold updated members, including:
 - Staff have continued to work from home effectively and efficiently due to COVID
 - First 5 is looking into reducing our office space to save money for future Strategic plans.
 - FY2021/22 budget process will kick off early 2021
5. Review and Comment on Financial Statements
Action: None
6. Committee Member Comments
Action: No comments

Adjourned: 12:56PM

Respectfully submitted,

Stephanie Wills, Clerk
First 5 Sacramento Commission

FIRST 5 Financial Planning Committee

For the Agenda of:
April 15, 2021

To: Financial Planning Committee Members

From: Eric Harrold
Chief of Administration

Subject: Review and Approve the Fiscal Year 2021-22 Recommended Budget and Ten Year Financial Plan

RECOMMENDATION:

Approve the Fiscal Year (FY) 2021-22 Recommended Budget and Ten Year Financial Plan.

BACKGROUND:

Sacramento County Code Section 2.99.130, First 5 Sacramento Commission Budget, states "The Commission's proposed budget for any fiscal year shall be submitted to the County for review and comment prior to its adoption by the Commission." The FY 2021-22 Recommended Budget package was submitted to the County Executive's Office on February 23, 2021, for review and comment.

The FY 2021-22 budget is the first year of the 2021 Strategic Plan (SP) approved by the Commission and continues for three years through FY 2023-24. Each year is funded at \$14,880,000 and is adjusted by other actions taken by the Commission. The most common adjustments include grants awarded to the Commission and contractors that elect to take different amounts each year of the SP.

DISCUSSION:

The FY 2021-22 Recommended Budget includes \$19.8 million in total expenditures. These are offset by \$18.2 million in revenues, a \$3.8 million fund balance, and a provision for the reserve fund of \$2.2 million.

The Recommended Budget reflects a \$4,376,111 (18.1%) decrease in total appropriations and a \$736,688 (4.2%) increase in revenue. The decrease in total appropriations is due to the new 2021 SP establishing funding for the next three years and approved by the Commission. Service delivery capacity is expected to remain largely the same due to sustainability efforts undertaken over the last three

years. One example of sustainability efforts includes First 5's partnership with the Department of Human Assistance for \$4.4 million in CalWORKs funding to expand home visiting. The grant began eighteen months ago, thereby inflating the FY 2020-21 budget allocation and creating a greater savings to fund balance as those services were transitioned from Commission funded to CalWORKs funded.

The increase in revenue is due to Proposition 10 tobacco tax revenues. The Commission uses tax receipt estimates provided by the California Department of Tax and Fee Administration to budget Proposition 10 revenues. For the last two years these estimates have been low each year. Therefore, this revenue was increased in this budget request.

The FY 2021-22 Recommended Budget request deletes a 1.0 FTE vacant Accounting Technician position.

Expenditures (Attachment 1 – Budget Highlights)

The recommended budget requests allocations of \$17 million for contracts to provide direct services and program evaluation, \$2.2 million in salary and benefits for Commission staff, and \$600 thousand for services and supplies including media.

Revenue

Revenues are projected to be \$18.2 million across all funding sources. This is a \$737 thousand increase compared to FY 2020-21. The revenue projection reflects the same level of funding at \$4.7 million for the CalWORKs Home Visiting Program (HVP). Proposition 10 funding was increased by \$767 thousand to account for the Proposition 56 backfill actuals that have been considerably higher than State projections for the last two years.

Medi-Cal Administrative Activities (MAA) claiming is another significant revenue source for First 5 Sacramento and is estimated at \$670,000, which is a decrease of \$30,000 based on less MAA activities being performed due to positions moving to the CalWORKs funding source. Interest income is estimated at \$349 thousand based on historical average and adjusted down relative to the decline in reserve balance.

All other revenues are anticipated to stay the same.

Reserve Balance

In FY 2021-22, the Children and Families First Fund will decrease by \$1,608,619. Use of Fund Balance reflects (the net of) a carryover of \$3,844,662 in available balance, and \$2,236,043 to be provisioned in reserves.

The budget year will begin with an estimated reserve balance of \$16.8 million and end with a proposed reserve balance of \$19 million. Year-end actuals will have an effect on these estimates and are updated in the Final Budget process.

