

FIRST 5 FRESNO COUNTY

ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

DATE: Monday, October 30, 2023
TIME: 12:30 p.m. – Regular Meeting

Lighthouse for Children
2405 Tulare Street
Fresno, CA 93721

AGENDA

| ITEM | SUBJECT | PRESENTER |
|---------------------------------------|--|---|
| 1. | CALL TO ORDER | Chair Pacheco |
| 2. | POTENTIAL CONFLICTS OF INTEREST Any Commission Member who has potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter. | Chair Pacheco |
| 3. Action Pg. 1 | CONSENT AGENDA – ITEMS 3a-3d See attached Consent Agenda. Overview: These matters are routine in nature and are usually approved by a single vote. Prior to action by the Commission, the public will be given the opportunity to comment on any Consent Item. | Chair Pacheco F. González, E.D. |
| 4. Public Hearing Pg. 10 | PUBLIC HEARING - STATE ANNUAL REPORT AND FINANCIAL AUDIT REPORT FOR FISCAL YEAR 2022-2023 | Chair Pacheco F. González, E.D. |
| 5. Action Pg. 11 | STATE ANNUAL REPORT AND FINANCIAL AUDIT REPORT FOR FISCAL YEAR 2022-2023 Supporting Documents | F. González, E.D. L. Magallanes, Staff H. Norman, Staff |
| 6. Action Pg. 85 | CALIFORNIA RURAL LEGAL ASSISTANCE FOUNDATION DEOBLIGATION OF FUNDS Supporting Document | F. González, E.D. A. Hensley, Staff |
| 7. Action Pg. 88 | COMMUNITY EVENT SPONSORSHIP PROGRAM Supporting Document | F. González, E.D. C.J. Hernandez, Staff |
| 8. Information Pg. 92 | CHILDREN AND FAMILIES POLICY UPDATE | F. González, E.D. C.J. Hernandez, Staff |
| 9. Information Pg. 94 | EXECUTIVE DIRECTOR'S REPORT | F. González, E.D. |
| 10. Information | PUBLIC COMMENT Limit two minutes per speaker. Public Comment is also taken on individual agenda items throughout the meeting at the conclusion of each agenda item. | Chair Pacheco |
| 11. Information | ANNOUNCEMENTS / INFORMATION SHARING | Chair Pacheco |
| 12. | ADJOURNMENT | Chair Pacheco |
| NOTE: | NEXT REGULAR MEETING – DECEMBER 6, 2023 | 2405 Tulare St. Fresno, CA 93721 |

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Fresno, CA 93721

CONSENT AGENDA

(Any Commissioner may pull any Consent Item for discussion or separate vote.)

| ITEM | SUBJECT | PRESENTER |
|--------------------------------------|---|--|
| 3a. Action Pg. 2 | MINUTES FROM AUGUST 30, 2023 REGULAR COMMISSION MEETING Supporting Document | F. González, E.D. |
| 3b. Action Pg. 5 | 2024 REGULAR COMMISSION MEETING SCHEDULE | F. González, E.D. K. Rangel, Staff |
| 3c. Action Pg. 6 | ACCEPTANCE OF FUNDS FROM THE FRESNO CRADLE TO CAREER PARTNERSHIP FOR THE GLOW! GROUP PRENATAL CARE AND SUPPORT PROGRAM | F. González, E.D. L. Ramírez, Staff |
| 3d. Action Pg. 8 | AGREEMENT AMENDMENT WITH CALIFORNIA HEALTH COLLABORATIVE FOR GLOW! GROUP PRENATAL CARE IN MERCED COUNTY | F. González, E.D. L. Ramírez, Staff |

We encourage the public to attend. If you have a disability and need accommodations to participate in a meeting, please contact the Commission office at (559) 558-4900 at least 48 hours prior to the start of the meeting. Government Code Section 54954.2(a).

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

REGULAR BUSINESS MEETING

October 30, 2023 – 12:30 p.m.

2405 Tulare Street
Fresno, CA 93721

CONSENT AGENDA ITEM NO. 3a

RECOMMENDED ACTION:

Approve the August 30, 2023, Commission Meeting Minutes.

ACTION SUMMARY MINUTES

August 30, 2023 – 12:00 p.m.

PRESENT: Brian Pacheco, Kari Gilbert, Hugo Morales, Susan Holt, Dr. Marcia Sablan

ABSENT: Sabrina Beavers

STAFF: Fabiola González, Cindy Jurado Hernandez, Ashley Hensley, Alix Hillis, Kendalyn Mack-Franklin, Luis Magallanes, Hannah Norman, Lupita Ramírez, Liliana Salcedo, Ken Price (Legal Counsel)

1. CALL TO ORDER

2. RECOGNITION CEREMONY: 2023 CHILD-FRIENDLY BUSINESS AWARDS

At the conclusion of the ceremony, the Commission took a five-minute recess at 12:37 p.m.

No action required.

3. POTENTIAL CONFLICTS OF INTEREST: Any Commission Member who has a potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter.

The Commission resumed the meeting at 12:42 p.m.

4. CONSENT AGENDA – ITEMS 4a-4d

Commissioner Morales pulled consent items 4a-4d for discussion and individual votes.

4a. MINUTES FROM JUNE 21, 2023 REGULAR COMMISSION MEETING

Public Comment: None heard.

Motion by: Sablan Second by: Gilbert

Ayes: Gilbert, Holt, Morales, Sablan, Pacheco
Noes: None heard.

4b. AGREEMENT RENEWAL WITH CULTURAL BROKERS, INC. IN SUPPORT OF THE BLACK CHILD LEGACY CAMPAIGN

Public Comment: None heard.

Motion by: Gilbert Second by: Morales
Ayes: Gilbert, Holt, Morales, Sablan, Pacheco
Noes: None heard.

4c. AGREEMENT RENEWAL WITH ARCHER & HOUND ADVERTISING SERVICES FOR WEBSITE REDESIGN SERVICES

Public Comment: None heard.

Motion by: Gilbert Second by: Morales
Ayes: Gilbert, Holt, Morales, Sablan, Pacheco
Noes: None heard.

4d. AGREEMENT RENEWALS WITH FOUR REFUGEE FAMILY SUPPORT AGENCIES

Public Comment: None heard.

Motion by: Morales Second by: Gilbert
Ayes: Gilbert, Holt, Morales, Sablan, Pacheco
Noes: None heard.

5. EXECUTIVE DIRECTOR'S REPORT

Public Comment: None heard.

No action required.

6. PUBLIC COMMENT

Public Comment: None heard.

No action required.

7. ANNOUNCEMENTS/INFORMATION SHARING

Public Comment: None heard.

No action required.

8. ADJOURNMENT

Public Comment: None heard.

Motion by: Gilbert Second by: Morales

Ayes: Gilbert, Holt, Morales, Sablan, Pacheco

Noes: None heard.

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

REGULAR BUSINESS MEETING

October 30, 2023 – 12:30 p.m.

2405 Tulare Street
Fresno, CA 93721

CONSENT AGENDA ITEM NO. 3b

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: 2024 Regular Commission Meeting Schedule

RECOMMENDED ACTION:

Approve the Regular Commission Meeting Schedule for calendar year 2024.

BACKGROUND:

As stipulated in the Children and Families Commission of Fresno County Bylaws, Article III, Powers and Duties, (4.), the Commission is required to develop a yearly meeting schedule to be approved by the full Commission. The regular Commission meetings for the upcoming 2024 calendar year will be scheduled on Wednesdays approximately every other month beginning at 11:30 a.m. All meetings will be held at the Lighthouse for Children facility unless otherwise noted on the monthly agenda.

The proposed 2024 meeting dates are as follows:

| Month | Meeting Date |
|-----------|------------------------------|
| January | Wednesday, January 24, 2024 |
| February | NO MEETING |
| March | Wednesday, March 20, 2024 |
| April | Wednesday, April 24, 2024 |
| May | Wednesday, May 29, 2024 |
| June | Wednesday, June 26, 2024 |
| July | NO MEETING |
| August | Wednesday, August 28, 2024 |
| September | NO MEETING |
| October | Wednesday, October 30, 2024 |
| November | NO MEETING |
| December | Wednesday, December 11, 2024 |

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

REGULAR BUSINESS MEETING

October 30, 2023 – 12:30 p.m.

2405 Tulare Street
Fresno, CA 93721

CONSENT AGENDA ITEM NO. 3c

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Acceptance of Funds from the Fresno Cradle to Career Partnership for the Glow!
Group Prenatal Care and Support Program

RECOMMENDED ACTION:

Approve the acceptance of funds from the Fresno Cradle to Career Partnership received from the Blue Meridian Partners in a total amount of \$25,000 for one year to enhance the Glow! Group Prenatal Care and Support Program (Glow!), an active placed-based preconception to age five initiative.

BACKGROUND:

On October 17, 2023, this item was approved for full Commission consideration by the Finance and Program Review Committee.

In the fall of 2020, Commission staff collaborated with the Fresno Cradle to Career team and other partners to submit a grant proposal to an anonymous donor interested in community development. The intention being that the funds would be used to support ongoing local projects and initiatives, connected to the Fresno DRIVE Initiative, in the preconception to age 5 space.

The Fresno DRIVE Initiative is a 10-year investment plan to develop an inclusive, vibrant, and sustainable economy for residents in the greater Fresno region. Human Capital is an essential component of fostering inclusive and sustainable economic growth and the Glow! Program for which funds have been awarded are in this space. Glow! is an enhanced prenatal care program that brings together a cohort of pregnant patients to receive their prenatal medical care, education, and peer support in a group setting. For the last couple of years Glow! has been offered to pregnant women throughout several clinics within Fresno, Merced and Kern Counties.

In late January 2021, the Fresno Cradle to Career Partnership staff received notice they had been awarded \$6.7 Million from the Blue Meridian Partners, a national cohort of funders that support scalable solutions that aim to transform “the life trajectories of young people and families trapped in poverty.”

As the lead for the Glow! Program, First 5 Fresno County, at the request of Fresno Cradle to Career, has administered these funds to support the program from March 2021 – January 2023. Earlier this year, Fresno Cradle to Career approved additional funding in the amount of 25,000 for one year, for First 5 Fresno County to continue supporting birthing persons in the Central Valley. It is staff's

recommendation to accept these funds to further support the Commission's long-standing investment in group prenatal care.

Fiscal Impact: Of the total award from Blue Meridian Partners, the funding for the Glow! Program under the purview of the Commission would total \$25,000 for one year. If approved, grant funding would allow First 5 Fresno County to continue providing coaching and technical assistance in other counties ensuring that no Fresno County Prop 10 funds are used for the expansion of Glow! into other counties. Details of the use of funds will be outlined in the approved scope of work once funds are accepted.

CONCLUSION:

If approved, the acceptance of funds from Blue Meridian Partners will support our community's commitment to supporting optimal early childhood experiences as critical markers for life-long success and will enhance the Commission's financial commitment to the expansion of the Glow! Group Prenatal Care and Support Program. If approved, staff will work with all involved community agencies to finalize scopes of work, budgets and subsequent disbursement of funds.

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

REGULAR BUSINESS MEETING

October 30, 2023 – 12:30 p.m.

2405 Tulare Street
Fresno, CA 93721

CONSENT AGENDA ITEM NO. 3d

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Agreement Amendment with the California Health Collaborative for the Glow!
Group Prenatal Care and Support Program in Merced County

RECOMMENDED ACTION:

Approve a contract amendment increasing the California Health Collaborative total contract amount from \$11,600 to \$15,331.96 to enhance the implementation of the Glow! Group Prenatal Care and Support Program in Merced County using funds received from First 5 Merced County.

BACKGROUND:

On October 17, 2023, this item was approved for full Commission consideration by the Finance and Program Review Committee.

On October 26, 2022, The Commission approved the acceptance and allocation of First 5 Merced County Funds for the launch of the Glow! Group Prenatal Care and Support Program (Glow!) in Merced County and authorized an agreement with the California Health Collaborative (CHC) to co-facilitate the program.

Since 2019, First 5 Fresno County has been overseeing the coordination and implementation of the Glow! Program. Glow! is an innovative and comprehensive model that brings together 8-12 pregnant patients with similar due dates to receive their prenatal care and education in a group setting and provides wrap-around services such as childcare, take-home food support, transportation stipends and information to community resources through presentations. The Glow! Program is currently being implemented as part of the EMBRACE (*Engaging Mothers and Babies; Reimagining Antenatal Care for Everyone*) Prenatal Care Study in partnership with California State University, Fresno's Central Valley Health Policy Institute (CVHPI) and the University of California, San Francisco's Preterm Birth Initiative (UCSF-PTBi-CA). This study is aiming to compare a total of 657 pregnant patients who are being randomized into two types of enhanced prenatal care models (Glow! - Group Prenatal Care and traditional individual prenatal care through the Comprehensive Perinatal Services Program) with hopes to determine which type of care addresses depression and anxiety, preterm birth and satisfaction of care.

On October 5, 2022, the First 5 Merced County Commission voted to award First 5 Fresno County \$20,000 to operate the Glow! Program in Merced County. These funds were used to cover First 5 Fresno staff time to coordinate the launch of the Glow! Program at identified clinic sites and for

California Health Collaborative staff to facilitate the program in Merced County. In order to better support Glow! in Merced County, staff is recommending increasing the California Health Collaborative's total contract amount to cover wrap around and implementation expenses, such as childcare, which is key to the Glow! model. This would allow the California Health Collaborative to provide childcare support to Glow! patients at each of their group prenatal care appointments decreasing a barrier that often results in missed appointments.

