

FIRST 5 FRESNO COUNTY

ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

DATE: Wednesday, October 27, 2021

TIME: 11:30 a.m.

Per [Assembly Bill 361](#) issued on September 16, 2021 authorizing public meetings to be held via teleconferencing, this Regular Meeting will be held via Zoom using the following link:

<https://us06web.zoom.us/j/82708573568?pwd=Uly5SGE2S3ZaSUQyendJTE1NbHR6Zz09>

Meeting ID: 827 0857 3568 and Passcode: 234966

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	Chair Pacheco
2. Action Pg. 1	ADOPT RESOLUTION AUTHORIZING COMMISSION PARTICIPATION VIA TELECONFERENCE IN ACCORDANCE WITH AB 361 Supporting Documents	F. González, E.D. K. Price, Legal Counsel
3. Action Pg. 5	CONSENT AGENDA – ITEM 3a-3e See attached Consent Agenda. Overview: These matters are routine in nature and are usually approved by a single vote. Prior to action by the Commission, the public will be given the opportunity to comment on any Consent Item.	Chair Pacheco F. González, E.D.
4.	POTENTIAL CONFLICTS OF INTEREST Any Commission Member who has potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter.	Chair Pacheco
5. Action Pg. 85	AGREEMENT WITH FRESNO COUNTY ECONOMIC OPPORTUNITIES COMMISSION FOR THE FRESNO GROWS - BEST BABIES ZONE INITIATIVE	F. González, E.D. L. Ramírez, Staff
6. Action Pg. 87	REQUEST FOR PROPOSALS OPPORTUNITY FOR THE COMMISSION'S MOBILE UNIT	F. González, E.D. K. Rangel, Staff
7. Public Hearing Pg. 89	PUBLIC HEARING - FINANCIAL AUDIT REPORT & STATE ANNUAL REPORT FOR FISCAL YEAR 2020-2021 Supporting Documents	F. González, E.D. A. Hillis, Staff H. Norman, Staff
8. Action Pg. 90	FINANCIAL AUDIT REPORT & STATE ANNUAL REPORT FOR FISCAL YEAR 2020-2021 Supporting Documents	F. González, E.D. A. Hillis, Staff H. Norman, Staff
9. Action Pg. 161	2022 REGULAR COMMISSION MEETING SCHEDULE	F. González, E.D. K. Rangel, Staff
10. Information	EARLY CHILDHOOD POLICY UPDATE	F. González, E.D. C.J. Hernandez, Staff
11. Information Pg. 162	EXECUTIVE DIRECTOR'S REPORT	F. González, E.D.

NOTE: If you need disability modification or accommodation in order to participate in this meeting, please contact the Commission office at (559) 558-4900 at least 48 hours prior to the start of the meeting. Government Code Section 54954.2(a).

ITEM	SUBJECT	PRESENTER
12. Information	PUBLIC COMMENT Limit two minutes per speaker. Public Comment is also taken on individual agenda items throughout the meeting at the conclusion of each agenda item.	Chair Pacheco
13. Information	ANNOUNCEMENTS / INFORMATION SHARING	Chair Pacheco
14.	ADJOURNMENT	Chair Pacheco
<u>NOTE:</u>	NEXT REGULAR MEETING – DECEMBER 8, 2021	Location to be determined

NOTE: If you need disability modification or accommodation in order to participate in this meeting, please contact the Commission office at (559) 241-6515 at least 48 hours prior to the start of the meeting. Government Code Section 54954.2(a).

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

REGULAR BUSINESS MEETING

October 27, 2021 - 11:30 a.m.

AGENDA ITEM NO. 2

TO: Children & Families Commission of Fresno County
FROM: Fabiola González, Executive Director
SUBJECT: Adopt Resolution Authorizing Commission Participation Pursuant to AB361

RECOMMENDED ACTION:

Adopt a resolution authorizing the Commission and its legislative bodies to participate in meetings via teleconference so long as such actions comply with newly adopted AB 361.

BACKGROUND:

Governor Newsom's Executive Order No. N-29-20, which allows some or all Commissioners/Committee Members to participate in a public meeting via teleconference (phone or video) expired as of September 30, 2021.

On September 15, 2021, AB 361 was passed which includes the following:

Through December 31, 2023, AB 361 allows local agencies to continue to use COVID-19-era teleconferencing notice and meeting procedures as long as one of the following specific types of emergency exists:

- A. The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
- B. The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
- C. The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

The Commission must make specific findings every 30 days during the emergency when telephonic or virtual meetings are required. The Governor, through Order N-12-21, has extended the order declaring a State of Emergency due to the impacts of COVID-19 until the end of the calendar year, so these findings must be made every 30 days beginning on October 1, 2021:

- A. The legislative body has reconsidered the circumstances of the state of emergency.
- B. Any of the following circumstances exist:
 - i. The state of emergency continues to directly impact the ability of the members to meet safely in person; or
 - ii. State or local officials continue to impose or recommend measures to promote social distancing.

The new law also prohibits local agencies from requiring public comments to be submitted prior to the meeting without also allowing real-time comment opportunities during the meeting. In addition, the new law allows third-party internet websites to collect names and other information from the public in order to participate in the meeting, but local agencies themselves are still prohibited from requiring such information to participate. Finally, if there is an internet or telephonic service disruption that prevents the agency from broadcasting the meeting, the agency may take no action until the broadcast is restored. Normal posting timelines for agendas still apply, as well as the roll-call vote requirement.

CONCLUSION:

Because the Finance and Program Review Committee met prior to the Regular Commission Meeting, an initial resolution was adopted on October 18, 2021 by the Finance and Program Review Committee authorizing committee participation via teleconference. The resolution attached to this staff report would accommodate all legislative bodies of First 5 Fresno County for the period of October 27, 2021 to November 26, 2021.

RESOLUTION NO. 2021-002

A RESOLUTION OF THE MEMBERS OF THE CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY ("FIRST 5 FRESNO COUNTY") ACKNOWLEDGING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY N-12-21 ISSUED ON AUGUST 16, 2021 AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF ALL LEGISLATIVE BODIES OF FIRST 5 FRESNO COUNTY FOR THE PERIOD FROM OCTOBER 27, 2021 TO NOVEMBER 26, 2021 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the Children and Families Commission of Fresno County (the "Commission") is committed to preserving and nurturing public access and participation in meetings of the Commission; and

WHEREAS, all meetings of the Commission are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 - 54963), so that any member of the public may attend, participate, and watch the Commission conduct its business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within First 5 Fresno County's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist, specifically, by the Governor's Order N-12-21, the Governor has extended the order declaring a State of Emergency due to the impacts of COVID-19; and

WHEREAS, the County of Fresno has recommended continued social distancing to combat the imminent risk to the public health and safety due to COVID-19; and

WHEREAS, the Commission does hereby find that such conditions have caused, and will continue to cause, conditions of peril to the safety of persons within Fresno County that are likely to be beyond the control of agency services, personnel, equipment, and facilities, and desires to acknowledge a local emergency and ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the Commission does hereby find that the legislative bodies of the District shall conduct their meetings without compliance with paragraph (3)

of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, First 5 Fresno County shall ensure that the public has the opportunity to participate live in all electronic meetings of the Commission during all public comment periods.

NOW, THEREFORE, THE CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Proclamation of Local Emergency. The Commission hereby proclaims that a local emergency now exists throughout Fresno County, and full in-person meetings could cause an imminent risk to the Commission members, staff and public.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Commission hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of August 16, 2021.

Section 4. Remote Teleconference Meetings. The agency staff is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect on October 27, 2021, and stay in effect at such time the First 5 Fresno County Commissioners adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Commission this 27th day of October, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

FIRST 5 FRESNO COUNTY

ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

DATE: Wednesday, October 27, 2021

TIME: 11:30 a.m.

CONSENT AGENDA

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

ITEM	SUBJECT	PRESENTER
3a. Action Pg. 6	MINUTES FROM MAY 19, 2021 REGULAR COMMISSION MEETING Supporting Document	F. González, E.D.
3b. Action Pg. 9	INTERNAL POLICIES & PROCEDURES - ANNUAL REVIEW Supporting Documents	F. González, E.D. A. Hillis, Staff
3c. Action Pg. 79	FUND ALLOCATION FROM FIRST 5 CALIFORNIA TO FRESNO COUNTY SUPERINTENDENT OF SCHOOLS FOR HOME VISITATION COORDINATION EFFORTS	F. González, E.D. H. Norman, Staff
3d. Action Pg. 81	AGREEMENT RENEWAL WITH ARCHER & HOUND FOR THE CHILD-FRIENDLY BUSINESS AWARDS MEDIA CAMPAIGN	F. González, E.D. C.J. Hernandez, Staff
3e. Action Pg. 83	AGREEMENT WITH UNITED WAY FRESNO AND MADERA COUNTIES FOR THE AFRICAN AMERICAN LEADERSHIP ADVANCEMENT PROGRAM	F. González, E.D. C.J. Hernandez, Staff

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY
REGULAR BUSINESS MEETING
October 27, 2021 – 11:30 a.m.

CONSENT AGENDA ITEM 3b

TO: Children & Families Commission of Fresno County
FROM: Fabiola González, Executive Director
SUBJECT: Internal Policies and Procedures - Annual Review

RECOMMENDED ACTION:

Approve the updated (1) Accounting Policies and Procedures Manual, (2) Administrative and Programmatic Procurement Policies and Procedures Manual, (3) Investment Policy, and (4) Travel Policies and Procedures Manual.

BACKGROUND:

On October 18, 2021, this item was approved for full Commission consideration by the Finance and Program Review Committee.

1. Accounting Policies and Procedures Manual:

The Commission's Accounting Policies and Procedures ensure internal procedures align with Governmental Accounting Standards Board (GASB), the First 5 Association Financial Management Guide, and industry standards. Accounting policies provide high-level guidance and focus attention on critical executive responsibilities associated with accounting for the Commission. The following updates are presented for review and approval:

- Revision of Accounts Receivable (Section 3, Article B), Bank Reconciliation (Article C) procedures to incorporate newly hired administrative staff
- Update to Payroll procedures (Section 3, Article M) to incorporate revisions to the process to strengthen internal controls. Rewording to clarify allowable cash advance amounts under Advance Payments in Section 4, Article B
- Edits to in Section 4, Article D to retitle for clarity and align the content to match the Administrative and Programmatic Procurement Policies and Procedures Manual (Procurement Policy) in regards to the Executive Director's contract administration authority threshold
- Update to Commission staff titles, after update in fiscal year 2021
- Edits to improve clarity and sentence consolidation.

2. Administrative and Programmatic Procurement Policies and Procedures Manual:

The Commission is required by ordinance to develop and adhere to procurement policies and procedures related to its purchasing of and/or contracting for goods and services that are consistent with applicable federal and state laws and regulations. Commission staff and Legal Counsel recommend the following updates for review and approval:

- Revisions to language used to improve clarity and equity
- Edits to Section E; Article 2 “No Conflicts of Interest” to reference [Government Code section 1091.3](#) to clarify that a Commissioner must recuse themselves in discussions or actions of the Commission for a contract where they or an entity they represent may apply
- The addition of a link to direct the reader to the First 5 Fresno County website to reference our Funded Partner Manuals

3. Investment Policy:

The Commission’s Investment Policy provides the framework for investment decision-making for the future of the Commission. In collaboration with PFM Asset Management, LLC, the Commission’s investment firm, staff annually review and update the Investment Policy to ensure internal procedures align with the First 5 Association Financial Management Guide, Governmental Accounting Standards Board (GASB), and industry standards. The following updates are presented for your review and approval:

- Updates to “Authorized & Suitable Investments” Section 10; Article G to outline the Commission’s investment policies in Commercial Paper and Medium-Term notes per updates to code
- Updates to Section 11 “Ineligible Investments” to note exemptions in regard to zero or negative interest accrual investments brought on by the passing of Senate Bill 998. Exemption active until January 1, 2026 per changes in code

4. Travel Policies and Procedures Manual:

The Commission’s Travel Policies and Procedures ensure official travel taken on behalf of the Commission is accomplished in a manner that meets business needs and minimizes cost. The following updates are presented for review and approval:

- Edits to improve clarity and sentence consolidation

Fiscal Impact: Action on this agenda item will have no fiscal impact.

CONCLUSION:

Annual review and updates to Commission’s policies ensure efficiency, further transparency, cost effectiveness and internal controls. If approved, the revised Accounting Policies and Procedures Manual, Administrative and Programmatic Procurement Policies and Procedures Manual, Investment Policy, and Travel Policies and Procedures Manual will update all internal files as well as post the most updated version of all policies and procedures on the Commission’s website as necessary.



ACCOUNTING POLICIES AND PROCEDURES MANUAL

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1. GENERAL

A. Introduction

The purpose of the Accounting Policies and Procedures Manual is to provide documented procedures related to fiscal policies, accounting principles, internal controls, operating procedures and reporting requirements for the Children & Families Commission of Fresno County (the Commission) also known as First 5 Fresno County (F5FC).

Use of this manual will assist Commission staff by:

- Describing methods for processing accounting information
- Documenting the accounting process so that execution of procedures is not completely dependent upon one individual
- Providing a training device and reference material for staff
- Providing a source of information to help eliminate uncertainties and confusion
- Ensuring consistent application of accounting policies and procedures
- Describing the principles, procedures and forms to be used to process and generate financial reports prepared in accordance with generally accepted accounting principles and governmental accounting standards

B. Authority

The California Children and Families First Act of 1998 (Proposition 10) created the California Children and Families Commission ([State Commission](#)). Through the creation of the State Commission, 58 County Commissions were established.

Fresno County Ordinance Number 99-009 established the Fresno County Children and Families Commission pursuant to the provisions of the Health and Safety Code, Section 130140. Section 2.38.020, item G, of the Fresno County Ordinance states, “The Commission shall comply with Government Finance Officers Association (GFOA) financial management guidelines and Governmental Accounting Standards Board (GASB) accounting requirement standards.”

C. Role of Fresno County Auditor-Controller/Treasurer-Tax Collector

The Fresno County Auditor-Controller/Treasurer-Tax Collector (FCACTT) provides maintenance of the Commission Trust Fund held by the County for the Commission, referred to as the trust account. The FCACTT role to the Commission is that of a trustee nature. The Commission retains final authority over the Commission Trust Funds and access to these funds, upon proper authorization, shall be performed by the FCACTT in a timely and efficient manner.

D. Lighthouse for Children, Inc

Lighthouse for Children, Inc. (LFC) is a California 501(c)(3) non-profit public benefit corporation created by the Commission, [in 2012](#), as a Qualified Active Low Income Community Business (QALICB) to take advantage of a New Markets Tax Credit financing structure used to build a facility within a low-income community in Fresno County as the Commission ~~was~~ not eligible to be the QALICB. LFC is considered a component unit of the Commission for financial reporting purposes and, as such, is included in the Commission’s annual financial report, ~~as a discretely presented component unit.~~

As a component unit of the Commission, LFC has a financial and operational relationship with the Commission which meets the reporting entity definition criteria of GASB Statement No. 14, The Financial Reporting Entity, as amended by GASB Statements No. 39 and No. 61, and thus is included in the financial statements of the Commission. Although a legally separate entity, LFC is reported in [F5FCs](#) financial statements using the ~~discrete-blended~~ presentation method because it ~~does not~~ provides services exclusively or almost exclusively to the Commission and ~~to emphasize that it is a legally separate organization~~ [a financial benefit relationship exists between the Commission and the component unit.](#)

Lighthouse for Children, Inc. must follow the policies and procedures as outlined in this Manual unless otherwise noted in the sections below.

E. Manual Revisions

The Commission is responsible for updating the manual as needed, at minimum on an annual basis, and ensuring that revised policies are appropriately considered at a public meeting by the Commission.

F. Glossary of Terms

A glossary of terms can be found in Appendix A of this document.

2. ACCOUNTING POLICIES

Accounting policies provide high-level guidance and focus attention on critical executive responsibilities associated with accounting. The following accounting policies assist the Commission in making decisions necessary for the daily operations of the agency:

- Accounting is conducted in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), and in accordance with the guidance in Governmental Accounting, Auditing, and Financial Reporting (GAAFR) published by the Government Finance Office Association (GFOA)
- Accounting transactions are recorded in a manner to facilitate **outcome-based accountability**
- Accounting procedures and records ensure expenditures are made only for the purposes authorized by the California Children and Families Act of 1998 (as amended), and in accordance with the Commission's approved Strategic Plan in effect for the fiscal year
- Accounting procedures are adopted and followed to safeguard financial resources

A. General Accounting Procedures

The following general accounting procedures are the major elements that define and drive the accounting system:

- | | |
|---|-------------------------|
| 1. Generally Accepted Accounting Principles | 7. Program Accounting |
| 2. Fund Accounting | 8. Cost Allocation |
| 3. Modified Accrual Basis of Accounting | 9. Budgetary Accounting |
| 4. Account Classification | 10. Internal Control |

1. Generally Accepted Accounting Principles (GAAP)

In order to maintain public trust, the Commission's operations, reporting, accounting policies, practices, and systems conform to Generally Accepted Accounting Principles (GAAP).

2. Fund Accounting

Government accounting systems are organized and operated on a fund basis to provide strong accountability for the use of public funds.

Fund accounting focuses on the inflow and use of current financial resources, whereas private sector accounting focuses on profit and net worth. Fund accounting includes three broad classifications of funds. Governmental funds typically are used to account for tax-supported activities. Proprietary funds are used to account for a government's business type activities like a water department or an airport. Fiduciary funds are used to account for resources that are held by the government as a trustee or agent for parties outside the government. Fiduciary funds cannot be used to support the government's own programs.

One type of governmental fund is the general fund. The general fund is the chief operating fund of most governments and is used by the Commission. Another type of governmental fund is a special revenue fund. A special revenue fund accounts for the proceeds of a specific revenue source that is restricted by law or administrative action to be expended only on a specified purpose(s). Special revenue fund accounting is commonly used when revenue sources are exclusively designated for a specific purpose.

3. Accounting Methods

A. Modified Accrual Basis of Accounting

There are three bases of accounting: cash accounting, accrual accounting, and modified accrual accounting. Commissions are recommended, by the First 5 Association Fiscal Management Guide, to use the modified accrual method of accounting because it more effectively recognizes increases and decreases in financial resources.

The modified accrual basis of accounting is a method of accounting in which expenditures are recorded at the time liabilities are incurred and revenues are recorded when received in cash or are considered available for use.

B. Accrual Basis of Accounting

LFC utilizes the accrual basis of accounting. The accrual basis of accounting is a method of accounting in which expenditures and revenues are recorded at the time they are incurred, not necessarily when they involve cash.

4. Account Classification (Chart of Accounts)

The Commission engages in a wide range of financial activities. An account classification system called a chart of accounts is used to record and organize this financial activity. The chart of accounts provides the organizing framework for budgeting and substantially enhances reporting capabilities.

The chart of accounts includes all accounts in the general ledger - assets, liabilities, fund balance, revenues, and expenditures. Asset, liability, and fund balance accounts reflect the financial resources of the Commission and are referred to as balance sheet accounts.

5. Program Accounting

Account classification creates a structure to account for assets, liabilities, fund balance, revenues, and expenditures. In addition, the Commission often needs information on programs. **A program is a set of specific activities taken on by the Commission to accomplish a particular purpose and funding source.** A program may have more than one revenue source and may require expenses from multiple accounts.

Because of the Commission's legal mandate for **outcome-based accountability** and the program evaluation requirements associated with the grant funds, the Commission has employed program accounting. In order to capture all costs to their appropriate funding, outcomes, and results areas, the Commission has developed program accounting in their internal accounting system. Program costs are captured based on funding mechanism and focus areas. The Commission has also employed a data reporting system that provides result area-based expenses.

6. Cost (Expense) Allocation

Most accounting for the Commission's activities is accomplished directly by processing transactions. Transactions are coded and charged to designated fund accounts and programs. However, certain situations require special allocation steps to accurately account and report the cost of Commission activities.

To provide clarity, the Commission has —defined administrative costs within this Policy. Therefore, cost items that comport to the Commission's definition of administrative costs are charged directly to an administrative area in the accounting system. Cost allocation is used when costs need to be estimated and apportioned among different programs or organizational units. Examples of costs that may need to be allocated include office rent, telephone, and personnel costs.

Once it is determined that costs need to be allocated or apportioned, an allocation formula is created to obtain a reasonable estimate. At least once every two years the Commission conducts a time study of all staff positions in order to properly compute expenses. The time study shows the percentage of each staff position's time that is spent on each Commission program and on internal administrative activities.

7. Budgetary Accounting

The Commission's budget is consistent with GAAP and governmental accounting standards. The budget is a commitment for the allocation of available resources for the upcoming budget period. The budget is shaped by the goals and objectives contained in the Commission's ~~approved, current~~ Strategic Plan and the financial direction set in the long-term financial plan.

An annual budget authorizes and provides the following:

- a. Basis for control of the financial operations of the Commission
- b. Estimates revenues made on a modified accrual basis, as anticipated to be earned for that budget year
- c. Estimates carryover fund balance made on a modified accrual basis, as anticipated to be on hand at the close of the fiscal year
- d. Estimates appropriation requirements made on a modified accrual basis

- e. These aforementioned estimates reflect expenditures and encumbrances for all obligations to be incurred during the budget year

The Commission will adopt the proposed budget at least one month prior to the beginning of the next budget period. In the adopted budget, the operating expenditures must not exceed the operating resources (forecasted revenues and reserves). That is, the total of all appropriations for the budget year may not exceed the total of estimated revenues for the budget year, plus the estimated unencumbered carryover fund balance from the current year.

8. Internal Control

Commission staff administers and monitors the adopted budget during the year to establish budgetary control. Specific steps are taken to establish that control.

Initially, the budget is aligned with the modified accrual accounting system. The budget includes estimated allocations to the various program components that support the Commission's goals for early childhood development. The program accounting structure is aligned with the programs in the budget. Revenue and expenditure line items in the budget are aligned with the chart of accounts to effectively compare "actual" revenues and expenditures with "budgeted" revenues and expenditures.

Secondly, a component of budgetary accounting is encumbrance accounting. An encumbrance system is needed to control the expenditure side of the budget. Encumbrances represent the estimated amount of future expenditures that will result when unperformed work is completed within a contract term. Essentially the encumbrance reserves a portion of a budget. When the work outlined in a contract is performed, expenditures will be recorded in the accounting system (and the encumbrance will be reversed). Until the expenditure is recorded, encumbrances are used so the Commission does not over commit funds.

Thirdly, staff uses the budget document as a guide for expenditures throughout the budget period so that actual expenditures do not exceed the total adopted budget. [Monthly-Regular](#) reporting is used to identify budgeted and actual amounts and fund balance, ensure resources are used for the appropriate purposes, and ensure resources are not expended too quickly.

Lastly, during the year amendments are made to the original budget as circumstances change. The Commission must approve any appropriation transfers when it is necessary to move appropriations between expenditure objects. Objects are defined as Salaries and Benefits, Services and Supplies, and Program Contracts. The Executive Director or designee of the Commission may approve appropriation transfers between line item accounts within an expenditure object. The Commission may increase appropriations during the fiscal year on a 2/3-majority vote by Commissioners present at a regularly scheduled meeting of the Commission. The appropriation amounts must be matched by realized revenue or carryover, or additional anticipated revenue, in excess of amounts anticipated in the budget. Mid-year budget increases are made by resolution of the Commission. Records of the original budget and all amendments are maintained. At year-end both the "original" budget and "final amended" budget amounts are reported in the annual audit.

3. ACCOUNTING PROCEDURES AND PROCESSES

The accounting system consists of records and procedures which recognize, record, classify, summarize, and report information on the Commission's financial position and results of operations. The major

elements used in presenting financial information in governmental accounting are assets, liabilities, fund balance and/or equity, revenues, and expenditures.

The accounting procedures and processes below describe the methods used in accounting for the Commission's financial transactions. The goal of the accounting process is to produce financial reports that accurately summarize the financial position of the organization at a certain point in time and its revenues and expenditures for the fiscal period.

A. Revenue

A. Proposition 10 Revenue

Revenue received for the operation of the Commission is initiated and submitted from the California State Children and Families Commission on a monthly basis, based on Proposition 10 funds collected by the State of California. The revenue allocated and transferred to the Commission is based on the percentage of Fresno County live births to California State live births. The funds are remitted directly to the Fresno County Treasury where they are placed in the Children and Families Trust Fund.

The State ~~submits-releases~~ a Disbursement to Counties by Month Report which reflects funds collected ~~for the month~~ and distributed to counties ~~for the month, based on their percentage of live births to the total State live births~~. The revenue remitted by the State is reviewed and documented by Commission staff each month to determine the reasonableness of the revenue.

B. Other Revenue

The Commission may receive other revenue not otherwise related to its Proposition 10 funding allocation from such sources as the State Commission, other state departments, the federal government, and private foundations. These funds may be restricted in how they are used and require special accounting information to track and report periodically. The use of these revenues must have Commission approval and a formal grant or funding agreement including a budget or plan establishing restrictions and parameters of the funding agreement in place, which shall include a budget or plan establishing restrictions and parameters on the use of the funds.

B. Cash

The Commission is responsible for several cash accounts. These accounts include the following:

1. Commission Trust Account

The Commission Trust Account (trust account), occasionally referred to as the Children and Families Trust Fund, is maintained by the County Auditor-Controller/Treasurer-Tax Collector for the Commission. Monies are transferred to the cash accounts described below for the operations of the Commission.

Since the County has established that funds in the trust account are not operational funds, there is a need to have some excess funds in the Commission's cash accounts. The County only allows two non-operational transfers per 30-day period, and the transfers must be 10 days apart between withdrawals. Commission management and the Commission's Secretary/Treasurer will establish the amount of funds to be held by a bank.

