

FIRST 5 FRESNO COUNTY

ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

DATE: Wednesday, October 29, 2025

Lighthouse for Children

2405 Tulare Street

TIME: 12:00 p.m. – Regular Meeting

Fresno, CA 93721

This Regular Meeting will also be broadcasted to the public via Zoom using the following link:

<https://us06web.zoom.us/j/86129145654?pwd=HBDWiAInRInETwT9ov8TjFHQTxW77h.1>

Meeting ID: 861 2914 5654 | Passcode: 147461

The public may participate in the meeting, as otherwise permitted under the Brown Act, by joining using the link above.

AGENDA

ITEM	SUBJECT	PRESENTER
1.	CALL TO ORDER	Vice-Chair Gilbert
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.	Vice-Chair Gilbert
3.	PUBLIC COMMENT This portion of the agenda is reserved for members of the public desiring to address the Commission on any matter not on this agenda. Limit two minutes per speaker.	Vice-Chair Gilbert
4. Action Pg. 1	CONSENT AGENDA – ITEMS 4a-4c 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.	Vice-Chair Gilbert F. González, E.D.
5. Public Hearing Pg. 7	PUBLIC HEARING - STATE ANNUAL REPORT AND FINANCIAL AUDIT REPORT FOR FISCAL YEAR 2024-2025	Vice-Chair Gilbert F. González, E.D.
6. Action Pg. 8	STATE ANNUAL REPORT FOR FISCAL YEAR 2024-2025 Supporting Documents	F. González, E.D. A. Hensley, Staff
7. Action Pg. 23	FINANCIAL AUDIT REPORT FOR FISCAL YEAR 2024-2025 Supporting Documents	F. González, E.D. A. Hillis, Staff
8. Information Pg. 78	EXECUTIVE DIRECTOR'S REPORT	F. González, E.D.
9. Information	ANNOUNCEMENTS / INFORMATION SHARING	Vice-Chair Gilbert
10.	CLOSED SESSION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS TO REVIEW OFFERS RECEIVED ON COMMISSION OWNED PROPERTY Property: Huron Family Learning Center; 36602 Central Avenue, Huron, CA 93234 Agency negotiators: Fabiola González, Alix Hillis, Karen Rangel, Anna James Miller Negotiating parties: First 5 Fresno County Under negotiation: Price and terms of payment	
11. Action	CONSIDERATION OF REAL PROPERTY OFFER	C. Armstrong, Legal Counsel
12.	ADJOURNMENT	Vice-Chair Gilbert
<u>NOTE:</u>	NEXT REGULAR MEETING – DECEMBER 10, 2025	2405 Tulare St. Fresno, CA 93721

NOTE: If you need disability modification or accommodation in order to participate in this 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).

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ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

DATE: Wednesday, October 29, 2025

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2405 Tulare Street

TIME: 12:00 p.m. - Regular Meeting

Fresno, CA 93721

CONSENT AGENDA

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

ITEM	SUBJECT	PRESENTER
4a. Action Pg. 2	AUGUST 27, 2025 REGULAR COMMISSION MEETING MINUTES	F. González, E.D.
4b. Action Pg. 4	2026 REGULAR COMMISSION MEETING SCHEDULE	F. González, E.D. K. Rangel, Staff
4c. Action Pg. 5	SALARY SCHEDULE UPDATE	F. González, E.D. A. Hillis, 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 29, 2025 – 12:00 p.m.

2405 Tulare Street
Fresno, CA 93721

CONSENT AGENDA ITEM NO. 4a

RECOMMENDED ACTION:

Approve the August 27, 2025, Commission Meeting Minutes.

ACTION SUMMARY MINUTES

August 27, 2025 – 12:02 p.m.

PRESENT: Luis Chavez, Susan Beavers, Susan Holt, Erika Martinez, Marcia Sablan

ABSENT: Kari Gilbert, Hugo Morales

STAFF: Fabiola González, Cindy Jurado Hernandez, Ashley Hensley, Alix Hillis, Kendalyn Mack-Franklin, Hannah Norman, Lupita Ramirez, Karen Rangel, Liliana Salcedo, Alex Treas, Craig Armstrong (Legal Counsel)

- 1. CALL TO ORDER: 12:02 pm**
- 2. POTENTIAL CONFLICTS OF INTEREST**

None heard.

- 3. PUBLIC COMMENT**

None heard.

- 4. CONSENT AGENDA – ITEMS 4a – 4b**

Commissioner Sablan inquired whether staff could incorporate a scoring criterion within the procurement process for organizations applying for funding that integrate sustainability measures (solar power, packaging reduction) into their applications. First 5 Staff will collaborate with Commissioner Sablan to explore how this can be implemented.

The Commission approved the Consent Agenda.

Motion by: Sablan Second by: Beavers
Ayes: Chavez, Beavers, Holt, Martinez, Sablan
Noes: None heard.

5. APPROVE AGREEMENT WITH ANNA JAMES MILLER TO LIST FOR SALE COMMISSION-OWNED PROPERTY IN THE CITY OF HURON, CALIFORNIA

Public Comment: Oscar Sablan asked if there was any interest in the property from any nonprofits or local school districts to keep the preschool slots in Huron. Staff responded that there were discussions with the local school district to see if the slots could be transferred but ultimately, they did not meet the State requirements and so the slots were relinquished. There may still be an interest in the property by the school district.

The Commission voted to approve an agreement with Anna James Miller to list and represent the Commission with the sale of the Commission-owned parcel of land and modular building previously known as the Huron Family Learning Center in the City of Huron, California and delegate the opening of the property sale and real property negotiations to the Executive Director.

Motion by: Holt Second by: Chavez

Ayes: Chavez, Beavers, Holt, Martinez, Sablan

Noes: None heard.

6. CHILDREN AND FAMILIES POLICY UPDATE

Public Comment: None heard.

No action required.

7. EXECUTIVE DIRECTOR'S REPORT

Public Comment: None heard.

No action required.

8. ANNOUNCEMENTS / INFORMATION SHARING

Public Comment: None heard.

No action required.

9. ADJOURNMENT 12:33 p.m.

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

REGULAR BUSINESS MEETING

October 29, 2025 – 12:00 p.m.

2405 Tulare Street
Fresno, CA 93721

CONSENT AGENDA ITEM NO. 4b

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: 2026 Regular Commission Meeting Schedule

RECOMMENDED ACTION:

Approve the Regular Commission Meeting Schedule for calendar year 2026.

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 2026 calendar year will be scheduled on Wednesdays at 12:30 p.m. All meetings will be held at the Lighthouse for Children facility unless otherwise noted on the monthly agenda.

The proposed 2026 meeting dates are as follows:

Month	Meeting Date
January	Wednesday, January 28, 2026
February	NO MEETING
March	Wednesday, March 11, 2026
April	Wednesday, April 29, 2026
May	NO MEETING
June	Wednesday, June 10, 2026
July	NO MEETING
August	Wednesday, August 26, 2026
September	NO MEETING
October	Wednesday, October 28, 2026
November	NO MEETING
December	Wednesday, December 9, 2026

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

REGULAR BUSINESS MEETING

October 29, 2025 – 12:00 p.m.

2405 Tulare Street
Fresno, CA 93721

CONSENT AGENDA ITEM NO. 4c

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Salary Schedule Update

RECOMMENDED ACTION:

Review and approve an updated Salary Schedule.

BACKGROUND:

On October 14, 2025, the Administrative Committee approved this item for full Commission consideration.

The Commission, in June 2025, completed the performance evaluation of the Executive Director and approved a salary outside of the approved Salary Schedule. Additionally, California’s state minimum wage for exempt and non-exempt employees is scheduled to increase as of January 1, 2026, (as shown in Table 2 below). Under the Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5), the Commission is required to review and approve the salary and benefit schedule when any revisions are made. The expanded audit requirement states the following:

“The county commission must adopt, in a public hearing, policies and procedures for establishing salaries for its employees. The employees’ salaries policies must comply with those set forth in the commission policies... [Health and Safety Code sections 130151(b)(8) and 130140 (d)(6)].”

