



Commission Meeting
October 28, 2025, 4:00 pm

Location:
SCOE- Board Room
1100 H Street
Modesto, CA 95354



Commission Meeting Notice

MEMBERS:

Vito Chiesa
County Supervisor

David Cooper
Vice Chair
Community Representative

Daniel Diep, M.D.
Community Representative

Heather Duvall Health
Services Agency

Christine Huber
Chair
Community Services Agency

Tony Jordan
School Representative

Keri Magee
Community Representative

Thea Papasozomenos, M.D.
Public Health Officer

Nelly Paredes-Walsborn, Ph.D.
Community Representative

Shammy Karim, Ed.D.
Executive Director

Tuesday, October 28, 2025, 4:00 PM
Stanislaus County Office of Education, Board Room
1100 H Street, Modesto, CA 95354

The Stanislaus County Children and Families Commission welcomes you to its meetings which are ordinarily held on the fourth Tuesday of most months. Your interest is encouraged and appreciated. The agenda is divided into multiple sections including:

PUBLIC COMMENT PERIOD: Matters under the jurisdiction of the Commission, and not on the posted agenda, may be addressed by the general public either at the beginning of the regular agenda and any off-agenda matters before the Commission for consideration. However, California law prohibits the Commission from taking action on any matter which is not on the posted agenda unless it is determined to be an emergency by the Commission. Any member of the public wishing to address the Commission during the "Public Comment" period shall be permitted to be heard once for up to 5 minutes. If you would like to provide a written comment, please email your comment to First5Stan@stancounty.com by 4:00 p.m. on Monday, the day before the meeting, and include the Agenda Item Number or Public Comment Period in the subject line of the email. Your written comment will be distributed to the Commission and kept on file as part of the official record of the Commission meeting.

CONSENT CALENDAR: These matters include routine financial and administrative actions. All items on the consent calendar will be voted on as a single action at the beginning of the meeting under the section titled "Consent Calendar" without discussion. If you wish to discuss a consent item, please notify Commission staff prior to the beginning of the meeting or you may speak about the item during the Public Comment Period.

COMMISSION AGENDAS AND MINUTES: Commission agendas, minutes, and copies of items to be considered by the Children and Families Commission, are typically posted on the Internet on Friday afternoons preceding a Tuesday meeting at the following website: www.first5stan.org

DISCUSSION ITEMS: These items will be individually discussed with opportunity for public comment.

PUBLIC HEARINGS: These items may be required by legislation or code and are opportunities to gather public feedback.

CLOSED SESSION: Is the portion of the meeting conducted in private without the attendance of the public or press to discuss certain confidential matters specifically permitted by the Brown Act. The public will be provided an opportunity to comment on any matter to be considered in closed session prior to the Commission adjourning into closed session.

ANY MEMBER OF THE AUDIENCE DESIRING TO ADDRESS THE BOARD ON A MATTER ON THE AGENDA: Please raise your hand or step to the podium when the Commission Chairperson announces public comment will be received on that specific agenda item. In order that interested parties have an opportunity to speak, any person addressing the Commission will be limited to a maximum of 5 minutes unless the Chairperson of the Commission sets a different period of time.

REASONABLE ACCOMMODATIONS: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Commission at (209) 558-6218. Notification 72 hours prior to the meeting will enable the County to make reasonable arrangements to ensure accessibility to this meeting.



COMMISSION MEETING AGENDA

Tuesday, October 28, 2025, 4:00 PM

SCOE Board Room

1100 H Street, Modesto, CA 95354

1. Welcome & Introductions
2. Pledge of Allegiance
3. Announcement of Recusals¹
4. Presentation
5. Public Comment Period (Limit of 5 minutes per person)
6. Consent Calendar
 - A. Miscellaneous
 1. Approval of the May 27, 2025, Commission Meeting Minutes
 2. Approval of the October 13, 2025, Administrative Committee Meeting Minutes
 - a. Result Area Report as of June 30, 2025
 - b. 4th Quarter Financial Report as of June 30, 2025
 3. Approval of the October 16, 2025, Operations Committee Meeting Minutes
 4. Approval of the October 22, 2025, Executive Committee Meeting Minutes
 5. Approval to Accept \$100,000 Grant Award from Sunlight Giving 2024 – 2025
7. Discussion
 - A. Approval of the 2026 First 5 Stanislaus Committee and Commission Meeting Dates
 - B. Approval to Accept the Amendment to American Rescue Plan Act of 2021 (ARPA) Contract Agreement with Mission Asset Funds for the Childcare Initiative
8. Public Hearing
 - A. Public Hearing to Consider the Acceptance of the First 5 Stanislaus 2024 – 2025 Annual Financial Audit Report
 - B. Public Hearing to Consider the Acceptance of the First 5 Stanislaus 2024 – 2025 Local Annual Report and Authorize Staff to Submit the First 5 Stanislaus 2024 - 2025 Local Annual Report to First 5 California
9. Commission Reports
10. Staff Reports
11. Adjournment into Closed Session – Public Employee Evaluation, Title: Executive Director, Government Code: 54957(b)

Commissioners may publicly announce the item(s) or recommendation(s) from which he/she will recuse himself/herself due to an actual or perceived conflict of interest. The Commissioner will excuse himself or herself from the meeting and leave the meeting when the specific agenda item comes up for discussion and voting.



**STANISLAUS COUNTY
CHILDREN & FAMILIES COMMISSION
MEETING MINUTES
Tuesday, May 27, 2025
Stanislaus County Office of Education - Board Room
1100 H Street, Modesto, California 95354**

Commissioners Present: Vito Chiesa, David Cooper, Dr. Daniel Diep, Heather Duvall, Tony Jordan, Keri Magee, Dr. Thea Papasozomenos, and Nelly Paredes-Walsborn (Chair)

Commissioners Absent: Christine Huber (Vice-Chair)

Staff Present: Dr. Shameram Karim, Veronica Ascencio, Jasmine Gutierrez,

Counsel Present: Sophia Ahmad

1. Nelly Paredes-Walsborn (Chair) called the meeting to order at 4:03 p.m. Commissioners and Staff introduced themselves.
2. Pledge of Allegiance was conducted.
3. Announcement of Commissioner Recusals – Chair Paredes-Walsborn informed the audience that some Commissioners would be recusing themselves during sections of the contract approval process for Item 8 B.
4. Presentation - None
5. Public Comment Period (Limit of 5 minutes per person) – None
6. Consent Calendar – Cooper/Diep (8,0) approved the Consent Calendar
 - A. Miscellaneous
 1. Approval of the April 29, 2025, Commission Meeting Minutes
 2. Approval of the May 12, 2025, Administrative Committee Meeting Minutes
 - a. Result Area Contract Report as of March 31, 2025
 3. Approval of the May 21, 2025, Executive Committee Meeting Minutes
7. Discussion Items
 - A. Chiesa/Jordan (8,0) approved the election of Dave Cooper as Commission Vice-Chair for 2025-2026. (The Vice-Chair will automatically become Chair on September 1, 2026, for a one-year term.)
 - B. Avo Makdessian, Executive Director for First 5 Association of California was invited by the Commission to provide insight on the Commission membership due increases for the upcoming new fiscal year. Avo shared the Association's dues have been flat with no increases to the rate and revenue streams have not been diversified for nine years. Avo discussed his approach to right-sizing expectations with needs and the current market of

State-wide Associations. Over this period of time Revenue for First 5's has decreased, while expectations of First 5's has increased. Through this process, a revenue target was determined for the association that realistically mirrored what our membership expectations are for a state wide association.

This process resulted in a substantial increase in dues, translating to a due increase for Stanislaus of more than double, 130%. The Commission shared their concerns and asked detailed questions about the sudden increase rather than a phase approach over time. Commissioner Chiesa asked about what additional value will First 5 Stanislaus receive from the association to justify the excessive increase. He also asked if First 5 Stanislaus and the association could work together so that Stanislaus can direct how our dues can be invested? Commissioner Jordan pointed out that the First 5 Association's dues schedule does not align with how other associations across California allocate dues across counties.

Avo thanked the commission for allowing him to provide additional information on the dues increase and that he would take the commission's concerns and questions back to his board.

8. Public Hearing

- A. The Commission heard a presentation providing a review and update on the First 5 Stanislaus Strategic Plan 2024-2029. The Commission thanked and acknowledged Jasmine Gutierrez's efforts on providing the data for the update. The Commission had no changes or amendments to the Strategic Plan, therefore no action was taken and a public hearing was not necessary pursuant to Section 130140 of the California Health and Safety Code.
- B. Chiesa/Cooper (8,0) after hearing a brief presentation, a public hearing was conducted on the Fiscal year 2025-2026 Budget, Long Range Financial Plan, and Related Actions and approved staff recommendations numbers 2 through 7 from the Action Agenda Summary # 8.B.

Commissioners Jordan and Magee recused themselves from the meeting at 5:14 p.m.

Chiesa/Diep (6,0) approved Exhibit A's DR-FRC contracts numbers 1 through 3 and 5 through 7; Exhibit B's one year contract number 1 through 6; and approved staff recommendations #8 through 10 authorizing the Executive Director to negotiate and execute the contracts.

Exhibit A - FRC Joint Program Contracts			
	Name of Organization	Program- Area	Proposed Amount
1	Aspiranet	Area A, Turlock	\$215,744
2	Center for Human Services	Area B, Westside/Patterson	\$215,744
3	Center for Human Services	Area C, Ceres	\$222,838
4	Agency	Area D, Central Modesto	\$321,524
5	Sierra Vista Children and Family Services	Area E, North Modesto	\$215,744
6	Sierra Vista Children and Family Services	Area F, Hughson Area	\$222,838
7	Center for Human Services	Area G, Eastside/Oakdale	\$215,744
	TOTALS:		\$1,630,176

Exhibit B - One Year Contracts		
	Name of Organization	Program
1	Modesto City Schools	Franklin Healthy Start
2	Modesto City Schools	Orville Healthy Start
3	Modesto City Schools	Robertson Rd. Healthy Start
4	Hughson Unified School District	Hughson Healthy Start
5	Ceres Unified School District	Ceres Healthy Start
6	Waterford School District	Waterford Healthy Start
	TOTALS:	
		\$315,000

Commissioners Jordan and Magee returned to the meeting at 5:16 p.m.

9. Commissioner Reports – Commissioner Jordan shared the good news that, as of now, Headstart will be funded.
10. Staff Reports – Executive Director Karim welcomed Commissioner Duvall to the Commission and that the Commission Office has hired Teala Diaz as the new Confidential Assistant IV. Teala comes to us from the Santa Clara County Sheriff's Office and will start her new position on Monday, June 2nd.
11. Adjournment at 5:19 p.m.



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Shammy Karim, Ed.D.
Executive Director

Administrative Committee

Monday, October 13, 2025

Commissioners Present: Dr. Daniel Diep, Keri Magee, and Tony Jordan

Commissioners Absent: David Cooper

Staff Present: Dr. Shammy Karim and Veronica Ascencio

Meeting was called to order at 12:10 p.m.

1. 4th quarter financial report and result area report as of June 30, 2025, were presented by Ascencio. No action was taken.
2. Sunlight Giving- The 2024-2025 Sunlight Giving funds were received in June. Staff will be asking the Commission to accept the funds at the October Commission meeting. No action was taken.
3. Committee and Commission Meeting Calendar- Dr. Karim presented the proposed committee and commission meeting calendar for 2026. The calendar is typical of an annual calendar. No meetings scheduled in July and December. No action was taken.
4. Childcare MOU- In an effort to ensure the American Rescue Plan Act (ARPA) funding is spent by December 2026, the County Chief Executive Office (CEO) has asked for the current contract with Mission Asset Funds to be amended to include: up to 200 start up licenses, up to 50 grants of \$1000 for business operations class, and up to 30 grants of \$5000 for business expansion to increase from small to large childcare home license. No action was taken.
5. Annual Fiscal Audit- Dr. Karim presented to the commission that we have a clean audit for 2024-2025. The auditors will be presenting on the audit virtually at the Commission meeting. No action was taken.
6. Local Annual Report- Dr. Karim presented the Commissioners with an overview of data comparing this annual report to the previous year. Dr. Karim shared that Jasmine will be providing a presentation to the Commission on the 28th. No action was taken.
7. Executive Director Report- Dr. Karim shared that the Request for Proposal (RFP) for Central Modesto (Area D) was completed. Sierra Vista was awarded the contract that will begin December 1, 2025. Dr. Karim reported that the second baby shower was held in Hughson in collaboration with WIC and HPSJ. The event had a great turnout. Dr. Karim shared that staff contracted with SCOE to provide 4 trainings to all FRC staff working on the CFC contract. The purpose of the training is to build staff capacity in facilitation. No action was taken. Dr. Karim provided an update on the SSA position recruitment. Dr. Karim provided a staffing update.
8. Adjournment at 12:55 p.m.

