

FIRST 5 FRESNO COUNTY

ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY

DATE: Wednesday, October 26, 2022

Lighthouse for Children

2405 Tulare Street

TIME: 11:30 a.m. – Regular Meeting

Fresno, CA 93721

AGENDA

ITEM	SUBJECT	PRESENTER
1.	CALL TO ORDER	Chair Pacheco
2.	POTENTIAL CONFLICTS OF INTEREST Any Commission Member who has potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter.	Chair Pacheco
3. Action Pg. 1	CONSENT AGENDA – ITEMS 3a-3c See attached Consent Agenda. Overview: These matters are routine in nature and are usually approved by a single vote. Prior to action by the Commission, the public will be given the opportunity to comment on any Consent Item.	Chair Pacheco F. González, E.D.
4. Public Hearing Pg. 57	PUBLIC HEARING - FINANCIAL AUDIT AND STATE ANNUAL REPORT FOR FISCAL YEAR 2021-2022	Chair Pacheco F. González, E.D.
5. Action Pg. 58	FINANCIAL AUDIT AND STATE ANNUAL REPORT FOR FISCAL YEAR 2021-2022 Supporting Documents	F. González, E.D. L. Magallanes, Staff H. Norman, Staff
6. Action Pg. 126	ACCEPTANCE AND ALLOCATION OF FUNDS FROM FIRST 5 MERCED COUNTY FOR THE LAUNCH OF THE GLOW! GROUP PRENATAL CARE AND SUPPORT PROGRAM IN MERCED COUNTY	F. González, E.D. L. Ramírez, Staff
7. Action Pg. 128	2023 REGULAR COMMISSION MEETING SCHEDULE	F. González, E.D. K. Rangel, Staff
8. Information	CHILDREN AND FAMILIES POLICY UPDATE	F. González, E.D. C.J. Hernandez, Staff
9. Information Pg. 129	EXECUTIVE DIRECTOR'S REPORT	F. González, E.D.
10. Information	PUBLIC COMMENT Limit two minutes per speaker. Public Comment is also taken on individual agenda items throughout the meeting at the conclusion of each agenda item.	Chair Pacheco
11. Information	ANNOUNCEMENTS / INFORMATION SHARING	Chair Pacheco
12.	ADJOURNMENT	Chair Pacheco
NOTE:	NEXT REGULAR MEETING – DECEMBER 7, 2022	2405 Tulare St. Fresno, CA 93721

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CONSENT AGENDA

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

ITEM	SUBJECT	PRESENTER
3a. Action Pg. 2	MINUTES FROM AUGUST 31, 2022 REGULAR COMMISSION MEETING Supporting Document	F. González, E.D.
3b. Action Pg. 5	FUNDED PARTNER MANUAL FOR PROGRAMMATIC AGREEMENTS Supporting Document	F. González, E.D. H. Norman, Staff
3c. Action Pg. 31	INVESTMENT POLICY AND TRAVEL POLICIES AND PROCEDURES MANUAL - ANNUAL REVIEW Supporting Documents	F. González, E.D. A. Hillis, Staff

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

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

REGULAR BUSINESS MEETING

October 26, 2022 – 11:30 a.m.

2405 Tulare Street
Fresno, CA 93721

CONSENT AGENDA ITEM NO. 3b

TO: Children & Families Commission of Fresno County
FROM: Fabiola González, Executive Director
SUBJECT: Funded Partner Manual for Programmatic Agreements

RECOMMENDED ACTION:

Approve the updated Funded Partner Manual for programmatic agreements.

BACKGROUND:

The Funded Partner Manual provides Funded Partners with comprehensive information on fiscal, administrative and programmatic requirements to implement a Commission contract. This includes programs providing direct services to parents, children and/or professionals and partners providing non-direct service activities aligned with the Commission’s strategic plan. The fiscal reporting structure outlined in the manual was developed in accordance with the First 5 Financial Management Guide and ensures best practices are utilized.

Staff update the manual as necessary to ensure all processes continue to align with internal policies and procedures along with the Commission’s mission and vision. This review aligns with the work Commission Staff has undertaken to evaluate the requirements the Commission has for contractors receiving our funds to address and reduce any items that may no longer be necessary to collect/require. Staff is focused on making changes to make our practices more equitable and justice-minded, knowing that the Commission’s Funded Partners are directly serving Fresno’s young children and their families and should not be overburdened by their funding sources.

With that in mind, the following are highlights from the primary adjustments being recommended. All adjustments are reflected in red-line in the supporting document.

- Addition of a Breastfeeding Friendly section, affirming the Commission’s support and encouragement of breastfeeding and for all partners to abide by federal and state ordinances and codes protecting lactation in the workplace.
- Updates to the client consent language to clarify the Commission’s established intake, consent, and evaluation forms/procedures. Consent forms must be completed by all direct service clients, but participation in F5FC’s evaluation is voluntary and not required in order to receive services.
- Aligning the quarterly data submission due dates with the fiscal invoice deadlines.

- Addition of the option to account for indirect expense in contracts we enter into (page 18 of the Manual). This is similar to First 5 California's practice and could provide the Commission flexibility when they enter into large contracts containing subcontracts, allowing for more dollars to be allocated to services rather than indirect on pass through dollars.
- Clarification on Advance Payments (page 20). No policy change.
- The addition of a section on Travel (page 22) to standardize and clearly define what supporting documentation for reimbursement is required.

The manual will continue to be brought back to the Commission for review and approval only when significant changes are required. The last revision to the Funded Partner Manual was approved by the Commission in May 2020.

CONCLUSION:

If approved by the full Commission, the Funded Partner Manual will replace the previous version and will be made available to all Commission Funded Partners.



Funded Partner Manual

DRAFT October 2022

www.first5fresno.org
559-558-4900

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Introduction

Overview of First 5 Fresno County

Our Vision: *We envision a future where all children and their families are healthy, loved, and nurtured.*

Our Mission: *We run after this vision by partnering with our community to create a seamless system of quality, accessible services that support the well-being of every child and family.*

At First 5 Fresno County (F5FC), we know that children thrive when their families thrive. The First 5 Fresno County Commission (the Commission) was created in 1998 when voters passed Proposition 10, which added a 50-cent sales tax to every pack of cigarettes or tobacco product sold in California. The State of California collects the money and distributes it to each county based on birthrate. The Commission is responsible for developing a strategic plan to guide local funding decisions that are consistent with the purpose of Proposition 10, which is to promote, support and improve the early development of children from the prenatal stage to five years of age.

The full [2020-2025 Strategic Plan](#) is available on our website.

Funded Partner Manual & Contract

We at F5FC are dedicated to making sure all Funded Partners receive the resources and assistance needed to successfully plan and implement programs and services. This Funded Partner Manual has been developed to provide you with comprehensive information on our requirements and to assist you in managing your F5FC contract. We recognize that some requirements may vary based on the Funded Partner's specific contract type. To this end, your assigned F5FC Contract Manager will provide guidance on any approved exceptions to the requirements herein. Otherwise, Funded Partners are expected to adhere to all requirements and procedures outlined in this manual.

Funded Partners are responsible for maintaining a current copy of their contract and the most up to date Funded Partner Manual. Both documents contain everything you need to know about our partnership. So, please let the following pages guide you through our requirements.

[The contents of this Manual is for all types of agreements, however F5FC recognizes that not all details apply to all types of agreements/contracts. Contact your contract manager if any questions arise.](#)

Contract Monitoring

As a public agency, F5FC must abide by state and federal laws, and is required to implement policies and procedures for contracting and procurement.

Contract monitoring helps us:

- Ensure deliverables outlined in the scope of work, evaluation and budget are met
- Promote continuous quality improvement of program services and F5FC processes
- Enable F5FC to obtain information regarding the quality and effectiveness of a program/contract
- Ensure costs are reasonable, necessary and justifiable with intended and actual outcomes

Contact your F5FC Contract Manager if you have any questions or concerns regarding F5FC policies, requirements and final contract determinations. We want to address any issues or concerns as soon as they arise to avoid interruption of services/deliverables. Your F5FC Contract Manager will work closely with you to address any challenges throughout the contract term and monitor your contract to ensure requirements are met.

Administrative

Administrative monitoring gives us the opportunity to ensure the terms and conditions outlined in the contract are understood and followed.

Client Eligibility

With our undivided focus on families with children [ages prenatal](#) to [age 5](#) in Fresno County, we make our youngest residents the biggest priority. We do this by ensuring F5FC funds are only used toward programs and efforts that impact:

- Children prenatal through 5 years of age (the eve of their 6th birthday) who reside in Fresno County
- Parents, primary caregivers, or legal guardians of children prenatal through 5 years of age who reside in Fresno County
- Professionals who provide services to Fresno County children prenatal through 5 years of age and/or the parents, primary caregivers, or legal guardians of these children

Funded Partners directly serving families with young children are required to maintain documentation to verify client age and residency eligibility. Accepted documentation includes birth certificates and immunization records for proof of age, and a utility bill for proof of residency. Other forms of documentation must be approved by F5FC.

Confidentiality

During the term of the contract and depending on the services provided, Funded Partners may have access to confidential client information and records to support effective coordination and delivery of services. Records pertaining to any individual client are confidential and should not be open to examination for any other purpose besides evaluation and verifying contract compliance. Funded Partners must not disclose any confidential client information to any third party without written authorization from the client, F5FC, and/or legally authorized representative.

Standard procedures for keeping client level information confidential include, but are not limited to:

- Storing completed questionnaires, [client case files](#) or other paper records in a locked location where only designated project staff have access
- Keeping electronic information in password-protected, secure files
- Limiting the number of users in the data system
- Replacing names, addresses and other identifying information with codes on paper and/or electronic records ([including email correspondence with First 5 Fresno County](#))

[See the *Proper Client Consenting Procedures* section of the manual for more information on client intake/consent.](#)

For additional information please refer to the Confidentiality section of your contract.

Department of Justice Fingerprint Clearance

For the safety of children, Funded Partners must ensure all employees, agents, volunteers and subcontractors, funded or not funded by F5FC, who directly provide services and/or may have direct, unsupervised access to children must be fingerprinted in accordance with state and federal laws and must have a criminal clearance which states they do not have a criminal history. Verification of fingerprint clearance must be maintained for all parties listed above.

Child Abuse Mandated Reporter Training

~~Funded Partners providing direct services to families with young children are required to report all known or suspected instances of child abuse or neglect to either local law enforcement or county child welfare services.~~ F5FC funded employees, agents, volunteers, or subcontractors who directly provide services to children and their families are required to receive annual child abuse mandated reporter training and must sign a statement acknowledging they understand and will comply with child abuse reporting laws. Verification of annual mandatory child abuse reporter training must be maintained for all parties listed above.

Breastfeeding Friendly

The Commission embraces the importance of supporting and encouraging mothers to breastfeed their babies for as long as possible as breastfeeding is a low-cost strategy to improve the health outcomes of babies and mothers. Society's stigma associated with breastfeeding, lack of information, support at home, at the workplace, and in public places influences a mother's decision to breastfeed. In California, mothers have the right to breastfeed in public (CA Civil Code Section 43.3) and employees have lactation accommodation protections in the workplace (California Labor Code 1030-1033).

Our expectation is that all of our Funded Partners adhere to Federal and State ordinances and codes that do both, protect and support the right to breastfeed.

Administrative Policies

In addition to this manual, F5FC has adopted the following administrative policies to guide investments and partnerships in support of families with young children:

[Breastfeeding Friendly \(BFF\) Policy](#)

[Equipment & Capital Policy](#)
[Faith-based Funding Policy](#)

[Supplanting Policy](#)
[Tobacco Policy](#)

~~All~~ The complete policies can be found on the [F5FC website](#).

Organizational Chart, Job Descriptions & Staffing Changes

Unless otherwise directed by your F5FC Contract Manager, Funded Partners are required to submit job descriptions for all F5FC funded employees and an agency organizational chart ~~prior to the execution of the contract and during the Annual Contract Review (ACR) to F5FC. To maintain client confidentiality, all~~ any staffing changes related to the contract occur, Funded Partners are asked to contact ~~must be submitted to their~~ F5FC Contract Manager within five business days of the change. ~~If the staffing change is related to an F5FC data reporting system user, partners must contact their Contract Manager as soon as possible, no later than the last day the user requires access to the data system.~~

If the agency fails to fill a vacant F5FC funded position in a timely manner, F5FC reserves the right to suspend the contract and/or withhold payment. Please refer to the Corrective Measures portion of the Administrative section of this manual.

