

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

REGULAR MEETING

Meeting Minutes

Jan 20, 2021

1. CALL TO ORDER

Chair Dr. David Redman called the meeting to order at 12:01 PM

ROLL CALL / INTRODUCTIONS

Commissioners Present:

- | | |
|----------------------|-----------------|
| ❖ Dr. David Redman | ❖ Mary Damm |
| ❖ Dr. Marni Friedman | ❖ Elias Barocio |
| ❖ Margie Barrios | |

Commissioners Absent:

- ❖ Tracey Belton
- ❖ Peter Hernandez

First 5 Staff Present:

- | | |
|--------------------|-----------------------------|
| ❖ Lisa Faulkner | ❖ Cristina Gomez- Hernandez |
| ❖ Carly Offermann | ❖ Samantha Hernandez |
| ❖ Sarah Beatie | ❖ Monica Hernandez |
| ❖ Priscilla Favela | ❖ Madison Kennedy |

Guests:

- | | |
|---|--------------------------------|
| ❖ Frederick N. Northrop,
First 5 San Benito Attorney | ❖ Hannah Hwang,
Eide Bailly |
| ❖ Nathan Edelman,
Eide Bailly | |

2. AGENDA MODIFICATIONS

NONE

3. PUBLIC COMMENT

NONE

4. PUBLIC HEARING ON STATES COMMISSION'S FY 2019.2020 DRAFT AUDIT REPORT PURSUANT TO HEALTH & SAFETY CODE SECTION 130140(d)(3)

Nathan Edelman began his presentation of the FY 19.20 Audit report. He discussed highlights with the Commission and presented and discussed Audited Financial Statement & Findings 1,2,3,4

See Attached Presentation

Nathan Edelman Presented Audited Financial Statement **Finding**:

#1: <i>Material Weakness of Internal Control in the Financial Close and Reporting Process</i>
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 District'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.
Management's Response: We are working with our external bookkeepers to ensure the financial close and reporting includes procedures to ensure all transactions are recorded following the requirements of generally accepted accounting principles (GAAP).

Nathan Edelman Presented Audited Financial Statement **Finding** and reported it **RESOLVED**:

#2: <i>Material Weakness of Internal Control Over Reporting of Other Post-Employment Benefits</i>
Criteria: Governmental Accounting Standards Boards Statement 75, <i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i> , specifies the reporting requirements of the Commission's other post-employment benefits (OPEB) plan. The Commission is responsible for preparing an actuarial valuation per these requirements. Management of the Commission is responsible for ensuring the completeness and accuracy of the information provided to the actuary.

Nathan Edelman Presented Audited Financial Statement **Finding** and reported it **RESOLVED**:

#3: <i>State Compliance About Salaries and Benefits Policies</i>
Criteria: The county commission must adopt, in a public hearing, policies, and procedures for establishing salaries and benefits for its employees. The employees' salaries and benefits policies must comply with those outlined in the commission policies or the county government policies [Health and Safety Code sections 130151(b)(8) and 130140 (d)(G)].

Nathan Edelman Presented Audited Financial Statement **Finding**:

#4: <i>Material Weakness in Internal Control Over Financial Reporting, Financial Statement Preparation</i>
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.

Commissioners stated **Audited Financial Statement & Findings 1,2,3,4** had been discussed previously in the October 5, 2020 Commission meeting. No further discussion.

Marni Friedman made a MOTION to accept the Audit pending no material changes.

SECOND: Mary Damm

All in favor, MOTION PASSED.

5. CONSIDER RECOMMENDATIONS FOR FIRST 5 SAN BENITO CONTRACTORS

Lisa Faulkner reviewed Huboi Architectural Services contract and their work pertaining to the Commercial Kitchen project.

5.1 Margie Barrios made a MOTION to approve delegating authority to the Executive Director to negotiate, execute, and amend the new SERVICE AGREEMENT between **First 5 San Benito** and **Huboi Architectural Services** for the purpose of the Commercial Kitchen Project Development at the Family Resource Impact Center located at 351 Tres Pinos Rd., Ste. 103A in Hollister not to exceed \$11,470.00 beginning January 20, 2021 and ending June 30, 2021

SECOND: Marni Friedman

All in favor, MOTION PASSED.

6. ANNOUNCEMENTS

Lisa shared Benito Link article with the Commission and states future articles may be coming soon.

7. OTHER - FUTURE AGENDA ITEMS

- The Commission agreed to hold their next regular Commission meeting on Monday, February 8th at 12 PM
- The Executive Committee will meet on Monday February 8th at 11:30 AM
- The Financial Committee will meet on Monday, February 1st at 1:30 PM

No further business coming before the Commission, meeting adjourned at 12:36 PM