Procurement: The California Health Collaborative was originally procured via sole source following the Commission's Administrative and Programmatic Procurement Policies and Procedures.

Fiscal Impact: If approved, the original \$20,000 received from First 5 Merced County will be reallocated the following way: \$4,668.04 to First 5 Fresno County and \$15,331.96 to the California Health Collaborative ensuring that no Fresno County Prop 10 funds are used for the implementation of Glow! Program in Merced County. Specific scope of work and budget details will be finalized in partnership with First 5 Merced County and the California Health Collaborative once approved by the Commission.

CONCLUSION:

If approved, staff will work with the California Health Collaborative to update contracting documents and subsequently disbursement of funds.

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

REGULAR BUSINESS MEETING

October 30, 2023 - 12:30 p.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 4

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Public Hearing - State Annual Report and Financial Audit Report for Fiscal Year 2022-2023

BACKGROUND:

Every fiscal year the Commission is required by statute to conduct a public hearing on its State Annual Report and Audit Report to receive testimony from interested members of the public. In a public hearing, the members of the community are permitted to offer comments, and Commissioners are not obliged to act on them or, typically, to respond publicly.

A copy of the State Annual Report and Audit Report is attached, will be available during the meeting, and subsequently will be available on the Commission's website.

The chair will open and close the public hearing period. There is no further action required on this item.

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

REGULAR BUSINESS MEETING

October 30, 2023 - 12:30 p.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 5

TO: Children & Families Commission of Fresno County
FROM: Fabiola González, Executive Director
SUBJECT: State Annual Report and Financial Audit Report for Fiscal Year 2022-2023

RECOMMENDED ACTION:

Approve the State Annual Report and Accept the Financial Audit Report for Fiscal Year 2022-2023.

BACKGROUND:

On an annual basis, on or before October 31st, the Commission is required to submit a financial Audit Report and a State Annual Report (per Health and Safety Code section 130150) to the California Children and Families Commission (also known as First 5 California) and the California State Controller's Office. The purpose of these reports is to inform the appropriate stakeholders on the status of the programmatic and strategic investments, as well as provide a detailed financial assessment of each county Commission.

On October 17, 2023, the Finance and Program Review Committee reviewed and moved this item for full commission consideration.

State Annual Report

Produced in accordance with State statute and guidelines, the State Annual Report focuses on the number of clients that received services within the First 5 California strategic initiatives. The report highlights the funding, service areas, and program models used to improve family functioning, child development, health, and systems of care for children ages 0 to 5 and their families. County commissions are also required by statute to hold a public hearing and make the annual report available to the public upon request.

This year's report highlights the Commission's investments in both direct service partnerships with community organizations and systems building activities including, but not limited to: families participating in Lighthouse for Children outreach events, training and coaching for child care providers, public health nursing home visitation programs, supports to newcomer families across the region, maternal and child health promotion, group prenatal care and recognition of local businesses supporting parent employees.

Financial Audit Report

In accordance with Health and Safety Code section 130150, the Commission conducts an independent audit of, and issues a written report on the implementation and performance of its functions during

the last fiscal year (FY 2022-2023). The Health and Safety Code section 130140 (G) also requires the Commission to conduct one public hearing prior to adoption of the annual Financial Audit Report. For FY 2022-2023 the Commission's contracted auditing firm issued an unmodified (clean) audit report.

Subsequent to public hearings and submission approval by the full Commission, both reports will also be presented to the Fresno County Board of Supervisors as required by County of Fresno ordinance. Both the financial Audit and State Annual Report for FY 2022-2023 are included within the meeting packet.

Fiscal Impact: Approval of the Financial Audit and State Annual Report for FY 2022-2023 will allow the Commission to continue receiving Proposition 10 funds in a timely manner from the California Children and Families Commission.

CONCLUSION:

Staff will submit to First 5 California and the State Controller's Office before the deadline, as required by legislation. In the event a county commission does not submit a Financial Audit Report and/or a State Annual Report, the California Children and Families Commission may withhold funds that otherwise would have been allocated to the county commission.

**CHILDREN AND FAMILIES COMMISSION
OF FRESNO COUNTY
FRESNO, CALIFORNIA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2023**

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
 FINANCIAL STATEMENTS
 JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of
Children and Families Commission of Fresno County
Fresno, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Children and Families Commission of Fresno County (the Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commission, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2023, the Commission adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-10 and 36-38 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying Supplemental Schedule of First 5 California (F5CA) Funding is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Schedule of First 5 California (F5CA) Funding is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
October 16, 2023

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

INTRODUCTION

On November 3, 1998, California voters approved Proposition 10, the California Children and Families Act (Act). The Act increased tobacco taxes to provide funds for early childhood development and smoking cessation programs. The passage of this Act created an unprecedented opportunity for Fresno County to mobilize its many resources and create an integrated, coordinated system of care that supports and enhances the lives of children from the prenatal stage up through age five and their families. The intent of the Act is for all California children to be healthy, live in a supportive and healthy family environment, and enter school ready to learn.

The Fresno County (the County) Board of Supervisors created the Children and Families Commission of Fresno County (the Commission) on December 8, 1998, under the provisions of the Act. The Commission consists of up to seven members appointed by the County Board of Supervisors. The Commission is a public entity legally separate and apart from the County.

This report contains a discussion of key program, management, financial, and performance information for fiscal year 2022-2023 and financial statements that discuss the Commission's financial condition, and the auditor's opinion, which is independent and objective and provides reasonable assurance about whether the financial statements are free from material misstatements. Finally, this comprehensive report contains other statutorily required information that demonstrates management accountability and financial and programmatic performance. As management of the Commission, we offer readers our financial statements and this narrative overview and analysis for the fiscal year ending June 30, 2023.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Government Accounting Standards Board (GASB) in its Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments*, issued June 1999, and GASB Statement No. 37, *Basic Financial Statements – and Management and Discussion and Analysis – for State and Local Governments: Omnibus*, an amendment to GASB Statement No. 21 and Statement No. 34, issued in June 2001.

MISSION AND STRATEGIC GOALS

The Commission's mission is to be a catalyst for creating a seamless system of quality, accessible services by partnering with the community to support the well-being of every child and family.

Central to the Commission's mission are the strategic investment areas, outlined in the Commission's Strategic Plan, which aim to convert the Commission's commitment into action symbolically categorized into three tiers starting with the core: Families; surrounded by Communities, encircled by Systems.

FINANCIAL HIGHLIGHTS

- During fiscal year 2022-2023, the Commission allocated and received Proposition 10 revenues of \$6.3 million from the State of California as revenues collected under the Children and Families Act and \$2.1 million in backfill dollars from Proposition 56 and received \$114k for the newly implemented (July 2022) California Electronic Cigarette Excise Tax (CECET).
- The Commission disbursed approximately \$7 million to funded agencies in the reported period ending June 30, 2023.
- Over \$10.5 million was committed by the Commission towards the agency's Strategic Plan, which will be disbursed in the subsequent fiscal years to fund its programmatic investments.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts – the management's discussion and analysis (this section), the basic financial statements, and supplementary information. The three sections together provide a comprehensive overview of the Commission. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the Commission's overall financial position.
- **Fund financial statements** focus on reporting the individual parts of the Commission's operations in more detail. The fund financial statements comprise the remaining statements.
 - **Government funds** statements tell how general governmental services were financed in the short-term as well as what remains for future spending.

The basic financial statements also include notes that explain some of the information within the statements and provide more detailed data. These are followed by a section of required supplementary information which further explains and supports the basic financial statements.

Government-Wide Statements

The government-wide statements report information about the Commission as a whole using accounting methods similar to those used by private-sector companies.

The *statement of net position* presents information on all of the Commission's assets and liabilities, with the difference between the two reported as *net position*. Changes in net position may serve as a useful indicator of the financial position of the Commission.

The *statement of activities* presents information showing how the Commission's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal years (e.g., earned but unused vacation leave).

The Government-Wide Statements combine financial information for both the Commission (General Fund) and for the Lighthouse for Children, Inc. (Lighthouse Special Revenue Fund)—see Note 1 to the Financial Statements for more information. Separately-issued Financial Statements for Lighthouse for Children, Inc. may be obtained from Lighthouse for Children, Inc. of Fresno County, 2405 Tulare Street, Fresno, California 93721.

Fund Financial Statements

The fund financial statements provide more detailed information about the Commission's most significant funds – not the Commission as a whole. Funds are accounting devices that the Commission uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The Commission establishes other funds to control and manage money for particular purposes or to show that the Commission is meeting legal responsibility for using certain revenues.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

The Commission's total assets were approximately \$49 million at the end of the fiscal year. The majority of the Commission's assets are in cash and investments of \$32.7 million along with the Lighthouse for Children building valued at \$12.7 million.

Cash and investments are maintained in the Commission's checking and savings accounts, the Fresno County investment pool where interest earned on the Commission's balance is apportioned to the Commission, and in an investment account. Types of investments and credit ratings can be found in this report starting on page 25. Another asset is the Commission's approximately \$1.2 million receivable due from the State Commission for Proposition 10 and other tax-associated revenue (page 13). These receivables represent taxes remitted by the State but not received by the Commission as of June 30, 2023. The Commission also reports accounts payable of approximately \$2.8 million representing payments due on invoices.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF NET POSITION COMPARISON**

| | June 30, 2023 | June 30, 2022 | Change |
|---|---------------|---------------|--------------|
| ASSETS | | | |
| Cash and investments | \$ 32,665,443 | \$ 30,263,328 | \$ 2,402,115 |
| Due from the state | 1,168,785 | 634,896 | 533,889 |
| Other receivables | 1,286,309 | 1,073,299 | 213,010 |
| Lease receivable | 366,193 | 457,877 | (91,684) |
| Prepaid assets | 10,969 | 41,393 | (30,424) |
| Capital assets, not being depreciated | 676,530 | 676,530 | - |
| Capital assets, net of accumulated depreciation | 12,804,128 | 13,118,344 | (314,216) |
| Total assets | 48,978,357 | 46,265,667 | 2,712,690 |
| LIABILITIES | | | |
| Current liabilities | 2,816,883 | 2,197,070 | 619,813 |
| Noncurrent liabilities | 28,729 | 38,016 | (9,287) |
| Total liabilities | 2,845,612 | 2,235,086 | 610,526 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Lease related | 416,967 | 457,877 | (40,910) |
| Total liabilities | 416,967 | 457,877 | (40,910) |
| NET POSITION | | | |
| Net investment in capital assets | 13,442,993 | 13,794,874 | (351,881) |
| Restricted | 1,446,677 | 1,176,443 | 270,234 |
| Unrestricted | 30,826,108 | 28,601,387 | 2,224,721 |
| Total net position | \$ 45,715,778 | \$ 43,572,704 | \$ 2,143,074 |

In fiscal year 2022-2023, the Commission's net position increased by \$2.1 million, as seen above. The increase was due to an increase in cash and investments compared to prior year.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF ACTIVITIES COMPARISON**

| | <u>June 30, 2023</u> | <u>June 30, 2022</u> | <u>Change</u> |
|-----------------------------|----------------------|----------------------|-----------------------|
| REVENUES | | | |
| Grants and contributions | \$ 10,173,084 | \$ 11,247,371 | \$ (1,074,287) |
| General revenues (expenses) | <u>570,941</u> | <u>(160,076)</u> | <u>731,017</u> |
| Total revenue | <u>10,744,025</u> | <u>11,087,295</u> | <u>(343,270)</u> |
| EXPENSES | | | |
| Child development services | <u>8,600,951</u> | <u>7,621,778</u> | <u>979,173</u> |
| Total expenditures | <u>8,600,951</u> | <u>7,621,778</u> | <u>979,173</u> |
| Change in net position | <u>\$ 2,143,074</u> | <u>\$ 3,465,517</u> | <u>\$ (1,322,443)</u> |

FINANCIAL ANALYSIS OF THE COMMISSION'S GOVERNMENTAL FUND

For the fiscal year, the Commission reported an ending fund balance of \$32,307,192, an increase of approximately \$2.5 million (see page 16).

Revenue and Expenditure Analysis – Governmental Funds

Total revenue consists of Proposition 10 funds, Proposition 56 funds, external grant revenues, investment earnings, and other revenues. As shown in the Governmental Fund Activities Comparison on the next page, there was a slight decrease in total revenues from \$11.1 million, in the prior year, to approximately \$10.8 million for the fiscal year 2022-2023. Program Revenues decreased, compared to the year ended June 30, 2022, by \$1.2 million, including Proposition 10 Revenue decreasing by \$992K. Grant revenue from external sources such as First 5 California for IMPACT (Improve and Maximize Programs so All Children Thrive) efforts increased by \$78K. Through this fiscal year's activity, the Commission's goal to support and enhance the early childhood service system and their commitment to serving the young children and families in Fresno County remained consistent with the prior year.