The \$3.8 million fund balance is comprised of \$300 thousand additional net revenue and \$3.5 million less expenditures than budgeted. Contracted services used to provide services to First 5 clients resulted in the biggest savings of \$3.3 million. A contract with the Child Abuse Prevention Center (CAPC) to provide CalWORKs funded home visiting services is the largest contributor to the savings at \$1.5 million. The School Readiness Program contracts also contributed \$700 thousand in savings, primarily from having to shift service delivery models during the COVID-19 virus. There was also \$200 thousand in unallocated contracts. The remaining \$900 thousand in contract savings is spread among the remaining 30 contracts but falls within the normal amounts contracts typically underspend.

The variances in revenues are \$300 thousand better than budgeted. The increased revenue is primarily from Proposition 10 tobacco tax revenue and is anticipated at \$2.1 million over budget, resulting from a larger than projected Proposition 56 backfill. This is offset by a \$1.5 million deficit from the CalWORKs reimbursement contract and \$300 thousand in reduced Medi-Cal activities being performed.

Significant Changes (Attachment 2 – Budget Detail)

The primary significant change between FY 2020-21 to FY 2021-22 budgets was the reduction in Other Professional Services account 20259100. This account is where all community based contracts are budgeted and reflects a \$4.2 million decrease. These decreases were planned and carefully considered throughout the strategic planning process and captured in the FY 2021-22 recommended budget.

Revenues were increased by over \$700 thousand to better reflect Proposition 10 revenues.

Ten Year Financial Plan (Attachment 3 – Ten Year Financial Plan)

The Ten Year Financial Plan reflects the funding level set by the 2021 Implementation Plan approved by the Commission. The plan includes two additional three-year strategic planning periods beginning in 2024 and 2027. In FY 2026-27, the reserve balance will be \$3 million and held in perpetuity for cash flow and emergency contingencies.

The Ten Year Plan also notes the next reduction in funding for the 2024 Strategic Plan at 3% which is down from 17%.

FISCAL IMPACT:

The Fiscal Year 2021-22 Recommended Budget totals \$19.8 million in expenditures and is funded by revenues of \$18.2 million, \$1.6 million fund balance carry forward, and a \$2.2 million provision for reserve. This action will leave a year-end reserve balance of \$19 million.

CONFLICT OF INTEREST:

None.

CONCLUSION:

Staff recommends approval of the Fiscal Year 2021-22 Recommended Budget and
Ten Year Financial Plan.

Respectfully submitted,

Julie Galelo
Executive Director

Attachments:

1. Budget Highlights
2. Budget Detail
3. Ten Year Financial Plan



#5 - Attachment 1

First 5 Sacramento Fiscal Year 2021-22 Budget Highlights

Recommended Budget Totals \$ 19.76 million

► Overall Expenditure Categorical Breakdown

Administration	5.3%	\$ 1.04 million	Personnel	10.9%	\$ 2.16 million
Evaluation	2.9%	\$ 0.57 million	Contractors	85.9%	\$ 16.98 million
Program	91.8%	\$ 18.15 million	Services/Supplies	3.2%	\$ 0.62 million
100.0% \$ 19.76 million			100.0% \$ 19.76 million		

► Program Expenditures by Result Area

Health	7.4%	\$ 1.47 million	Reducing African American child death
Nutrition	2.7%	\$ 0.53 million	Lactation consultants and breastfeeding support
Preventive Svcs Access	0.3%	\$ 0.06 million	Systems work to increase utilization of medical, dental, and mental health services for children and pregnant women
Child Care Access	0.2%	\$ 0.04 million	Systems work to improve access to affordable child care
Quality Childcare	3.6%	\$ 0.71 million	Increasing quality of early childhood settings to meet social-emotional, physical, and cognitive needs of children
School Readiness	18.2%	\$ 3.59 million	Social-emotional support for children, Parent support & engagement, Literacy, Screenings, Play groups, Transition activities
Empowered Families (EF)	32.2%	\$ 6.37 million	Family Resource Centers, Home visits, Crisis intervention, Parent education, Emergency child care
EF CalWORKs Funded	24.3%	\$ 4.81 million	Home visiting and home visiting collaboration/coordination
Evaluation	2.9%	\$ 0.57 million	Measure program successes and areas for improvement
Program Management	1.5%	\$ 0.30 million	Expenses that benefit all programs
Systems Improvement	1.4%	\$ 0.27 million	Systems optimization and sustainability activities
Administration	5.3%	\$ 1.04 million	
100.0%		\$ 19.76 million	

