

FIRST 5 FRESNO COUNTY

ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY FINANCE AND PROGRAM REVIEW COMMITTEE

DATE: Friday, October 16, 2026

Lighthouse for Children

2405 Tulare Street

TIME: 3:30 p.m.

Fresno, CA 93721

This meeting will be broadcasted to the public using the following link:

<https://us06web.zoom.us/j/83257859217?pwd=IMlFnjhSWO3x9wipnsYAufFD32ucpB.1>

Meeting ID: 832 5785 9217 | **Passcode:** 253598

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	S. Holt, Committee Chair
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.	S. Holt, Committee Chair
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 the agenda. Limit two minutes per speaker.	S. Holt, Committee Chair
4. Action Pg. 1	AUGUST 14, 2026 COMMITTEE MEETING MINUTES	F. González, E.D.
5. Action Pg. 3	FINANCIAL AUDIT REPORT FOR FISCAL YEAR 2025-2026 Supporting Document	F. González, E.D. A. Hillis, Staff
6. Action Pg. 53	STATE ANNUAL REPORT FOR FISCAL YEAR 2025-2026 Supporting Document	F. González, E.D. A. Hensley, Staff
7. Information	ANNOUNCEMENTS/INFORMATION SHARING	S. Holt, Committee Chair
8.	ADJOURNMENT	S. Holt, Committee Chair
<u>NOTE:</u>	NEXT COMMITTEE MEETING – DECEMBER 1, 2026	2405 Tulare St. Fresno, CA 93721

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

FINANCE AND PROGRAM REVIEW COMMITTEE MEETING

October 16, 2026 – 3:30 p.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 4

RECOMMENDED ACTION:

Approve the August 14, 2026, Finance and Program Review Committee Meeting Minutes.

ACTION SUMMARY MINUTES

May 29, 2026 – 3:30 p.m.

Present: Suan Holt, Erika Martinez, Hugo Morales

Absent: None.

Staff: Fabiola González, Angela Barrett, Alix Hillis, Denise Sahatdjian, Hannah Norman, Lupita Ramirez, Karen Rangel, Liliana Salcedo, Navdeep Singh

1. CALL TO ORDER – 3:32 p.m.

2. POTENTIAL CONFLICTS OF INTEREST

None heard.

3. PUBLIC COMMENT

None heard.

4. MAY 29, 2026 COMMITTEE MEETING MINUTES

The Committee approved the minutes from the May 29, 2026 Committee Meeting.

Public Comment: None heard.

Motion: Morales Second by: Martinez

Ayes: Holt, Martinez, Morales

Noes: None heard

5. FUNDED PARTNER MANUAL FOR PROGRAMMATIC AGREEMENTS

Commissioner Holt recommended that staff consider putting additional guardrails in place, such as spot checks or contacting families to ensure that any families identified as stipend recipients are actually in receipt of such stipend.

The Committee approved, for full Commission consideration, the updated Funded Partner Manual for programmatic agreements.

Public Comment: None heard.

Motion: Morales Second by: Martinez

Ayes: Holt, Martinez, Morales

Noes: None heard

6. COMMUNITY EVENT SPONSORSHIP GUIDELINES

The Committee approved, for full Commission consideration, revisions to the Community Event Sponsorship Guidelines.

Public Comment: None heard.

Motion: Morales Second by: Martinez

Ayes: Holt, Martinez, Morales

Noes: None heard

7. ACCEPTANCE OF FUNDS FROM THE CITY OF FRESNO FOR A CHILD CARE PILOT

The Committee approved, for full Commission consideration, the acceptance of approximately \$2 million from the City of Fresno for First 5 Fresno County to serve as the Fiscal Lead Agency to launch and administer a Child Care Pilot to help increase access to affordable, quality child care while strengthening the local workforce and economy.

Public Comment: None heard.

Motion: Martinez Second by: Morales

Ayes: Holt, Martinez, Morales

Noes: None heard

8. ANNOUNCEMENTS/INFORMATION SHARING

Commissioner Holt shared that she would be absent from the August Commission Meeting.

Fabiola González, Executive Director, welcomed Angela Barrett, our new Operations Manager primarily responsible to lead and support with our facility-related operations as well as the general business and administrative needs of the agency and the Lighthouse for Children facility.

9. ADJOURNMENT – 4:07 P.M.

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

FINANCE AND PROGRAM REVIEW COMMITTEE MEETING

October 16, 2026 – 3:30 p.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 5

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Financial Audit Report for Fiscal Year 2025-2026

RECOMMENDED ACTION:

Approve, for full Commission consideration, the Financial Audit Report for Fiscal Year 2025-2026.

BACKGROUND:

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 inform the appropriate stakeholders on the status of the programmatic and strategic investments, as well as provide a detailed financial assessment of each county Commission.

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 2025-2026 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 2025-2026 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 Committee and full 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**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2026**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinion

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, 2026, 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, 2026, 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 Opinion

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.

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.

Auditors' 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 3-9 and 31-34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

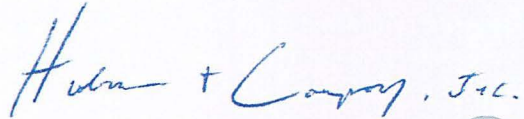
Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2026, 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 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 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.

HUDSON & COMPANY, INC.

A handwritten signature in blue ink that reads "Hudson + Company, Inc." with a stylized flourish at the end.

Fresno, California
October 16, 2026

FY2025-26 Children & Families Commission of Fresno County Management's Discussion & Analysis

I. ABOUT THE CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY

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.

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.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

This report contains a discussion of key program, management, financial, and performance information for fiscal year 2025-2026 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, 2026.

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.

Report Structure

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: 1) government-wide financial statements, the first two statements, that provide both short-term and long-term information about the Commission's overall financial position; and 2) fund financial statements, the rest of the financial statements, which focus on reporting the individual parts of the Commission's operations in more detail.

The 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.

1. 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., 2405 Tulare Street, Fresno, California 93721.

2. 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.

III. FINANCIAL HIGHLIGHTS

- During fiscal year 2025-2026, the Commission received Proposition 10 revenues of \$4.9 million from the State of California as revenues collected under the Children and Families Act, \$1.8 million in backfill dollars from Proposition 56, \$45K as part of the Surplus Money Investment Fund (SMIF) and received \$67K from the California Electronic Cigarette Excise Tax (CECET).
- The Commission disbursed approximately \$9.2 million to funded agencies and programmatic expenses in the reported period ending June 30, 2026.
- As of fiscal year 2025-2026, over \$8.9 million are committed by the Commission towards the agency's Strategic Plan, which will be disbursed in the subsequent fiscal years to fund its programmatic investments.

IV. DETAILED FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

The Commission's total assets were approximately \$51.9 million at the end of the fiscal year. The majority of the Commission's assets are in cash and investments with the remainder being the Commission-owned Lighthouse for Children building valued at \$11.1 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 held in the County Treasury 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 24. Another asset is the Commission's approximately \$459k receivable due from the State Commission for Proposition 10 and other tax-associated revenue. These receivables represent taxes remitted by the State but not received by the Commission as of June 30, 2026. The Commission also reports accounts payable of approximately \$2.8 million representing payments due on invoices.

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

	Governmental Activities		Change
	June 30, 2026	June 30, 2025	
Assets			
Current and other assets	\$ 40,167,793	\$ 39,541,275	\$ 626,518
Capital assets, net	<u>11,774,817</u>	<u>12,592,560</u>	<u>(817,743)</u>
Total Assets	51,942,610	52,133,835	(191,225)
Liabilities			
Long-term liabilities	85,897	35,651	50,246
Other liabilities	<u>2,885,414</u>	<u>2,911,971</u>	<u>(26,557)</u>
Total Liabilities	2,971,311	2,947,622	23,689
Deferred inflows of resources	284,212	311,612	(27,400)
Net Position			
Net investment in capital assets	11,711,539	12,581,108	(869,569)
Restricted	35,389,390	1,643,376	33,746,014
Unrestricted	<u>1,586,158</u>	<u>34,650,117</u>	<u>(33,063,959)</u>
Total Net Position	<u>\$ 48,687,087</u>	<u>\$ 48,874,601</u>	<u>\$ (187,514)</u>

In fiscal year 2025-2026, the Commission's net position decreased slightly by \$188K, as seen above. The decrease was due to the depreciation of the Commission-owned Lighthouse for Children building compared to prior year.