Commission staff gathered information from other First 5 County Commissions to inform the update to the Executive Director range, revised the ranges based on the effects of the State minimum wage increase and subsequently adjusted the remaining ranges as a result. The Commission’s contracted HR firm reviewed and provided feedback.

Recommendation:

Table 1 below outlines the proposed updates to the Salary Schedule for 2025 to be made effective October 30 of this year. Changes include:

- Increase to the range for the Executive Director position, as required due to approved salary being outside the range
- Consolidate the range for Deputy Director & Director positions

- Changes to the Manager-level position as a result of State minimum wage increases
- Adjustment to Specialist position to reestablish the range above the California mandated fast food minimum wage

Table 1

CLASSIFICATION	POSITION	APPROVED 2024 RANGE	PROPOSED 2025 RANGE
Exempt	Executive Director	\$117,520 - \$142,080	\$117,520 - \$156,126
Exempt	[Executive] Deputy Director	\$98,200 - \$117,200	\$88,024 - \$116,515
Exempt	Director	\$84,160 - \$98,160	
Exempt	Manager	\$68,640 - \$83,560	\$70,304 - \$91,550
Non-Exempt	Specialist	\$36,344 - \$57,344	\$52,000 - \$67,580

Table 2

Year	Mandated Salary per CA Labor Code	
	<i>Non-Exempt</i>	<i>Exempt (two times the non-exempt rate)</i>
2025	\$16.50/hr	\$68,640
2026	\$16.90/hr	\$70,304

Fiscal Impact: While this item is not establishing specific salaries, any wage updates resulting from the state minimum wage requirements have been included within the 2025-2026 Approved Agency Budget – Salaries Expense line. Additionally, range updates will be incorporated in the construction of future budgets.

CONCLUSION:

Reviewing the Commission’s Salary Schedule regularly allows the opportunity for revisions and/or to incorporate any needed updates based on new regulations. If approved the revised salary schedule will be made effective as of October 30, 2025.

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

REGULAR BUSINESS MEETING

October 29, 2025 -12:00 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: Public Hearing -State Annual Report and Financial Audit Report for Fiscal Year 2024-2025

BACKGROUND:

Every fiscal year the Commission is required by statute to conduct a public hearing on its Audit Report and State Annual 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 (pg. 9) and Audit Report (pg. 24) will be available during the meeting, and subsequently will be available on the Commission's website.

The chair or designee 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 29, 2025 – 12:00 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: State Annual Report for Fiscal Year 2024-2025

RECOMMENDED ACTION:

Approve the State Annual Report for Fiscal Year 2024-2025.

BACKGROUND:

On an annual basis, on or before October 31st, the Commission is required to submit a State Annual Report (per Health and Safety Code section 130150) to the California Children and Families Commission (also known as First 5 California). The purpose of this report is to inform the status of the Commission's programmatic and strategic investments.

State Annual Report

Produced in accordance with State statute and guidelines, the State Annual Report focuses on the number of individuals who participated in activities within the First 5 California strategic initiatives. The report highlights the funding, service areas, and program models used to improve family functioning, child development, child health, and systems of care for children ages 0 to 5 years old 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 partnerships with community organizations that engage directly with families as well as systems-building efforts including, but not limited to public health nurse home visitation programs, access to group prenatal care within local clinics, trainings for child care providers and children receiving their Dolly Parton Imagination Library books in the mail.

Fiscal Impact: Approval of the State Annual Report for FY 2024-2025 will allow the Commission to continue receiving Proposition 10 funds in a timely manner from the California Children and Families Commission.

CONCLUSION:

If approved by the full Commission, staff will submit to First 5 California before the deadline, as required by legislation. In the event a county commission does not submit a State Annual Report, the California Children and Families Commission may withhold funds that otherwise would have been allocated to the county commission.



Annual Report AR-1
Fresno Revenue and Expenditure Summary
July 1, 2024 - June 30, 2025

Revenue Detail

Category	Amount
Tobacco Tax Funds	\$6,894,396
IMPACT Legacy	\$2,928,049
Small Population County Augmentation Funds	\$0
Home Visiting Coordination Funds	\$0
Other First 5 California Funds	\$0
Other First 5 California Funds Description	
Other Public Funds	\$86,509
Other Public Funds Description CECET Q1-Q3	
Donations	\$0
Revenue From Interest Earned	\$1,445,808
Grants	\$105,000
Grants Description Dollars from Blue Meridian Partners for Systems change work and data collecting incentive.	
Other Funds	\$145,045
Other Funds Hourly Room Use revenue and Tenant rental revenue	
Total Revenue	\$11,604,807

Improved Family Support

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Family Support	CBO/Non-Profit	- Abriendo Puertas - Five Protective Factors - Not Applicable (Effective Black Parenting Program, Just Beginnings, Parent Cafes and local models) - Playgroups	900	837	117	\$749,346
General Family Support	County Health & Human Services	Not Applicable (Neighborhood Resource Centers)	4123	0	0	\$200,000
General Family Support	Other Private/For Profit	Not Applicable ()	12	16	3	\$21,441
General Family Support	First 5 County Commission	Not Applicable (Community Learning Center)	0	0	0	\$298,247
Reason for no population served: numbers reported elsewhere						
Intensive Family Support	Resource and Referral Agency (COE or Non-Profit)	Nurturing Parenting Program	91	73	0	\$98,566
Intensive Family Support	CBO/Non-Profit	- Not Applicable () - Nurturing Parenting Program	533	500	21	\$410,689
Family Literacy and Book Programs	First 5 County Commission	Dolly Parton's Imagination Library	7881	0	0	\$2,777
Family Literacy and Book Programs	CBO/Non-Profit	Not Applicable ()	699	700	184	\$17,614
Total						\$1,798,680

Improved Child Development

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
Quality Early Learning and Care Supports	County Office of Education/School District	Quality Counts California	0	0	971	\$1,868,730
Quality Early Learning and Care Supports	Other Private/For Profit	Quality Counts California	0	0	80	\$64,165
Quality Early Learning and Care Supports	CBO/Non-Profit	Not Applicable (Building ACES Capacity for FCCH)	0	121	16	\$47,221
Quality Early Learning and Care Supports	Research/Consulting Firm	Quality Counts California	0	0	0	\$250,000
Reason for no population served: Data shared in other space						
Quality Early Learning and Care Supports	County Office of Education/School District	Quality Counts California	0	0	0	\$1,744,849
Reason for no population served: Clients reported by partners						
Quality Early Learning and Care Supports	First 5 County Commission	Quality Counts California	0	0	0	\$698,075
Reason for no population served: Partner Reported their own numbers						
Early Learning and Care Program Direct Costs	County Office of Education/School District	Preschool/Childcare	76	0	0	\$28,426
Total						\$4,701,466

Improved Child Health

Service	Grantee	Program(s)	Children	Caregivers	Providers	Unique Families	Amount
Early Intervention	County Office of Education/School District	• Care Coordination and Linkage	118	25	8	0	\$99,999
Early Intervention	First 5 County Commission	• Not Applicable ()	245	0	0	0	\$0
Early Intervention	CBO/Non-Profit	• Care Coordination and Linkage	62	56	0	0	\$78,548
Perinatal and Early Childhood Home Visiting	County Health & Human Services	• Local Model	269	255	18	297	\$878,654
Perinatal and Early Childhood Home Visiting	County Health & Human Services	• Local Model	194	47	4	186	\$384,928
Perinatal and Early Childhood Home Visiting	County Health & Human Services	• Nurse Family Partnership	39	50	0	54	\$208,688
Prenatal and Infant/Toddler Pediatric Support	CBO/Non-Profit	• Local Model	0	44	0	0	\$395,903
Prenatal and Infant/Toddler Pediatric Support	First 5 County Commission	• Local Model	0	0	0	0	\$5,430
Reason for no population served: Number of clients captured elsewhere							
Prenatal and Infant/Toddler Pediatric Support	Other Private/For Profit	• Not Applicable ()	0	0	0	0	\$22,885
Reason for no population served: activities were done to promote the group prenatal care program. No clients served							
Total							\$2,075,035