► Revenues; Reserve Fund and Fund Balance

Fund Balance	\$ 1,608,619
Proposition 10	\$ 11,919,281
MAA Claiming	\$ 670,000
CBCAP	\$ 51,000
CAPIT	\$ 444,000
SMIF	\$ 31,382
Intergovernmental Revenue	\$ 4,688,443
Interest Income	\$ 348,974
TOTAL FY 21/22 FUNDING	\$ 19,761,699

RESERVE BALANCE

Beginning Reserve Balance	\$ 16,808,311
Available for use in FY 21/22	
Fund Balance	\$ 3,844,662
Provision for Reserve	\$ (2,236,043)
	\$ 1,608,619
Ending Reserve Balance	\$ 19,044,354

\$ 18,153,080 Total Revenue



FY 21/22

FY 19/20 Actual

FY 20/21 Final Budget

FY 20/21 Estimated Expenditures

FY 21/22 Recommended Budget

TOTAL ADMIN

TOTAL PROGRAM

#5 - ATT 2

SUMMARY		TOTAL EXPENSES		TOTAL ADMIN		TOTAL PROGRAM	
GL Account #	GL Account	21,610,312	24,137,810	20,597,228	19,761,699	4.39	7.61
						1,043,943	18,717,756
						5.29%	94.71%
10111000	REGULAR EMPLOYEES	1,300,340	1,404,759	1,310,723	1,375,924	454,533	921,389
10114100	PREMIUM PAY	36,150	37,018	37,063	37,494	6,629	30,865
10114300	ALLOWANCES	7,581	10,008	5,423	10,008	2,730	7,278
10115200	TERMINAL PAY	25,657	0	0	0	0	0
10121000	RETIREMENT	265,873	305,069	294,675	326,968	106,345	220,623
10121300	HEALTH SVGS-ER	8,035	8,450	7,830	7,800	2,853	4,946
10121400	401A - PLAN	9,789	11,420	10,843	11,570	2,047	9,523
10122000	OASDHI	96,419	98,711	92,754	100,071	34,454	65,620
10123000	GROUP INS	147,926	183,755	148,153	154,172	43,977	110,196
10112400	COMMITTEE MEMBER	1,260	1,450	1,400	1,450	1,450	0
10121100	1995 Pension Obligation Bonds - ACP	92,602	90,434	90,434	90,695	33,179	57,516
10121200	2004 Pension Obligation Bonds - ACP	46,123	43,840	43,840	44,712	16,357	28,355
10124000	Workers' Compensation - ACP	0	2,121	2,121	0	0	0
10125000	Unemployment Insurance - ACP	157	161	161	319	117	202
10 - SALARIES AND EMPLOYEE BENEFITS		2,037,913	2,197,196	2,045,420	2,161,183	704,671	1,456,513
20205200	INS PREMIUM	31,901	40,325	40,325	40,325	14,752	25,573
20254100	PERSONNEL SVC	31,811	0	0	0	0	0
20254110	LABOR RELATIONS SVC	1,135	0	0	0	0	0
20281301	FINANCE GEN ACCOUNTING	1,303	0	0	0	0	0
20281302	FINANCE PAYROLL	590	0	0	0	0	0
20281303	FINANCE PAYMENT SERVICES	2,323	0	0	0	0	0
20281304	FINANCE SALES TAX ADJ -BOE AD	(59)	0	0	0	0	0
20281305	FINANCE AUDITS	487	0	0	0	0	0
20281306	FINANCE SYSTEM CONTROL & RECON	841	0	0	0	0	0
20291000	Countywide IT Services - ACP	12,924	11,731	11,731	12,030	4,401	7,629
20291100	DTech Labor - ACP	8,904	5,824	5,824	5,824	2,131	3,693
20291200	DTech Fee - ACP	13,016	12,149	12,149	11,392	4,168	7,224
20291301	Finance General Accounting - ACP	0	1,407	1,407	1,306	478	828
20291302	Finance Payroll Services - ACP	0	593	593	581	213	368
20291303	Finance Payment Services - ACP	0	2,754	2,754	2,549	933	1,616
20291305	Finance Internal Audits - ACP	0	489	489	479	175	304
20291306	Finance System Control & Recon - ACP	0	874	874	807	295	512
20291400	County Executive Cabinet - ACP	6,972	8,226	8,226	8,314	3,042	5,272
20291600	WAN Charges - ACP	19,834	21,524	21,524	22,140	8,100	14,040
20291700	Alarm Services - ACP	3,064	3,090	3,090	2,998	1,097	1,901
20292300	Messenger Services - ACP	3,651	3,559	3,559	3,680	1,346	2,334
20292500	Purchasing Services - ACP	2,593	1,853	1,853	1,815	664	1,151
20294200	Facility Use - ACP	644	657	657	662	242	420
