

**FIRST 5 SAN BENITO
CHILDREN AND FAMILIES COMMISSION**

REGULAR MEETING

Meeting Minutes

October 25, 2021

1. CALL TO ORDER

Chair Dr. David Redman called the meeting to order at 12:22 PM

ROLL CALL / INTRODUCTIONS

Commissioners Present:

- ❖ Dr. David Redman
- ❖ Supervisor Bea Gonzalez
- ❖ Dr. Marni Friedman
- ❖ Elias Barocio
- ❖ Mary Damm

Commissioners Absent:

- ❖ Tracey Belton
- ❖ Margie Barrios

First 5 Staff Present:

- ❖ Lisa Faulkner
- ❖ Sarah Beatie
- ❖ Carly Offermann

Guests:

- ❖ Nathan Edelman, Eide Bailly
LLP, First 5 San Benito Auditor

2. AGENDA MODIFICATIONS

Move Agenda Item 5. Public Hearing on Adoption of Resolution Making Findings Pursuant to AB 361 to the start of the meeting

3. PUBLIC COMMENT

Public comment opened at 12:23 PM

4. PUBLIC HEARING ON ADOPTION OF RESOLUTION MAKING FINDINGS PURSUANT TO AB 361.

Commissioner Dr. David Redman reviews details of AB 361 with resolutions for virtual meetings to continue.

Dr. Marni Friedman made a MOTION to approve the Resolution making findings pursuant to AB361 on Behalf of Commission and its committees.

SECOND: Supervisor Bea Gonzalez

ABSTAINED: Elias Barocio

All in favor, MOTION PASSED.

5. PUBLIC HEARING ON FIRST 5 SAN BENITO’S FY 2020-2021 AUDIT REPORT PURSUANT TO HEALTH & SAFETY CODE SECTION 130140(D)(2).

Nathan Edelman reviewed and presented FY 2020-2021 Audit Report pursuant to health & safety code section 130140(D)(2) to the Commission. Nathan Edelman reviews findings within the FY 2020-2021 audit report.

Lisa Faulkner reviews the findings within the FY 2020-2021 Audit with the Commissioners. She begins discussion on Findings 2021-001- Material Weakness of Internal Control in the Financial Close and Reporting Process. Faulkner reviews management’s response of the Commission to rectify the Fund Balance Reporting. Faulkner reviews the Finding 2021-002 Material Weakness in Internal Control Over Financial Reporting, Financial Statement Preparation. Lisa reviews management’s response to establish and maintain internal control and review audit findings with FASS and ensure that new contract will include closing of financial books.

Supervisor Bea Gonzales made a MOTION to approve the FIRST 5 SAN BENITO’S FY 2020-2021 AUDIT REPORT PURSUANT TO HEALTH & SAFETY CODE SECTION 130140(D)(2) PENDING NO MATERIAL CHANGES.

SECOND: Elias Barocio

All in favor, MOTION PASSED.

2021-001 – Material Weakness of Internal Control in the Financial Close and Reporting Process	
Criteria	Management of the Commission is responsible for the preparation and fair presentation of the Commission's financial statements. Management's responsibilities include the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
Condition	The Commission’s year-end financial close process does not include procedures to ensure that transactions are recorded in conformance with generally accepted accounting principles applicable to governmental entities (GAAP).
Cause	First 5 San Benito is a small agency and outsources the year-end closing functions as a matter of efficiency. The scope of work with the outside bookkeeping agency does not include all work necessary for a complete financial statement presentation following GAAP.
Effect	Procedural errors could go unnoticed in the Commission’s internal financial and budget reports. There is also an increased risk that the annual financial report contains material errors that would not be detected by the independent audit.

2021-002 – Material Weakness in Internal Control Over Financial Reporting, Financial Statement Preparation	
Criteria	Management of the Commission is responsible for establishing and maintaining internal control, and for the fair presentation of the financial statements and related financial statement disclosures being audited.
Condition	In conjunction with the completion of the audit, we were requested to draft the financial statements and the accompanying notes thereto. Management reviewed, approved, and accepted responsibility for the financial statements and notes prior to their issuance.
Cause	The Commission had limited staff trained to prepare full disclosure financial statements, including related footnotes.
Effect	Reliance on the external auditors to prepare the financial statements and disclosures is considered to be a material weakness because actions by our Firm cannot be considered to be part of the Commission’s internal control.
Recommendation	These circumstances are not unusual in an organization of this size. It is the responsibility of management and those charged with governance to make the decision whether to accept the risk associated with this condition because of cost or other considerations.

6. CONSENT CALENDAR

Approval of Items 5.1- 5.4

Dr. Marni Friedman made a MOTION to approve items 5.1 Minutes from the October 4, 2021 Commission Meeting, 5.2 FY 2021-2020 Budget Revision, 5.3 YTD Financial Report, and 5.4 FY 2021- 2022 Grant Report

SECOND: Elias Barocio

All in favor, MOTION PASSED.

7. DIRECTOR'S REPORT

Lisa presents overview of what is to come in upcoming Commission meetings. Audit is being finalized; Annual report to be submitted. Financial long term and sustainability plan to be discussed in upcoming January Commission meeting. Change system to inform strategic planning.

7. ANNOUNCEMENTS

Resiliency Health Fair Nov 19th, looking for volunteers and agencies that would like to come and participate.

8. OTHER - FUTURE AGENDA ITEMS

- The Commission agreed to hold their next regular Commission meeting on Monday, December 6, 2021 at 12:15 PM
- The Commission agreed to hold a special meeting on Monday December 6, 2021 from 12 Noon to 12:15 PM
- The next regular Executive Committee Meeting to be held on Monday December 6, 2021 from 11:30 AM- 12 Noon
- Finance Committee propose to meet Thursday December 2, 2021 at 1:30 PM

No further business coming before the Commission, meeting adjourned at 12:53 PM.