Insurance & Licensure Requirements

Funded Partners must maintain valid licenses, certifications, and insurance coverage as applicable. Please refer to the Insurance section of your contract for more details on insurance requirements.

Expulsion

The health and well-being of children determine the prosperity of our community. We understand that sometimes challenges will arise with families receiving services. We expect Funded Partners directly serving families with young children to take into consideration the “whole child” (cognitive, social, emotional and physical needs) and act in the best interest of the child and their family as an alternative to expulsion.

Funded Partners are required to work closely with families to ensure the services provided best meet the needs of the individual child, their family and, when needed, connect them with other community organizations for additional resources.

Cultural Humility

Cultural humility is a stance toward understanding culture. It requires a commitment to lifelong learning, continuous self-reflection on one’s own assumptions and practices, comfort with ‘not knowing’, and recognition of the power/privilege imbalance that exists between clients and service providers. A cultural humility approach is interactive involving approaching another person with openness to learn; asking questions rather than making assumptions; and striving to understand rather than to inform (Tervalon & Murray-Garcia, 1998).

In relation to Funded Partners, all services, documents and program materials must be culturally and linguistically relevant to meet the diverse needs of our community and the populations served. We know cultural humility is an ongoing process. Because of this, we encourage ongoing professional development to nurture cultural sensitivity, focusing on family strengths.

Partner Collaboration

To create a strong network within the early childhood system of care, F5FC evaluates the levels of interaction among F5FC funded and non-funded partners to assess how to strategically align efforts in our community. This strategic alignment is particularly critical as Funded Partners are called upon to meet the increasing needs of families with young children at a-times when budgets and resources continue to diminish. To strengthen the system of care for families with young children, Funded Partners are expected to collaborate and identify new ways of networking and coordinating services to maximize resources and build innovative partnerships.

F5FC may provides opportunities throughout the year for funded and non-funded partners to meet and interact. It is important that each Funded Partner, as applicable, participate and send an appropriate representative to these meetings. A current list of required meetings is located on the F5FC website. Please contact your F5FC Contract Manager for additional information.

Communications

We are passionate about the work we do together and the brand we have built. Help us showcase Proposition 10 funds at work in Fresno County by displaying the F5FC logo. With proper application, our logo on print and electronic publications in support of funded programs, events or projects can help promote our partnership and the impact of our work on families with young children.

Logo Treatment

Our logo is the single mark that represents us wherever we go. Which is why it is important that we always use it properly. This section is intended to serve as an initial guide for the proper way to publish, portray and apply our visual identity. We have laid out a few do’s and don’ts and other details that will help ensure the F5FC logo is properly represented:



1" wide

Size: A minimum size of 1" wide, scaled proportionately, is necessary to maintain legibility.

Space: A clear space equal to the width and height of the "hand" box should be maintained around all four sides of the logo.



Incorrect Usage: Please do not change logo colors, skew the logo, place the logo on busy backgrounds, rearrange or alter the logo elements.

Color



Reversed



Black



In rare cases, if determined suitable for any document, the logo may be substituted with the following: "Funded by First 5 Fresno County." or "Partially funded by First 5 Fresno County."

Media Inquiries 101

In addition to logo use, media relations can further support our effort of highlighting Prop 10 funds at work and the impact of our partnership. Whether you are actively soliciting the media or have been contacted by the media, we want to support you in telling the story of your F5FC funded program/project. Here are some steps to guide you:

Before soliciting the media about a F5FC funded program/project:

1. Reach out to your F5FC Contract Manager about your plan to engage the media. This will help determine if and how F5FC can support you
2. Submit a draft press release to your F5FC Contract Manager

Before responding to media requests about your F5FC funded program/project:

1. Tell the reporter you would like to help and confirm the appropriate person to provide comment. If you are unsure, you can have someone get back to them and take down the following information:
 - Reporter's contact information (name, email, phone)
 - What is the story about?
 - Deadline for a call back?
 - Who else is being interviewed for the story?
 - When will the story air or be published?
2. Reach out to your F5FC Contract Manager about the media request to inform F5FC about the funded program/project media coverage and to determine what role F5FC will have, if any. It could be F5FC may need to also:
 - Respond to the media outlet
 - Review press release or media statements
 - Provide talking points about F5FC
 - Tune in and promote the story

[We understand the media works under tight deadlines and will always do our best to respond promptly. Notify your contact manager with story information after airing to help promote the efforts being highlighted by the media. We understand the media works under tight deadlines and will always do our best to respond in a timely manner.](#)

We Are Here to Help!

Call, email or visit us for support or questions regarding brand guidelines. The current logo and [Brand Guidelines](#) are available for download on the F5FC website. ~~We updated our logo in 2017.~~ Your F5FC Contract Manager ~~staff~~ is happy to review materials/documents with you prior to publication.

End of Fiscal Year and Contract Term Requirements

At the end of each fiscal year, Funded Partners are required to submit/address the requirements listed in the table below, unless otherwise directed by your F5FC Contract Manager. Funded Partners whose contract with F5FC is ending will receive a contract close-out letter which will include any necessary steps to formally close the contract.

General End of Fiscal Year and Contract Term Requirements

Contact your F5FC Contract Manager to confirm which requirements apply to your contract.

Requirement	Due Date
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Annual Audit Report

The Funded Partner's annual audit report covering expenses in the current fiscal year is required by no later than April 30th of the subsequent year.

Note: All documents and records must be retained for at least four years from the expiration of the contract term.

As Requested April 30th

Equipment for Non-Continuing Contracts

If Funded Partners wish to retain equipment purchased through their F5FC contract, a request on agency letterhead to F5FC must be submitted identifying the equipment and verifying items will be used to further support children ages 0 to 5 in Fresno County.

If Funded Partners do not wish to retain equipment, contact your F5FC Contract Manager for next steps.

Within 30 days prior to contract term date

Annual Contract Review (ACR) Findings

Following the end of the fiscal year or contract term, an ACR may be conducted. If findings were discovered during the ACR, findings must be fully resolved within 10 business days.

Within 10 business days of ACR report

Client and Deliverable Data

All entered data must be accurate and complete (client level, aggregate, and narratives). Below are guiding steps to follow for client data:

- Delete all clients without any services entered in the data system
- Address all missing client data (demographic and service information)
- Exit those clients who will not be returning for the new contract term (Funded Partners with non-continuing contracts must exit all clients)
- Contact your F5FC Contract Manager for final verification

July 15th

Note: Following the end of the fiscal year/contract term date, access to client/deliverable data will be deactivated for continuing and non-continuing contracts. Funded Partners with continuing contracts will receive access for the new contract term once the contract has been executed.

Financial Report

A final financial report for the period ending June 30th or the remainder of the contract term, as applicable, must be submitted.

July 31st or 30 days after contract term date

Corrective Measures

As stewards of public funds designated to benefit young children and their families, F5FC takes steps to ensure investments are met as described in each scope of work and budget per the contract. Failure to adhere to administrative, programmatic and/or fiscal requirements may result in any of the corrective measures listed below. Corrective measures may be imposed on a contract and/or agency level.

Some examples of fiscal findings and possible disallowed costs are detailed below:

- Expenses exceeding an approved amount by more than 10% per line item specified in the budget

- Incurred expenses not detailed in the SOW and/or budget and not directly related to the funded project
- Late submission of reports (defined as the submission of all required documents at any time beyond the due date)
- Incomplete or inaccurate reports (e.g. missing General Ledger reports, receipts, Purchase Orders, packing slips etc.)

Note: Based on the severity of the finding(s) and at the sole discretion of F5FC, corrective measures may or may not be imposed in the following order.

Step	Action
One	A compliance warning letter or email will be sent to the Funded Partner and payment may be withheld until all issues are resolved.
Two	A Corrective Action Plan may be implemented. Corrective Action Plans may include one or more of the following: <ul style="list-style-type: none"> ○ Reimbursement to F5FC for services inaccurately reported/administered and/or a 5% penalty may be imposed on balance due to Funded Partner ○ Suspension of contract without payment ○ Increased frequency of financial reporting to F5FC (e.g. from quarterly to monthly) ○ Contracts receiving advance payments may be placed on reimbursements ○ F5FC Commissioners may be notified
Three	Termination of contract, expenses are considered disallowed and agency may be ineligible for future F5FC funding.

Corrective Action Plan

A Corrective Action Plan is developed when a Funded Partner is not meeting their contractual obligations and is in breach of contract. In such cases, F5FC will require a Corrective Action Plan to resolve all issues identified within an agreed upon timeframe.

Instances warranting a Corrective Action Plan include, but are not limited to, the following:

- Underperforming and/or inaccurate reporting on outputs and services by more than 10%
- Inaccurate, incomplete and/or late programmatic reporting
- Incorrect, incomplete and/or late fiscal invoicing and/or reporting
- Specific contractual requirements are not being met per the original intent or expected level of quality

|

Failure to meet Corrective Action Plan requirements may result in additional corrective measures or termination of contract.

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Programmatic

Programmatic monitoring helps us ensure all deliverables outlined in the Scope of Work (SOW)/contract are met and promote continuous quality improvement of services to families with young children.

Scope of Work

In collaboration with your F5FC Contract Manager, you will prepare a SOW document that details all services and deliverables to be achieved. This includes the number of clients to be served and the frequency of services, as applicable. Please refer to the Fiscal section of this manual for information regarding SOW modifications/amendments.

Evaluation

The effectiveness of F5FC investments are monitored regularly by staff as well as our contracted evaluator who works with F5FC staff and applicable Funded Partners to inform ongoing practices that best meet the needs of families with young children in Fresno County. The goal of our evaluation work is to track progress towards the desired outcomes for our community, inform decision-making, and ensure funds are used as efficiently and effectively as possible.

As applicable, F5FC will work with Funded Partners to facilitate and maintain evaluation plans by (a) attending ~~regular~~ meetings relating to evaluation issues; (b) aiding in the selection of outcomes, indicators, and data collection tools and forms; and (c) reviewing and analyzing demographics, services, narratives, and other outcomes/-indicators ~~in the client data system~~.

Proper Client Consenting Procedures

F5FC is committed to ensuring all participants included in our work are protected from harm, are informed about the evaluation, and willingly agree to participate in evaluation activities.

Proper client consenting procedures have been established by F5FC. To support the consenting process for our Funded Partners, we have developed client intake/consent forms to be used when providing ~~intensive direct~~ client services funded by F5FC. At the time of enrollment for services or before asking families and/or participants to take part in evaluation activities (including entering information into the F5FC data system), Funded Partners must request informed consent using the provided intake/consent forms and Evaluation and Data Collection Information Sheet located on our website. Signed intake/consent forms must be filed for everyone for the purpose of consent verification. Participation in F5FC's evaluation is voluntary and clients do not have to agree to share their information in order to receive services. Clients who do not agree to share their information must be deidentified in the Commission's data system. Please contact your Contract Manager for more information on data entry and consent processes and procedures. For more information, please refer to the Evaluation Consent Form Process & Procedures document located on the F5FC website.

Data Reporting Requirements

A web-based monitoring, tracking and reporting data system is used as the primary tool for data collection and reporting requirements. Funded Partners will receive access to the data system after their contract has been executed. If you experience problems with entering and submitting data, your F5FC Contract Manager is available for support.

There are different reporting requirements based on the type of data being collected and/or information submitted for each contract. Together with your F5FC Contract Manager, you will determine the type of submission requirements, access and training need based on your individual contract. Staff responsible for

entering data must participate in data system training. Below are details on each of the primary data and reporting types.

Direct Service, Client Level Data & Reporting

~~Collecting client level data is one way F5FC ensures compliance and accountability in addressing the needs of young children and their families.~~ Through this data collection method, Funded Partners report individual client and service information for each deliverable as detailed in your SOW.

Client level data is ~~generally~~ submitted ~~monthly~~ via the data system capturing demographic and service information including, but not limited to: intake and consent forms, client numbers, service counts, duration and frequency, and other information as outlined in your contract SOW. ~~It is also important to maintain current and accurate contact information for all clients entered into the data system.~~

Quarterly Narrative and Aggregate Reports

Aggregate data includes basic demographic and general information collected about events, group activities, workshops, etc. A narrative report gives you the opportunity to share outcomes, successes, and challenges of the project. Your contract manager will provide guidelines and information on submitting a narrative report, if applicable.