One example of program investments during the 2022-2023 fiscal year: Seventeen years ago, the Commission launched the Child-Friendly Business Awards (CFBA) Campaign as part of the Commission's efforts to advocate for systems and policy change to improve the lives of families with young children. For almost two decades, the CFBA Campaign has been a tool to develop, nurture, and strengthen relationships between First 5 Fresno County and local businesses in order to highlight and promote outstanding efforts made by employers to promote a work-family balance/integration for their employees. To date, over 80 local businesses have been honored as Child-Friendly Business Award Winners ranging from a small tire company to the local state university. The Campaign, a \$60K annual investment, includes an official plaque to display and a promotional video showcasing the winning businesses and words from the employees who nominated them. This investment, although not large, has become a desired recognition for employers as new strategies to show care and acknowledge their employees beyond regularly used incentives.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
GOVERNMENTAL FUND ACTIVITIES COMPARISON**

| | June 30, 2023 | June 30, 2022 | Change |
|--|---------------|---------------|----------------|
| REVENUES | | | |
| Program revenues | \$ 8,544,306 | \$ 9,697,068 | \$ (1,152,762) |
| Grant revenues | 1,628,778 | 1,550,303 | 78,475 |
| Other revenue | 202,979 | 183,568 | 19,411 |
| Investment earnings | 367,962 | - | 367,962 |
| Total revenues | 10,744,025 | 11,430,939 | (686,914) |
| EXPENDITURES | | | |
| Program services | 7,043,013 | 6,399,050 | 643,963 |
| Evaluation services | 417,842 | 430,178 | (12,336) |
| Administrative costs | 504,194 | 386,111 | 118,083 |
| Interest and investment loss | - | 343,644 | (343,644) |
| Debt service | 292,525 | - | 292,525 |
| Capital outlay | 325,064 | - | 325,064 |
| Total expenditures | 8,582,638 | 7,558,983 | 1,023,655 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds related to software subscription arrangements | 324,423 | - | 324,423 |
| Total other financing sources (uses) | 324,423 | - | 324,423 |
| Change in fund balance | \$ 2,485,810 | \$ 3,871,956 | \$ (1,386,146) |

Fund Budgetary Highlights

This section contains an explanation of the significant differences between the Commission's final budget amounts and actual amounts, and original and final budget amounts recorded for revenues and expenditures for fiscal year 2022-2023 as detailed in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual (shown on pages 36-38). In fiscal year 2022-2023, the Commission received actual revenues of \$10.7 million compared to the budgeted amount of \$11.3 million. In preparing the budget, the Commission considered variables such as declining tobacco consumption, the effects of changes in legislation on revenue, and lower returns on investments. Actual total revenues were \$533K less than budgeted, which was mainly due to the Refugee Family Support Grant having a late start date in the fiscal year, causing fewer dollars to be spent, and in turn, fewer dollars reimbursed/received.

In fiscal year 2022-2023, actual expenditures were \$13.7 million less than budgeted. This is due to the Commission committing roughly \$10.5 million of that amount to be spent out in subsequent fiscal years on programmatic investments.

A schedule of the Commission's original and final budget amounts compared with actual revenues and expenses is provided on pages 36-37 in the audited financial report.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

CAPITAL ASSETS AND LONG-TERM DEBT

Capital assets of \$13.5 million (net of accumulated depreciation) are for the Lighthouse for Children facility and equipment, the Huron land and child care facility, and associated equipment purchased. Details of net capital assets are as follows:

| | Governmental Activities | | Change |
|---|--------------------------|--------------------------|-----------------------|
| | June 30, 2023 | June 30, 2022 | |
| Capital assets not being depreciated | \$ 676,530 | \$ 676,530 | \$ - |
| Capital assets being depreciated | 16,487,257 | 16,250,953 | (236,304) |
| Accumulated depreciation and amortization | <u>(3,683,129)</u> | <u>(3,132,609)</u> | <u>550,520</u> |
| Total capital assets, net | <u>\$ 13,480,658</u> | <u>\$ 13,794,874</u> | <u>\$ 314,216</u> |

At the end of the current fiscal year, the Commission did not have any outstanding long-term debt, however, the Commission does have one long-term obligation for compensated absences. See Note 9 for details.

| | Balance 06/30/2022 | Additions | Deletions | Balance 06/30/2023 |
|--------------------------|-----------------------|-----------------------|-------------------------|-----------------------|
| Governmental activities: | | | | |
| Subscription liability | \$ - | \$ 324,423 | \$ (286,758) | \$ 37,665 |
| Compensated absences | <u>43,552</u> | <u>64,218</u> | <u>(73,363)</u> | <u>34,407</u> |
| Total | <u>\$ 43,552</u> | <u>\$ 388,641</u> | <u>\$ (360,121)</u> | <u>\$ 72,072</u> |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

To develop the 2020-2025 Strategic Plan, a series of planning sessions were held to discuss, review, and provide staff direction on the Commission's financial resources and strategies for the five-year period of the Strategic Plan and the Long-Range Financial Plan (LRFP). For accountability, the Commission does an annual review of the agency's budget and LRFP. The Commission's commitment to continued collaboration with community partners and to leveraging resources to maximize funds remains. Due to reduced revenue and limited resources, it is increasingly important to rely on the available expertise and knowledge of the community and build on initiatives that have strong foundations of evidence. This unified approach not only allows for a more effective use of resources, but it also allows for enhanced focus and greater collective impact.

In development of its 2020-2025 Strategic Plan, the Commission collaborated with community entities to establish a joint early childhood community agenda for Fresno County from preconception to age 5 called the *Preconception to Age 5 Blueprint for Funding and Advocacy (Blueprint)*. The process included community engagement with parents, caregivers and service providers. The feedback received, complemented by the momentum of existing community efforts, formed the basis of the new 2020-2025 Strategic Plan which outlines the Commission's investments to address challenges our families are facing in responsive, collaborative, and innovative ways. Both the Blueprint and the Commission's 2020-2025 Strategic Plan can be found on the Commission's website at www.first5fresno.org.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The following approximate program allocations show the Commission's funding priorities for the upcoming year in the approved budget:

- Help Me Grow Fresno County – \$350k
- Thriving Families Service Programs – \$815k
- Community Learning Center – \$361k
- Patient-Centered Prenatal Care – \$182k
- African American Infant Mortality Prevention – \$1 million
- Quality Rating Improvement System – \$2 million
- Innovation & Learning – \$471k

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Commission's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Children and Families Commission of Fresno County, 2405 Tulare Street, Suite 200, Fresno, CA 93721.

BASIC FINANCIAL STATEMENTS

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

| | |
|--|-------------------|
| Cash and investments | \$ 32,665,443 |
| Due from the State | 1,168,785 |
| Other receivables | 1,286,309 |
| Lease receivable | 366,193 |
| Prepaid assets | 10,969 |
| Capital assets not being depreciated: | |
| Land | 676,530 |
| Capital assets, net of accumulated depreciation: | |
| Buildings | 12,709,719 |
| Equipment | 1,160 |
| Right-to-use software arrangements | <u>93,249</u> |
| Total assets | <u>48,978,357</u> |

LIABILITIES

| | |
|-----------------------------------|------------------|
| Current liabilities: | |
| Accounts payable | 2,754,094 |
| Accrued payroll and related taxes | 9,445 |
| Deposit payable | 10,001 |
| Noncurrent liabilities: | |
| Due in one year: | |
| Compensated absences | 5,678 |
| Software subscription liabilities | 37,665 |
| Due in more than one year: | |
| Compensated absences | <u>28,729</u> |
| Total liabilities | <u>2,845,612</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|-------------------------------------|----------------|
| Lease related | <u>416,967</u> |
| Total deferred inflows of resources | <u>416,967</u> |

NET POSITION

| | |
|----------------------------------|----------------------|
| Net investment in capital assets | 13,442,993 |
| Restricted | 1,446,677 |
| Unrestricted | <u>30,826,108</u> |
| Total net position | <u>\$ 45,715,778</u> |

The notes to the basic financial statements are an integral part of this statement.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> Operating Grants and Contributions | <u>Changes in Net Position</u> |
|----------------------------|---------------------|---|------------------------------------|
| Child development services | \$ 8,600,951 | \$ 10,173,084 | \$ 1,572,133 |
| Total | <u>\$ 8,600,951</u> | <u>\$ 10,173,084</u> | <u>1,572,133</u> |

| | |
|----------------------------------|----------------------|
| General revenues: | |
| Interest and investment earnings | 367,962 |
| Miscellaneous income | <u>202,979</u> |
| Total general revenues | <u>570,941</u> |
| Change in net position | 2,143,074 |
| Net position - beginning | <u>43,572,704</u> |
| Net position - ending | <u>\$ 45,715,778</u> |

The notes to the basic financial statements are an integral part of this statement.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2023**

| | General Fund | Lighthouse Special Revenue Fund | Total |
|--|--------------------------|---------------------------------------|--------------------------|
| ASSETS | | | |
| Cash and investments | \$ 32,607,936 | \$ 57,507 | \$ 32,665,443 |
| Due from the State | 1,168,785 | - | 1,168,785 |
| Other receivables | 1,286,309 | - | 1,286,309 |
| Lease receivable | 366,193 | - | 366,193 |
| Prepaid expenses | <u>10,969</u> | <u>-</u> | <u>10,969</u> |
| Total assets | <u>\$ 35,440,192</u> | <u>\$ 57,507</u> | <u>\$ 35,497,699</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 2,754,094 | \$ - | \$ 2,754,094 |
| Accrued payroll and related taxes | 9,445 | - | 9,445 |
| Deposit payable | <u>10,001</u> | <u>-</u> | <u>10,001</u> |
| Total liabilities | <u>2,773,540</u> | <u>-</u> | <u>2,773,540</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Lease related | <u>416,967</u> | <u>-</u> | <u>416,967</u> |
| Total deferred inflows of resources | <u>416,967</u> | <u>-</u> | <u>416,967</u> |
| FUND BALANCES | | | |
| Nonspendable | 10,969 | - | 10,969 |
| Restricted | 1,446,677 | - | 1,446,677 |
| Committed | 10,757,415 | - | 10,757,415 |
| Assigned | <u>20,034,624</u> | <u>57,507</u> | <u>20,092,131</u> |
| Total fund balances | <u>32,249,685</u> | <u>57,507</u> | <u>32,307,192</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 35,440,192</u> | <u>\$ 57,507</u> | <u>\$ 35,497,699</u> |

The notes to the basic financial statements are an integral part of this statement.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Amounts reported for governmental activities in the Statement of Net Position are different because:

| | |
|--|----------------------|
| Total fund balances - governmental funds | \$ 32,307,192 |
| Capital assets of \$17,163,787, net of accumulated depreciation of \$3,683,129, used in governmental activities are not current financial resources; therefore, they are not reported in the governmental funds. | 13,480,658 |
| Compensated absences liability is not due in the current period and, therefore, is not included in the governmental funds. | (34,407) |
| Software subscription liabilities are not due in the current period and, therefore, are not included in the governmental funds. | <u>(37,665)</u> |
| Total net position - governmental activities | <u>\$ 45,715,778</u> |

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

| | General Fund | Lighthouse Special Revenue Fund | Total |
|--|---------------|---------------------------------------|---------------|
| REVENUES | | | |
| Proposition 10 taxes | \$ 6,266,495 | \$ - | \$ 6,266,495 |
| Proposition 56 taxes | 2,132,426 | - | 2,132,426 |
| Other tax revenue | 145,385 | - | 145,385 |
| Grant revenue | 1,628,778 | - | 1,628,778 |
| Other revenue | 182,970 | 20,009 | 202,979 |
| Investment earnings | 367,962 | - | 367,962 |
| Total revenues | 10,724,016 | 20,009 | 10,744,025 |
| EXPENDITURES | | | |
| Current: | | | |
| Program services | 7,043,013 | - | 7,043,013 |
| Evaluation services | 417,842 | - | 417,842 |
| Administrative costs | 497,774 | 6,420 | 504,194 |
| Debt service: | | | |
| Principal | 286,758 | - | 286,758 |
| Interest | 5,767 | - | 5,767 |
| Capital outlay | 325,064 | - | 325,064 |
| Total expenditures | 8,576,218 | 6,420 | 8,582,638 |
| Excess (deficiency) of revenues over (under) expenditures | 2,147,798 | 13,589 | 2,161,387 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds related to software subscription arrangements | 324,423 | - | 324,423 |
| Total other financing sources (uses) | 324,423 | - | 324,423 |
| Net change in fund balances | 2,472,221 | 13,589 | 2,485,810 |
| Fund balances - beginning | 29,777,464 | 43,918 | 29,821,382 |
| Fund balances - ending | \$ 32,249,685 | \$ 57,507 | \$ 32,307,192 |

The notes to the basic financial statements are an integral part of this statement.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Amounts reported for governmental activities in the Statement of Activities are different because:

| | | |
|--|----|------------------|
| Net change in fund balances - governmental funds | \$ | 2,485,810 |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period. | | (407,465) |
| Compensated absences expense reported in the Statement of Activities does not require the use of current financial resources; therefore, it is not reported as an expenditure in the governmental funds. | | 9,145 |
| Software subscription liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. | | <u>55,584</u> |
| Change in net position - governmental activities | \$ | <u>2,143,074</u> |

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – ORGANIZATION

The Children and Families Commission of Fresno County (the Commission) was established by Fresno County Ordinance, Chapter 2.38, pursuant to the provision of Health and Safety Code Section 130140. The Commission was established for the support and improvement of early childhood development within Fresno County consistent with, and in furtherance of, the purposes of the California Children and Families Commission (the State), pursuant to Health and Safety Code Section 130125(b). The Commission consists of up to seven members appointed by the Fresno County Board of Supervisors.

The State of California implemented the “California Children and Families Act of 1998” which provides for the Commission to receive proceeds from tax and tobacco products. The monies are allocated to local Children and Families Commissions by the State based on the number of births in each county in proportion to the total number of births in all counties.

A. Reporting Entity

The governmental reporting entity consists of the Commission and its component unit, Lighthouse for Children, Inc. Component units are legally separate organizations for which the Commission is financially accountable or organizations whose nature and significant relationship are such that exclusion would cause the Commission’s financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit’s board, and (i) either the Commission’s ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the Commission. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method because it provides services exclusively or almost exclusively to the Commission and a financial benefit relationship exists between the Commission and the component unit.