Fresno County will be notified of the need to transfer funds by Commission management based upon projecting future cash flow requirements. ~~A transfer of funds requires the Executive Director to approve the transfer request.~~ The transfer request must be in writing, on the Commission's letterhead, to the Fresno County Treasurer's Office ~~in order~~ for the transfer to take place. The authorized signer for transfers is the Commission's Executive Director. Transfer amounts for non-operational funds cannot exceed the amount allowed by Fresno County.

Transfers may be made by check ~~sent directly to the authorized bank~~ or wire transfer only to the Commission's program checking account.

Each month, the County submits a Monthly General Ledger Trial Balance Report and a Monthly Transaction Register to the Commission, which documents the activity for the month and the cash balance in the trust account.

The Commission will transfer sufficient monies to the operating account as needed for agency operations. There is no limit on the number or amounts of operations transfers within a 30-day period.

2. Operating Checking Account

The operating checking account is maintained to process transactions for the general operations of the Commission. The account requires two authorized individuals designated by the Commission on payments/checks over \$500.00.

Account signers are the Executive Director and a designee. Wire transfers must be authorized, in writing, by the Executive Director or designee.

The Executive Director has been delegated the authority to authorize payments for all recurring budgeted costs [no dollar limit] and up to \$3,000.00 for non-recurring operating costs.

Splitting payments to avoid the approval limit is contrary to Commission policy and is not allowed. Payments authorized by anyone other than the primary designee will be presented to the primary designee for review and the primary designee will initial their subsequent review and approval of the expenditure. The primary designees are designated as the Executive Director and the management staff (or designee).

3. Program Checking Account

The program checking account will segregate the funds necessary for financing current activity of programs/grants. The account requires two approvals on the account and will be as follows:

Authorized individuals shall be the Executive Director and a designee. Wire transfers must be authorized, in writing, by the Executive Director or designee.

Splitting payments to avoid the approval limit is contrary to Commission policy and is not allowed. Payments authorized by anyone other than the primary designee will be presented to the primary designee for review and the primary designee will initial their subsequent

review and approval of the expenditure. The primary designees are designated as the Executive Director and the management staff (or designee).

Program funds are requested from the trust account on an as-needed basis [as outlined in section B-1 of this Policy](#). ~~A formal letter on the Commission's letterhead is submitted to the County Auditor Controller/Treasurer Tax Collector from the Commission when funds are needed and is authorized by the Commission's Executive Director.~~ A staff designee verifies [within the accounts receivable procedures](#), funds have been ~~transferred~~ [deposited](#) to the appropriate bank accounts.

4. Petty Cash Fund

The Commission maintains a petty cash fund for minor business expenses that is replenished as needed in an amount not to exceed \$200.00. A custodian is assigned the responsibility of maintaining this fund. Reconciliation by a designee, independent of the custodian function, is performed twice a year, at minimum. The petty cash fund is not used for change funds. The process for petty cash is as follows:

1. Petty cash funds are secured in a locked petty cash box with the custodian.
2. Petty cash for a minor business expense is requested from the custodian.
3. The custodian completes a petty cash voucher with the date, amount disbursed, details of expense, account to debit the expense and name of the person to whom the petty cash was paid.
4. The voucher is stapled to the receipt and stored in the locked petty cash box.
5. The expense is recorded in a spreadsheet that updates the running cash balance.
6. At the end of every quarter, the locked box is given to the designee to perform a reconciliation between the balance in the spreadsheet and cash balance in the petty cash box.
7. Journal entries are then recorded by the designee for each expense by applying a debit to the expense account and a credit to the petty cash account.
8. Receipts and vouchers are attached to the journal entry batch and filed in the journal entry file.

5. Accounts Receivable

An accounts receivable process is maintained to identify, and bill all amounts due on a timely basis. The process will identify overdue receivables and provide timely collection notices.

The accounts receivable process is as follows:

1. Services and/or goods will be billed by a staff designee.
2. The invoice generated will be recorded - a debit to accounts receivable in the amount of the invoice and a credit to the revenue - in the accounts receivable module of the Commission's accounting software.
3. After the bill is issued, the timing of the outstanding bill will be tracked so that the receivable can be aged.
4. Follow-up correspondence will be sent to the vendor/ Funded Partner if payment is not received by the due date listed on the invoice.
5. When the vendor/ Funded Partner remits payment on the invoice, the payment will be recorded in the accounting system by ~~the a original~~ staff designee and submitted to [the Business Director or](#) a separate designee ~~to for~~ deposit.

6. Once the deposit is made, ~~a third~~the staff -designee receives the deposit slip and records it in the accounts receivable module, by debiting cash and crediting accounts receivable.
7. The ~~Project Director~~Business Director checks that the deposit is accurately recorded, and ~~the staff designee~~ posts the receivable to the General Ledger.

6. Investments

The Commission has developed an Investment Policy that is updated annually, as needed, by Commission staff and appropriately considered at a public meeting by the Commission.

C. **Bank Reconciliation**

Bank reconciliation is performed on a monthly basis for all cash accounts. The following describes the procedures related to the bank reconciliation process:

1. The bank statement is received ~~in the~~via email ~~and forwarded, directly unopened~~ to the Deputy Director or ~~Project Director~~Program Early Childhood Initiatives Director, who is separate from the payment process, who reviews and forwards to the ~~Project Business~~ Director or designee.
2. ~~Staff prepare the monthly journal entries based on the bank statement. All journal entries must be accompanied with proper supporting documentation and filed appropriately.~~ The ~~Project Business~~ Director ~~or Business Manager~~ then prepares the bank reconciliation and upon completion forwards to the Executive Director.
3. The Executive Director initials the bank reconciliation verifying the review and returns the bank reconciliation to the ~~Project Business~~ Director.
- ~~4. Staff prepare the monthly journal entries based on the bank reconciliation. All journal entries must be accompanied with proper supporting documentation and filed appropriately.~~

D. **Payment Approval Authorizations**

The Executive Director is authorized to approve payments of \$10,000.00 or less as outlined in the Commission's Administrative and Programmatic Procurement Policies and Procedures Manual. Payments for amounts over \$10,000.00 require Commission approval.

As stated above, manual checks valued at more than \$500.00 require two signatures. Authorized designees are detailed by account.

The Executive Director, Deputy Director, ~~Project Program Early Childhood Initiatives~~ Director, whom do not have access to the Commission's bank accounts associated with the payment process, and the Commission's Vice-Chair and ~~/or~~ the Commission's Secretary/Treasurer are the payment authorizers. In the absence of the Executive Director, the Commission's Vice-Chair acts in lieu of the Executive Director as a payment authorizer. The Commission requires payment authorizers to be updated upon the end of a Commissioner's term and updated to reflect incoming Commission members.

E. **Fidelity Bond Insurance**

The Commission is required to maintain fidelity bond insurance. The Commission has authorized the fidelity bond to cover all sums of the Commission's Trust Fund that are removed from the County Treasury. Currently the insurance amount maintained by the Commission is \$5,000,000.

F. Policy of Cash Funds

Funds may be invested by management in investments allowed by State Law and approved by the Commission. Funds held by the banks must be collateralized with acceptable securities with a value of 110% or more for funds in excess of FDIC (Federal Deposit Insurance Corporation) limits. Please refer to the Commission's Investment Policy for further details.

G. Capital Assets

Capital assets include such items as land, structures and improvements, and furniture and equipment owned by the Commission. Under the modified accrual basis of accounting, the Commission charges capital asset purchases as expenditures. The following are safeguards to control capital assets:

- All individual capital assets having a value of more than a specified dollar amount and a useful life of one year or more are monitored through inventory controls
- Commission approval of all capital asset purchases, ~~depending on~~ regardless of dollar amounts, is required
- Pertinent data on capital assets (including description, cost, source of funds, and data acquired) is recorded as soon as capital assets are acquired and data is available
- All items are tagged with a pre-numbered identification sticker
- Performance of annual physical inventories
- Maintenance of a listing of expendable equipment (assets that do not meet the specified dollar amount to be classified as a capital asset, but require control) that could easily be misappropriated, as well as periodic inventory of this equipment
- Recording of donated capital assets at fair market value as of date of donation
- Insurance requirements for fixed assets are reviewed on an annual basis to ensure coverage is adequate

The Commission has developed a Capital and Depreciation Policy that provides further detail. The policy is regularly reviewed for updates by Commission staff.

H. Purchasing/Receiving

The Fresno County Ordinance 99-009, Section 2.38.020; Item (I) states: "The Commission shall develop purchasing and contracting policies and procedures consistent with applicable federal and state laws and regulations."

The Commission has developed the Administrative and Programmatic Procurement Policy and Procedures Manual that are updated annually by Commission staff and considered at a public meeting by the Commission. The competitive bidding process is used in acquiring goods and services based on certain dollar thresholds.

I. Public Relations Purchases

Expenditures submitted to the Commission for public/community relations expenses must be made in accordance with the funding source requirements, consistent with good business practice, and

adhere to the Commission's Administrative and Programmatic Procurement Policies and Procedures, Conflict of Interest Policy, and this Policy as appropriate.

Where funds are received for research, grants, or special projects, additional documentation must be maintained as required by the entity providing the funds. In the administration of restricted funds, the Commission must maintain adequate documentation to be able to demonstrate that the expenditures are made in a manner consistent with the restrictive conditions.

In accordance with this section, allowable Commission expenditures may include, but are not limited to:

1. Membership and participation in the activities of community groups, including but not limited to service clubs and community-wide organizations of leading citizens in early learning, child development, education, business and/or government which serve the needs of young children and their families and promote the engagement of the Commission within the community.
2. Commission programs/activities that promote and support optimal early childhood development, strengthening of the Commission's public relations; and/or donor cultivation and stewardship. Such activities may include, but are not limited to community receptions, cost of meetings, speaker fees, public ceremonies, Commission and committee meetings.
3. Hospitality expenses including the provision for meals, catered events, promotional materials, and other related expenses that are necessary to conduct official Commission business with external partners. Eligible costs associated with travel for guests of the Commission will adhere to the Commission's Travel Policies and Procedures Manual.
4. Promotional materials distributed to promote the name and brand of the Commission.
5. Flower/Plant purchases, with non-restricted funds, for official Commission functions such as community receptions, ceremonies, seminars, and other Commission events.

No reimbursement shall be allowed for the following expenses:

- Employee birthday, baby shower, wedding, wedding anniversary, etc.
- Clothing rental
- Political contributions
- Tobacco and alcohol purchases
- Daily reimbursement of lunches
- Amounts that are unreasonable given the circumstances in which the expenses were incurred and/or the benefit they provided to the Commission
- Membership or participation in organizations that discriminate based on race, color, religion, national origin, ancestry, age, gender, sexual orientation, marital status, veteran status, or disability

For the allowable expenditures described above, a Payment Authorization Form indicating the public relations purchase must be approved by the Executive Director or designee. The Executive Director or designee approving the authorization is responsible to ascertain the necessity and reasonableness of the authorization and that adequate documentation is attached to support the authorization. ~~The Executive Director or designee may not approve authorizations payable to their supervisor; Commission Chair approval is required.~~

The following justification information is required to be documented upon request for payment authorization of public relations purchases:

- **Purpose** - Be specific regarding the purpose for the expenditure. Generic statements such as "promotes positive relations", "community relations" or "employee relations" are not acceptable.
- **Relationship** - Names of the persons including their employer and occupation or title demonstrating the business relationship to the Commission.
- **Receipts** - Original receipts are required that include the amount, date, place and description of the expenditure. In cases where receipts cannot be obtained or have been lost, a statement to that effect shall be made and attached to the authorization.
- **Highest Position Responsible for Payment** - The highest-ranking Commission staff in attendance at a business-related activity is deemed to be responsible for making the payment to the vendor and he/she will subsequently seek approval to be reimbursed if needed with approval from their immediate supervisor.

J. **Electronic Funds Transfer (EFT) – Automated Clearing House (ACH) Payments**

Electronic Funds Transfer (EFT)- is a system of transferring money from one bank account directly to another without paper money changing hands.

Automated Clearing House (ACH)- payment is the method of electronic remittance to individuals or entities that are made electronically within the banking system. ACH payments have many benefits. They eliminate the need to print and mail checks, ensure payees receive payments by a specific date, provide an efficient, cost effective, and payee-friendly means of making payments, are environmentally friendly due to the reduced use of paper, postage, office supplies, processing time, and storage space, and provide payees with an option to receive payment quickly.

The Commission utilizes EFT – ACH payments in lieu of issuing checks and mailing remittance. A check will be issued if no method of EFT exists, upon Executive Director's approval.

The Commission will make every effort to make all vendor payments through ACH. Vendors must submit an EFT Authorization Form to the Commission. The form is located on the Commission's website. It is the responsibility of the vendor to ensure the ACH information submitted to the Commission is accurate and complete. Failure to maintain accurate and complete information may result in delayed payments.

K. **Credit Cards**

At times, the use of payment via credit card may be deemed necessary for reoccurring payments when ACH payment is not available. Credit cards are not intended for purchases that can otherwise be paid by issuing an EFT/ACH or check payment. Instead, they are intended to be used for vendors that do not accept these forms of payments, small purchases, travel, and emergency purchases.

A credit card will only be provided to the Commission's Executive Director, Deputy Director, and ~~Project-Business~~ Director to provide a level of purchasing flexibility to conduct Commission business. Executive, Deputy, and ~~Project-Business~~ Directors utilizing agency credit cards will be solely responsible for the safeguarding of the credit card and account number, as well as complying with this Manual, internal procedures, and the Commission's Administrative and Programmatic Procurement Policies and Procedures Manual regarding purchasing, maintaining documentation, providing receipts, and reconciling the bill on a monthly basis. The Executive, Deputy, and ~~Project-Business~~ Directors will work with staff to assure procedures are properly followed. Once the monthly credit card statement is reconciled, the statement and all purchases must be reviewed and [signed approved for payment](#) by the ~~or~~ designee.

[Use of the business card for personal reasons is not permissible at any time.](#)

If ~~either~~ the Executive, Deputy, or ~~Project-Business~~ Directors terminates employment with the Commission, the credit card must be surrendered to the Commission immediately for cancellation.

L. Accounts Payable/Cash Disbursements

Invoices received for goods and services are approved by the Executive Director or designee and forwarded ~~to the staff designee~~ for payment processing. The following table outlines the procedures for processing accounts payable and the associated four methods of cash disbursement:

<p>The invoice is received and F5FC staff reviews the invoices and approves that the goods <u>have been received or</u> and services have been performed. The invoice is signed, dated, and the appropriate expense line is documented. Then the invoice is forwarded for processing.</p>			
<p>The Project-Business Specialist/Manager reviews the invoice for accuracy and matches the invoice to the check request form and any receiving documentation. The Project-Business Specialist/Manager enters the invoice into the accounting system and prepares the Cash Requirement Report for payment and forwards the invoice to the <u>Business Project</u> Manager/Director responsible.</p>			
<p>The Project-Business Manager/Director reviews all invoices for completeness and accuracy.</p>			
<p>3. The reviewed invoices are submitted to the Executive Director and/or designee with all invoices and supporting documentation for approval.</p>			
<p>The Executive Director or designee reviews the Cash Requirement Report and approves payments in the Commission’s accounting system. The Executive Director or designee prepares an Approval Invoice Report for both to sign <u>atures</u>. The Executive Director may initial invoices for additional approval tracking.</p>			
<p>4. The Approved Invoice Report is then forwarded to the Project-Business Manager or Director to release all payments and saved confirmation reports.</p>			
<p>5.</p>			
EFT/ACH and Wire Transfers	Online (Bank Draft)	Credit Card	Check
<p>6. The Project-Business Director or/ <u>designated staff</u> Manager creates and exports ACH files from the accounting database system in the proper ACH format. The ACH file is imported and transmitted directly to the bank.</p>	<p>The Project-Business Director or/ <u>designated staff</u> Manager processes payment online.</p>	<p>The Project-Business Director or/ <u>designated staff</u> Manager processes payment over the phone or online.</p>	<p>The Project-Business Director or/ <u>Manager</u> prints out checks and forwards to Executive Director and /or designee for signatures.</p>
<p>7. Transaction is confirmed with the bank and the ACH Batch Summary Report is saved in the ACH bidder/payments folder.</p>	<p>Receipt is retained.</p>	<p>Receipt is retained.</p>	<p>The <u>Business Manager/Specialist</u> Executive Director forwards the <u>signed checks to</u> prepares each check for mailing utilizing the check tracking stamp.</p>

8. Payment notifications are emailed to vendors. Paid invoices are filed.	Paid invoices are filed.	Paid invoices are filed.	Paid invoices and check stubs are filed.
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M. Payroll

The Commission utilizes a contracted payroll service to process payroll. Payroll is processed every two weeks. Physical control over personnel records is limited.

Following are procedures related to the payroll function:

1. Payroll increases follow the established Compensation Policy and are then documented in memo format and submitted to the Executive Director for approval. Changes to the Executive Director's payroll is authorized by the Commission.
2. The staff member who maintains personnel files will place the original payroll increase memo in the personnel file.
3. Time is entered into the payroll system and payroll is processed by the ~~Project-Business Manager~~/Director or designee.
4. The Executive Director or designee reviews, approves, and signs the draft payroll check journal.
- 3.5. The Business Director or designee processes and submits payroll.
- 4.6. Paid time off (PTO) accrual is then reconciled for accuracy by the ~~Project-Business Specialist/Manager~~. Pay stubs are delivered by the payroll service or electronically and payroll direct deposit is issued every other Friday. A staff member, who is independent of the preparation and authorization of the payroll submission, distributes payroll remittances if necessary.
- 5.7. Payroll reports prepared by the payroll service are reviewed by the ~~Project-Business Manager/Director~~ not responsible to enter/submit payroll for any unusual items. If any unusual items occur, they should be remedied with the staff submitter or otherwise reported to the Executive Director.
- 6.8. The ~~Project-Business Director or designee~~Manager prepares and posts journal entries for all payroll liabilities to be reflected in the accounting system.

N. Salaries and Benefits Policy

The Commission has developed, and appropriately considered at a public meeting, a Compensation Policy to state procedures and policies for establishing salaries. Details regarding employee benefits are outlined in the Commission's Employee Handbook.

O. Compensated Absences

Compensated absences are absences for which employees will be paid, such as paid time off (PTO). A liability for compensated absences for services already rendered and that are not contingent on a specific event shall be accrued as employees earn the rights to the benefits. The compensated absence liability shall be calculated based on the pay or salary rates in effect at the balance sheet date. Staff can reference additional details found within the financial statements included in the annual audit report.

P. Accounting for Leases

Leases entered into by the Commission are accounted for pursuant to GASB standards. A lease is defined as a contract that conveys the control of the right to use another entity's nonfinancial asset (the underlying asset) as specific in the contract for a period of time in an exchange or exchange-like transaction. Commission staff shall refer to [GASB standards and guidance](#) when accounting for leases.

Q. **Travel/Expense Reimbursements**

Commissioners and staff are authorized to receive reimbursement for travel and business expenses incurred while attending official functions, as long as the expenses are reasonable, prudent, and appropriate for the business of the Commission. Travel expense reimbursements by Commission staff and Commission members shall be properly authorized. Authorization for travel is approved by the Executive Director [or designee](#) for all employees. The Commission approves travel for Commissioners through the budget process. When possible, the Executive Director shall notify the Commission prior to incurring out of County travel-related expenses. In the event such notice is not possible, the Deputy Director or designee shall sign off on the travel and then report to the Commission at the next regularly scheduled meeting. Further travel-related expense [details procedures](#) can be found in the Commission's Travel Policy and Procedures Manual that is maintained and updated as needed by Commission staff.

R. **Debt**

The General Long-Term Debt Account Group is used to record liabilities of governmental funds. These liabilities may be long-term debt such as bonds and notes or long-term liabilities such as leases, claims and judgments, personal and major medical leave, and pension costs.

General fixed assets acquired via lease agreements shall be capitalized in the General Fixed Asset Account Group as discussed above. Additionally, a liability in the same amount shall be recorded simultaneously in the General Long-Term Debt Account Group.

S. **Journal Entries**

Journal entries may be performed in order to bring an account to the correct balance and to record monthly activity. An adjusting journal entry is prepared for these types of changes. Monthly journal entries ~~is~~[are](#) prepared to record the monthly activity.

Staff prepares adjusting and monthly journal entries within the accounting system on an as needed basis. Journal entries are filed/saved upon entry into the accounting system.

4. **CONTRACT ADMINISTRATION**

The purpose of this section is to set forth recommended contracting and contract administration guidelines for the Commission. The guidelines are based on best practices in public procurement. Best practice in governmental contracting requires a selection process that is based on the open and fair identification and selection of vendors qualified to render a particular service, taking into consideration both technical qualifications and price.

A. Procedures

1. Provider Selection

The Commission has developed the Administrative and Programmatic Procurement Policies and Procedures Manual based on best practices in public procurement which clearly identifies and describes the different methods of the procurement and contracting process. The Manual is reviewed and updated annually, if needed, by the Executive Director and/or the Commission. Details can be found within the Manual.

B. Contractor Payments

1. Advance Payments

Any provider seeking the release of funds prior to the commencement of work under the contract may make such a request in writing on company letterhead, specifying the reason(s) advance funds are needed.

Advance funds are contingent upon the Commission's availability of cash flow. Approval is based on the nature of each project and contingent upon the Funded Partner's performance in meeting contractual requirements.

A cash advance may not exceed 50 percent of the ~~maximum amount allowed in the fiscal year~~ agreed upon annual contract amount. Additional funds will not be released until 75 percent of the previously released funds ~~has~~ have been expended and reported. The final quarter advance will only be two-thirds of the advance amount. The last month of each fiscal year is on a reimbursement basis only.

If, at the end of the contract period (i.e. fiscal year), the Funded Partner has not utilized any portion of the funds advanced, the Funded Partner shall return that amount to the Commission. If the amount is not returned, the Commission will withhold funds from the subsequent year's contract (if applicable). The Commission will make every attempt to negotiate a solution before pursuing litigation.

2. Progress Payments

Funded Partners formally request reimbursement for services by submitting an invoice via the Commission's online programmatic database unless advised otherwise. Funded Partners are required to upload, with the invoice, an expenditure report comparing actual expenditures to the project budget.

Payments of invoices are contingent upon compliance with all contractual requirements, including the achievement of performance standards and the timely submission of program and fiscal reports. The Commission staff cContract Managers verify satisfactory progress has been made toward project objectives, as determined by the Commission's performance monitoring and reporting system and verify that all reported expenditures are allowable under the terms of the contract.

The cContract Manager verifies that all reported expenditures are allowable under the terms of the contract and approves the release of funds.

Contractor reimbursement process as follows:

- a. A program progress report, as defined in the contract (which could be monthly, quarterly, or semi-annually), is required to be submitted by each Funded Partner by certain dates specified in the contract.
- b. The request for reimbursement (financial report) documents the Funded Partner's outlays for the period, by budget line item, and also includes any disbursement amounts received and any reimbursements due (documentation is required by each Funded Partner to support the expenditures referenced on the financial status report).
- c. The cContract Manager reviews the Funded Partner's request for reimbursement (financial report) to verify the accuracy of the report.
- d. The cContract manager;
 1. Verifies that satisfactory progress has been made toward project objectives.
 2. Approves the request for reimbursement.
 3. Prints/saves the approved financial report and the reimbursement summary for review.
 4. The approved financial report is then forwarded through the process outlined in the Accounts Payable/Cash Disbursements section of this Manual.

C. Budget Modifications

Funded Partner budget modifications are required when prior to any main line items (Personnel, Operating Expenses, Professional Services, Evaluation, Capital, Equipment, and Indirect) is anticipated to exceeding \$5,000 (for contracts that are over \$250,000) and or 10% of any line item (for contracts under \$250,000).

Changes within sub-line items (Salaries, Benefits, Payroll Taxes, Operational Expenses, Travel/Training, Misc. Charges, and Program Expenses) do not require a budget revision.

Budget modification requests are considered as follows:

- Submission of a Contract Amendment Request (CAR) form prior to the submission deadline (Deadlines may be found on the Commission's website)
- Reasonable and necessary movement of funds throughout the budget excluding the increase/decrease of the Personnel category that would require additional rationale
- Submission of a revised Scope of Work, if necessary
- Requests are submitted prior to expenses incurred allowing the Commission to determine its appropriateness and minimizing any disallowed costs to the Funded Partner

Budget modifications are reviewed by the F5FC cContract Manager and approved by the Executive Director or designee, based on appropriate justification.

D. Amendments & Authority

The Executive Director has been delegated the authority by the Commission to execute program contracts and amendments to those contracts as long as there are no material changes in the scope of work or the total contract dollar amounts does not exceed \$5,000the original Commission-approved contract amount by more than \$10,000.01. Any amendments to program contracts will be reported to the Commission at the subsequent Commission meeting. The Executive Director has been delegated the authority by the Commission to execute operating

contracts that are administrative in nature and affect the day-to-day operations of the Commission (no dollar limit).

5. FINANCIAL REPORTING

The goal of the accounting process is to produce financial reports, which accurately summarize the financial position of the organization at a particular point in time and provide information related to the revenues and expenditures for the reporting period.