20294300	Lease Property - ACP	148,751	152,120	152,120	186,785	68,332	118,453
20295102	Benefit Admin Svcs - ACP	0	1,959	1,959	1,862	681	1,181
20295103	Employment Services - ACP	0	4,482	4,482	4,475	1,637	2,838
20295104	Training Svcs - ACP	0	961	961	927	339	588
20295105	DPS Dept Svcs Teams - ACP	0	6,513	6,513	12,347	4,517	7,830
20295106	401A Plan Admin Svcs - ACP	0	196	196	217	79	138
20295107	Labor Relations - ACP	0	1,738	1,738	1,699	622	1,077
20295400	Safety Program - ACP	0	135	135	0	0	0
20298300	Surplus Property - ACP	409	411	411	473	173	300
20298700	Telecommunication - ACP	23,400	19,854	19,854	5,109	1,869	3,240
20202400	PERIODICAL/SUSCRIPTS	0	50	50	50	50	0
20202900	BUS/CONFERENCE EXP	5,020	8,000	1,757	6,000	6,000	0
20203100	BUSINESS TRAVEL	12,112	17,716	(950)	1,200	1,200	0
20203500	ED/TRAINING SVC	22,905	18,050	22,200	21,800	2,000	19,800
20203600	ED/TRAINING SUP	29,805	34,853	15,000	17,475	170	17,305
20203800	EMPLOYEE RECOGN	34	800	400	100	100	0
20203900	EMP TRANSPORTAT	2,469	3,000	172	3,000	3,000	0
20206100	MEMBERSHIP DUES	31,888	32,540	32,540	32,540	32,540	0
20207600	OFFICE SUPPLIES	4,760	7,000	2,153	6,000	6,000	0
20208100	POSTAL SVC	0	100	100	100	100	0
20208500	PRINTING SVC	3,717	10,000	2,683	3,000	0	3,000
20211100	BUILDING MAINTENANCE SVC	0	0	0	0	0	0
20222700	CELL PHONES	0	2,318	3,022	2,318	2,318	0
20226100	DTECH EQUIPMENT MAINTENANCE	0	609	609	609	609	0
20226200	OFFICE EQ MAINT	0	0	0	0	0	0
20250500	ACCOUNTING SVC	29,559	36,874	30,418	35,345	35,345	0
20250600	INVESTMENT SVC	36,105	42,000	26,405	20,100	0	20,100
20253100	LEGAL SVC	8,736	13,000	13,000	13,000	13,000	0
20259100	OTHER PROF SVC	18,995,536	21,222,115	17,952,050	16,975,783	50,000	16,925,783
20259105	MEDIA SERVICES	34,138	90,000	90,000	55,000	0	55,000
20271100	DTECH DESKTOP SUPPORT	0	21,780	5,687	11,780	11,780	0
20281100	DATA PROCESSING SVC	0	0	0	0	0	0
20281200	DATA PROCESSING SUP	1,287	13,000	4,000	5,129	5,129	0
20281202	MS ENTERPRISA AGRMT (EA)	0	871	871	871	871	0
20283200	INTERPRETER SVC	0	400	200	0	0	0
20289800	OTHER OP EXP SUP	0	0	4,931	0	0	0
20289900	OTHER OP EXP SVC	638	700	636	700	700	0
20291300	AUDITOR/CONTROL SVS	23,500	38,100	27,500	38,100	38,100	0
20292100	GS PRINTING SVC	6,877	11,100	1,182	1,000	1,000	0
20292200	GS MAIL/POSTAGE	277	800	354	200	200	0
20292800	GS EQUIP RENTAL LT	0	0	0	0	0	0
20296200	GS PARKING CHGS	1,113	2,000	2,000	2,000	2,000	0
20 - SERVICES AND SUPPLIES		19,564,969	21,931,200	18,542,394	17,581,996	332,497	17,249,499
30348000	CW Cost Plan - ACP	7,431	9,414	9,414	18,520	6,775	11,745
30 -		7,431	9,414	9,414	18,520	6,775	11,745
94941000	INTEREST INCOME	(482,618)	(348,974)	(348,974)	(348,974)	(348,974)	0
95953000	MISC INTERGOVERNMENTAL REVENUE	(4,186,322)	(4,688,418)	(3,179,689)	(4,688,443)		(4,688,443)
95955500	MEDI-CAL ADMIN STATE	(395,724)	(700,000)	(440,088)	(670,000)	(670,000)	0
95956900	STATE AID - MONTHLY ALLOC	(13,150,650)	(11,628,000)	(13,698,514)	(12,394,663)	(12,394,663)	0
95959900	FED AID - CBCAP	(51,523)	(51,000)	(51,000)	(51,000)	(51,000)	0
97973000	DONATIONS	(5,000)	0	0	0	0	0
97979000	MISC OTHER	(8,000)	0	(2,207)	0	0	0
95 - INTERGOVERNMENTAL REVENUE		(18,279,837)	(17,416,392)	(17,720,472)	(18,153,080)	(13,464,637)	(4,688,443)