The blended component unit, Lighthouse for Children, Inc., a non-profit, benefit corporation, is governed by a board whose majority comprises Fresno County First 5 Commissioners. The specific charitable purposes of this corporation are: 1) to provide the vision and means for the children of Fresno County to enter school in good health, ready and able to learn, and emotionally well-developed by providing culturally, individually, and developmentally-appropriate parenting and nurturing support and access to resources regarding health care, nutrition, and smoking prevention and cessation; 2) to serve as an incubator for knowledge in the community regarding child welfare and development; 3) to generally carry out the goals of the Children and Families Commission of Fresno County; and 4) to develop infrastructure that promotes the social welfare of Fresno County children and their parents, and enables the corporation to better accomplish the above-stated purposes, which may include acquiring, owning, operating, and leasing property within a low-income community to community charities and businesses. This corporation is also authorized to receive contributions and to make donations to, and otherwise aid and support, legally permissible undertakings consistent with the above-stated purposes. Separate financial statements are prepared for Lighthouse for Children, Inc. and may be obtained from the Lighthouse for Children, Inc., 2405 Tulare Street, Fresno, California 93721.

The basic financial statements included in this report are intended to present the financial position and results of operations of only the Commission. They are not intended to present the financial position and the results of operations of the County of Fresno taken as a whole. For additional information regarding the County of Fresno, please refer to the Annual Comprehensive Financial Report available from the County of Fresno.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The basic financial statements of the Commission are prepared on the basis of Governmental Accounting Standards Board (GASB) statement No. 34, *Basic Financial Statements – Management Discussion and Analysis – for State and Local Governments*, and related standards. GASB Statement No. 34 established standards for external financial reporting for all state and local government entities which includes a management’s discussions and analysis section, a statement of net position, a statement of activities, and if applicable, a statement of cash flows.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures and changes in fund balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual include property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within 60 days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific expenditures are recognized when all eligibility requirements are met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

The Commission reports the following major governmental funds:

The **General Fund** accounts for those operations that provide services to the public.

The **Lighthouse Special Revenue Fund** accounts for the activity of Lighthouse for Children, Inc., a blended component unit of the Commission.

Both the Commission and the Lighthouse for Children, Inc. adopt annual appropriated budgets. Budgetary comparison schedules have been provided for the funds to demonstrate compliance with the budgets.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Budgetary Procedures

The Commission is required to prepare a budget each year based on estimates of revenues and expected expenditures. The budget is adopted on a basis consistent with GAAP. Budgetary control is exercised at the major object level. All changes to the budget during the year require the approval of the Commission. All unencumbered annual appropriations lapse at the end of each fiscal year.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term debt obligations, which have not matured, are recognized when paid in the governmental fund as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental fund but are recognized in the government-wide statements.

Cash and Investments

The Commission is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchased or reverse repurchase agreements.

State statutes and the Commission's Investment Policy authorize the Commission to invest in U.S. Government Treasury and Agency Securities, bankers' acceptances, commercial paper, corporate bonds and notes, repurchases agreements, and the State Treasurer's Local Agency Investment Fund (LAIF). Investments held by the County Treasurer are stated at fair value in accordance with GASB requirements. The fair value of pooled investments is determined quarterly and is based on current market prices received from the securities custodian. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer.

Accounts Receivable

The Commission utilizes the allowance method of accounting for and reporting uncollectible or doubtful accounts. At June 30, 2023, management considered all accounts to be fully collectible and, therefore, no allowance was recorded in the accompanying financial statements.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Leases

The Commission is a lessor for various leases of spaces within the Lighthouse for Children facility. The Commission recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. At the commencement of a lease, the Commission initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the Commission determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Commission uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. Refer to the Statement of Net Position (page 12) for lease-related receivables and deferred inflows. More information on the leases held can be found on pages 30-31 in Note 7.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of the asset are capitalized. The Commission does not possess any infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation is computed using the straight-line method over the following estimated useful life:

| | |
|--|-------------|
| Buildings | 15-90 years |
| Building Improvements | 10-80 years |
| Leasehold Improvements | 5-20 years |
| Equipment..... | 3-20 years |
| Right-to-use Software Arrangements | 2-5 years |

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Software Subscription Arrangements

The Commission has subscriptions for various information technology applications. The Commission recognizes subscription-based information technology arrangement (SBITA) liabilities and intangible right-to-use software arrangement assets in the government-wide financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. At the commencement of a subscription arrangement, the Commission initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of the payments made. The Intangible Right-to-Use Software Arrangement asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the commencement of the subscription term. Subsequently, the intangible right-to-use software arrangement asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the Commission determines (1) the rate it uses to discount the expected SBITA payments to present value, (2) the SBITA term, and (3) the SBITA payments.

- The Commission uses the interest rate charged by the SBITA vendors as the discount rate. When the interest rate charged by the SBITA vendors is not provided, the Commission generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the non-cancellable period of the arrangement. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments made during the subscription term.

The Commission monitors changes in circumstances that would require a remeasurement of its SBITA liability and related asset and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the Statement of Net Position (page 12). Payments made on the SBITA liability are reported as debt service expenditures within the Statement of Revenues, Expenditures and Changes in Fund Balances (page 16).

Accrued Liabilities and Long-Term Obligations

All current and long-term obligations are reported in the government-wide financial statements. Compensated absences that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment at year end. More information can found on pages 31-32 in Note 9.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Compensated Absences

The Commission maintains a Paid Time Off (PTO) program that combines vacation and sick leave benefits into a single PTO bank. Beginning with an eligible employee's first day of employment, PTO will accrue at a rate of 6.154 hours per pay period. After five years of continuous employment, the accrual rate will increase to 7.69 hours per pay period. Once 300 hours are accrued, PTO will no longer accrue until some of the previously accrued PTO is taken. After some PTO is taken, PTO, again, begins to accrue. Payment in lieu of PTO will not be made except at the time of employment status change, i.e., from a position that earns PTO to a position that does not earn vacation, or at the time of termination of employment. In the basic financial statements, these amounts are referred to as compensated absences.

In the governmental fund financial statements, a liability for these amounts is reported only if they have matured, for example, as a result of employee resignations or retirements prior to year-end, and payment of the liability is made subsequent to year-end.

Fund Balance

Fund Balance Classification

The governmental fund financial statements present fund balances on classifications that comprise a hierarchy that is based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- *Restricted* – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of the Children and Family Commission. These amounts cannot be used for any other purpose unless the Board of the Children and Family Commission remove or change the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- *Assigned* – This classification includes amounts that are constrained by the Commission's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of the Children and Families Commission. Further, the Commission may designate a body/committee or an official who can specify such purposes, such as through the budgetary process.
- *Unassigned* – This classification includes any negative residual amounts that may exist as a result of expenditures incurred for specific purposes in excess of amounts restricted, committed or assigned to those purposes.

The Commission establishes and modifies or rescinds fund balance commitments by passage of an ordinance or policy. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget as a designation or commitment of the fund, such as approved contracts. Assigned fund balance is established by the Commission through adoption or amendment of the budget, or future year budget, plan as intended for a specific purpose.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Balance (Continued)

Fund Balance Classification (Continued)

When both restricted and unrestricted resources are available for use, it is the Commission’s policy to use restricted resources first, then unrestricted resources as they are needed.

Net Position

Net position represents the residual interest in the Commission’s assets after liabilities are deducted. In the government-wide financial statement, net position is reported in three categories as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those.
- *Restricted* – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This component of net position consists of assets that do not meet the definition of “restricted” or “net investment in capital assets”. The Commission’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Pronouncements

New Accounting Pronouncements Adopted

Governmental Accounting Standards Board Statement No. 96

For the year ended June 30, 2023, the Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 establishes uniform accounting and financial reporting requirements for subscription-based information technology arrangements (SBITAs). These changes were incorporated in the Commission’s June 30, 2023 financial statements and had no effect on the beginning net position of the General Fund. More information on SBITAs can be found in Note 9 on pages 31-32.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 – CASH AND INVESTMENTS

Cash and investments consisted of the following as of June 30, 2023:

| | |
|--------------------------------|--------------------------|
| Cash in banks | \$ 2,628,792 |
| Investments | <u>30,036,651</u> |
| Total cash and investments | <u>\$ 32,665,443</u> |

A. Policies and Practices

The Commission is authorized under California Government Code to make direct investments. Details regarding the types of allowable investments and any limitations are listed under General Authorization of this Note.

B. Investment in County Treasury

The Commission is considered to be a voluntary participant in an external investment pool as the Commission deposits many receipts and collections of monies with the Fresno County Treasurer. The fair value of the Commission's investment in the pool is reported in the financial statements at amounts based upon the Commission's pro-rata share of the fair value provided by the Fresno County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Fresno County Treasurer, which is recorded on the amortized cost basis.

C. General Authorization

As per California Government Code and the Commission's Investment Policy, limitations to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|------------------|---------------------------------|----------------------------------|
| Local Agency Bonds | 5 years | None | None |
| U.S. Treasury Obligations | 5 years | None | None |
| U.S. Agency Securities | 5 years | None | None |
| Banker's Acceptances | 180 days | 40% | 10% |
| Commercial Paper | 270 days | 25% | 10% |
| Negotiable Certificates of Deposit | 5 years | 30% | None |
| Repurchase Agreements | 1 year | None | None |
| Reverse Repurchase Agreements | 92 days | 20% of base value | None |
| Medium-Term Notes | 5 years | 30% | 10% |
| Mutual Funds | n/a | 20% | 10% |
| Money Market Mutual Funds | n/a | 20% | 10% |
| Mortgage Pass-Through Securities | 5 years | 20% | None |
| County Pooled Investment Funds | n/a | None | None |
| Local Agency Investment Fund (LAIF) | n/a | None | None |
| Joint Power Agency (JPA) Pools (other investment pools) | n/a | None | None |

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Commission manages its exposure to interest rate risk by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Commission’s investments to market interest rate fluctuations is provided by the following schedule that shows the distribution of the Commission’s Investments by maturity:

| Investment Type | Amount | Remaining Maturity (in months) | | |
|---|----------------------|--------------------------------|---------------------|---------------------|
| | | 12 months or less | 13 to 24 months | 25 to 60 months |
| U.S. Treasuries | \$ 6,022,202 | \$ 126,164 | \$ 1,684,798 | \$ 4,211,240 |
| Federal Agencies (non-callable) | 710,215 | 89,512 | 194,542 | 426,161 |
| Federal Agency Mortgage Backed Securities | 702,142 | 69,262 | 267,787 | 365,093 |
| Supranationals | 254,801 | - | 254,801 | - |
| Municipal Obligations | 481,398 | - | 149,247 | 332,151 |
| Corporate Notes | 2,088,640 | 33,755 | 640,886 | 1,413,999 |
| Asset-Backed Securities | 832,528 | - | 15,485 | 817,043 |
| Money Market Mutual Funds | 85,580 | 85,580 | - | - |
| County Pooled Investments Funds | 18,859,145 | 18,859,145 | - | - |
| Total | \$ 30,036,651 | \$ 19,263,418 | \$ 3,207,546 | \$ 7,565,687 |

E. Credit Rate Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Commission’s Investment in the County Pool is not required to be rated, nor has it been rated as of June 30, 2023.

| Investment Type | Fair Value | Minimum Legal Rating | Rating as of Year-End | | | | | | | | | | Not Rated | |
|---------------------------------|----------------------|----------------------|-----------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|-------------------|----------------------|-----------|------------|
| | | | AAA | AA+ | AA | AA- | A+ | A | A- | A-1+ | BBB+ | | | |
| U.S. Treasuries | \$ 6,022,202 | N/A | \$ - | \$ 6,022,202 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal Agencies (non-callable) | 710,215 | N/A | - | 710,215 | - | - | - | - | - | - | - | - | - | - |
| Backed Securities | 702,142 | N/A | - | 702,142 | - | - | - | - | - | - | - | - | - | - |
| Supranationals | 254,801 | AA- | 254,801 | - | - | - | - | - | - | - | - | - | - | - |
| Municipal Obligations | 481,398 | N/A | 116,259 | 73,371 | 185,442 | - | - | - | - | - | - | - | - | 106,326 |
| Corporate Notes | 2,088,640 | A- | - | 69,786 | 122,283 | 154,220 | 150,533 | 499,013 | 739,958 | - | 352,847 | - | - | - |
| Asset-Backed Securities | 832,528 | AA- | 825,685 | - | - | - | - | - | - | - | - | - | - | 6,843 |
| Money Market Mutual Funds | 85,580 | AAA | 85,580 | - | - | - | - | - | - | - | - | - | - | - |
| County Pooled Investments Funds | 18,859,145 | N/A | - | - | - | - | - | - | - | - | - | - | - | 18,859,145 |
| Total | \$ 30,036,651 | | \$ 1,282,325 | \$ 7,577,716 | \$ 307,725 | \$ 154,220 | \$ 150,533 | \$ 499,013 | \$ 739,958 | \$ - | \$ 352,847 | \$ 18,972,314 | | |

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 – CASH AND INVESTMENTS (Continued)

F. Concentration of Credit Risk

The Commission’s Investment Policy contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represents 5% or more of the total investments are as follows:

| <u>Issuer</u> | <u>Investment Type</u> | <u>Reported Amount</u> | <u>% of Total Investments</u> |
|-------------------------------|------------------------|----------------------------|-----------------------------------|
| Fresno County Investment Pool | Investment Pool | \$ 18,859,145 | 62.8% |
| U.S. Treasury | Treasury Securities | \$ 6,022,202 | 20.0% |

G. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Commission’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Commission’s deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Bank balances were \$1,630,433, the total amount of which was insured and/or collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the name of the Commission.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). The Commission has no custodial credit risk exposure for investments because all the Commission’s investments are held in a third-party custodian bank in the name of the Commission.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – FAIR VALUE MEASUREMENTS

In accordance with generally accepted accounting principles, fair value is defined as the price that the Commission would receive upon selling an asset or have paid to transfer a liability at the reporting date. Generally accepted accounting principles established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are those that reflect the reporting entity's own assumptions about the factors market participants would use in pricing the asset or liability developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, and fair value is determined through the use of other valuation methodologies

Level 3 – Valuations based on inputs that are not observable and significant to the overall fair value measurements, including the Commission's own assumptions in determining the fair value of assets or liabilities.