A. Legal Requirements

California law requires that the State and local county Commissions adhere to specific reporting requirements (California Code Health and Safety Code Sections 130100-130155). The following are statutory requirements for financial reporting:

- Counties are to have a process to track and monitor administrative costs with periodic reports to the Commission (quarterly in many counties) (Section 130140(d)(5) and 130151(b)(2).
- Policies are needed to assess and communicate the financial condition of the Commission (Section 130151(b)(6))
- Commissions are to track evaluation expenditures and document results of expenditures (Section 130151(b)(7))
- County Commission Reporting. On or before October 15 of each year, the State Commission and each county Commission shall conduct an audit of, and issue a written report on, the implementation and performance of their respective functions during the preceding fiscal year. At a minimum, this report shall include which funds were expended, the progress toward and the achievement of program goals and objectives, and the measurement of specific outcomes through appropriate indicators (Section 130150).
- The County Commission shall conduct at least one public hearing prior to adopting any annual audit and report (Section 130140 (G))
- Each County Commission shall make copies of its annual audits and reports available to members of the general public on request and at no cost (Section 130150 (d))
- The audits and reports of each county Commission shall be transmitted to the State Commission and the State Controller's Office by November 1 (Section 130150 (a))
- County Commission Reporting of State Commission Information. The State Commission shall make copies of each of its annual audits and reports available to members of the general public on request and at no cost. The State Commission shall furnish each county Commission with copies of those documents in a number sufficient for local distribution by the county Commission to members of the general public on request and at no cost (Section 130150 (c)).
- The County Commission shall conduct at least one public hearing on each annual report by the State Commission prepared pursuant to subdivision (b) of Section 130150 (Section 130140 (H))

B. Procedures

Annual financial statements are prepared in accordance with GAAP. Likewise, annual financial statements are independently audited in accordance with generally accepted government auditing standards (GAGAS).

To supply appropriate individuals with the right information, at the proper time and in the correct format, the Commission reports their financial information at regular Commission meetings and on an annual basis within the audit report. Specifically, management will take steps to achieve the following goals for external and internal reports:

- *Content* – financial reports balance competing demands for completeness and conciseness
- *Timeliness* – information is received soon enough to take effective action
- *Currency* – the information communicated is current
- *Accuracy* – the information is reliable
- *Access* – the information is accessible to those who need it

1. External Reporting

External reporting refers to the annual public distribution of “general-purpose” financial statements designed to meet the basic financial information needs of a variety of potential users, including taxpayers and citizens, oversight and legislative bodies, and investors and creditors. The goal of external reporting is to provide the information needed by interested parties to gain a fair understanding of the government’s financial position and results of operations. External reports are developed in conformity with GAAP. GAAP requirements are designed to provide all primary users of general-purpose external financial reports with the reliable information needed to assess an entity’s finances.

a. *Audit - Audit Requirements*

All Commissions are required to conduct an independent audit of the basic financial statements. The audit requirements refer to an external review required by an independent audit firm to determine that the financial statements fairly present the financial position of the agency being audited in accordance with GAAP. Auditors make this determination based on a review and testing of financial data maintained by the Commission.

Particular audit requirements include: internal controls, management letter, single audit, and acceptance of annual financial audit by the Commission.

b. *Expanded Audit*

In addition to the standard financial audit, the Commission is also required to go through an expanded audit per state code section 130151 (1 through 8).

The Commission contracts with that same auditor to complete the financial and expanded audits, and both are presented and submitted as one package. The Commission views the expanded and financial audit as one audit with two components: 1) the financial audit, which is monitored by First 5 California, and 2) the compliance audit, which is monitored by the State Controller’s Office (SCO).

The expanded audit covers the following items:

- Contracting and procurement policies: a policy consistent with state law and adopted in a public meeting and a legal representation letter shall be in place. A new legal representation letter is required annually even if the policy did not change.

- Administrative costs: administration costs shall be defined and a cap shall be established at a public meeting. Costs shall be monitored.
- County ordinance creating county Commission: policies and procedures ensure compliance with the county ordinance. The auditor reviews the Commission's strategic plan.
- Long-range financial plans: the plans have been formally adopted by the commission in a public hearing.
- Financial condition of the Commission: policies and practices for reporting financial condition are in place.
- Amount spent on program evaluation and related results: a policy regarding evaluation is available to the auditor. The auditor verifies that the amount spent on evaluation complies with the policy and that evaluation data was collected.
- Salaries and benefits: policies and procedures for establishing employee salaries and benefits are in place.
- When audit findings have been reported in prior years, the current audit report must include a schedule of prior audit findings.

Per expanded audit requirements, the Commission has adopted the Conflict of Interest Policy for Commission members that is consistent with applicable state law. The Policy ensures the Commission complies with all applicable state and local conflict of interest statutes and regulations. The Conflict of Interest Policy is reviewed and updated every two years. The policy is in compliance as follows:

- The ~~C~~onflict of ~~I~~nterest ~~P~~olicy was adopted in a public meeting (minutes of the meeting are available for auditors) [and available to auditors](#)
- Obtain a letter from legal representative that states that Commission's policy is consistent with applicable state and local laws and regulations on an annual basis
- ~~Conflict of Interest Policy is available to auditors~~
- Minutes documenting appropriate abstentions for contract award actions are available
- Review Form 700 (economic interest) filings

2. Internal Reporting

This section does not represent reporting in accordance with GAAP, but rather reporting in accordance with budgeting processes. As was noted earlier, external financial reports that follow GAAP generally have a different look and focus than the internal reports. Internal reporting is designed to accomplish two goals:

- Allow management to monitor compliance with legal and contractual provisions applicable to the management of public funds
- Provides management and the Commission with the information on current performance data that it needs to make future financial plans

To fulfill this goal ~~the Project Director~~[staff](#) prepares a financial report and submits the report to the Executive Director for review. Upon the Executive Director's approval, a final financial report is prepared for submission and acceptance at the Commission meeting.

C. Administrative Costs

Under the First 5 Fresno County (F5FC) Strategic Plan, the role of ~~the~~ Commission staff is broader than just that of contract development and oversight and includes support of programmatic services on many levels and running internal programs. The definition of administrative costs simplifies program administration in the way program services will be delivered under the Commission's strategic plan.

1. Defining Administrative, Program, and Evaluation Costs

As a result, the Commission has adopted a written policy that defines administrative costs and sets a 10% limit for administrative costs. Below are definitions for the three cost categories of which the Commission allocates costs.

- a. Administrative Costs- Costs incurred for administrative functions defined (below) by the local Commission in support of funded programs and its operations. Administrative costs are general in nature. This principle distinguishes between those costs that specifically and directly benefit a business unit, program, or evaluation activity from those that do not. Administrative costs support the Commission's basic mission rather than specific program goals. This principle distinguishes between the nature of costs that provide direct value to achieving specific program goals and objectives from those that do not.

Administrative functions performed are the following: general accounting/financial reporting; local annual reporting activities; financial planning; Commission/Association meetings and travel; human resources services; legal services and consulting; audit; strategic planning; financial and cash management; procurement and purchasing; property management; payroll and personnel management; developing and operating systems and procedures, including information systems, required for administrative functions; and oversight and monitoring of administrative functions. Only these administrative functions are to be charged as administrative costs.

- b. Program Costs- Costs incurred by the Commission readily assignable to a program or Funded Partner (other than for evaluation activities) and/or in the execution of direct service provision. Even though they are often associated with general organizational management, two types of costs that are typically classified as administrative costs, preparing program-level budgets/program scopes of work, and negotiating MOU's and other program-level agreements, are classified as program cost. Costs of such activities as information systems development and operation, travel, and evaluation are charged to program costs or administration costs, according to whether the underlying functions which they support are classified as programmatic or administrative. Program functions include direct services, program outreach and education, program and community agency technical assistance and support, and program database management.
- c. Evaluation Costs- Costs incurred by the Commission in the required evaluation of funded programs based upon their accountability framework and data collection and evaluation for required reporting to state and local stakeholders. Evaluation functions include evaluation technical assistance, evaluation database, and travel and training related to evaluation.

2. Organizing Procedures and Accountability Mechanisms

To ensure accountability, Commission staff abides by the following guidelines:

- a. Establish cost elements for each of three categories: administrative, program, and evaluation.
- b. Conduct analysis to determine and document an upper percentage limit for administrative costs.
- c. Establish within the accounting and reporting system a methodology for tracking and reporting on program, administrative, and evaluation costs.
- d. Maintain auditable records to ensure compliance with the administrative cost policy.
- e. Provide annual reports on administrative and evaluation costs that go to the public (budgets and annual financial reports).

D. Fund Balance

The Fund Balance includes funds committed for multi-year initiatives and programs. Proper reporting of fund balance provides an opportunity for the Commission to report how it has committed funds over a period of years.

The total fund balance represents the value of the funds available to the Commission. Fund balance is broken down into five components, nonspendable, restricted, committed, assigned, and unassigned. Each component is defined below.

1. Nonspendable Fund Balance

The nonspendable fund balance is defined as only an approximate measure of liquidity. One reason is that some of the assets reported in governmental funds may be inherently nonspendable from the vantage point of the current period:

- a. Assets that will never convert to cash (e.g. prepaid items and inventories of supplies)
- b. Assets that will not convert to cash soon enough to affect the current period (e.g., the long-term portion of loans receivable and non-financial assets held for resale, such as foreclosure properties)
- c. Resources that must be maintained intact pursuant to legal or contractual requirements (e.g. principal of an endowment or the capital of a revolving loan fund)

The key defining concept of nonspendable funds is that it is the legal obligation for the Commission, based on an executed contractual agreement. Examples of nonspendable funds include, but are not limited to:

- a. Future payments due to providers of services to children and families
- b. Future payments due on professional services contracts
- c. Future payments due under lease arrangements

In all cases, amounts can only be classified as nonspendable if (a) there is a fully executed written contract or purchase order detailing obligations, (b) the payment obligation is not due in the current period, and (c) it is probable or expected that future expenditures will be made in accordance with the contract terms. The latter provision means that if it is

likely that a contract will be amended or terminated before all scheduled payments are made, the encumbrance must be limited to the total amount of payments that are expected to actually be incurred (if less than the full contract value).

2. Restricted Fund Balance

The restricted fund balance is defined as amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation. The restricted fund balance describes the portion of the fund balance that reflects resources that are subject to externally enforceable legal restrictions. Funds that have been received by the Commission from sources other than the county's proportionate share of Proposition 10 revenues and that contain restrictions imposed by the funding source regarding how the money can be used, by definition, are committed to the purpose designated by the funding source. Examples that fall into this category include but are not limited to:

- a. Money received from the State Commission for specific programs or initiatives, such as school readiness, or quality child care funds, that must be used exclusively for the purpose designated by the State Commission
- b. Grants received from private foundations that contain restrictions in the grant agreement regarding how the funds may be used

3. Committed Fund Balance

The committed fund balance is described as the portion of the fund balance that represents resources constrained by limitations that the government imposes upon itself at its highest level of decision making (the Commission) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation would need to occur no later than the close of the reporting period.

This category covers situations in which the Commission has explicitly authorized and directed staff to enter into an agreement with a specified agency, but the contract has not actually been executed. In order to be categorized as committed, funds must meet the following requirements:

- a. Formal action to approve the grant(s) and contract(s) must have been taken by the Commission and reflected in the public meeting minutes.
- b. The grant(s) and contract(s) must not have been executed yet, thereby avoiding any double-counting. These funds must be executed within a one-year period. After the one-year period funds will be designated to the unassigned fund.
- c. Funding that has been set aside for previously executed legally enforceable contracts but not yet spent, including multi-year contracts, if such contracts have been approved by the Commission and if cancellation of such contracts would require Commission approval.

4. Assigned Fund Balance

The assigned fund balance is the portion of the fund balance that reflects the Commission's intended use of resources. Such intent would have to be established by either the Commission or by a body thereof (e.g., finance committee).

There are two essential differences between committed fund balance and assigned fund balance. First, committed fund balance requires action by the Commission, whereas assigned fund balance allows the authority to be delegated to some other body. Second, formal action is necessary to impose, remove, or modify a constraint reflected in committed fund balance, whereas less formality is necessary in the case of assigned fund balance. Funds are appropriately included in this component if they fall under one of four types:

- a. Funds to operate a specific program or project in the current or future fiscal years that have not yet been committed or authorized for definite contracts, where all the following criteria are met:
 - A written plan has been developed describing the program or project and the time period covered by the plan
 - The plan contains a detailed budget or expenditure plan showing the amount of funds expected to be expended and the nature of the expenditures for each fiscal year covered by the plan
 - The Commission has formally approved the plan and budget in a public meeting, as documented in the meeting minutes
 - The Commission certifies that it intends, to the best of its ability, to expend the funds in accordance with the plan and budget
- b. Funds that have been set aside for long-term program sustainability, where all of the following criteria are met:
 - A long-range financial plan has been prepared that shows the specific dollar amounts that must be reserved for program sustainability in each of the early years of the plan, the timing for when sustainability funds will start to be drawn down, and the nature of the expenditures that are envisioned in each year covered by the plan
 - The Commission has formally approved the long-range financial plan in a public meeting, as documented in the meeting minutes
 - The Commission certifies that it intends, to the best of its ability, to manage the sustainability fund in accordance with the provisions of the long-range financial plan
 - The Commission has adopted its annual budget consistent with the assumptions and plans
- c. Funds that are established to handle unexpected debts that are outside the range of the Commission's operating budget. The funds are to protect the Commission against any possible losses in the event of an emergency situation. Details of the funds are outlined in Section E & F within this Policy.
- d. Funds designated specifically to fill any gaps of existing and future capital projects. The account is established to accumulate resources on an annual basis from year end de-obligations. Use of funds must be approved by the Commission.

5. Unassigned Fund Balance

The unassigned fund balance represents funds that can be spent at the discretion of the Commission. This category includes the remainder of the fund balance: funds that either

have not yet been allocated for a specific purpose or have been identified in only a general manner where the Commission has significant flexibility in changing the amount or nature of the designation.

E. Contingency Fund Policy

1. Definition and Purpose of Contingency Fund

In an effort to be proactive, the Commission has ~~sets~~ aside a fund to handle unexpected debts that are outside of the Commission’s operating budget. The funds are to protect the Commission against any possible losses in the event of an emergency situation. To ensure the Contingency Fund reflects the Commission’s administrative costs as well as facility management costs associated with the Commission-owned Lighthouse for Children (LFC) facility, ~~of which the Commission is the Master Lease Tenantowner~~, funds are set aside to allow for a quicker and more effective recovery from an operational setback. The probability of a significant business disruption is small; however, having a Contingency Fund may save the Commission from potential failure to recover in the event that a risk materializes.

2. Contingency Fund Target Level

The Contingency Fund shall remain at \$1,000,000 (one million dollars) as approved by the Commission. The balance of the fund represents approximately four (4) to six (6) months of both the Commission’s operational budget and the operation costs of the LFC facility. If a change to the fund amount is warranted, for example due to a significant change in these budgets, Commission staff would be required to seek approval from the Commission during the formal budget modification process.

3. Conditions for Use of Contingency Fund

Use of funds will be determined by circumstance and level of severity with the following criteria. Please note this list is non-exhaustive.

Table 1 – Contingency Fund: Conditions for Use	
Moderate	Severe
<ul style="list-style-type: none"> • State and local legislation affecting revenue or requiring compliance • Lawsuits against F5FC or LFC • Unexpected default or a decline in State and local revenues 	<ul style="list-style-type: none"> • Unanticipated major repairs or replacement of an asset used in the daily operations of the building or service to the staff • Acts of terrorism against the building or other infrastructure causing a financial hardship • Natural disasters • Expenditures arising from a claim or judgment that is otherwise not covered by insurance

The Contingency Fund shall be reported in the Committed Fund Balance in the agency’s budget at the beginning of each fiscal year. The fund may not be used to address anticipated Proposition 10 revenue shortfalls. Imbalances of this nature are generally addressed through a formal budget modification process. Appropriations for program

service expenses are independent of the Contingency Fund as they are considered relevant to the Strategic Reserve Fund.

If a need arises for the potential drawing of funds allocated to the Contingency Fund outside of the above-mentioned guidelines, Commission staff shall present the request to the Commission for consideration and approval at a regularly scheduled meeting.

4. Authority of Contingency Fund Use

For unanticipated circumstances considered moderate, as described in Table 1, staff must seek approval from the Commission prior to use of the Contingency Fund.

For unanticipated circumstances considered severe, as described in Table 1, and that require immediate redress, the Executive Director or designee shall exercise full discretion of its appropriation in order to mitigate substantial loss of productivity. The Executive Director must report to the Commission, at the next regular meeting following the use of funds, with full explanation on how the portion of the Contingency Fund was used or is being used.

For any method employed, the process of appropriating the Contingency Fund will adhere to the guidelines within this manual to minimize risk while striving to safeguard the Commission's assets.

5. Contingency Fund Replenishment

In the event the Contingency Fund or a portion thereof is used, Commission staff will aim to restore the fund to the recommended amount, mentioned above, by the closure of the fiscal year, only if there are enough cost savings available for replenishment without impacting other budgetary commitments. If restoration cannot be accomplished within such time without severe hardship to the Commission, staff will prepare a financial plan to restore the Contingency Fund in the subsequent fiscal years until the target level is met.

F. Strategic Reserve Fund

1. Definition and Purpose of Strategic Reserve Fund

The Commission sets aside a fund to guard against any future immediate and unanticipated Proposition 10 revenue deficits or shortfalls. Funds are set aside to allow for a quicker and more effective recovery from programmatic setbacks. The probability of a significant business disruption is small; however, having a Strategic Reserve Fund may save the Commission from potential failure to recover in the event that a deficit materializes.

2. Strategic Reserve Fund Target Level

The Strategic Reserve Fund shall remain at \$2,000,000 (two million dollars) as approved by the Commission. If a change to the fund amount is warranted, for example due to a significant change in these budgets, Commission staff would be required to seek approval from the Commission during the formal budget modification process.

3. Conditions and Authority of Strategic Reserve Fund Use

Use of funds will be determined by the Commission based on circumstance and level of severity. The Strategic Reserve Fund shall be reported in the Committed Fund Balance in the agency's budget at the beginning of each fiscal year.

If a need arises for the potential drawing of funds allocated to the Strategic Reserve Fund, Commission staff shall present the request to the Commission for consideration and approval at a regularly scheduled meeting.

The process of appropriating the Strategic Reserve Fund will adhere to the guidelines within this manual to minimize risk while striving to safeguard the Commission's liabilities.

4. Strategic Reserve Fund Replenishment

In the event the Strategic Reserve Fund or a portion thereof is used, Commission staff will aim to restore the fund to the recommended amount, mentioned above, by the closure of the fiscal year, only if there are enough cost savings available for replenishment without impacting other budgetary commitments. If restoration cannot be accomplished within such time without severe hardship to the Commission, staff will prepare a financial plan to restore the Strategic Reserve Fund in the subsequent fiscal years until the target level is met.

G. Record Retention

Financial records are required to be retained a minimum of five years after the annual audit and are subject to inspection, monitoring, copying and audit by the Bureau of State Audits.

APPENDIX A

Glossary of Terms

Accounting Procedures

The day-to-day operation of a particular system so that accounting information will be reflected in the accounting records in a consistent, proper and orderly manner.

Accounting System

All the records, formal and informal, together with the procedures related to the assembling, classifying, recording and reporting of information concerning the financial operations and conditions of a fiscal entity.

Accrual Basis of Accounting

Transactions are recorded when they occur regardless of when cash is paid or received. The Commission uses a modified form of accrual accounting (see Modified Accrual Basis) for Governmental funds. However, the accrual basis of accounting is used for the preparation of annual government-wide financial statements where governmental reported (governmental activities are defined later).

Administrative Costs

Costs incurred for a common or joint purpose that benefits more than one cost objective, supports the general management and administration of the Commission, and/or those costs not readily assignable to a specifically benefited cost objective.

Advance Payment

Any payment made to a contractor before work has been performed or goods have been delivered.

Appropriation

A statutory authorization granted by the legislative body to an agency allowing it to incur obligations and make expenditures for specific purposes within a specified period of time and generally for a maximum dollar amount.

Assigned

Amounts that are intended by the Commission to be used for specific purposes, but are neither restricted nor limited, shall be reported as assigned fund balance. Intent may be expressed by the Commission itself or a subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes in accordance with policy established by the Commission. This would include ANY activity reported in a fund other than the general fund that is not otherwise restricted more narrowly by the above definitions.

Automated Clearing House (ACH)

ACH payment is the method of electronic remittance to individuals or entities that are made electronically within the banking system.

Balance Sheet

The financial statement disclosing the assets, liabilities and equity of the governmental funds (which includes general funds and special revenue funds). Governments are also required to disclose assets, liabilities and equity on a "government-wide entity" basis, using accrual accounting. This is known as the Statement of Net Assets.

Budget

A plan of proposed expenditures and the means of financing them with respect to a specific period of time.

Cash

Currency, checks, postal and express money orders, and banker's drafts on deposit.

Capital Assets

Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Capital assets historically were also referred to as fixed assets, but that terminology is no longer used in practice.

Cash Basis of Accounting

Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

Chart of Accounts

A numeral listing of all assets, liability, fund balance/equity, revenue and expenditure accounts used to record accounting transactions.

Committed

Includes amounts that are committed for specific purposes by formal action of the Commission. Amounts classified as “committed” are not subject to legal enforceability like restricted fund balance; however, those amounts cannot be used for any other purpose unless the Commission removes or changes the limitation by taking the same form of action it employed to previously impose the limitation.

Compensated Absences

A liability for future personal, major medical and other leave benefits accrued by an employee and for which the employee may be paid upon termination of employment.

Contingency

A provision to cover an unexpected expense, future event or circumstance that is possible but cannot be predicted with complete certainty.

Contract

A legally binding agreement between two parties for the provision of goods or services.

Electronic Funds Transfer (EFT)

EFT is a system of transferring money from one bank account directly to another without paper money changing hands.

Encumbrances

Contractual obligations to make future payments. Encumbrances represent the estimated amount of future expenditures that will result when, for example, purchase orders are placed and contracts are signed. Since the amount of an appropriation cannot be legally exceeded, the placing of purchase orders and the signing of contracts are critical events in controlling the Commissions’ funds. The financial resources of a fund are said to be encumbered when a transaction is executed that requires performance on the part of another party before the Commission becomes liable to perform its part of the transaction (make payment to the entity).

Evaluation Costs

Costs incurred by the Commission in the evaluation of funded programs, in accordance with their accountability framework, and data collection and evaluation for required reporting to state and local stakeholders.

Expenditures

Take place when a vendor or contractor performs on a contract or a purchase order, as well as when goods or services are received. An expenditure and a corresponding liability or cash disbursement will be recorded at the time goods or services are received or at the time funds are granted to an authorized recipient.

Fiduciary Funds

Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the Commission’s own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Fixed Assets

Assets of a long-term nature which are intended to be held or used. These include land, buildings, improvements, machinery, furniture and other equipment.

Fund Balance

The value of the funds available to the Commission. Fund balance is the difference between fund assets and fund liabilities of governmental funds.

GAAP

Abbreviation for “Generally Accepted Accounting Principles,” which are conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The Governmental Accounting Standards Board (GASB) is responsible for setting GAAP for state and local governments.

Governmental Accounting Standards Board (GASB)

Ultimate authoritative accounting and financial reporting stand-setting body for state and local governments. The GASB was established in June 1984.

Governmental Accounting

The activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of governmental units and agencies.

Governmental Funds

Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Internal Control

The methods and measures adopted within a fund or agency to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

Long-term Financial Plan

A plan that assesses the long-term financial implications of current and proposed policies, programs, and assumptions and develops appropriate strategies to achieve its goals. A financial plan illustrates the likely financial outcomes of particular courses of actions or factors affecting the environment in which the government operates. A financial plan is not a forecast of what is certain to happen but rather a device to highlight significant issues or problems that must be addressed if goals are to be achieved.

Modified Accrual Basis of Accounting

The basis of accounting adapted to government fund accounting where revenues are recognized when received in cash or when resources are considered available (except for material or available revenues which shall be accrued to reflect properly the taxes levied and the revenues earned – not applicable to county Commissions). Expenditures are recognized when the related fund liability is incurred.

Non-Spendable

Includes amounts either not in spendable form or legally or contractually required to be maintained intact. This would include inventory, prepaids, and non-current receivables.

Program Costs

Costs incurred by the Commission readily assignable to a program, grantee, or Funded Partner (other than post-contract program evaluation activities) and/or in the execution of direct service provision.

Progress Payments

Partial payments related to steps or phases toward the completion of the required services under a contract.

Progress Reports

A report on contract performance or fiscal compliance made at specific interval during the term of a contract.

Proprietary Funds

Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Purchase Order

A document that authorizes the delivery of specified merchandise or the rendering of certain services.

Reserve Fund Balance

The portion of a government funds' balance that is not available for appropriation (i.e., not available for the following period's budget). Legal restrictions or even third-party entities may impose a limitation on the use of funds or resources that may not be available for spending.

Restricted

Reflects the same definition as restricted net assets: constraints placed on the use of amounts are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. This would generally include amounts in bonded capital projects funds, debt service funds, and cafeteria and center program funds funded with federal program dollars.

Statement of Activities

A government-wide presentation of its activities by function or program using the accrual basis of accounting. The statement presents revenues, expenditures, and a reconciliation of net assets.

Statement of Net Assets

The government-wide presentation of assets, liabilities and equity of governmental activities which includes all funds. It is the government-wide balance sheet. The Statement of Net Assets is presented on an accrual basis.

Statute

A law enacted by the legislature.

Unassigned

Includes any remaining amounts after applying the above definitions. Planned spending in the subsequent year's budget would be included here and can no longer be described as "designated" unless formally committed or assigned.



Administrative and Programmatic Procurement Policies and Procedures Manual

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PURPOSE

The purpose of the Children and Families Commission of Fresno County (the Commission) Administrative and Programmatic Procurement Policies and Procedures Manual is to document the Commission's policies and procedures related to its purchasing of and/or contracting for goods and services. Fresno County Ordinance **99-009**, Section **2.38.020**, item (E) states "The Commission shall develop purchasing and contracting policies and procedures consistent with applicable Federal and State laws and regulations." The Commission is required by law to abide by section *130140(d)(4)(B)* of the Health and Safety Code, which requires county commissions to adopt, in a public hearing, contracting and procurement policies consistent with State law. This includes, but is not limited to, Government Code sections *54201-54205*, Public Contract Code sections *2000-2002, 3410* and *22150-22154*, and California Labor Code section *1771, et seq.*

STATEMENT

The Commission recognizes the importance of diversity of vendors/contractors that reflects the communities the Commission serves and, as such, is committed to ensuring that its procurement opportunities are implemented in a fair, inclusive, and equitable way.