FINANCIAL ANALYSIS OF THE COMMISSION'S GOVERNMENTAL FUND

For the fiscal year June 30, 2026, the Commission reported an ending total fund balance for the General Fund of \$36,814,317, an increase of \$687K due to a decrease in expenditures compared to the prior year made up of cost savings in administrative and evaluation expenses and due to the Commission awarding dollars received but not spent for contracts that will be disbursed in future fiscal years.

	General Fund		Lighthouse Special Revenue Fund		Total Change
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	
Revenues					
Proposition 10 taxes	\$ 5,022,360	\$ 4,797,846	\$ -	\$ -	\$ 224,514
Proposition 56 taxes	1,830,031	2,096,550	-	-	(266,519)
Grant revenue	2,591,969	3,033,049	112,688	102,688	(431,080)
Contributions	-	-	29,699	134,220	(104,521)
Interest and Investment Earnings	858,435	1,395,789	-	-	(537,354)
Other revenue	142,836	300,611	-	10,500	(168,275)
Total Revenues	10,445,631	11,623,845	142,387	247,408	(1,283,235)
Expenditures					
Program services	9,167,174	9,462,471	136,359	90,000	(248,938)
Evaluation services	384,513	401,278	-	-	(16,765)
Administrative costs	398,314	400,495	12,702	10,259	262
Debt service:					
Principal	14,054	11,155	-	-	2,899
Interest	-	271	-	-	(271)
Capital Outlay	4,912	9,374	-	-	(4,462)
Total Expenditures	9,968,967	10,285,044	149,061	100,259	(265,441)
Excess (deficiency) before unusual or infrequent item	476,664	1,338,801	(6,674)	147,149	(1,015,960)
Unusual or infrequent item Proceeds from sale of property	210,500	-	-	-	210,500
Change in Fund Balance	687,164	1,338,801	(6,674)	147,149	(805,460)
Fund balance - beginning of period	36,127,153	34,788,352	208,398	61,249	1,485,950
Fund balance - end of period	\$ 36,814,317	\$ 36,127,153	\$ 201,724	\$ 208,398	\$ 680,490

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

	Governmental Activities		
	June 30, 2026	June 30, 2025	Change
Revenues			
Program revenues:			
Operating grants and contributions	\$ 9,586,747	\$ 10,319,920	\$ (733,173)
General revenues			
Interest and investment earnings	858,435	1,395,789	(537,354)
Miscellaneous income	142,836	155,544	(12,708)
Total Revenues	10,588,018	11,871,253	(1,283,235)
Expenses			
Child development services	10,775,532	10,798,898	(23,366)
Total Expenses	10,775,532	10,798,898	(23,366)
Change in Net Position	(187,514)	1,072,355	(1,259,869)
Net position - beginning of period	48,874,601	47,802,246	1,072,355
Net position - end of period	<u>\$ 48,687,087</u>	<u>\$ 48,874,601</u>	<u>\$ (187,514)</u>

Revenue and Expenditure Analysis – Governmental Funds

Revenue definitions from the Governmental Fund Activities Comparison above are as follows:

- Operating grants and contributions: revenue is made up of Proposition 10 funds and other tax-related funds and grant revenue from external sources. Contributions represent donations to the Lighthouse for Children, Inc., the Commission's component unit.
- Interest and investment earnings: amount earned on funds held in the County Treasury and invested in the stock market
- Other revenue: revenue received not categorized in the definitions above

As shown in the Governmental Fund Activities Comparison, there was a decrease in total revenues from approximately \$11.9 million, in the prior year, to \$10.6 million for the fiscal year 2025-2026. The Commission received \$733K less Program Revenues than the prior year, but to note, received \$113K more Proposition 10 Revenue than the prior year. The main factor of the decrease in Program Revenues was the California Electronic Cigarette Excise Tax (CECET) revenue, which decreased by \$38K, and a decrease in the backfill received from Proposition 56, of \$267K. Separately, the Commission witnessed a lower than anticipated rate of return on the investment portfolio. Grant revenue from external sources was \$441K less than the prior year due to the Commission holding fewer grants for external revenue than the prior year. These factors together contributed to the decrease in total revenue compared to the prior year by approximately \$1.3 million.

Expenditures within fiscal year ended June 30, 2026, kept pace with the prior year only having decreased slightly by \$23K. The Commission's goal, to support and enhance the early childhood service system to support the early development of young children and their families in Fresno County remained consistent with the prior year's efforts. One example of program investments during the 2025-2026 fiscal year:

This fiscal year was the final year of the Thriving Families three-year contracts with Community-Based Organizations (CBOs) for direct service programs to provide parenting education, health promotion, and early learning opportunities to families across the county. For the last three fiscal years, since fiscal year 2023-2024, the Commission was in contract with approximately 12 organizations for a total of approximately \$4.8 million. Programs those contracts helped to fund ranged from 1) training for early childhood professionals on best practices for serving Deaf and Hard of Hearing children; to 2) support groups in rural Fresno county for families to build strong social and community connections; to 3) wrap around services to support families recovering from traumatic effects of domestic violence. At the conclusion of fiscal year, 2025-2026, the Commission committed \$3.8 million, for two years, for their Strengthening Protective Factors for families funding to 13 CBOs to provide services that mitigate risks and promote positive well-being and healthy development in young children and their families.

Fund Budgetary Highlights

For a visual representation and explanations of 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 2025-2026, see the Budgetary Comparison Schedule shown on pages 32 and 33, and the Notes to Budgetary Comparison Schedules at pages 34 and 35.

V. CAPITAL ASSETS AND LONG-TERM DEBT

Capital assets of approximately \$11.7 million (net of accumulated depreciation) are for the Lighthouse for Children building and equipment. The major change in total capital assets is represented by the sale of the Commission's Huron land and facility in October 2025, representing in the disposals column. Shown separately on the second chart below are the Subscription-Based Information Technology Arrangements (SBITAs), contracts held by the Commission for the right to use a vendor's software for a specified period of time. Represented there is the accounting software, Blackbaud Financial Edge NXT, of which the Commission is in a five year contract to use. Details of net capital assets are as follows:

	Governmental Activities		
	June 30, 2026	June 30, 2025	Change
Capital assets, not being depreciated	\$ 649,080	\$ 676,530	\$ (27,450)
Capital assets being depreciated	15,458,672	16,162,834	(704,162)
Accumulated depreciation	(4,408,689)	(4,259,698)	(148,991)
Total capital assets, net	<u>\$ 11,699,063</u>	<u>\$ 12,579,666</u>	<u>\$ (880,603)</u>

	Governmental Activities		
	June 30, 2026	June 30, 2025	Change
SBITA right-of-use-assets:			
Blackbaud NXT	\$ 77,332	\$ 51,572	\$ 25,760
Accumulated amortization	(1,578)	(38,678)	37,100
Total right-of-use-assets, net	<u>\$ 75,754</u>	<u>\$ 12,894</u>	<u>\$ 62,860</u>

At the end of the current fiscal year, the Commission did not have any outstanding long-term debt, however, the Commission does have the long-term obligation for subscriptions (related to SBITA) and compensated absences. The Commission holds a subscription liability of \$63K which represents future payment obligations for the five-year contract the Commission holds for the use of the Blackbaud accounting software. See Note 8 for details.

	Governmental Activities		
	June 30, 2026	June 30, 2025	Change
Subscription liability	\$ 63,278	\$ 11,452	\$ 51,826
Compensated absences	40,493	42,057	(1,564)
Total long-term financing	<u>\$ 103,771</u>	<u>\$ 53,509</u>	<u>\$ 50,262</u>

VI. ECONOMIC AND OTHER KNOWN FACTORS AND NEXT YEAR'S BUDGET

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.

In addition, the Plan guides the direction of 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 is committed to continued collaboration with community partners and to leveraging resources to maximize funds. 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. The Commission's 2025-2030 Strategic Plan can be found on the Commission's website at www.first5fresno.org.