The following is a summary of the inputs used as of June 30, 2023, in valuing the Commission's assets carried at fair value:

| <u>Investments by Fair Value Level</u> | <u>Total</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|--|--------------------------|-----------------|--------------------------|-----------------|
| U.S. Treasuries | \$ 6,022,202 | \$ - | \$ 6,022,202 | \$ - |
| Federal Agencies (non-callable) | 710,215 | - | 710,215 | - |
| Federal Agency Mortgage Backed Securities | 702,142 | - | 702,142 | - |
| Supranationals | 254,801 | - | 254,801 | - |
| Municipal Obligations | 481,398 | - | 481,398 | - |
| Corporate Notes | 2,088,640 | - | 2,088,640 | - |
| Asset-Backed Securities | <u>832,528</u> | <u>-</u> | <u>832,528</u> | <u>-</u> |
| Total investments measured by fair value | 11,091,926 | <u>\$ -</u> | <u>\$ 11,091,926</u> | <u>\$ -</u> |
| Investments not subject to fair value hierarchy: | | | | |
| Money Market Mutual Funds | 85,580 | | | |
| County Pooled Investments Funds | <u>18,859,145</u> | | | |
| Total investments | <u>\$ 30,036,651</u> | | | |

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 – RECEIVABLES

Accounts receivable as of June 30, 2023, consisted of intergovernmental grants, entitlements, state apportionments and local sources. All receivables, other than lease receivable, consisted of the following:

| | |
|-------------------------------|---------------------|
| State government: | |
| Proposition 10 | \$ 1,023,400 |
| Surplus Money Investment Fund | 31,337 |
| Other State taxes | <u>114,048</u> |
| Total state government | <u>1,168,785</u> |
| | |
| Other receivables: | |
| Grant receivables | 1,159,315 |
| Interest receivables | <u>126,994</u> |
| Total other receivables | <u>1,286,309</u> |
| | |
| Total receivables | <u>\$ 2,455,094</u> |

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023 was as follows:

| | Balance 6/30/2022 | Additions | Deletions | Balance 6/30/2023 |
|---|----------------------|---------------------|-----------------|----------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 676,530 | \$ - | \$ - | \$ 676,530 |
| Total capital assets not being depreciated | <u>676,530</u> | <u>-</u> | <u>-</u> | <u>676,530</u> |
| Capital assets being depreciated: | | | | |
| Equipment | 119,310 | - | (88,119) | 31,191 |
| Buildings and improvements | 16,131,643 | - | - | 16,131,643 |
| Intangible right-to-use software arrangements | <u>-</u> | <u>324,423</u> | <u>-</u> | <u>324,423</u> |
| Total capital assets being depreciated | <u>16,250,953</u> | <u>324,423</u> | <u>(88,119)</u> | <u>16,487,257</u> |
| Less accumulated depreciation and amortization: | | | | |
| Equipment | (113,976) | (4,174) | 88,119 | (30,031) |
| Buildings and improvements | (3,018,633) | (403,291) | - | (3,421,924) |
| Intangible right-to-use software arrangements | <u>-</u> | <u>(231,174)</u> | <u>-</u> | <u>(231,174)</u> |
| Total accumulated depreciation and amortization | <u>(3,132,609)</u> | <u>(638,639)</u> | <u>88,119</u> | <u>(3,683,129)</u> |
| Total capital assets being depreciated, net | <u>13,118,344</u> | <u>(314,216)</u> | <u>-</u> | <u>12,804,128</u> |
| Total capital assets, net | <u>\$ 13,794,874</u> | <u>\$ (314,216)</u> | <u>\$ -</u> | <u>\$ 13,480,658</u> |

Depreciation/amortization expense for the year ended June 30, 2023 was \$638,639.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – LEASES

The Commission reported Leases Receivable of \$366,193 as of June 30, 2023. For the year ended June 30, 2023, the Commission reported \$97,593 in lease revenues and \$3,653 in lease interest revenues.

Office Space Lease – FCSS SELPA Department – On July 1, 2017, the Commission entered into a fourteen-year lease agreement with Fresno County Superintendent of Schools (FCSS), for the use of a portion (1,408 sq. ft.) of the third-floor office space at the Lighthouse for Children facility for their Special Education Local Plan Area (SELPA) Program staff. Based on this agreement, the Commission will receive monthly payments through June 2031. Either party may terminate the lease agreement for any reason with a ninety-day (90) written notice prior to the termination date. The tenant may request a lease extension by submitting a written notice ninety-days (90) prior to expiration of the current lease term. Both parties must agree to an extension upon negotiation of terms. The lease receivable was discounted to a net present value using a 0.9% interest rate, which was provided by the California State Controller’s Office.

Office Space Lease – FCSS Early Care & Education Department – On July 1, 2021, the Commission entered into a three-year lease agreement with Fresno County Superintendent of Schools (FCSS), Early Care & Education Department (ECE), for the use of a portion (23,427 sq. ft.) of the first floor and outdoor playground area at the Lighthouse for Children facility, to operate the Child Development Center. Based on this agreement, the Commission will receive monthly payments through June 2024. Either party may terminate the lease agreement for any reason with a written notice one-hundred twenty (120) days prior to the termination date. The tenant may request a lease extension by submitting a written notice ninety-days (90) prior to expiration of the current lease term. Both parties must agree to the upon negotiation of terms. The lease receivable was discounted to a net present value using a 0.2% interest rate, which was provided by the California State Controller’s Office.

Office Space Lease – Simpson Speech & Language – On March 1, 2021, the Commission entered into a two-year lease agreement with Simpson Speech and Language (SSL) for the use of a portion (719.75 sq. ft.) of the second-floor office space at the Lighthouse for Children facility. Based on this agreement, the Commission will receive monthly payments through February 28, 2023. Either party may terminate the lease agreement for any reason with a ninety-day (90) written notice prior to the termination date. The tenant may request a lease extension by submitting a written notice ninety-days (90) prior to expiration of the current lease term. Both parties must agree to the extension upon negotiation of terms. The lease receivable was discounted to a net present value using a 0.2% interest rate, which was provided by the California State Controller’s Office.

The leases are summarized below by lease holder as follows:

| <u>Lease Holder</u> | <u>Lease Receivable</u> | <u>Lease Revenue</u> | <u>Lease Interest Revenue</u> |
|---------------------|-----------------------------|----------------------|-----------------------------------|
| FCSS - SELPA | \$ 361,163 | \$ 77,271 | \$ 3,626 |
| FCSS - CDC | 5,030 | 4,247 | 14 |
| SSL | <u>-</u> | <u>16,075</u> | <u>13</u> |
| Total | <u>\$ 366,193</u> | <u>\$ 97,593</u> | <u>\$ 3,653</u> |

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 – LEASES (Continued)

Future lease principal and interest payments due to the Commission under non-cancelable agreements are as follows for the years ending June 30, 2023:

| Fiscal Year Ended June 30 | Principal | Interest |
|------------------------------|-------------------|------------------|
| 2024 | \$ 82,484 | \$ 2,936 |
| 2025 | 39,777 | 2,388 |
| 2026 | 39,746 | 2,032 |
| 2027 | 40,106 | 1,672 |
| 2028 | 40,468 | 1,310 |
| 2029-2033 | <u>123,612</u> | <u>1,723</u> |
| Total | <u>\$ 366,193</u> | <u>\$ 12,061</u> |

NOTE 8 – ACCOUNTS PAYABLE

Accounts payable consisted of the following as of June 30, 2023:

| | |
|-------------------------------|---------------------|
| Program grantees and expenses | \$ 2,739,172 |
| Vendors | <u>14,922</u> |
| Total | <u>\$ 2,754,094</u> |

NOTE 9 – LONG-TERM OBLIGATIONS

Long term obligations activity for the year ended June 30, 2023 were as follows:

| | Balance 06/30/2022 | Additions | Deletions | Balance 06/30/2023 | Due within One Year |
|--------------------------|-----------------------|-------------------|---------------------|-----------------------|------------------------|
| Governmental activities: | | | | | |
| Subscription liability | \$ - | \$ 324,423 | \$ (286,758) | \$ 37,665 | \$ 37,665 |
| Compensated absences | <u>43,552</u> | <u>64,218</u> | <u>(73,363)</u> | <u>34,407</u> | <u>5,678</u> |
| Total | <u>\$ 43,552</u> | <u>\$ 388,641</u> | <u>\$ (360,121)</u> | <u>\$ 72,072</u> | <u>\$ 43,343</u> |

A. Compensated Absences – Governmental Activities

Compensated absences, which combines vacation and sick leave benefits into a single PTO bank account, amounted to \$34,407 at June 30, 2023.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – LONG-TERM OBLIGATIONS (Continued)

B. Subscription Liabilities

The Commission implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023. The Commission has two software arrangements that require recognition under GASB No. 96. The Commission now recognizes subscription-based information technology arrangement (SBITA) liabilities and intangible right-to-use software arrangement assets for an accounting software and a data system hosting service. The software amortization expense is included within expenditures on the Statement of Activities related to the Commission’s SBITAs, which are included as Intangible Right-to-Use Software Arrangements in the Commission’s capital assets.

The Commission has an accounting software arrangement with a five-year term, initiated in fiscal year 2021 with an annual payment that ranges from \$10,406 to 14,726. The Commission has used a 2.40% discount rate for this arrangement, which was provided by the California State Controller’s Office. There is no option to extend the agreement or purchase the software.

The Commission’s data system hosting service arrangement is a 12-month agreement, initiated in fiscal year 2023, with an annual payment of \$277,800. At the end of the arrangement, Early Quality Systems, Inc agreed to extend the term for an additional three months through September 2023. There are no options to extend or purchase the software beyond this date. The Commission has used a 2.40% discount rate to determine the present value of the Intangible Right-to-Use Asset and SBITA liability, which was provided by the California State Controller’s Office.

A summary of future subscription payments under SBITA agreements are as follows:

| Fiscal Year Ended June 30 | Principal | Interest |
|------------------------------|------------------|---------------|
| 2024 | \$ 12,974 | \$ 612 |
| 2025 | 13,288 | 297 |
| 2026 | <u>11,403</u> | <u>23</u> |
| Total | <u>\$ 37,665</u> | <u>\$ 932</u> |

NOTE 10 – POSTEMPLOYMENT BENEFITS

The Commission’s 401(a) Plan (the Plan) is a defined contribution pension plan established by the Commissioners of the Commission and administered through MissionSquare Retirement, a non-profit independent financial services corporation. The provisions and contribution requirements of the Plan are established and may be amended by the Commissioners of the Commission. The Plan covers all full-time employees and provides for immediate 100% vesting for the participants. The Commission makes contributions of 8.74% of compensation to the Plan for employees. For the year ended June 30, 2023, the Commission made contributions to the Plan of \$67,799.

The Commission also offers its employees a deferred compensation plan created in accordance with IRC Section 457 and administered through MissionSquare Retirement, a non-profit independent financial services corporation. The Plan, available to all full-time Commission employees, permits them to defer a portion of their current salary until future years. The Commission is not required to make contributions to the plan, and all contributions made to the Plan are solely at the discretion of employees.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 – FUND BALANCE

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned as described in Note 2. A detailed schedule of fund balance as of June 30, 2023 is as follows:

| | |
|---------------------------------|----------------------|
| Nonspendable: | |
| Prepaid vendor | \$ 10,969 |
| Restricted: | |
| Outside grant funding | 1,446,677 |
| Committed: | |
| Awarded and unpaid grants | 10,757,415 |
| Assigned: | |
| First 5 initiatives | 20,034,624 |
| Lighthouse Special Revenue Fund | <u>57,507</u> |
| Total fund balance | <u>\$ 32,307,192</u> |

NOTE 12 – RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, employee’s health and natural disasters. The Commission manages these various risks of loss by purchasing commercial insurance coverage. Their policy includes coverage for bodily injury, property damage, personal injury, automobile liability, directors’ and officers’ liability, public officials’ errors and omissions, and non-owned and hired autos. In addition, the Commission maintains a workers’ compensation insurance policy and a health benefits insurance package for its employees. Settlements have not exceeded covered amounts for the past three years.

NOTE 13 – EVALUATION EXPENDITURES

The Commission expended \$417,842 on program evaluation during the fiscal year ended June 30, 2023.

NOTE 14 – ECONOMIC DEPENDENCY

The Commission received the majority of its funding from one source, taxes imposed by Section 30131.2 of the California Tax and Revenue Code. This code imposes additional taxes on the sale of cigarettes and tobacco products. The total amount of funding the Commission received from the additional taxes for the year ended June 30, 2023 was \$8,544,306, or 77.20%, of the total revenue for the year. The Commission is thus subject to possible risk of reductions in services and/or closure due to potential future changes of Section 30131.2 of the California Tax and Revenue Code.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Commitments and contingencies, undeterminable in amount, include normal recurring pending claims and litigation.