PROCUREMENT

A. Public Works Projects

In the event that the Commission desires to enter into a Public Works Contract, as defined in Public Contract Code section 1101, the Commission shall comply with those provisions described in Article 3.5 of the Public Contract Code (§20120 *et. seq.*). The Commission shall be the final decision-maker with respect to all Public Works Contracts.

B. Informal and Formal Competitive Purchases for Goods and Services

1. **Thresholds & Executive Director Signing Authority**

Purchases for goods and services for the operations of the Commission are authorized by the Executive Director and/or the Commission. The competitive procurement process shall be used to acquire goods and services based upon the following dollar thresholds:

For Purchases	Type of Procurement	Required # of Proposals/Quotes	Minimum Approval Required
\$0.01 to \$3,000.00	N/A - Routine Purchase	N/A	Executive Director or designee
\$3,000.01 to \$50,000.00	Informal	Three (3)	a. Executive Director approval up to \$10,000.00 b. Full Commission approval \$10,000.01 and greater
\$50,000.01 and greater	Formal	No Minimum	Full Commission

Purchases \$3,000.00 or less are considered routine (day-to-day) and do not require proposals or quotes. These purchases can be made ~~by using a Commission credit card~~ with the Executive Director's (or designee) approval so long as they meet the requirements otherwise described in this policy.

The Executive Director or designee shall have authority to execute contracts for amounts less than \$10,000.01 without prior Commission approval. The Executive Director shall inform the Commission during the regular Commission meeting immediately following the execution of a contract within the Executive Director's signing authority of (i) the subject matter of the contract; (ii) the amount of the contract; and (iii) the contracting parties. Neither the Commission nor its staff shall piecemeal contracts in an effort to make the contract amounts fall below any particular monetary threshold.

2. Informal Selection Process:

The informal selection process allows the Commission staff to obtain a written price and scope of work via fax, e-mail, or other writing by at least three vendors for goods or services valued at \$50,000.00 and below. The vendor that best fits the Commission's needs, using price, quality, and the ability to provide deliverables within the Commission's timeframe as the primary factors shall be selected. If the Commission is unable to obtain at least three written quotations, staff shall document accordingly and provide as much available information to the Commission regarding why it could not obtain this number. The Commission reserves the right to use a formal procurement process for purchases \$50,000.00 or less, especially if there is uncertainty about the types of goods or services the Commission is seeking to obtain. All agreements resulting from the informal selection process require Legal Counsel review and sign-off prior to execution.

3. Formal Procurement Process for Administrative Goods or Services

For formal procurements, the Commission will use a Request for Proposals (RFP) or a Request for Quotations (RFQ), as best determined by the Commission or staff, as the case may be. All contracts entered into as a result of the formal procurement process shall be approved by the Commission before they are executed by the Executive Director and a Commission officer. All agreements resulting from the formal procurement process for administrative goods or services require Legal Counsel review and sign-off prior to obtaining the signature from the Executive Director and the Commission Chair.

(a) An RFP is used when the Commission cannot precisely set forth its needs. Rather than including specifications, the Commission shall provide vendors a statement of work and the vendors are then asked to propose solutions. The RFP will detail what items the vendors are to submit, the qualifications of the proposer, the cost of their proposals, how the Commission will evaluate the proposals, select the vendor, and develop the contract. The RFP award is based upon various factors, including the lowest price, expertise of the proposer, and technical superiority of the proposal as compared to the other proposals submitted to the Commission. Proposals in response to an RFP are subject to negotiation after they have been submitted to the Commission.

(b) An RFQ is used when the Commission has determined precisely what goods and services it needs. Similar to an RFP, an RFQ award is not necessarily based upon the lowest price, but upon a service or good that best fits the requirements within a reasonable proximity to the other proposals submitted to the Commission. The terms contained in an RFQ are typically not negotiable.

4. Formal Procurement Process for Programmatic Services

For formal procurements, the Commission will use a RFP, RFQ, or Request for Applications (RFA) as best determined by the Commission or staff. All agreements resulting from the formal procurement process for programmatic services shall be approved by the Commission. All contracts require Legal Counsel review and sign-off prior to obtaining signature from the Executive Director and subsequently the Commission Chair.

- (a) The RFP is used when the Commission cannot precisely set forth its needs. Rather than including specifications, the Commission shall provide proposed grantees a statement of work and the proposed grantees are then asked to propose solutions. The RFP will detail what items the proposed grantees are to submit, the qualifications of the proposer, the cost of their proposals, how the Commission will evaluate the proposals, select the proposed grantee, and develop the contract. The RFP award is based upon various factors, including the lowest price, expertise of the proposer, and technical superiority of the proposal as compared to the other proposals submitted to the Commission. Proposals in response to an RFP are subject to negotiation after they have been submitted to the Commission.
- (b) An RFA is a formal announcement by the Commission of an opportunity to apply for funds with specific strategies and parameters in order to achieve the Commission's strategic goals and outcomes. An RFA contains specific requirements regarding the application and evaluation processes, and how such funds shall be used. Proposals in response to an RFA are subject to negotiation after they have been submitted to the Commission.
- (c) Intent to Partner (ITP): With respect to programmatic RFPs or RFAs, the Commission may select certain service providers by engaging in community-based planning efforts in which stakeholders come together for the purpose of identifying specific needs and the providers best able to meet those needs. Funds should not be awarded during these meetings. The natural bias toward competitive procurement should apply and any exceptions should adhere to the guidelines outlined in this procedure.

C. Public Notice

It is the Commission's policy to provide notice to the public of all formal procurement opportunities. Such notices shall be posted publicly to ensure competition, accessibility, and inclusivity of diverse audience. Public notice will be on the Commission's website, and when determined by staff to achieve the greatest response, in a trade newspaper or business journal or other appropriate medium, and/or posted via the internet on public online exchanges. Print and electronic publication shall be no less than ten (10) calendar days prior to the procurement time and due date. The Commission may opt to create and maintain a vendor list for specific professional services so long as such vendor(s) have been selected through informal or formal selection process, as the case may be. Commission staff shall keep evidence of posting of such notices as part of the project.

D. Contacts During Procurement Period

As of the issue date of the RFP/RFQ/RFA and continuing through the public notification of the award, all F5FC staff and Commissioners are specifically directed not to hold any unscheduled meetings, conferences, or technical discussions regarding the RFP/RFQ/RFA with prospective service providers or vendors. "Off the record" contact can potentially taint the Commission's decision-making process.

Proposers may only contact the Commission as identified in the RFP/RFQ/RFA in response to any matter pertaining to that RFP/RFQ/RFA. Proposers are prohibited from directly contacting any other Commission staff member or Commissioner regarding any matter directly or indirectly related to the RFP/RFQ/RFA. Such prohibited contact may result in disqualification of the potential contractor's proposal.

Proposers are encouraged to review the Commission's Conflict of Interest Policy.

E. Limitations on Those Who May Submit Proposals

1. No Subcontractors or Consultants

No consultant or subcontractor that provides advice to the Commission for a project may submit a proposal for an RFP/RFQ/RFA for the same project.

2. No Conflicts of Interest

Pursuant to the Commission's Conflicts of Interest Policy and Conflicts of Interest Code, and Gov. Code section 1091.3, no Commissioner or Commission staff may make, participate in making, or use their official position to influence the making of any governmental decision which may have a direct or indirect foreseeable material financial effect on that respective Commissioner or staff person. ~~Therefore, no entity in which a Commissioner or staff person has a material financial interest may submit a proposal to the Commission.~~

Additionally, any Commissioner or designated staff running for elected office must immediately disclose and recuse themselves from any Commission matter or action involving a contributor (whether direct or in-kind) to the campaign of that Commissioner or Commission staff. Under no circumstances may Commission staff accept a campaign contribution (whether direct or in-kind) from a Commission contractor in which that staff member has direct or indirect oversight over that contractor's service, contract, or activities. Commissioners and Commission staff are strongly encouraged to seek guidance from the Commission's legal counsel if there are any questions regarding the requirements contained in this paragraph. The violation of this provision by Commission staff may result in disciplinary action.

3. Financial Dependents/Relatives

A financial dependent of a F5FC Commissioner or staff may not respond to any F5FC procurement. Relatives (which shall include, but not be limited to, parents, adult children, siblings, aunts and uncles) of F5FC Commissioners or staff who are not dependents are discouraged from responding to any F5FC procurement. If a Commission staff person becomes aware that his or her non-financially dependent relative has submitted or will submit a proposal, that staff person shall immediately disclose the existence of this relationship to the Executive Director and subsequently the Commission. Moreover, that staff person shall immediately be screened from the proposal process and such relationship shall be disclosed to the Commission prior to any approval by the Commission. If a Commissioner is aware that his or her non-financially dependent relative has submitted or will submit a proposal, that Commissioner shall disclose the relationship at a public meeting and may choose to recuse himself or herself from any part of the decision-making process on any F5FC procurement.

F. Disallowed Costs

The Commission shall not reimburse any potential contractors for any expenses that potential contractor incurs in the preparation of a proposal to the Commission. A potential contractor is solely responsible for his/her/its own costs regarding preparation of and submitting any proposal.

G. Time and Due Date

The amount of time proposers may prepare their responses to formal procurement opportunities shall be determined by the Commission but, if practicable, shall be no less than ten (10) calendar days after release of RFP/RFQ/RFA and shall provide sufficient time for proposers to prepare and submit their proposals. The Commission reserves the right to amend the proposal due date. Such changes shall be issued in writing in the form of an addendum to all prospective proposers who received the original request documents or posted

on the website. The Commission shall timestamp all proposals it receives, or if the RFP/RFQ/RFA allows for electronic submission, staff shall keep evidence of the date and time such electronic correspondence is received. THE COMMISSION IS NOT RESPONSIBLE IF IT DOES NOT RECEIVE A PROPOSER'S ELECTRONIC SUBMISSION.

H. Addendum of Procurement Opportunities

The Commission reserves the right to amend any RFP/RFQ/RFA. The Commission shall make a reasonable effort to provide all vendors who received an RFP/RFQ/RFA with written notice of such action. Any oral interpretations of contract specifications by any Commissioner or staff to the vendor regarding terms or conditions shall not be binding on the Commission.

I. Mistakes in Proposals Prior to Opening of Proposals

Mistakes in proposals detected prior to opening may be corrected by the proposer by withdrawing the original and submitting a corrected proposal to the Commission *before* the due date. Alternatively, the proposer or an authorized representative may correct the mistake on the face of the original proposal, provided that such revision occurs prior to the due date and time and, in the Commission's sole judgment, the revision is not ambiguous and resolves the mistake. A corrected proposal must follow the time and due date procedures in Section G above. The Commission will not accept corrections to proposals after the proposal time and due date unless otherwise outlined in the procurement document (e.g. a four-hour window to submit missing supportive documents).

J. Acceptance, Review, and Selection

Proposals shall be accepted without alteration or correction, except as authorized in this policy, and shall be evaluated based upon the requirements set forth in the RFP/RFQ/RFA, which may include certain criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the proposal's price and be considered in the evaluation for award, shall be objectively measurable, such as discounts, transportation costs and total or life cycle costs.

The Commission shall assign a staff person to facilitate the creation of a selection committee and/or process to review the proposals. The contract file shall contain a written explanation of the selection decision.

Points may be assigned to portions of procurement documents to aid in scoring of submissions. If a required component of a submission is not included in the submission, the Executive Director may, in his or her sole discretion, determine that the submission may not automatically be rejected. The Executive Director may make such a determination in the event that the Executive Director concludes that the omission was immaterial to the submission. In such an event, the omitted piece(s) may result in partial points being awarded to the proposal.

The Executive Director, or designee, shall make a final recommendation to the Commission based on the results of the committee. The Executive Director, or designee, shall notify all proposers of the recommendation no less than ten (10) days before the Commission approves the award. Final approval of the award shall be made by the Commission.

All contracts and purchases shall be based strictly upon the face value of the proposals received. The Commission shall not factor into its procurement selection any hidden rebates, discounts, and other price considerations not described in the proposals.

A formal award notification shall be issued to the selected vendor, specifying the amount awarded and indicating that funds will be released upon compliance of a signed contract establishing the terms and conditions of all parties. Non-selected vendors shall receive written notice of the Commission's action. Commission staff shall keep evidence of the sent award and non-selection letters as part of the project.

K. Notice of Cancellation or Rejection of Proposals

The Commission may, at its discretion, cancel or reject any or all proposals. In the event of such a cancellation or rejection, all proposers shall be notified in writing as soon as possible and the reason(s) shall be documented in the procurement file.

L. Determination of Non-Responsiveness

Failure of a proposer to promptly supply information requested by the Commission may be grounds for the Commission to determine that the proposer is non-responsive, in which case the proposal may be rejected.

M. Disclosure of Results

After the award by the Commission, all submissions received by the Commission shall be open to public inspection at the offices of the Commission during normal business hours or by electronic means, as agreed to by Commission staff. The Commission shall keep the non-selected proposals for a minimum of two (2) years after the completion of the project. **The Commission is subject to the California Public Records Act ("CPRA") and the submitters must assume that any submission it submits to the Commission is subject to disclosure under the CPRA. The Commission assumes no responsibility for the confidentiality of any information provided in the proposals.** The Commission shall not retain, during the normal course of its activities, the identity of any proposal reviewer. The Commission may retain blind scoring sheets and documents containing feedback of each proposal. The disclosure of such materials shall be in accordance with the CPRA. The Commission shall not disclose any records during a procurement or the Commission reasonably anticipates that procurement opportunity will be released by the Commission within the next 60 days, that could result in an unfair advantage to any submitter.

N. Protests

1. **Formal Procurement or Commission Approved Informal Purchases:** Upon notice by F5FC of a proposed award, any proposer may file a formal written protest regarding a potential or recent procurement by the Commission. The protest shall be filed with the Executive Director no later than forty-eight hours before the day of the meeting at which the Commission is scheduled to (i) award the subject contract or (ii) approve or disapprove a purchase that requires approval pursuant to the informal selection process described in Section 2 above. The protest shall be in writing addressed to and filed with the Executive Director and contain the exact basis for the protest, and proof that the protester is a viable and responsible provider of the supplies, equipment or services sought. The protest should provide evidence that the award violated the Commission's procurement procedures or State law. Mere disagreement with the decision of the Commission or Executive Director shall not be the basis for a successful protest. Commission staff shall keep record, according to its record retention practices, of any and all protests made by proposers.
2. **Informal Procurement Under \$10,000.01:** Upon notice by F5FC of a proposed award of a procurement not going before the Commission, any proposer may file a formal written protest regarding a potential procurement. The protest shall be filed with the Executive Director no later than forty-eight hours after the notice of award. The protest shall be in writing addressed to and filed with the Executive Director and contain the exact basis for the protest, and proof that the

protester is a viable and responsible provider of the supplies, equipment or services sought. The protest should provide evidence that the award violated the Commission's procurement procedures or State law. Mere disagreement with decision of the Commission or Executive Director shall not be the basis for a successful protest. The Executive Director shall make a determination as to a protest to an informal procurement. A proposer may file an appeal of such determination with the Commission. Commission staff shall keep record, according to its record retention practices, of any and all protests made by proposers.

O. Exceptions to a Competitive Selection Process

All goods and services shall be procured by an informal or formal competitive selection process unless the Commission or the Executive Director determines that one of the circumstances described below is satisfied. The Commission shall document, in writing, the justification for using such an exception.

1. **Sole Source Procurement:** The Commission may procure materials or services that are available from only one source. In order for the Commission to justify a sole source procurement, one or more of the following factors must be present:
 - a. The vendor capabilities and experiences are so unique (including the vendor's possession of patents or trademarked materials) that no other vendor may comparably meet the Commission's needs;
 - b. Only one product is available to reasonably meet the Commission's needs; and
 - c. Only one vendor has the ability to provide goods or services to the Commission within the Commission's required time frame.
2. **Emergency:** Emergency purchases may be made by the Executive Director or designee when the materials or services so purchased are necessary to continue Commission operations or services. Such emergency purchases shall be submitted to the Commission for ratification at its next regular meeting. The Commission expects the use of such emergency purchases to be seldom used.
3. **State or County Vendors:** The Commission may use a vendor under a leveraged purchase agreement without a competitive selection process if the leveraged purchase agreement itself was procured via a competitive selection and the vendor accepts the same terms as those contained in the leveraged purchase agreement.

P. Commission's Standard Policies Manual

All contractors and vendors contracting with the Commission must agree to comply with the policies in the Commission's standard policies manual, including, but not limited to, the following:

1. **Breastfeeding Friendly (BFF) Policy:** The Commission embraces the importance of supporting and encouraging mothers to breastfeed their babies for as long as possible and has adopted a Breastfeeding Friendly Policy to be in place in any agreement between the Commission and programs and services funded by the Commission.

Prior to the disbursement of any funds, all Service Providers and vendors contracting with the Commission must agree to comply with the Commission's BFF Policy, which requires the display of the Commission's BFF logo in a highly visible location such as the lobby/reception area, front

window or entrance of the agency's office or service location. By displaying the BFF logo, agencies promote awareness and support of California Civil Code - Section 43.3 - a mother's right to breastfeed in public.

2. **Faith-based Funding Policy:** The Commission embraces the value of an active partnership between families, Service Providers, civic leaders, the faith-based community, local business and the community at large, and honors and respects the diversity of our community.

The Commission acknowledges the right of all individuals to participate in Commission funded programs without coercion or unsolicited exposure to faith. Therefore, the Commission will not fund/support religious activities and/or activities that appear to promote a particular religious belief over others by way of its funding practices.

Service Providers and program recipients are expected to comply with all the legal requirements and restrictions imposed upon government funded activities as articulated in the California Constitution and the Religion Clauses of the First Amendment to the United States Constitution.

3. **Supplanting Policy:** No Commission funds shall be used to supplant (take the place of or replace) state or local General Fund money for any purpose. This prohibition does not apply to federally or privately funded programs.
4. **Tobacco-Free Policy:** The Commission recognizes the importance of protecting the health and safety of children, families, employees, visitors and others, and has adopted a Tobacco-Free Policy requiring a tobacco-free provision be present in any agreement between the Commission and programs funded by the Commission.

All programs requesting funding from the Commission must provide a written copy of an established tobacco-free policy prior to the disbursement of granted funds. The established tobacco-free policy must apply to all employees, contractors, service employees, visitors and others.

Q. Strategic Plan

All contractors must provide services in a manner consistent with the objectives in the Commission's current Strategic Plan. In order to carry out these objectives, the Commission may, from time to time and in its sole discretion, request that a contractor work with other Commission-affiliated service providers in order to integrate the services into other programs funded directly or indirectly by the Commission. All contractors must make reasonable efforts to comply with the Commission's request.

R. Funded Partner Manual: Programmatic Services

With respect to programmatic RFPs or RFAs, contractors must comply with all policies and procedures set forth in the Commission's Funded Partner Manual: Programmatic Services [found at www.first5fresno.org](http://www.first5fresno.org). The Commission may review and amend the Funded Partner Manual: Programmatic Services as the Commission considers necessary in its sole discretion.

S. Funded Partner Manual: Supportive Services

With respect to administrative RFPs or RFQs, contractors must comply with all policies and procedures set forth in the Commission's Funded Partner Manual: Supportive Services [found at www.first5fresno.org](http://www.first5fresno.org). The

Commission may review and amend the Funded Partner Manual: Supportive Services as the Commission considers necessary in its sole discretion.

T. Commission Business Continuation

In the event of an emergency and the Commission is unable to convene to take action (i.e. natural disaster or a pandemic deemed by the applicable local, state or federal governmental entities), the Commission Chair and/or Vice Chair, in concert with the Executive Director, or designee, may approve contracts for the sole purposes of ensuring that agency business and services may continue during such times of emergency. Any such actions shall be brought to the Commission at the first meeting after such an event. Any agreement executed under this Section T shall contain a provision stating that, in the event the Commission fails to affirm the terms in the contract, the contract may be terminated by the Commission without penalty.



Investment Policy

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1. Objective

This investment policy provides the framework for decision-making in the investment approach for the future of the Children & Families Commission of Fresno County ("the Commission").

2. Policy

The investment policies and practices of the Commission are based on state law and prudent money management. All funds will be invested in accordance with the Commission's Investment Policy and Section 53600 et seq. of the California Government Code. The Commission will invest its funds in a manner that will attain a rate of return consistent with safety and liquidity considerations.

3. Scope

This Investment Policy applies to all funds of the Commission. These funds are accounted for in the Commission's annual audited financial report.

4. Prudence

All persons authorized to make investment decisions on behalf of the Commission are considered trustees and therefore fiduciaries who are subject to the prudent investor standard established by state law, Title 5, Section 53600.3

This standard shall be applied in the context of managing an overall portfolio. Commissioners, the Executive Director and/or designee, and Commission staff, acting, in accordance with the Commission's written Accounting Policies and Procedures Manual and Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

5. Objectives

The primary objectives, in priority order, of the Commission's investment activities shall be:

- a) Safety: Safety of principal is the foremost objective of the investment program. Investments of the Commission shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Investments may be made in securities of high quality to avoid credit risk and loss of principal. Investments susceptible to wide price fluctuations due to market volatility shall be avoided.
- b) Liquidity: The Commission's investment portfolio will remain sufficiently liquid to enable the Commission to meet any operating requirements that might be reasonably anticipated or respond to opportunities for investments arising from changing market conditions.
- c) Return on Investments: The Commission's investment portfolio shall be designed with the objective of attaining a market rate of return throughout economic cycles commensurate with the Commission's investment risk constraints and cash flow considerations.

6. Delegation of Authority

The Commission's Bylaws state the authority to manage the Commission's investment program is assigned as follows: Management responsibility of the investment program is hereby delegated to the Commissioners of the Commission. The Commissioners have delegated management of the

investment program to the Executive Director and/or designee who shall maintain written procedures for the operation of the investment program consistent with this Investment Policy.

The Commission may delegate its investment decision making and execution authority to an investment advisor. The advisor shall follow the policy statement and such other written instructions as are provided.

7. Ethics and Conflicts of Interest

Commissioners, Executive Director and/or designee, and Commission staff involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

8. Borrowing for Purposes of Making Investments

The Commission is prohibited from the practice of borrowing for the sole purpose of making investments.

9. Authorized Financial Dealers and Institutions

To provide for the optimum yield in the Commission's portfolio, the Commission's procedures are designed to encourage competitive bidding on transactions from an approved list of broker/dealers.

The Executive Director and/or designee, or the Commission's investment advisor, shall maintain a list of authorized broker/dealers and financial institutions that are approved for investment purposes. The maintenance of this list will require a comprehensive credit and capitalization analysis to indicate if the firm is adequately financed to conduct business with public entities. It is the policy of the Commission to purchase securities only from those authorized institutions or firms.

10. Authorized & Suitable Investments

- a) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- b) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- c) Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, Commission, agency or authority of the state or any local agency. Obligations eligible for investment under this subdivision shall be rated in a category of "AA" or better, or the equivalent, by a nationally recognized statistical rating organization (NRSRO).
- d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California. Obligations eligible for investment under this subdivision shall be rated in a category of "AA" or better, or the equivalent, by an NRSRO.
- e) Repurchase Agreements used solely as short-term investments not to exceed 30 days.

The Commission may enter into Repurchase Agreements with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in VII. 1 and 2 will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Commission's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each Repurchase Agreement must equal or exceed, 102 percent of the total dollar value of the money invested by the Commission for the term of the investment. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed at least weekly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

Market value must be calculated each time there is a substitution of collateral.

The Commission or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

The Commission will have properly executed a Public Securities Association (PSA) agreement with each counter party with which it enters into Repurchase Agreements.

- f) Banker's Acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of Banker's Acceptances may not exceed 180 days maturity or 40 percent of the Commission's investment portfolio. No more than 10 percent of the Commission's investment portfolio may be invested in the Banker's Acceptances of any one commercial bank.
- g) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by an NRSRO. The entity that issues the commercial paper shall meet all the conditions in either paragraph (i) or paragraph (ii) below:
 - i. The entity meets the following criteria:
 - 1. Is organized and operating in the United States as a general corporation.
 - 2. Has total assets in excess of five hundred million dollars (\$500,000,000).
 - 3. Has debt other than commercial paper, if any, that is rated in a category of "A", its equivalent or higher, by an NRSRO.
 - ii. The entity meets the following criteria:
 - 1. Is organized within the United States as a special purpose corporation, trust, or limited liability company.
 - 2. Has program-wide credit enhancements including, but not limited to, over-collateralization, letters of credit, or surety bond.
 - 3. Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Purchases of eligible commercial paper may not exceed 270 days maturity, ~~nor represent more than ten (10) percent of the outstanding paper of an issuing corporation.~~

Purchases of commercial paper may not exceed 25 percent of the Commission's investment portfolio and the Commission may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

- h) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-term corporate notes shall be ~~rated~~ in a rating category of "A", or its equivalent, or better by an NRSRO.

Purchase of medium-term corporate notes may not exceed 30 percent of the Commission's investment portfolio and the Commission may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

- i) Federal Deposit Insurance Corporation (FDIC) insured or fully collateralized time certificates of deposit in financial institutions located in California, including U.S. branches of foreign banks licensed to do business in California. All time deposits must be collateralized in accordance with California Government Code section 53630 et seq, either at 150% by promissory notes secured by first mortgages and first trust deeds upon improved residential property in California eligible under section (m) or at 110% by eligible marketable securities listed in subsections (a) through (l) and (n) and (o). The Commission, at its discretion and by majority vote of the ~~Commissioners of Directors~~, on a quarterly basis, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance.
- j) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated in a rating category of "A" or better, or the equivalent, by an NRSRO.