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

VII. 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.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
Cash and investments	\$ 38,047,226
Due from the state- proposition 10 and 56	467,270
Other receivables	1,377,061
Lease receivable, current	64,014
Prepaid expenses	48,143
Lease receivable, non-current	164,079
Capital assets, not being depreciated	649,080
Capital assets, net of accumulated depreciation and amortization	<u>11,125,737</u>
Total Assets	<u>51,942,610</u>
LIABILITIES	
Accounts payable and accrued expenses	2,777,049
Accrued payroll and related taxes	14,691
Deferred Revenue	75,800
Long-term liabilities	
Portion due within one year:	
Subscription liabilities	13,240
Compensated absences	4,634
Portion due in more than one year:	
Subscription liabilities	50,038
Compensated absences	<u>35,859</u>
Total Liabilities	<u>2,971,311</u>
DEFERRED INFLOWS	
Lease related	<u>284,212</u>
Total Deferred Inflows of Resources	<u>284,212</u>
NET POSITION	
Net investment in capital assets	11,711,539
Unrestricted	35,389,390
Restricted	<u>1,586,158</u>
Total Net Position	<u><u>\$ 48,687,087</u></u>

The accompanying notes are an integral part of the financial statements.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Changes in Net Position</u>
Child development services	\$ 10,775,532	\$ 9,586,747	\$ (1,188,785)
Total Governmental Activities	<u>\$ 10,775,532</u>	<u>\$ 9,586,747</u>	<u>(1,188,785)</u>
General Revenues:			
Interest and Investment Earnings			858,435
Miscellaneous Income			<u>142,836</u>
Total General Revenues			<u>1,001,271</u>
Change in Net Position			(187,514)
Net Position, Beginning of Year			<u>48,874,601</u>
Net Position, End of Year			<u>\$ 48,687,087</u>

The accompanying notes are an integral part of the financial statements.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2026

	General Fund	Lighthouse Special Revenue Fund	Total
ASSETS			
Cash and investments	\$ 37,845,353	\$ 201,873	\$ 38,047,226
Due from the state- proposition 10 and 56	467,270	-	467,270
Lease receivable, current	64,014	-	64,014
Other receivables	1,377,061	-	1,377,061
Prepaid assets	48,143	-	48,143
Lease receivable, non-current	164,079	-	164,079
 Total Assets	 <u>\$ 39,965,920</u>	 <u>\$ 201,873</u>	 <u>\$ 40,167,793</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 2,776,900	\$ 149	\$ 2,777,049
Accrued payroll and related taxes	14,691	-	14,691
Deferred revenues	75,800	-	75,800
 Total Liabilities	 <u>2,867,391</u>	 <u>149</u>	 <u>2,867,540</u>
DEFERRED INFLOWS OF RESOURCES			
Lease related	284,212	-	284,212
 Total Deferred Inflows of Resources	 <u>284,212</u>	 <u>-</u>	 <u>284,212</u>
FUND BALANCES			
Nonspendable	48,144	-	48,144
Restricted	1,440,722	145,436	1,586,158
Committed	8,972,932	-	8,972,932
Assigned	26,352,519	56,288	26,408,807
 Total Fund Balances	 <u>36,814,317</u>	 <u>201,724</u>	 <u>37,016,041</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 39,965,920</u>	 <u>\$ 201,873</u>	 <u>\$ 40,167,793</u>

The accompanying notes are an integral part of the financial statements.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
RECONCILIATION OF GOVERNMENTAL FUND BALANCE
SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2026**

Reconciliation of the Balance Sheet of the Governmental Fund
to the Statement of Net Position:

Total Fund Balance - Governmental Fund	\$ 37,016,041
Capital assets of \$15,536,004 net of accumulated depreciation/amortization of \$4,410,267 used in governmental activities are not current financial resources: therefore, they are not reported in the governmental fund	11,774,817
Compensated absences liability is not due in the current period and, therefore is not included in the governmental fund.	(40,493)
Software subscription liabilities are not due in the current period and, therefore, not included in the governmental funds.	<u>(63,278)</u>
Total Net Position - Governmental Activities	<u><u>\$ 48,687,087</u></u>

The accompanying notes are an integral part of the financial statements.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2026**

	General Fund	Lighthouse Special Revenue Fund	Total
REVENUES			
Proposition 10 taxes	\$ 5,022,360	\$ -	\$ 5,022,360
Proposition 56 taxes	1,830,031	-	1,830,031
Grant revenue	2,591,969	112,688	2,704,657
Contributions	-	29,699	29,699
Interest and investment earnings	858,435	-	858,435
Other revenue	142,836	-	142,836
Total Revenues	10,445,631	142,387	10,588,018
EXPENDITURES			
Current:			
Program services	9,167,174	136,359	9,303,533
Evaluation services	384,513	-	384,513
Administrative costs	398,314	12,702	411,016
Debt service:			
Principal	14,054	-	14,054
Interest	-	-	-
Capital Outlay	4,912	-	4,912
Total Expenditures	9,968,967	149,061	10,118,028
Excess (deficiency) before unusual or infrequent item	476,664	(6,674)	469,990
UNUSUAL OR INFREQUENT ITEM			
Proceeds from sale of property	210,500	-	210,500
Net Change in Fund Balance	687,164	(6,674)	680,490
Fund Balance, Beginning of Year	36,127,153	208,398	36,335,551
Fund Balance, End of Year	\$ 36,814,317	\$ 201,724	\$ 37,016,041

The accompanying notes are an integral part of the financial statements.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
RECONCILIATION OF THE CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026**

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of the Governmental Fund to the Statement of Activities:

Net change in Fund Balance - Governmental Fund	\$ 680,490
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 expense exceeded capital outlays in the current period.	(340,431)
In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. However, in the Statement of Activities, only the resulting gain or loss is reported. The net effect of transactions involving capital assets is to decrease net position. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:	(477,312)
Compensated absences reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.	1,565
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.	(51,826)
Change in Net Position - Governmental Activities	<u>\$ (187,514)</u>

The accompanying notes are an integral part of the financial statements.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Children and Families Commission of Fresno County (the Commission), a component unit of Fresno County, was established by Fresno County Ordinance, Chapter 2.38, pursuant to the provision of Health and Safety Code Section 130140. The Commission was established for the support and improvement of early childhood development within Fresno County consistent with, and in furtherance of, the purposes of the California Children and Families Commission (the State), pursuant to Health and Safety Code Section 130125(b). The Commission consists of 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 on 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.

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 discretely presented component unit, Lighthouse for Children, Inc., is governed by a board whose majority comprises First 5 Commissioners. The Lighthouse for Children is a Nonprofit Public Benefit Corporation. The specific charitable purposes of this corporation are: (i) to provide the vision and means for Fresno County children 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; (ii) to serve as an incubator for knowledge in the community regarding child welfare and development; (iii) to generally carry out the goals of the Children and Families Commission of Fresno County; and (iv) 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 Children and Families Commission of Fresno County, 2405 Tulare Street, Suite 200, 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 Comprehensive Annual Financial Report available from the County of Fresno.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting and Financial Statement 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 Discussion and Analysis section, a Statement of Net Position, a Statement of Activities, and, if applicable, a Statement of Cash Flows. The financial statements consist of the following:

- Government-Wide Financial Statements-

The Statement of Net Position and the Statement of Activities display information about the Commission as a whole. The Statement of Net Position presents the financial condition of the governmental activities of the Commission at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Commission, with certain limited exceptions.

The government-wide financial statements are reported using the economic resources measurement focus and the 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

- Fund Financial Statements-

The Commission's governmental fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. 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. For this purpose, the Commission considers revenues to be available if they are collected within 9 months of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, compensated absences are recorded only when payment is due.

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the fund financial statements for the governmental fund.

The Commission reports the following major governmental fund:

The **General Fund** is the general operating fund of the Commission and accounts for all revenues and expenditures of the Commission.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 obligations, which have not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide statements.

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 repurchase 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). In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held by the County Treasurer are stated at fair value. 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, 2026, management considered all accounts to be fully collectible and, therefore, no allowance was recorded in the accompanying financial statements.

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.

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.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued): 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 on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings:	15-90 years
Building Improvements:	10-80 years
Leasehold Improvements:	5-20 years
Equipment:	3-20 years

Subscription-Based Information Technology Arrangements (SBITA): 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.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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 expenses during the reporting period. Actual results could differ from those estimates.

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.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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: In the fund financial statements, in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Commission is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable* – Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- *Restricted* – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed* – Amounts constrained to specific purposes by the Commission itself, using its highest level of decision-making authority (The Board of the Children and Families Commission). To be reported as committed, amounts cannot be used for any other purpose unless the Commission takes the same highest-level action to remove or change the constraint.
- *Assigned* – Amounts the Commission intends to use for a specific purpose. Intent can be expressed by the Commission or by an official or body to which the Board of Commissioners delegates the authority.
- *Unassigned* – Amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

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.

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.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position (continued):

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.