First 5 Sacramento Commission Ten Year Financial Plan

Fiscal Year 2021-22 Recommended Budget

April 15, 2021 Item 5 - ATTACHMENT 3



Dollars in Thousands

	2018 Strategic Plan		2021 Strategic Plan			2024 Strategic Plan			2027 Strategic Plan	
RESERVE FUND	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	<i>Actual</i>	<i>Estimated</i>	<i>Budget</i>							
Beginning Reserve Balance	\$ 23,095	\$ 18,722	\$ 16,808	\$ 19,044	\$ 16,250	\$ 13,182	\$ 10,099	\$ 6,724	\$ 3,012	\$ 3,132
Fund Balance	\$ 3,765	\$ 4,808	\$ 3,845							
Reserve Release/(Provision)	\$ 4,373	\$ 1,913	\$ (2,236)	\$ 2,794	\$ 3,069	\$ 3,083	\$ 3,374	\$ 3,713	\$ (120)	\$ 120
Year End Reserve Balance	\$ 23,095	\$ 16,808	\$ 19,044	\$ 16,250	\$ 13,182	\$ 10,099	\$ 6,724	\$ 3,012	\$ 3,132	\$ 3,012
REVENUE										
Proposition 10	12,673	13,237	11,919	10,794	10,660	10,297	10,040	9,789	9,544	9,305
MAA Claiming	396	440	670	620	510	510	510	460	460	460
B & B CBCAP (Federal)	52	51	51	51	51	51	51	51	51	51
B&B CAPIT (State)	444	444	444	444	444	444	444	444	444	444
SMIF	33	20	31	15	15	14	14	14	13	13
Interest Income	483	349	349	162	132	101	67	30	31	30
CalWORKs/Other	4,199	3,180	4,688	4,688						
Total Revenue	\$ 18,280	\$ 17,721	\$ 18,153	\$ 16,774	\$ 11,811	\$ 11,417	\$ 11,126	\$ 10,787	\$ 10,544	\$ 10,303
EXPENSES										
Health	1,499	1,228	1,470							
Nutrition	650	733	525							
Preventive Services Access	1,549	180	59							
Child Care Access	0	0	44							
Quality Child Care	986	1,028	706							
School Readiness	4,150	4,045	3,592							
Empowered Families (EF)	7,277	7,914	6,368							
EF CalWORKS Funded	3,089	3,149	4,810	4,688						
Community Connections	371	392	0							
Program Management	326	301	298							
Evaluation	490	490	571							
Systems Improvement	164	216	275							
Administration	1,058	923	1,044							
Future Allocations				14,880	14,880	14,500	\$ 14,500	14,500	10,423	10,423
Total Expenses	\$ 21,610	\$ 20,597	\$ 19,762	\$ 19,568	\$ 14,880	\$ 14,500	\$ 14,500	\$ 14,500	\$ 10,423	\$ 10,423