The Commissioners, Executive Director and/or designee, or other officials of the Commission having legal custody of the Commission's money are prohibited from investing the Commission's funds, or funds in the custody of the Commission, in negotiable certificates of deposit issued by a state or federal credit union if a member of the Commission or any person with investment decision making authority ~~Executive Director and/or designee that~~ is a part of ~~Commission~~-staff, serves on the ~~board of Commissioners~~, or any committee appointed by the ~~Commissionboard~~, ~~or~~ the credit committee, or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

Purchase of negotiable certificates of deposit may not exceed 30 percent of the Commission's investment portfolio.

- k) State of California's Local Agency Investment Fund (LAIF): Investment in LAIF may not exceed the maximum set by the Local Investment Advisory Board. LAIF shall be reviewed periodically.
- l) The Fresno County Treasury Pool.

- m) Insured savings account or bank money market account. In accordance with California Government Code Section 53635.2 to be eligible to receive local agency deposits a financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation.
- n) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) attain the highest-ranking letter or numerical rating provided by not less than two NRSROs or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with ~~not no~~ less than five years' experience managing money market mutual funds and with assets under management in excess of five hundred million dollars (\$500,000,000).

The purchase price of shares shall not exceed 15 percent of the investment portfolio of the Commission.

- o) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this section.
- p) Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code Section 6509.7 that invests in the securities and obligations authorized in California Government Code 53601 subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria: (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission; (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in California Government Code 53601 subdivisions (a) to (q), inclusive; (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000). This investment must be rated AAA, or the equivalent as provided for by an NRSRO.
- q) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or better, or the equivalent, by an NRSRO and shall not exceed 30 percent of the Commission's moneys that may be invested pursuant to this section.

Credit criteria and maximum percentages listed in this section refer to the credit of the issuing organization at the time the security is purchased. The Commission may from time

to time be invested in a security whose rating is downgraded. In the event a rating drops below the minimum allowed rating category for that given investment type, the investment advisor shall notify the Executive Director and/or designee and recommend a plan of action. The Executive Director and/or designee shall immediately notify the Commission Chair or Treasurer of both the downgrade and the investment advisor's recommendation.

11. Ineligible Investments

The Commission shall not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity.

Notwithstanding the prohibition in the above paragraph, the Commission may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. The Commission may hold these instruments until their maturity dates. This permission shall remain in effect only until January 1, 2026, and as of that date is repealed.

12. External Investment Managers

The Commission may contract with external investment managers to provide investment management services. These managers may be hired to actively invest funds not needed for liquidity. The Commission's benchmark is the Merrill Lynch 1-5-year U. S. Treasury Note Index.

External investment managers are required to provide timely reports to ensure that the manager's actions comply with the requirements of the law and this Investment Policy.

The manager's performance shall be reviewed against the agreed upon benchmarks.

13. Diversification

The investments of the Commission shall be diversified by security type and institution.

14. Maximum Maturity

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled to permit the Commission to meet all projected obligations.

The maximum maturity will be no more than five (5) years from purchase date to maturity date.

15. Safekeeping and Custody

The assets of the Commission shall be secured through the third-party custody and safekeeping procedures. Bearer instruments shall be held only through third-party institutions. Collateralized securities such as repurchase agreements shall be purchased using the delivery vs. payment procedure.

16. Internal Control

The investments shall be subject to an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with the Commission's Investment Policy.

17. Performance Standards

Performance of the investments of the Commission will be reflected in financial reports from the investment manager's quarterly reports.

The investment portfolio shall be designed with the objective of obtaining a market rate of return throughout economic cycles, commensurate with investment risk constraints and cash flow needs.

18. Market Yield/ Benchmark

The Commission's investment strategy is active. Given this strategy, the benchmark used to compare returns will be the [ICE Bank of America Merrill Lynch 1-5-year U. S. Treasury note index](#). The benchmark may change over time based on changes in market conditions or cash flow requirements.

19. Reporting

The Commission's contracted investment advisor is required to provide timely reports to the Commission that provide a clear picture of the status of the current investment portfolio. The investment report shall include comments on the fixed income and equity markets and economic conditions, discussions regarding restriction on percentage of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies.

The Executive Director and/or designee may provide an investment report to the Commission at minimum on an annual basis (CA law, Government Code Section 53646(a)(2)). The report shall include the following information for each individual investment:

- Description of investment instrument
- Issuer name
- Yield on cost
- Purchase date
- Maturity date
- Purchase price
- Par Value
- Current market value and the source of the valuation

The report also shall (i) state compliance of the portfolio to the Investment Policy Statement, or manner in which the portfolio is not in compliance, (ii) include a description of any of the Commission's funds, investments or programs that are under the management of contracted parties, including lending programs, and (iii) include a statement denoting the ability of the Commission to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

20. Investment Policy Adaptations

The Executive Director and/or designee may annually render or review the Investment Policy to/with the Commission. Any updates to the policy shall be considered by the Commission at a public meeting.

21. Trading and Sales of Investments

Permitted investments may be purchased with the intent of holding them until maturity. However, in an effort to increase the total return of the portfolio (and subject always to the investing objectives of this Policy), permitted investments may be sold prior to their maturities when economic circumstances warrant a sale of the securities to enhance the Commission's overall portfolio quality, duration, yield, and/or total return.

Glossary

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report of the *Commission*.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages.

FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes. LOCAL GOVERNMENT

INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15(C)3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all

money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



Travel Policies and Procedures Manual

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1. **Objective**

Official travel taken on behalf of the Children and Families Commission of Fresno County (“the Commission”) must be accomplished in a manner that meets business needs and minimizes the cost to the Commission, while also adhering to generally accepted accounting principles (GAAP) on government travel and guidelines of the U.S. General Services Administration (GSA).

2. **Policy**

All official Commission travel shall be properly authorized, reported, and reimbursed in accordance with this document. Commission travelers are expected to exercise good judgment in the use of public funds. Personal travel is not to be charged to, or partially funded by, the Commission.

3. **Scope & Authority**

This policy applies to all official Commission travel, regardless of funding sources, and includes special rules for non-employees, and board members (Commissioners). These procedures apply to all employees and representatives, authorized to travel on Commission business. The Executive Director of the Commission or designee is authorized to issue interpretations and take other actions appropriate to implement provisions of these procedures.

4. **Definitions**

For the purposes of these procedures, the following definitions will apply:

A. Headquarters:

The place where the employee spends the largest portion of regular workdays or the place where the employee returns on completion of special assignments. For all employees, the headquarters will be the Commission office.

B. Residence:

A place of primary dwelling shall be designated for each employee. The primary dwelling shall be defined as the actual dwelling place of the employee.

C. Travel Expenses:

Expenses that are ordinary and necessary to accomplish official business purposes of a trip. Travel expenses include:

1. **Subsistence Expenses.**

Subsistence expenses include charges for meals, lodging and charges for personal expenses incurred while on travel status.

2. **Business Expenses:**

Business expenses consist of charges for business phone calls and communications, supply purchases and all other charges necessary to complete official business.

D. Employee:

Employees include full-time and part-time Commission employees.

E. Meal and Incidental Expense (M&IE):

M&IE and prorated M&IE are allowed when the traveler is on travel status for more than 12 hours in a 24-hour period. The M&IE amount is to cover the cost of meals and necessary incidental expenses including tips, laundry expenses, etc.

5. **Authorization to Travel**

- A. All official Commission travel must have prior approval. Out of state travel requests must be requested 60 days prior to the first day of travel and local travel requests must be requested 15 business days prior to travel date. In rare circumstances the Executive Director can waive the 60 or 15 day notice.
- B. All travel requests must be submitted using the Conference/Training Travel Request Form ([the Form](#)). The Form is used to request attendance for a conference or training and outline details of travel. The completed Form must be submitted to the designated staff to create a cost estimate. Once the cost estimate is complete, the Form is forwarded to the designee(s) responsible for budget monitoring to review and affirm that the estimate is within budget constraints. The Form is then forwarded for approval by the traveler's supervisor and final approval by the Executive Director or designee.
- C. Travel requests for the Executive Director will be approved by the Commission Chair.

6. **Payment of Travel (Travel Expense Claim Procedure)**

- A. Prepaid expenses for employees must be charged directly to the Commission whenever possible. These prepaid expenses are required to be documented in the Travel Expense Form upon completion of travel.
- B. Original, supporting receipts and the [Request](#) Form must be attached to Travel Expense Form and submitted to the designee responsible for budget monitoring within five working days of the date the expenses were incurred. The designated staff will complete a Travel Expense Form and submit to the traveler, who will then forward to their supervisor for approval. For final approval, the Executive Director or designee will review and sign off. Receipts submitted beyond the five days will not be reimbursed unless there are extraordinary circumstances that justify the late submission.
- C. All expense claims shall be properly itemized, accompanied by the original, supporting receipts and approved by the traveler's supervisor via signature. The supervisor approving the claim is responsible for determining the necessity and reasonableness of the travel claim and that adequate documentation is attached to support the claim. The Executive Director or designee may disallow unreasonable, unapproved, or excessive travel expenses claimed.
- D. No travel expense reimbursement shall be paid unless submitted on a Travel Expense Form.
- E. Travel expense claims from the Executive Director will be approved by the Commission Chair and reported at the next regular Commission meeting.

- F. In order to meet Internal Revenue Service (IRS) requirements, the Travel Expense Form must include:
 1. The inclusive dates for each trip and the times of departure and return.
 2. The purpose or objective of each trip.
 3. The headquarters' address and the primary dwelling address.
 4. Certification that the travel expenses were incurred in accordance with Commission policies and on official business of the Commission. In the Conference/Training Travel Request Form, the traveler must explain how the training or conference supports their role within the Commission and how it aligns with the Commission's Strategic Plan.
 5. An itemized list of expenditures such as transportation, lodging and/or meals.
 6. The destination, location or area of ~~the~~ travel. Use the name and address of each destination. General destinations such as "Fresno and vicinity" are not acceptable.
- G. In the case where receipts cannot be obtained or have been lost, a statement, in memoranda form, to that effect should be made and attached to the Travel Expense Form.
- H. Travel advances must be noted and deducted from subsequent reimbursements. (See section 11 regarding travel advances.)
- I. Reimbursable expenses, as outlined in this Policy, are offered to Commission employees. If an employee chooses to forgo the offered travel accommodations, (rental car, room arrangements, etc.) the Commission is not responsible to cover the expenses.

7. Per diem subsistence allowance

In computing the per diem subsistence allowance for authorized travel lasting more than 12 hours in any 24-hour period, the following maximum reimbursements will be allowed for expenses incurred out of county:

- A. *Meals and Incidental Expenses (M&IE)*: The following table shows the general breakdown of breakfast, lunch, and dinner components of the maximum *daily* reimbursement (per diem) rates for meals and incidental expenses while on travel status. **The M&IE rates differ by travel location, departure and actual return time. View the [per diem rate](#) of your primary destination in order to determine which M&IE rates applies.** Refer to the current fiscal year Domestic Per Diem Rates issued by the U.S. General Services Administration (GSA) Department for guidance on deducting these amounts from per diem reimbursement claims.

The appropriate M&IE for a day is the rate prescribed for the community in which the traveler is receiving the training or conference. On the day of return, a traveler is entitled to the M&IE applicable for the preceding day. On the day of departure and return, the traveler receives a prorated M&IE based upon scheduled departure and actual return times as follows:

Day of Departure			
Departure Time	Before 9:00 AM	Before 2:00 PM	Before 11:00 PM
M&IE	Full Day	Lunch & Dinner	Dinner

Day of Return			
Return Time	12:00 PM (Noon)	Before 5:00 PM	After 5:01 PM
M&IE	Breakfast	Breakfast & Lunch	Full Day

In circumstances where the traveler is required by the airline to report to the terminal more than two hours prior to departure, the traveler is to state on the travel expense claim the additional time required by the airline and the traveler's actual check in time. This additional time (beyond two hours) is added to the departure time in the above table to allow the traveler an M&IE as may be appropriate. For example, if the airline required the traveler to report three hours before flight time, the "Before 9:00 AM" departure time would be adjusted to "Before 10:00 AM."

- B. *Meals provided to travelers:* Occasionally, a traveler is provided with a meal while at a conference, training seminar, etc., or as part of a lodging package. When a traveler is provided with a meal in these or similar circumstances, the traveler is not eligible for the related M&IE allowance.

8. Transportation Expenses

Travelers are responsible to coordinate transportation arrangements with the designated staff responsible. Travelers are expected to make every effort to obtain the most economical rates, use the most economical mode of transportation, and use the most usually traveled route consistent with the purpose of the trip.

Transportation expenses consist of the charges for commercial airline fares; vehicle rental; private car mileage allowances; overnight and day parking for cars; bridge and road tolls; taxi, bus, streetcar, train, rideshare, [micro-mobility transportation](#), rapid transit fares; and all other charges essential to the transport to and from the Commission's official headquarters. Reimbursement will be made only for the approved method of transportation that is in the best interest of the Commission, considering both the direct expense as well as the traveler's time.

A. Transportation by Automobile

Reasonable charges for necessary parking, as well as charges for ferries, bridges, tunnels, or toll roads while on official travel or away from regular duties, may be claimed. Travelers must submit proof of liability coverage for use of their privately-owned automobile use for business prior to the date of travel. Minimum prescribed liability insurance coverage under this policy is:

- \$15,000 for personal injury to, or death of, one person
- \$30,000 for injury to, or death of, two or more persons in one accident
- \$5,000 for property damage

1. *Privately Owned Automobiles:* Employees are required to conform to public policy regarding fiscal responsibility. Travelers will utilize their privately-owned automobile if this mode of travel is deemed as the most reasonable.
2. *Mileage Reimbursement:* Mileage reimbursement is intended to cover the cost of routine repairs, tires, gasoline, and other automobile expense items due to use for Commission business. Travelers will be reimbursed, via the Mileage Reimbursement Form, the maximum current rate that is approved by the IRS for use of their privately-owned vehicle. Mileage shall ordinarily be computed between the traveler's workstation and the common destination or airline terminal. Expense claims between the traveler's residence and the Commission's headquarters will not be allowed. However, mileage expenses shall be allowed between the traveler's residence and/or headquarters whichever is less to the destination or common airline terminal, if business travel for the Commission originates or terminates during a regularly scheduled day off. When a traveler is authorized to drive a private vehicle to or from a common airline terminal, mileage may be reimbursed as follows:
 - One round trip, including parking for the duration of the trip; or
 - Two round trips, including short-term parking expenses, when an employee is driven to the airport or picked-up from the airport.
3. *Auto Allowance:* At the discretion of the board members (Commissioners), the Executive Director may receive auto allowance for usage of his or her private vehicle and out-of-pocket travel expenses for activities performed in representing the Commission. Auto Allowance will be paid via payroll services and is offered in lieu of mileage reimbursement, etc. As detailed in this policy, liability coverage requirements apply.
4. *Vehicle Rental:* Vehicle rentals may be used when ~~renting~~, in a specific situation, ~~it's~~ considered more advantageous to the Commission than the use of taxis or other means of transportation. ~~_____~~Travelers are responsible to coordinate travel arrangements with the designated staff responsible. Commission Staff is responsible for obtaining the best available rate through corporate accounts that meets the requirements of the trip. ~~_____~~Vehicle rental costs will be billed directly to the Commission whenever possible. Reimbursement for ~~the cost for the~~ actual and necessary costs of fuel will be made to the traveler. No reimbursement will be made if a traveler authorizes non-staff drivers without prior approval of the Executive Director or designee.
 - Receipts are required to be submitted for vehicle rental fuel.
 - A cost-efficient economy or compact rental car shall be the category used by travelers. Further justification will be required for larger vehicles.

B. Transportation by Aircraft

Travelers are responsible to coordinate travel arrangements with the designated staff responsible to obtain the best possible rate. Tickets and associated booking fees will be purchased and paid

in advance by the Commission. When it is necessary for the traveler to coordinate their own travel (except as described in section 1 below), they will be reimbursed for the ticket price and associated fees for use of a commercial airline so long as the travel is for Commission business.

1. *Indirect or Interrupted Itineraries.* Travelers are responsible for any additional expenses resulting from the use of an indirect route or stops along the way for personal reasons. Reimbursement is limited to the actual costs incurred or to the costs that would have been incurred using the normally traveled route and dates, whichever is less. Any excess of personal travel time will be charged to the traveler's accrued Paid Time Off hours. Travelers are responsible to ensure early arrival to the air terminal for the purpose of completing processes required for travel by aircraft (check-in, security screening, etc.). If a flight is missed as a result of the traveler's oversight, the traveler will bear responsibility for any additional costs.
2. *Use of Ground Transportation in Lieu of Air Travel.* A traveler may choose to use ground transportation, for personal reasons even if air travel is the appropriate mode of transportation. In that case, reimbursement may not exceed the amount for airfare the Commission would have paid if air travel had been used, plus the normal cost of ground transportation to and from airports. The cost of meals, lodging, tolls, ferries, and parking while in transit via ground transportation may be reimbursed if the total amount reimbursed does not exceed the cost of airfare that would have been paid plus cost of potential ground transportation to and from at the air terminal.
3. *Extended Travel to Save Costs.* Additional expenses associated with extended travel in order to save costs (e.g., Saturday night stay for domestic travel), may be reimbursed when the cost of airfare would be less than that of the cost of airfare had the traveler not extended the trip. Such expenses, which include lodging, car rental, and M&IE, shall not exceed the amount the Commission would have paid, had the traveler not extended the trip.

C. No reimbursement will be made for the following transportation expenses:

- Expenses arising from travel between the traveler's residence and Commission headquarters
- Personal travel to and from hotel lodging (i.e. shopping, restaurants, etc.)
- Traffic/parking tickets or fines
- Expenses for spouses/family/[friends](#) traveling with the traveler
- First class airfares and/or seat upgrades
- Motorcycle transportation costs

9. **Lodging Expenses**

Travelers are responsible for coordinating lodging arrangements with the designated staff responsible. Lodging rates should be comparable to those arising from the use of good, moderately priced establishments catering to the general public. Reasonable lodging expenses supported by a receipt are reimbursable. Actual lodging expenses will be allowed when documented by an itemized receipt that indicates how the expense was paid. Credit card receipts are not acceptable as many charges could be included that are not reimbursable lodging expenses.

- A. An incidental allowance of \$5.00 per day may be claimed for each complete 24-hour period while on travel status. This allowance is designed to cover incidental expenses including, but not limited to laundry, dry cleaning, personal phone calls, and fees and tips for waiters and baggage handlers. Receipts are not required for incidentals. It is not designed to include cab fares and business telephone calls for which reimbursement may be claimed. Details regarding incidentals should be defaulted to guidelines on the [GSA website](#).
- B. Business related meals must follow the Accounting Policies and Procedures Manual (“the Accounting Policies”) and cannot be claimed on [the](#) Travel Expense Claim Form. If permissible per the Accounting Policies, a Payment Authorization Form must be used for this type of claim.
- C. No reimbursement will be made for valet services or liquor/bar bills.

10. **Miscellaneous Travel Expenses**

Miscellaneous travel expenses are reimbursable when they are ordinary and necessary to accomplish the official business purpose of a trip. The Travel Expense Form must include an explanation of why such expenditures are being claimed and at minimum have verbal pre-authorization from the traveler’s supervisor and/or the Executive Director or designee.

Allowable miscellaneous expenses include the following: Business office expenses such as word processing services; equipment rentals; fax and computer expenses; copy services; overnight delivery/postage; purchase of materials and supplies; (when normal purchasing procedures cannot be followed); internet charges; books, supplies, and materials that pertain to the Commission’s mission.

11. **Travel Advances**

A Payment Authorization Form and written request must be completed and approved by the traveler’s supervisor and the Executive Director or designee for an advance on travel expenses. The completed Form and documentation must be submitted no later than 10 days prior to the travel/training. Cash advances will be issued within 10 days of when an expense is to be paid or incurred in order to satisfy IRS regulations. The amount requested shall not exceed seventy-five percent ([75%](#)) of the reasonably [e](#) estimated out-of-pocket expenses needed for the trip.

Travel advances issued must be deducted when the Travel Expense Form is submitted for the concluded trip. Travel advances in excess of itemized expenses must be repaid by the traveler to the Commission within 30 days from the end of the trip. No new travel advances or expense reimbursements will be issued to an individual who has an outstanding travel advance repayment more than 30 days old. The travel advance must be repaid to the Commission immediately when a trip is cancelled or postponed.

Since a traveler should have only one outstanding cash advance at a time each advance should be accounted for before another advance is granted. The traveler must submit a Travel Expense Form even if he or she is not owed any additional reimbursement, in order to document the business purpose for which the advance was issued and the final expense amount of the trip.

12. Commissioners

Except for those specifically covered in statute, each day that a Commissioner is in travel status for business of the Commission, the member is entitled to reimbursement for travel expenses to the same extent, in the same manner, and under the same conditions as provided to employees.

Commissioners are also entitled to receive reimbursement for attending monthly meetings and/or special events on behalf of the Commission as outlined in this policy.

13. Travel Expenses for Non-Employees

The Commission will reimburse non-employees, for business related travel and expenses made on behalf of the Commission. Prior written approval from [the](#) Executive Director is required.

Non-employees traveling or incurring business related expenses for the Commission are required to comply with this policy. ~~and~~ Reimbursement will be issued in accordance with the procedures outlined above. Travel expenses properly substantiated, documented and reported on the Travel Expense Form will not be reported by the Commission to the IRS as income. A non-employee's signature is not required on the Travel Expense Form provided some accompanying correspondence or email is attached outlining the expenses that have been incurred and requesting reimbursement. A signed W-9 form should be attached if the person is a U.S. citizen and is being paid by the Commission for the first time. Amounts, exceeding the substantiated business expenses that are not accounted for within a reasonable period of time, are reportable to the IRS on Form 1099.

14. Commission Travel Claim Review Responsibilities

Prior to reimbursement for ~~time in travel status~~ [business related travel and expenses](#), the Commission's staff responsible for operations will review all travel claims in order to:

- Ensure compliance with the Commission's and all other appropriate policies
- Ensure that per diem rates are adhered to
- Ensure that supporting documentation matches the travel claim request
- Ensure that all claims have been properly approved with an original signature
- Ensure that all travel advances are timely and properly deducted or reimbursed by/to the Commission

Failure to comply with this policy will result in follow up with the traveler which may cause a delay in processing the reimbursement. An attempt will be made to communicate any discrepancies to the traveler and/or the travel claim will be returned to the claimant for completion. If discrepancies cannot be resolved, it may result in discipline.

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY
REGULAR BUSINESS MEETING
October 27, 2021 – 11:30 a.m.

CONSENT AGENDA ITEM 3c

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Fund Allocation from First 5 California to Fresno County Superintendent of Schools for Home Visitation Coordination Efforts

RECOMMENDED ACTION:

Approve the allocation of funds received from First 5 California (F5CA) to augment an agreement with Fresno County Superintendent of Schools, in an amount to exceed \$80,050 for one year, to increase data collection support to the Fresno County Home Visitation Network.

BACKGROUND:

On October 18, 2021, this item was approved for full Commission consideration by the Finance and Program Review Committee Meeting. In May 2020, F5CA released the Home Visitation Coordination Funding Request for Applications (RFA) to help counties create sustainable, unified systems that support families with the home visiting services they need and maximize available funding to serve more families. This funding opportunity directly aligns with home visitation systems-building efforts already underway in Fresno County through the Home Visitation Network (HVN). The HVN is facilitated by Fresno Cradle to Career, Fresno’s Department of Public Health, and EPU Children’s Center and brings together home visitation programs and allied organizations across the county, including First 5 Fresno County (F5FC), to work as a coordinated network.

In August 2020 the Commission approved the acceptance of \$200,000 for two years from First 5 California (F5CA) for F5FC to serve as the fiscal lead agency for the Home Visitation Coordination project. The majority of this funding is allocated to two subcontractors, Fresno County Superintendent of Schools (FCSS) and Fresno’s Department of Public Health, to develop and implement the HVN’s shared referral data system (Apricot 360) to better connect families with home visitation services.

Due to the impact of COVID-19 on staff and program capacity, the timeline for implementing the referral system with a centralized referral screener position was delayed, resulting in unspent funding from FY 2020-2021. Meanwhile additional data infrastructure challenges were identified by the HVN, and F5CA provided further guidance on home visitation data requests from the state.

If approved by the Commission, \$58,136 of the unspent funding from FY 2020-2021 will be used to augment the existing subcontract with FCSS to increase data support to the HVN, based on direction from the HVN leads. FCSS currently serves as the data lead for the HVN and the additional funding would be used for data activities including, but not limited to: identifying shared metrics and gaps in current data collection efforts across programs, developing a plan to better

integrate data benchmarks/reporting mechanisms, and supporting individual program data reporting needs.

Proposed Allocation of Unspent Funding			
Agency	Purpose	Current Two Year Amount	Proposed Two Year Amount
Fresno County Superintendent of Schools	Increase the capacity of the home visitation referral system and data collection efforts through direct support from FCSS data staff and Apricot 360 Advanced Support consultants.	up to \$22,000	up to \$80,050

Alignment with 2020-2025 Strategic Plan: This agreement aligns directly with the 2020-2025 Strategic Plan. Systems improvement is a primary investment area of the plan, furthering the Commission’s mission to create a seamless system of quality, accessible services that support the well-being of every child and family

Short-term goal(s) and long-term outcomes: If approved by the Commission, F5FC will develop a revised budget and contract amendment with FCSS. During this time, F5FC will continue partnering with the HVN to support its primary goals and strategies for increasing access to home visitation services for families in Fresno County.