~~Unless otherwise specified by your F5FC Contract Manager, use the following guidelines when writing narrative reports:~~

~~Target Audience & Intent of Service (300 words maximum):~~

- ~~Describe the population served. Please note, if the population served has not changed from the last quarter, you do not need to repeat this information in the subsequent quarterly reports.~~
- ~~Describe what you hoped to accomplish with the services provided to your clients and how these were successful.~~

~~Short Story (250 words maximum):~~

- ~~Provide a short story of how your F5FC funded contract affected a child, family and/or provider this reporting period. Be sure to include which services were received and how the child, family or provider benefited from the program.~~
- ~~Describe any unanticipated impact on your work/organization (e.g. accomplishments, new approaches, new leveraged funding, lessons learned) as a result of F5FC funding and how this grant has strengthened your organization, or helped your organization make progress or build capacity to accomplish the desired results.~~

~~Challenges and Barriers (250 words maximum):~~

- ~~Describe any events that have occurred or issues that have been raised in this reporting period that have affected how you are conducting outreach and/or providing services; or any other challenges you are facing that may affect this F5FC funded program. What, if any, adjustments did you make/do you intend to make?~~

Helpful tips for completing your a narrative reports:

- Do not include any numbers (client numbers, client names, service counts) in the narrative that are already reported in the data system.
- Keep the narrative brief and factual; adhere to the word limitations.
- Check reports for grammar, punctuation, overall quality and accuracy.
- Each quarterly narrative should be unique and not identical to previous submissions.

- Any successes, challenges and impact on clients should be directly related to the F5FC funded program.

Note: Narratives may be incorporated into applicable F5FC public evaluation reports.

Quarterly Narrative and Aggregate Data Reporting Deadlines

Quarterly Reports	Fiscal Year Reporting Period	Due Date
1 st Quarter	July 1 – Sept. 30	Oct. 31 ¹⁵
2 nd Quarter	Oct. 1 – Dec. 31	Jan. 31 ¹⁵
3 rd Quarter	Jan. 1 – Mar. 31	Apr. 30 ¹⁵
4 th Quarter	Apr. 1 – June 30	July 15

Notes: If the due date falls on a weekend or holiday the due date shall be the next business day. ~~Any report submitted is considered a public document and can be reviewed by members of the public upon their request.~~

F5FC reviews all data and reporting to determine accuracy with contract expectations. A 10% variance from the contract target-service/client numbers and frequency requirements is probable and allowed when justification is provided in the narrative/reporting to F5FC. All data submitted must correspond with backup documentation including services, dates and client information per the Funded Partner's records.

Documentation of Services and Record Retention

Funded Partners must maintain backup documentation for all contract services/deliverables in a secure, locked storage space including, but not limited to: contact logs, agendas, attendance records, handouts, sign-in sheets, event flyers, financial records, handouts, agendas, etc. Missing and/or incomplete documentation may result in disallowed costs.

Due to F5FC audit mandates and needs, all documents and records for funded programs must be retained for at least four years from the expiration of the contract term. During this time, Funded Partners must archive records to facilitate simple retrieval and make them available during audit inspection. All records should clearly indicate on their storage container(s) the following information:

- Agency name
- Project name and contract number
- Beginning and end date of the contract
- Type/description of the records included in the container

When the four years have expired, Funded Partners must destroy and eliminate all identifying information and records.

Case file standardization

Funded Partners providing direct services to clients must maintain case files, unless otherwise specified by your F5FC Contract Manager. To promote accuracy with record keeping, protect client information, and facilitate easier file review and/or reassignment, case files must be standardized. It is the Funded Partner's responsibility to ensure the structure of files for the program is understood and maintained.

In addition, for validity, all documents/forms in the file must have authorized original signatures and/or original initials with dates where applicable.

The following documents are expected to be included and maintained in F5FC funded program client files. Please contact your Contract Manager with questions or to confirm any exceptions to the below documentation.

- F5FC Client Intake/Consent Form (or Provider Registration Form for professionals serving children and families)
- F5FC Photo/Media Consent Form
- Eligibility Documentation
 - Proof of age (e.g. birth certificate/immunization record, etc.)
 - Proof of residency (e.g. utility bill)
 - For professional clients: proof of providing services to young children and families in Fresno County (e.g. preschool license)
- Service records corresponding to contract/program deliverables (e.g. developmental screenings, sign-in sheets, lesson plan/agenda, etc.)

Client/Service File Layout

~~The sections listed below are expected to be included and maintained in F5FC funded program case files.~~

Client Enrollment Forms	Eligibility Documentation
<ul style="list-style-type: none"> ● Consent form(s) as applicable: <ul style="list-style-type: none"> ○ Client Consent ○ Minor Parent Client Assent ○ Minor Parent Client Consent ● Client Intake Form (parent/child) ● Provider Registration Form ● Photo Consent Form 	<ul style="list-style-type: none"> ● Proof of age (e.g. birth certificate, immunization record, etc.) ● Proof of Fresno County residency (e.g. utility bill) ● For provider clients: proof of providing services to children 0-5 years old and/or parents/guardians of children 0-5 years old in Fresno County (e.g. preschool license)
Service Logs	
<ul style="list-style-type: none"> ● Family needs assessment ● Family service plan ● Case notes/observations per service (as applicable) ● Correspondence (e.g. follow-up letters, contact letters) ● Sign-in sheet ● Lesson plan/agenda (as applicable) ● Referral log ● Other assessments (as applicable) ● Screenings (as applicable) <ul style="list-style-type: none"> ○ ASQ & ASQ:SE Information Summary Sheet ○ (a copy of this sheet should also be provided to parents/guardians) ○ Postpartum depression screenings (PHQ-9, PHQ-4, PMAD) 	

Best Practice & Capacity Building

F5FC is committed to maintaining the highest possible standards of quality in our work on behalf of families with young children. Whenever possible, evidence, research and community -based-informed programs and practices are implemented. ~~To promote high-quality practices, all F5FC Funded Partners are required to implement research-based and/or evidenced-based practices per individual SOW requirements aligned with the original funding application, as applicable.~~

To increase the capacity of Funded Partners, F5FC will provide opportunities for training and technical assistance. For more information contact your F5FC Contract Manager.

Annual Contract Review (ACR) & Visits

As stewards of public funds designated to benefit young children and their families, F5FC obtains information to ensure the quality and effectiveness of our investments. Depending on the contract type, Funded Partners may receive an ACR following the end of the contract term and/or fiscal year. The frequency of additional visits varies for each Funded Partner depending on any issues identified. F5FC reserves the right to make unannounced visits.

The ACR includes a review of administrative, fiscal, programmatic and/or evaluation backup documentation for the specified fiscal year or contract term. The purpose of the ACR is to discuss the contract and to verify backup documentation is consistent with what has been reported to F5FC. All items referenced in the Funded Partner Manual may be reviewed during the ACR.

In the case where Funded Partners have subcontracts, Funded Partners are expected to have all appropriate subcontractor documentation available at the time of the ACR. ACRs may take place in person, remotely and/or a combination of both. Funded Partners will be notified of requirements and expectations for this type of review in a formal letter from your F5FC Contract Manager.

After the ACR is completed, F5FC staff will issue a summary report highlighting results. All issues identified during the ACR require immediate attention and resolution within 10 business days. Failure to address issues within the timeline and to F5FC's satisfaction may result in corrective measures. Please refer to the Corrective Measures portion of the Administrative section of this manual.

F5FC will bear reasonable costs in connection with or resulting from its regular monitoring, evaluation, data collection, visits, ACRs, inspection, or other oversight activities. If, however, F5FC determines a need to conduct further oversight activities to determine whether or not a Funded Partner committed fraud, breach, or other misrepresentation related to the services or contract performance, the Funded Partner will bear any, and all costs incurred.

Situations requiring an independent audit may include:

- Rescheduling an ACR appointment without valid justification
- Funded Partner is not able or refuses to meet for an ACR within a reasonable timeline
- Required documents and/or key staff members are not present during the ACR

Past Performance Review

Past performance is taken into consideration for contract renewals, advancements, payments and funding. F5FC will consider not funding agencies with a history of unresolved contract findings.

Urban & Rural Designations

We are committed to serving both the rural and urban areas of Fresno County. For reporting purposes, F5FC has identified all zip codes in the cities of Fresno and Clovis as urban and all others as rural.

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Fiscal

Fiscal monitoring examines financial statements, records, and procedures. Funded Partners are responsible for knowing the details of their contracts and pertinent codes, regulations, local, state and federal laws that are applicable. While F5FC staff provide some technical assistance, Funded Partners are ultimately responsible for monitoring their contracts and expenditure levels. The Funded Partner is responsible for knowing what steps are needed to ensure contract compliance and acquire the proper expertise to manage the contract's finances. Contract budgets are monitored on a line-by-line basis.

Note: All finance forms and guidelines referenced below are located on the [F5FC website](#).

Restricted Funds

Payments made to Funded Partners by F5FC are restricted funds. ~~This means r~~Receipt and disbursement of F5FC funds must be accounted for separately from any other revenue in bookkeeping systems and records. [This means Funded Partners must account for/track the payments received as restricted funds, showcasing F5FC dollars separately from other revenue received.](#)

Funded Partners must retain receipts and other documents related to contract expenditures and make these records available for F5FC's review upon request. F5FC or a designated representative reserves the right to audit the Funded Partner's books and records relating to the expenditure of any F5FC funds.

Unspent Funds

Unspent funds of multi-year contracts will generally be allocated to the next fiscal year. Any unspent funds at the end of the contract's term will be ~~de-obligated and~~ returned to F5FC [and de-obligated](#).

Budget

In collaboration with your F5FC Contract Manager, Funded Partners will prepare a budget document and narrative to specify how the project will achieve its outcomes with F5FC funds. The budget narrative details how a figure was calculated and demonstrates how the funds requested are essential to the overall success of the project. For multi-year contracts, budgets are updated each fiscal year to reflect all funds remaining or projected renewal amounts.

To minimize payment delays, please follow these guidelines:

- The budget must be submitted electronically to the designated F5FC Contract Manager on a form approved by F5FC
- Budgets must be submitted on time to be processed and approved
- The budget should reflect all available funds in the contract
- A narrative justification and delineation of each line item must be provided
- Budgets should directly support activities outlined in the SOW including personnel delivering services, as applicable

Final budget approval will be determined by F5FC and notification of approval will be sent directly to the Funded Partner.

Contract Amendment Requests (CAR)

To make any changes to your contract budget and/or SOW, you must submit a CAR. The method to submit a CAR varies by contract term and type. Contact your F5FC Contract Manager to identify the process for a CAR. CARs must be submitted by the deadline ~~posted on the~~ [F5FC website](#) ~~or as~~ specified by your F5FC

Contract Manager. CARs submitted after the deadline will not be accepted ~~and. no~~—No retroactive budget or SOW revisions will be approved, unless otherwise authorized by your F5FC Contract Manager.

A CAR is required for:

- Any change over 10% to the original agreed upon SOW output (e.g. ~~client target~~ number of clients, service frequency)
- Any change to a line item exceeding \$5,000 for contracts over \$250,000 and 10% of any line item for contracts under \$250,000
- An update to budgets of multiple-year contracts from year-end projections to actuals
- A change to the duration of the contract (term dates), an augmentation approved by F5FC, a change to the agency name, the addition or deletion of an activity or deliverable, and/or a change in the contract amount

Requests must be submitted prior to incurring expenses, allowing F5FC to determine its appropriateness and minimizing any disallowed costs to the Funded Partner. F5FC will determine the materiality of the request and ensure it fits the intent of original funding. The request may require a formal contract amendment, or it may be accommodated with a budget and/or SOW revision approved by F5FC.

The Funded Partner will be notified in writing if modifications or amendments are approved or denied. If any of the information is incomplete the request may be denied. Changes within budget sub-line items do not require a budget revision.

Note: Requests for purchases/expenses not delineated in the approved budget will not be accepted in the last quarter of a contract term, unless otherwise authorized by your F5FC Contract Manager.

Administrative/Indirect Costs

Indirect costs refer to administrative costs and/or expenses that cannot be readily assigned to one specific program, one specific line item within a program, or those expenses that are purely administrative functions. Indirect costs for professional/supportive services contracts will be determined by F5FC.

Limit to Indirect Costs

F5FC recognizes Funded Partners have administrative systems unique to their agencies. Funded Partners may implement an indirect rate that does not exceed 15% of all program costs excluding capital purchases and equipment. This maximum rate also applies to subcontractors unless otherwise approved by your F5FC Contract Manager.