Governmental Accounting Standards Update: During the year ending June 30, 2026, the Commission implemented the following standards with no financial impact on the financial statements:

GASB Statement No. 102 – *Certain Risk Disclosures*. The requirements of this statement are effective for reporting periods beginning after June 15, 2024.

GASB Statement No. 103 – *Financial Reporting Model Improvements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*. The requirements of this statement are effective for reporting periods beginning after June 15, 2025.

Released GASB Statements to be implemented in future financial statements are as follows:

GASB Statement No. 105 – *Subsequent Events*. The requirements of this statement are effective for reporting periods beginning after June 15, 2026.

Subsequent Events: In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the financial statements. Management has determined that no events require disclosure in accordance with accounting standards. These subsequent events have been evaluated through October 16, 2026, which is the date the financial statements were available to be issued.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2026, are classified in the accompanying financial statements as follows:

Governmental activities	\$ 37,845,353
Component unit	<u>201,873</u>
Total Cash and Investments	<u><u>\$ 38,047,226</u></u>

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2 – CASH AND INVESTMENTS (continued)

Cash and investments as of June 30, 2026, consist of the following:

Cash in banks	\$ 2,340,525
Investments	<u>35,504,828</u>
Total Governmental Activities Cash and Investments	37,845,353
Component unit cash in banks	<u>201,873</u>
Total Cash and Investments	<u>\$ 38,047,226</u>

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

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 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 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 County Treasurer, which is recorded on the amortized cost basis.

General Authorizations: As per the *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
Bankers' 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%	None
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 FINANCIAL STATEMENTS (continued)

NOTE 2 – CASH AND INVESTMENTS (continued)

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	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Treasuries	\$ 5,767,484	\$ -	\$ 1,642,717	\$ 4,124,767
Federal Agency Mortgage Backed Securities	2,217,372	119,122	229,679	1,868,571
Municipal Obligations	34,634	-	-	34,634
Corporate Notes	3,129,343	-	393,756	2,735,587
Asset-Backed Securities	1,643,496	2,642	5,608	1,635,246
Money Market Mutual Funds	12,354	12,354	-	-
County Pooled Investment Funds	22,700,145	22,700,145	-	-
	<u>\$ 35,504,828</u>	<u>\$ 22,834,263</u>	<u>\$ 2,271,760</u>	<u>\$ 10,398,805</u>

Credit Risk: 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, 2026.

Investment Type	Fair Value	Minimum Legal Rating	Rating as of June 30, 2026										Not Rated
			AAA	AA+	AA	AA-	A+	A	A-	A-1+	BBB+		
U.S. Treasuries	\$ 5,767,484	N/A	\$ -	\$ 5,767,484	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Agency Mortgage Backed Securities	2,217,372	N/A	-	2,217,372	-	-	-	-	-	-	-	-	-
Municipal Obligations	34,634	N/A	-	34,634	-	-	-	-	-	-	-	-	-
Corporate Notes	3,129,343	A-	-	132,996	178,357	360,176	1,209,614	800,591	288,834	-	158,775	-	-
Asset-Backed Securities	1,643,496	AA	1,421,377	-	-	-	-	-	-	-	-	-	222,119
Money Market Mutual Funds	12,354	AAA	12,354	-	-	-	-	-	-	-	-	-	-
County Pooled Investment Funds	22,700,145	N/A	-	-	-	-	-	-	-	-	-	-	22,700,145
	<u>\$ 35,504,828</u>		<u>\$ 1,433,731</u>	<u>\$ 8,152,486</u>	<u>\$ 178,357</u>	<u>\$ 360,176</u>	<u>\$ 1,209,614</u>	<u>\$ 800,591</u>	<u>\$ 288,834</u>	<u>\$ -</u>	<u>\$ 158,775</u>		<u>\$22,922,264</u>

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2 – CASH AND INVESTMENTS (continued)

Concentration of Credit Risk: The Investment Policy of the Commission 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 represent five percent or more of the total investments are as follows:

Issuer	Investment Type	Reported Amount	% of Total Investments
Fresno County Investment Pool	Investment Pool	\$ 22,700,145	63.9%
U.S. Treasury	Treasury Securities	\$ 5,767,484	16.2%
Federal Home Loan Mortgage Corp	Federal Agency Commercial Mortgage-Backed Securities	\$ 2,217,372	6.2%

Custodial Credit Risk-Deposits: 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 \$2,542,398 at June 30, 2026. Bank balances were \$2,759,309, 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.

NOTE 3 – FAIR VALUE MEASUREMENTS

The Commission applies generally accepted accounting principles for fair value measurements of financial assets and liabilities. These accounting principles define fair value and establishes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques. The Commission uses appropriate valuation techniques to determine value based on inputs available.

When available, the Commission measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. The following description summarizes the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

The three levels of inputs used to measure fair value are as follows:

Level 1 – Values measured using quoted prices in active markets for identical investments. The fair value of these financial instruments and investments is based on quoted market prices or dealer quotes in active markets. The fair value of the Commission’s investments were measured using quoted market prices in active markets.

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. The Commission did not have any assets reported at fair value with Level 2 inputs for the year ended June 30, 2026.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The Commission did not have any assets reported at fair value with Level 3 inputs for the year ended June 30, 2026.

The table below presents the level within the fair value hierarchy at which investments are measured at June 30, 2026:

<u>Fair Value Measurements on a Recurring Basis</u>				
Investment Type	Total	Level 1	Level 2	Level 3
U.S. Treasuries	\$ 5,767,484	\$ 5,767,484	\$ -	\$ -
Federal Agency Mortgage Backed Securities	2,217,372	-	2,217,372	-
Municipal Obligations	34,634	-	34,634	-
Corporate Notes	3,129,343	-	3,129,343	-
Asset-Backed Securities	1,643,496	-	1,643,496	-
	12,792,329	\$ 5,767,484	\$ 7,024,845	\$ -
Investments not subject to fair value hierarchy:				
Money Market Mutual Funds	12,354			
County Pooled Investment Funds	22,700,145			
Total investments	\$ 35,504,828			

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2026 consisted of intergovernmental grants, entitlements, state apportionments and local sources. All receivables, other than the lease receivable, consisted of the following:

	Governmental Unit	Component Unit
State Government:		
Proposition 10	\$ 467,270	\$ -
IMPACT HUB revenue receivable	1,167,636	-
Total State government	1,634,906	-
Other receivables:		
Interest receivable	197,019	-
Other Sources	12,406	-
Total other receivables	209,425	-
Total receivables	\$ 1,844,331	\$ -

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 5 – LEASE RECEIVABLE

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 Commission reported lease receivable of \$228,093 as of June 30, 2026, including \$113,015 in lease revenues and \$2,127 in lease interest revenues.

Future lease principal and interest payments due to the Commission under non-cancellable agreements are as follows for the years ending June 30, 2026:

Fiscal Year Ended June 30	Principal	Interest
2027	\$ 64,014	\$ 1,692
2028	40,468	1,310
2029	40,834	944
2030	41,203	575
2031	41,574	203
	<u>\$ 228,093</u>	<u>\$ 4,724</u>

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 6 – CAPITAL ASSETS

Capital assets activity related to governmental activities for the year ended June 30, 2026 was as follows:

	Beginning Balance 7/1/2025	Additions/ Completions	Retirements/ Adjustments	Ending Balance 6/30/2026
Capital assets not being depreciated:				
Land	\$ 676,530	\$ -	\$ (27,450)	\$ 649,080
Total capital assets not being depreciated	676,530	-	(27,450)	649,080
Capital assets being depreciated:				
Equipment	31,191	-	-	31,191
Buildings and improvements	16,131,643	-	(704,162)	15,427,481
Total capital assets being depreciated	16,162,834	-	(704,162)	15,458,672
Less accumulated depreciation:				
Equipment	31,192	-	-	31,192
Buildings and improvements	4,228,506	403,291	(254,300)	4,377,497
Total accumulated depreciation	4,259,698	403,291	(254,300)	4,408,689
Total capital assets being depreciated, net	11,903,136	(403,291)	(449,862)	11,049,983
Total capital assets, net	\$ 12,579,666	\$ (403,291)	\$ (477,312)	\$ 11,699,063

Depreciation expense charged to the governmental unit for the year ended June 30, 2026, was \$403,291.