First 5 Stanislaus
Result Areas Report
YTD Totals through June 30, 2025

	Budget	Actual Expenditures	Remaining Budget	% Actual to Budget
RESULT AREA 1: Improved Family Functioning (Family Support, Education, and Services)				
General Family Support				
United Way (211 Project)	\$ 40,000	\$ 40,000	\$ 0	100%
Family Resource Centers:				
Center for Human Svcs (Ceres FRC)	\$ 165,769	\$ 164,654	\$ 1,115	99%
Sierra Vista Children and Fam. Svcs (Hughson FRC)	\$ 149,952	\$ 121,425	\$ 28,527	81%
Sierra Vista Children and Fam. Svcs (N. Modesto/Salida FRC)	\$ 225,406	\$ 174,233	\$ 51,173	77%
Center for Human Svcs (Oakdale/Riverbank FRC)	\$ 163,610	\$ 157,729	\$ 5,881	96%
Parent Resource Center (Central Modesto FRC)	\$ 342,113	\$ 299,741	\$ 42,372	88%
Aspiranet (Turlock FRC)	\$ 174,872	\$ 126,541	\$ 48,331	72%
Center for Human Svcs (Westside FRC)	\$ 278,273	\$ 275,939	\$ 2,334	99%
StanCo Pal - Safe Kids Stanislaus	\$ 25,000	\$ 25,000	\$ -	100%
SCOE (Healthy Start)	\$ 449,265	\$ 445,665	\$ 3,600	99%
Total Area 1:	\$ 2,014,260	\$ 1,830,928	\$ 183,332	91%
RESULT AREA 2: Improved Child Development (Child Development Services)				
Quality Early Learning Support				
Early Care and Education Conference	\$ 20,000	\$ 2,258	\$ 17,742	11%
Early Care and Education Conference - Spanish	\$ 20,000	\$ 2,258	\$ 17,742	11%
Childcare Entrepreneurship Program	\$ 1,000,000	\$ 95,000	\$ 905,000	10%
Total Area 2:	\$ 1,040,000	\$ 99,516	\$ 940,484	10%
RESULT AREA 4: Improved Systems of Care				
System Building				
Parent Resource Center (PlanetBaby! Technical Assistance)	\$ 12,500	\$ 6,689.00	\$ 5,811	54%
Tides Center dba Abriendo Puertas	\$ 39,649	\$ 39,649.00	\$ -	100%
StanCo DCSS Partnership - KidsConnect!	\$ 2,540	\$ 2,540.00	\$ -	100%
Total Area 4:	\$ 54,689	\$ 48,878	\$ 5,811	89%
Result Area Total	\$ 3,108,949	\$ 1,979,322	\$ 1,129,627	
ADJUSTED PROGRAM CONTRACT EXPENDITURES*				
	\$ 3,068,949	\$ 1,974,806	\$ 189,143	64%

* Adjusted Program Contract Expenditures does not include ECE Conference Costs

First 5 Stanislaus
Fiscal Year 2024-2025
4th Quarter Financial Report

	Three Months End June 30		YTD				
	2025	2024	FY 24/25 Adopted Budget	FY 24/25 Legal Budget	FY 24/25 Actual	Remaining FY Budget	% Actual to Budget
REVENUE							
Tobacco Tax Revenue	\$ 1,795,045	\$ 1,451,391	\$ 4,059,655	\$ 4,059,655	\$ 3,613,072	\$ 446,583	89%
Other Federal Revenue	\$ 95,000	\$ -	\$ -	\$ 1,000,000	\$ 95,000	\$ 905,000	\$ 0
Misc. Revenue	\$ 100,120	\$ -	\$ 100,000	\$ 100,000	\$ 118,900	\$ (120)	0%
Interest Revenue	\$ 397,917	\$ 93,860	\$ 291,300	\$ 291,300	\$ 793,405	\$ (502,105)	272%
TOTAL REVENUE	\$ 2,388,083	\$ 1,545,251	\$ 4,450,955	\$ 5,450,955	\$ 4,620,377	\$ 849,358	85%
EXPENDITURES							
<u>Program</u>							
Result Areas*	\$ 958,612	\$ 565,711	\$ 2,037,760	\$ 3,037,760	\$ 1,821,803	\$ 1,215,957	60%
Contingency	\$ -		\$ 500,000	\$ 500,000	\$ -	\$ 500,000	0%
Salaries & Benefits	\$ 72,358	\$ 20,930	\$ 271,287	\$ 271,287	\$ 231,103	\$ 40,184	85%
Services & Supplies	\$ 94,888	\$ 83,975	\$ 1,029,771	\$ 1,040,788	\$ 121,247	\$ 919,541	12%
Total Expenditures - Program	\$ 1,125,857	\$ 670,616	\$ 3,838,818	\$ 4,849,835	\$ 2,174,154	\$ 2,675,682	45%
<u>Evaluation</u>							
Salaries & Benefits	\$ (661)	\$ 3,738	\$ 7,535	\$ 7,535	\$ 4,099	\$ 3,436	54%
Services & Supplies	\$ 1,743	\$ 6,230	\$ 5,382	\$ 5,382	\$ 1,743	\$ 3,639	32%
Total Expenditures - Evaluation	\$ 1,082	\$ 9,968	\$ 12,918	\$ 12,917	\$ 5,842	\$ 7,075	45%
<u>Administration</u>							
Salaries & Benefits	\$ 62,923	\$ 111,189	\$ 474,753	\$ 474,753	\$ 330,214	\$ 144,539	70%
Services & Supplies	\$ (30,539)	\$ (1,759)	\$ 213,099	\$ 213,099	\$ 100,969	\$ 112,130	47%
Total Expenditures - Administration	\$ 32,384	\$ 109,430	\$ 687,851	\$ 687,852	\$ 431,182	\$ 256,670	63%
TOTAL EXPENDITURES	\$ 1,159,323	\$ 790,014	\$ 4,539,587	\$ 5,550,604	\$ 2,611,178	\$ 2,939,427	47%
Beginning Fund Balance			\$ 9,352,488		\$ 15,506,077		
Ending Fund Balance			\$ 9,392,610		\$ 17,515,276		
NET INCREASE (DECREASE) TO FUND BALANCE			\$ (88,632)		\$ 2,009,199		

* Result Areas/Program actuals include all result area costs, ECE & cost allocations

Administrative Cost Rate %: 8%



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Operations Committee

Thursday, October 16, 2025

Commissioners Present: Heather Duvall and Nelly Paredes-Walsborn

Commissioners Absent: Christine Huber and Dr. Thea Papasozomenos

Staff Present: Dr. Shammy Karim and Veronica Ascencio

Meeting was called to order at 12:03 p.m.

1. 4th quarter financial report and result area report as of June 30, 2025, were presented by Ascencio. No action was taken.
2. Sunlight Giving- The 2024-2025 Sunlight Giving funds were received in June. Staff will be asking the Commission to accept the funds at the October Commission meeting. No action was taken.
3. Committee and Commission Meeting Calendar- Dr. Karim presented the proposed committee and commission meeting calendar for 2026. The calendar is typical of an annual calendar. No meetings scheduled in July and December. No action was taken.
4. Childcare MOU- In an effort to ensure the American Rescue Plan Act (ARPA) funding is spent by December 2026, the County Chief Executive Office (CEO) has asked for the current contract with Mission Asset Funds to be amended to include: up to 200 start up licenses, up to 50 grants of \$1000 for business operations class, and up to 30 grants of \$5000 for business expansion to increase from small to large childcare home license. No action was taken.
5. Annual Fiscal Audit- Dr. Karim presented to the commission that we have a clean audit for 2024-2025. The auditors will be presenting on the audit virtually at the Commission meeting. No action was taken.
6. Local Annual Report- Dr. Karim presented the Commissioners with an overview of data comparing this annual report to the previous year. Dr. Karim shared that Jasmine will be providing a presentation to the Commission on the 28th. No action was taken.
7. Executive Director Report- Dr. Karim shared that the Request for Proposal (RFP) for Central Modesto (Area D) was completed. Sierra Vista was awarded the contract that will begin December 1, 2025. Dr. Karim reported that the second baby shower was held in Hughson in collaboration with WIC and HPSJ. The event had a great turnout. Dr. Karim shared that staff contracted with SCOE to provide 4 trainings to all FRC staff working on the CFC contract. The purpose of the training is to build staff capacity in facilitation. No action was taken. Dr. Karim provided an update on the SSA position recruitment. Dr. Karim provided a staffing update.
8. Adjournment at 12:45 p.m.



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Executive Director

Executive Committee

Wednesday, October 22, 2025

Commissioners Present: Christine Huber and David Cooper

Commissioners Absent: Vito Chiesa

Staff Present: Dr. Shammy Karim and Veronica Ascencio

Meeting was called to order at 12:15 p.m.

1. 4th quarter financial report and result area report as of June 30, 2025, were presented by Ascencio. No action was taken.
2. Sunlight Giving- The 2024-2025 Sunlight Giving funds were received in June. Staff will be asking the Commission to accept the funds at the October Commission meeting. No action was taken.
3. Committee and Commission Meeting Calendar- Dr. Karim presented the proposed committee and commission meeting calendar for 2026. The calendar is typical of an annual calendar. No meetings scheduled in July and December. No action was taken.
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8. Adjournment at 1:05 p.m.

**COMMITTEE ROUTING**

Administrative/Finance	☒
Operations	☒
Executive	☒

ACTION AGENDA SUMMARYAGENDA DATE: October 28, 2025COMMISSION AGENDA #: 6.A.5**SUBJECT:** Approval to Accept \$100,000 Grant Award from Sunlight Giving for 2024 - 2025**BACKGROUND:**

Sunlight Giving is a non-profit foundation whose mission is to sustain healthy families and strong communities. They fulfill their mission by working with local and national organizations that provide basic services to low-income families with children ages 0-5 in vulnerable communities. Sunlight Giving was established in 2014 and focuses on counties from the Bay Area and several San Joaquin Valley counties – including Stanislaus. The Foundation works on an invitation-only basis for funding proposals.

First 5 Stanislaus was first invited to apply for funding from Sunlight Giving in 2017. First 5 Stanislaus has been awarded unrestricted annual grants of \$100,000 for three years for a total amount of \$300,000. The payment of \$100,000 was received on May 28, 2025.

It is recommended that the Commission approve to accept the \$100,000 unrestricted grant award from Sunlight Giving received on May 28, 2025. No additional budget actions are needed from the Commission on this item.

The Administrative and Financial Committee, Operations Committee, and Executive Committee were updated on this project at their respective meetings on October 13th, October 16th, October 22nd.

STAFF RECOMMENDATIONS:

1. Approve receipt of the grant award from Sunlight Giving in the amount of \$100,000 for 2024-2025.

FISCAL IMPACT:

Acceptance of the \$100,000 grant award will support the work of First 5 Stanislaus.

COMMISSION ACTION:

On motion of Commissioner , seconded by Commissioner

And approved by the following vote:

Ayes: Commissioner(s):

Noes: Commissioner(s):

Excused or Absent Commissioner(s):

Abstaining: Commissioner(s):

- 1) _____ Approved as recommended.
- 2) _____ Denied.
- 3) _____ Approved as amended.

Motion:

Attest: _____

Teala Diaz, Confidential Assistant IV

**COMMITTEE ROUTING**

Administrative/Finance	☒
Operations	☒
Executive	☒

ACTION AGENDA SUMMARYAGENDA DATE: October 28, 2025COMMISSION AGENDA#: 7.A.**SUBJECT:**

Approval of the 2026 Meeting Dates for the First 5 Stanislaus Commission and Committees

BACKGROUND:

Each year, the Commission approves meeting dates for the following calendar year. The proposed dates for 2026 are presented for consideration of the Commission.