Since the limit for indirect costs is strict, please be sure the costs reported as indirect are purely indirect in nature. The costs listed below will only be allowed in the administrative/indirect line item, unless it is demonstrated that they exclusively support the funded program.

- Audit, bookkeeping, payroll, and finance
- Human resources
- Fiscal sponsor costs
- Insurance
- Office space expense
- Phone, internet and utility costs
- Other overhead and personnel costs (e.g. Executive Director's time or any other staff who work minimally with the funded project)

If more than 50% of the contract is categorized as professional services, the Commission may require a modified calculation of indirect, applying the established rate to some but not all expenses in the contract.

Other Funding Sources

To promote sustainability and enhancement of services in the community, F5FC requires cash match, leverage and/or in-kind contributions for particular funding mechanisms under the 2020-2025 Strategic Plan. Other funding source requirements, if applicable, are specified in each contract.

Funded Partners are to report other funding as expenditures and services are incurred. For reimbursement, each financial report must include the proportionate share of other funds for each line item(s) and/or overall expenditures for the reporting period. Proper documentation to verify leverage, cash match and/or in-kind contribution (e.g. General Ledger, Transaction Report, Budget Register, written justification signed by notice holder, etc.) is required and must adhere to the reimbursement payment process.

Electronic Payments

In lieu of issuing checks and mailing payment, F5FC utilizes the Electronic Funds Transfer (EFT) System to make Automated Clearing House (ACH) payments, also known as a direct deposit.

With the EFT system, we can transfer payments from our bank account directly to Funded Partners. Electronic payments eliminate the need to print and mail checks, ensure payments are received by a specific date, and provide an efficient, cost-effective payment process. Electronic payments also eliminate the use of paper, postage, office supplies, processing time, storage space and provide Funded Partners an option to receive payment quickly.

Setting up and approving EFT accounts can take some time, so a completed [EFT Authorization Form](#) is required from Funded Partners upon notification of a contract award. F5FC will make all contract payments through the electronic payment system. Accurate and complete information is critical to avoid delayed payments.

Reimbursement Payments

Payments are made upon the successful completion of contract deliverables. This includes achievement of performance standards and the timely submission of programmatic and fiscal reports. Funded Partners must submit invoices before the established due date. A report will be considered “late” if it is not received by the due date and may delay payment. Please refer to the [F5FC website](#) for deadlines.

The reimbursement process is as follows:

- As applicable, Funded Partners submit their monthly, quarterly, or semiannual program data as defined in their contract
- After program data entry, Funded Partners must submit a request for reimbursement (financial report)
 - The request for reimbursement (financial report) outlines the Funded Partner’s expenses for the invoice period by budget line item and includes any payments received and any reimbursements due
 - To support the expenditures referenced on the financial report, documentation of the expenses must be attached.
 - Back up documentation examples (required documents to be confirmed by your F5FC Contract Manager):
 - General Ledger
 - Transaction Report
 - Receipts
 - Invoices

- Once the request for reimbursement is received, it will be reviewed and approved by the F5FC Contract Manager to ensure contract deliverables are met
- Incomplete reports will be returned to the Funded Partner requesting missing documentation

Financial Report Due Dates

Quarterly Reports - Fiscal Year Reporting Period	Due Date
1 st Quarter	July 1 – September 30 Oct. 31
2 nd Quarter	October 1 – December 31 Jan. 31
3 rd Quarter	January 1 – March 31 Apr. 30
4 th Quarter	April 1 – June 30 July 15

Note: If a due date falls on a weekend or holiday the due date will be the following business day. For contracts that report monthly, financial reports are due 30 days after the month ends. [If a Funded Partner reports monthly, due dates for financial reports will be 30 days after the end of the month.](#)

Advance Payments

From time to time, advance payments may be considered and approved based on the availability of F5FC funds, type of services, and program needs. To request advance payments under a new contract, Funded Partners must submit their request upon contract execution in writing on company letterhead, specifying the reason(s) advance payment is needed. [The advance payments schedule is confined to F5FC's July to June fiscal year and thus the remainder of this section will be based on this.](#)

If approved, and contingent upon performance in meeting contractual requirements and the type of contract, F5FC will release approximately 25% (not to exceed 50%) of the contract's annual budget amount as an advance payment [for the quarter. In some cases, 50% is advanced in a quarter with proper justification determined by the Contract Manager. Beginning in the 3rd quarter of the FY any a](#) Additional funds will not be released until 75 ~~percent~~ % of the ~~previously~~ released funds ~~has~~ have been expended and reported. As applicable, advance payments will be made during the first month of each quarter. Dependent on the type of contract, advance payment for quarter four [of the FY](#) will be released based on financial reporting for quarters one and two [of the fiscal year](#). If reporting for either quarter one or two had cash on hand, 1/3 of the advance payment for quarter four [of the fiscal year](#) will be issued. If neither quarter had cash on hand, 2/3 of the [\(25%\)](#) advance payment for quarter four will be issued. The remainder of the contract amount will be a reimbursement. [Any variation must be approved by the Contract Manager.](#)

If the Funded Partner has not utilized any portion of the advance payment at the end of the contract period or fiscal year, the funds shall be returned to F5FC. If the amount is not returned, F5FC may withhold funds from the subsequent year's contract (if applicable). For additional details see the Payment section of the contract. We will always make every attempt to negotiate a solution before pursuing litigation.

Finance Variance Justification

When a 10% variance occurs in the year-to-date expenditures for the contract reporting period, a written justification is required when submitting the financial reports. Budget expenditures should occur as follows: 25% the first quarter, 50% the second quarter, 75% the third quarter and 100% the fourth quarter, unless otherwise directed by your F5FC Contract Manager.

The written justification must explain:

- Reason for the 10% variance
- Impact of variance on project deliverables and budget
- Identify steps to prevent future 10% variance

Program Cost Allocation Plan

As applicable, a Program Cost Allocation Plan (PCAP) is used as a guide for Funded Partners to equitably distribute costs to programs. It identifies the amount of shared expenses ascribed to each program operated by a Funded Partner, whether or not funded by F5FC.

A PCAP includes a written account of the methods used to allocate costs to its various funding sources and should be a part of the Funded Partner's written accounting procedures. These procedures should include regulations governing cost allocation and a guide that provides principles and standards for determining costs as they apply to federal, state and local governments.

Funded Partners are required to discuss a PCAP with their Certified Public Accountant and develop one to ensure each program bears its fair share of the total cost of expenses. Situations requiring a PCAP include:

- Costs shared between F5FC and a separate funding source, including in-kind, leverage, cash match, program income and other funding
 - In-kind: additional monetary and non-monetary resources that are directly supporting the project at no cost to the project (examples: volunteers, tangible donations, etc.)
 - Leverage: money that is leveraged/obtained due to Prop 10 funds (examples: federal funding, foundation grants, etc.)
 - Cash match (contribution): any cash contributed to the program
 - Program income: revenue generated by F5FC funds (example: tuition)
 - Other funding: any other funding that directly supports the program (example: bond money)
- Costs shared between two or more F5FC funded programs
- Any combination of the above

Proper documentation to verify in-kind, leverage, cash match (contribution), program income and other funding outlined in the financial report (e.g. General Ledger, Transaction Report, Budget Register, written justification signed by notice holder, etc.) is required and must adhere to the reimbursement payment process. Failure to report and provide supporting documentation may affect future F5FC funding.

Please refer to the [F5FC website](#) for examples of PCAPs.

Program Income

Program income means gross income earned by a Funded Partner which is directly generated because of funds awarded by F5FC. Including but not limited: income from fees for services performed; the use or rental of real estate or private property; the sale of commodities or items; license fees or royalties on patents and copyrights; and interest on loans.

As applicable, please refer to the Program Income section of your contract for restrictions on use.

Subcontractors

Transforming the health and development of all children in Fresno County is possible when community organizations, private, education and government agencies work together to mobilize support and services for young children. At F5FC we believe innovative solutions for children emerge from multi-agency partnerships. We have developed guidelines in the case where a Funded Partner subcontracts services as part of their contract with F5FC. The following responsibilities include but are not limited to:

- Submission of all subcontracts to your F5FC Contract Manager for pre-approval (as appropriate)
- Signed copy of the subcontract agreement provided to F5FC upon execution

- Verification of subcontractors' carrying and maintaining adequate insurance
- Communication to F5FC on behalf of all subcontractors
- Understanding and monitoring of services delivered by subcontractors to ensure alignment with the SOW
- Submission of periodic reports in a timely manner (including information regarding subcontractors and number of services)
- Verification and submission of subcontractor invoices in a timely manner
- Ensuring documentation is sufficient to support expenditures (including subcontractor documentation)

Responsibilities of each subcontractor include, but are not limited to:

- Submission of timely requests for reimbursement to the lead agency
- Ensuring documentation supports expenditures
- Meeting deadlines for providing information to the lead agency
- Communication with F5FC through the lead Funded Partner

Please refer to the Subcontracts section of the contract for more information.

Equipment & Capital Purchases

F5FC will not approve any equipment or capital purchases unless they are necessary to fulfill and accomplish the services/deliverables outlined in the SOW. Equipment and capital purchase requests must be submitted in writing and approved by F5FC prior to purchase. If approved, please refer to the [Equipment and Capital Policy](#) for more information.

Food Purchases

Food and beverage purchases with F5FC funds must contribute to the overall health and wellbeing of young children and their families and comply with the [United States Department of Agriculture Dietary Guidelines](#). Funded Partners are encouraged to consider the cultural appropriateness of all food items purchased. Unhealthy items purchased with F5FC funds will be considered disallowed costs. Contact your F5FC Contract Manager for clarification if needed.

[Food/refreshment purchases for the contract/agency staff is not a reimbursable expense.](#)

Incentives & Stipends

Typically, incentives or stipends for program participants are not allowed and will be considered disallowed costs. Contact your F5FC Contract Manager for clarification if needed.

Travel

[Funded partners are authorized to receive reimbursement for travel expenses incurred while attending official functions associated with the contract, so long as expenses are reasonable, prudent, and appropriate. Reimbursement for expenses associated with other related trainings, seminars, or meetings must be included in the contract and have prior approval by the F5FC Contract Manager.](#)

[Proper documentation for out of county contract-related travel is required to be submitted with a request for reimbursement including receipts for airline, hotel, car rental, and gas purchases. Reimbursement may be requested only after travel has occurred. The per diem, incidental and other reimbursement processes will follow the F5FC Travel Policy. Unallowable expenses associated with travel include but are not limited to road snacks or refreshments, souvenirs, business-sponsored meals, bar tabs or minibar costs, etc. It is best practice to get prior approval from your F5FC Contract Manager for travel expenses.](#)

Mileage reimbursement will be at the current IRS rate, unless otherwise approved by your Contract Manager.

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

REGULAR BUSINESS MEETING

October 26, 2022 – 11:30 a.m.

2405 Tulare Street
Fresno, CA 93721

CONSENT AGENDA ITEM NO. 3c

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Investment Policy & Travel Policies and Procedures - Annual Review

RECOMMENDED ACTION:

Approve the updated Investment Policy and the Travel Policies and Procedures Manual.

BACKGROUND:

On an annual basis, internal policies and procedures are reviewed to incorporate potential legislation, general practices, and any other updates. This year, updates to the Investment Policy and the Travel Policies and Procedures are being presented. Updates to the remaining internal policies will be presented before the end of the year.

On October 17, 2022, this item was approved for full Commission consideration by the Finance and Program Review Committee.

1. 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 review and update the Investment Policy annually 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 the Glossary, page 10 of the policy, eliminating the term “Comprehensive Annual Financial Report” and replacing it with its industry recognized “Annual Comprehensive Financial Report”

2. 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:

- To generalize the guiding sources for our annual updates within the “Objective”, Section 1
- Addition of details regarding “Cancelled or Postponed Travel” to section 8, “Transportation by Aircraft”

- Updates to Section 9, Lodging Expenses, to include information on hotel Credit Card Authorization Forms - a required form to utilize a company card
- 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 Investment Policy and Travel Policies and Procedures Manual will be updated within our internal files and be posted on the Commission's website.



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.

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 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, 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 is a part of staff, serves on the board, or any committee appointed by the board, 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 no less than two NRSROs or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with 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 no 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.