Procurement: The Commission’s procurement policies and procedures allow the Commission to select a vendor via sole source if, among other things, the vendor capabilities and experiences are so unique that no other vendor may comparably meet the Commission’s needs. As the F5CA RFA is intended to maximize funding and enhance systems, it is staff’s recommendation to align funding with the established goals and work of the HVN. Earlier this year the HVN launched the Apricot 360 referral system, and is now in the process of preparing for a formal pilot. FCSS is uniquely qualified to provide individual data support to home visitation programs and the HVN as they are the administrators of the Apricot 360 referral system and lead the data coordination efforts for the broader Fresno Cradle to Career and Preconception to Age 5 initiative which encompasses the HVN shared data pilot

Fiscal Impact: F5CA funding covers the entirety of this agreement augmentation and no local Proposition 10 revenues would be utilized. Funding to FCSS will be based on the F5CA approved revised contract scope of work and budget, not to exceed \$80,050 from July 1, 2021 to June 30, 2022.

CONCLUSION:

This home visitation coordination funding presents a timely opportunity to strengthen current data systems building work across the county. Now, more than ever, systems must be coordinated to ensure every family who can benefit has access to services. If the Commission chooses not to approve additional funding from F5CA to FCSS, staff will work with the HVN to determine an alternate use of the unspent funding to be allocated before the F5CA funding terms in June 2022.

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY
REGULAR BUSINESS MEETING
October 27, 2021 – 11:30 a.m.

CONSENT AGENDA ITEM 3d

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Agreement Renewal with Archer & Hound for the Child-Friendly Business Awards Media Campaign

RECOMMENDED ACTION:

Approve an agreement renewal with Archer & Hound to design and implement the 2022 Child-Friendly Business Awards Media Campaign in an amount not to exceed \$60,000.

BACKGROUND:

On October 18, 2021, this item was approved for full Commission consideration by the Finance and Program Review Committee Meeting. On October 21, 2020, the Commission approved Archer & Hound as the chosen marketing and advertising firm to execute the 2021 Child-Friendly Business Awards in an amount not to exceed \$60,000 with the option to renew for a total of five years to align with the 2020-2025 Strategic Plan, based on performance and availability of funds. Staff is pleased with Archer & Hound's performance and recommends a contractual agreement for year two. Below are details of Archer & Hound's activities in the first year of this partnership.

During the 2021 Campaign, Archer and Hound redesigned the Campaign's look, creating a fresh new feel and incorporated a robust social media presence. Archer & Hound introduced a new marketing approach by involving local "influencers" to promote child-friendly business practices and grow First 5 Fresno's general audience. In addition, a Spanish webpage was added to our Child-Friendly Business Awards page and included a Spanish call line for submissions. Archer & Hound also engaged past winners and created a winners' promo video to entice entries. Overall, Archer & Hound listened, learned, and adapted to the needs of the Campaign while learning about the First 5 Fresno County vision and mission.

Alignment with 2020-2025 Strategic Plan: The Child-Friendly Business Awards Media Campaign combines two strategies identified in our Strategic Plan – Communication - to highlight the importance of early childhood development and Advocacy - by engaging with decision-makers at all levels to promote family-centered policies. The Child-Friendly Business Awards Media Campaign supports the adoption and/or improvement of policies that affect families with young children, and it educates the public (parents and caregivers) and key stakeholders (business owners) about the importance of supporting early childhood within our community's workplaces.

Short-term goal(s) and long-term outcomes: The short-term goal of the Child-Friendly Business Awards Media Campaign is to place strategic media buys to ensure target audiences are motivated into action to 1) learn more about child-friendly rights in the workplace, 2) submit a nomination for

their child-friendly workplace and 3) create lasting relationships with local businesses to understand the value of supporting families with young children in the workplace. The long-term outcome is to have child-friendly workplaces be the norm in Fresno County offering benefits to their parent employees that go above and beyond what is required by law.

Procurement: On August 17, 2020, the Commission released a public procurement opportunity in search of a public relations/advertising firm to help design, promote and execute a media campaign for the Child-Friendly Business Awards Public Education Media Campaign. Archer & Hound was the chosen agency recommended by panel of community reviewers after assessing the firm's strengths and experience with similar successful public education campaigns that advocate for community change. With the option to renew for up to five years based on performance, staff recommends year two of this partnership.

Fiscal Impact: Funding for this agreement has been allocated from the 2021-2022 Agency Budget, Innovation and Learning Partnerships line item, in an amount not to exceed \$60,000 for one year.

CONCLUSION:

The Child-Friendly Business Awards Media Campaign is an opportunity for the Commission to strategically partner with the private sector/business community to promote the importance of supporting early childhood in the workplace and for businesses to understand their role in promoting optimal child development through their support for their parent employees' well-being. Employers understanding that "happy parents make better employees" is at the heart of this Campaign. If approved, staff will execute the agreement and begin planning for the 2022 Child-Friendly Business Awards Campaign. If the Commission chooses not to move forward, the Commission will lose the momentum created over the last 16 years that other First 5 Commissions have recognized as an innovative approach to partnering with the business community/private sector.

FIRST 5 FRESNO COUNTY
ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY
REGULAR BUSINESS MEETING
October 27, 2021 – 11:30 a.m.

CONSENT AGENDA ITEM 3e

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Agreement with United Way Fresno and Madera Counties for the African American Leadership Advancement Program

RECOMMENDED ACTION:

Approve an Agreement with United Way of Fresno and Madera Counties to implement and facilitate the African American Leadership Advancement Program in amount not to exceed \$50,000 for two years.

BACKGROUND:

On October 18, 2021, this item was approved for full Commission consideration by the Finance and Program Review Committee Meeting. On May 19, 2021, the Commission approved the allocation of funds to invest in the organizational effectiveness and leadership advancement of Black-led community-based organizations. The COVID-19 pandemic highlighted the need to explore with local partners and funders the establishment of direct supports to African American-led/serving leaders in community-based organizations that are trusted sources of vital medical, behavioral, and community supports and interventions for African American families in Fresno County. This strategy recognizes that African American-led organizations are more likely to be under-resourced when compared to others.

According to a Bridgespan report, revenues of Black-led organizations are 24 percent smaller than the revenues of their white-led counterparts, and the unrestricted net assets of Black-led organizations are 76 percent smaller than their white-led counterparts.¹ The consequence is that Black-led organizations are forced to do more with less and they are less likely to be positioned for the kind of funding and support that can effectively scale innovative and responsive solutions.

The African American Leadership Advancement (AALA) Program developed by United Way of Fresno and Madera Counties is designed to empower Black leaders through a 9-month learning journey focused on the personal and professional development and growth of Black leaders and their organizations. The Program will include skill building on professional and organizational development, executive coaching, networking opportunities and racial healing. The work will be focused on self, organization, and community.

Major program goals include:

1. “Racial Equity and Philanthropy – Disparities in Funding for Leaders of Color Leave Impact on the Table” – The Bridgespan Group.

1. Increase the sustained excellence of Black leaders through radical healing, sponsorship, and connections.
2. Increase the capacity of Black led organizations, especially those that are rooted in communities to deliver effective programming and services that close the racial wealth gap and promote optimal health and wellbeing.
3. Position Black leaders and their organizations as investment opportunities for a diverse set of funders.

Alignment with 2020-2025 Strategic Plan: The proposed recommendation directly aligns with the African American Infant Mortality Prevention investment area of the Commission's 2020-2025 Strategic Plan. The African American Leadership Advancement Program participants will include leaders of organizations with a mission to support and improve the lives of individuals and families with young children.

Short-term goal(s) and long-term outcomes: If approved, Commission staff will begin working with United Way Madera and Fresno County to collaborate on the launch of the professional institute - the African American Leadership Advancement Program for those serving or leading community-based organizations. United Way has set to start recruitment this fall and will start with an assessment that will determine the learning objectives for each participant in the leadership cohort. The desired collective long-term outcome of this investments is connected to our overall African American Infant Mortality Prevention efforts to drastically reduce African American child deaths in Fresno County.

Procurement: The Commission's procurement policies and procedures allow the Commission to select a vendor via sole source if, among other things, the vendor capabilities and experiences are so unique that no other vendor may comparably meet the Commission's needs. It is staff's recommendation for a sole source agreement with United Way Madera and Fresno Counties as their capabilities are unique in spearheading the implementation of the African American Leadership Advancement Program to provide unique support for the professional and personal development of Black leaders in Fresno County. United Way is focused on cultivating and investing in local Black leadership to close the racial wealth gap and improve the health and wellbeing outcomes for not only the Black community but the entire community.

Fiscal Impact: Funding for this agreement will be allocated from the 2021-2022 Agency Budget, under the African American Infant Mortality Prevention – Strategic Plan Investment Area in an amount not to exceed \$50,000 for two years.

CONCLUSION:

This is an opportunity for the Commission to minimize duplication of work by aligning equity efforts with a key Fresno County stakeholder, United Way, to have a more significant, more sustainable impact in our community. If the Commission does not approve this item, it will be a missed opportunity to engage with a trusted partner as part of a larger coalition of agencies working to increase recognition, supports and capacity of our community's African American leadership. Staff would then explore additional options for advancing the Commission's approved Effectiveness and Capacity building strategy of the African American Infant Mortality Prevention Efforts.

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

REGULAR BUSINESS MEETING
October 27, 2021 – 11:30 a.m.

AGENDA ITEM NO. 5

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Agreement with Fresno County Economic Opportunities Commission for the Fresno GROWS (Growing Real Opportunities in West Fresno) - Best Babies Zone Initiative

RECOMMENDED ACTION:

Approve an agreement with Fresno Economic Opportunities Commission (EOC) to be the backbone agency for the Fresno GROWS - Best Babies Zone (BBZ) Initiative, in an amount not to exceed \$210,000 (\$154,000 from First 5 Fresno County and \$56,000 from Cradle to Career - Blue Meridian Funding) for this fiscal year with an option to renew for one additional fiscal year based on performance and availability of funds.

BACKGROUND:

On October 18, 2021, this item was approved for full Commission consideration by the Finance and Program Review Committee Meeting. On August 21, 2019, the Commission approved an agreement with West Fresno Family Resource Center (WFFRC) to support their efforts as a backbone co-lead organization addressing adverse birth outcomes in Southwest Fresno through a Best Babies Zone Initiative, known locally as Fresno GROWS BBZ. The Fresno GROWS BBZ project is committed to drive place-based anti-racism work that will lead to the reduction of African American preterm birth and infant mortality in four census tracts (2, 7, 9.02 and 10) in the 93706 zip code, representing approximately 2,700 African American Southwest Fresno residents.

During the summer of 2021, the Fresno GROWS BBZ Steering Committee, including WFFRC, the County of Fresno's Public Health Department, University of California, San Francisco's Preterm Birth Initiative, First 5 Fresno County, BLACK Wellness and Prosperity Center, Fresno EOC, residents with lived experience, and the Fresno GROWS BBZ Local Champions conducted a series of meetings to develop the next phase of the initiative. During these meetings, it became clear the next phase required more attention to the systemic environmental and economic barriers facing Black families in the Zone through the leveraging of community-driven successes like the COVID-19 African American Coalition. As a result, the Fresno GROWS BBZ Steering Committee recommended the role of backbone co-lead agency transition from WFFRC to Fresno EOC to support the initiative's increased focus on policy and system level change. Subsequently, on August 4, 2021, WFFRC submitted a formal letter to the Fresno GROWS BBZ funding partners (First 5 Fresno County, University of California San Francisco Preterm Birth Initiative-CA, and the County of Fresno, Department of Public Health), concurring with this recommendation and requesting to term their existing contract on August 31, 2021.

If approved by the Commission, Fresno EOC would transition into the role of backbone co-lead agency by November 1, 2021. As the co-backbone Fresno EOC would provide key administrative and

organizational support to Fresno GROWS BBZ including sustaining working groups, convening the steering committee and onboarding staff in order to 1) establish a hub that will monitor and evaluate project progress; 2) utilize a results-based accountability framework to craft a monitoring and evaluation plan that tracks programmatic achievements; 3) develop a community engagement implementation strategy; and 4) build social capacity and civic community involvement.

Procurement: The Commission's procurement policies and procedures allow the Commission to select a vendor via sole source if, among other things, the vendor's capabilities and experiences are so unique that no other vendor may comparably meet the Commission's needs and if only one vendor has the ability to provide goods or services to the Commission within the Commission's required time frame. As the Commission represents one of various other funders in the larger Fresno GROWS BBZ Initiative, it is staff's recommendation to align funding with the recommendation of the Fresno GROWS BBZ Steering Committee and co-funders. Fresno EOC has been engaged in the Fresno GROWS BBZ Initiative since its inception and has qualified and relevant staffing, financial infrastructure, and readiness to continue all project deliverables without pause and gap in services. Additionally, Fresno EOC has demonstrated experience and understanding of the racial and health disparities faced by the African American community in Southwest Fresno. Some examples of related projects that Fresno EOC has successfully launched include Advance Peace Fresno, African American Coalition, and the COVID-19 Equity Project among others.

Alignment with 2020-2025 Strategic Plan: This agreement aligns directly with one of our core investments - African American Infant Mortality Prevention, as a community-driven project, in partnership with others, to tackle the high rates of infant mortality among our African American neighbors in Fresno County. The proposed agreement also aligns with the recommendations detailed in the Commission's *African American Infant Mortality Needs Assessment* and supports the implementation of innovative strategies to drive down the preterm birth and infant mortality rates in one of our county's most vulnerable neighborhoods.

Short-term goal(s) and long-term outcomes: In Fiscal Year 2021-2022 a Fresno GROWS BBZ Hub for Civic Engagement will be established at Fresno EOC with the purpose to convene community partners and monitor and evaluate project progress. The project will also utilize a results-based accountability framework to craft a monitoring and evaluation plan to track programmatic achievements. The long-term outcomes include: 1) improve the health, education, social and emotional development of African American women and their families living in Southwest Fresno and 2) reduce preterm birth and infant mortality rates in the four census tracts within the 93706-zip code.

Fiscal Impact: The contract amount for this project (\$210,000) was allocated from a previous budget, so there is no further fiscal impact to the Commission at this time. The recommended action would result in the dollars previously awarded to West Fresno Family Resources Center to be reassigned to Fresno EOC. To note: of the \$210,000 recommended for reassignment, \$154,000 are Commission committed funds and \$56,000 are from external grant funds received, to support the Initiative, from the Fresno Cradle to Career Partnership. Details of the use of funds will be outlined in the approved scope of work. Other contributing partners include the University of California, San Francisco's Preterm Birth Initiative California, the County of Fresno's Department of Public Health, and the Fresno Economic Opportunities Commission.

CONCLUSION:

Approving this agreement builds upon the Commission's African American Infant Mortality prevention investment area and offers the opportunity for the Commission to minimize duplication of work by aligning efforts and strengthening partnerships with key Fresno County stakeholders to have a larger, more sustainable impact in our community.

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

REGULAR BUSINESS MEETING
October 27, 2021 – 11:30 a.m.

AGENDA ITEM NO. 6

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Request for Proposals Opportunity for the Commission’s Mobile Unit

RECOMMENDED ACTION:

Approve the release of a Request for Proposals (RFP) procurement opportunity to transfer ownership of the Commission’s Mobile Unit to a qualified agency to continue supporting the health and wellbeing of Fresno County children and families.

BACKGROUND:

On October 18, 2021, this item was approved for full Commission consideration by the Finance and Program Review Committee. In 2010, the Commission purchased and refurbished an Airstream trailer to create the Breastfeeding Friendly (BFF) Express, a breastfeeding friendly mobile unit as part of the Breastfeeding Friendly Initiative - a larger community campaign to raise awareness and support for breastfeeding as the healthiest start for babies and normalize support for lactating women and their families at home, at work, and during community events. At the time, the average Fresno County in-hospital breastfeeding rates reported for *any breastfeeding* was 82.9% and *exclusive breastfeeding* at 47.2%¹

Over the years, community support and awareness of the benefits of breastfeeding have increased in Fresno County. Hospitals continue to implement policies around breastfeeding support to attain the Baby Friendly Hospital designation, more expansive lactation accommodation laws have been signed into law and breastfeeding friendly spaces have been permanently established at prominent places like the Fresno Yosemite Airport, Fresno City Hall, Fresno Chaffee Zoo, and the Fresno Fairgrounds. In 2018, we saw an increase in the average Fresno County in-hospital breastfeeding rates with *any breastfeeding* reported at 87.8% and *exclusive breastfeeding* at 70.6%²

Over time, staff capacity combined with decreased demand for the Mobile Unit at large, outdoor community events have kept the Mobile Unit in storage for longer periods of time. With the release of this RFP procurement opportunity, the goal will be to elicit new, innovative uses for the Mobile Unit so that it can continue to support the health and wellbeing of Fresno County children and families.

¹ “Maternity Care Matters: Overcoming Barriers to Breastfeeding - A Policy Update on California Breastfeeding and Hospital Performance” - The California WIC Association and the UC Davis Human Lactation Center. Fresno County, 2010 Data.

² “Sustaining Achieving Breastfeeding Equity in California; Are Hospitals Doing Enough to Support At-risk Families? - A Policy Update on California Breastfeeding and Hospital Performance” - The California WIC Association and the UC Davis Human Lactation Center. Fresno County, 2018 Data.

Procurement: Per the Administrative and Programmatic Procurement Policies and Procedures, staff recommends releasing a Request for Proposals opportunity to select a qualified agency that has the capacity to undertake new and creative use(s) for the Mobile Unit to continue serving children and families throughout Fresno County leveraging the trailer's amenities.

Alignment with Strategic Plan: The release of this RFP opportunity aligns with our committed support to families, communities, and systems through the Innovation & Learning strategy to seek innovative and reflective approaches to confront persistent community challenges.

Fiscal Impact: Through the release of this RFP opportunity, only the ownership of the Mobile Unit will be transferred to the awarded agency. The Mobile Unit is currently valued at approximately \$31,300. As part of the transfer of ownership agreement, the Mobile Unit must be used as proposed by the awarded agency for one year. A good-faith deposit of \$10,000 would be provided to the Commission and then relinquished back to the awarded agency at the end of the one-year contract term.

CONCLUSION:

If approved by the Commission, the Request for Proposals will be released at the end of October 2021 for a recommended agency to come to the Commission for final approval consideration in January 2022. Should the release of this procurement opportunity not be approved to move forward, the Commission will continue to own the Mobile Unit with limited capacity to maximize its use throughout the community.

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

REGULAR BUSINESS MEETING

October 27, 2021 - 11:30 a.m.

AGENDA ITEM NO. 7

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Public Hearing - State Annual Report and Financial Audit Report for Fiscal Year 2020-2021

BACKGROUND:

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

A copy of the State Annual Report and Audit Report is available on the Commission's website.

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

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

REGULAR BUSINESS MEETING

October 27, 2021 – 11:30 a.m.

AGENDA ITEM NO. 8

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Commission’s State Annual Report and Financial Audit Report for Fiscal Year 2020-2021

RECOMMENDED ACTION:

Approve the State Annual Report and Financial Audit Report for fiscal year 2020-2021.

BACKGROUND:

On October 18, 2021, the Finance and Program Review Committee reviewed and approved to move forward for full Commission consideration the final Audit Report and State Annual Report for fiscal year 2020-2021. Below is background on the requirements and purpose of each report.

On an annual basis, on or before October 30th, the Commission is required to submit a financial Audit Report and a State Annual Report (per Health and Safety Code section 130150) to the California Children and Families Commission (also known as First 5 California) and the California State Controller’s Office. The purpose of these reports is to inform the appropriate stakeholders on the status of the programmatic and strategic investments, as well as provide a detailed financial assessment of each county Commission.

Financial Audit Report

In accordance with Health and Safety Code section 130150, the Commission conducts an independent audit of, and issues a written report on the implementation and performance of its functions during the last fiscal year (FY 2020-2021). 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.

State Annual Report

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

Subsequent to public hearings and submission approval by the Commission, both reports will also be presented to the Fresno County Board of Supervisors as required by County of Fresno ordinance. Both the financial Audit and State Annual Report for FY 2020-2021 are included within the meeting packet.

Fiscal Impact: Approval of the Financial Audit and State Annual Report for FY 2020-2021 will allow the Commission to continue receiving Proposition 10 funds in a timely manner from the California Children and Families Commission.

CONCLUSION:

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

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

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2021**

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
FINANCIAL STATEMENTS
JUNE 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

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

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, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Clovis, CA 93611
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fax 559.299.2344

Opinions

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, 2021, 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.

Other Matters

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 3-8 and 33-35 be presented to supplement the basic financial statements. Such information, 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.

Other 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 Supplemental Schedule of First 5 California (F5CA) Funding is presented for purposes of additional analysis and is not required part of the basic financial statements.

The Supplemental Schedule of First 5 California (F5CA) Funding 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. Such 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 8, 2021, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
October 8, 2021

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

INTRODUCTION

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

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

This report contains a discussion of key program, management, financial, and performance information for fiscal year 2020-2021 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, 2021.

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

MISSION AND STRATEGIC GOALS

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

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

FINANCIAL HIGHLIGHTS

- During fiscal year 2020-2021, the Commission allocated and received Proposition 10 revenues of \$7.9 million from the State of California as revenues collected under the Children and Families Act and \$2.4 million in backfill dollars from Proposition 56.
- The Commission disbursed approximately \$6.4 million to funded agencies in the reported period ending June 30, 2021.
- Over \$7.0 million was committed by the Commission towards the agency's Strategic Plan, which will be disbursed in the subsequent fiscal years to fund its programmatic investments.
- The New Markets Tax Credit requirements were successfully completed, and, in December 2020, the agreements termed resulting in the Commission taking ownership of the Lighthouse for Children facility.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

The Commission's total assets were approximately \$42.4 million at the end of the fiscal year. The majority of the Commission's assets are in cash and investments of \$26.4 million along with the Lighthouse for Children building valued at \$13.5 million.

Cash and investments are maintained in the Commission's checking and savings accounts, the Fresno County investment pool where interest earned on the Commission's balance is apportioned to the Commission, and in an investment account. Please refer to pages 23 through 26 for types of investments and credit ratings. Another asset is the Commission's approximately \$638K receivable due from the State Commission for Proposition 10 (page 10). These receivables represent taxes remitted by the State but not received by the Commission as of June 30, 2021. The Commission also reports accounts payable of approximately \$2.2 million representing payments due on invoices.

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
ASSETS			
Cash and investments	\$ 26,369,840	\$ 21,129,212	\$ 5,240,628
Due from the state - proposition 10 and 56	637,706	1,190,663	(552,957)
Other receivables	1,147,530	1,160,917	(13,387)
Prepaid assets	6,028	-	6,028
Capital assets, not being depreciated	676,530	676,530	-
Capital assets, net of accumulated depreciation	<u>13,526,091</u>	<u>13,933,838</u>	<u>(407,747)</u>
 Total assets	 <u>42,363,725</u>	 <u>38,091,160</u>	 <u>4,272,565</u>
LIABILITIES			
Current liabilities	2,233,451	2,366,961	(133,510)
Noncurrent liabilities	<u>23,087</u>	<u>4,489,695</u>	<u>(4,466,608)</u>
 Total liabilities	 <u>2,256,538</u>	 <u>6,856,656</u>	 <u>(4,600,118)</u>
NET POSITION			
Net investment in capital assets	14,202,621	9,852,427	4,350,194
Restricted	-	46,799	(46,799)
Unrestricted	<u>25,904,566</u>	<u>21,335,278</u>	<u>4,569,288</u>
 Total net position	 <u>\$ 40,107,187</u>	 <u>\$ 31,234,504</u>	 <u>\$ 8,872,683</u>

In fiscal year 2020-2021, the Commission's net position increased by \$8.8 million, as seen above. The increase was due to an increase in cash and investments compared to prior year.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
REVENUES			
Charges for Services	\$ 98,827	\$ 148,000	\$ (49,173)
Grants and Contributions	11,957,302	11,569,684	387,618
General revenues	<u>5,230,106</u>	<u>980,175</u>	<u>4,249,931</u>
Total revenue	<u>17,286,235</u>	<u>12,697,859</u>	<u>4,588,376</u>
EXPENSES			
Child development services	<u>7,782,131</u>	<u>9,788,594</u>	<u>(2,006,463)</u>
Total expenditures	<u>7,782,131</u>	<u>9,788,594</u>	<u>(2,006,463)</u>
Change in net position	<u>\$ 9,504,104</u>	<u>\$ 2,909,265</u>	<u>\$ 6,594,839</u>

FINANCIAL ANALYSIS OF THE COMMISSION'S GOVERNMENTAL FUND

For the fiscal year ended, the Commission reported an ending fund balance of \$25,898,632. The decrease of \$6.4 million over the prior year is mainly represented by the removal of the long-term loan liability associated with the resolve of the New Markets Tax Credit requirements associated with the Lighthouse for Children facility. See pages 13 and 15 of the financial statements for the fund financial statements and Note 9 regarding the New Markets Tax Credits.

Revenue and Expenditure Analysis – Governmental Funds

Total revenues consist of Proposition 10 funds, Proposition 56 funds, external grant revenues, investment earnings, and other revenues. There was a slight decrease in total revenues from \$12.5 million, in the prior year, to approximately \$12.4 million for the fiscal year 2020-2021. The main reason for the difference is fewer unrealized gains received in the fiscal year compared to the prior year. Proposition 10 revenues, compared to the year ended June 30, 2020, increased by \$455K, while unrealized investment earnings saw a decrease compared to the prior year of \$536K. Grant revenue from external sources such as First 5 California for IMPACT (Improve and Maximize Programs so All Children Thrive) and Quality Counts California efforts decreased by \$200K. The Commission's goal to support and enhance the early childhood service system and their commitment to serving the young children and families in Fresno County remained consistent with the prior year.

Examples of program investments during the 2020-2021 fiscal year: As part of a countywide goal to dramatically scale home visitation services for families, the Commission, in December 2019, partnered with the County of Fresno's Department of Public Health to launch the Community Health Teams (CHT) project. The Commission's investment drew down more than \$400K federal and state dollars per year to further support the project, funds that would have otherwise gone unused. CHT is a cost-effective, localized model pairing public health nurses with teams of paraprofessionals from community benefit organizations (CBOs) to provide research-based home visitation services to families who may otherwise not qualify for federal or state funded programs. Through CHT, the Department of Public Health partners with four CBOs to support families across the county with parenting, early learning, family literacy, developmental screenings, and a multitude of other resources and referrals – all while prioritizing the health and safety of staff and families through virtual and modified service delivery to continue support through the COVID-19 global health pandemic. In May 2021, the Commission renewed its commitment to this project by awarding two additional years. This brought the current total allocation for four years to

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

\$3.6 million (approx.) leveraging over \$1.6 million from federal and state Department of Public Health dollars.