The Administrative, Operations, and Executive Committees heard this item at their meeting on October 13th, 16th, and 22nd.

STAFF RECOMMENDATIONS:

1. Approve the 2026 Meeting Dates for the First 5 Stanislaus Commission and Committees.

FISCAL IMPACT:

There is no fiscal impact associated with the approval of this agenda item.

COMMISSION ACTION:

On motion of Commissioner _____; Seconded by Commissioner _____
and approved by the following vote:

Ayes: Commissioner(s): _____

Noes: Commissioner(s): _____

Excused or Absent Commissioner(s): _____

Abstaining: Commissioner(s): None

1) _____ Approved as recommended.

2) _____ Denied.

3) _____ Approved as amended.

Motion: _____

Attest: _____

Teala Diaz, Confidential Assistant



2026

January						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

April						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

October						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

May						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August						
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
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30	31					

November						
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22	23	24	25	26	27	28
29	30					

March						
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29	30	31				

June						
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

September						
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13	14	15	16	17	18	19
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27	28	29	30			

December						
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6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

 Administrative Committee (noon)
 Operations Committee (noon)
 Executive Committee (12:15 p.m.)

 Commission Meeting (4:00 p.m.)
 Holiday - Office Closed

Meeting locations will be announced at
www.First5Stan.org



COMMITTEE ROUTING	
Administrative/Finance	☒
Operations	☒
Executive	☒

ACTION AGENDA SUMMARY

AGENDA DATE: October 28, 2025

COMMISSION AGENDA #: 7.B.

SUBJECT: Approval to Amend \$1,000,000 ARPA agreement with Mission Asset Fund

BACKGROUND:

The Children and Families Commission (CFC) received \$1,000,000 in American Rescue Plan Act (ARPA) funds through a Memorandum of Understanding (MOU) from Stanislaus County Board of Supervisors (County) to provide grants to support the training and licensing of up to 200 new home childcare entrepreneurs. CFC will provide start-up grants and financial assistance for training costs for up to 200 entrepreneurs. Each of the 200 entrepreneurs will be eligible for up to \$2,500 in financial assistance for training costs. Start-up grants of \$2,500 will be provided to each entrepreneur who completes the required coursework and obtains licensure. Mission Asset Fund (Nurture) was selected to implement the Child Care Entrepreneurship Program.

The current program focuses primarily on start-up support for individuals seeking to open a licensed childcare business. In consultation with partners and stakeholders, an opportunity was identified to expand the program to include additional training modules that address the ongoing needs of existing providers and those seeking to grow their businesses.

The proposed amendment outlines a revised SOW between the County and CFC, and between CFC and contractor. The proposed changes are included below:

1. Business Start-Up (Up to 200 participants)
 - Goal: Support new entrepreneurs in obtaining a small childcare license and launching their business.
 - Support: \$2,500 for training costs + \$2,500 grant to the entrepreneur for license-related expenses, equipment, and supplies.
2. Business Operations (Up to 50 participants)
 - Goal: Strengthen business administration and profitability for existing providers.
 - Support: \$2,500 for training costs + \$1,000 grant for the entrepreneur for business technology.
3. Business Expansion (Up to 30 participants)
 - Goal: Assist providers with at least 12 months of experience in obtaining a large license and managing an expanded business.
 - Support: \$2,500 for training costs + up to \$5,000 grant for the entrepreneur for expansion costs (fees, safety equipment, structural modifications, supplies).

This tiered approach will:

- Avoid duplication of services already offered by the Stanislaus County Office of Education (SCOE);
- Promote sustainability by ensuring providers not only enter the market but remain viable; and
- Expand capacity by supporting growth from small to large licenses.

The contract amount of \$1,000,000 remains unchanged. To support timely expenditure of funds by the contract expiration date, the amendment also clarifies that training reimbursements may be issued to the contractor separately and prior to the childcare provider obtaining licensure. The agreement will be amended following CFC Commission approval of the amendment.

The Administrative and Financial Committee, Operations Committee, and Executive Committee were updated at their respective meetings on October 13th, October 16th, October 22nd.

STAFF RECOMMENDATIONS:

1. Replace the existing Scope of Work with the revised Scope of Work outlining the three-tiered program model.
 2. Clarify that training reimbursement may be issued prior to provider licensure, as outlined in the amendment.
 3. Replace the existing Exhibit-D with the revised Exhibit-D1 outlining the three-tiered program model reporting changes.
 4. Authorize the Executive Director to amend and sign the current MOU with County of Stanislaus Chief Executive Office following the BOS approval.
 5. Authorize the Executive Director to amend and sign the current contract with Mission Asset Fund following the BOS approval.
-

FISCAL IMPACT:

Approval to Amend the current \$1,000,000 ARPA agreement scope of work with Mission Asset Fund. There is no change to the original \$1,000,000 ARPA allocation. The amendment does not require additional Commission funds.

COMMISSION ACTION:

On motion of Commissioner _____, seconded by Commissioner _____.

And approved by the following vote:

Ayes: Commissioner(s):

Noes: Commissioner(s):

Excused or Absent Commissioner(s):

Abstaining: Commissioner(s):

- 1) _____ Approved as recommended.
- 2) _____ Denied.
- 3) _____ Approved as amended.

Motion:

Attest: _____

Teala Diaz, Confidential Assistant IV

**FIRST AMENDMENT TO AGREEMENT BETWEEN
COUNTY OF STANISLAUS CHILDREN AND FAMILIES COMMISSION
AND MISSION ASSET FUND
FOR CHILDCARE ENTREPRENEURSHIP PROGRAM SERVICES
NOVEMBER 25, 2024, THROUGH DECEMBER 31, 2026**

First Amendment to Agreement for Independent Contractor Services (the “Agreement”) is made and entered into by and between the Stanislaus County Children and Families Commission ("Commission") and Mission Asset Fund, a California non-profit corporation, on behalf of Nurture, (“Contractor”), as of November 25, 2024, for Childcare Entrepreneurship Program Services is hereby amended.

WHEREAS the language that Contractor will be compensated on a lump sum basis for each grant issued as set forth in the Scope of Work Exhibit A, attached hereto for reference, needs to be amended; and

WHEREAS Paragraph 17. AMENDMENT provides for the amendment of the Agreement by mutual written consent of the parties.

NOW, THEREFORE, staff is recommending Amendment No. 1 to the contract between Children and Families Commission and Mission Asset Fund be executed to expand program services to include support for existing providers who wish to strengthen or grow their businesses. The amendment establishes a tiered system of training and financial incentives to meet providers where they are in their business lifecycle and provides tailored training and incentives across the provider continuum, the parties hereby agree as follows:

FIRST: EXHIBIT A is hereby deleted and replaced with EXHIBIT A-1. All references made to EXHIBIT A are hereby deleted and replaced with EXHIBIT A-1.

SECOND: EXHIBIT D is hereby deleted and replaced with EXHIBIT D-1. All references made to EXHIBIT D are hereby deleted and replaced with EXHIBIT D-1.

All other terms and conditions of the Agreement shall remain in full force and effect.

////////////////////////////////////

IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this First Amendment to be effective on October 29, 2025, or thereafter pending execution of the amendment.

COUNTY OF STANISLAUS

By: _____
Andrew Johnson
GSA Director / Purchasing Agent
"County"

APPROVED: CFC Item # 7.B. on October 28, 2025

APPROVED AS TO CONTENT:
Stanislaus County Children and Families Commission

By: _____
Shameram Karim, Ed.D.
Executive Director

APPROVED AS TO FORM:
Thomas E. Boze, County Counsel

By: _____
Sophia Ahmad
Chief Deputy County Counsel

**MISSION ASSET FUND, FISCAL SPONSOR OF
NURTUE**

By: _____
Daniela Salas
Chief Operating Officer

"Contractor"

**AGREEMENT BETWEEN
COUNTY OF STANISLAUS CHILDREN AND FAMILIES COMMISSION
AND MISSION ASSET FUND FOR CHILDCARE ENTREPRENEURSHIP PROGRAM
SERVICES NOVEMBER 25, 2024, THROUGH DECEMBER 31, 2026**

This Agreement for Independent Contractor Services (the "Agreement") is made and entered into by and between the County of Stanislaus ("County") and Mission Asset Fund, a California non-profit corporation, on behalf of Nurture, ("Contractor"), as of November 25, 2024.

Recitals

WHEREAS, the County has a need for services involving the Childcare Entrepreneurship Program;

WHEREAS, the Contractor is specially trained, experienced and competent to perform and has agreed to provide such services; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter contained, the parties hereby agree as follows:

Terms and Conditions

1. Scope of Work

1.1 The Contractor shall furnish to the County upon execution of this Agreement or receipt of the County's written authorization to proceed, those services and work set forth in **Exhibit A**.

1.2 Compliance with the American Rescue Plan Act ("ARPA"). This Agreement and Contractor's performance hereunder are subject to the requirements of the American Rescue Plan Act's State and Local Fiscal Recovery Funds program. Contractor expressly acknowledges and agrees to abide by the terms and conditions of ARPA and its associated grant conditions, policies and regulations as set forth in Exhibit C hereto, including but not limited to the term and termination provisions, equal employment and opportunity requirements, subcontracting requirements, lobbying prohibitions, and all applicable requirements of 2 C.F.R. 200 et seq.

1.3 All documents, drawings and written work product prepared or produced by the Contractor under this Agreement, including without limitation electronic data files, are the property of the Contractor; provided, however, the County shall have the right to reproduce, publish and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Contractor may copyright the same, except that, as to any work which is copyrighted by the Contractor, the County reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so.

1.4 Services and work provided by the Contractor at the County's request under this Agreement will be performed in a timely manner consistent with the requirements and standards established by applicable federal, state and County laws, ordinances, regulations and resolutions, and in accordance with a schedule of work set forth in Exhibit A. If there is no schedule, the hours and times for completion of said services and work are to be set by the Contractor; provided, however, that such schedule is subject to review by and concurrence of the County.

2. Consideration

2.1 County shall pay Contractor as set forth in Exhibit A.

2.2 Except as expressly provided in Exhibit A of this Agreement, Contractor shall not be entitled to nor receive from County any additional consideration, compensation, salary, wages or other type of remuneration for services rendered under this Agreement. Specifically, Contractor shall not be entitled by virtue of this Agreement to consideration in the form of overtime, health insurance, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays or other paid leaves of absence of any type or kind whatsoever.

2.3 County will not withhold any federal or state income taxes or Social Security tax from any payments made by County to Contractor under the terms and conditions of this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Contractor. County has no responsibility or liability for payment of Contractor's taxes or assessments.

2.4 Pursuant to Penal Code section 484b and to Business and Professions Code section 7108.5, the Contractor must apply all funds and progress payments received by the Contractor from the County for payment of services, labor, materials or equipment to pay for such services, labor, materials or equipment. Pursuant to Civil Code section 1479, the Contractor shall direct or otherwise manifest the Contractor's intention and desire that payments made by the Contractor to subcontractors, suppliers and materialmen shall be applied to retire and extinguish the debts or obligations resulting from the performance of this Agreement.

3. Term

3.1 The term of this Agreement shall be from November 25, 2024 through December 31, 2026 unless otherwise terminated as provided below or until the completion of any authorized work being undertaken under this Agreement.

3.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.

3.3 This Agreement shall terminate automatically on the occurrence of (a) bankruptcy or insolvency of either party, (b) sale of Contractor's business, (c) cancellation of insurance required under the terms of this Agreement, and (d) if, for any reason, Contractor ceases to be licensed or otherwise authorized to do business in the State of California, and the Contractor fails to remedy such defect or defects within thirty (30) days of receipt of notice of such defect or defects.

3.4 The County may terminate this agreement upon 30 days prior written notice to the Contractor. Termination of this Agreement shall not affect the County's obligation to pay for all fees earned and reasonable costs necessarily incurred by the Contractor as provided in Paragraph 2 herein, subject to any applicable setoffs.