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

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 general California to generally accepted accounting principles (GAAP) on government~~ travel guidelines 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 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 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	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 or included as part of the conference/meeting. 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. An 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, 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 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 and 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. As with all travel types, it is the Commission's policy to be cost-conscious when booking airline travel. 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.
4. Cancelled or Postponed Travel. In the event airline travel booked for Commission business is cancelled or postponed, the traveler must notify their supervisor immediately. Any airline credit or reimbursement, because of the disruption, shall be returned to the Commission. In the event travel is rescheduled, the traveler shall restart the estimate and authorization to travel process.

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 airmfares and/or seat or boarding priority upgrades
- Motorcycle transportation costs
- Overweight checked baggage fee

9. Lodging Expenses

Travelers are responsible for coordinating lodging arrangements and verifying the reasonableness of the accommodations 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. As with all travel expenses, arrangements should be made in advance using the Commission credit card whenever possible. This may require the traveler to request from and return to the lodging company, a Credit Card Authorization Form. 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. Travelers are asked to include a receipt from the lodging company in their Travel Expense Form.

- A. An incidental allowance of \$5.00 per day may be claimed for each complete 24-hour period while on official 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 room service, 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/print services; overnight delivery/postage; purchase of materials and supplies (when normal purchasing procedures cannot be followed); internet charges; checked baggage (when deemed necessary); 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 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. 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 [and EFT \(Electronic Funds Transfer\)](#) 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 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 [or electronic](#) 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 26, 2022 - 11:30 a.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 4

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Public Hearing - State Annual Report and Financial Audit Report for Fiscal Year 2021-2022

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 attached, will be available during the meeting, and subsequently will be available on the Commission's website.

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

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

REGULAR BUSINESS MEETING

October 26, 2022 – 11:30 a.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 5

TO: Children & Families Commission of Fresno County
FROM: Fabiola González, Executive Director
SUBJECT: Financial Audit Report and State Annual Report for Fiscal Year 2021-2022

RECOMMENDED ACTION:

Approve the Financial Audit Report and State Annual Report for Fiscal Year 2021-2022.

BACKGROUND:

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

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 2021-202). 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, service areas, and program models used to improve family functioning, child development, health, and systems of care for children ages 0 to 5 and their families. County commissions are also required by statute to hold a public hearing and make the annual report available to the public upon request.

Subsequent to public hearings and submission approval by the full Commission, both reports will also be presented to the Fresno County Board of Supervisors as required by County of Fresno ordinance. Both the financial Audit and State Annual Report for FY 2021-2022 are included within the meeting packet.

Fiscal Impact: Approval of the Financial Audit and State Annual Report for FY 2021-2022 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, 2022**

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
FINANCIAL STATEMENTS
JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Children and Families Commission of Fresno County (the Commission), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Commission, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 7 to the financial statements, in 2022, the Commission adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-9 and 34-36 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying Supplemental Schedule of First 5 California (F5CA) Funding is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Schedule of First 5 California (F5CA) Funding is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2022, 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 10, 2022

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

INTRODUCTION

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

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

This report contains a discussion of key program, management, financial, and performance information for fiscal year 2021-2022 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, 2022.

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 2021-2022, the Commission allocated and received Proposition 10 revenues of \$7.3 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, 2022.
- Over \$9.0 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.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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, 2022**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

The Commission's total assets were approximately \$46.3 million at the end of the fiscal year. The majority of the Commission's assets are in cash and investments of \$30.3 million along with the Lighthouse for Children building valued at \$13.1 million.

Cash and investments are maintained in the Commission's checking and savings accounts, the Fresno County investment pool where interest earned on the Commission's balance is apportioned to the Commission, and in an investment account. Types of investments and credit ratings can be found in this report starting on page 24. Another asset is the Commission's approximately \$635k receivable due from the State Commission for Proposition 10 (page 12). These receivables represent taxes remitted by the State but not received by the Commission as of June 30, 2022. 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, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>
ASSETS			
Cash and investments	\$ 30,263,328	\$ 26,369,840	\$ 3,893,488
Due from the state	634,896	637,706	(2,810)
Other receivables	1,073,299	1,147,530	(74,231)
Lease receivable	457,877	-	457,877
Prepaid assets	41,393	6,028	35,365
Capital assets, not being depreciated	676,530	676,530	-
Capital assets, net of accumulated depreciation	<u>13,118,344</u>	<u>13,526,091</u>	<u>(407,747)</u>
 Total assets	 <u>46,265,667</u>	 <u>42,363,725</u>	 <u>3,901,942</u>
LIABILITIES			
Current liabilities	2,197,070	2,233,451	(36,381)
Noncurrent liabilities	<u>38,016</u>	<u>23,087</u>	<u>14,929</u>
 Total liabilities	 <u>2,235,086</u>	 <u>2,256,538</u>	 <u>(21,452)</u>
DEFERRED INFLOWS OF RESOURCES			
Lease related	<u>457,877</u>	<u>-</u>	<u>457,877</u>
 Total liabilities	 <u>457,877</u>	 <u>-</u>	 <u>457,877</u>
NET POSITION			
Net investment in capital assets	13,794,874	14,202,621	(407,747)
Restricted	1,176,443	-	1,176,443
Unrestricted	<u>28,601,387</u>	<u>25,904,566</u>	<u>2,696,821</u>
 Total net position	 <u>\$ 43,572,704</u>	 <u>\$ 40,107,187</u>	 <u>\$ 3,465,517</u>

In fiscal year 2021-2022, the Commission's net position increased by \$3.5 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, 2022**

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>
REVENUES			
Charges for services	\$ -	\$ 98,827	\$ (98,827)
Grants and contributions	11,247,371	11,957,302	(709,931)
General revenues (expenses)	<u>(160,076)</u>	<u>5,230,106</u>	<u>(5,390,182)</u>
 Total revenue	 <u>11,087,295</u>	 <u>17,286,235</u>	 <u>(6,198,940)</u>
 EXPENSES			
Child development services	<u>7,621,778</u>	<u>7,782,131</u>	<u>(160,353)</u>
 Total expenditures	 <u>7,621,778</u>	 <u>7,782,131</u>	 <u>(160,353)</u>
 Change in net position	 <u>\$ 3,465,517</u>	 <u>\$ 9,504,104</u>	 <u>\$ (6,038,587)</u>

FINANCIAL ANALYSIS OF THE COMMISSION'S GOVERNMENTAL FUND

For the fiscal year, the Commission reported an ending fund balance of \$29,777,464, an increase of approximately \$3.9 million (see page 14).

Revenue and Expenditure Analysis – Governmental Funds

Total revenue consists of Proposition 10 funds, Proposition 56 funds, external grant revenues, investment earnings, and other revenues. As shown in the Governmental Fund Activities Comparison above, there was a decrease in total revenues from \$23.5 million, in the prior year, to approximately \$11 million for the fiscal year 2021-2022. The main reason for the difference is the removal of the long-term loan liability (other financing sources) in the prior year which was associated with the resolve of the New Markets Tax Credit requirements for the Lighthouse for Children facility. Program Revenues decreased, compared to the year ended June 30, 2021, by \$619K. This included Proposition 10 Revenue decreasing by \$669K and Proposition 56 backfill revenue increasing by \$51K. Additionally, unrealized investments saw a loss of \$520K to the portfolio compared to the prior year's gains on investment. 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 \$90K. Through this fiscal year's activity, the Commission's goal to support and enhance the early childhood service system and their commitment to serving the young children and families in Fresno County remained consistent with the prior year.

One example of program investments during the 2021-2022 fiscal year: The COVID-19 pandemic further illuminated the need to lift up and enhance the capacity and leadership advancement of African American-led community-based organizations (CBOs) who are historically underserved, under resourced, and underfunded. These valuable CBOs are trusted sources of vital medical, behavioral, and social supports and interventions for African American families within Fresno County, yet, according to a Bridespan report, unrestricted net assets of Black-led organizations are 76 percent smaller than their white-led counterparts. It was clear to the Commission that there stood a need for local funders to support organizational capacity-building opportunities that promote the sustained excellence of CBO leaders through racial healing and connections, while positioning these organizations for future investments from a diverse set of funders. Acknowledging that we are only one part of the system, the Commission partnered with United Way of Fresno and Madera Counties with a \$50,000 agreement for two years to launch a nine-month learning cohort to do just that. The first Building Black Program cohort launched in March 2022 with class session topics including executive coaching, grant reporting, organizational advancement, and resiliency. This leveraged investment directly aligns with the Commission's larger commitment to the prevention of infant mortality in the African American community. Intentionally supporting leaders of Fresno County's Black-led CBOs serving young children and families will increase organizational capacity and create better birth and health outcomes for all.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>
REVENUES			
Program revenues	\$ 9,697,068	\$ 10,316,319	\$ (619,251)
Grant revenues	1,550,303	1,640,983	(90,680)
Interest and investment earnings	-	571,046	(571,046)
Other revenue	183,568	-	183,568
Other financing sources	-	10,956,060	(10,956,060)
	<u>11,430,939</u>	<u>23,484,408</u>	<u>(12,053,469)</u>
EXPENDITURES			
Program services	6,399,050	6,562,966	(163,916)
Evaluation services	430,178	443,920	(13,742)
Administrative costs	386,111	380,200	5,911
Interest and investment loss	343,644	-	343,644
Other financing uses	-	10,956,060	(10,956,060)
	<u>7,558,983</u>	<u>18,343,146</u>	<u>(10,784,163)</u>
Change in fund balance	<u>\$ 3,871,956</u>	<u>\$ 5,141,262</u>	<u>\$ (1,269,306)</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 2021-2022 as detailed in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual (shown on pages 34-35). In fiscal year 2021-2022, the Commission received actual revenues of \$11.4 million compared to the budgeted amount of \$9.8 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 \$1.6 million more than budgeted, which was mainly due to receiving more than anticipated backfill revenue from Proposition 56 than anticipated and other revenues came in at \$67K more than expected.

In fiscal year 2021-2022, actual expenditures were \$8.6 million less than budgeted. This is due to the Commission committing roughly \$9.0 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 34-35 in the audited financial report.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

CAPITAL ASSETS AND LONG-TERM DEBT

Capital assets of \$13.8 million (net of accumulated depreciation) are for the Lighthouse for Children facility and equipment, the Huron land and child care facility, and the associated equipment purchased. Details of net capital assets are as follows:

	<u>Governmental Activities</u>		<u>Change</u>
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	
Capital assets not being depreciated	\$ 676,530	\$ 676,530	\$ -
Capital assets being depreciated	16,250,953	16,250,953	-
Accumulated depreciation	<u>(3,132,609)</u>	<u>(2,724,862)</u>	<u>407,747</u>
 Total capital assets, net	 <u>\$ 13,794,874</u>	 <u>\$ 14,202,621</u>	 <u>\$ 407,747</u>

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

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 in the approved budget:

- Help Me Grow Fresno County – \$300k
- Thriving Families Service Programs – \$2.5 million
- Community Learning Center – \$335k
- Patient-Centered Prenatal Care – \$235k
- African American Infant Mortality Prevention – \$1.4 million
- Quality Rating Improvement System – \$1.6k
- Innovation & Learning – \$579k

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.