The Commission invested \$100K in partnership with PCAC to host four, full-time AmeriCorps members through the Community Learning Center (CLC) at the Lighthouse for Children facility. The AmeriCorps members impacted the community in an array of ways this fiscal year. They provided the Growing Learners Program (GLP), a series of classes at the CLC aimed to promote healthy development, enhance the interaction between children and their caregivers, and prepare children for school. Over 80 families participated in GLP weekly classes, completed vital developmental screenings, and received referrals for critical preventative services this fiscal year all in virtual formats.

The Commission's AmeriCorps team, through the CLC, also led the distribution of PPE and cleaning supplies to community partners that serve Fresno County's children and families as part of the F5CA Emergency Supplies Program. Additionally, the AmeriCorps team acted as a Diaper Hub lead in the Central California Food Bank's program distributing formula, baby food, and over 535,000 diapers to deserving families this fiscal year.

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
REVENUES			
Program revenues	\$ 10,316,319	\$ 9,754,838	\$ 561,481
Grant revenues	1,640,983	1,814,846	(173,863)
General revenues	571,046	1,128,175	(557,129)
Other financing sources	<u>10,956,060</u>	<u>-</u>	<u>10,956,060</u>
Total revenues	<u>23,484,408</u>	<u>12,697,859</u>	<u>10,786,549</u>
 EXPENDITURES			
Program services	6,562,966	8,466,839	(1,903,873)
Evaluation services	443,920	513,634	(69,714)
Administrative costs	380,200	402,097	(21,897)
Other financing uses	<u>10,956,060</u>	<u>-</u>	<u>10,956,060</u>
Total expenditures	<u>18,343,146</u>	<u>9,382,570</u>	<u>8,960,576</u>
Change in fund balance	<u>\$ 5,141,262</u>	<u>\$ 3,315,289</u>	<u>\$ 1,825,973</u>

Fund Budgetary Highlights

This section contains an explanation of the significant differences between the Commission's final budget amounts and actual amounts, and original and final budget amounts recorded for revenues and expenditures for fiscal year 2020-2021 as detailed in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual (shown on pages 33-34). In fiscal year 2020-2021, the Commission received actual revenues of \$12.4 million compared to the budgeted amount of \$9.6 million. In preparing the budget, the Commission considered variables such as declining tobacco consumption, the effects of changes in legislation, and lower returns on investments. Actual total revenues were \$2.9 million more than budgeted as more than anticipated backfill from Proposition 10 and 56 revenue was received than anticipated. Interest and investment revenues were \$61K more than expected, and other revenues came in at \$151K more than expected.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

In fiscal year 2020-2021, actual expenditures were \$7.8 million less than budgeted. This is due to the Commission committing roughly \$7.0 million of that amount to be spent out in subsequent fiscal years on programmatic investments.

A schedule of the Commission's original and final budget amounts compared with actual revenues and expenses is provided on pages 33-34 in the audited financial report.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital assets of \$14.2 million (net of accumulated depreciation) are for the Lighthouse for Children facility and equipment, the Huron land and facility, and the associated equipment purchased. See Note 6 for more information on capital assets.

At the end of the current fiscal year, the Commission did not have any outstanding long-term debt, however, the Commission does have one long-term obligation for compensated absences. See Note 8 for details.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

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

- Help Me Grow Fresno County – \$275k
- Thriving Families Service Programs – \$2.2 million
- Community Learning Center – \$590k
- Patient-Centered Prenatal Care – \$264k
- African American Infant Mortality Prevention – \$1.2 million
- Quality Rating Improvement System – \$978k
- Innovation & Learning – \$600k

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS

Cash and investments	\$ 26,369,840
Due from the state - proposition 10	637,706
Other receivables	1,147,530
Prepaid assets	6,028
Capital assets not being depreciated:	
Land	676,530
Capital assets, net of accumulated depreciation:	
Buildings	13,516,301
Equipment	<u>9,790</u>
 Total assets	 <u>42,363,725</u>

LIABILITIES

Current liabilities:	
Accounts payable	2,184,432
Accrued payroll and related taxes	27,246
Noncurrent liabilities:	
Due in one year:	
Compensated absences	21,773
Due in more than one year:	
Compensated absences	<u>23,087</u>
 Total liabilities	 <u>2,256,538</u>

NET POSITION

Net investment in capital assets	14,202,621
Unrestricted	<u>25,904,566</u>
 Total net position	 <u>\$ 40,107,187</u>

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues		Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Child development services	\$ 7,782,131	\$ 98,827	\$ 11,957,302	\$ 4,273,998
Total	<u>\$ 7,782,131</u>	<u>\$ 98,827</u>	<u>\$ 11,957,302</u>	<u>4,273,998</u>

General revenues:

Interest and investment earnings	171,182
Forgiveness of debt	4,757,887
Miscellaneous income	<u>301,037</u>
Total general revenues	<u>5,230,106</u>
Change in net position	9,504,104
Net position - beginning of year (restated)	<u>30,603,083</u>
Net position - end of year	<u>\$ 40,107,187</u>

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>General Fund</u>	<u>Lighthouse Special Revenue Fund</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 26,314,779	\$ 55,061	\$ 26,369,840
Due from the state - proposition 10 and 56	637,706	-	637,706
Other receivables	1,147,530	-	1,147,530
Prepaid expenses	<u>6,028</u>	<u>-</u>	<u>6,028</u>
 Total assets	 <u>\$ 28,106,043</u>	 <u>\$ 55,061</u>	 <u>\$ 28,161,104</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 2,180,165	\$ 4,267	\$ 2,184,432
Accrued payroll and related taxes	<u>27,246</u>	<u>-</u>	<u>27,246</u>
 Total liabilities	 <u>2,207,411</u>	 <u>4,267</u>	 <u>2,211,678</u>
FUND BALANCE			
Nonspendable	6,028	-	6,028
Restricted	803,464	-	803,464
Committed	7,000,817	-	7,000,817
Assigned	<u>18,088,323</u>	<u>50,794</u>	<u>18,139,117</u>
 Total fund balance	 <u>25,898,632</u>	 <u>50,794</u>	 <u>25,949,426</u>
 Total liabilities and fund balance	 <u>\$ 28,106,043</u>	 <u>\$ 55,061</u>	 <u>\$ 28,161,104</u>

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 25,949,426
Capital assets used in governmental activities are not current financial resources; therefore, they are not reported in the funds.	14,202,621
Compensated absences liability is not due in the current period and, therefore, are not included in the funds.	<u>(44,860)</u>
Total net position - governmental activities	<u>\$ 40,107,187</u>

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund	Lighthouse Special Revenue Fund	Total
REVENUES			
Proposition 10 taxes	\$ 7,926,962	\$ -	\$ 7,926,962
Proposition 56 taxes	2,389,357	-	2,389,357
Grant revenue	1,640,983	-	1,640,983
Interest and investment earnings	171,176	6	171,182
Other revenue	301,037	98,827	399,864
	<u>12,429,515</u>	<u>98,833</u>	<u>12,528,348</u>
EXPENDITURES			
Program services	6,397,174	165,792	6,562,966
Evaluation services	443,920	-	443,920
Administrative costs	362,728	17,472	380,200
	<u>7,203,822</u>	<u>183,264</u>	<u>7,387,086</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,225,693</u>	<u>(84,431)</u>	<u>5,141,262</u>
OTHER FINANCING SOURCES (USES)			
Forgiveness of debt	-	10,956,060	10,956,060
Bad debt expense	(10,956,060)	-	(10,956,060)
	<u>(10,956,060)</u>	<u>10,956,060</u>	<u>-</u>
Net change in fund balance	(5,730,367)	10,871,629	5,141,262
Fund balance - beginning of year (restated)	<u>31,628,999</u>	<u>(10,820,835)</u>	<u>20,808,164</u>
Fund balance - end of year	<u>\$ 25,898,632</u>	<u>\$ 50,794</u>	<u>\$ 25,949,426</u>

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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

Net change in fund balances - government fund	\$	5,141,262
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		(407,747)
Compensated absences expense reported in the statement of activities does not require the use of current financial resources; therefore, it is not reported as an expenditure in the governmental funds		(1,193)
Change in interest payable liability		13,841
Revenues in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues in the governmental funds.		<u>4,757,941</u>
Change in net position - governmental activities	\$	<u><u>9,504,104</u></u>

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – ORGANIZATION

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 and tobacco products. The monies are allocated to local Children and Families Commissions by the State based on the number of births in each county in proportion to the total number of births in all counties.

A. Reporting Entity

The governmental reporting entity consists of the Commission and its component unit, Lighthouse for Children, Inc. Component units are legally separate organizations for which the Commission is financially accountable or organizations whose nature and significant relationship are such that exclusion would cause the Commission’s financial statements to be misleading or incomplete. For financial reporting purposes, the component unit has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and No. 61, and thus is included in the financial statements of the Commission. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method because it provides services exclusively or almost exclusively to the Commission and a financial benefit relationship exists between the Commission and the component unit.

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

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

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

The Commission reports the following major governmental funds:

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

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

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Budgetary Procedures

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

Revenues – Exchange and Non-Exchange Transactions

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

Expenses/Expenditures

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

State statutes and the Commission's Investment Policy authorize the Commission to invest in U.S. Government Treasury and Agency Securities, bankers' acceptances, commercial paper, corporate bonds and notes, repurchases agreements, and the State Treasurer's Local Agency Investment Fund (LAIF). 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, 2021, management considered all accounts to be fully collectible and, therefore, no allowance was recorded in the accompanying financial statements.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Long-Term Advance

The Commission advanced funds to Lighthouse for Children, Inc. (acting like a loan receivable) for the purpose of creating an investment fund. As part of this arrangement, the Commission would receive payment from Lighthouse for Children, Inc. in accordance with the note payable agreements. The loan was forgiven during the year-ended June 30, 2021.

Capital Assets

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

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

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

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

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 THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences

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

In the governmental fund financial statements, a liability for these amounts is reported only if they have matured, for example, as a result of employee resignations or retirements prior to year-end, and payment of the liability is made subsequent to year-end. This is in accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

Fund Balance

Fund Balance Classification

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

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

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Balance (Continued)

Fund Balance Classification (Continued)

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.

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

Net Position

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

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

Use of Estimates

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

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – CASH AND INVESTMENTS

Cash and investments consist of the following as of June 30, 2021:

Cash in banks	\$ 3,002,384
Investments	<u>23,367,456</u>
 Total cash and investments	 <u>\$ 26,369,840</u>

A. Policies and Practices

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

B. Investment in County Treasury

The Commission is considered to be a voluntary participant in an external investment pool as the Commission deposits many receipts and collections of monies with the 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.

C. General Authorization

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

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

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Interest Rate Risk

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

E. Segmented Time Distribution

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

Investment Type	Amount	Remaining Maturity (in months)		
		12 months or less	13 to 24 months	25 to 60 months
U.S. Treasuries	\$ 5,142,353	\$ 172,577	\$ 2,263,754	\$ 2,706,022
Federal Agencies (non-callable)	1,842,287	-	335,330	1,506,957
Federal Agency Mortgage Backed Securities	388,425	1,445	144,865	242,115
Supranationals	245,686	-	62,079	183,607
Municipal Obligations	629,917	-	-	629,917
Negotiable Certificates of Deposit	457,053	100,902	356,151	-
Corporate Notes	2,444,458	304,814	126,967	2,012,677
Asset-Backed Securities	505,371	-	81,909	423,462
Money Market Mutual Funds	51,611	51,611	-	-
County Pooled Investments Funds	11,660,295	11,660,295	-	-
Total	\$ 23,367,456	\$ 12,291,644	\$ 3,371,055	\$ 7,704,757

F. Credit Rate Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Commission's Investment in the County Pool is not required to be rated, nor has it been rated as of June 30, 2021.

Investment Type	Fair Value	Minimum Legal Rating	Rating as of Year-End										Not Rated	
			AAA	AA+	AA	AA-	A+	A	A-	A-1+	BBB+			
U.S. Treasuries	\$ 5,142,353	N/A	\$ -	\$ 5,142,353	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Federal Agencies (non-callable)	1,842,287	N/A	-	1,842,287	-	-	-	-	-	-	-	-	-	-
Federal Agency Mortgage Backed Securities	388,425	N/A	-	388,425	-	-	-	-	-	-	-	-	-	-
Supranationals	245,686	AAA	245,686	-	-	-	-	-	-	-	-	-	-	-
Municipal Obligations	629,917	N/A	31,359	288,698	201,763	-	30,389	-	-	-	-	-	-	77,708
Negotiable Certificates of Deposit	457,053	A-	-	-	-	178,872	101,926	75,352	-	100,903	-	-	-	-
Corporate Notes	2,444,458	A-	-	75,860	64,859	76,756	679,649	271,067	688,327	-	587,940	-	-	-
Asset-Backed Securities	505,371	AA	455,238	-	-	-	-	-	-	-	-	-	-	50,133
Money Market Mutual Funds	51,611	AAA	51,611	-	-	-	-	-	-	-	-	-	-	-
County Pooled Investments Funds	11,660,295	N/A	-	-	-	-	-	-	-	-	-	-	-	11,660,295
Total	\$ 23,367,456		\$ 783,894	\$ 7,737,623	\$ 266,622	\$ 255,628	\$ 811,964	\$ 346,419	\$ 688,327	\$ 100,903	\$ 587,940		\$ 11,788,136	

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 – CASH AND INVESTMENTS (Continued)

G. 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 represents 5% or more of the total investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>% of Total Investments</u>
Fresno County Investment Pool	Investment Pool	\$ 11,660,295	49.9%
U.S. Treasury	Treasury Securities	\$ 5,142,353	22.0%

H. Custodial Credit Risk

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

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

Bank balances were \$2,947,287, the total amount of which was insured and/or collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the name of the Commission.

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 – FAIR VALUE MEASUREMENTS

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

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

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

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

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

The following is a summary of the inputs used as of June 30, 2021, in valuing the Commission's assets carried at fair value:

Investments by fair value level	Total	Level 1	Level 2	Level 3
U.S. Treasuries	\$ 5,142,353	\$ -	\$ 5,142,353	\$ -
Federal Agencies (non-callable)	1,842,287	-	1,842,287	-
Federal Agency Mortgage Backed Securities	388,425	-	388,425	-
Supranationals	245,686	-	245,686	-
Municipal Obligations	629,917	-	629,917	-
Negotiable Certificates of Deposit	457,053	-	457,053	-
Corporate Notes	2,444,458	-	2,444,458	-
Asset-Backed Securities	505,371	-	505,371	-
	<u>\$ 11,655,550</u>	<u>\$ -</u>	<u>\$ 11,655,550</u>	<u>\$ -</u>
Investments not subject to fair value hierarchy				
Money Market Mutual Funds	51,611			
County Pooled Investments Funds	<u>11,660,295</u>			
Total investments	<u>\$ 23,367,456</u>			

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2021, consisted of intergovernmental grants, entitlements, state apportionments and local sources. All receivables consisted of the following:

State government:	
Proposition 10	\$ 637,706
Other sources	<u>1,147,530</u>
 Total	 <u>\$ 1,785,236</u>

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance 6/30/2020	Additions	Deletions	Balance 6/30/2021
Capital assets not being depreciated:				
Land	\$ 676,530	\$ -	\$ -	\$ 676,530
Total capital assets not being depreciated	<u>676,530</u>	<u>-</u>	<u>-</u>	<u>676,530</u>
Capital assets being depreciated:				
Equipment	119,310	-	-	119,310
Buildings and Improvements	<u>16,131,643</u>	<u>-</u>	<u>-</u>	<u>16,131,643</u>
Total capital assets being depreciated	<u>16,250,953</u>	<u>-</u>	<u>-</u>	<u>16,250,953</u>
Less accumulated depreciation:				
Equipment	(105,064)	(4,456)	-	(109,520)
Buildings and improvements	<u>(2,212,051)</u>	<u>(403,291)</u>	<u>-</u>	<u>(2,615,342)</u>
Total accumulated depreciation	<u>(2,317,115)</u>	<u>(407,747)</u>	<u>-</u>	<u>(2,724,862)</u>
Total capital assets being depreciated, net	<u>13,933,838</u>	<u>(407,747)</u>	<u>-</u>	<u>13,526,091</u>
Total capital assets, net	<u>\$ 14,610,368</u>	<u>\$ (407,747)</u>	<u>\$ -</u>	<u>\$ 14,202,621</u>

Depreciation expense for the year ended June 30, 2021 was \$407,747.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 – ACCOUNTS PAYABLE

Accounts payable consist of the following as of June 30, 2021:

Program grantees and expenses	\$ 2,177,047
Vendors	<u>7,385</u>
 Total	 <u>\$ 2,184,432</u>

NOTE 8 – LONG-TERM OBLIGATIONS

Long term obligations activity for the year ended June 30, 2021 were as follows:

	Balance 6/30/2020	Additions	Deletions	Balance 6/30/2021	Due within One Year
Governmental activities:					
Notes payable	\$ 4,757,941	\$ -	\$ (4,757,941)	\$ -	\$ -
Compensated absences	<u>43,667</u>	<u>48,363</u>	<u>(47,170)</u>	<u>44,860</u>	<u>21,773</u>
 Total	 <u>\$ 4,801,608</u>	 <u>\$ 48,363</u>	 <u>\$ (4,805,111)</u>	 <u>\$ 44,860</u>	 <u>\$ 21,773</u>

A. Compensated Absences – Governmental Activities

Compensated absences, which combines vacation and sick leave benefits into a single PTO bank account, amounted to \$44,860 at June 30, 2021.

NOTE 9 – NEW MARKETS TAX CREDIT

New Markets Tax Credit (NMTC) are designed to infuse private sector capital into previously overlooked communities by providing a tax credit for the qualified investors designated as Community Development Entities (CDEs). The NMTC transaction structure involves the leverage of a lender to provide funding into a newly created investment fund (the Fund). A separate investor, then provides the equity into the Fund. The Fund then loans the full amount of the financial transaction to the CDEs, who in turn loans the funds to the Qualified Active Low-Income Community Business (QALICB). This arrangement provides credits against the investor and CDEs federal tax obligations. The NMTC transaction is active for seven years at which time the investor will “put” the transaction and allow the leverage lender to acquire 100% interest in the Fund.

The Commission recognized the need for a high-quality childcare facility that would include an array of services to families with young children. The Commission committed to being the leverage lender for the qualifying NMTC project deemed the Lighthouse for Children Facility. In 2013, the Commission created Lighthouse for Children, Inc. (LFC), a 501(c)(3) non-profit public benefit corporation, as the QALICB, since the Commission was not eligible to be the QALICB. The result was the construction of the Lighthouse for Children Facility completed in 2015.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – NEW MARKETS TAX CREDIT (Continued)

The seventh and final year of the Lighthouse for Children Facility NMTC transaction came to an end on December 14, 2020. All NMTC requirements were met and both the Commission and the LFC were found to be in good standing. The NMTC structure for the project was dissolved resulting in the Commission, the original leverage lender, holding the interest of the Fund with the Lighthouse for Children Facility and land being held by LFC.

As of March 1, 2021, the LFC board decided to deed the building to the Commission in exchange for forgiving the remaining loan balance of \$10,956,060. The financial statements reflect this transfer of the building and land from LFC to the Commission.

The net effect as it relates to the notes payable balance as of June 30, 2021, is the forgiveness of that debt and is shown as part of Note 8.

NOTE 10 – POSTEMPLOYMENT BENEFITS

The Commission's 401(a) Plan (the Plan) is a defined contribution pension plan established by the Commissioners of the Commission and administered through ICMA-RC, a non-profit independent financial services corporation. The provisions and contribution requirements of the Plan are established and may be amended by the Commissioners of the Commission. The Plan covers all full-time employees and provides for immediate 100 % vesting for the participants. The Commission makes contributions of 8.74 % of compensation to the Plan. The Commission made contributions to the Plan of \$59,337 for the year ended June 30, 2021.

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

NOTE 11 – PRIOR PERIOD ADJUSTMENT

The Commission has determined that certain transactions recorded in the current year were applicable to the prior year. The beginning fund balance of the General Fund has been restated in the financial statements as presented in the reconciliation below:

Fund balance, July 1, 2020, previously reported	\$ 32,260,420
Adjustment for expenses applicable to prior year	<u>(631,421)</u>
Fund balance, July 1, 2020, restated	<u>\$ 31,628,999</u>

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 – FUND BALANCE

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned as described in Note 1. A detailed schedule of fund balance as of June 30, 2021 is as follows:

Nonspendable:	
Prepaid vendor	\$ 6,028
Restricted:	
Outside grant funding	803,464
Committed:	
Awarded and unpaid grants	7,000,817
Assigned:	
First 5 Initiatives	18,088,323
Lighthouse Special Revenue Fund	<u>50,794</u>
 Total fund balance	 <u>\$ 25,949,426</u>

NOTE 13 – 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 14 – EVALUATION EXPENDITURES

The Commission expended \$443,920 on program evaluation during the fiscal year ended June 30, 2021.

NOTE 15 – 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 \$10,316,319, or 82.34%, of the total revenue for the year ended June 30, 2021. The Commission is thus subject to possible risk of reductions in services and/or closure due to potential future changes of Section 30131.2 of the California Tax and Revenue Code.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 16 – COMMITMENTS AND CONTINGENCIES

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

A. Grantee Obligations

As of June 30, 2021, the Commission's remaining obligations to grantees of \$7,000,817 is included as committed fund balance.

B. Litigation

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

NOTE 17– UNCERTAINTY

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. Accordingly, some functions of the Commission's operations have been limited to protect the health and safety of its employees. The financial impact that could occur as a result of the pandemic is unknown at this time.

NOTE 18 – SUBSEQUENT EVENTS

The Lighthouse for Children (LFC) Board and the First 5 Fresno County Commission intend to further engage in discussions regarding the future of the LFC non-profit. Subsequent LFC Board meetings will include options, brought forth by management, for consideration.

Management has evaluated and concluded that there were no other subsequent events that have occurred from June 30, 2021, through the date the financial statements were available to be issued at October 8, 2021 that would require disclosure or adjustment.

REQUIRED SUPPLEMENTARY INFORMATION

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GENERAL FUND
(BUDGET TO ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Proposition 10 taxes	\$ 7,865,000	\$ 7,865,000	\$ 7,926,962	\$ 61,962
Proposition 56 taxes	-	-	2,389,357	2,389,357
Grant revenue	1,285,791	1,445,791	1,640,983	195,192
Interest and investment earnings	110,000	110,000	171,176	61,176
Other revenue	100,000	150,000	301,037	151,037
	<u>9,360,791</u>	<u>9,570,791</u>	<u>12,429,515</u>	<u>2,858,724</u>
EXPENDITURES				
Salaries and employee benefits	1,151,887	1,104,377	919,153	185,224
Services and supplies	450,774	476,432	281,971	194,461
Evaluation services	40,000	547,000	412,933	134,067
Grant expenditures	7,358,130	12,915,126	5,589,765	7,325,361
	<u>9,000,791</u>	<u>15,042,935</u>	<u>7,203,822</u>	<u>7,839,113</u>
Excess (deficiency) of revenues over (under) expenditures	<u>360,000</u>	<u>(5,472,144)</u>	<u>5,225,693</u>	<u>10,697,837</u>
OTHER FINANCING SOURCES (USES)				
Bad debt expense	-	-	(10,956,060)	(10,956,060)
	<u>-</u>	<u>-</u>	<u>(10,956,060)</u>	<u>(10,956,060)</u>
Net change in fund balance	<u>\$ 360,000</u>	<u>\$ (5,472,144)</u>	<u>(5,730,367)</u>	<u>\$ (258,223)</u>
Fund balance - beginning of year (restated)			<u>31,628,999</u>	
Fund balance - end of year			<u>\$ 25,898,632</u>	

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – LIGHTHOUSE SPECIAL REVENUE FUND
(BUDGET TO ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other revenue	\$ 148,000	\$ 148,000	\$ 98,827	\$ (49,173)
Annual rent income	-	-	6	6
Total revenues	<u>148,000</u>	<u>148,000</u>	<u>98,833</u>	<u>(49,167)</u>
EXPENDITURES				
Administrative contract	3,643	3,643	3,413	230
Insurance and tax expense	11,708	11,708	8,357	3,351
Professional services expense	17,300	17,300	5,702	11,598
New Markets Tax Credit expense	<u>115,349</u>	<u>115,349</u>	<u>165,792</u>	<u>(50,443)</u>
Total expenditures	<u>148,000</u>	<u>148,000</u>	<u>183,264</u>	<u>(35,264)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(84,431)</u>	<u>(84,431)</u>
OTHER FINANCING SOURCES (USES)				
Forgiveness of debt	<u>-</u>	<u>-</u>	<u>10,956,060</u>	<u>10,956,060</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>10,956,060</u>	<u>10,956,060</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	10,871,629	<u>\$ 10,871,629</u>
Fund balance - beginning of year			<u>(10,820,835)</u>	
Fund balance - end of year			<u>\$ 50,794</u>	

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The Lighthouse Special Revenue Fund incurred expenditures in excess of appropriations for the following amounts for the year ended June 30, 2021:

New Markets Tax Credit Expense	\$50,443
--------------------------------	----------

Expenditures in excess of appropriations would be covered by the available fund balance in the General Fund.