3.5 Any licenses, certificates or permits required by the federal, state, county or municipal governments for Contractor to provide the services and work described in Exhibit A must be procured by Contractor and be valid at the time Contractor enters into this Agreement.

and permits in full force and effect. Licenses, certificates and permits may include but are not limited to driver's licenses, professional licenses or certificates and business licenses. Such licenses, certificates and permits will be procured and maintained in force by Contractor at no

4. Required Licenses, Certificates and Permits

4.1 Any licenses, Any licenses, certificates or permits required by the federal, state, county or municipal governments for Contractor to provide the services and work described in Exhibit A must be procured by Contractor and be valid at the time Contractor enters into this Agreement. Further, during the term of this Agreement, Contractor must maintain such licenses, certificates and permits in full force and effect. Licenses, certificates and permits may include but are not limited to driver's licenses, professional licenses or certificates and business licenses. Such licenses, certificates and permits will be procured and maintained in force by Contractor at no expense to the County.

4.2 Contractor further certifies to County that it and its principals are not debarred, suspended, or otherwise excluded or ineligible for participation in federal, state or county government contracts. Contractor certifies that it shall not contract with a subcontractor that is so debarred or suspended.

5. Office Space, Supplies, Equipment, Etc.

Unless otherwise provided in Exhibit A, Contractor shall provide such office space, supplies, equipment, vehicles, reference materials and telephone service as is necessary for Contractor to provide the services identified in Exhibit A to this Agreement. County is not obligated to reimburse or pay Contractor for any expense or cost incurred by Contractor in procuring or maintaining such items. Responsibility for the costs and expenses incurred by Contractor in providing and maintaining such items is the sole responsibility and obligation of Contractor.

6. Insurance

Coverage Required: Contractor shall obtain, and maintain at all times during the term of this Agreement, insurance coverage in the amounts and coverage specified in the attached "Exhibit B."

7. Defense and Indemnification

7.1 To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend the County and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by the Contractor or Contractor's officers, employees, agents, representatives or subcontractors including, without limitation, those resulting in or attributable to personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use.

7.2 Contractor's obligation to defend, indemnify and hold the County and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Contractor to procure and maintain a policy of insurance.

7.3 Contractor shall indemnify, defend and hold harmless and shall be responsible for

any and all federal, state and local taxes, fees, or contributions required to be paid with respect to Contractor and Contractor's officers, employees, and agents engaged in the performance of this Agreement, including and without limitation unemployment insurance, social security and payroll tax withholding.

8. Status of Contractor

8.1 All acts of Contractor and its officers, employees, agents, representatives, subcontractors and all others acting on behalf of Contractor relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers or employees of County. Contractor, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of County. Except as expressly provided in Exhibit A, Contractor has no

authority or responsibility to exercise any rights or power vested in the County. No agent, officer or employee of the County is to be considered an employee of Contractor. It is understood by both Contractor and County that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

8.2 At all times during the term of this Agreement, the Contractor and its officers, employees, agents, representatives or subcontractors are, and shall represent and conduct themselves as, independent contractors and not employees of County.

8.3 Contractor shall determine the method, details and means of performing the work and services to be provided by Contractor under this Agreement. Contractor shall be responsible to County only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to County's control with respect to the physical action or activities of Contractor in fulfillment of this Agreement. Contractor has control over the manner and means of performing the services under this Agreement. Contractor is permitted to provide services to others during the same period service is provided to County under this Agreement. If necessary, Contractor has the responsibility for employing other persons or firms to assist Contractor in fulfilling the terms and obligations under this Agreement.

8.4 If in the performance of this Agreement any third persons are employed by Contractor, such persons shall be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the Contractor.

8.5 It is understood and agreed that as an independent Contractor and not an employee of County, the Contractor and the Contractor's officers, employees, agents, representatives or subcontractors do not have any entitlement as a County employee, and do not have the right to act on behalf of the County in any capacity whatsoever as an agent, or to bind the County to any obligation whatsoever.

8.6 It is further understood and agreed that Contractor must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Contractor's assigned personnel under the terms and conditions of this Agreement.

8.7 Contractor retains all of their powers and authority to direct and control to the full extent of the law. Included in but not limited to those duties and powers are the rights to: direct

the work of its employees; establish the developmental philosophy, goals, and objectives; ensure the rights and opportunities of children and families; determine the staffing patterns; determine the number and kinds of personnel required; determine the classification of positions; maintain the efficiency of the program operation; determine the curriculum; develop a budget; develop and implement budget procedures. In addition, the Contractors retain the right to hire, assign, evaluate, promote, terminate, and discipline employees, and to take action on any matter in the event of an emergency. The exercise of the foregoing powers, rights, authority, duties, and responsibilities by the Contractors, the adoption of policies, rules, regulation, and practices in furtherance thereof, and the use of judgment and discretion in connection therewith, shall be limited only by the specific and express terms of this Agreement, and then only to the extent such specific and express terms are in conformance with the laws of the State of California.

8.8 As an independent Contractor, Contractor hereby indemnifies and holds County harmless from any and all claims that may be made against County based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

9. Records and Audit

9.1 Contractor shall prepare and maintain all writings, documents and records prepared or compiled in connection with the performance of this Agreement until December 31, 2031. This includes any handwriting, typewriting, printing, photostatic, photographing and every other means of recording upon any tangible thing, any form of communication or representation including letters, words, pictures, sounds or symbols or any combination thereof.

9.2 Any authorized representative of County and any representative of the U.S. Department of Treasury or another federal agency, including authorized federal auditors, shall have access to any writings as defined above for the purposes of making audit, evaluation, examination, excerpts and transcripts during the period such records are to be maintained by Contractor. Further, County has the right at all reasonable times to audit, inspect or otherwise evaluate the work performed or being performed under this Agreement.

10. Confidentiality

The Contractor agrees to keep confidential all information obtained or learned during the course of furnishing services under this Agreement and to not disclose or reveal such information for any purpose not directly connected with the matter for which services are provided.

11. Nondiscrimination

11.1 Non-Discrimination. During the performance of this Agreement, Contractor and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in

11.2 Contractor shall include the non-discrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

11.3 Contractor shall provide a system by which recipients of service shall have the opportunity to express and have considered their views, grievances, and complaints regarding Contractor's delivery of services.

12. Assignment

This is an agreement for the services of Contractor. County has relied upon the skills, knowledge, experience and training of Contractor and the Contractor's firm, associates and employees as an inducement to enter into this Agreement. Contractor shall not assign or subcontract this Agreement without the express written consent of County. Further, Contractor shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

13. Waiver of Default

Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

14. Notice

Any notice, communication, amendment, addition or deletion to this Agreement, including change of address of either party during the term of this Agreement, which Contractor or County shall be required or may desire to make shall be in writing and may be personally served or, alternatively, sent by prepaid first-class mail to the respective parties as follows:

To County:

Stanislaus County Children and Families
Commission
Attn: Shameram Karim
930 15th Street
Modesto, CA 95354

To Contractor:

Mission Asset Fund, fiscal sponsor of
Nurture
Attn: Jennifer Brooks
3269 Mission St
San Francisco, CA 94110

15. Conflicts

Contractor agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.

16. Severability

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or county statute, ordinance or regulation; the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

17. Amendment

This Agreement may be modified, amended, changed, added to or subtracted from by the mutual consent of the parties hereto if such amendment or change is in written form and executed with the same formalities as this Agreement and attached to the original Agreement to maintain continuity.

18. Entire Agreement

This Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

19. Advice of Attorney

Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

20. Construction

Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

21. Governing Law and Venue

This Agreement shall be deemed to be made under and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Stanislaus, State of California.

22. Authorized Signature

The person signing this Agreement ("Signatory") represents and warrants that he or she is duly authorized and has legal capacity to execute this Agreement. Signatory represents and warrants that the execution and delivery of the Agreement and the performance of Contractor's obligations hereunder has been duly authorized, and that the Agreement is a valid and legal agreement binding on Contractor and enforceable in accordance with its terms.

23. Electronic Signatures

Each party agrees that the electronic signatures (whether digital or encrypted) of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record (including facsimile or email electronic signatures) pursuant to the California Uniform Electronic Transactions Act (Cal. Civ. Code § 1633.1 et seq.) as amended from time to time.

24. Certification Regarding Economic Sanctions Pursuant to California State Executive Order N-6-22

24.1 Contractor shall review their investments and contracts to ensure their compliance with economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law (collectively, economic sanctions), and to take actions to support the Ukrainian government and people, including by refraining from new investments in, and financial transactions with, Russian institutions or companies that are headquartered or have their principal place of business in Russia (Russian entities), not transferring technology to Russia or Russian entities, and by directly providing support to the government and people of Ukraine.

24.2 County shall terminate any contract with any individual or entity that is in violation of Executive Order N-6-22 or that is subject to economic sanctions therein and shall not enter a contract with any such individual or entity while the Order is in effect.

24.3 For contracts valued at \$5 million or more, Contractor shall provide a written report to the County regarding compliance with economic sanctions and steps taken in response to Russia's action in Ukraine, including but not limited to, desisting from making new investments in, or engaging in financial transactions with Russia or Russian entities, and directly providing support to Ukraine, while the Order is in effect.

25. Monitoring/Evaluation

25.1 To assist Contractor with complying with the terms of the Agreement, Commission representatives will periodically meet with Contractor to:

- a. Compare actual performance of the Contractor to contract terms and performance indicators.
- b. Verify contractor has fulfilled contract requirements.

25.2 At Commission's option, Contractor may be required to file regular and/or special reports to document performance under this Agreement.

25.3 Contractor agrees to provide the necessary documentation to verify performance under this Agreement, including the quarterly submission of the Commission's Childcare Expansion Program Quarterly Report attached hereto as Exhibit D.

[SIGNATURES SET FORTH ON FOLLOWING

IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this Agreement on the day and year first hereinabove written.

COUNTY OF STANISLAUS

By: 
Andy Johnson (Nov 26, 2024 16:21 PST)
Andrew Johnson
GSA Director/Purchasing Agent

"County"

MISSION ASSET FUND, FISCAL SPONSOR OF NURTURE

By: 
Daniela Salas (Nov 15, 2024 15:39 PST)
Daniela Salas
Chief Operating Officer

"Contractor"

APPROVED: CFC Resolution # 5.A.5

DATED: August 27, 2024

APPROVED AS TO CONTENT:

Stanislaus County Children and Families
Commission

By: 
Shameram Karim, Ed.D.
Executive Director

APPROVED AS TO FORM:

Thomas E. Boze, County Counsel

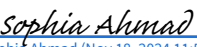
By: 
Sophia Ahmad (Nov 18, 2024 11:58 PST)
Sophia Ahmad
Chief Deputy County Counsel

EXHIBIT A
CHILDCARE ENTREPRENEURSHIP PROGRAM

A. SCOPE OF WORK

The Contractor shall provide services under this Agreement as follows:

1. Deliver a childcare business start-up course, accessible via virtual application, to 200 entrepreneurs by December 2026.
2. Facilitate the licensure process by providing guidance through the same virtual application.
3. Provide live support for the course and licensure process through the virtual application.
4. Provide start-up grants and financial assistance for training costs to 200 entrepreneurs. Each of the 200 entrepreneurs will be eligible for up to \$2,500 in financial assistance for training costs. Start-up grants of \$2,500 will be provided to each entrepreneur who completes the required coursework and obtains licensure.
5. Conduct outreach specifically targeted at groups considered 'inclined toward childcare entrepreneurship' by the Stanislaus 2030 [Childcare Report](#), including:
 - i. Informal caregivers (family, friends, and neighbors)
 - ii. Parents of school-age children
 - iii. Parents enrolled in Welfare-to-Work
 - iv. Agricultural workers looking for alternative/better work
 - v. Community college students seeking a degree or certificate in childcare.

Outreach should be aimed at eligible ARPA beneficiaries described in 31 C.F.R. 35.6.

6. Conduct outreach specifically targeted at neighborhoods/zip codes considered "high-demand, low-income communities" by the Stanislaus 2030 [Childcare Report](#):
 - i. Ceres – 95307
 - ii. Rouse (Modesto) – 95351
 - iii. Aurora (Modesto) – 95350
 - iv. W Central Turlock – 95380
 - v. Bret Harte, Shackelford (Modesto) – 95358
 - vi. NE Downtown Modesto – 95354
 - vii. Waterford – 95386

Outreach should be aimed at eligible ARPA beneficiaries described in 31 C.F.R. 35.6.