In 2021, the Commission entered into a subscription-based information and technology arrangement (SBITA) to subscribe to accounting software. The subscription was for five years ending June 2026. The subscription had an annual payment that ranged from \$10,406 to \$14,726. The Commission used a 2.40% discount rate for this arrangement, which was provided by the California State Controller's Office. There was no option to extend the agreement or purchase the software. The subscription expired in June 2026.

The Commission subsequently entered into a new agreement to subscribe again for the accounting software in June 2026. The new terms were for five years ending June 2031, with annual payments ranging from \$14,054 to \$19,120. The Commission used a 3.02% 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.

At June 30, 2026, SBITA right-of-use assets totaled \$77,332 and accumulated amortization totaled \$1,578. Activity for the year ending June 30, 2026 is as follows:

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 6 – CAPITAL ASSETS (continued)

	Balances July 1, 2025	Additions	Deletions & Adjustments	Balances June 30, 2026
SBITA Right-of-use-assets:				
Blackbaud NXT	\$ 51,572	\$ 77,332	\$ (51,572)	\$ 77,332
Total	51,572	77,332	(51,572)	77,332
Accumulated amortization	(38,678)	(14,472)	51,572	(1,578)
SBITA right-of-use assets, net	\$ 12,894	\$ 62,860	\$ -	\$ 75,754

Amortization expense on the SBITA right-of-use assets totaled \$14,472 for the year ended June 30, 2026.

NOTE 7 – ACCOUNTS PAYABLE

Accounts payable consisted of the following as of June 30, 2026:

	Governmental Unit	Component Unit
Program grantees	\$ 2,768,059	\$ -
Vendors	8,841	149
	\$ 2,776,900	\$ 149

NOTE 8 – SUBSCRIPTION BASED INFORMATION AND TECHNOLOGY ARRANGEMENT (SBITA) LIABILITY

As of June 30, 2026, the SBITA liability totaled \$63,278. This balance reflects the present value of contractual payments for qualifying SBITAs, discounted using each asset's incremental borrowing rate. Activity for the year ending June 30, 2026 is as follows:

	Balances July 1, 2025	Additions	Deletions & Adjustments	Balances June 30, 2026	Due within One Year
SBITA liability	\$ 11,452	\$ 77,332	\$ (25,506)	\$ 63,278	\$ 13,240
Total	11,452	77,332	(25,506)	63,278	13,240

Interest expense for the year ended June 30, 2026 was \$23.

Future minimum payments on the subscription liability are as follows:

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 8 – SUBSCRIPTION BASED INFORMATION AND TECHNOLOGY ARRANGEMENT (SBITA) LIABILITY (continued)

Fiscal Year ending June 30	Principal	Interest
2027	\$ 13,240	\$ 1,938
2028	14,860	1,532
2029	16,626	1,077
2030	18,552	568
	\$ 63,278	\$ 5,115

NOTE 9 – LONG TERM OBLIGATIONS

Long term obligations activity for the year ended June 30, 2026 was as follows:

	Beginning Balance 7/1/2025	*Net change	Ending Balance 6/30/2026	Due Within One Year
Governmental Activities				
Compensated absences	\$ 42,058	\$ (1,565)	\$ 40,493	\$ 4,634
Total	\$ 42,058	\$ (1,565)	\$ 40,493	\$ 4,634

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

Compensated Absences – Governmental Activities: Compensated absences, which combines vacation and sick leave benefits into a single PTO bank, amounted to \$40,493 at June 30, 2026.

NOTE 10 – POSTEMPLOYMENT BENEFITS

The Fresno County Children and Families Commission 401(a) Plan (the Plan) is a defined contribution pension plan established by the Commissioners of the Commission and administered 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 percent vesting for the participants. The Commission makes contributions of 8.74 percent of compensation to the plan. The Commission made contributions to the Plan amounting to \$58,094 for the year ended June 30, 2026.

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 the employees.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 11 – FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed and assigned (See Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2026, is as follows:

Nonspendable:	
Prepaid vendor	\$ 48,144
Restricted:	
Outside grant funding	1,440,722
Special revenue fund	145,436
Committed:	
Awarded and unpaid grants	8,972,932
Assigned:	
First 5 Initiatives	26,343,951
Lighthouse special revenue fund	<u>56,288</u>
Total Fund Balance	<u><u>\$ 37,007,473</u></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 spent \$384,513 on program evaluation during the fiscal year ended June 30, 2026.

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 from the additional taxes was \$6,852,391, or 65.60%, of the total revenue for the year ended June 30, 2026. The Commission is thus subject to possible risk of reductions in services and/or closure due to potential future changes of Section 30131.2 of the California Tax and Revenue Code.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Grantee Obligations: As of June 30, 2026, the Commission's remaining obligations with grantees of \$8,972,932 is included in committed fund balance.

Litigation: The Commission is not currently a party to any legal proceedings.

NOTE 16 – UNUSUAL OR INFREQUENT ITEM

During the year ended June 30, 2026, the Commission sold land and a building for proceeds of \$210,500.

In the accompanying statement of activities, the land and building had a net book value of \$477,312 at the date of sale. Accordingly, the Commission recognized a loss of \$266,812 in governmental activities.

Management determined that the loss was infrequent because the property was once leased out for the operation of a preschool and community center. The preschool was operated up until 2020 with the outbreak of COVID-19 where the building was closed and never reopened. After many attempts to find a new preschool operator, the Commission voted to sell the property. In accordance with GASBS 103, inflows and outflows related to unusual or infrequent items are presented individually as the last presented flow of resources before the net change in resource flows and are presented separately (that is, not netted).

In the accompanying General Fund statement of revenues, expenditures, and changes in fund balances, the cash proceeds from the sale were reported as an unusual or infrequent item in the amount of \$210,500.

Management determined that the sale was infrequent because the property was once leased out for the operation of a preschool and community center. The preschool was operated up until 2020 with the outbreak of COVID-19 where the building was closed and never reopened. After many attempts to find a new preschool operator, the Commission voted to sell the property. In accordance with GASBS 103, inflows and outflows related to unusual or infrequent items are presented individually as the last presented flow(s) of resources before the net change in fund balance and are presented separately (that is, not netted).

In accordance with GASBS 103, the unusual or infrequent item is related to the General Fund, and the transaction was within management's control.

CHILDREN AND FAMILIES
COMMISSION OF FRESNO COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original Budget - over (under) Final Budget	Actual Amounts Budgetary (GAAP Basis)	Variance with Final Budget - over (under) Actual Amounts
	Original	Final			
BUDGETARY REVENUES					
Proposition 10 taxes	\$ 6,240,728	\$ 6,240,728	\$ -	6,852,391	\$ 611,663
First 5 CA IMPACT Regional Fiscal Agent	21,600	21,600	-	-	(21,600)
First 5 CA IMPACT Regional Hub Agent	2,641,620	2,641,620	-	2,547,769	(93,851)
Interest revenue - County treasury	205,375	205,375	-	493,949	288,574
Investment earning (unrealized)	257,990	270,690	12,700	362,359	91,669
Other revenue	100,221	298,221	198,000	399,663	101,442
Total budgetary revenues	9,467,534	9,678,234	210,700	10,656,131	977,897
BUDGETARY EXPENDITURES					
Salaries and benefits	1,193,067	1,193,067	-	1,120,104	(72,963)
Supplies and services	667,145	680,838	13,693	461,437	(219,401)
Evaluation program expenditures	475,000	475,000	-	384,513	(90,487)
Grant expenditures	7,051,464	11,593,471	4,542,007	7,983,947	(3,609,524)
Debt service:			-		-
Principal	70,858	70,858	-	14,054	(56,804)
Interest	-	-	-	-	-
Capital Outlay	10,000	15,000	5,000	4,912	(10,088)
Total budgetary expenditures	9,467,534	14,028,234	4,560,700	9,968,967	(4,059,267)
Net Change in Fund Balance	\$ -	\$ (4,350,000)	\$ (4,350,000)	687,164	\$ (3,081,370)
Budgetary Fund Balance, Beginning of Year				36,127,153	
Budgetary Fund Balance, End of Year				\$ 36,814,317	

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
BUDGETARY COMPARISON SCHEDULE
LIGHTHOUSE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2026**