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BASIC FINANCIAL STATEMENTS

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS

Cash and investments	\$ 30,263,328
Due from the state	634,896
Other receivables	1,073,299
Lease receivable	457,877
Prepaid assets	41,393
Capital assets not being depreciated:	
Land	676,530
Capital assets, net of accumulated depreciation:	
Buildings	13,113,010
Equipment	<u>5,334</u>
Total assets	<u>46,265,667</u>

LIABILITIES

Current liabilities:	
Accounts payable	2,181,175
Accrued payroll and related taxes	10,359
Noncurrent liabilities:	
Due in one year:	
Compensated absences	5,536
Due in more than one year:	
Compensated absences	<u>38,016</u>
Total liabilities	<u>2,235,086</u>

DEFERRED INFLOWS OF RESOURCES

Lease related	<u>457,877</u>
Total deferred inflows of resources	<u>457,877</u>

NET POSITION

Net investment in capital assets	13,794,874
Restricted	1,176,443
Unrestricted	<u>28,601,387</u>
Total net position	<u>\$ 43,572,704</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	<u>Program Revenues</u> Operating Grants and Contributions	Changes in Net Position
Child development services	\$ 7,621,778	\$ 11,247,371	\$ 3,625,593
Total	<u>\$ 7,621,778</u>	<u>\$ 11,247,371</u>	<u>3,625,593</u>
General revenues and (expenses):			
			(343,644)
			<u>183,568</u>
			Total general revenues (expenses): <u>(160,076)</u>
			Change in net position 3,465,517
			<u>40,107,187</u>
			Net position - beginning of year
			<u>\$ 43,572,704</u>
			Net position - end of year

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Lighthouse Special Revenue Fund	Total
ASSETS			
Cash and investments	\$ 30,218,906	\$ 44,422	\$ 30,263,328
Due from the state	634,896	-	634,896
Other receivables	1,073,299	-	1,073,299
Lease receivable	457,877	-	457,877
Prepaid expenses	41,393	-	41,393
	<u>\$ 32,426,371</u>	<u>\$ 44,422</u>	<u>\$ 32,470,793</u>
LIABILITIES			
Accounts payable	\$ 2,180,671	\$ 504	\$ 2,181,175
Accrued payroll and related taxes	10,359	-	10,359
	<u>2,191,030</u>	<u>504</u>	<u>2,191,534</u>
DEFERRED INFLOWS OF RESOURCES			
Lease related	457,877	\$ -	457,877
	<u>457,877</u>	<u>-</u>	<u>457,877</u>
FUND BALANCES			
Nonspendable	41,393	-	41,393
Restricted	1,176,443	-	1,176,443
Committed	9,322,027	-	9,322,027
Assigned	19,237,601	43,918	19,281,519
	<u>29,777,464</u>	<u>43,918</u>	<u>29,821,382</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 32,426,371</u>	<u>\$ 44,422</u>	<u>\$ 32,470,793</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

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

Total fund balances - governmental funds	\$ 29,821,382
Capital assets of \$16,927,483, net of accumulated depreciation of \$3,132,609, used in governmental activities are not current financial resources; therefore, they are not reported in the governmental funds.	13,794,874
Compensated absences liability is not due in the current period and, therefore, are not included in the governmental funds.	<u>(43,552)</u>
Total net position - governmental activities	<u>\$ 43,572,704</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, 2022**

	General Fund	Lighthouse Special Revenue Fund	Total
REVENUES			
Proposition 10 taxes	\$ 7,258,257	\$ -	\$ 7,258,257
Proposition 56 taxes	2,438,811	-	2,438,811
Grant revenue	1,550,303	-	1,550,303
Other revenue	183,559	9	183,568
	<u>11,430,930</u>	<u>9</u>	<u>11,430,939</u>
EXPENDITURES			
Program services	6,399,050	-	6,399,050
Evaluation services	430,178	-	430,178
Administrative costs	379,226	6,885	386,111
Interest and investment loss	343,644	-	343,644
	<u>7,552,098</u>	<u>6,885</u>	<u>7,558,983</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,878,832</u>	<u>(6,876)</u>	<u>3,871,956</u>
Net change in fund balance	3,878,832	(6,876)	3,871,956
Fund balances - beginning of year	<u>25,898,632</u>	<u>50,794</u>	<u>25,949,426</u>
Fund balances - end of year	<u>\$ 29,777,464</u>	<u>\$ 43,918</u>	<u>\$ 29,821,382</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

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

Net change in fund balances - governmental funds	\$	3,871,956
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		<u>1,308</u>
Change in net position - governmental activities	\$	<u><u>3,465,517</u></u>

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – ORGANIZATION

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

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

A. Reporting Entity

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

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

The basic financial statements included in this report are intended to present the financial position and results of operations of only the Commission. They are not intended to present the financial position and the results of operations of the County of Fresno taken as a whole. For additional information regarding the County of Fresno, please refer to the 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, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and 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, 2022

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.

Cash and Investments

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

State statutes and the Commission's Investment Policy authorize the Commission to invest in U.S. Government Treasury and Agency Securities, bankers' acceptances, commercial paper, corporate bonds and notes, repurchases agreements, and the State Treasurer's Local Agency Investment Fund (LAIF). 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, 2022, 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, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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*.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Balance

Fund Balance Classification

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

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

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

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.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position

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

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

Use of Estimates

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

Pronouncements

New Accounting Pronouncements Adopted

Governmental Accounting Standards Board Statement No. 87

For the year ended June 30, 2022, the Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the Commission's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Commission's June 30, 2022 financial statements and had no effect on the beginning net position of the General Fund.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – CASH AND INVESTMENTS

Cash and investments consisted of the following as of June 30, 2022:

Cash in banks	\$ 3,526,334
Investments	<u>26,736,994</u>
 Total cash and investments	 <u>\$ 30,263,328</u>

A. Policies and Practices

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

B. Investment in County Treasury

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

C. General Authorization

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

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

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Interest Rate Risk

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

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

Investment Type	Amount	Remaining Maturity (in months)		
		12 months or less	13 to 24 months	25 to 60 months
U.S. Treasuries	\$ 5,918,538	\$ 501,477	\$ 1,513,664	\$ 3,903,397
Federal Agencies (non-callable)	1,143,839	73,085	441,687	629,067
Federal Agency Mortgage Backed Securities	316,559	33,931	102,588	180,040
Supranationals	395,827	60,638	77,058	258,131
Municipal Obligations	562,080	-	74,542	487,538
Corporate Notes	2,374,443	39,198	1,040,976	1,294,269
Asset-Backed Securities	407,810	-	2,412	405,398
Money Market Mutual Funds	72,318	72,318	-	-
County Pooled Investments Funds	15,545,580	15,545,580	-	-
Total	\$ 26,736,994	\$ 16,326,227	\$ 3,252,927	\$ 7,157,840

E. Credit Rate Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Commission's Investment in the County Pool is not required to be rated, nor has it been rated as of June 30, 2022.

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	\$ 5,918,538	N/A	\$ -	\$ 5,918,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Agencies (non-callable)	1,143,839	N/A	-	1,143,839	-	-	-	-	-	-	-	-	-	-
Federal Agency Mortgage Backed Securities	316,559	N/A	-	316,559	-	-	-	-	-	-	-	-	-	-
Supranationals	395,827	AAA	395,827	-	-	-	-	-	-	-	-	-	-	-
Municipal Obligations	562,080	N/A	117,391	181,583	188,564	-	-	-	-	-	-	-	-	74,542
Corporate Notes	2,374,443	A-	-	70,570	61,833	71,271	616,639	406,052	718,707	-	450,609	-	-	-
Asset-Backed Securities	407,810	AA	358,591	-	-	-	-	-	-	-	-	-	-	49,219
Money Market Mutual Funds	72,318	AAA	-	-	-	-	-	-	-	-	-	-	-	72,318
County Pooled Investments Funds	15,545,580	N/A	-	-	-	-	-	-	-	-	-	-	-	15,545,580
Total	\$ 26,736,994		\$ 871,809	\$ 7,631,089	\$ 250,397	\$ 71,271	\$ 616,639	\$ 406,052	\$ 718,707	\$ -	\$ 450,609	\$ 15,741,659		

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 – CASH AND INVESTMENTS (Continued)

F. Concentration of Credit Risk

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>% of Total Investments</u>
Fresno County Investment Pool	Investment Pool	\$ 15,545,580	58.1%
U.S. Treasury	Treasury Securities	\$ 5,918,538	22.1%

G. Custodial Credit Risk

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

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Commission’s deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The 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 \$3,526,298, 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, 2022

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, 2022, 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	\$ 5,918,538	\$ -	\$ 5,918,538	\$ -
Federal Agencies (non-callable)	1,143,839	-	1,143,839	-
Federal Agency Mortgage Backed Securities	316,559	-	316,559	-
Supranationals	395,827	-	395,827	-
Municipal Obligations	562,080	-	562,080	-
Corporate Notes	2,374,443	-	2,374,443	-
Asset-Backed Securities	407,810	-	407,810	-
	<u>11,119,096</u>	<u>\$ -</u>	<u>\$ 11,119,096</u>	<u>\$ -</u>
Investments not subject to fair value hierarchy				
Money Market Mutual Funds	72,318			
County Pooled Investments Funds	<u>15,545,580</u>			
Total investments	<u>\$ 26,736,994</u>			

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 – RECEIVABLES

Accounts receivable as of June 30, 2022, consisted of intergovernmental grants, entitlements, state apportionments and local sources. All receivables, other than lease receivable, consisted of the following:

State government:		
Proposition 10	\$	630,280
Surplus Money Investment Fund		4,616
Other sources		<u>1,073,299</u>
 Total	 \$	 <u>1,708,195</u>

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 was as follows:

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022
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	(109,520)	(4,456)	-	(113,976)
Buildings and improvements	<u>(2,615,342)</u>	<u>(403,291)</u>	<u>-</u>	<u>(3,018,633)</u>
Total accumulated depreciation	<u>(2,724,862)</u>	<u>(407,747)</u>	<u>-</u>	<u>(3,132,609)</u>
Total capital assets being depreciated, net	<u>13,526,091</u>	<u>(407,747)</u>	<u>-</u>	<u>13,118,344</u>
Total capital assets, net	<u>\$ 14,202,621</u>	<u>\$ (407,747)</u>	<u>\$ -</u>	<u>\$ 13,794,874</u>

Depreciation expense for the year ended June 30, 2022 was \$407,747.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 – LEASES

The Commission reported Leases Receivable of \$457,877 as of June 30, 2022. For the year ended June 30, 2022, the Commission reported \$99,902 in lease revenues and \$3,986 in lease interest revenues.

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

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

Office Space Lease – Simpson Speech & Language – On March 1, 2021, the Commission entered into a two-year lease agreement with Simpson Speech and Language (SSL) for the use of a portion (719.75 sq. ft.) of the second-floor office space at the Lighthouse for Children facility. Based on this agreement, the Commission will receive monthly payments through June 2024. Either party may terminate the lease agreement for any reason with a ninety-day (90) written notice prior to the termination date. The tenant may request a lease extension by submitting a written notice ninety-days (90) prior to expiration of the current lease term. Both parties must agree to the extension upon negotiation of terms. The lease receivable was discounted to a net present value using a 0.2% interest rate, which was provided by the California State Controller’s Office.

The leases are summarized below by lease holder as follows:

<u>Lease Holder</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
FCSS - SELPA	\$ 438,307	\$ 80,771	\$ 3,932
FCSS - ECE	9,664	4,261	22
SSL	<u>9,906</u>	<u>14,870</u>	<u>32</u>
Total	<u>\$ 457,877</u>	<u>\$ 99,902</u>	<u>\$ 3,986</u>

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 – LEASES (Continued)

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

Fiscal Year Ended June 30	Principal	Interest
2023	\$ 92,070	\$ 3,650
2024	82,485	2,935
2025	39,390	2,388
2026	39,746	2,032
2027	40,106	1,672
2028-2031	<u>164,080</u>	<u>3,033</u>
Total	<u>\$ 457,877</u>	<u>\$ 15,710</u>

NOTE 8 – ACCOUNTS PAYABLE

Accounts payable consisted of the following as of June 30, 2022:

Program grantees and expenses	\$ 2,172,008
Vendors	<u>8,663</u>
Total	<u>\$ 2,180,671</u>

NOTE 9 – LONG-TERM OBLIGATIONS

Long term obligations activity for the year ended June 30, 2022 were as follows:

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022	Due within One Year
Governmental activities:					
Compensated absences	\$ 44,860	\$ 30,019	\$ (31,327)	\$ 43,552	\$ 5,536
Total	<u>\$ 44,860</u>	<u>\$ 30,019</u>	<u>\$ (31,327)</u>	<u>\$ 43,552</u>	<u>\$ 5,536</u>

A. Compensated Absences – Governmental Activities

Compensated absences, which combines vacation and sick leave benefits into a single PTO bank account, amounted to \$43,552 at June 30, 2022.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 – POSTEMPLOYMENT BENEFITS

The Commission's 401(a) Plan (the Plan) is a defined contribution pension plan established by the Commissioners of the Commission and administered through MissionSquare Retirement, a non-profit independent financial services corporation. The provisions and contribution requirements of the Plan are established and may be amended by the Commissioners of the Commission. The Plan covers all full-time employees and provides for immediate 100% vesting for the participants. The Commission makes contributions of 8.74% of compensation to the Plan for employees. For the year ended June 30, 2022, the Commission made contributions to the Plan of \$57,995.