Improved Systems Of Care

Service	Grantee	Program(s)	Amount
Policy and Public Advocacy	First 5 County Commission	- Child Health - Resilient Families and Communities	\$80,671
Policy and Public Advocacy	Other Private/For Profit	Resilient Families and Communities	\$95,793
Systems Building	First 5 County Commission	- Family Resiliency - Health Systems	\$1,129,909
Systems Building	CBO/Non-Profit	- Family Resiliency - Health Systems	\$171,577
Total			\$1,477,950

Expenditure Details

Category	Amount
Program Expenditures	\$10,053,131
Administrative Expenditures	\$400,495
Evaluation Expenditures	\$401,278
Total Expenditures	\$10,854,904
Excess (Deficiency) Of Revenues Over (Under) Expenses	\$749,903

Other Financing Details

Category	Amount
Sale(s) of Capital Assets	\$0
Other	\$0
Total Other Financing Sources	\$0

Net Change in Fund Balance

Category	Amount
Fund Balance - Beginning	\$34,788,352
Fund Balance - Ending	\$35,538,255
Net Change In Fund Balance	\$749,903

Fiscal Year Fund Balance

Category	Amount
Nonspendable	\$26,031
Restricted	\$1,360,510
Committed	\$6,081,449
Assigned	\$28,640,125
Unassigned	\$0
Total Fund Balance	\$36,108,115

Expenditure Note

The assigned fund balance consists of funds that are future contract awards set aside by the Commission.

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Annual Report AR-2
Fresno Demographic Worksheet
July 1, 2024 - June 30, 2025

Population Served

Category	Number
Children Less than 3 Years Old	7,298
Children from 3rd to 6th Birthday	7,724
Children – Ages Unknown (birth to 6th Birthday)	185
Primary Caregivers	2,698
Providers	1,422
Total Population Served	19,327

Primary Language Spoken in Home

Category	Number of Children	Number of Primary Caregivers
English	10,007	1,549
Spanish	4,556	917
Other - Specify with text box Hmong, Indigenous Mexican, Punjabi, Mixteco, etc.	462	149
Unknown	163	68
Cantonese	12	5
Vietnamese	4	5
Mandarin	3	5
Totals	15,207	2,698

Race and/or Ethnicity of Population Served

Category	Number of Children	Number of Primary Caregivers
Unknown	8,172	78
Hispanic/Latino	5,103	1,742
Black/African-American	491	250
White	490	223
Two or more races	389	146
Asian	232	112
Other – Specify with text box Hmong, Middle Eastern, Filipino, etc.	307	116
Native Hawaiian or Other Pacific Islander	7	12
Alaska Native/American Indian	16	19
Totals	15,207	2,698

Duplication Assessment

Category	Data
Degree of Duplication	15%
Confidence in Data	Moderately confident
Additional Details (Optional)	

DRAFT



Annual Report AR-3

Fresno County Evaluation Summary and Highlights

July 1, 2024 - June 30, 2025

County Evaluation Summary

Evaluation Activities Completed, Findings, and Policy Impact

Fiscal Year 2024-25, marked the last year of F5FC's five-year strategic plan and corresponding evaluation framework, resulting in a final cumulative report. This report summarized key learnings and recommendations for each of F5FC's five core investment areas: Direct Service Programs (DS), African American Infant Mortality Prevention (AAIMP), Help Me Grow Fresno County (HMG), Lighthouse for Children (LFC) and Quality Counts California (QCC). A mixed methods approach was used to learn not only how well services/investments are meeting their intended needs and how they can be adapted for improvement, but also how and why they are having an impact. The evaluation approach was designed to be adaptable, ensuring that findings remained useful and relevant. The evaluation included several activities including: focus groups with caregivers and pregnant individuals, interviews with providers and partners, in-person and virtual action planning sessions with staff, data collection training and capacity building with partners, satisfaction and outcomes surveys with families, and review and analysis of data entered in First 5's database. The summaries below are based on the cumulative report:

DS: F5FC provided funding and support to community-based partners who provide health, early learning, and direct supports to families across the county. Programs experienced remarkable success, demonstrating the essential role of each program in supporting Fresno families by shifting practices to accommodate emerging needs, connecting them to critical resources during times of high uncertainty, and prioritizing the overall wellbeing and development of children in Fresno County. Recommended strategies and considerations include allowing programs to continue to be flexible in the ways they use resources to serve families and providing opportunities for organizations to network and partner across the system.

AAIMP: In response to the disproportionately high rates of infant mortality among Black/ African American families in Fresno County, F5FC invested in multiple initiatives to improve birth and health outcomes. Recommended strategies include: building relationships with organizations serving Black and African American communities and seeking authentic community input to develop community-led decision structures; engaging in ongoing topical education for First 5 staff; and developing an investment strategy around procurement and continued investment, asset/gap mapping, and continuation into strategic planning to inform future actions. FY2425 also marked the final year of F5FC's partnership in the EMBRACE Study with UCSF comparing two types of prenatal care models, including F5FC's Glow! Group Prenatal Care and Support Program.

HMG: HMG is a coordinated system of services and assistance available to families to support the healthiest development of young children. Findings from the evaluation showed that the supports needed most by families include a developmental assessment, developmental screenings, and speech therapy. In general, families shared that their experience using the HMG call line was helpful and they appreciated the support that the care coordinators provided. Families connected to early intervention services reported that their children have shown noticeable progress towards reaching developmental milestones. Recommendations include considering alternative and additional means of communication to families about the HMG call line and related resources, such as an app or other centralized sources of information, to keep caregivers informed about services available in Fresno County and building in more ways to access the centralized access point.

LFC: The F5FC owned and operated LFC facility is an innovative community resource hub, where families and early childhood professionals can access services, resources, and opportunities that aim to transform the first five years of a child's life. Recommendations to further the impact/accessibility of the LFC include exploring opportunities to expand access to childcare and to provide additional scholarship or no-cost access to low-income families at the LFC and building on the spirit of collaboration and partnership that fostered during the pandemic to take a cross-sector system level approach to child and family well-being.

QCC: The QCC investment area is a state-wide Quality Rating and Improvement System (QRIS) to assess, improve, and communicate the level of quality in early and school-age care and education programs. Providers participating in the QCC Early Stars program highlighted the impact of their participation on the quality of services they provide. Early Stars is noted as a key resource for improving the skills and knowledge of providers. In addition to enhancing ECE providers' ability to connect and serve children and families in Fresno County, Early Stars positively impacted ECE businesses by enhancing providers' visibility to the community, improving the quality of their services, and helping them build strong relationships with families. Recommendations to consider for continuous improvement include tailoring coaching sessions to increase the amount time ECE providers spend with their coach, offering workshops and trainings at more advanced levels for topics that providers want to more deeply understand, and providing tangible resources, such as funding to participate in the program itself, as well as funding to improve classrooms, especially for centers with less access to resources.

County Highlights

County Highlight

At First 5 Fresno County (F5FC) we believe it takes all of us working together to build a community where every family has the support they deserve. The following are examples of new ways we're working cross-sector to improve community outcomes through leveraged funding and intentional partnership. 1) This fiscal year, F5FC activated our nonprofit, Lighthouse for Children, Inc., and established community partnerships to launch Dolly Parton's Imagination Library (DPIL) in Fresno County. DPIL is a book gifting program aimed at providing young children with direct, universal access to free, age-appropriate books each month. In 2023, the governor signed legislation to expand DPIL across California – providing a cash match to local communities and the opportunity to leverage state funds to bring this early literacy program to local families. In January 2025, we secured \$400,000 to launch the program, and by the end of the fiscal year over 20,300 books were mailed to more than 7,800 children. 2) This past fall also marked the beginning of a new partnership with BLACK Wellness & Prosperity Center (BWPC). This Fresno-based organization is focused on improving Black maternal and infant health outcomes in the Central Valley where Black families experience disproportionality high rates of preterm birth and life-threatening childbirth complications. Among multiple unique initiatives, BWPC is building their on-site capacity to provide clinical prenatal care and birthing services. Through this partnership BWPC provides culturally affirming and evidence-informed group care for pregnant individuals. Group sessions are complemented with client-centered support, goal setting and referrals to help participants reduce stress, enhance life skills and build social support. In the future, BWPC will implement Glow! Group Prenatal Care and Support Program, a locally-enhanced group prenatal care model.