	Budgeted Amounts		Variance with Original Budget - over (under) Final Budget	Actual Amounts Budgetary (GAAP Basis)	Variance with Final Budget - over (under) Actual Amounts
	Original	Final			
BUDGETED REVENUES					
Contract Revenue - City of Fresno for Dolly Parton's Imagination Library	\$ 112,688	\$ 112,688	\$ -	\$ 112,688	\$ -
Donations	20,500	20,500	-	22,199	1,699
Other revenue	5,000	5,000	-	7,500	2,500
Total budgeted revenues	138,188	138,188	-	142,387	4,199
BUDGETED EXPENDITURES					
Program contract expense	132,688	132,688	-	136,359	3,671
Administrative agreement	1	1	-	1	-
Insurance and taxes expense	4,920	4,920	-	6,407	1,487
Professional services expense	6,599	6,599	-	6,294	(305)
Total budgeted expenditures	144,208	144,208	-	149,061	4,853
Net Change in Fund Balance	\$ (6,020)	\$ (6,020)	\$ -	(6,674)	\$ 9,052
Budgetary Fund Balance, Beginning of Year				208,398	
Budgetary Fund Balance, End of Year				\$ 201,724	

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO BUDGETARY COMPARISON SCHEDULES**

	General fund over (under)
BUDGETARY REVENUES	
Differences — original budget to final budget	
Other revenues increased by \$198,000 from the original budget to the final budget as the final budget was amended to incorporate anticipated revenue from the sale of the Huron Property.	\$ 198,000
Differences — final budget to actual	
During the current year, actual proposition 10 taxes exceeded budgeted amounts due to receiving more revenue than anticipated compared to prior year.	\$ 611,663
During the current year, The First 5 CA IMPACT Regional Hub agent revenues were less than budget amounts because the partners within the contract purposefully underspent funds in the current year in order to roll over dollars to the next fiscal year, which is allowed by the grantor.	(93,851)
Interest revenue exceeded the final budget due to higher-than-anticipated interest earnings on Proposition 10 funds held in the County Treasury during the fiscal year.	288,574
Investment earnings (unrealized) exceeded the final budget because markets performed better than anticipated.	91,669
Other revenues exceed the final budget because the Commission collected its external partners portion of cost to participate in a County-wide learning program to find the true cost of child care. It was not anticipated in the budget period. Also, there were more room reservations than anticipated.	101,442
BUDGETARY EXPENDITURES	
Differences — original budget to final budget	
Grant expenditures increased from the original budget to the final budget due to the incorporation of available fund balance from amounts unspent in the prior year. The available fund balance was carried forward and allocated or committed to current-year program expenditures.	\$ 4,542,007
Differences — final budget to actual	
Salaries and benefits were below the final budget primarily due to staffing vacancies during the fiscal year.	\$ (72,963)
Supplies and services expenditures were below the final budget primarily due to lower-than-anticipated overhead and repair costs, removal of the Huron Property from insurance coverage, and lower equipment rental and maintenance costs as the accounting software contract was renewed for one year rather than under a multi-year agreement. Other expenditure categories were also generally below budget.	(219,401)
Evaluation program expenditures were below the final budget primarily because budgeted dollars were Committed for future evaluation data system to be spent in upcoming year(s).	(90,487)
Grant expenditures were below the final budget primarily due to amounts budgeted for future contractual expenditures that were not incurred by year-end and are expected to be spent in subsequent fiscal years.	(3,609,524)
Debt service - principal expenditures were below the final budget primarily because only the software required capitalization as a subscription based information technology arrangement (SBITA), and not the maintenance on the copier/scanner or IT support.	(56,804)

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO BUDGETARY COMPARISON SCHEDULES (continued)**

	Lighthouse Special Revenue Fund over (under)
BUDGETARY REVENUES	
Differences — original budget to final budget	
There were no changes between the original and final budgets during the fiscal year.	\$ -
Differences — final budget to actual	
Actual revenues exceeded the final budget by \$4,199, primarily due to donations exceeding budget by \$1,699 and other revenues exceeding budget by \$2,500. The variance was not considered significant.	4,199
BUDGETARY EXPENDITURES	
Differences — original budget to final budget	
There were no changes between the original and final budgets during the fiscal year.	\$ -
Differences — final budget to actual	
Actual expenditures exceeded the final budget by \$4,853, primarily due to program contract expenditures exceeding budget by \$3,671 and insurance and tax expenditures exceeding budget by \$1,487, partially offset by professional services expenditures being \$305 below budget. The variance was not considered significant.	4,853

CHILDREN AND FAMILIES
COMMISSION OF FRESNO COUNTY

OTHER SUPPLEMENTARY INFORMATION

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
SUPPLEMENTAL SCHEDULE OF
FIRST 5 CALIFORNIA (F5CA) FUNDING
FOR THE YEAR ENDED JUNE 30, 2026

<u>Program or Project Title</u>		<u>REVENUE F5CA FUNDS</u>	<u>EXPENDITURES</u>	<u>CHANGE IN NET POSITION</u>	<u>NET POSITION BEG OF YEAR</u>	<u>NET POSITION END OF YEAR</u>
First 5 CA Program	IMPACT Hub Program Funds	\$ 2,547,769	2,552,432	\$ (4,663)	\$ 501	\$ (4,162)
TOTAL F5CA FUNDS		<u>\$ 2,547,769</u>	<u>\$ 2,552,432</u>	<u>\$ (4,663)</u>	<u>\$ 501</u>	<u>\$ (4,162)</u>



**INDEPENDENT AUDITORS' 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
Children and Families Commission of Fresno County

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, the discretely presented component unit, and major fund of the Children and Families Commission of Fresno County (the Commission), as of and for the year ended June 30, 2026, the related notes to the financial statements, which collectively comprise the Commission's financial statements, and have issued our report thereon dated October 16, 2026.

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.

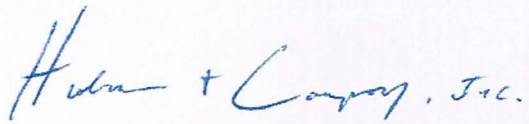
Report on Compliance and Other Matters

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*.

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.

HUDSON & COMPANY, INC.

A handwritten signature in blue ink that reads "Hudson & Company, Inc." in a cursive script.

Fresno, California
October 16, 2026

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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

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

Compliance

We have audited the Children and Families Commission of Fresno County's (the Commission) compliance with the requirements specified in the State of California's *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2026.

In our opinion, the Commission 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, 2026.

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 *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)*, issued by the State Controller's Office. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether the material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State of California's *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)* 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 *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)*, we:

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

<u>Description</u>	<u>Audit Guide Procedures</u>	<u>Procedures Performed</u>
Contracting and Procurement	6	Yes
Administrative Costs	3	Yes
Conflict-of-Interest	3	Yes
County Ordinance	4	Yes
Long-range Financial Plans	2	Yes
Financial Condition of the Commission	1	Yes
Program Evaluation	3	Yes
Salaries and Benefit 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 *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)*. Accordingly, this report is not suitable for any other purpose.

HUDSON & COMPANY, INC.

Hudson & Company, Inc.

Fresno, California
October 16, 2026

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CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2026

There were no reportable findings as required by *Government Auditing Standards* for the year ended June 30, 2026.

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CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2025

There were no reportable findings as required by *Government Auditing Standards* for the year ended June 30, 2025.

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

FINANCE AND PROGRAM REVIEW COMMITTEE MEETING

October 16, 2026 – 3:30 p.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 6

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: State Annual Report for Fiscal Year 2025-2026

RECOMMENDED ACTION:

Approve, for full Commission consideration, the State Annual Report for Fiscal Year 2025-2026.

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) and the California State Controller's Office. 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, 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 developmental learning groups for children and caregivers, children receiving their Dolly Parton Imagination Library books in the mail, and support services for young mothers.