7. Collect and report data for evaluation of the program's effectiveness, as requested by County.

Year 1	
Quarter	Due
Quarter 1: October 1, 2024 - December 31, 2024	January 3, 2025
Quarter 2: January 1, 2025 - March 31, 2025	April 3, 2025
Quarter 3: April 1, 2025 - June 30, 2025	July 3, 2025
Quarter 4: July 1, 2025 - September 30, 2025	October 3, 2025
Year 2	
Quarter	Due
Quarter 1: October 1, 2025 - December 31, 2025	January 3, 2026
Quarter 2: January 1, 2026 - March 31, 2026	April 3, 2026
Quarter 3: April 1, 2026 - June 30, 2026	July 3, 2026
Quarter 4: July 1, 2026 - September 30, 2026	October 3, 2026
Year 3	
Quarter 1: October 1, 2026 - December 31, 2026	January 3, 2027

8. Collect and report data for ARPA, as requested by County for the purpose of fulfilling Department of Treasury reporting requirements and submitting quarterly reports to the Board of Supervisors.
9. Contractor shall retain all records till December 31, 2031, or later, in case of federal audit.

B. COMPENSATION

The Contractor shall be compensated for the services provided under this Agreement as follows:

1. Contractor will be compensated on a lump sum basis for each grant issued as set forth in the scope of work, attached hereto and, by this reference, made a part hereof. Contractor will be reimbursed for the following expenses:
 - (a) \$2,500 to reimburse the amount of the grant issued directly to beneficiary.
 - (b) \$2,500 for the cost of training and all costs associated with the outreach and training of the childcare entrepreneurs.
2. The parties hereto acknowledge the maximum amount to be paid by the County for services provided under the term of this Agreement shall not exceed \$1,000,000, including, without limitation, the cost of any subcontractors, consultants, experts or investigators retained by the Contractor to perform or to assist in the performance of its work under this Agreement.

C. INVOICE TO

Invoices shall be submitted to:

Stanislaus County Children and Families
Commission Attn: Accounts Payable
930 15th Street
Modesto, CA 95354

Exhibit B

Insurance Required for Most Contracts (Not for Construction Contracts)

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than One Million Dollars (\$1,000,000) per incident or occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation** Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County.

Umbrella or Excess Policy

The Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The County, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL and Auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability and Auto liability coverage can be provided in the form of an endorsement to the Contractor's insurance (**at least** as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used).

Primary Coverage

For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage **at least** as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

Waiver of Subrogation

Contractor hereby grants to County a waiver of any right to subrogation (except for Professional Liability) which any insurer of said Contractor may acquire against the County by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the County. The County may require the Contractor to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. Any and all deductibles and SIRs shall be the sole responsibility of Contractor or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. County may deduct from any amounts otherwise due Contractor to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. County reserves the right to obtain a copy of any policies and endorsements for verification.

Acceptability of Insurers

Insurance is to be placed with California admitted insurers (licensed to do business in California) with a current A.M. Best's rating of no less than A-VII, unless otherwise approved by the County.

Claims Made Policies

If any of the required policies provide claims-made coverage:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for **at least** five (5) years after completion of the contract of work.

3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

Verification of Coverage

Contractor shall furnish the County with a copy of the original certificates and amendatory endorsements, or copies of the applicable policy language effecting coverage required by this clause.

All certificates and endorsements are to be received and approved by the County before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Insurance Limits

The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or Subcontractors. Contractor's obligation to defend, indemnify and hold the County and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.

Reporting

Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials, employees, agents or volunteers.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the County in accordance with policy terms and conditions. If policy does not allow for notice, notification of cancellation shall be the responsibility of the contractor.

[SIGNATURES SET FORTH ON THE FOLLOWING PAGE]

DS _____ Exempt from Auto – By initialing, I certify Contractor’s officers, employees, agents, representatives, or subcontractors will not utilize a vehicle in the performance of my work with the County.

DS _____ Exempt from WC – By initialing, I certify Contractor is exempt from providing workers’ compensation coverage as required under section 1861 and 3700 of the California Labor Code.

I acknowledge the insurance requirements listed above.

Print Name: Daniela Salas Date: Nov 15, 2024

Signature: *Daniela Salas* Date: Nov 15, 2024
Daniela Salas (Nov 15, 2024 15:39 PST)

Vendor Name: Mission Asset Fund

For CEO-Risk Management Division use only

Exception: _____

Approved by CEO for Risk Management: *Derick Holt* Date: Nov 21, 2024
Derick Holt (Nov 21, 2024 10:53 PST)

EXHIBIT C

American Rescue Plan Act State and Local Fiscal Recovery Fund Requirements for Third-Party Contractors

1. **Federal Requirements.** Coronavirus Local Fiscal Recovery Funds (“CLFRF”) may be used to fund all or a portion of this Agreement. Contractor shall comply with all federal requirements including, but not limited to, the following:

(a) Sections 602 and 603 of the Social Security Act as added by Section 9901 of the American Rescue Plan Act of 2021, U.S. Department of the Treasury Coronavirus Local Fiscal Recovery Fund Award Terms and Conditions, Treasury’s Final Rule, and CLFRF reporting requirements, as applicable (collectively, the “CLFRF Compliance Requirements”). The CLFRF Compliance Requirements are expressly incorporated herein by reference.

(b) C.F.R. Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which is expressly incorporated herein by reference.

(c) Federal Contract Provisions and Additional Federal Provisions included in this Exhibit B.

Subcontracts, if any, shall contain a provision making them subject to all applicable provisions of this Agreement, including but not limited to, CLFRF Compliance Requirements, 2 C.F.R. Part 200, and the Federal Contract Provisions and Additional Federal Provisions included in this Exhibit B.

With respect to any conflict between such federal requirements and the terms herein and/or the provisions of state law and except as otherwise required under federal law or regulation, the more stringent requirement shall control.

Notwithstanding any other expiration date provided in this Agreement, the period of performance for the County’s ARPA award ends on December 31, 2026. Contractor acknowledges that failure to submit any documentation to the Commission (including but not limited to invoices, compliance reports, change orders, progress reports, or backup documentation supporting invoices) at least sixty days prior to any federal award deadline and/or failure to complete any activity required under the Agreement prior to the end of the period of performance of the federal award may result in loss of federal funds for the project and shall constitute an event of default under the Agreement. Nothing in this provision shall extend an earlier period for performance as may be set forth in the Agreement.

2. CONTRACTING WITH SMALL AND MINORITY FIRMS, WOMEN’S BUSINESS ENTERPRISE AND LABOR SURPLUS AREA FIRMS (2 C.F.R. § 200.321)

2. In addition to the requirements set forth in section 4, below, and except as provided in 2 C.F.R. § 200.320(c), Contractor shall be subject to 2 C.F.R. § 200.321 and will take affirmative steps to assure that minority firms, women’s business enterprises, and labor surplus area firms are used when possible and will not be discriminated against on the grounds of race, color, religious creed, sex, or national origin in consideration for an award.

3. Affirmative steps shall include:

3.1 Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

3.2 Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

3.3 Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

3.4 Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; and

3.5 Using the services/assistance of the Small Business Administration (SBA), and the Minority Business Development Agency (MBDA) of the Department of Commerce.

Contractor shall submit evidence of compliance with the foregoing affirmative steps when requested by the Commission.

3. REQUIRED CONTRACT PROVISIONS IN ACCORDANCE WITH APPENDIX II TO PART 200 – CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS (2 C.F.R. § 200.327)

(a) Appendix II to Part 200 (A); Appendix II to Part 200 (B): Remedies for Breach; Termination for Cause/Convenience.

i. The Contractor may be declared in breach of this Agreement ("Breach") if the Contractor fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof; or if the Contractor fails to perform any of the other provisions of the contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms. In case of any of the foregoing, the Commission shall notify the Contractor of the Breach, and the Contractor shall have a period of ten (10) days (or such longer period as the Commission may authorize in writing) after receipt of notice from the Commission to cure the Breach.

ii. The Commission may, by written notice of termination to the Contractor specifying the effective date thereof, terminate the whole or any part of this contract, in the case of a Breach that is not cured within the timeframe set forth in (i) above ("Uncured Breach").

iii. If the contract is terminated in whole or in part for an Uncured Breach, the Commission may procure upon such terms and in such manner as the Commission may deem appropriate, supplies or services similar to those so terminated, or may complete the services with its own forces. The Contractor shall be liable to the Commission for any excess costs for such similar supplies or services, and for any other costs incurred by the Commission as a result of the Uncured Breach. The Contractor shall continue the performance of this contract to the extent not terminated under the provisions of this clause.

iv. Except with respect to defaults of Subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control

and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and the Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required project completion schedule.

v. Payment for completed services or supplies delivered to and accepted by the Commission shall be at the contract price. The Commission may withhold from amounts otherwise due the Contractor for such completed services or supplies such sum as the Commission determines to be necessary to protect the Commission against loss because of outstanding liens of claims of former lien holders, or to reimburse the Commission for any other costs related to the Uncured Breach.

vi. If, after notice of termination of this contract for cause, it is determined for any reason that an Uncured Breach did not exist, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to the provisions for termination for convenience of the Commission.

vii. The rights and remedies of the Commission provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law, equity or under this contract including, but not limited to, the right to specific performance.

viii. Notwithstanding the above, the Commission may, without providing an opportunity to cure, terminate the contract in accordance with the timeframe set forth in Section 4.2 of the Agreement, if the Commission determines such action is in its best interest based on the nature of the Breach. Such actions shall not limit any of the Commission's remedies set forth above.

4. Appendix II to Part 200 (C) – Equal Employment Opportunity; Nondiscrimination: The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

5. Appendix II to Part 200 (E) – Contract Work Hours and Safety Standards Act: Only applicable to contracts in excess of \$100,000 that involve the employment of mechanics or laborers, but not to purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. These requirements are included in Exhibit C to this Agreement.

6. Appendix II to Part 200 (F) – Rights to Inventions Made Under a Contract or Agreement:

(i) If the Federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the non-Federal entity wishes to enter into a contract with a small business

firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the non-Federal entity must comply with the requirements of 37 C.F.R. Part 401 (Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements), and any implementing regulations issued by the Federal awarding agency.

(ii) The regulation at 37 C.F.R. § 401.2(a) currently defines “funding agreement” as any contract, grant, or cooperative agreement entered into between any Federal agency, other than the Tennessee Valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal government. This term also includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as defined in the first sentence of this paragraph.

7. Appendix II to Part 200 (G) – Clean Air Act and Federal Water Pollution Control Act: If this Agreement is in excess of \$150,000, Contractor shall comply with all applicable standards, orders, or requirements issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387).

7.1 Pursuant to the Clean Air Act, (1) Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., (2) Contractor agrees to report each violation to the Commission and understands and agrees that the Commission will, in turn, report each violation as required to assure notification to the Federal awarding agency and the appropriate Environmental Protection Agency Regional Office, and (3) Contractor agrees to include these requirements in each subcontract exceeding \$150,000.

7.2 Pursuant to the Federal Water Pollution Control Act, (1) Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., (2) Contractor agrees to report each violation to the Commission and understands and agrees that the Commission will, in turn, report each violation as required to assure notification to the Federal awarding agency and the appropriate Environmental Protection Agency Regional Office, and (3) Contractor agrees to include these requirements in each subcontract exceeding \$150,000.

8. Appendix II to Part 200 (H) – Debarment and Suspension: A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 C.F.R. part 1986 Comp., p. 189) and 12689 (3 C.F.R. part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

8.1 This Agreement is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such Contractor is required to verify that none of the Contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

8.2 Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower

tier covered transaction it enters into.

8.3 This certification is a material representation of fact relied upon by Commission. If it is later determined that Contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the Commission, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

8.4 Contractor warrants that it is not debarred, suspended, or otherwise excluded from or ineligible for participation in any federal programs. Contractor also agrees to verify that all subcontractors performing work under this Contract are not debarred, disqualified, or otherwise prohibited from participation in accordance with the requirements above. Contractor further agrees to notify the Commission in writing immediately if Contractor or its subcontractors are not in compliance during the term of this Agreement.