Prop 10 Assumption - State projection followed by natural 2.5% decline
 Interest Rate Assumption - 5 yr ave less 19% decrease in reserve, 1% after

State Estimates (+\$1M in FY 21/22)				-2.5%	-2.5%	-2.5%	-2.5%
5 yr. ave.	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Result Area	Implementation Plan Adjustments
Cal WORKs HVI	\$ (4,810) Direct funding grant not counted as part of the Implementation Plan
Rent Reduction	\$ (32) Allocation made by General Services (can not change), allocation is too high
All Result Areas	\$ (39) Adjustments due to contractors taking unequal contract amounts in the first year and operational
Sum of Adjustments	\$ (4,881)
Adjusted Fiscal 20/21 Budget	\$ 14,880

FIRST 5 SACRAMENTO COMMISSION

For the Agenda of:
April 15, 2021

To: Fiscal Planning Committee Members

From: Eric Harrold
Chief of Administration

Subject: Review and Approve Adjusting Journal Entries to Reconcile Balances in the Deferred Revenues Account, Due to Other Account, and to Reduce Fund Balance by \$331,658.78.

RECOMMENDATION:

Approve the attached journal voucher to correct balances in the Deferred Revenues account, Due to Others account, and to adjust fund balance to the correct amount.

BACKGROUND:

During the fiscal year (FY) 2018/19 annual audit the auditors; Macias, Gini, and O'Connell (MGO) made a recommendation to First 5 Sacramento Management as follows:

"Comment: The Commission's general ledger system (Compass) contains several accounts where balances are not reflective of actual amounts used for financial reporting purposes. The detailed reports are kept outside of the Compass system and are manually tracked. Due from other governments, due to other governments, accounts payable, deferred revenue, and fund balance are the primary accounts where this observation was noted.

Recommendation: It is recommended that the Commission adjust the Compass account balances to be brought up to date, and the information maintained manually outside the Compass system be properly and timely entered into Compass and agreed to the financial statements."

First 5 Management requested the Department of Finance to review the recommendation and provide the proper adjusting journal entries to satisfy the auditor's request.

Review and Approve Adjusting Journal Entries to Reconcile Balances in the Deferred Revenues Account, Due to Other Account, and to Reduce Fund Balance by \$331,658.78.

Page 2

DISCUSSION:

In FY 2018/19 certain accruals involving these accounts were not reversed causing manual adjustments to be kept outside of the Compass system. As the years progress it provides more opportunities for mistakes to occur when recording these manual adjustments.

In order to provide the Commission with a stronger system of internal control while also making operations more efficient within the organization, the adjusting journal entries will be posted in the Compass system.

FISCAL IMPACT:

The adjusting journal entries will reconcile the account balances to the correct amounts within the Compass system reducing the fund balance by \$331,658.78.

CONFLICT OF INTEREST:

None.

CONCLUSION:

Staff recommends approval of the attached adjusting journal entry.

Respectfully submitted,

Eric Harrold
Chief of Administration

cc: Poonam Aujla, Department of Finance
Mark Aspesi, Department of Finance

FIRST 5 SACRAMENTO COMMISSION
Financial Planning Committee
April 15, 2021

5

Analysis of Financials for Period July 1, 2020 to March 31, 2021

Report Period: 9 months
% of Fiscal Year Complete: 75%

▶▶▶ Detail review of selected accounts and accounts greater than 80% expended compared to budget:

20202400 Periodical/Subscriptions

Budget: \$50
Expended: \$102 (204%)

These expenses reflect cost associated for our subscription to the online Sacramento Bee. This is a one-time payment, which has been paid and done for the year. The cost of the dental website was charged to this account by mistake, in future this will be charged to 20202500 Ed/Training Svc

20203500 Ed/Training Svc

Budget: \$18,050
Expended: \$16,650 (92%)

This general ledger (G/L) account is where much of the First 5 social media advertising is paid and is similar to account 20203600 Ed/Training Supplies. Both accounts are used for similar concepts but one is for supplies and the other for services. It is not always known during the budget process how much will be needed specific to service or supply. When the accounts are combined, the total budget is \$52,903 and total expenditures are \$19,352 for a rate of 37% expended.