A. Grantee Obligations

As of June 30, 2023, the Commission's remaining obligations to grantees of \$10,757,415 is included as committed fund balance.

B. Litigation

In the opinion of management, based upon discussion with legal counsel, there is no pending litigation which is likely to have a material adverse effect on the financial position of the Commission.

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated and concluded that there were no subsequent events that have occurred from June 30, 2023, through the date the financial statements were available to be issued at October 16, 2023 that would require disclosure or adjustment.

REQUIRED SUPPLEMENTARY INFORMATION

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – GENERAL FUND
(BUDGET TO ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2023**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------|------------------------|----------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Proposition 10 taxes | \$ 6,360,636 | \$ 6,360,636 | \$ 6,266,495 | \$ (94,141) |
| Proposition 56 taxes | 2,434,196 | 2,434,196 | 2,132,426 | (301,770) |
| Other revenue | - | - | 145,385 | 145,385 |
| Grant revenue | 1,538,788 | 2,214,373 | 1,628,778 | (585,595) |
| Other revenue | 120,750 | 162,956 | 182,970 | 20,014 |
| Investment earnings | 100,000 | 85,000 | 367,962 | 282,962 |
| | <u>10,554,370</u> | <u>11,257,161</u> | <u>10,724,016</u> | <u>(533,145)</u> |
| EXPENDITURES | | | | |
| Salaries and employee benefits | 1,096,741 | 1,122,463 | 846,105 | 276,358 |
| Services and supplies | 460,822 | 686,329 | 378,699 | 307,630 |
| Evaluation services | 400,000 | 450,000 | 394,384 | 55,616 |
| Grant expenditures | 8,528,333 | 19,910,011 | 6,339,441 | 13,570,570 |
| Debt service: | | | | |
| Principal | 47,974 | 47,974 | 286,758 | (238,784) |
| Interest | - | - | 5,767 | (5,767) |
| Capital outlay | 20,500 | 24,500 | 325,064 | (300,564) |
| | <u>10,554,370</u> | <u>22,241,277</u> | <u>8,576,218</u> | <u>13,665,059</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>(10,984,116)</u> | <u>2,147,798</u> | <u>(14,198,204)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds related to subscription arrangements | - | - | 324,423 | 324,423 |
| | <u>-</u> | <u>-</u> | <u>324,423</u> | <u>324,423</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (10,984,116)</u> | <u>2,472,221</u> | <u>\$ (13,873,781)</u> |
| Fund balance - beginning | | | <u>29,777,464</u> | |
| Fund balance - ending | | | <u>\$ 32,249,685</u> | |

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – LIGHTHOUSE SPECIAL REVENUE FUND
(BUDGET TO ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2023**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------|-------------------|------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Other revenue | \$ - | \$ - | \$ 20,009 | \$ 20,009 |
| Total revenues | - | - | 20,009 | 20,009 |
| EXPENDITURES | | | | |
| Insurance and tax expense | 575 | 575 | 2,202 | (1,627) |
| Professional services expense | 6,014 | 6,014 | 4,218 | 1,796 |
| Total expenditures | 6,589 | 6,589 | 6,420 | 169 |
| Excess (deficiency) of revenues over (under) expenditures | (6,589) | (6,589) | 13,589 | 20,178 |
| Net change in fund balance | <u>\$ (6,589)</u> | <u>\$ (6,589)</u> | 13,589 | <u>\$ 20,178</u> |
| Fund balance - beginning | | | 43,918 | |
| Fund balance - ending | | | <u>\$ 57,507</u> | |

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The Commission adopts a budget annually in accordance with generally accepted accounting principles based on estimates of revenue and anticipated expenditures. All annual appropriations lapse at fiscal year-end.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund incurred expenditures in excess of appropriations for the following amounts for the year ended June 30, 2023:

| | | |
|----------------|----|---------|
| Debt service: | | |
| Principal | \$ | 238,784 |
| Interest | | 5,767 |
| Capital outlay | | 300,564 |

See the Budget to Actual on page 36. This occurred because of the required implementation of GASB No. 96, new in fiscal year 2022-2023.

The Lighthouse Special Revenue Fund incurred expenditures in excess of appropriations for the following amounts for the year ended June 30, 2023:

| | | |
|---------------------------|----|-------|
| Insurance and tax expense | \$ | 1,627 |
|---------------------------|----|-------|

Expenditures in excess of appropriations were funded by greater than anticipated revenues in the respective fund.

OTHER SUPPLEMENTARY INFORMATION

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
 SUPPLEMENTAL SCHEDULE OF FIRST 5 CALIFORNIA (F5CA) FUNDING
 FOR THE YEAR ENDED JUNE 30, 2023**

| <u>PROGRAM OR PROJECT TITLE</u> | <u>REVENUE F5CA</u> | <u>EXPENDITURES</u> | <u>CHANGE IN NET POSITION</u> | <u>NET POSITION BEG OF YEAR</u> | <u>NET POSITION END OF YEAR</u> |
|---------------------------------|-------------------------|---------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| First 5 IMPACT Program | | | | | |
| IMPACT Hub Program Funds | \$ 630,022 | \$ 629,874 | \$ 148 | \$ 353 | \$ 501 |
| County, Local IMPACT Funds | 572,625 | 572,625 | - | - | - |
| Refugee Family Support Funds | <u>150,783</u> | <u>151,004</u> | <u>(221)</u> | <u>-</u> | <u>(221)</u> |
| TOTAL F5CA FUNDS | <u>\$ 1,353,430</u> | <u>\$ 1,353,503</u> | <u>\$ (73)</u> | <u>\$ 353</u> | <u>\$ 280</u> |

OTHER INDEPENDENT AUDITOR'S REPORTS

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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

To the Board of Commissioners of
Children and Families Commission of Fresno County
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Children and Families Commission of Fresno County (the Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 16, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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 Commission'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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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fax 559.299.2344

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Page & Company

Clovis, California
October 16, 2023



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

To the Board of Commissioners of
Children and Families Commission of Fresno County
Fresno, California

Report on Compliance

Opinion

We have audited the Children and Families Commission of Fresno County's (the Commission) compliance with the requirements specified in the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2023.

In our opinion, the Children and Families Commission of Fresno County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the California Children and Families Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether the material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS,

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Government Auditing Standards, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the California Children and Families Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items:

| <u>Description</u> | <u>Audit Guide Procedures</u> | <u>Procedures Performed</u> |
|---------------------------------------|-----------------------------------|---------------------------------|
| Contracting and Procurement | 6 | Yes |
| Administrative Costs | 3 | Yes |
| Conflict-of-Interest | 3 | Yes |
| County Ordinance | 4 | Yes |
| Long-range Financial Plans | 2 | Yes |
| Financial Condition of the Commission | 1 | Yes |
| Program Evaluation | 3 | Yes |
| Salaries and Benefits Policies | 2 | Yes |

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control

over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*. Accordingly, this report is not suitable for any other purpose.

Price Pange & Company

Clovis, California
October 16, 2023

FINDINGS AND QUESTIONED COSTS

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

| | | | |
|--|-----------------------|-----------------|--|
| Type of auditor's report issued: | <u>Unmodified</u> | | |
| Internal control over financial reporting: | | | |
| Material weaknesses identified? | <u> </u> Yes | <u> X </u> No | |
| Significant deficiencies identified - not considered to be material weaknesses? | <u> </u> Yes | <u> X </u> No | |
| Noncompliance material to financial statements noted? | <u> </u> Yes | <u> X </u> No | |

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENT FINDINGS

None reported.



State Annual Report

Fiscal Year

2022-2023





Annual Report AR-1
Fresno Revenue and Expenditure Summary
July 1, 2022 - June 30, 2023

DRAFT

Revenue Detail

| Category | Amount |
|---|---------------------|
| Tobacco Tax Funds | \$8,544,306 |
| First 5 IMPACT 2020 Funds | \$1,202,646 |
| Small Population County Augmentation Funds | \$0 |
| Home Visiting Coordination Funds | \$0 |
| Refugee Family Support Funds | \$150,784 |
| Other First 5 California Funds | \$0 |
| Other First 5 California Funds Description | |
| Other Public Funds | \$126,220 |
| Other Public Funds Description Funds (\$118,920) from the Fresno County Department of Public Health to enhance the Glow! Group Prenatal Care program. Revenue (\$7,300) from First 5 Kern & First 5 Merced to support the scaling of Glow! to other counties. | |
| Donations | \$0 |
| Revenue From Interest Earned | \$378,216 |
| Grants | \$138,874 |
| Grants Description Dollars from Blue Meridian Partners administered through Fresno County Superintendent of Schools to support Glow! Group Prenatal Care and Fresno GROWS, a place-based effort prioritizing interventions in four census tracts (2,7,9,02,10) in the 93706-zip code to reduce preterm birth and infant mortality in the African Americans in Fresno. | |
| Other Funds | \$182,970 |
| Other Funds Other Revenue includes tenant rent payments and indirect dollars received from Grants and Other Funds. | |
| Total Revenue | \$10,724,016 |

Improved Family Functioning

| Service | Grantee | Program(s) | Children | Caregivers | Providers | Amount |
|-----------------------------------|--|--|----------|------------|-----------|--------------------|
| General Family Support | CBO/Non-Profit | <ul style="list-style-type: none"> Not Applicable (Parent-Child Interaction Courses, Child Developmental Activities, Parenting Skill-Building, Family Literacy, Early Screenings) | 1055 | 847 | 92 | \$487,491 |
| General Family Support | County Health & Human Services | <ul style="list-style-type: none"> Not Applicable (Neighborhood Resource Centers) | 9735 | 0 | 0 | \$200,000 |
| Intensive Family Support | CBO/Non-Profit | <ul style="list-style-type: none"> Not Applicable (Nurturing Skills for Teen Parents/Families, Just Beginning Program, NPP, other) | 146 | 242 | 0 | \$329,877 |
| Intensive Family Support | Resource and Referral Agency (COE or Non-Profit) | <ul style="list-style-type: none"> Not Applicable (Family Connections Program (Strengthening Families, MPAP, NPP)) | 70 | 63 | 0 | \$90,115 |
| Family Literacy and Book Programs | First 5 County Commission | <ul style="list-style-type: none"> Potter the Otter | 680 | 340 | 0 | \$0 |
| Total | | | | | | \$1,107,483 |

Improved Child Development

| Service | Grantee | Program(s) | Children | Caregivers | Providers | Amount |
|---|--|--|----------|------------|-----------|--------------------|
| Quality Early Learning Supports | County Office of Education/School District | <ul style="list-style-type: none"> Quality Counts California | 0 | 0 | 1042 | \$1,213,205 |
| Quality Early Learning Supports | First 5 County Commission | <ul style="list-style-type: none"> Quality Counts California | 0 | 0 | 0 | \$503,341 |
| Reason for no population served: Internal IMPACT Hub expenses, provider counts reported under other Quality Early Learning Categories | | | | | | |
| Quality Early Learning Supports | First 5 County Commission | <ul style="list-style-type: none"> Not Applicable (Childcare) | 0 | 0 | 0 | \$176,042 |
| Reason for no population served: Child counts reported under Early Learning Programs through partnership with County Office of Education | | | | | | |
| Quality Early Learning Supports | Other Private/For Profit | <ul style="list-style-type: none"> Quality Counts California | 0 | 0 | 54 | \$38,338 |
| Quality Early Learning Supports | Research/Consulting Firm | <ul style="list-style-type: none"> Quality Counts California | 0 | 0 | 0 | \$279,438 |
| Reason for no population served: iPinwheel/Hubbe database, no data to report | | | | | | |
| Early Learning Program Direct Costs | County Office of Education/School District | <ul style="list-style-type: none"> Preschool/Childcare | 65 | 0 | 0 | \$24,320 |
| Total | | | | | | \$2,234,684 |

Improved Child Health

| Service | Grantee | Program(s) | Children | Caregivers | Providers | Unique Families | Amount |
|---|--|--|----------|------------|-----------|-----------------|--------------------|
| Early Intervention | County Office of Education/School District | <ul style="list-style-type: none"> Care Coordination and Linkage | 409 | 227 | 29 | 0 | \$221,085 |
| Early Intervention | County Health & Human Services | <ul style="list-style-type: none"> Not Applicable (Nurse Liaison, Nurse-Family Partnership, Community Health Teams) | 599 | 589 | 134 | 493 | \$1,367,892 |
| Early Intervention | First 5 County Commission | <ul style="list-style-type: none"> Not Applicable ((Community Learning Center, Basic Family Needs, Facility Tenant Services)) | 771 | 0 | 0 | 0 | \$208,741 |
| Prenatal and Infant/Toddler Pediatric Support | CBO/Non-Profit | <ul style="list-style-type: none"> Not Applicable (Glow! Group Prenatal Care) | 0 | 29 | 0 | 29 | \$269,982 |
| Prenatal and Infant/Toddler Pediatric Support | Other Private/For Profit | <ul style="list-style-type: none"> Not Applicable (Black Maternal Wellness Innovation Lab) | 0 | 5 | 0 | 0 | \$49,505 |
| | | | | | | Total | \$2,267,522 |

| Service | Grantee | Program(s) | Children | Caregivers | Providers | Unique Families | Amount |
|--|---------------------------|--|----------|------------|-----------|-----------------|--------------------|
| Prenatal and Infant/Toddler Pediatric Support | First 5 County Commission | <ul style="list-style-type: none"> Not Applicable (Glow! Group Prenatal Care and Expansion) | 0 | 0 | 0 | 0 | \$150,317 |
| Reason for no population served: Data reported under partnership with CBO | | | | | | | |
| | | | | | | Total | \$2,267,522 |