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

NOTE 11 – FUND BALANCE

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned as described in Note 2. A detailed schedule of fund balance as of June 30, 2022 is as follows:

Nonspendable:	
Prepaid vendor	\$ 41,393
Restricted:	
Outside grant funding	1,176,443
Committed:	
Awarded and unpaid grants	9,322,027
Assigned:	
First 5 Initiatives	19,237,601
Lighthouse Special Revenue Fund	<u>43,918</u>
Total fund balance	<u>\$ 29,821,382</u>

NOTE 12 – RISK MANAGEMENT

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

NOTE 13 – EVALUATION EXPENDITURES

The Commission expended \$430,178 on program evaluation during the fiscal year ended June 30, 2022.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – ECONOMIC DEPENDENCY

The Commission received the majority of its funding from one source, taxes imposed by Section 30131.2 of the California Tax and Revenue Code. This code imposes additional taxes on the sale of cigarettes and tobacco products. The total amount of funding the Commission received from the additional taxes for the year ended June 30, 2022 was \$9,697,068, or 87.46%, of the total revenue for the year. The Commission is thus subject to possible risk of reductions in services and/or closure due to potential future changes of Section 30131.2 of the California Tax and Revenue Code.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

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

A. Grantee Obligations

As of June 30, 2022, the Commission's remaining obligations to grantees of \$9,322,027 is included as committed fund balance.

B. Litigation

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

NOTE 16 – UNCERTAINTY

On March 11, 2020, the World Health Organization declared the outbreak of a 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 17 – SUBSEQUENT EVENTS

Management has evaluated and concluded that there were no subsequent events that have occurred from June 30, 2022, through the date the financial statements were available to be issued at October 10, 2022 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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Proposition 10 taxes	\$ 7,147,812	\$ 7,147,812	\$ 7,258,257	\$ 110,445
Proposition 56 taxes	787,229	787,229	2,438,811	1,651,582
Grant revenue	1,615,625	1,721,233	1,550,303	(170,930)
Interest and investment earnings	60,000	60,000	-	(60,000)
Other revenue	116,290	116,290	183,559	67,269
Total revenues	<u>9,726,956</u>	<u>9,832,564</u>	<u>11,430,930</u>	<u>1,598,366</u>
EXPENDITURES				
Salaries and employee benefits	1,078,491	1,061,972	821,873	240,099
Services and supplies	483,953	576,999	328,956	248,043
Evaluation services	450,000	450,000	377,694	72,306
Grant expenditures	7,714,512	14,124,505	5,679,931	8,444,574
Interest and investment loss	-	-	343,644	(343,644)
Total expenditures	<u>9,726,956</u>	<u>16,213,476</u>	<u>7,552,098</u>	<u>8,661,378</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(6,380,912)</u>	<u>3,878,832</u>	<u>10,259,744</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (6,380,912)</u>	<u>3,878,832</u>	<u>\$ 10,259,744</u>
Fund balance - beginning of year			<u>25,898,632</u>	
Fund balance - end of year			<u>\$ 29,777,464</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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other revenue	\$ 10	\$ 10	\$ 9	\$ (1)
Total revenues	10	10	9	(1)
EXPENDITURES				
Insurance and tax expense	705	705	695	10
Professional services expense	4,350	4,350	6,190	(1,840)
Total expenditures	5,055	5,055	6,885	(1,830)
Excess (deficiency) of revenues over (under) expenditures	(5,045)	(5,045)	(6,876)	(1,831)
Net change in fund balance	\$ (5,045)	\$ (5,045)	(6,876)	\$ (1,831)
Fund balance - beginning of year			50,794	
Fund balance - end of year			\$ 43,918	

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund incurred expenditures in excess of appropriations for the following amounts for the year ended June 30, 2022:

Interest and investment loss	\$343,644
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The Lighthouse Special Revenue Fund incurred expenditures in excess of appropriations for the following amounts for the year ended June 30, 2022:

Professional services expense	\$1,840
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Expenditures in excess of appropriations would be covered by the available fund balance in the respective fund.

OTHER SUPPLEMENTARY INFORMATION

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
 SUPPLEMENTAL SCHEDULE OF FIRST 5 CALIFORNIA (F5CA) FUNDING
 FOR THE YEAR ENDED JUNE 30, 2022**

<u>PROGRAM OR PROJECT TITLE</u>		<u>REVENUE F5CA</u>	<u>EXPENDITURES</u>	<u>CHANGE IN NET POSITION</u>	<u>NET POSITION BEG OF YEAR</u>	<u>NET POSITION END OF YEAR</u>
First 5 IMPACT Program	IMPACT Hub Program Funds	\$ 554,263	\$ 553,910	\$ 353	\$ -	\$ 353
	County, Local IMPACT Funds	572,480	572,480	-	-	-
	Home Visitation Coordination	<u>178,308</u>	<u>178,308</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL F5CA FUNDS		<u>\$ 1,305,051</u>	<u>\$ 1,304,698</u>	<u>\$ 353</u>	<u>\$ -</u>	<u>\$ 353</u>

OTHER INDEPENDENT AUDITOR'S REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Children and Families Commission of Fresno County (the Commission), as of and for the year ended June 30, 2022, 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 10, 2022.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611
tel 559.299.9540
fax 559.299.2344

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Page & Company

Clovis, California
October 10, 2022



INDEPENDENT AUDITOR’S REPORT ON STATE COMPLIANCE

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

Compliance

We have audited the Fresno County Children and Families Commission’s (Commission) compliance with the requirements specified in the State of California’s *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller’s Office, applicable to the Commission’s statutory requirements identified below for the year ended June 30, 2022.

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 requirements referred to above 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:

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

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Opinion

In our opinion, California Children and Families Commission of Fresno County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2022.

Price Pange & Company

Clovis, California
October 10, 2022

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

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

SECTION II – FINANCIAL STATEMENT FINDINGS

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, 2022**

FINANCIAL STATEMENT FINDINGS

None reported.



State Annual Report

Fiscal Year

2021-2022





Annual Report AR-1
Fresno Revenue and Expenditure Summary
July 1, 2021 - June 30, 2022

Revenue Detail

Category	Amount
Tobacco Tax Funds	\$9,692,452
First 5 IMPACT 2020 Funds	\$1,126,544
Small Population County Augmentation Funds	\$0
DLL Pilot Funds	\$0
Other First 5 California Funds	\$178,308
Other First 5 California Funds Description These other funds are for the Home Visitation Coordination Grant (HVC).	
Other Public Funds	\$25,302
Other Public Funds Description Dollars from Fresno County Department of Public Health to supplement the Group Prenatal Care Program called Glow!.	
Donations	\$0
Revenue From Interest Earned	\$4,616
Grants	\$219,950
Grants Description Dollars from Blue Meridian Partners administered through Fresno County Superintendent of Schools to support Glow! Group Prenatal Care and Fresno GROWS, a place-based effort prioritizing interventions in four census tracts (2,7,9.02,10) in the 93706-zip code to reduce African American preterm birth and infant mortality.	
Other Funds	\$183,758
Other Funds Other Revenue including tenant rent payments and indirect dollars received from Grants and Other Funds.	
Total Revenue	\$11,430,930

Improved Family Functioning

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Family Support	CBO/Non-Profit	<ul style="list-style-type: none"> Not Applicable (Parent-Child Interaction Courses, Child Developmental Activities, Parenting Skill-Building, Family Literacy, Early Screenings, Abriendo Puertas) 	391	273	26	\$354,699
General Family Support	First 5 County Commission	<ul style="list-style-type: none"> Not Applicable (Community Learning Center, Basic Family Needs) 	393	360	0	\$256,010
General Family Support	County Health & Human Services	<ul style="list-style-type: none"> Not Applicable (Neighborhood Resource Centers) 	4046	0	0	\$200,000
Intensive Family Support	CBO/Non-Profit	<ul style="list-style-type: none"> Not Applicable (Nurturing Skills for Teen Parents/Families, Just Beginning Program, NPP) 	99	178	0	\$232,969
Intensive Family Support	Resource and Referral Agency (COE or Non-Profit)	<ul style="list-style-type: none"> Not Applicable (Strengthening Families Protective Factors, Making Parenting a Pleasure, NPP) 	72	57	0	\$107,183
Family Literacy and Book Programs	First 5 County Commission	<ul style="list-style-type: none"> Not Applicable (Book distribution, Community outreach materials) 	0	600	0	\$1
Total						\$1,150,862

Improved Child Development

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
Quality Early Learning Supports	First 5 County Commission	<ul style="list-style-type: none"> Quality Counts California 	0	0	0	\$205,941
Reason for no population served: Data for the First 5 Commission activities is reported under Private Entity to avoid duplication with the same project.						
Quality Early Learning Supports	Other Private/For Profit	<ul style="list-style-type: none"> Quality Counts California 	0	0	57	\$32,139
Quality Early Learning Supports	County Office of Education/School District	<ul style="list-style-type: none"> Quality Counts California 	0	0	829	\$1,659,294
Quality Early Learning Supports	Research/Consulting Firm	<ul style="list-style-type: none"> Quality Counts California 	0	0	0	\$277,800
Reason for no population served: iPinwheel data system, no direct clients served.						
Early Learning Program Direct Costs	County Office of Education/School District	<ul style="list-style-type: none"> Preschool/Childcare 	54	0	0	\$31,856
Early Learning Program Direct Costs	First 5 County Commission	<ul style="list-style-type: none"> Preschool/Childcare 	0	0	0	\$122,677
Reason for no population served: Captured under County Office of Education within this Result Area.						
					Total	\$2,329,707

Improved Child Health

Service	Grantee	Program(s)	Children	Caregivers	Providers	Unique Families	Amount
Early Intervention	County Office of Education/School District	<ul style="list-style-type: none"> Care Coordination and Linkage 	441	56	28	0	\$210,286
Early Intervention	First 5 County Commission	<ul style="list-style-type: none"> Not Applicable (LFC early intervention services) 	549	0	0	0	\$0
Perinatal and Early Childhood Home Visiting	County Health & Human Services	<ul style="list-style-type: none"> Local Model 	593	434	67	458	\$1,048,284
Perinatal and Early Childhood Home Visiting	County Health & Human Services	<ul style="list-style-type: none"> Nurse Family Partnership 	22	27	0	27	\$177,910
Prenatal and Infant/Toddler Pediatric Support	Other Private/For Profit	<ul style="list-style-type: none"> Not Applicable (Black Maternal Wellness Innovation Lab) 	0	7	0	7	\$43,381
Prenatal and Infant/Toddler Pediatric Support	CBO/Non-Profit	<ul style="list-style-type: none"> Not Applicable (Glow! Group Prenatal Care Contractor Network, Centering Pregnancy) 	0	67	0	67	\$285,878
Prenatal and Infant/Toddler Pediatric Support	First 5 County Commission	<ul style="list-style-type: none"> Not Applicable (Glow! Group Prenatal Care Dollars Spent from non-prop 10 dollars) 	0	0	0	0	\$49,308
Reason for no population served: Clients for this project reported under CBO							
						Total	\$1,815,047

Improved Systems Of Care

Service	Grantee	Program(s)	Amount
Policy and Public Advocacy	First 5 County Commission	<ul style="list-style-type: none"> • Not Applicable 0 	\$23,187
Policy and Public Advocacy	Research/Consulting Firm	<ul style="list-style-type: none"> • Not Applicable 0 	\$170,000
Systems Building	CBO/Non-Profit	<ul style="list-style-type: none"> • Not Applicable 0 	\$73,651
Systems Building	County Health & Human Services	<ul style="list-style-type: none"> • Not Applicable 0 	\$75,000
Systems Building	County Office of Education/School District	<ul style="list-style-type: none"> • Not Applicable 0 	\$180,050
Systems Building	First 5 County Commission	<ul style="list-style-type: none"> • Not Applicable 0 	\$581,546
Total			\$1,103,434

Expenditure Details

Category	Amount
Program Expenditures	\$6,399,050
Administrative Expenditures	\$379,226
Evaluation Expenditures	\$430,178
Total Expenditures	\$7,208,454
Excess (Deficiency) Of Revenues Over (Under) Expenses	\$4,222,476

Other Financing Details

Category	Amount
Sale(s) of Capital Assets	\$0
Other Interest & Investment Loss: loss on private investments held by Commission.	(\$343,644)
Total Other Financing Sources	(\$343,644)

Net Change in Fund Balance

Category	Amount
Fund Balance - Beginning	\$25,898,632
Fund Balance - Ending	\$29,777,464
Net Change In Fund Balance	\$3,878,832

Fiscal Year Fund Balance

Category	Amount
Nonspendable	\$41,393
Restricted	\$1,176,443
Committed	\$9,322,027
Assigned	\$19,237,601
Unassigned	\$0
Total Fund Balance	\$29,777,464

Expenditure Note

No data entered for this section as of 10/20/2022 4:37:31 PM.