9. Appendix II to Part 200 (I) – Byrd Anti-Lobbying Act: If this Agreement is in excess of \$100,000, Contractor shall sign the required certification pursuant to the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1353). If at any time during the Agreement term funding exceeds \$100,000.00, Contractor shall file with the Commission the Federal Standard Form LLL titled "Disclosure Form to Report Lobbying." Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

APPENDIX A, 44 C.F.R. PART 18- CERTIFICATION REGARDING LOBBYING

The undersigned Contractor certifies, to the best of his or her knowledge, that:

A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

C. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-

recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

CONTRACTOR

By: *Daniela Salas*
Daniela Salas (Nov 15, 2024 15:39 PST)

Date: Nov 15, 2024

10. Appendix II to Part 200 (J) – §200.323 Procurement of Recovered Materials:

10.1 Contractor shall comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement.

10.2 In the performance of this Agreement, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired: Competitively within a timeframe providing for compliance with the contract performance schedule; Meeting contract performance requirements; or At a reasonable price.

10.3 Information about this requirement, along with the list of EPA-designate items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

10.4 The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act."

11. Appendix II to Part 200 (K) – §200.216 Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment:

11.1 Contractor shall not contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or

services as a substantial or essential component of any system, or as critical technology as part of any system funded under this Agreement. As described in [Public Law 115–232](#), section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities), including but not limited to the following:

- For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
- Telecommunications or video surveillance services provided by such entities or using such equipment.
- Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

11.2 See Public Law 115-232, section 889 for additional information.

12. Appendix II to Part 200 (L) – §200.322 Domestic Preferences for Procurement:

12.1 Contractor shall, to the greatest extent practicable, purchase, acquire, or use goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subcontracts

12.2 For purposes of this section:

“Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

“Manufactured products” means items and construction materials composed in whole or in part of nonferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

4. **ADDITIONAL FEDERAL PROVISIONS**

(a) The federal government is not a party to this Agreement and is not subject to any obligations or liabilities the Commission, the Contractor or any other party pertaining to any matter resulting from this Agreement.

(b) The person signing this Agreement on behalf of the Contractor certifies to the best of his or her knowledge and belief that the Contractor is not delinquent in the repayment of any Federal debt as required by 28 U.S.C.S. § 3201.

(c) The Contractor understands that making false statements or claims in connection with this contract is a violation of federal law and may result in criminal, civil, or administrative

sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.

(d) The Contractor shall provide the Comptroller General of the United States, or any authorized representatives of the federal government access to any books, documents, papers, and records of the Contractor which are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

(e) The Contractor is encouraged to adopt and enforce on-the-job seat belt policies and programs for your employees when operating company-owned, rented or personally owned vehicles. (Increasing Seat Belt Use in the United States – Executive Order 13043, 62 FR 19217 (Apr. 18, 1997)).

(f) The Contractor is encouraged to adopt and enforce policies that ban text messaging while driving, and to establish workplace safety policies to decrease accidents caused by distracted drivers (Reducing Text Messaging While Driving – Executive Order 13513, 74 FR 51225 (Oct. 6, 2009)).

(g) The Contractor shall comply with all other applicable federal, state, and local laws, executive orders, regulations and policies governing this Agreement.

(h) The Contractor shall comply with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal funds, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166; directives; circulars; policies; memoranda and/or guidance documents.

(i) The Contractor shall comply with the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance.

(j) The Contractor shall comply with all federal, state and local laws and regulations which prohibit recipients of federal funding from discriminating against individuals with disabilities; Applicable laws and regulations with which Contractor shall comply shall include, but are not limited to, the following: Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794) (24 CFR Parts 8-9); Title II of the Americans with Disabilities Act of 1990.

(k) The Contractor shall comply with the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance.

(l) The Contractor shall take all necessary affirmative steps to prevent conflicts of interest as required by 2 C.F.R. § 200.318 and the County's conflict of interest policy, including but not limited to written disclosure to the County of any potential conflict of interest.

EXHIBIT D
Nurture
Childcare Expansion Program
Quarterly Report

Unique Entity ID (UEI): _____

Reporting Period: _____

EC 2.10: Assistance to Unemployed or Underemployed Workers

Uses of Funds

Describe in further detail Contractor's intended and actual uses of the funds, such as how Contractor's approach would help support a strong and equitable recovery from the COVID-19 pandemic. Describe any strategies employed to maximize programmatic impact and effective, efficient, and equitable outcomes. Explain how the funds would support the communities, populations, or individuals/recipients permissible under the ARPA Terms and Conditions. Address how you are promoting the following Expenditure Category:

- b. Negative Economic Impacts (EC 2): describe how funds are being used to respond to negative economic impacts of the COVID-19 public health emergency, including services to households (such as affordable housing, job training, and childcare), small businesses, nonprofits, and impacted industries.

Promoting equitable outcomes

In this section, describe efforts to date and intended outcomes to promote equity. Each annual report to follow must provide an update, using qualitative and quantitative data, on how the recipients' approach achieved or promoted equitable outcomes or progressed against equity goals during the performance period.

Describe any efforts made to promote equitable outcomes, including how programs were designed with equity in mind. Include how Contractor will consider and measure equity at the various stages of the program, including:

- a. Goals: Are there particular historically underserved, marginalized, or adversely affected groups that you intend to serve?
- b. Awareness: How equal and practical is the ability for residents or businesses, who are ARPA-eligible beneficiaries pursuant to the criteria set forth in 31 CFR 35.6, to become aware of the services funded by the SLFRF?
- c. Access and Distribution: Are there differences in levels of access to benefits and services across groups? Are there administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria?
- d. Outcomes: Are intended outcomes focused on closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions where relevant for the policy objective?

If applicable, describe how Contractor's planned or current use of funds prioritize economic and racial equity as a goal, name specific targets intended to produce meaningful equity results at scale, and articulate the strategies to achieve those targets. Explain how Contractor's overall

equity strategy translates into the specific services or programs offered by Contractor in the following Expenditure Categories:

- a. Negative Economic Impacts (EC 2): assistance to households, small businesses, and non-profits to address impacts of the pandemic, which have been most severe among low-income populations. This includes assistance with food, housing, and other needs; employment programs for people with barriers to employment who faced negative economic impacts from the pandemic (such as residents of low-income neighborhoods, minorities, disconnected youth, the unemployed, formerly incarcerated people, veterans, and people with disabilities); and other strategies that provide disadvantaged groups with access to education, jobs, and opportunity.
- b. Contractor should include in its report (i) the number of workers enrolled in sectoral job training programs (cumulative for project), and (ii) the number of workers who completed sectoral job training programs (cumulative for project).

If applicable, describe Contractor's efforts to date and intended outcomes to promote equity using qualitative and quantitative data on how the jurisdiction's approach achieved or promoted equitable outcomes or progressed against equity goals. Describe any constraints or challenges that impacted project success in terms of increasing equity.

Describe the geographic and demographic distribution of funding, including whether it is targeted toward traditionally marginalized communities.

Community Engagement

Describe how Contractor's planned or current use of funds incorporates written, oral, and other forms of input that capture diverse feedback from constituents, community-based organizations, and the communities themselves. Where relevant, this description must include how funds will build the capacity of community organizations to serve people with significant barriers to services, including people of color, people with low incomes, limited English proficiency populations, and other traditionally underserved groups.

Describe outreach efforts to reach the community, especially the designated areas

Performance Report

- Include key performance indicators for Contractor's SLFRF funded project. Include both output and outcome measures. (The required Excel spreadsheet report is sufficient, but additional information or success stories may also be included.)

If applicable, provide photos of noteworthy progress to include in annual report to Treasury.

Enter new records below the table to add rows to the data table. An unlimited number of records can be added. The Record number and Date must be manually entered. The remaining fields all contain drop down lists to facilitate entry.

Record	Enrollment Date	Marketing Indicator	Race	Ethnicity	Primary Language	Gender	Family Size	Household Income	Zip Code	Unemployed?	If not, is childcare a better opportunity?
1			-	-	-	-	-	-		-	-
2			-	-	-	-	-	-		-	-
3			-	-	-	-	-	-		-	-
4			-	-	-	-	-	-		-	-
5			-	-	-	-	-	-		-	-
6			-	-	-	-	-	-		-	-
7			-	-	-	-	-	-		-	-
8			-	-	-	-	-	-		-	-
9			-	-	-	-	-	-		-	-

Quarter	Number of Enrollments	Number of Completed Trainings	Number of Licensures	Number of Grants Issued	Number of Businesses Started
Oct-Dec 2024					
Jan-Mar 2025					
Apr-Jun 2025					
Jul-Sep 2025					
Oct-Dec 2025					
Jan-Mar 2026					
Apr-Jun 2026					
Jul-Sep 2026					
Oct-Dec 2026					
Total	0	0	0	0	0

Signature:

Email: jbrooks@nurturebusiness.org

EXHIBIT A-1
CHILDCARE ENTREPRENEURSHIP PROGRAM

A. SCOPE OF WORK

The Contractor shall provide services under this Agreement as follows:

1. Deliver childcare business courses, including Business Start-Up, Business Operations, and Business Growth, accessible via virtual application, for up to 200 entrepreneurs by December 2026.
2. Facilitate the initial licensure and the application for large license process by providing guidance through the same virtual application.
3. Provide live support for the courses and licensure processes through the virtual application.
4. Provide start-up grants and financial assistance for training costs for up to 200 entrepreneurs. Each of the entrepreneurs will be eligible for up to \$2,500 in financial assistance for training costs to include the courses in Business Start-Up, Business Operations, or Business Expansion.
5. Grants will be provided for:
 - a. Business Start-Up: Up to 200 grants for \$2,500 each will be provided to each entrepreneur who completes the required Business Start-Up coursework and obtains licensure.
 - b. Business Operations: Up to 50 grants for \$1,000 will be provided to each of the entrepreneurs who completes the required Business Operations course, including adopting business software and tools.
 - c. Business Expansion: Up to 30 grants for \$5,000 will be provided to each entrepreneur who completes the required Business Expansion course and obtains a large family childcare home license.
6. Conduct outreach specifically targeted at groups considered ‘inclined toward childcare entrepreneurship’ by the Stanislaus 2030 Childcare Report, including:
 - i. Informal caregivers (family, friends, and neighbors)
 - ii. Parents of school-age children
 - iii. Parents enrolled in Welfare-to-Work
 - iv. Agricultural workers looking for alternative/better work
 - v. Community college students seeking a degree or certificate in childcare.

Outreach should be aimed at eligible ARPA beneficiaries described in 31 C.F.R. 35.6.

7. Conduct outreach specifically targeted at neighborhoods/zip codes considered “high-demand, low-income communities” by the Stanislaus 2030 Childcare Report:
 - i. Ceres – 95307
 - ii. Rouse (Modesto) – 95351
 - iii. Aurora (Modesto) – 95350
 - iv. W Central Turlock – 95380
 - v. Bret Harte, Shackleford (Modesto) – 95358
 - vi. NE Downtown Modesto – 95354
 - vii. Waterford – 95386

Outreach should be aimed at eligible ARPA beneficiaries described in 31 C.F.R. 35.6.

8. Upon approval of the First 5 Commission, or their designee, explore and invest in other innovative approaches and solutions that promote childcare entrepreneurship, support business expansion, and eliminate barriers to operational success through training and technical assistance, thereby ensuring the availability of increased and adequate childcare slots for families.

9. Collect and report data for evaluation of the program's effectiveness, as requested by County.

Year 1	
Quarter	Due
Quarter 1: October 1, 2024 - December 31, 2024	January 3, 2025
Quarter 2: January 1, 2025 - March 31, 2025	April 3, 2025
Quarter 3: April 1, 2025 - June 30, 2025	July 3, 2025
Quarter 4: July 1, 2025 - September 30, 2025	October 3, 2025
Year 2	
Quarter	Due
Quarter 1: October 1, 2025 - December 31, 2025	January 3, 2026
Quarter 2: January 1, 2026 - March 31, 2026	April 3, 2026
Quarter 3: April 1, 2026 - June 30, 2026	July 3, 2026
Quarter 4: July 1, 2026 - September 30, 2026	October 3, 2026
Year 3	
Quarter 1: October 1, 2026 - December 31, 2026	January 3, 2027

10. Collect and report data for ARPA, as requested by County for the purpose of fulfilling Department of Treasury reporting requirements and submitting quarterly reports to the Board of Supervisors.
11. Contractor shall retain all records till December 31, 2031, or later, in case of federal audit.