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

REGULAR BUSINESS MEETING

October 29, 2025 – 12:00 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: Financial Audit Report for Fiscal Year 2024-2025

RECOMMENDED ACTION:

Approve the Financial Audit Report for Fiscal Year 2024-2025.

BACKGROUND:

On October 16, 2025, the Finance and Program Review Committee approved this item for full commission consideration.

On an annual basis, on or before October 31st, the Commission is required to submit a Financial Audit 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 this report is to provide these entities with a detailed financial assessment of each county Commission.

Financial Audit Report

In accordance with Health and Safety Code section 130150, the Commission conducted an independent audit of and issued a written report on the implementation and performance of its functions of the fiscal year. 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.

Subsequent to public hearings and submission approval by the full Commission, the report will also be presented to the Fresno County Board of Supervisors Audit Committee as required by County of Fresno procedures to meet the requirements of ordinance. The FY 2024-2025 Financial Audit Report is included within the meeting packet. The Commission's contracted auditing firm issued an unmodified (clean) audit report.

Fiscal Impact: Approval of the Financial Audit for FY 2024-2025 will allow the Commission to continue receiving Proposition 10 funds in a timely manner from the California Children and Families Commission.

CONCLUSION:

If approved by the Commission, 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, 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, CA

Financial Statements

For the Year Ended June 30, 2025



PRICE PAIGE & COMPANY
Certified Public Accountants

TABLE OF CONTENTS

	PAGE
Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	17
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities.....	20
Notes to the Basic Financial Statements	22
Required Supplementary Information:	
Schedules of Revenues, Expenditures and Changes in Fund Balance (Budget to Actual):	
General Fund.....	39
Lighthouse Special Revenue Fund.....	40
Notes to the Required Supplementary Information	41
Other Supplementary Information	
Supplemental Schedule of First 5 California (F5CA) Funding	43

TABLE OF CONTENTS (Continued)

	PAGE
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 <i>Government Auditing Standards</i>	44
Independent Auditor’s Report on State Compliance	46
Findings and Questioned Costs:	
Schedule of Findings and Questioned Costs	50
Summary Schedule of Prior Audit Findings	51



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, 2025, 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, 2025, 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 2025, the Commission adopted new accounting guidance, *GASB Statement No. 101 – Compensated Absences*. 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.

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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 5-11 and 39-40 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 15, 2025, 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 the Commission's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
October 15, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

Management's Discussion and Analysis

June 30, 2025

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 to integrate and coordinate the 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.

Upon the passage of the Act on December 8, 1998, the Fresno County (the County) Board of Supervisors created the Children and Families Commission of Fresno County (the Commission). 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 2024-2025 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, 2025.

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 by partnering with, advocating for and investing in our community, the Commission is a catalyst for creating a seamless system of quality, accessible, services that support the well-being of every child and family.

Central to the Commission's mission are the strategic focus areas, outlined in the Commission's Strategic Plan, which aim to convert the Commission's commitment into action.

FINANCIAL HIGHLIGHTS

- During fiscal year 2024-2025, the Commission received Proposition 10 revenues of \$4.8 million from the State of California as revenues collected under the Children and Families Act, \$2.1 million in backfill dollars from Proposition 56, \$50k as part of the Surplus Money Investment Fund (SMIF) and received \$106k from the California Electronic Cigarette Excise Tax (CECET).
- The Commission disbursed approximately \$9.6 million to funded agencies and programmatic expenses in the reported period ending June 30, 2025.
- In fiscal year 2024-2025 alone, over \$6.8 million were committed by the Commission towards the agency's Strategic Plan, which will be disbursed in the subsequent fiscal years to fund its programmatic investments.

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, 2025

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

The Commission's total assets were approximately \$52.1 million at the end of the fiscal year. The majority of the Commission's assets, \$36.7 million, are in cash and investments followed by the Lighthouse for Children building valued at \$11.9 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 29. Another asset is the Commission's approximately \$881K receivable due from the State Commission for Proposition 10 and other tax-associated revenue (page 14). These receivables represent taxes remitted by the State but not received by the Commission as of June 30, 2025. The Commission also reports accounts payable of approximately \$2.9 million representing payments due on invoices.

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

	June 30, 2025	June 30, 2024	Change
ASSETS			
Cash and investments	\$ 36,718,583	\$ 35,011,191	\$ 1,707,392
Due from the State	881,494	1,007,826	(126,332)
Other receivables	1,671,236	2,130,931	(459,695)
Lease receivable	243,931	283,709	(39,778)
Prepaid assets	26,031	62,439	(36,408)
Capital assets, not being depreciated	676,530	676,530	-
Capital assets, net of accumulated depreciation	11,916,030	12,332,303	(416,273)
Total assets	52,133,835	51,504,929	628,906
LIABILITIES			
Current liabilities	2,911,971	3,314,939	(402,968)
Noncurrent liabilities	35,651	24,877	10,774
Total liabilities	2,947,622	3,339,816	(392,194)
DEFERRED INFLOWS OF RESOURCES			
Lease related	311,612	362,867	(51,255)
Total deferred inflows of resources	311,612	362,867	(51,255)
NET POSITION			
Net investment in capital assets	12,581,108	12,984,142	(403,034)
Restricted	1,643,376	1,503,029	140,347
Unrestricted	34,650,117	33,315,075	1,335,042
Total net position	\$ 48,874,601	\$ 47,802,246	\$ 1,072,355

In fiscal year 2024-2025, the Commission's net position increased by approximately \$1.1 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, 2025

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

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>
REVENUES			
Grants and contributions	\$ 10,319,920	\$ 11,235,631	\$ (915,711)
General revenues	<u>1,551,333</u>	<u>1,253,289</u>	<u>298,044</u>
Total revenue	<u>11,871,253</u>	<u>12,488,920</u>	<u>(617,667)</u>
EXPENSES			
Child development services	<u>10,798,898</u>	<u>10,402,452</u>	<u>396,446</u>
Total expenditures	<u>10,798,898</u>	<u>10,402,452</u>	<u>396,446</u>
Change in net position	<u>\$ 1,072,355</u>	<u>\$ 2,086,468</u>	<u>\$ (1,014,113)</u>

FINANCIAL ANALYSIS OF THE COMMISSION'S GOVERNMENTAL FUND

For the fiscal year, the Commission reported an ending total fund balance of 36,108,115, an increase of approximately \$1.3 million (see page 19).

Revenue and Expenditure Analysis – Governmental Funds

Total revenue consists of Proposition 10 funds, Proposition 56 and other tax-related funds, external grant revenues, investment earnings, and other revenues. As shown in the Governmental Fund Activities Comparison on the next page, there was a decrease in total revenues from approximately \$12.5 million, in the prior year, to \$11.9 million for the fiscal year 2024-2025. Program Revenues decreased, compared to the year ended June 30, 2024, by \$1.09 million. This includes Proposition 10 Revenue decreased by \$889K, from \$5.7 million in FY 2023-24 to \$4.8 million in FY 2024-25. Grant revenue from external sources such as First 5 California for IMPACT (Improve and Maximize Programs so All Children Thrive) efforts decreased slightly by \$60K. 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 on par with the prior year.