The excess appropriations from the New Markets Tax Credit (NMTC) expense represent funds held in reserve accounts by Lighthouse for Children, Inc. NMTC partners (Low Income Investment Fund and Central Valley NMTC, LLC.). The funds in the reserve accounts are released to the Lighthouse for Children, Inc. NMTC loan lender for the sole purpose of those expenses only and are separate from Lighthouse for Children, Inc.'s operating accounts. The reserve accounts are reconciled to Lighthouse for Children, Inc.'s general ledger but are neither budgeted nor paid for from Lighthouse for Children, Inc. operating funds. Similarly, the revenue/income amount that off-set the excess appropriations is held in the reserve accounts and is neither budgeted nor received by Lighthouse for Children, Inc.

OTHER SUPPLEMENTARY INFORMATION

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
 SUPPLEMENTAL SCHEDULE OF FIRST 5 CALIFORNIA (F5CA) FUNDING
 FOR THE YEAR ENDED JUNE 30, 2021**

(A COMPONENT UNIT OF THE COUNTY OF FRESNO, CALIFORNIA)

<u>PROGRAM OR PROJECT TITLE</u>		<u>REVENUE</u> <u>F5CA</u>	<u>EXPENDITURES</u>	<u>CHANGE IN</u> <u>NET POSITION</u>	<u>NET POSITION</u> <u>BEG OF YEAR</u>	<u>NET POSITION</u> <u>END OF YEAR</u>
First 5 IMPACT Program	IMPACT Hub Program Funds	\$ 718,097	\$ 604,098	\$ 113,999	\$ -	\$ 113,999
	County, Local IMPACT Funds	670,769	670,769	-	-	-
	Dual Language Pilot Projects Funds	71,753	84,040	(12,287)	-	(12,287)
	Home Visitation Coordination	19,392	19,392	-	-	-
TOTAL F5CA FUNDS		\$ 1,480,011	\$ 1,378,299	\$ 101,712	\$ -	\$ 101,712

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OTHER INDEPENDENT AUDITOR'S REPORTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Children and Families Commission of Fresno County (the Commission), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 8, 2021.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

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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.

Price Pange & Company

Clovis, California
October 8, 2021



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

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

Report on Compliance

We have audited the Children and Families Commission of Fresno County's (the Commission) compliance with the types of compliance requirements specified in the State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2021.

Management's Responsibility

Management is responsible for compliance with the requirements of the laws and regulations applicable to the California Children and Families Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Commission's compliance with the requirements referred to above based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act, issued by the State Controller's Office. Those standards and the State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the statutory requirements listed below. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Commission's compliance with those requirements. In connection with the audit referred to above, we selected and tested transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items:

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

Opinion

In our opinion, the Commission, complied, in all material respects, with the types of 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, 2021.

Price Pange & Company

Clovis, California
October 8, 2021

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
SUMMARY SCHEDULE OF AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

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

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings in the current year.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

Finding 2020-001 – Financial Close and Reporting Process (Material Weakness)

Condition: The Commission did not properly perform year-end closing procedures as it relates to the recording of revenue/receivables. We identified a missing revenue/receivable amount during our audit for \$653,705 that was not recorded as of June 30, 2020. We proposed the necessary accounting entries to correct the balances of these accounts. Management agrees with our adjustments and will post the entries, so the Commission’s trial balance reconciles to the issued Financial Statements.

Criteria: A strong system of internal controls and management review requires that general ledger account balances be properly reconciled to a subsidiary ledger or other adequate supporting documentation on a periodic basis, as well as during the year-end financial close process. Management is responsible for maintaining accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cause: Internal controls over the year-end financial reporting process were not properly designed and were not placed in operation.

Effect: As a result of this condition, revenue/receivables were initially misstated.

Recommendation: The Commission should enhance its year-end financial close procedures to include the additional steps necessary to ensure proper reconciliation and reporting of all significant account balances, in addition to ensuring there are supporting schedules to support those balances.

Status: Implemented.



October 8, 2021

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

We have audited the financial statements of the governmental activities, and each major fund of the Children and Families Commission of Fresno County (the Commission) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 25, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. As described in Note 9, during the year the New Markets Tax Credit requirements were met and the result, the Note Payable was forgiven in its entirety. Other than this, we noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Commission's financial statements was:

Management's estimate of depreciation expense is based on the useful lives of capital assets. We evaluated the key factors and assumptions used to develop depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

1. Note 9 – New Markets Tax Credit
2. Note 15 – Economic Dependency
3. Note 17 – Uncertainty

The financial statement disclosures are neutral, consistent, and clear.

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Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following attached material misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 8, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and Budgetary Comparison Schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Supplemental Schedule of First 5 California (F5CA) Funding which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Commissioners and management of the Children and Families Commission of Fresno County and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Price Pange & Company

Client: FIRST 5 FRESNO COUNTY
Engagement: 6-30-21 Audit
Current Period: 06/30/2021
Workpaper: Attachment: Corrected Audit Adjustments

Account	Description	Debit	Credit	Net Income Effect
AJE 01				
To remove Forgiveness of Debt from Report Balance				
LH-3000	Fund Balance - Unreserved	0.00	4,757,940.00	
LH-4500	Forgiveness of Debt	4,757,940.00	0.00	
Total		4,757,940.00	4,757,940.00	(4,757,940.00)
AJE 02				
To record the write off of the Advance To for First 5				
10-1300-00	Due from - Due to	0.00	10,956,060.00	
10-5171-01	Bad Debt Expense	10,956,060.00	0.00	
Total		10,956,060.00	10,956,060.00	(10,956,060.00)
AJE 03				
To post opening balance for Due to First 5				
LH-2999	Advances From Other Fund	0.00	10,956,059.00	
LH-3000	Fund Balance - Unreserved	10,956,059.00	0.00	
Total		10,956,059.00	10,956,059.00	0.00
AJE 06				
To reverse entry removing LFC Due From				
10-1300-00	Due from - Due to	10,956,060.00	0.00	
10-3110-00	Nonspendable	0.00	10,956,060.00	
Total		10,956,060.00	10,956,060.00	0.00
AJE 07				
To record the forgiveness of debt for LHFC				
LH-2999	Advances From Other Fund	10,956,060.00	0.00	
LH-4500	Forgiveness of Debt	0.00	10,956,060.00	
Total		10,956,060.00	10,956,060.00	10,956,060.00
AJE 09				
To correct client's entry to record PPA for expenses recorded in the incorrect period				
10-3000-00	Unassigned	0.00	631,420.80	
10-3999-00	Prior Period Adjustment (PPC created)	631,420.80	0.00	
Total		631,420.80	631,420.80	0.00

Client: FIRST 5 FRESNO COUNTY
Engagement: 6-30-21 Audit
Current Period: 06/30/2021
Workpaper: Attachment: Corrected Audit Adjustments

Account	Description	Debit	Credit	Net Income Effect
AJE 10				
	To adjust Lighthouse opening fund balance to match PY FS			
LH-6220	LHF Sub-CDE XXIV	13,841.00	0.00	
LH-7000	Loss of Sale/Transfer of Assets	0.00	2,811,277.07	
LH-3000	Fund Balance - Unreserved	2,797,436.07	0.00	
Total		<u>2,811,277.07</u>	<u>2,811,277.07</u>	<u>2,797,436.07</u>



State Annual Report

Fiscal Year

2020-2021





Annual Report AR-1
Fresno Revenue and Expenditure Summary
July 1, 2020 - June 30, 2021

DRAFT

Revenue Detail

Category	Amount
Tobacco Tax Funds	\$10,310,087
First 5 IMPACT 2020 Funds	\$1,388,866
Small Population County Augmentation Funds	\$0
DLL Pilot Funds	\$71,753
Other First 5 California Funds	\$19,392
Other First 5 California Funds Description Home Visitation Coordination Grant	
Other Public Funds	\$804
Other Public Funds Description QRIS dollars from The CA Department of Education	
Donations	\$60,000
Revenue From Interest Earned	\$132,056
Grants	\$90,168
Grants Description Two Grants from Fresno County Superintendent of Schools (from Blue Meridian Partners) 1) to enhance the Glow! Group Prenatal Care Project \$41,920 2) to enhance Fresno GROWS - Best Baby Zone Initiative \$48,249	
Other Funds	\$356,389
Other Funds Unrealized Gains- Custodial Investment Account: 45,352, Dollars from Fresno State University to Support Glow! \$10,000, Tenant Rent/ Room Rental: \$184,267, New Markets Tax Credit leverages loan for facility: \$27,390	
Total Revenue	\$12,429,515

Improved Family Functioning

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Family Support	CBO/Non-Profit	<ul style="list-style-type: none"> • Not Applicable () 	383	452	26	\$688,536
General Family Support	County Health & Human Services	<ul style="list-style-type: none"> • Not Applicable () 	4880	0	0	\$200,000
General Family Support	First 5 County Commission	<ul style="list-style-type: none"> • Not Applicable () 	653	820	0	\$348,770
General Family Support	Resource and Referral Agency (COE or Non-Profit)	<ul style="list-style-type: none"> • Not Applicable () 	0	1	0	\$78,323
Intensive Family Support	CBO/Non-Profit	<ul style="list-style-type: none"> • Not Applicable () 	5	11	0	\$0
Intensive Family Support	County Health & Human Services	<ul style="list-style-type: none"> • Not Applicable () 	197	164	0	\$673,519
Intensive Family Support	First 5 County Commission	<ul style="list-style-type: none"> • Not Applicable () 	98	87	0	\$0
Intensive Family Support	Resource and Referral Agency (COE or Non-Profit)	<ul style="list-style-type: none"> • Not Applicable () 	4	3	0	\$0
Total						\$1,989,148

Improved Child Development

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
Quality Early Learning Supports	Higher Education	<ul style="list-style-type: none"> • Not Applicable () 	42	0	0	\$0
Quality Early Learning Supports	County Office of Education/School District	<ul style="list-style-type: none"> • Not Applicable () 	0	0	746	\$1,293,429
Quality Early Learning Supports	First 5 County Commission	<ul style="list-style-type: none"> • Quality Counts California 	0	0	1	\$171,470
Quality Early Learning Supports	Other Private/For Profit	<ul style="list-style-type: none"> • Quality Counts California 	0	0	1	\$313,250
Early Learning Program Direct Costs	County Office of Education/School District	<ul style="list-style-type: none"> • Preschool/Childcare 	81	0	0	\$81,184
Early Learning Program Direct Costs	First 5 County Commission	<ul style="list-style-type: none"> • Not Applicable () 	452	0	0	\$83,867
					Total	\$1,943,200

Improved Child Health

Service	Grantee	Program(s)	Children	Caregivers	Providers	Unique Families	Amount
Early Intervention	County Health & Human Services	<ul style="list-style-type: none"> Not Applicable () 	0	0	7	0	\$0
Early Intervention	First 5 County Commission	<ul style="list-style-type: none"> Not Applicable () 	0	0	73	0	\$0
Early Intervention	County Health & Human Services	<ul style="list-style-type: none"> Not Applicable () 	262	10	25	0	\$364,569
Perinatal and Early Childhood Home Visiting	County Health & Human Services	<ul style="list-style-type: none"> Not Applicable (Nurse Liason) 	170	43	5	0	\$345,183
Perinatal and Early Childhood Home Visiting	County Health & Human Services	<ul style="list-style-type: none"> Nurse Family Partnership 	38	43	0	0	\$135,883
Perinatal and Early Childhood Home Visiting	County Health & Human Services	<ul style="list-style-type: none"> Local Model 	88	88	30	0	\$0
Prenatal and Infant/Toddler Pediatric Support	CBO/Non-Profit	<ul style="list-style-type: none"> Local Model 	0	68	0	0	\$283,469
Prenatal and Infant/Toddler Pediatric Support	First 5 County Commission	<ul style="list-style-type: none"> Not Applicable () 	0	0	1	0	\$86,428
						Total	\$1,215,532

Improved Systems Of Care

Service	Grantee	Program(s)	Amount
Policy and Public Advocacy	Other Private/For Profit	<ul style="list-style-type: none"> • Not Applicable (Child Friendly Business Campaign) 	\$59,999
Policy and Public Advocacy	First 5 County Commission	<ul style="list-style-type: none"> • Not Applicable () 	\$8,895
Policy and Public Advocacy	First 5 County Commission	<ul style="list-style-type: none"> • Not Applicable () 	\$10,000
Systems Building	First 5 County Commission	<ul style="list-style-type: none"> • Not Applicable () 	\$1,035,632
Systems Building	CBO/Non-Profit	<ul style="list-style-type: none"> • Not Applicable () 	\$68,909
Systems Building	County Office of Education/School District	<ul style="list-style-type: none"> • Not Applicable () 	\$48,996
Systems Building	County Health & Human Services	<ul style="list-style-type: none"> • Not Applicable () 	\$16,863
Total			\$1,249,294

Expenditure Details

Category	Amount
Program Expenditures	\$6,397,174
Administrative Expenditures	\$362,728
Evaluation Expenditures	\$443,920
Total Expenditures	\$7,203,822
Excess (Deficiency) Of Revenues Over (Under) Expenses	\$5,225,693

Other Financing Details

Category	Amount
Sale(s) of Capital Assets	\$0
Other Bad Debt Expense to remove a long-term loan liability that was forgiven within the fiscal year. The loan liability was for New Markets Tax Credits for financing the Lighthouse for Children Facility now owned by the Fresno County Commission.	(\$10,956,060)
Total Other Financing Sources	(\$10,956,060)

Net Change in Fund Balance

Category	Amount
Fund Balance - Beginning	\$31,628,999
Fund Balance - Ending	\$25,898,632
Net Change In Fund Balance	(\$5,730,367)

Fiscal Year Fund Balance

Category	Amount
Nonspendable	\$6,028
Restricted	\$803,464
Committed	\$7,000,817
Assigned	\$18,088,323
Unassigned	\$0
Total Fund Balance	\$25,898,632

Expenditure Note

No data entered for this section as of 10/18/2021 9:29:30 AM.

Small Population County Funding Augmentation Expenditure Detail

Category	Amount	Comment
Program: Evidence-Based	\$0	
Program: Evidence-Informed	\$0	
Program: Other Funded	\$0	
Program: Professional Development, Training and Technical Assistance	\$0	
Administration	\$0	
Evaluation	\$0	
Other (Please Explain)	\$0	
Total	\$0	
If unspent funds occurred during the FY, please list amount and provide explanation.	\$0	



Annual Report AR-2
Fresno Demographic Worksheet
July 1, 2020 - June 30, 2021

Population Served

Category	Number
Children Less than 3 Years Old	3,278
Children from 3rd to 6th Birthday	4,008
Children – Ages Unknown (birth to 6th Birthday)	0
Primary Caregivers	1,714
Providers	910
Total Population Served	9,910

Primary Languages Spoken in the Home

Category	Number of Children	Number of Primary Caregivers
English	2,424	1,162
Spanish	2,706	439
Cantonese	2	0
Mandarin	1	1
Vietnamese	2	0
Unknown	1,951	28
Other - Specify with text box Hmong, Punjabi, Indigenous languages of Mexico	200	84
Totals	7,286	1,714

Race/Ethnicity of Population Served

Category	Number of Children	Number of Primary Caregivers
Alaska Native/American Indian	12	4
Asian	160	73
Black/African-American	517	395
Hispanic/Latino	5,184	960
Native Hawaiian or Other Pacific Islander	9	5
White	615	107
Other – Specify with text box Hmong	236	74
Unknown	531	79
Two or more races	22	17
Totals	7,286	1,714

Duplication Assessment

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

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Annual Report AR-3

Fresno County Evaluation Summary and Highlights

July 1, 2020 - June 30, 2021

County Evaluation Summary

Evaluation Activities Completed, Findings, and Policy Impact

In Fiscal Year 2020-21, F5FC began operating under a new five-year Strategic Plan and corresponding Evaluation Framework. Under this new Strategic Plan, a mixed methods approach was used to learn not only how well services are meeting their intended needs and how they can be adapted for improvement, but also how and why they are having an impact. Evaluation activities for FY2020-21 include: 1. School Readiness Longitudinal (SRL) Study: Last fiscal year marked the final year of the SRL study which launched in Fiscal Year 2013-14 and followed children who received F5FC-funded services from age three or four through the third grade. During this fiscal year, the evaluation activities focused on sharing the findings with stakeholders across Fresno County. 2. Evaluation of Core Investment Areas: First 5 Fresno County's 2020-25 evaluation framework is designed to evaluate the Commission's five core investment areas, as detailed in the Strategic Plan: (1) African American Infant Mortality Prevention, (2) Direct Service Programs, (3) Help Me Grow Fresno County, (4) the Lighthouse for Children, and (5) Quality Counts California. F5FC-funded programs use the Apricot database to track demographic and service use data for all children, parents, and professionals who receive services. In addition, quantitative and qualitative data was collected across the five core investment areas via surveys, interviews, and focus groups using data collection protocols designed by the evaluation team. The data from the Apricot database, along with the survey, focus group, and interview data was analyzed and shared at Learning Sessions and will be used to develop an Annual Report for each core investment area, outlining all of the progress and accomplishments made. Key findings from last year's evaluation were outcomes-based and based on the SRL. This year, the key findings are process-level and are based on findings of the data collection activities conducted this year across the five core investment areas. As findings from the client-level data are still under development, a summary of the preliminary findings from the evaluation data collection efforts is below, along with findings from the 2019-20 Client Profile Report (completed in January 2021). • In Fiscal Year 2019-20 F5FC reached 3,121 core clients and provided 5,106 aggregate services to children, parents, and providers through its funded programs. • Activities that advanced F5FC's "Strong Families" strategic goal represented the largest percentage of services in FY 19-20. Services dedicated to the "Early Childhood System of Care & Network Improvement" goal area constituted the highest proportion of aggregate services. • In FY 19-20, F5FC-funded programs served more Hispanic/Latino clients than any other ethnic group. • Approximately 60 percent of clients served by F5FC-funded programs speak more than one language. • The majority of F5FC's clients served in FY 19-20 live in urban areas, while about one in five of F5FC's clients live in rural areas. • Nearly all Direct Service providers and AAIM partners reported successfully pivoting from providing in-person services to supporting families through virtual engagements. • Providers shifted their planned services to instead be responsive to families' most pressing basic needs like the provision of diapers, meals, and sanitary/safety supplies. • As a result of First 5 Fresno County funding, Fresno GROWS was able

to provide frontline COVID-19 relief to the African American community and other communities of color that have been disproportionately impacted by the coronavirus.

County Highlights

County Highlight

At First 5 Fresno County we envision a future where all children and their families are healthy, loved and nurtured. This past year we adapted and innovated new ways to support the wellbeing of families amid the COVID-19 pandemic including: 1) Community Health Teams: As part of a countywide goal to dramatically scale home visitation services for families, we partnered with the County of Fresno's Department of Public Health to launch the Community Health Teams (CHT) project. CHT is a cost-effective, localized model pairing public health nurses with teams of para-professionals from community benefit organizations (CBOs) to provide research-based home visitation services to families who may otherwise not qualify for federal or state funded programs. Through CHT, DPH partnered with four CBOs to support families across the county with parenting, early learning, family literacy, developmental screening and a multitude of other resources and referrals – all while prioritizing the health and safety of staff and families through virtual and modified service delivery. 2) Lighthouse for Children Community Learning Center (CLC): Rooted in community and state partnerships, the CLC is home to programs and services supporting families and early childhood professionals. In response to the COVID-19 pandemic, the CLC transitioned its direct services into the virtual space and supported families with essential resources. For example, through a partnership with Prevent Child Abuse California, we hosted four AmeriCorps members who facilitated weekly, virtual classes for more than 80 families focused on healthy development, enhancing interactions between children and caregivers, and preparing children for school. The AmeriCorps team also led the distribution of PPE and supplies to partners serving Fresno County families as part of the F5CA Emergency Supplies Program, and partnered with the Central California Food Bank to distribute formula, baby food, and more than 535,000 diapers.

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

REGULAR BUSINESS MEETING
October 27, 2021 – 11:30 a.m.

AGENDA ITEM NO. 9

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: 2022 Regular Commission Meeting Schedule

RECOMMENDED ACTION:

Approve the Regular Commission Meeting Schedule for calendar year 2022.

BACKGROUND:

As stipulated in the Children and Families Commission of Fresno County Bylaws, Article III, Powers and Duties, (4), the Commission is required to develop a yearly meeting schedule to be approved by the full Commission. The regular Commission meetings for the upcoming 2022 calendar year will be scheduled on Wednesdays approximately every other month beginning at 11:30 a.m. All meetings will be held at the Lighthouse for Children facility unless otherwise noted on the monthly agenda.

The proposed 2022 meeting dates are as follows:

Month	Meeting Date
January	Wednesday, January 26, 2022
February	NO MEETING
March	Wednesday, March 16, 2022
April	Wednesday, April 27, 2022
May	NO MEETING
June	Wednesday, June 8, 2022
July	NO MEETING
August	Wednesday, August 31, 2022
September	NO MEETING
October	Wednesday, October 26, 2022
November	NO MEETING
December	Wednesday, December 7, 2022

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

REGULAR BUSINESS MEETING

October 27, 2021 – 11:30 a.m.

AGENDA ITEM NO. 14

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Executive Director's Report

Lighthouse for Children (LFC) Activities & Operations Update

- The Lighthouse Child Development Center on the first floor continues to cautiously welcome back children with an average of 53 children on-site and is no longer conducting hybrid instruction. We have maintained the masking requirement in place in all common areas throughout the facility to minimize the risk of exposure for all our young visitors.
- As we are a facility welcoming young children every day who are not yet eligible to be vaccinated, we continue to employ cautionary measures to reduce risks. Commission staff will be on a hybrid schedule for the remainder of the year – 50% working from home and 50% in the office rotating as needed. Facility tenants have been encouraged to also limit the number of staff members required to work on site, to the extent feasible.

Woodchips/Land-Use Options Update

- Staff has been in conversations with a Fresno State professor of Architecture to acquire feasible options on possible uses of the land in front of the LFC, sometimes referred to as the “Woodchips.” The professor has graciously offered to include the “Woodchips” on her Spring Semester syllabus for her higher-level students to mock-up options. We will continue to keep you apprised on the status of this project.

Vaccinations & Pandemic Response Support

- Over the summer, the Commission's Airstream Mobile Unit (BFF Express) was used at 11 vaccination events throughout Fresno County spearheaded by the Fresno County COVID-19 Equity Project's African American Coalition. Most recently it was at the Caruthers Fair on October 2, 2021.

Local & Statewide Involvement in Early Childhood Efforts

- As Co-Chairs of the Central Valley Safe Sleep Coalition, staff supported with the requests to the County of Fresno, the City of Fresno and the City of Clovis to proclaim October as Infant Safe Sleep Awareness Month. We are thankful to Chair Pacheco, Fresno City Council Vice President Nelson Esparza, and Clovis City Councilmember Lynne Ashbeck for sponsoring these Proclamations. The presentations involved highlighting the ABCs of Safe Sleep for babies: Alone, on their Backs, and in a Crib (or bassinet) next to their caregiver's bed.
- The network of national funders known as Blue Meridian Partners will be visiting Fresno from November 4-5, 2021 to meet with community leaders and learn first-hand about their investment in local projects and initiatives connected to the Fresno DRIVE Initiative, in the Preconception to Age 5 space. As the Co-leads of the Preconception to 5 Network, we look forward to

highlighting the support for two of our funded programs: Glow! Group Prenatal Care and the Fresno GROWS Best Babies Zone Initiative which received enhancement funding from them.

- Since January of this year, I joined the Fresno DRIVE Initiative's Ad-Hoc Governance Committee to prepare governance recommendations for the second phase of Fresno DRIVE'S collaborative work. Pleased to report the governance structure will prioritize the inclusion of Fresno residents historically left behind in all decision-making tables.

Media and Community Relations

Recently, I have had the opportunity to share with various audiences the importance of early childhood and First 5 Fresno County's role in our community to support the healthiest start for babies:

- September 9, 2021 – Joined a Facebook Live segment with the Office of the Consulate of Mexico and the United We Lead Foundation during their *Semana Binacional de Educación*, a week dedicated to Education to discuss the importance of early childhood education and developmental milestones in Spanish.
- October 7, 2021 – Clovis East High School -Child Development class speaker to share with 11th graders also enrolled in community college classes about the work of First 5 Fresno County and careers in early childhood.
- October 26, 2021 – Once again participating with the Office of the Consulate of Mexico in their *Semana Binacional de Salud*, a week dedicated to daily segments on health and wellness, to promote the importance of well-child checkups for children from 2 months to 5 years of age.
- Invited to speak at the East Kiwanis Club lunch meeting on October 29, 2021, to share about our work and the role of adults who are not parents, in raising the next generation.

General Updates

- Learning how to center Race, Equity, Diversity and Inclusion (REDI) in our work - Commission staff, along with our First 5 colleagues across the state, are participating in REDI workshops series put on by the First 5 Association of California. These workshops are part of an effort to ensure that equity and justice remain at the center of our collective work. The information gained in session has been invaluable to staff as we review both internal and external policies and procedures and discuss how to incorporate lessons learned throughout our work.
- New Team Member - We welcomed one new team member: Tina Vue, Early Childhood Initiatives Specialist, who will be primarily supporting the Glow! Group Prenatal Care and Support Program and the Community Learning Center. Tina is a graduate from Fresno State holding a B.A. degree in Psychology. She is bilingual in Hmong and English, comes to our team with a background in supporting our community through multiple customer service and logistical roles.

Administrative Agreement Renewals

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

Human Resources Services:

Agency: CoreHR Team

Amount: Not to exceed \$4,800/year

Term: September 1, 2021 – June 30, 2022

Legal Services:

Agency: Baker Manock & Jensen, PC

Amount: Not to exceed \$50,000/year

Term: July 1, 2019 – June 30, 2022 (Retroactive Agreement)

Facility Management Services:

Agency: Manco Abbott, Inc.

Amount: Not to exceed \$64,000/year

Term: July 1, 2021 – June 30, 2022