

**FIRST 5 VENTURA COUNTY  
ADMINISTRATION/FINANCE COMMITTEE  
MINUTES**

**October 9, 2020**

Present: Commissioner Stenslie, Commissioner Mantooth, Pamela Grothe, and Joseph Richards

Staff Present: Jennifer Johnson, Petra Puls, and Lauren Arzu

Guest Speakers: Rosalva Flores and Alaina Vandermade, Brown Armstrong Accountancy Corporation

**I. Call to Order/Welcome/Introductions**

Commissioner Mantooth began the meeting at 9:35 a.m.

**II. Approval of Minutes from September 4, 2020**

**A motion was made by Bruce Stenslie, seconded by Joseph Richards, to approve the minutes from the September 4, 2020 meeting. The motion carried unanimously.**

**III. Approval of Agenda**

**A motion was made by Pamela Grothe, seconded by Bruce Stenslie. The motion carried unanimously.**

**IV. Public Comments**

There were no public comments.

**V. Presentation and Review of the FY 2019-20 Audit**

Rosalva Flores and Alaina Vandermade from the firm conducting the FY 2019-20 audit for the Commission were welcomed to the meeting. Jennifer began the presentation with an overview of significant events in FY 2019-20 and provided context for the financial statements, noting a substantial shift in investments in alignment with the strategic plan and planned depletion of the Sustainability Fund that occurred in FY 2018-19. Jennifer reviewed the financial statements, providing highlights and explanations for variances from the prior year. Jennifer provided highlights from the Notes to the Financial Statements. Jennifer also reviewed variances on the budget to actuals. Pamela Grothe asked about the note on the budgetary variance and it was agreed to replace the term "appropriations" with "budget."

Rosalva Flores provided an overview of the results of the audit, noting that the report is in draft form until the Committee has an opportunity to provide comments. She reported that the opinion on the basic financial statements was unmodified - commonly referred to as a clean opinion. Rosalva referred to the Report on Internal Controls and noted there were no control deficiencies or material weaknesses. For the Report on State Compliance (the expanded audit), which is required for local First 5 Commissions relative to compliance with certain state laws and accountability mechanisms, Rosalva noted compliance in all areas. Rosalva and Alaina extended their appreciation to Commission staff, recognizing the additional work that is required for a first year audit engagement that further challenged by COVID-19 and conducting the audit remotely to ensure the safety and well-being of staff. The methods for conducting the audit virtually were discussed.

The Committee discussed the process for allocating funds made available after closing out the fiscal year. A discussion ensued around the Community Investment Loan Fund, including the innovation of the Commission for implementing such a fund, which is unique to Ventura County's First 5 commission, and whether lower interest rates would be negotiated on current loans.

The draft post-audit letter was discussed with the Committee in which the auditors are required to review certain items with the audit committee, per auditing standards. Referring to the letter, Rosalva provided an overview of items contained within the letter and noted the correction for deferred inflows of resources. Rosalva stated the audit went smoothly and there were no disagreements between the auditors and management during the audit, there were no consultations with other independent accountants, and there were no difficulties. Jennifer concluded the presentation by stating that the audit will be presented during a public hearing at the October Commission meeting.

**A motion was made by Pamela Grothe, seconded by Joseph Richards, to accept the draft audit as presented with the agreed upon change to the budget variance note. The motion carried unanimously.**

#### **VI. Review of Funded Program Spending Levels as of June 30, 2020**

Jennifer Johnson provided a report on program spending levels as of June 30, 2020. Jennifer reviewed the report and provided explanations as to the variances.

#### **VII. Update on Commission Activities**

Petra Puls referred to the referred to the September 2020 Report from Commission Staff. She reported on the Community Investment Loan Fund and discussed a loan conversion that is underway for one borrower that has experienced challenges. Petra provided an update on the proposed Vape Tax legislation, which did not move forward, however she noted the significant outreach that occurred statewide on the importance of providing a backfill for Proposition 10.

#### **VIII. New Business/ Miscellaneous**

Commissioner Mantooth provided an update on the reopening of schools and in-person instruction options for certain grade levels, given the current conditions of COVID-19 and the progress Ventura County has made in moving from the Purple Tier to the Red Tier.

The Committee discussed this year's audit process with a new audit firm.

#### **IX. Closure**

Commissioner Mantooth ended the meeting at 11:00 a.m.

#### **X. Next Meeting**

**Friday, November 6, 2020**, 9:30 a.m. – 11:30 a.m., Location TBD