One example of program investments during the 2024-2025 fiscal year:

This fiscal year the Commission awarded \$700,000 for a new, multi-year partnership with BLACK Wellness & Prosperity Center (BWPC). This Fresno-based organization, BWPC, is focused on improving Black maternal and infant health outcomes in the Central Valley where Black families experience disproportionality high rates of preterm birth and life-threatening childbirth complications. Among their unique initiatives, BWPC is building their on-site capacity to provide clinical prenatal care and birthing services. Through this partnership with First 5 Fresno, BWPC provides culturally affirming and evidence-informed group care for pregnant individuals. Group care sessions are complemented with client-centered support, goal setting and referrals to help participants reduce stress, enhance life skills and build social support. This partnership is a branch off of the First 5 Fresno County Commission-funded Glow! Group Prenatal Care and Support Program (Glow!), a locally-enhanced group prenatal care model that has existed since 2017. In the future, BWPC will transition this partnership as an implementation of Glow!.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

Management's Discussion and Analysis

June 30, 2025

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

	June 30, 2025	June 30, 2024	Change
REVENUES			
Program revenues	\$ 7,049,963	\$ 8,142,728	\$ (1,092,765)
Grant revenues	3,135,737	3,092,903	42,834
Other revenue	155,544	208,463	(52,919)
Contributions	134,220	-	134,220
Investment earnings	<u>1,395,789</u>	<u>1,044,826</u>	<u>350,963</u>
Total revenues	<u>11,871,253</u>	<u>12,488,920</u>	<u>(617,667)</u>
EXPENDITURES			
Program services	9,552,471	9,000,895	551,576
Evaluation services	401,278	416,189	(14,911)
Administrative costs	410,754	512,659	(101,905)
Debt service	11,426	13,586	(2,160)
Capital outlay	<u>9,374</u>	<u>3,182</u>	<u>6,192</u>
Total expenditures	<u>10,385,303</u>	<u>9,946,511</u>	<u>438,792</u>
Change in fund balance	<u>\$ 1,485,950</u>	<u>\$ 2,542,409</u>	<u>\$ (1,056,459)</u>

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 2024-2025 as detailed in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual (shown on pages 39 and 40). In fiscal year 2024-2025, the Commission received actual revenues of \$11.9 million compared to the budgeted amount of \$10.7 million. In preparing the budget, the Commission considered variables such as declining tobacco consumption, the effects of changes in legislation on revenue, and market activity monitoring for investments. Actual total revenues were \$940K more than budgeted, which was mainly due to receiving more investment earnings than anticipated.

In fiscal year 2024-2025, actual expenditures were \$4.09 million less than budgeted due to the Commission awarding multi-year contracts with the budgeted dollars that will be spent in subsequent fiscal years and cost savings in the Commission's evaluation database.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

Management's Discussion and Analysis

June 30, 2025

CAPITAL ASSETS AND LONG-TERM DEBT

Capital assets of \$12.6 million (net of accumulated depreciation) are for the Lighthouse for Children facility and equipment, the Huron land and childcare facility, and associated equipment purchased. Details of net capital assets are as follows:

	Governmental Activities		Change
	June 30, 2025	June 30, 2024	
Capital assets not being depreciated	\$ 676,530	\$ 676,530	\$ -
Capital assets being depreciated	16,214,405	16,214,405	-
Accumulated depreciation and amortization	(4,298,375)	(3,882,102)	(416,273)
Total capital assets, net	<u>\$ 12,592,560</u>	<u>\$ 13,008,833</u>	<u>\$ 416,273</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 06/30/2024	Additions	Deletions	Balance 06/30/2025	Due within One Year
Governmental activities:					
Subscription liability	\$ 24,691	\$ -	\$ (13,239)	\$ 11,452	\$ 11,452
Compensated absences*	<u>31,497</u>	<u>10,561</u>	<u>-</u>	<u>42,058</u>	<u>6,407</u>
Total	<u>\$ 56,188</u>	<u>\$ 10,561</u>	<u>\$ (13,239)</u>	<u>\$ 53,510</u>	<u>\$ 17,859</u>

*The compensated absence activity shown in the table above is presented on a net change basis, as permitted by GASB Statement No. 101

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 committed to continued collaboration with community partners and to leveraging resources to maximize funds remains. Due to the ever reducing Proposition 10 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 2025-2030 Strategic Plan, the Commission synthesized existing community reports, evaluations and publishing to inform the foundation of the strategic plan. These 60 plus sourced resources were informed by community and data and became the starting point for framework of the strategic plan. The framework then included community engagement. The feedback received, complemented by the momentum of existing community efforts, formed the basis of the new 2025-2030 Strategic Plan which outlines the Commission's roles and areas of focus to address challenges our families are facing in responsive, collaborative, and innovative ways. The Commission's 2025-2030 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, 2025

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (Continued)

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

- Maternal, Child and Family Health – \$1.18 million
- Thriving Families – \$1.28 million
- Early Learning – \$1.27 million
- Systems Change – \$663k

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

Statement of Net Position

June 30, 2025

	Governmental Activities
ASSETS	
Cash and investments	\$ 36,718,583
Due from the State	881,494
Other receivables	1,671,236
Lease receivable	243,931
Prepaid assets	26,031
Capital assets not being depreciated	676,530
Capital assets, net	<u>11,916,030</u>
Total assets	<u>52,133,835</u>
LIABILITIES	
Current liabilities:	
Accounts payable	2,881,294
Accrued payroll and related taxes	12,818
Noncurrent liabilities:	
Due in one year:	
Compensated absences	6,407
Software subscription liabilities	11,452
Due in more than one year:	
Compensated absences	<u>35,651</u>
Total liabilities	<u>2,947,622</u>
DEFERRED INFLOWS OF RESOURCES	
Lease related	<u>311,612</u>
Total deferred inflows of resources	<u>311,612</u>
NET POSITION	
Net investment in capital assets	12,581,108
Restricted	1,643,376
Unrestricted	<u>34,650,117</u>
Total net position	<u>\$ 48,874,601</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, 2025

Functions/Programs	Expenses	Program Revenues	Changes in Net Position
		Operating Grants and Contributions	
Child development services	\$ 10,798,898	\$ 10,319,920	\$ (478,978)
Total governmental activities	<u>\$ 10,798,898</u>	<u>\$ 10,319,920</u>	<u>(478,978)</u>
General revenues:			
Interest and investment earnings			1,395,789
Miscellaneous income			<u>155,544</u>
Total general revenues			<u>1,551,333</u>
Change in net position			1,072,355
Net position - beginning			<u>47,802,246</u>
Net position - ending			<u>\$ 48,874,601</u>

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

FUND FINANCIAL STATEMENTS

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

Governmental Funds

Balance Sheet

June 30, 2025

	General Fund	Lighthouse Special Revenue Fund	Total
ASSETS			
Cash and investments	\$ 36,510,185	\$ 208,398	\$ 36,718,583
Due from the State	881,494	-	881,494
Other receivables	1,671,236	-	1,671,236
Lease receivable	243,931	-	243,931
Prepaid expenses	26,031	-	26,031
Total assets	<u>\$ 39,332,877</u>	<u>\$ 208,398</u>	<u>\$ 39,541,275</u>
LIABILITIES			
Accounts payable	\$ 2,881,294	\$ -	\$ 2,881,294
Accrued payroll and related taxes	12,818	-	12,818
Total liabilities	<u>2,894,112</u>	<u>-</u>	<u>2,894,112</u>
DEFERRED INFLOWS OF RESOURCES			
Lease related	311,612	-	311,612
Total deferred inflows of resources	<u>311,612</u>	<u>-</u>	<u>311,612</u>
FUND BALANCES			
Nonspendable	26,031	-	26,031
Restricted	1,496,468	146,908	1,643,376
Committed	6,081,449	-	6,081,449
Assigned	28,523,205	61,490	28,584,695
Total fund balances	<u>36,127,153</u>	<u>208,398</u>	<u>36,335,551</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 39,332,877</u>	<u>\$ 208,398</u>	<u>\$ 39,541,275</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 Funds Balance Sheet to the Government-Wide Statement of Net Position