Annual Report AR-2
Fresno Demographic Worksheet
July 1, 2021 - June 30, 2022

Population Served

Category	Number
Children – Ages Unknown (birth to 6th Birthday)	176
Providers	1,007
Primary Caregivers	2,035
Children Less than 3 Years Old	3,699
Children from 3rd to 6th Birthday	2,737
Total Population Served	9,654

Primary Languages Spoken in the Home

Category	Number of Children	Number of Primary Caregivers
Cantonese	0	2
Mandarin	3	0
Vietnamese	6	0
Other - Specify with text box Hmong, Indigenous Language, Other	157	157
Unknown	980	216
English	2,956	818
Spanish	2,510	842
Totals	6,612	2,035

Race/Ethnicity of Population Served

Category	Number of Children	Number of Primary Caregivers
Alaska Native/American Indian	38	25
Asian	132	32
Native Hawaiian or Other Pacific Islander	5	2
White	325	92
Unknown	1,449	229
Two or more races	94	22
Black/African-American	272	142
Hispanic/Latino	4,122	1,350
Other – Specify with text box Hmong,Russian,Ukrainian, Afghan, Israeli,Punjabi	175	141
Totals	6,612	2,035

Duplication Assessment

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



Annual Report AR-3

Fresno County Evaluation Summary and Highlights

July 1, 2021 - June 30, 2022

County Evaluation Summary

Evaluation Activities Completed, Findings, and Policy Impact

In Fiscal Year 2021-22, F5FC continued operating under its five-year Strategic Plan and corresponding Evaluation Framework. A mixed methods approach was used to learn not only how well services are meeting their intended needs and how they can be adapted for improvement, but also how and why they are having an impact. Evaluation activities for FY2021-22 include: 1. Evaluation of Core Investment Areas: First 5 Fresno County's 2020-25 evaluation framework is designed to evaluate the Commission's five core investment areas, as detailed in the Strategic Plan: (1) African American Infant Mortality Prevention (AAIMP), (2) Direct Service Programs (DS), (3) Help Me Grow Fresno County (HMG), (4) the Lighthouse for Children (LFC), and (5) Quality Counts California (QC). F5FC-funded programs use the Apricot database to track demographic and service use data for all children, parents, and professionals who receive services. In FY 2021-22, the evaluation focused on Direct Service Programs, Help Me Grow and Lighthouse for Children investment areas. Quantitative and qualitative data was collected via surveys and focus groups with families who have accessed LFC or other First 5 funded direct services. Client level and narrative data from the Apricot database, along with the survey and focus group data was analyzed and shared with First 5 staff and included in written reports for DS, LFC and HMG core investment areas. The key findings below are based on the data collection activities conducted this year and used to inform improvements to services moving forward. • The closure and restricted reopening of LFC during the pandemic impacted families who relied on LFC services, particularly childcare. It also gave First 5 an opportunity to identify how community needs have changed or been exacerbated over the course of the pandemic and how LFC can better meet those needs. • Families who participated in the LFC survey indicated needing more support or better access to quality childcare and early education options, green spaces, and supports for transitioning to Kindergarten. • First 5 and their community partners worked together to find creative solutions to serve families during the pandemic, often shifting from their traditional service models to provide virtual services and basic needs support. The collaboration and partnerships that grew out of working together towards common goals served to help the system of care for young families in Fresno County become more effective and efficient. • Despite the pandemic, Direct Service partners and HMG continued to screen children for developmental and social emotional concerns and helped parents connect to needed services and increase their knowledge of developmental milestones and how to support their children. • The majority of families who accessed services to support their child's development reported ease in making appointments for services, having transportation and time to attend services, connecting with service providers in their primary language, and learning about how the services will benefit their child and family. The most

challenging aspects of supporting their child's development were finding childcare for other children during the appointments and finding the best service provider for their family.

County Highlights

County Highlight

At First 5 Fresno County we partner with our community to create a seamless system of quality, accessible services that support the well-being of every child and family. Following are two examples of partnerships with community-based organizations (CBOs): 1) Building Black Program: African American-led CBOs are trusted sources of vital medical, behavioral, and social supports and interventions for African American families within Fresno County, yet unrestricted net assets of Black-led organizations are 76 percent smaller than their white-led counterparts. It was clear to F5FC that there stood a need for funders to support organizational capacity-building opportunities that promote the sustained excellence of CBO leaders through racial healing and connections, while positioning these organizations for future investments. F5FC partnered with United Way of Fresno and Madera Counties to launch the Building Black Program with topics including executive coaching, grant reporting, organizational advancement, and resiliency. This investment aligns with F5FC's larger commitment to the prevention of infant mortality in the African American community. 2) Thriving Families Support Network: In the fall of 2018, F5FC engaged more than 600 parents/caregivers and community members to learn about the most pressing challenges facing families in Fresno County. Through F5FC's Thriving Families funding opportunity, community-based organizations proposed program models addressing these key challenges, uniquely tailored to the communities they serve. This fiscal year marked the second year of partnership with eight organizations providing a range of direct services across the county. Examples include parenting skill-building with incarcerated/out of custody young parents; support groups with Deaf and Hard of Hearing parents of hearing children; family literacy activities focused on recent arrivals and refugees; and child socialization groups in rural Fresno County.

DRAFT

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

REGULAR BUSINESS MEETING

October 26, 2022 - 11:30 a.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 6

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Acceptance and Allocation of Funds from First 5 Merced County for the launch of the Glow! Group Prenatal Care and Support Program in Merced County

RECOMMENDED ACTION:

Approve, the acceptance of funds from First 5 Merced County to support the launch of the Glow! Group Prenatal Care and Support Program in Merced County in an up to amount of \$20,000 for one year and authorize an agreement with the California Health Collaborative to co-facilitate the program, in an amount not to exceed \$11,600 for one year.

BACKGROUND:

Since 2019, First 5 Fresno County has been overseeing the coordination and implementation of the Glow! Group Prenatal Care and Support Program (Glow!). Glow! is an innovative and comprehensive model that brings together 8-12 pregnant patients with similar due dates to receive their prenatal care and education in a group setting and provides wrap-around services such as childcare, take-home food support, transportation stipends and information to community resources through presentations. The Glow! Program is rooted in a deep sense of community where patients can feel supported and learn from one another while also learning from their medical provider and receiving respectful prenatal care in a facilitative manner.

The Glow! Program is currently being implemented as part of the EMBRACE (*Engaging Mothers and Babies; Reimagining Antenatal Care for Everyone*) Prenatal Care Study in partnership with California State University, Fresno's Central Valley Health Policy Institute (CVHPI) and the University of California, San Francisco's Preterm Birth Initiative (UCSF-PTBi-CA). This study is aiming to compare a total of 2,600 pregnant patients who are being randomized into two types of enhanced prenatal care models (Glow! - Group Prenatal Care and Comprehensive Perinatal Services Program or CPSP - Individual Prenatal Care) with hopes to determine which type of care addresses preterm birth, depression and anxiety and disrespectful care.

In an effort to reach the recruitment goal of 2,600 patients, the research team, including First 5 Fresno County staff have been working together to expand the study and Glow! Program into other counties within the Central Valley. On October 5, 2022, the First 5 Merced County Commission voted to award First 5 Fresno County \$20,000 to operate the Glow! Program in Merced County. These funds will be used to cover First 5 Fresno staff time to coordinate the launch of the Glow! Program at identified clinic sites and for California Health Collaborative staff to facilitate the program.

Procurement: Per the Administrative and Programmatic Procurement Policies and Procedures, staff recommends a sole source agreement with the California Health Collaborative as the “vendor capabilities and experiences are so unique that no other vendor may comparably meet the Commission’s needs.” The grant award from First 5 Merced County will require that First 5 Fresno County subcontract with the California Health Collaborative, the administrator of the Maternal Wellness Project in Merced County for coordination of the cohort. A California Health Collaborative representative has also been trained in the CenteringPregnancy® curriculum that the Glow! Program utilizes.

Fiscal Impact: If approved, the total funding amount of \$20,000 would be allocated to the fiscal year 2022-23 proposed budget. Of that, \$8,400 would be allocated to First 5 Fresno County and \$11,600 to the California Health Collaborative ensuring that no Fresno County Prop 10 funds are used for the expansion of the Glow! Program into Merced County. Specific scope of work and budget details will be finalized in partnership with First 5 Merced County and the California Health Collaborative once funds are accepted.

CONCLUSION:

If approved, the funds from First 5 Merced County will support the goal of expanding the EMBRACE Study and Glow! Program into other counties within the Central Valley as a strategy to help reach the recruitment goal of 2600 patients. This also supports our commitment to improve birth outcomes and reduce the number of preterm births. In addition, this partnership increases sustainability options for the future of the Glow! program.

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

REGULAR BUSINESS MEETING

October 26, 2022 – 11:30 a.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 7

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: 2023 Regular Commission Meeting Schedule

RECOMMENDED ACTION:

Approve the Regular Commission Meeting Schedule for calendar year 2023.

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 2023 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 2023 meeting dates are as follows:

Month	Meeting Date
January	Wednesday, January 25, 2023
February	NO MEETING
March	Wednesday, March 15, 2023
April	Wednesday, April 26, 2023
May	Wednesday, May 31, 2023
June	Wednesday, June 21, 2023
July	NO MEETING
August	Wednesday, August 30, 2023
September	NO MEETING
October	Wednesday, October 25, 2023
November	NO MEETING
December	Wednesday, December 6, 2023

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

REGULAR BUSINESS MEETING

October 26, 2022 – 11:30 a.m.

2405 Tulare Street
Fresno, CA 93721

AGENDA ITEM NO. 9

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Executive Director's Report

Lighthouse for Children (LFC) Activities & Operations Update

- On October 13th, alongside community partner Fresno EOC, we hosted an Open House and press conference event to promote the reopening of the Community Learning Center (CLC). Ninety-five community members, including parents, grandparents, and children, joined us for fun family-friendly activities, hearing screenings, COVID-19 vaccines and boosters, drawing prizes, and much more! Families walked away with resources and referrals to programs available to them from agencies that will be providing services in the CLC starting this fall, including Dutchess of Doula, EPU Children's Center, Focus Forward, the Fresno County Public Library, Fresno EOC, Fresno Metro Ministry, Simpson Speech and Language, and the UCSF COVID-19 Equity Project. We are excited to have the CLC back up and running!

Internal Projects Update

- The Glow! Group Prenatal Care and Support Program is currently in its third year of implementation as part of the EMBRACE (Engaging Mothers and Babies; Reimagining Antenatal Care for Everyone) Prenatal Care Study. On September 22nd and 23rd, the Glow! team hosted staff from the Centering Healthcare Institute to lead and facilitate a two-day CenteringPregnancy® curriculum training for existing and new staff facilitators and medical providers from Fresno, Kern, Kings and Merced Counties to ensure quality measures that support best practices and model fidelity. Over the next few months, Commission staff will continue supporting new medical providers, clinics and staff from neighboring First 5 commissions to launch the Glow! Program in their areas.
- On October 17th, we held a virtual Learning Circle Meeting for our Direct Service Funded Partners to connect, review updates surrounding contract requirements, and solicit feedback on how we can adjust our practices to best support the needs of our Partners. The entire staff team participated to meet and build relationship with the staff from Funded Partner agencies working closely with families and children across the county.

Media and Community Relations

- We joined community partners and members of the Central Valley Safe Sleep Coalition, the BLACK Wellness & Prosperity Center, and Cultural Brokers, Inc., to receive the Infant Safe Sleep Awareness Month Proclamation presented by the Fresno County Board of Supervisors on October 11th! We were excited to share about collaborative efforts happening in the community to create curriculum, train advocates, and launch of the Sleep Safe Baby campaign. A big thank you to Supervisor Brain Pacheco for sponsoring this proclamation!

- For the third year in a row, I participated 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 our Sleep Safe Baby Campaign and the importance of the ABCs of safer infant sleep with parents and caregivers. Babies should always sleep: **A**lone, on their **B**acks, and in a **C**rib, bassinet, or playpen. We encourage everyone to direct parents, caregivers, and advocates to sleepsafefresno.com to learn more about safer sleep practices.

Administrative Agreement Renewals

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

Security Services at the Lighthouse for Children Facility:

Agency: Securitas Security Services USA, Inc.

Amount: \$107,808

Term: September 10, 2022 -September 9, 2023