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Improved Systems Of Care

| Service | Grantee | Program(s) | Amount |
|----------------------------|--|--|--------------------|
| Policy and Public Advocacy | First 5 County Commission | <ul style="list-style-type: none"> Not Applicable (Communications and public awareness strategies, website, sponsorships) | \$50,561 |
| Policy and Public Advocacy | First 5 County Commission | <ul style="list-style-type: none"> Resilient Families and Communities | \$8,626 |
| Policy and Public Advocacy | Research/Consulting Firm | <ul style="list-style-type: none"> Not Applicable (Infant Safe Sleep Education & Awareness Campaign) | \$321,714 |
| Policy and Public Advocacy | Research/Consulting Firm | <ul style="list-style-type: none"> Not Applicable (Child-Friendly Business Awards Campaign) | \$48,375 |
| Systems Building | CBO/Non-Profit | <ul style="list-style-type: none"> Not Applicable (African American Infant Mortality Prevention Innovation Efforts) | \$272,651 |
| Systems Building | County Office of Education/School District | <ul style="list-style-type: none"> Early Identification and Intervention | \$100,000 |
| Systems Building | First 5 County Commission | <ul style="list-style-type: none"> Not Applicable (Partner Support & Strategic Initiatives, Program Salaries/Expense) | \$608,797 |
| Systems Building | Research/Consulting Firm | <ul style="list-style-type: none"> Not Applicable (Communications- Website Development) | \$22,600 |
| Total | | | \$1,433,324 |

Expenditure Details

| Category | Amount |
|---|-------------|
| Program Expenditures | \$7,043,013 |
| Administrative Expenditures | \$1,115,363 |
| Evaluation Expenditures | \$417,842 |
| Total Expenditures | \$8,576,218 |
| Excess (Deficiency) Of Revenues Over (Under) Expenses | \$2,147,798 |

Other Financing Details

| Category | Amount |
|--|------------------|
| Sale(s) of Capital Assets | \$0 |
| Other This amount is included due to the new implementation of GASB 96 and is shown on our financial statements as "Proceeds from Subscription Arrangement". This is tied to the note in the Expenditure Detail portion of the reporting. | \$324,423 |
| Total Other Financing Sources | \$324,423 |

Net Change in Fund Balance

| Category | Amount |
|----------------------------|--------------|
| Fund Balance - Beginning | \$29,777,464 |
| Fund Balance - Ending | \$32,249,685 |
| Net Change In Fund Balance | \$2,472,221 |

Fiscal Year Fund Balance

| Category | Amount |
|--------------------|--------------|
| Nonspendable | \$10,969 |
| Restricted | \$1,446,677 |
| Committed | \$10,757,415 |
| Assigned | \$20,034,624 |
| Unassigned | \$0 |
| Total Fund Balance | \$32,249,685 |

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Expenditure Note

Due to the new implementation of GASB 96, our auditors required that we include Debt Service and Capitol Outlay to our FS. Within the \$1,115,363 entered in the "Administrative Costs" Section include: Administrative Costs (\$497,774), Principal- GASB 96 (\$286,758), Interest-GASB 96 (\$5,767), and Capital Outlay-GASB 96 (\$325,064). Note: This is also tied to the "Other Financing Sources" entered into the state report.

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Annual Report AR-2
Fresno Demographic Worksheet
July 1, 2022 - June 30, 2023

Population Served

| Category | Number |
|---|---------------|
| Children Less than 3 Years Old | 6,572 |
| Children from 3rd to 6th Birthday | 5,688 |
| Children – Ages Unknown (birth to 6th Birthday) | 1,219 |
| Primary Caregivers | 2,322 |
| Providers | 1,351 |
| Total Population Served | 17,152 |

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Primary Languages Spoken in the Home

| Category | Number of Children | Number of Primary Caregivers |
|---|--------------------|------------------------------|
| Cantonese | 1 | 1 |
| Vietnamese | 2 | 0 |
| Mandarin | 7 | 2 |
| Other - Specify with text box Hmong, Indigenous Languages of Mexico, ASL, others | 357 | 184 |
| Unknown | 1,924 | 548 |
| Totals | 13,479 | 2,322 |

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| Category | Number of Children | Number of Primary Caregivers |
|-----------------|---------------------------|-------------------------------------|
| English | 4,662 | 946 |
| Spanish | 6,526 | 641 |
| Totals | 13,479 | 2,322 |

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Race/Ethnicity of Population Served

| Category | Number of Children | Number of Primary Caregivers |
|--|--------------------|------------------------------|
| Alaska Native/American Indian | 13 | 3 |
| Native Hawaiian or Other Pacific Islander | 23 | 4 |
| Asian | 238 | 63 |
| Two or more races | 242 | 40 |
| White | 614 | 136 |
| Black/African-American | 618 | 104 |
| Unknown | 1,595 | 618 |
| Hispanic/Latino | 9,642 | 1,212 |
| Other – Specify with text box Hmong, Punjabi, Ukrainian, and others | 494 | 142 |
| Totals | 13,479 | 2,322 |

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Duplication Assessment

| Category | Data |
|-------------------------------|---|
| Degree of Duplication | 15% |
| Confidence in Data | Moderately confident |
| Additional Details (Optional) | Duplication may occur if families participate in multiple services/resources across programs. |

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Annual Report AR-3

Fresno County Evaluation Summary and Highlights

July 1, 2022 - June 30, 2023

County Evaluation Summary

Evaluation Activities Completed, Findings, and Policy Impact

In Fiscal Year 2022-23, First 5 Fresno County (F5FC) continued operating under its five-year Strategic Plan and corresponding Evaluation Framework. A mixed methods approach was used to learn not only how well services are meeting their intended needs and how they can be adapted for improvement, but also how and why they are having an impact. Evaluation activities for FY 2022-23 include: 1. Evaluation of Core Investment Areas: First 5 Fresno County's 2020-25 evaluation framework is designed to evaluate the Commission's five core investment areas, as detailed in the Strategic Plan: (1) African American Infant Mortality Prevention (AAIMP), (2) Direct Service Programs (DS), (3) Help Me Grow Fresno County (HMG), (4) the Lighthouse for Children (LFC), and (5) Quality Counts California (QCC). F5FC-funded programs use the Apricot database to track demographic and service use data for children, parents, and professionals who receive services. In FY 2022-23, the evaluation focused on HMG, QCC, and AAIMP investment areas. Quantitative and qualitative data was collected via surveys and focus groups with QCC providers and focus groups with families who have accessed HMG or related developmental services. Participant and narrative data from the Apricot database, along with the survey and focus group data was analyzed and shared with First 5 staff and included in written reports for HMG and QCC core investment areas. Additionally, First 5 staff participated in a consensus workshop to develop a logic model for their AAIMP investment area to guide and inform their work moving forward. The key findings below are based on the data collection activities conducted this year and used to inform improvements to services moving forward. QCC Findings: • ECE providers participating in QCC perceive it as a key resource for improving the quality of services they provide. • ECE providers would benefit from more time spent with their coaches and advanced/deeper knowledge building on specific topics, such as how to support children with special needs, behavioral concerns, PIRC, and assessment tools such as the DRDP, ECERS and CLASS. • ECE providers experienced inconsistencies in the language accessibility and cultural responsiveness. For example: Spanish language trainings offered after English language trainings occurred, and some found their trainers did not understand the unique needs of families from rural areas or those that don't have stable home environments. • ECE providers appreciated the program's support in enhancing their visibility in the community and their ability to connect with and service more children and families HMG Findings: • Caregivers appreciate the support of the HMG call line and the developmental services they were connected to. • Children who receive services are making progress towards reaching their developmental milestones and improved social skills. • Caregivers are increasing their own capacity to support their children's overall development and advocate for their child's needs. • Challenges faced by caregivers trying to access the HMG system include service eligibility requirements, waitlists/delays, lack of communication from providers, and language and geographic barriers.

County Highlights

County Highlight

At First 5 Fresno County (F5FC) we believe that addressing challenges facing families requires systemic change. From private businesses to community-based agencies, schools to hospitals and beyond, we can all make things work better for families. The following are examples of cross sector partnerships to innovate new ways of supporting families with young children. 1) Glow! Group Prenatal Care is an enhanced prenatal care program that brings together eight to 12 pregnant patients with similar due dates to receive prenatal medical care, education, and peer support in a group setting. Patients are provided with free wrap-around services (e.g. child care, food support, transportation stipends and information on community resources) to create a one-stop appointment. Since 2019, we and our partners have implemented Glow! as part of a national study comparing two types of prenatal care (group and individual care) with hopes to determine which type of care is best suited to address maternal mental health stressors such as depression and anxiety, preterm birth and satisfaction of care. Findings will inform policy decisions determining the type of prenatal care available to women and birthing people locally, statewide and nationwide. 2) Seventeen years ago, the Commission launched the Child-Friendly Business Awards (CFBA) Campaign to advocate for systems and policy change to improve the lives of families with young children. For almost two decades, CFBA has been a tool to develop, nurture, and strengthen relationships between F5FC and local businesses in order to highlight and promote outstanding efforts made by employers to promote a work-family integration for their employees. To date, over 80 local businesses have been honored as Award Winners ranging from a small tire company to the local state university. This investment, although not large, has become a desired recognition for employers as a new strategy to show care and acknowledge their employees.

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FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

REGULAR BUSINESS MEETING

October 30, 2023 - 12:30 p.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 6

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: California Rural Legal Assistance Foundation Deobligation of Funds

RECOMMENDED ACTION:

Approve the deobligation of funds from California Rural Legal Assistance Foundation (CRLAF) in an amount not to exceed \$240,000, based on CRLAF declination of award under the Commission's Thriving Families Partnerships Request for Proposals (RFP) funding opportunity and reallocate funds to the Commission's general funds for future programmatic investments.

BACKGROUND:

On October 17, 2023, this item was approved for full Commission consideration by the Finance and Program Review Committee.

On May 31, 2023, the Commission approved agreements with twenty organizations resulting from the Thriving Families Partnerships RFP in an amount not to exceed \$3,200,000 for two years, with the option to renew for an additional year based on performance and availability of funds. California Rural Legal Assistance Foundation was one of these twenty organizations, focused on access to health care services and economic mobility through community education and case management for immigrant families with young children in Fresno County.

On September 1, 2023, staff received a formal notice from CRLAF stating that due to unforeseen circumstances impacting the organization's ability to deliver services, CRLAF was no longer in a position to accept the funding. The letter expressed gratitude for the award and while not able to partner at this time, CRLAF looks forward to a future opportunity to work with the Commission. In order to apply the funds designated for CRLAF to future Commission investments, it is the staff's recommendation to deobligate funds from CRLAF as the organization will not be accepting the award.

Procurement: In January 2023 Commission staff released the Thriving Families Partnerships Request for Proposals (RFP). The RFP was intentionally divided into two partnership funding levels (up to \$120,000 per year and up to \$40,000 per year) with distinct eligibility and submission criteria. The Thriving Families RFP received thirty-seven submissions. Following the Commission's approved Procurement Policies and Procedures a panel of community reviewers reviewed, scored and discussed all qualifying submissions and subsequently recommended twenty agencies to move forward to the Commission for funding consideration.

Fiscal Impact: If approved by the full Commission, the previously awarded \$240,000 to CRLAF will be deobligated to be utilized to support future Commission investments as outlined in the Commission's approved accounting policies.

CONCLUSION:

If approved, the funding will be reallocated to the Commission's general funds for future investments. This requires the action of the Commission per the Accounting Policies and Procedures Manual, otherwise the funds will remain committed and unusable.

California Rural Legal Assistance Foundation

MAIN OFFICE

2210 "K" Street, Suite 201
Sacramento, California 95816
(916) 446-7904
Fax: 446-3057

Amagda Pérez, Esq.
Executive Director

Mark S. Schacht
Deputy Director

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REGIONAL PROJECT OFFICES

Fresno
--Sustainable Rural Communities Project

Modesto/Ceres
--Rural Health Advocacy

Oakland
--California Advocacy for Farm Workers
--Employment & Labor Law Project
--Temporary Foreign Workers Project

Sacramento
--California Advocacy for Farm Workers Project
--Education Equity
--Citizenship & Immigration Project
--FUEL and Removal Defense Projects
--Labor & Civil Rights Litigation Project
--Labor & Employment Project
--Pesticide and Work Safety Project
--Rural Health Advocacy Project
--Rural Housing Project
--Workers' Rights Project

August 28, 2023

Hannah Norman
Early Childhood Initiatives Director
First 5 Fresno County
2405 Tulare Street, Suite 200
Fresno, CA 93721

Re: Thriving Families Partnership grant to CRLA Foundation

Dear Ms. Norman,

On behalf of California Rural Legal Assistance Foundation's board, staff, and clients, we thank you for awarding CRLA Foundation a two-year grant to provide services to Fresno residents through the Thriving Families Partnership. Due to unforeseen circumstances, including changes in expectations for our delivery of services and the departure of key staff members, CRLAF is no longer in a position to accept the grant. We regret any inconvenience our declining this grant may cause you but want to provide the opportunity for these greatly needed resources to be invested in the community as soon as possible. While we are not able to partner with First 5 Fresno County at this time, we look forward to a future opportunity to work with you to provide community-capacity building services to mixed-status families in the Fresno region.

Please do not hesitate in contacting us at aperez@crlaf.org if you have any questions or need additional documentation from us.