For the Year Ended June 30, 2025

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

Total fund balances - governmental funds	\$ 36,335,551
Capital assets of \$16,890,935 net of accumulated depreciation/amortization of \$4,298,375, used in governmental activities are not current financial resources; therefore, they are not reported in the governmental funds.	12,592,560
Compensated absences liability is not due in the current period and, therefore, is not included in the governmental funds.	(42,058)
Software subscription liabilities are not due in the current period and, therefore, are not included in the governmental funds.	<u>(11,452)</u>
Total net position - governmental activities	<u>\$ 48,874,601</u>

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2025

	General Fund	Lighthouse Special Revenue Fund	Total
REVENUES			
Proposition 10 taxes	\$ 4,797,846	\$ -	\$ 4,797,846
Proposition 56 taxes	2,096,550	-	2,096,550
Other tax revenue	155,567	-	155,567
Grant revenue	3,033,049	102,688	3,135,737
Other revenue	145,044	10,500	155,544
Contributions	-	134,220	134,220
Investment earnings	1,395,789	-	1,395,789
	<u>11,623,845</u>	<u>247,408</u>	<u>11,871,253</u>
EXPENDITURES			
Current:			
Program services	9,462,471	90,000	9,552,471
Evaluation services	401,278	-	401,278
Administrative costs	400,495	10,259	410,754
Debt service:			
Principal	11,155	-	11,155
Interest	271	-	271
Capital outlay	9,374	-	9,374
	<u>10,285,044</u>	<u>100,259</u>	<u>10,385,303</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,338,801</u>	<u>147,149</u>	<u>1,485,950</u>
Net change in fund balances	1,338,801	147,149	1,485,950
Fund balances - beginning	<u>34,788,352</u>	<u>61,249</u>	<u>34,849,601</u>
Fund balances - ending	<u>\$ 36,127,153</u>	<u>\$ 208,398</u>	<u>\$ 36,335,551</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 Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2025

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

Net change in fund balances - governmental funds	\$	1,485,950
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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 and amortization expense. This is the amount by which depreciation expense and amortization exceeded capital outlays in the current period.	(416,274)
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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.	(10,560)
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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>13,239</u>
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Change in net position - governmental activities	\$	<u><u>1,072,355</u></u>
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NOTES TO THE BASIC FINANCIAL STATEMENTS

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

Notes to the Basic Financial Statements

June 30, 2025

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 California 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 Commission; 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.

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 balances) 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 90 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 all financial resources of the entity, except those required to be accounted for in another fund, including those services provided 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.

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 Generally Accepted Accounting Principles (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, repurchase 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, 2025, management considered all accounts to be fully collectible and, therefore, no allowance was recorded in the accompanying financial statements.

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 of which it owns. 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 for lease-related receivables and deferred inflows. More information on the leases held can be found 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 and amortization 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 Arrangement	2-5 years

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. Payments made on the SBITA liability are reported as debt service expenditures within the Statement of Revenues, Expenditures and Changes in Fund Balances.

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 be found in Note 9.

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. In the basic financial statements, these amounts are referred to as compensated absences. The measurement of compensated absences includes salary-related payments such as the employer portion of social security and Medicare taxes.

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 governmental fund financial statements, a liability for these payment in lieu 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, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 amortization 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.

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.

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 Pronouncement Adopted

Governmental Accounting Standards Board Statement No. 101

For the year ended June 30, 2025, the Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB Statement No. 101 establishes uniform accounting and financial reporting requirements for the recognition and measurement of compensated absences. These changes were incorporated in the Commission's June 30, 2025, financial statements and had no effect on the beginning net position of the General Fund.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

Notes to the Basic Financial Statements

June 30, 2025

NOTE 3 – CASH AND INVESTMENTS

Cash and investments consisted of the following as of June 30, 2025:

Cash in banks	\$ 3,302,504
Investments	<u>33,416,079</u>
Total cash and investments	<u>\$ 36,718,583</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 the General Authorization section 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, 2025

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	\$ 7,235,382	\$ 96,956	\$ 1,815,930	\$ 5,322,496
Federal Agency Mortgage Backed Securities	1,692,106	-	494,902	1,197,204
Corporate Notes	2,213,819	-	719,152	1,494,667
Asset-Backed Securities	1,260,849	-	98,540	1,162,309
Money Market Mutual Funds	40,168	40,168	-	-
County Pooled Investments Funds	20,973,755	20,973,755	-	-
Total	<u>\$ 33,416,079</u>	<u>\$ 21,110,879</u>	<u>\$ 3,128,524</u>	<u>\$ 9,176,676</u>

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, 2025.

Investment Type	Fair Value	Minimum Legal Rating	Rating as of Year-End										
			AAA	AA+	AA	AA-	A+	A	A-	A-1+	BBB+**	Not Rated**	
U.S. Treasuries	\$ 7,235,382	N/A	\$ -	\$ 7,235,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Federal Agency Mortgage Backed Securities	1,692,106	N/A	-	1,692,106	-	-	-	-	-	-	-	-	
Corporate Notes	2,213,819	A-	15,252	-	75,380	255,233	511,928	454,030	701,814	-	200,182	-	
Asset-Backed Securities	1,260,849	AA-	1,065,428	-	-	-	-	-	-	-	-	195,421	
Money Market Mutual Funds	40,168	AAA	40,168	-	-	-	-	-	-	-	-	-	
County Pooled Investments Funds	20,973,755	N/A	-	-	-	-	-	-	-	-	-	20,973,755	
Total	\$ 33,416,079		\$ 1,120,848	\$ 8,927,488	\$ 75,380	\$ 255,233	\$ 511,928	\$ 454,030	\$ 701,814	\$ -	\$ 200,182	\$ 21,169,176	

**Securities, not including the County Pooled Investment Funds, rated "BBB+" or "Not Rated" by S&P are rated "A-" (or the equivalent) or higher by Moody's and/or Fitch.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

Notes to the Basic Financial Statements

June 30, 2025

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:

Issuer	Investment Type	Reported Amount	% of Total Investments
U.S. Treasuries	Treasury Securities	\$ 7,235,382	21.7%
Federal Home Loan Mortgage Corp.	Federal Agency Securities	\$ 1,692,106	5.1%

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 Commission has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

The carrying amounts of the Commission's cash deposits totaled \$3,302,504 at June 30, 2025. Bank balances were \$3,534,034, the total amount of which was insured and/or collateralized with securities held by the pledging financial institutions, but not in the Commission's name.

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, 2025

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, 2025, in valuing the Commission's assets carried at fair value:

Investments by Fair Value Level	Total	Level 1	Level 2	Level 3
U.S. Treasuries	\$ 7,235,382	\$ -	\$ 7,235,382	\$ -
Federal Agency Mortgage Backed Securities	1,692,106	-	1,692,106	-
Corporate Notes	2,213,819	-	2,213,819	-
Asset-Backed Securities	<u>1,260,849</u>	<u>-</u>	<u>1,260,849</u>	<u>-</u>
Total investments measured by fair value	12,402,156	<u>\$ -</u>	<u>\$ 12,402,156</u>	<u>\$ -</u>
Investments not subject to fair value hierarchy:				
Money Market Mutual Funds	40,168			
County Pooled Investments Funds	<u>20,973,755</u>			
Total investments	<u>\$ 33,416,079</u>			

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

Notes to the Basic Financial Statements

June 30, 2025

NOTE 5 – RECEIVABLES

Accounts receivable as of June 30, 2025, consisted of intergovernmental grants, entitlements, state apportionments and local sources. All receivables, other than lease receivable, consisted of the following:

State government:

Proposition 10	\$	785,574
Surplus Money Investment Fund		50,019
Other State taxes		<u>45,901</u>
Total State government		<u>881,494</u>

Other receivables:

Grant receivables		1,508,392
Interest receivables		<u>162,844</u>
Total other receivables		<u>1,671,236</u>

Total receivables	\$	<u><u>2,552,730</u></u>
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NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025 was as follows:

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Capital assets not being depreciated:				
Land	\$ 676,530	\$ -	\$ -	\$ 676,530
Total capital assets not being depreciated/amortized	<u>676,530</u>	<u>-</u>	<u>-</u>	<u>676,530</u>
Capital assets being depreciated/amortized:				
Equipment	31,191	-	-	31,191
Buildings and improvements	16,131,643	-	-	16,131,643
Intangible right-to-use software arrangements	<u>51,571</u>	<u>-</u>	<u>-</u>	<u>51,571</u>
Total capital assets being depreciated/amortized	<u>16,214,405</u>	<u>-</u>	<u>-</u>	<u>16,214,405</u>
Less accumulated depreciation/amortization:				
Equipment	(31,102)	(89)	-	(31,191)
Buildings and improvements	(3,825,215)	(403,291)	-	(4,228,506)
Intangible right-to-use software arrangements	<u>(25,785)</u>	<u>(12,893)</u>	<u>-</u>	<u>(38,678)</u>
Total accumulated depreciation/amortization	<u>(3,882,102)</u>	<u>(416,273)</u>	<u>-</u>	<u>(4,298,375)</u>
Total capital assets being depreciated/amortized, net	<u>12,332,303</u>	<u>(416,273)</u>	<u>-</u>	<u>11,916,030</u>
Total capital assets, net	<u>\$ 13,008,833</u>	<u>\$ (416,273)</u>	<u>\$ -</u>	<u>\$ 12,592,560</u>

Depreciation/amortization expense for the year ended June 30, 2025 was \$416,273.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

Notes to the Basic Financial Statements

June 30, 2025

NOTE 7 – LEASES

The Commission reported Leases Receivable of \$243,931 as of June 30, 2025, including \$40,924 in lease revenues and \$2,404 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. 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.

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	\$ 243,931	\$ 40,924	\$ 2,404
Total	<u>\$ 243,931</u>	<u>\$ 40,924</u>	<u>\$ 2,404</u>

Future lease principal and interest payments due to the Commission under non-cancellable agreements are as follows for the years ending June 30, 2025:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 39,746	\$ 2,032
2027	40,106	1,672
2028	40,468	1,310
2029	40,834	944
2030	41,203	575
2031	<u>41,574</u>	<u>203</u>
Total	<u>\$ 243,931</u>	<u>\$ 6,736</u>

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

Notes to the Basic Financial Statements

June 30, 2025

NOTE 8 – ACCOUNTS PAYABLE

Accounts payable consisted of the following as of June 30, 2025:

Program grantees and expenses	\$ 2,859,056
Vendors	<u>22,238</u>
Total	<u>\$ 2,881,294</u>

NOTE 9 – LONG-TERM OBLIGATIONS

Long term obligations activity for the year ended June 30, 2025 was as follows:

	Balance 06/30/2024	Additions	Deletions	Balance 06/30/2025	Due within One Year
Governmental activities:					
Subscription liability	\$ 24,691	\$ -	\$ (13,239)	\$ 11,452	\$ 11,452
Compensated absences*	<u>31,497</u>	<u>10,561</u>	<u>-</u>	<u>42,058</u>	<u>6,407</u>
Total	<u>\$ 56,188</u>	<u>\$ 10,561</u>	<u>\$ (13,239)</u>	<u>\$ 53,510</u>	<u>\$ 17,859</u>

**The compensated absence activity shown in the table above is presented on a net change basis, as permitted by GASB Statement No. 101*

A. Compensated Absences – Governmental Activities

Compensated absences, which combines vacation and sick leave benefits into a single PTO bank account, amounted to \$42,058 at June 30, 2025.

B. Subscription Liabilities

The Commission has one software arrangement that requires recognition under GASB No. 96. The Commission recognizes subscription-based information technology arrangement (SBITA) liabilities and intangible right-to-use software arrangement assets for an accounting software. The software amortization expense is included within expenditures on the Statement of Activities related to the Commission's SBITA, 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.

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

<u>SBITA - 5 year schedule</u>		
Fiscal Year Ended June 30	Principal	Interest
2026	<u>\$ 11,452</u>	<u>\$ 23</u>
Total	<u>\$ 11,452</u>	<u>\$ 23</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. 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, 2025, the Commission made contributions to the Plan of \$79,380.

The Commission also offers its employees a deferred compensation plan created in accordance with IRC Section 457 and administered through MissionSquare Retirement. 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.

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, 2025 is as follows:

Nonspendable:	
Prepaid vendor	\$ 26,031
Restricted:	
Outside grant funding	1,496,468
Special revenue fund	146,908
Committed:	
Awarded and unpaid grants	6,081,449
Assigned:	
First 5 initiatives	28,523,205
Lighthouse Special Revenue Fund	<u>61,490</u>
Total fund balance	<u>\$ 36,335,551</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 \$401,278 on program evaluation during the fiscal year ended June 30, 2025.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

Notes to the Basic Financial Statements

June 30, 2025

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, 2025, was \$7,049,963, or 60.7%, 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.

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, 2025, the Commission's remaining obligations to grantees of \$6,081,449 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, 2025, through the date the financial statements were available to be issued at October 15, 2025 that would require disclosure or adjustment.

REQUIRED SUPPLEMENTARY INFORMATION

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget to Actual)

General Fund

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Proposition 10 taxes	\$ 4,731,196	\$ 4,731,196	\$ 4,797,846	\$ 66,650
Proposition 56 taxes	1,946,063	1,946,063	2,096,550	150,487
Other tax revenue	-	-	155,567	155,567
Grant revenue	559,250	3,388,228	3,033,049	(355,179)
Other revenue	104,741	104,741	145,044	40,303
Investment earnings	513,510	513,510	1,395,789	882,279
Total revenues	7,854,760	10,683,738	11,623,845	940,107
EXPENDITURES				
Salaries and employee benefits	1,140,165	1,181,013	1,116,678	64,335
Services and supplies	474,381	567,469	428,787	138,682
Evaluation services	450,000	1,610,000	401,278	1,208,722
Grant expenditures	6,008,210	10,948,032	8,317,501	2,630,531
Debt service:				
Principal	53,070	54,967	11,155	43,812
Interest	-	-	271	(271)
Capital outlay	19,000	19,000	9,374	9,626
Total expenditures	8,144,826	14,380,481	10,285,044	4,095,437
Excess (deficiency) of revenues over				
(under) expenditures	(290,066)	(3,696,743)	1,338,801	5,035,544
Net change in fund balance				
	<u>\$ (290,066)</u>	<u>\$ (3,696,743)</u>	1,338,801	<u>\$ 5,035,544</u>
Fund balance - beginning			34,788,352	
Fund balance - ending			\$ 36,127,153	

The Notes to the Required Supplementary Information are an integral part of this statement.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget to Actual)

Lighthouse Special Revenue Fund

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grant revenue	\$ -	\$ -	\$ 102,688	\$ 102,688
Other revenue	-	-	10,500	10,500
Contributions	-	-	134,220	134,220
Total revenues	-	-	247,408	247,408
EXPENDITURES				
Insurance and tax expense	570	570	4,033	(3,463)
Professional services expense	6,194	6,194	6,226	(32)
Grant expense	-	-	90,000	(90,000)
Total expenditures	6,764	6,764	100,259	(93,495)
Excess (deficiency) of revenues over (under) expenditures	(6,764)	(6,764)	147,149	153,913
Net change in fund balance	<u>\$ (6,764)</u>	<u>\$ (6,764)</u>	147,149	<u>\$ 153,913</u>
Fund balance - beginning			61,249	
Fund balance - ending			<u>\$ 208,398</u>	

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.

Beginning in early May, the Director of Business (the Director) works with Commission staff to identify needs for the upcoming year and where funds should be applied. On or prior to the June Commission Meeting, the Director presents the upcoming fiscal year’s proposed budget to the First 5 Commissioners for review. The Commissioners provide feedback, if any, and the Director updates accordingly. The final approved budget is then uploaded to the F5FC website in a timely manner.