20222700 Cell Phones

Budget: \$2,318
Expended: \$2,215 (96%)

This general ledger item is for cost associated with staff cell phones, due to COVID, staff are using cell phones more than before. Monthly charges are slightly more than originally budgeted for.

▶▶▶ Revenue Analysis

Revenues are tracking in-line with budgeted amounts. However, actual receipts typically come in after the reporting period and will lag until the fourth quarter when the revenues are accrued. Actual Revenues received through the third quarter are (with comment):

- MAA revenue \$220,044; MAA 18/19 Q1, 2, and 3 revenues have been delayed due to an internal processing mistake at the State. We anticipate receipt before the end of the fiscal year.
- CBCAP and CAPIT \$469,137; Revenues are mostly collected in the first three quarters but will not exceed budgeted amounts.
- Prop 10 \$9,528,056; Revenue is trending higher than expected, actuals do not include February and March. Second half of year usually performs worse than first six months.
- Earned interest \$48,703; Does not include third quarter. Third and fourth quarters are typically significantly higher than Q1 and 2.

- CalWORKs \$2,098,972; is a reimbursement grant and can only be claimed against actual expenditures.
- SMIF is received once a year at the end of the year.

First 5 Sacramento Commission
Results of Operations
For the Fiscal Year Through March 31, 2021

Account Description	Budget	Total Actual	% of Budget
Salaries	\$1,453,235	\$941,343	65%
Benefits	743,961	493,669	66%
Total Salaries & Benefits	\$2,197,196	\$1,435,012	65%
		100.00%	
20202400 Periodical/Suscripts	50	102	204%
20202900 Bus/Conference Exp	8,000	1,334	17%
20203100 Business Travel	17,716	-	0%
20203500 Ed/Training Svc	18,050	16,650	92%
20203600 Ed/Training Sup	34,853	2,702	8%
20203800 Employee Recogn	800	-	0%
20203900 Emp Transportation	3,000	86	3%
20205200 Ins Premium	40,325	-	0%
20206100 Membership Dues	32,540	-	0%
20207600 Office Supplies	7,000	1,359	19%
20208100 Postal Svc	100	76	76%
20208500 Printing Svc	10,000	1,764	18%
20222700 Cell Phones	2,318	2,215	96%
20226100 DTECH Equipment Maintenance	609	457	75%
20250500 Accounting Svc	36,874	27,032	73%
20250600 Investment Svc	42,000	13,203	31%
20253100 Legal Svc	13,000	-	0%
20259100 Other Prof Svc	21,222,115	9,747,033	46%
20259105 Media Svc	90,000	12,863	14%
20271100 DTECH Desktop Support	21,780	4,114	19%
20281200 Data Processing Sup	13,000	1,042	8%
20281202 MS Enterprise Agrmt (EA)	871	566	65%
20283200 Interpreter Svcs	400	-	0%
20289800 Other Oper. Sup	-	4,931	
20289900 Other Oper. Svc	700	465	66%
20291000 Countywide IT Services - ACP	11,731	8,797	75%
20291100 DTech Labor - ACP	5,824	4,369	75%
20291200 DTech Fee - ACP	12,149	9,139	75%
20291300 Auditor Svcs	38,100	27,500	72%
20291301 Finance General Accounting - ACP	1,407	1,055	75%
20291302 Finance Payroll Services - ACP	593	445	75%
20291303 Finance Payment Services - ACP	2,754	2,065	75%
20291305 Finance Internal Audits - ACP	489	367	75%
20291306 Finance System Control & Recon - ACP	874	656	75%
20291400 Co Exec Cab Svc	8,226	6,170	75%
20291600 Wan Allocation	21,524	16,145	75%
20291700 Alarm Svcs	3,090	2,318	75%
20292100 GS PRINTING SVC	11,100	591	5%
20292200 GS MAIL/POSTAGE	800	254	32%
20292300 Messenger Services - ACP	3,559	2,640	74%
20292500 Purchasing Services - ACP	1,853	1,390	75%
20294200 Facility Use - ACP	657	493	75%
20294300 Lease Property - ACP	152,120	112,212	74%
20295102 Benefit Admin Svcs - ACP	1,959	1,469	75%
20295103 Employment Services - ACP	4,482	3,362	75%
20295104 Training Svcs - ACP	961	721	75%
20295105 DPS Dept Svcs Teams - ACP	6,513	4,885	75%
20295106 401A Plan Admin Svcs - ACP	196	147	75%
20295107 Labor Relations - ACP	1,738	1,303	75%
20295400 Safety Program - ACP	135	101	75%
20296200 GS PARKING CHGS	2,000	21	1%
20298300 Surplus Property - ACP	411	308	75%
20298703 Telecommunication - ACP	19,854	13,449	68%
30348000 CW Cost Plan - ACP	9,414	7,065	75%
Total Services & Supplies	21,940,614	10,067,428	46%
Total Expenditures	\$24,137,810	\$11,502,440	48%
94941000 Interest	\$348,974	48,703	14%
95953000 CalWORKs	\$4,688,418	2,098,972	45%
95955500 Medi-Cal State Aid	700,000	220,044	31%
95956900 State - Prop 10	11,164,000	9,528,056	85%
95956900 State - CAPIT	444,000	442,044	100%
95956900 State - SMIF	20,000	-	0%
95959900 Federal Aid - CBCAP	51,000	27,093	53%
Total Revenue	\$17,416,392	12,364,912	71%