B. COMPENSATION

The Contractor shall be compensated for the services provided under this Agreement as follows:

- Contractor will be compensated on a lump sum basis for each grant issued as set forth in the scope of work, attached hereto and, by this reference, made a part hereof.
Contractor will be reimbursed for the following expenses:
 - \$2,500 grant to each entrepreneur who completes the required Business Start-Up coursework and obtains licensure per Section A.5.a of Exhibit A-1.
 - \$1,000 grant will be provided to each of the entrepreneurs who completes the required Business Operations course, including adopting business software and tools per Section A.5.b. of Exhibit A-1.
 - \$5,000 grant will be provided to each entrepreneur who completes the required Business Expansion course and obtains a large family childcare home license per Section A.5.c. of Exhibit A-1.
 - \$2,500 will be reimbursed to the contractor for the cost of training and all costs associated with the outreach and training of the childcare entrepreneurs in any of the three courses.
- The parties hereto acknowledge the maximum amount to be paid by the County for services provided under the term of this Agreement shall not exceed \$1,000,000, including, without limitation, the cost of any subcontractors, consultants, experts or investigators retained by the Contractor to perform or to assist in the performance of its work under this Agreement.

C. INVOICE TO

Invoices shall be submitted to:

Stanislaus County Children and Families
Commission Attn: Accounts Payable
930 15th Street
Modesto, CA 95354
F5accounts payable@stancounty.com

EXHIBIT D-1
Mission Asset Fund, fiscal sponsor of Nurture
Childcare Expansion Program
Quarterly Report

Unique Entity ID (UEI): _____

Reporting Period: _____

EC 2.10: Assistance to Unemployed or Underemployed Workers

Uses of Funds

Describe in further detail Contractor's intended and actual uses of the funds, such as how Contractor's approach would help support a strong and equitable recovery from the COVID-19 pandemic. Describe any strategies employed to maximize programmatic impact and effective, efficient, and equitable outcomes. Explain how the funds would support the communities, populations, or individuals/recipients permissible under the ARPA Terms and Conditions. Address how you are promoting the following Expenditure Category:

- b. Negative Economic Impacts (EC 2): describe how funds are being used to respond to negative economic impacts of the COVID-19 public health emergency, including services to households (such as affordable housing, job training, and childcare), small businesses, nonprofits, and impacted industries.

Promoting equitable outcomes

In this section, describe efforts to date and intended outcomes to promote equity. Each annual report to follow must provide an update, using qualitative and quantitative data, on how the recipients' approach achieved or promoted equitable outcomes or progressed against equity goals during the performance period.

Describe any efforts made to promote equitable outcomes, including how programs were designed with equity in mind. Include how Contractor will consider and measure equity at the various stages of the program, including:

- a. Goals: Are there particular historically underserved, marginalized, or adversely affected groups that you intend to serve?
- b. Awareness: How equal and practical is the ability for residents or businesses, who are ARPA-eligible beneficiaries pursuant to the criteria set forth in 31 CFR 35.6, to become aware of the services funded by the SLFRF?
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equity strategy translates into the specific services or programs offered by Contractor in the following Expenditure Categories:

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Describe outreach efforts to reach the community, especially the designated areas

Performance Report

- Include key performance indicators for Contractor's SLFRF funded project. Include both output and outcome measures. (The required Excel spreadsheet report is sufficient, but additional information or success stories may also be included.)

If applicable, provide photos of noteworthy progress to include in annual report to Treasury.

Enter new records below the table to add rows to the data table. An unlimited number of records can be added. The Record number and Date must be manually entered. The remaining fields all contain drop down lists to facilitate entry.

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4			-	-	-	-	-	-		-	-
5			-	-	-	-	-	-		-	-
6			-	-	-	-	-	-		-	-
7			-	-	-	-	-	-		-	-
8			-	-	-	-	-	-		-	-
9			-	-	-	-	-	-		-	-

	Number of Enrollments			Number of Completed Trainings			Number of Licensures		Number of Grants Issued			Number of Businesses Started	
Quarter	Business Start-Up Course	Business Operations Course	Business Expansion Course	Business Start-Up Course	Business Operations Course	Business Expansion Course	Business Start-Up	Business Expansion	Business Start-Up Course (\$2,500) up to 200	Business Operations Course (\$1,000) up to 50	Business Expansion Course (\$5,000) up to 30	Business Start-Up	Business Expansion
Jul-Sep 2025													
Oct-Dec 2025													
Jan-Mar 2026													
Apr-Jun 2026													
Jul-Sep 2026													
Oct-Dec 2026													



ACTION AGENDA SUMMARY

COMMITTEE ROUTING

Administrative/Finance	☒
Operations	☒
Executive	☒

AGENDA DATE: October 28, 2025

COMMISSION AGENDA #: 8.A. (PUBLIC HEARING)

SUBJECT:

Public Hearing to Consider the Acceptance of the First 5 Stanislaus 2024-2025 Financial Audit Report

BACKGROUND:

Following its passage by voters in 1998, the provisions of Proposition 10 were codified into California State Law as Sections 130100 – 130155 of the California Health and Safety Code. Section 130150 of the California Health and Safety Code requires that local Children and Families Commissions complete an annual audit each year, conduct a public hearing on the audit, and submit the audit to the State by November 1st.

The Commission contracted with Brown Armstrong Accountancy Corporation, (Bakersfield, CA) to perform the 2024-2025 annual audit. First 5 Stanislaus staff continue to maintain strong accounting and fiscal practices with a commitment to responsibility for taxpayer funds. The internal control structure is designed to provide reasonable, but not absolute, assurance that financial statements are free of material misstatements. First 5 Stanislaus staff undertake fiscal accountability and monitoring actions throughout the year to help monitor compliance with all appropriate laws and regulations. The objective of these controls is to ensure compliance with legal provisions as established in State law and code.

An outside audit is a major undertaking that requires a significant amount of time on the part of both staff and the outside auditor. This audit is also the opportunity for staff to learn and identify potential opportunities for improvement. If findings or recommendations were to occur as part of the annual audit process, staff would take appropriate action to strengthen fiscal practices for the benefit of taxpayers and public accountability.

The purpose of the audit report is to form an opinion on the financial statements of First 5 Stanislaus as to whether they present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Commission as of June 30, 2025, the respective changes in financial position and the respective budgetary comparison statement for the governmental fund for the year then ended, in accordance with generally accepted accounting principles.

The audit is conducted 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.

The audit, which has been included with the Commission's agenda packet, contains no findings or recommendations. The audit report includes items such as the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), Financial Statements, and other materials. At the Commission's October 22, 2024, meeting a public hearing will be held on the audit.

An electronic copy of the audit can be found on the First 5 Stanislaus website under "Reports by Year" http://first5stan.org/all_reports.shtm.

The Administrative and Finance Committee, the Operations Committee, and the Executive Committee heard a report on the First 5 Stanislaus 2024-2025 Audit Report at their respective meetings on October 13th, October 16th, and October 22nd.

STAFF RECOMMENDATIONS:

1. Conduct a public hearing to consider acceptance of the First 5 Stanislaus 2024-2025 Financial Audit Report prepared by Brown Armstrong Accountancy Corporation.
 2. Accept the First 5 Stanislaus 2024-2025 Financial Audit Report.
-

FISCAL IMPACT:

Brown Armstrong Accountancy Corporation shall be compensated for the services provided effective July 1, 2025, through June 30, 2028, as follows:

1. July 1, 2025, through June 30, 2026, shall not exceed \$25,000
July 1, 2026, through June 30, 2027, shall not exceed \$25,000
July 1, 2027, through June 30, 2028, shall not exceed \$25,000
-

COMMISSION ACTION:

On motion of Commissioner _____ Seconded by Commissioner
and approved by the following vote:

Ayes: Commissioner(s):

Noes: Commissioner(s):

Excused or Absent Commissioner(s):

Abstaining: Commissioner(s):

- 1) _____ Approved as recommended.
- 2) _____ Denied.
- 3) _____ Approved as amended.

Motion: _____

Attest: _____

Teala Diaz – Confidential Assistant IV



COMMITTEE ROUTING	
Administrative/Finance	☒
Operations	☒
Executive	☒

ACTION AGENDA SUMMARY

AGENDA DATE: October 28, 2025

COMMISSION AGENDA #: 8.B. (PUBLIC HEARING)

SUBJECT:

Public Hearing on the 2024-2025 Local Annual Report and Authorization for Staff to Submit the Full 2024-2025 Local Annual Report to First 5 California

BACKGROUND:

Following its passage by voters in 1998, the provisions of Proposition 10 were codified into California State Law as Sections 130100 – 130155 of the California Health and Safety Code. Section 130150 of the California Health and Safety Code requires a local Children and Families Commission to conduct a public hearing on its Annual Report and to submit the Annual Report to the State by November 1st of each year. The Annual Report is a written report on the progress towards and achievement of the goals and objectives of the Proposition.

2024-2025 Summary

No substantive changes were made by First 5 California to the reporting categories of the Annual Report for Fiscal Year 2024-2025.

Local First 5 organizations are required to submit their Local Annual Report data through a standardized online portal to First 5 California. The State uses the data from these 58 local reports to compile a statewide report that must be submitted to the Legislature by January 15th of each year.

With the financial audit completed, staff have now completed the financial component of the Local Annual Report. With the completion of the financial audit report, the Annual Report is now complete and is ready to be submitted to the State. An electronic copy of the report can be found on the First 5 Stanislaus website under “Reports by Year” http://first5stan.org/all_reports.shtm.

The Administrative and Finance Committee, the Operations Committee, and the Executive Committee heard information on the 2024-2025 Local Annual Report and Authorization for Staff to Submit the Full 2024-2025 Local Annual Report to First 5 California process at their respective meetings on October 13th, October 16th, and October 22nd.

STAFF RECOMMENDATIONS:

1. Conduct a public hearing on the 2024-2025 Local Annual Report.
2. Accept the 2024-2025 Local Annual Report and authorize staff to submit the report to First 5 California.

FISCAL IMPACT:

There is no fiscal impact associated with the approval of this agenda item.

COMMISSION ACTION:

On motion of Commissioner _____; Seconded by Commissioner _____

And approved by the following vote:

Ayes: Commissioner(s):

Noes: Commissioner(s):

Excused or Absent Commissioner(s):

Abstaining: Commissioner(s): N/A

- 1) _____ Approved as recommended.
- 2) _____ Denied.
- 3) _____ Approved as amended.

Motion:

Attest: _____
Teala Diaz – Confidential Assistant IV

**COMMUNICATION WITH THOSE CHARGED WITH
GOVERNANCE AT THE CONCLUSION OF THE AUDIT
(SAS 114)**

Commission Members
Stanislaus County Children and Families Commission
Modesto, California

We have audited the financial statements of the governmental activities and the major fund of the Stanislaus County Children and Families Commission (the Commission), a component unit of the County of Stanislaus, California, for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, 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, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 3, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Commission changed accounting policies related to compensated absences by adopting Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*, during the year ended June 30, 2025. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in Note 12 Restatement of Prior Period Net Position. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Management's estimates of the fund balance commitments and assignments are based on future contracts and possible provisions and changes in contracts and their payment schedules. We evaluated the methods, assumptions, and data used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the fair value of investments is based on the method as detailed in the notes to the financial statements. We evaluated methods, assumptions, and data used to develop the estimate of the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the fair value of the right-to-use building is based on the method as detailed in the notes to the financial statements. We evaluated the methods, assumptions, and data used to develop the estimate of the fair value of the right-to-use building in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimates of the net pension liability and related deferred outflows and inflows of resources are based on actuarial reports prepared and provided by an independent third party. We evaluated the methods, assumptions, and data used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of compensated absences is based on employee leave balances and historical usage rates, in accordance with GASB Statement No. 101. We evaluated the key factors and assumptions used to develop the estimate of compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were for the net pension liability and related items as described above.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 13, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Schedule of the Commission's Proportionate Share of the County's Proportionate Share of the Net Pension Liability, and

Schedule of the Commission's Contributions, which are Required Supplementary Information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Commission Members and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Stockton, California
October 13, 2025

**STANISLAUS COUNTY CHILDREN
AND FAMILIES COMMISSION**

**(A Discretely Presented Component Unit of the
County of Stanislaus, California)**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2025**

**STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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**STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
COMMISSION MEMBERSHIP
AS OF JUNE 30, 2025**

<u>Name</u>	<u>Position</u>	<u>Original Appointment</u>	<u>Term Expires</u>
David Cooper	Community Representative	September 2006	August 2027
Heather Duvall	Health Services Agency	April 2025	Permanent
Keri Magee	Community Representative	November 2023	August 2026
Vito Chiesa	Board of Supervisor	January 2009	December 2025
Daniel Diep, MD	Community Representative	December 2021	August 2026
Christine Huber, MSW	Community Services Agency <i>Vice Chair</i>	May 2022	Permanent
Nelly Paredes-Walsborn, PhD	Community Representative <i>Chair</i>	September 2004	August 2028
Thea Papasozomenos, MD	Public Health Officer	December 2022	Permanent
Tony Jordan	School District Representative	August 2022	August 2028

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Commission Members
Stanislaus County Children and Families Commission
Modesto, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and the major fund of the Stanislaus County Children and Families Commission (the Commission), a discretely presented component unit of the County of Stanislaus, California (the County), as of and for the year ended June 30, 2025, the budgetary comparison statement for the governmental fund, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Commission, as of June 30, 2025, the respective changes in financial position, and the respective budgetary comparison for the governmental fund thereof 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 opinion.