The Commission’s budgeted expenditures are broken down into two categories, operating expenses and strategic plan investment expenses. The categories are further broken down within the approved budget by program area. The revenue estimates are created based on communications with First 5 California, historical increases/decreases and any changes in legislation that may affect the Commission.

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, 2025:

Debt service:		
Interest	\$	271

The Lighthouse Special Revenue Fund incurred expenditures in excess of appropriations for the following amounts for the year ended June 30, 2025.

Insurance and tax expense	\$	3,463
Professional services expense		32
Grant expense		90,000

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, 2025

PROGRAM OR PROJECT TITLE		REVENUE F5CA	EXPENDITURES	CHANGE IN NET POSITION	NET POSITION BEG OF YEAR	NET POSITION END OF YEAR
First 5 CA Program	IMPACT Hub Program Funds	\$ 2,928,049	\$ 2,928,049	\$ -	\$ 501	\$ 501
TOTAL F5CA FUNDS		\$ 2,928,049	\$ 2,928,049	\$ -	\$ 501	\$ 501



**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, 2025, 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 15, 2025.

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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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 15, 2025



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER 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 (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, 2025.

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, 2025.

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.

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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, *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:

Description	Audit Guide Procedures	Procedures Performed
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.

Report on 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 15, 2025

FINDINGS AND QUESTIONED COSTS

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, 2025

FINANCIAL STATEMENT FINDINGS

None reported.

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

REGULAR BUSINESS MEETING

October 29, 2025 – 12:00 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: Executive Director's Report

This report intends to keep the Commission informed of the Executive Director's local and statewide activities and involvement that further the vision and mission of the Commission and are in support of strengthening our early childhood systems of care.

Local and Statewide Involvement in Early Childhood Efforts

During the months of September and October there were a variety of opportunities to share about the work we do, in partnership with others, to support families raising children in Fresno County. We have also been involved in bringing awareness about Early Matters Fresno – the coalition of early childhood organizations coming together to collaborate, share evidence, and streamline community supports for young families for which First 5 Fresno County serves as the backbone entity. Below are brief highlights of relevant efforts and events that staff and I were a part of in the last two months:

- On September 11th, Supervisor Chavez in partnership with Fresno City Councilmember Analisa Perea co-hosted a community Town Hall meeting where the County Administrative Officer and some Fresno County departments representatives shared their priorities and if/how recent state and federal budget cuts may impact the community. I had the opportunity to give an overview of the partnerships First 5 Fresno County funds with community organizations and other institutions focused on supporting families with young children.
- On September 16th – 18th, Commission staff participated in StriveTogether's Cradle to Career Network 3-day Convening in Atlanta, Georgia. This convening brings the power of a national movement for connecting, learning and creating long-lasting systems change. In our role as a systems change agency, this was an opportunity for staff to gain understanding and learn from other communities working on improving the system of care for families and children as well as collective impact initiatives.
- The Early Matters Fresno Coalition hosted a first Legislative and Funder Roundtable bringing together local elected officials and funders on October 2nd to share more about the coalition's focus and explore continued opportunities for partnership. We had close to ten representatives attend including our Commission Chair, Supervisor Luis Chavez.

Key insights shared during the roundtable included:

- For over a decade, Early Matters Fresno, as a coalition, has steadily gained traction and is ready for increased investment.

- Investing in the early years is critical in setting families raising young children on a positive trajectory and is a more cost-effective way to deploy resources.
- Legislators can work with philanthropic partners to braid funding and address disparities intentionally and specifically.
- On October 7th, Fresno DRIVE celebrating it's 5th year and I participated on the "People, Place and Prosperity" panel representing the efforts in our community focused on early childhood supports connected to Fresno DRIVE through the Early Matters Fresno coalition. During the conversation I shared about how early childhood supports are critical to a thriving, prosperous community.
- Through our partnership with Fresno Cradle to Career, I participated in the 4th Annual Power of Place Conference in San Diego, CA on October 15th – 17th. This convening of leaders in the field of place-based partnerships is hosted by William Julius Wilson Institute at Harlem Children's Zone. This year's theme was Pathways to Mobility and brought together practitioners, funders, systems leaders, public officials, and others dedicated to ending intergenerational poverty and expanding opportunity for children and families.
- On October 20th – 21st staff and I attended the California Black Birth Equity Summit, one of the largest gatherings in California dedicated to advancing Black birth equity and justice. Each Summit brings together hundreds of birth equity leaders, policy and government officials, public health professionals, philanthropists, clinicians, midwives, birthworkers, researchers, and advocates to raise awareness, build capacity, deepen collaboration, and highlight sustainable strategies to support healthy and thriving Black families. This year, we were invited to be a co-presenter on the preliminary findings from the Engaging Mothers and Babies; Reimagining Antenatal Care for Everyone (EMBRACE) Study. Kendalyn Mack-Franklin on our team also presented on her research pertaining to demanding physical labor and African American preterm birth rates.

Children and Families Policy Update

Listed below are some noteworthy bills signed into law by Governor Newsom during the most recent legislative session affecting young children and their families.

- **Freedom to Birth Act (AB 55 - Bonta):** Expands access to alternative birth centers by removing the requirement for them to be Comprehensive Perinatal Service Providers and making it easier for them to become licensed and receive Medi-Cal reimbursement
- **Family Preparedness Plan Act (AB 495 - C. Rodriguez):** Strengthens family stability, parental rights and family preparedness in moments of crisis with guardianship options, child care protections, and school warrant requirements.
- **CalWORKs: Home Visiting Program (AB 607 - C. Rodriguez):** Expands the CalWORKs Home Visiting support for young children by extending the duration of the program for families, allowing them to receive services for the full length of the program model (typically 3-5 years) instead of being limited by previous timeframes.
- **Immigration: Immigrant Youth: Access to Legal Counsel (AB 1261 - Bonta):** Expands access to legal counsel for unaccompanied immigrant minors and other immigrant youth in the state who are in federal immigration removal proceedings.
- **Paid Family Leave: Eligibility: Care For Designated Persons (SB 590 - Durazo):** Expands California's paid family leave program to include individuals who take time off to care for a "designated person" who is not a legally or biologically related family member

- **Rural Hospitals: Standby Perinatal Services (SB 669 – McGuire):** Creates a 10-year pilot for up to 5 rural hospitals to expand maternity care by allowing qualified hospitals to offer "standby" perinatal services, improving access to care for women and babies in underserved communities.
- **Migrant Childcare and Development Programs (SB 778 – Limón):** Expands access to migrant childcare and development programs by updating the eligibility requirements such as revised income requirement, flexible documentation and allowing for self-certification.
- **Childcare (SB 792 – Arreguin):** Expands access to child care by revising CalWORKs income eligibility and strengthening provider stability.

Administrative Agreements and Renewals

Pursuant to the Commission's Accounting Policies and Procedures, which grant the Executive Director the authority to "execute operating contracts that are administrative in nature and affect the day-to-day operations of the Commission (no dollar limit)" and, "to renew agreements within the originally approved term, including its approved renewal period, and within the approved contract amount without additional Commission approval," the following agreements will be renewed based on satisfactory performance:

Early Matters Fresno – Collective Impact Consulting Contract

Agency: Matterlab

Amount: \$10,000

Budget Line Item: Innovation & Learning Expense

Term: July 1, 2025 – June 30, 2026

Lighthouse for Children Exterior Window Cleaning

Agency: Crown Window Cleaning & Building Services, Inc.

Amount: \$3,370

Budget Line Item: Proportionate split- Operating – Overhead Expense, Community Learning Center, Quality Rating & Improvement System (QRIS)

Term: One-time service

Lighthouse for Children Facility – Solar Panel Protecting Bird Netting

Agency: Proctor Pest Management Inc

Amount: \$19,000

Budget Line Item: Proportionate split- Operating – Overhead Expense, Community Learning Center, Quality Rating & Improvement System (QRIS)

Term: One-time service