**First 5 Commission Sacramento
Results of Operations
For the Period Ending March 31, 2021**

Descriptions	Budget	Actual	(Over) Under Budget	% Remaining Budget
A. REVENUE				
Tobacco Tax Allocation	11,184,000	9,528,056	1,655,944	
MAA - Federal Funding	700,000	220,044	479,956	
CBCAP/CAPIT	495,000	469,137	25,863	
Interest Earnings	348,974	48,703	300,271	
CalWORKs HVP	4,688,418	2,098,972	2,589,446	
Other Income and Adjustments		-	-	
TOTAL SOURCES OF FUNDS	17,416,392	12,364,912	5,051,480	29%
B. FUNDED PROGRAMS				
Health	1,390,934	586,812	804,122	58%
Personnel	132,285	79,453	52,832	
Professional Svcs	1,235,601	493,379	742,222	
Media & Program Support	23,048	13,980	9,068	
Dental	282,044	100,916	181,128	64%
Personnel	45,928	32,091	13,837	
Professional Svcs	200,000	62,528	137,473	
Media & Program Support	36,116	6,298	29,818	
Nutrition	804,424	460,755	343,669	43%
Personnel	44,095	26,484	17,611	
Professional Svcs	749,313	428,025	321,288	
Media & Program Support	11,016	6,246	4,770	
Early Care	1,123,818	466,917	656,901	58%
Personnel	18,583	13,361	5,222	
Professional Svcs	1,097,829	449,591	648,238	
Media & Program Support	7,406	3,964	3,442	
School Readiness	4,793,175	1,778,190	3,014,985	63%
Personnel	184,882	132,579	52,303	
Professional Svcs	4,551,968	1,621,478	2,930,490	
Media & Program Support	56,325	24,132	32,193	
Effective Parenting	8,472,608	4,421,891	4,050,717	48%
Personnel	105,616	74,212	31,404	
Professional Svcs	8,275,654	4,317,685	3,957,969	
MAA Pymt Fees	42,000	13,203	28,797	
Media & Program Support	49,338	16,791	32,547	
CalWORKs HVI	4,681,010	2,280,896	2,400,114	51%
Personnel	193,521	133,489	60,032	
Professional Svcs	4,448,418	2,130,391	2,318,027	
Media & Program Support	39,071	17,015	22,056	
Community Connections	416,474	251,474	165,000	40%
Personnel	175,288	123,498	51,790	
Professional Svcs	207,222	105,552	101,670	
Media & Program Support	33,964	22,424	11,540	
Policy, Advocacy, and Sustainability	216,813	115,883	100,930	47%
Program Management	333,470	210,676	122,794	37%
Total Funded Programs	22,514,770	10,674,409	11,840,361	53%
C. OPERATING EXPENSES	1,111,755	587,009	524,746	47%
Personnel	743,762	431,619	312,143	42%
Direct Operating Expenses	245,264	76,500	168,764	69%
Allocated Operating Expenses	122,729	78,890	43,839	36%
D. PROGRAM EVALUATION	511,285	241,023	270,262	53%
TOTAL EXPENDITURES	24,137,811	11,502,440	12,635,370	52%