Fiscal Impact: Approval of the State Annual Report for FY 2025-2026 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 Committee and 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, 2025 - June 30, 2026

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Revenue Detail

Category	Amount
Tobacco Tax Funds	\$6,807,617
IMPACT Legacy	\$2,547,769
Small Population County Augmentation Funds	\$0
Home Visiting Coordination Funds	\$0
Other First 5 California Funds	\$0
Other First 5 California Funds Description n/a	
Other Public Funds	\$0
Other Public Funds Description n/a	
Donations	\$0
Revenue From Interest Earned	\$903,210
Grants	\$24,200
Grants Description BEELS	
Other Funds	\$163,076
Other Funds Indirect: \$29,821, Grant for a FUSE Fellow: \$20,000 and other revenue from facility room rental payments received for use of space \$113,254.	
Total Revenue	\$10,445,872

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Total Revenue	\$10,445,872

Improved Family Support

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Family Support	CBO/Non-Profit	Not Applicable (Thriving Families General Direct Service Contract)	515	528	76	\$763,876
General Family Support	County Health & Human Services	Not Applicable (Neighborhood Resource Centers)	3489	0	0	\$200,000
General Family Support	First 5 County Commission	Not Applicable (Community Learning Center & SPFF Procurement development)	247	0	3	\$329,120
General Family Support	Other Public	Not Applicable (Play & Learn Group)	15	9	7	\$26,485
Intensive Family Support	CBO/Non-Profit	Not Applicable (Various Direct Service Programs-Thriving Families)	381	399	15	\$476,780
Intensive Family Support	Resource and Referral Agency (COE or Non-Profit)	Not Applicable (Developmental Learning Groups)	96	69	0	\$119,891
Family Literacy and Book Programs	CBO/Non-Profit	Not Applicable (Educational Mobile Tech Lab)	3140	1359	631	\$42,093
Family Literacy and Book Programs	First 5 County Commission	Dolly Parton's Imagination Library	14134	0	0	\$1,750
Total						\$1,959,995

Improved Family Support

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Family Literacy and Book Programs	First 5 County Commission	Dolly Parton's Imagination Library	14134	0	0	\$1,750
Total						\$1,959,995

Improved Child Development

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
Quality Early Learning and Care Supports	CBO/Non-Profit	Not Applicable (Child Care cost modeling cohort, ACEs capacity building, Abriendo Puertas)	0	41	23	\$116,543
Quality Early Learning and Care Supports	County Office of Education/School District	Quality Counts California	0	0	886	\$2,436,735
Quality Early Learning and Care Supports	First 5 County Commission	- Not Applicable (Child Development Center Overhead Costs) - Quality Counts California	0	0	0	\$947,939
Reason for no population served: Data reported elsewhere.						
Quality Early Learning and Care Supports	Other Private/For Profit	Quality Counts California	0	0	86	\$56,339
Quality Early Learning and Care Supports	Research/Consulting Firm	Quality Counts California	0	0	0	\$194,460
Reason for no population served: Data shared in other space.						
Early Learning and Care Program Direct Costs	County Office of Education/School District	Preschool/Childcare	87	0	0	\$32,094
Total						\$3,784,110

Improved Child Health

Service	Grantee	Program(s)	Children	Caregivers	Providers	Unique Families	Amount
Early Intervention	CBO/Non-Profit	Not Applicable (Help Me Grow CAP)	182	170	0	0	\$219,951
Perinatal and Early Childhood Home Visiting	County Health & Human Services	- Not Applicable (Nurse Liason & Community Health teams) - Nurse Family Partnership	411	277	8	445	\$1,413,917
Prenatal and Infant/Toddler Pediatric Support	CBO/Non-Profit	Local Model	2	74	13	0	\$422,730
Prenatal and Infant/Toddler Pediatric Support	First 5 County Commission	Local Model	0	0	0	0	\$2,015
Reason for no population served: Number of clients captured elsewhere.							
Total							\$2,058,613

Improved Systems Of Care

Service	Grantee	Program(s)	Amount
Policy and Public Advocacy	CBO/Non-Profit	Not Applicable (Child Friendly Business of the Year)	\$25,000
Policy and Public Advocacy	First 5 County Commission	Not Applicable (Internal Communications, Event Sponsorships, African American Infant Mortality Prevention)	\$74,616
Policy and Public Advocacy	Research/Consulting Firm	Not Applicable (Media campaign on Child friendly business practices)	\$6,124
Systems Building	CBO/Non-Profit	Not Applicable (Black Child Legacy Campaign)	\$124,558
Systems Building	First 5 County Commission	Not Applicable (Early Matters Fresno Coalition, Program staff salaries, Glow Salaries)	\$1,065,220
Systems Building	Hospital/Health Plan	Not Applicable (Help Me Grow Central Valley)	\$47,082
Systems Building	Research/Consulting Firm	Not Applicable (Fuse Fellow & Early Matters Fresno Coalition)	\$17,000
Systems Building	Other Private/For Profit	Not Applicable (Strategic Plan graphic Design)	\$4,856
Total			\$1,364,456



Annual Report AR-2

Fresno Demographic Worksheet

July 1, 2025 - June 30, 2026

Population Served

Category	Number
Providers	1,745
Children Less than 3 Years Old	9,691
Children from 3rd to 6th Birthday	12,565
Children – Ages Unknown (birth to 6th Birthday)	413
Primary Caregivers	2,901
Total Population Served	27,315

Primary Language Spoken in Home

Category	Number of Children	Number of Primary Caregivers
English	15,696	1,812
Spanish	6,062	784
Unknown	514	149
Other - Specify with text box Hmong	232	73
Other - Specify with text box Indigenous Mexican	125	38
Other - Specify with text box Punjabi	27	6
Mandarin	3	3
Other - Specify with text box Arabic	2	6
Other - Specify with text box American Sign Language	2	16
Other - Specify with text box Q' anjobal	2	1
Vietnamese	1	0
Other - Specify with text box Hindi	1	0
Other - Specify with text box Mixteco	1	1
Other - Specify with text box Urdu	1	0
Tagalog	0	6
Other - Specify with text box Ebonics	0	1
Other - Specify with text box Dari	0	4
Other - Specify with text box Creole	0	1
Totals	22,669	2,901

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Race and/or Ethnicity of Population Served

Category	Number of Children	Number of Primary Caregivers
Unknown	14,904	184
Hispanic/Latino	4,665	1,256
Non-Hispanic White	808	421
Non-Hispanic Black or African American	749	384
Asian	431	219
Other – Specify with text box Hmong	332	173
Alaska Native/American Indian	177	37
Non-Hispanic Black or African American Non-Hispanic White	169	28
Hispanic/Latino Non-Hispanic White	152	44
Hispanic/Latino Non-Hispanic Black or African American	124	70
Native Hawaiian or Other Pacific Islander	40	23
Non-Hispanic White Other – Specify with text box Punjabi	24	6
Hispanic/Latino Non-Hispanic Black or African American Non-Hispanic White	23	5
Asian Non-Hispanic Black or African American	17	8
Asian Non-Hispanic Black or African American Non-Hispanic White	13	0
Middle Eastern or North African	6	5
Hispanic/Latino Other – Specify with text box Indian	4	0
Totals	22,669	2,901

Category	Number of Children	Number of Primary Caregivers
Alaska Native/American Indian Hispanic/Latino	4	2
Other – Specify with text box Punjabi	4	16
Asian Hispanic/Latino	3	0
Hispanic/Latino Other – Specify with text box Armenian	2	0
Hispanic/Latino Other – Specify with text box Hmong	2	0
Asian Hispanic/Latino Non-Hispanic Black or African American	2	0
Hispanic/Latino Native Hawaiian or Other Pacific Islander Non-Hispanic White	2	0
Hispanic/Latino Native Hawaiian or Other Pacific Islander	1	0
Other – Specify with text box Mexican and Lao	1	0
Native Hawaiian or Other Pacific Islander Non-Hispanic White	1	0
Other – Specify with text box Hmong and Vietnamese	1	0
Other – Specify with text box Hmong and Hispanic	1	0
Other – Specify with text box Hispanic and Filipino	1	0
Alaska Native/American Indian Hispanic/Latino Non-Hispanic Black or African American	1	0
Asian Hispanic/Latino Non-Hispanic Black or African American Non-Hispanic White	1	0
Totals	22,669	2,901

Category	Number of Children	Number of Primary Caregivers
Asian Hispanic/Latino Non-Hispanic White	1	0
Other – Specify with text box Asian and Hmong	1	0
Other – Specify with text box Punjabi and Black/African American	0	1
Alaska Native/American Indian Non-Hispanic Black or African American	0	1
Alaska Native/American Indian Non-Hispanic White	0	8
Other – Specify with text box Asian and Armenian	1	0
Other – Specify with text box Mexican American	0	1
Other – Specify with text box Black/African American and German	0	3
Other – Specify with text box Indian and Pakistani and South Asian	0	1
Other – Specify with text box Guatamalen	0	1
Other – Specify with text box Filipino	0	1
Asian Non-Hispanic White	0	1
Other – Specify with text box Brazilian	0	1
Other – Specify with text box Armenian	0	1
Alaska Native/American Indian Asian Non-Hispanic Black or African American	1	0
Totals	22,669	2,901

Duplication Assessment

Category	Data
Degree of Duplication	0%
Confidence in Data	No data entered for this section as of 10/8/2026 2:59:46 PM.
Additional Details (Optional)	