Respectfully,

Virginia Villegas

Virginia Villegas
CRLA Foundation Board Chair

Amagda Perez

Amagda Pérez
Executive Director
CRLA Foundation

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

REGULAR BUSINESS MEETING

October 30, 2023 - 12:30 p.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 7

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Community Event Sponsorship Program

RECOMMENDED ACTION:

Approve the updated Community Event Sponsorship Program guidelines.

BACKGROUND:

On October 17, 2023, this item was approved for full Commission consideration by the Finance and Program Review Committee.

It is the practice of the Commission to review its guidelines and policies on a regular basis. For the last few years, the Commission's Community Event Sponsorship Program (CESP) has offered limited financial support (between \$1,500 to \$2,500) to local community agencies. Events and activities align with our Strategic Plan priorities and have included early literacy events, resource fairs, educational workshops, and events designed to raise awareness and support for local family-serving organizations.

As we partner with the community to fill gaps in the early childhood system of services, we recognize the opportunity to innovate and maximize the type of limited support we can offer through this funding mechanism. Updating the CESP Guidelines is essential to ensure events/activities meet the immediate/pressing needs of families with young children and of the professionals that work with them and help raise our community's awareness on topics that affect the healthy development and wellbeing of young children. The revised guidelines include clarification on the type of events that will be considered which include:

- **Community Events:** Events or activities within a community event focused on families with young children ages 0 to 5 that are free and open to the public and provide a safe learning environment including developmentally appropriate play activities and opportunities for making connections with local resources and other families.
- **Professional Development Events:** Opportunities to enhance the abilities and skill sets of those who work with or have influence on young children ages 0 to 5 and their families, including early learning educators, medical providers, employers, child care providers (including family, friends and neighbors), early childhood professionals, home visitors, other caregivers, etc.

- **Educational Workshops/Activities:** Interactive opportunities for expecting parents and/or families with children ages 0 to 5 to broaden their knowledge about topics that impact the first 5 years of life including but not limited to workshops, conferences, and/or trainings.
- **Public Awareness and Education Events/Activities:** Large (100+ attendees) community forums, conferences, summits, etc., focused on further examining/developing solutions to challenges related to our investments identified in our 2020-2025 Strategic Plan.

The updated guidelines create more opportunities for diverse public, private, and non-profit partners to participate by including more explicit guidance on the types of eligible events and clearly defining non-qualifying events for sponsorship. These guidelines will also help ensure the limited funds are utilized to better support family-focused community events, professional development, community education, or public awareness events that center challenges faced by families with young children. The focus is to encourage a more holistic approach to sponsorships and leverage our limited funding to support a better Fresno County community for our youngest residents.

Alignment with Strategic Plan: The CESP aligns with our strategic plan as it prioritizes support to families, communities, and systems through 1) the Innovation & Learning Strategy which seeks innovative and reflective approaches to confront persistent community challenges and 2) the Collaboration Strategy to strengthen connections between community partners in all sectors and ensure complimentary rather than duplicative service delivery.

Short-term goal(s) and long-term outcomes: Short-term goal(s) and long-term outcomes: The CESP has a short-term goal of creating new opportunities for the Commission to establish partnerships with local and community-oriented entities that can reach various audiences beyond the current funded partners. The long-term objective of this program is to create greater awareness and understanding in our community about the value of a safe, healthy, and nurturing early childhood, benefiting not only families with young children but our entire community.

Fiscal Impact: Funds in an amount not to exceed \$40,000 have been allocated from the Strategic Plan Investment: Innovation & Learning Partnerships line item from the Commission's FY 2023-2024 Approved Revised Budget.

CONCLUSION:

The Commission believes that thriving families lead to thriving communities and is committed to prioritizing optimal early childhood development at the family, community, and system level while being responsive, engaged, and good stewards of public funds. The updated CESP guidelines enable the Commission to support our Fresno County communities in prioritizing families with young children in innovative ways while maintaining this commitment.



Their Future First

Community Event Sponsorship Program

Our Vision & Mission: At First 5 Fresno County, we envision a future where all children and their families are healthy, loved and nurtured. We run after this vision by partnering with our community to create a seamless system of quality, accessible services that support the well-being of every child and family.

In our work, it is critical to leverage resources and partner with private, public, and community-benefit agencies to educate, support, and help bring awareness and empower our community about the importance of supporting families with young children thrive. We believe because ensuring a brighter future for our youngest residents is a community responsibility.

Through the Community Event Sponsorship Program, we will sponsor ~~Our aim is to provide sponsorships opportunities for Fresno County community events/activities that are focused on families with young children (ages 0 to 5).~~ Our goal is to support five to ten community events/activities per fiscal year, up to \$3,000 per agency and/or event, per fiscal year.

Types of Eligible Events/Activities:

- Community Events: Events or activities within a community event focused on families with young children ages 0 to 5 that are free and open to the public and provide a safe learning environment including developmentally appropriate play activities and opportunities for making and connections with local resources and other families.
- Professional Development Events: Opportunities to enhance the abilities and skill sets of those who work with or have influence on young children ages 0 to 5 and their families, including early learning educators, medical providers, employers child care providers (including family, friends and neighbors), early childhood professionals, home visitors, other caregivers, etc.
- Educational Workshops/Activities: Interactive opportunities for expecting parents and/or families with children ages 0 to 5 to broaden their knowledge about topics that impact the first 5 years of life including but not limited to workshops, conferences, and/or trainings.
- Public Awareness and Education Events/Activities: Large (100+ attendees) community forums, conferences, summits, etc., focused on further examining/developing solutions to challenges related to our investments identified in our \$2020-2025 Strategic Plan.

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Types of Ineligible Events/Activities/Agencies:

- Fundraiser-only events/activities.
-
- Events/Activities that do not include a specific focus on serving/addressing the needs of families with young children, ages 0 to 5.
- Events/activities that are a part of a current contract deliverable (or could be) with F5FC.

- [Events/activities that conflict with our values, vision and mission.](#)

[Note: If the proposed event/activity will also serve individuals outside of F5FC's supported age range or geography, other funding sources must be available to supplement funding.](#)

Standards for Collaboration:

- F5FC will not endorse, directly or through implied endorsement, specific products, services, educational programs or enterprises.
- As a public agency, products developed in collaboration with F5FC are in the public domain.
- Event/activity must be consistent and in support of our vision and mission as stated above.
- **Event/activity focused on serving one or more** high-priority populations/communities as defined in our 2020-2025 Strategic Plan including, but not limited to: families with dual language learners, families living in rural communities, African American families, single parents, children with special needs, undocumented individuals, and low-income households **will be prioritized.**
- Recognition: We ask for all approved sponsorship events/activities to include First 5 Fresno County in promotions **before**, and **during** the event/activity (For example: print, radio, web, **social networks**, and/or televised advertisements).
- Takes place in a city/community within Fresno County.

Application Process:

- Organizations and businesses interested in the Community Sponsorship Program must submit a request via a Letter of Intent in their agency's letterhead, detailing how the event fits the above eligibility criteria for sponsorship consideration.
- Requests must be received a minimum of four (4) weeks prior to the proposed event date or deadline.
- Applications will be accepted on a continuous basis through May 31st of ~~each~~ the fiscal year as long as funding is available. [Limit ~~to~~ one award per agency, per fiscal year \(July 1 - June 30\) regardless of award amount.](#)
- ~~This is a reimbursement program and funding will be reimbursed upon completion~~ [confirmation of all agreed upon](#) of the sponsorship requirements.
- [Applications received, which include all required information and are determined to fulfill the intent and scope of the Community Event Sponsorship Program, will be approved by the First 5 Fresno County Executive Director.](#)
- [Total funding awarded may be less than the requested amount based on funds available & overall fit into eligibility criteria.](#)

Submission Process:

| | |
|---|--|
| <p>Via regular mail: Community Event Sponsorship Program Request First 5 Fresno County 2405 Tulare Street, Suite 200 Fresno, CA 93721</p> | <p>Via email to: funding@first5fresno.org Subject line: Community Event Sponsorship Program Request</p> |
|---|--|

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

REGULAR BUSINESS MEETING

October 30, 2023 - 12:30 p.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 8

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Children and Families Policy Update

This report aims to keep the Commission informed of the local, state, and federal legislative and policy priorities including support as a member of the First 5 Network.

State Legislation:

Governor Newsom signed the following bills:

Senate Bill 326 (Eggman), modernizing the **Mental Health Services Act**.

- **Background:** the Mental Health Services Act (MHSA), an initiative measure enacted by California voters as Proposition 63 at the November 2, 2004, statewide general election, funds a system of county mental health plans to provide mental health services. The MHSA is funded by a one percent income tax on personal income in excess of \$1 million per year. It is designed to expand and transform California's behavioral health system to better serve individuals with, and at risk of, serious mental health issues, and their families. MHSA addresses a broad continuum of **prevention, early intervention, and service needs** and the necessary infrastructure, technology, and training elements that effectively support the public behavioral health system. Existing law authorizes the MHSA to be amended by a 2/3 vote of the Legislature if the amendments are consistent with and further the intent of the MHSA. Existing law allows the Legislature to add provisions to clarify procedures and terms of the MHSA by majority vote.
- **Proposed Modernization Changes (Going before voters for approval in March 2024):**
 - Dollars flowing to counties shall include services to address the needs of eligible children and youth, 0 to 5 years of age.
 - Local county plans must be developed in collaboration with local early childhood organizations
 - Established prioritizing the needs of children 0-5 in the early intervention fund Strategies must target the mental health needs of children 0 to 5 years of age, including, but not limited to, infant and early childhood mental health consultation and children scoring in the high-risk range under a trauma screening tool such as an adverse childhood experiences (ACEs) screening tool, involvement in the child welfare system or juvenile justice system, or experiencing homelessness.
 - School districts must collaborate with preschool and childcare providers, or other early childhood service organizations

AB 1701 (Weber D) Black infant health: California Perinatal Equity Initiative.

- **Background:** changes “county health department” to “**local health jurisdiction.**” It allows the California Department of Public Health (CDPH) to allocate funding for the Perinatal Equity Initiative (PEI) **directly to local health jurisdictions**, which includes both **city and county** health departments, rather than limiting the funding to only county health departments.

SB 616 (Gonzalez D) Sick days: paid sick days accrual and use.

- **Background:** Existing law, the Healthy Workplaces, Healthy Families Act of 2014 (act), establishes requirements relating to paid sick days and paid sick leave, as described. The new law requires employers to allow **their workers to accrue five days of sick leave each year**, up from the current statewide minimum of three days. Workers can start accruing those extra days beginning Jan. 1, 2024.

Federal Legislation:

Bills on Watch:

S. 388 (Senator Elizabeth Warren, D-MA) Child Care for Every Community Act

- **Background:** This legislation would ensure that every family has access to high-quality, affordable child care and early learning opportunities by establishing a network of federally-supported, locally administered child care options.

S. 1354 (Senator Patty Murray, D-WA) Child Care for Working Families Act

- **Background:** Bill introduced to cap the costs of child care at approximately \$10 a day for a family earning the state median income, expand access to high-quality options, and increase wages for child care workers.

Both bills are currently awaiting consideration by the Senate Committee on Health, Education, Labor, and Pensions.

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

REGULAR BUSINESS MEETING

October 30, 2023 - 12:30 p.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 9

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Executive Director's Report

This report intends to keep the Commission informed of local and statewide activities and involvement of the Executive Director pertaining to furthering the vision and mission of the Commission and in support of strengthening our early childhood systems of care.

Local and Statewide Involvement in Early Childhood Efforts

- This past September, the Nominating Committee for Community Medical Centers (CMC) appointed me as a Guest Member of the Finance and Planning Committee which is charged with reviewing, discussing and moving forward for consideration capital projects and financial matters pertaining to the local hospitals within CMC (Community Regional, Clovis Community, Fresno Heart & Surgery, & Community Behavioral Health Center). I welcome the opportunity to identify new ways to work closely together with the hospital system responsible for a large portion of the 16,000 annual births in our county. The position is an annual appointment that is part of leadership's efforts to bring on new perspectives into their decision-making.
- In partnership with Valley Children's Hospital and as a member of the Central Valley Safe Sleep Coalition, we co-hosted a Learning Conference on September 28th focused on safe sleep facts, myths, trends and best practices for infants while in the care of family, friends and child care providers. From 6 to 7:30 p.m. over Zoom participants heard from experts in the field through engaging presentations and conversations. Over 200 participants from throughout the Central Valley tuned in!
- On October 19th we hosted First 5 California (F5CA) staff and Commissioners for the October F5CA Commission Meeting. Alongside some of our First 5 Central Valley counterparts, we shared a regional update on how we have maximized investments from our parent organization within our region as well as the various ways we respond to our community's needs with our Proposition 10 allocation. We highlighted efforts like partnerships with the business community on supporting parent employees, family resource centers where everyone is connected to the services they need and the various ways we use our local funds to draw down federal funds. We ended our comments focused on the opportunities before us to partner with First 5 California on solutions to address the funding shortfall that is eminent for all First 5s across the state.

Administrative Agreement Renewals

Pursuant to Section 4.D of the Commission's Accounting Policies and Procedures Manual, which states for renewals "The Executive Director has been delegated the authority by the Commission to execute operating contracts that are administrative in nature and affect the day-to-day operations of the Commission (no dollar limit);" the following administrative agreement, in adherence with the original approval action taken by the Commission will be/has been renewed:

Facility Use Agreement:

Agency: Simpson Speech and Language

Monthly Rent Amount: \$224.40

Increase Square Footage from: 132 sq/ft

Term: September 21, 2023 - May 31, 2024