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Annual Report AR-3

Fresno County Evaluation Summary and Highlights

July 1, 2025 - June 30, 2026

County Evaluation Summary

Evaluation Activities Completed, Findings, and Policy Impact

Program Overview and Objectives

Since 2017, First 5 Fresno County, in partnership with local community-based organizations and clinics, has led the development, coordination and implementation of the Glow! Group Prenatal Care Program. Designed to reduce preterm birth rates and improve maternal and child health outcomes, Glow! is a group-based prenatal care program built on the CenteringPregnancy® model and enhanced with localized, wrap-around services. It brings together groups of 8-12 expecting individuals with similar due dates to receive high-quality prenatal care, guidance, and support throughout their pregnancy. Appointments follow the traditional prenatal care schedule, are co-facilitated by a medical provider and a trained staff facilitator, and include free groceries, on-site child care, transportation stipends, and connections to community resources. This past fiscal year marked the culmination of a multi-year, national prenatal care study featuring Glow! as one of two comparators. First 5 Fresno County partnered with the University of San Francisco's Preterm Birth Initiative and Fresno State University's Central Valley Health Policy Institute on the study named Engaging Mothers & Babies—Reimagining Antenatal Care for Everyone (EMBRACE). The goal of this randomized comparative effectiveness study was to evaluate and compare the impact of Glow!, an enhanced group prenatal care and support program (hereafter referred to as eGPC) and an enhanced individual prenatal care (eIPC) model offered through the California Department of Public Health's Comprehensive Perinatal Services Program (CPSP), a Medicaid benefit for eligible pregnant individuals in California. Note: The information included in this AR-3 submission is based on findings across various EMBRACE publications. Due to character count limits, the submission does not represent the comprehensive context and findings from the study.

Methodology and Evaluation Approach

The EMBRACE study compared maternal mental health stressors such as depression and anxiety, experiences of care such as person-centered care and respectful care, and preterm birth outcomes among 674 Medicaid-eligible pregnant individuals receiving care in California's San Joaquin Valley. The methodology used was a convergent parallel mixed methods design, collecting and analyzing quantitative and qualitative data separately before integrating findings for interpretation. The study consisted of data from eGPC cohorts initiated across three settings: one academic medical center, two federally qualified health centers, and three free-standing family practice/women's health clinics. In terms of limitations, the study was highly challenged by the COVID-19 Pandemic. Subgroup analyses among Black participants were limited by sample size (n=48, 7% of participants). The implementation fidelity of Glow! was mixed and influenced by structural and logistical barriers of the pandemic.

Key Findings and Outcomes

Overall, individuals randomized to eGPC versus eIPC showed no difference in mental health or experience of care, but did show a trend toward lower rates of preterm birth. Both groups had improvements in maternal mental health stressors such as depression and anxiety symptom severity as well as good (but not optimal) experiences of care. Integration of quantitative and qualitative findings revealed complementary and at times divergent insights into implementation of and fidelity to the group model. Process fidelity remained high across modalities, but data revealed tension between convenience and connection—while virtual sessions maintained fidelity, providers viewed them as less conducive to peer bonding. This divergence suggests strong facilitation and adaptability helped sustain quality in virtual formats. Qualitative data also underscored the indispensable role of community-based co-facilitators in anchoring program delivery and linking participants to wrap-around supports.

Equity and Access

The implementation fidelity of enhanced group prenatal care was mixed and influenced by structural and logistical barriers of the pandemic. In Fresno County, Black families and infants experience disproportionality high rates of infant mortality and preterm birth. However, EMBRACE subgroup analyses among Black participants were limited by sample size; larger studies are needed to determine whether either model of care reduces adverse outcomes among low-income Black populations.

Lessons Learned and Recommendations

As stated above in the key findings, neither enhanced prenatal care models showed better health outcomes over another. Given this, patients and clinicians could reasonably choose either types of enhanced prenatal care for improving these outcomes. In addition, feedback gathered from participating medical providers/clinicians showed that the Glow! group prenatal care model increased satisfaction among those providing prenatal care to their patients given its innovative approach to prenatal care. Together, these findings point to opportunity for Fresno County to continue developing multiple enhanced prenatal care modalities, so that patients and providers have multiple options for care. First 5 Fresno County is actively working alongside community partners to increase access to group prenatal care as one among many strategies, at both the broader system and direct service-levels, to improve positive birth and health outcomes for families.

County Highlights

Purpose and Activities

In July 2025, First 5 Fresno County became the backbone organization for Early Matters Fresno (EMF) - a coalition of public, private and community-based partners working to ensure all families raising young children in Fresno County have the support they need to thrive. EMF was formed in 2018, emerging from Fresno's Cradle to Career (C2C) initiative and the need to address health, education, and economic challenges facing local families. For too many families, poverty, access gaps, and disconnected systems create challenges that are too difficult to overcome. These are not isolated issues – they are systemic barriers. Addressing them requires coordination, policy change, and community-rooted action. EMF unites partners to collaborate and share what works so we can make it easier to raise a family in our community. The coalition focuses on partnership building, leveraging, project piloting, and policy change in two areas—Maternal & Child Health and Quality Child Care.

Key Achievements and Outcomes

Over the last year, EMF partners have intentionally raised awareness around Fresno County's child care crisis through a series of Policy Advisory Council meetings with local policymakers, philanthropy, and business leaders designed to surface solutions by focusing on four clear challenges: access, affordability, workforce and quality. These meetings allowed EMF partners to build relationships with local elected officials and remain connected to local discussions on short-term solutions and long-term systems change. Subsequently, this past June, the Fresno City Council unanimously approved \$2 million to be allocated to First 5 Fresno County to administer a first-of-its-kind child care pilot program to provide meaningful supports for child care providers and families struggling to secure child care. The Council also simultaneously passed a motion to create a Commission to identify long-term solutions to address child care challenges faced by residents of the city of Fresno and beyond.

Community Engagement, Partnerships and Equity-Focused Efforts

Early Matters Fresno creates spaces where partners—from government agencies to grassroots organizations—can collaborate, share evidence and insights, and coordinate their efforts. Through this collective impact model, EMF aligns community needs with practices that effectively support Fresno County families. With this common understanding, reflecting community needs and grounded in research, EMF members can direct their limited resources toward proven solutions rather than fragmented efforts. To ensure the voices of parents and providers shape EMF's priorities and decision-making, the coalition leverages several projects that serve as trusted points of engagement. This includes, but is not limited to: The Children's Movement of Fresno County's Resident Council and The Child Care and Development Local Planning Council.

Qualitative Impact

"Every day I see families doing everything they can to work and provide for their children while struggling to find care they can afford and trust," said a former Fresno County family childcare provider who now supports other child care providers*. "It means a great deal to see community leaders listening to providers and families because real solutions come from understanding what children and working parents experience every day." *Name removed for confidentiality.

Looking Forward

While this initial child care pilot is focused on the City of Fresno, First 5 Fresno County and EMF partners recognize the opportunity to implement strategies that can be scaled across the county. To this end, First 5 Fresno County is also one of multiple counties participating in a child care cost modeling cohort with The Children's Funding Project, with the end goal of identifying the true cost of quality child care across Fresno's mixed delivery system. The data and experiences collected through both the cohort and pilot projects will directly inform future investments and sustainable solutions so children from all Fresno County communities, rural and urban, have access to quality early learning and care opportunities.

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Expenditure Details

Category	Amount
Program Expenditures	\$9,167,174
Administrative Expenditures	\$398,314
Evaluation Expenditures	\$384,513
Total Expenditures	\$9,950,001
Excess (Deficiency) Of Revenues Over (Under) Expenses	\$495,871

Other Financing Details

Category	Amount
Sale(s) of Capital Assets	\$210,500
Other GASB 96 recording - SBITA use of accounting software along with sale of property held in Huron, CA in October 2025.	(\$18,966)
Total Other Financing Sources	\$191,534

Net Change in Fund Balance

Category	Amount
Fund Balance - Beginning	\$36,127,153
Fund Balance - Ending	\$36,814,558
Net Change In Fund Balance	\$687,405

Fiscal Year Fund Balance

Category	Amount
Nonspendable	\$48,144
Restricted	\$1,440,722
Committed	\$8,981,741
Assigned	\$26,343,951
Unassigned	\$0
Total Fund Balance	\$36,814,558

Expenditure Note

No data entered for this section as of 10/9/2026 11:23:15 AM.

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