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.

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 opinion. 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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; and
- 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 on pages 4-8, the schedule of the Commission's proportionate share of the County's proportionate share of the net pension liability on page 31, and the schedule of the Commission's contributions on page 32 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Commission Membership but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2025, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Stockton, California
October 13, 2025



**STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

This section of the Stanislaus County Children and Families Commission's (the Commission) annual financial report presents management's discussion and analysis of the Commission's financial performance for the fiscal year that ended June 30, 2025. It is important to read this section in conjunction with the basic financial statements and notes in this audit.

OVERVIEW OF THE ENTITY

The Stanislaus County Children and Families Commission was established by the Stanislaus County Board of Supervisors on December 8, 1998, pursuant to Ordinance #687. The ordinance provides that the Commission shall operate as an independent County agency and be governed by a nine-member Board of Commissioners appointed by the Stanislaus County Board of Supervisors with independent strategic planning and budget authority. The Commission operates under the regulatory guidance of the California Health and Safety Code and was formed because of the passage of Proposition 10 by California voters in November of 1998.

The mission of the Commission is to promote the importance of the first five years of life and strengthen community partner capacity through collaboration, funding, advocacy, and support to serve young children and their families so that every child in Stanislaus County thrives.

The Commission consistently reaches tens of thousands of children, parents, and providers each year through their service contractors, the majority of which are nonprofit organizations in Stanislaus County. The Commission focuses on implementation of its 2024-2029 Strategic Plan which drives the work and investments of the organization. Strategies of the Commission revolve around its role as a capacity builder, systems strengthener, convener/catalyst, and an advocate. The Commission has four goals:

- Families are strengthened, supported, and safe.
- Children prenatal through age five are afforded equal opportunities to achieve optimal health.
- Children are eager and ready learners.
- Sustainable and coordinated systems are accessible and promote the wellbeing of children prenatal through age five.

Commission staff work to implement Strategic Plan strategies including engaging in multiple partnerships with organizations to fulfill goals and objectives of the Commission. Staff lead and implement a training and capacity building program to support their funded partners and other community organizations. Staff also prepare and monitor contracts for services, process contract invoices, and ensure compliance with Commission policies and procedures and State code. Staff engage in numerous other activities to advance goals of the Strategic Plan.

Staff distributed basic need supplies (diapers, wipes, books) to partners throughout the year as a continued focus on community support. Commission staff hosted and participated in numerous community events to share information about the Commission and support the community. Our presence on social media continues to grow. We continue to highlight our partners and the services they offer in addition to frequent posts on a variety of topics. Commission staff continue to add resources to the Family Network, a subsection of their website designed to provide resources to families and partners.

During fiscal year 2024-2025 Commission staff faced staffing changes. The Confidential Assistant position was vacant for 6 months before someone was hired in June 2025. The staff work mostly in the office with some hybrid options available. There were also changes to the Commission with Heather Duvall as a new Health Services Agency representative.

FISCAL YEAR 2024-2025 FINANCIAL HIGHLIGHTS

The Fiscal Year 2024-2025 budget included a slightly increased revenue estimate of \$4.45 million, which was an increase of 0.8% \$37,280 from the Fiscal Year 2023-2024 budget. The estimated revenue increase was based on increased projections of Interest and Investment earnings. Total service provider funding was budgeted at \$2.04 million, which was a decrease of 3.3% \$68,630 from the Fiscal Year 2023-2024 budget. This funding was allocated for 11 service provider contracts. Total budgeted expenses were \$4.54 million which was an estimated 4.1% \$180,335 increase from the prior fiscal year.

The revenue increase anticipated was not realized due to lower than anticipated Tobacco Tax (Prop 10) revenues.

The highlights of Fiscal Year 2024-2025 reflect increased financial strength through greater than budgeted revenue and less than budgeted expenditures. Key indicators comparing the results of Fiscal Year 2024-2025 and Fiscal Year 2023-2024 include:

- Total revenues decreased by 9.43% \$480,836 from Fiscal Year 2023-2024 actuals primarily due to receiving less Prop 10 funding offset by interest and investment earnings.
- Total expenditures decreased by 16.10% \$508,664 from Fiscal Year 2023-2024 actuals largely due to the decrease in contract expenditures and services and supplies.
- The offset of the expenditures with current year revenue resulted in an increase to the net position of \$1,969,400 at year-end.

CONDENSED FINANCIAL STATEMENTS

The following tables summarize the Commission's 1) Statement of Net Position (government-wide financials) and 2) Statement of Activities (change in net position). Both tables are summarized for the last two years.

	2025	2024 Restated*	Change in Dollars	Change in Percent
ASSETS				
Current assets	\$ 18,045,563	\$ 15,807,175	\$ 2,238,388	14.16%
Capital assets, net of accumulated depreciation	4,625	6,125	(1,500)	100.00%
Right-to-use assets, net of accumulated amortization	22,826	57,061	(34,235)	-60.00%
Total assets	18,073,014	15,870,361	2,202,653	13.88%
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	208,705	275,841	(67,136)	-24.34%
Total deferred outflows of resources	208,705	275,841	(67,136)	-24.34%
LIABILITIES				
Current liabilities	530,286	309,547	220,739	71.31%
Noncurrent liabilities	751,448	797,089	(45,641)	-5.73%
Total liabilities	1,281,734	1,106,636	175,098	15.82%
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions	18,101	27,082	(8,981)	-33.16%
Total deferred inflows of resources	18,101	27,082	(8,981)	-33.16%
NET POSITION				
Net investment in capital assets	3,569	4,236	(667)	15.75%
Restricted net position	16,978,315	15,008,248	1,970,067	13.13%
Total net position	\$ 16,981,884	\$ 15,012,484	\$ 1,969,400	13.12%

*Prior year balances were restated for implementation of GASB 101 (*Compensated Absences*). See Note 12 for additional information.

Highlights of the above statement include:

- There was an increase in total assets over the prior year due to an increase in the Commission's revenue.
- Current liabilities increased compared to the prior year due to an increase in accruals for contract costs due to other funds and accounts payable.
- Long-term liabilities decrease due to net pension liability recorded in connection with Governmental Accounting Standards Board (GASB) Statement No. 68 (which was implemented in 2015 – making 2025 the tenth year of implementation) offset by an increase due to compensated absences with the implementation of GASB 101, *Compensated Absences*.
- Deferred outflows of resources and deferred inflows of resources of \$208,705 and \$18,101, respectively, were recorded in connection with changes in the Commission's proportionate share of the County's proportionate share of the net pension liability.

	2025	2024 Restated*	Change in Dollars	Change in Percent
Revenues				
Program revenues	\$ 3,826,972	\$ 4,362,993	\$ (536,021)	-12.29%
General revenues	793,406	738,221	55,185	7.48%
Total revenues	4,620,378	5,101,214	(480,836)	-9.43%
Expenses	2,650,978	3,159,642	(508,664)	-16.10%
Change in net position	1,969,400	1,941,572	27,828	1.43%
Net position, beginning of year	15,012,484	13,079,361	1,933,123	14.78%
Restatement for adoption of GASB Statement No. 101	-	(8,449)	8,449	-100.00%
Net position, end of year	<u>\$ 16,981,884</u>	<u>\$ 15,012,484</u>	<u>\$ 1,969,400</u>	<u>13.12%</u>

*Prior year balances were restated for implementation of GASB 101 (*Compensated Absences*). See Note 12 for additional information.

Highlights of the above statement include:

- Total expenses decreased 16.10% \$508,664 from 2024 to 2025 as a result of decrease in contract expenditures and increased services and supplies expenditures.
- Total revenues decreased 9.43% \$480,836 from 2024 to 2025 as a result of a decrease in Prop 10 revenue offset by interest and investment earnings.
- The decrease in expenses combined with less than expected revenue resulted in a positive change in net position.

OVERALL FINANCIAL POSITION

Revenue is projected by the State of California to continue to decline for the Commission. The vast majority of Commission revenues are generated from tobacco taxes on tobacco products collected by the State of California and distributed to California's 58 counties based on the percentage of live births in each county. Tobacco tax revenue has decreased significantly since the passage of Prop 10. Revenue declined sharply in 2009-2010 when the federal government imposed higher taxes on tobacco. The increased cost of tobacco products encouraged users to quit smoking and/or purchase tobacco products in areas where taxes are not collected. Additional regulatory changes were implemented in 2017, including an increased smoking age of 21. These changes also included an additional \$2 per pack cigarette tax, though this revenue was not designated to fund County Commissions. The State projected there would be a significant decline in tax revenue as a result of the \$2 per pack increase. To make the county Commissions whole for this revenue loss, the State committed to "backfill" revenue through Prop

56. The State continues working to fine-tune projections for Prop 56 revenue, as accurate projections have been challenging to produce. Senate Bill 395 enacted the Healthy Outcomes and Prevention Education (HOPE) Act which went into effect July 1, 2022. This act required electronic tobacco retailers to collect an additional tax from purchasers. Twelve percent of additional revenue generated is allocated to First 5s. In November 2022, California voters upheld the state law, Senate Bill 793, prohibiting retailers from selling most flavored tobacco products. This flavor ban continues to have a significant impact on revenue.

According to its financial policies, the Commission is to maintain a reserve that contains the equivalent of at least half of the Commission's budgeted revenues for the current fiscal year. Long-term projections of revenues and expenses allow program operations to be adjusted to ensure a sufficient reserve is maintained. The overall financial position of the Commission as reflected in its long-range model continues to support the opportunity for implementation of strategies as contained in the Commission's strategic plan.

ANALYSIS OF THE CHILDREN AND FAMILIES COMMISSION FUND

The Board of Supervisors' ordinance establishing the Commission created a trust fund to record Commission revenues and expenditures. Because the Commission utilizes one fund for all its programs, this audit is somewhat unique as only one fund is examined from a "government-wide" and "fund" perspective.

Fund balances over the two-year period covered by this audit reflect policy changes by the Commission to decrease a reliance on deficit spending to come more closely to a balanced budget and to promote long-term organizational sustainability as a community resource. Total expenditures have increased for the Commission as reflected in organization expenditures over the past two years. While 2025 reflected a decrease in Proposition 10 Tax revenue from the State, higher than projected interest and investment earnings resulted in an increase to fund balance. The following table presents an overview of the Commission's governmental fund over the past two years.

	2025	2024	Change in Dollars	Change in Percent
Revenues				
Proposition 10 taxes	\$ 2,538,600	\$ 3,088,016	\$ (549,416)	-17.79%
Proposition 56 taxes	1,074,472	1,174,977	(100,505)	-8.55%
Interest and investment earnings	793,406	738,221	55,185	7.48%
Other revenue	213,900	100,000	113,900	113.90%
Total revenues	4,620,378	5,101,214	(480,836)	-9.43%
Expenditures				
Contracts	1,817,288	2,239,983	(422,695)	-18.87%
Salaries and employee benefits	565,418	497,940	67,478	13.55%
Services and supplies	193,318	350,629	(157,311)	-44.87%
Debt service:				
Principal retirement	35,068	33,975	1,093	3.22%
Interest	86	155	(69)	-44.52%
Total expenditures	2,611,178	3,122,682	(511,504)	-16.38%
Change in fund balance	\$ 2,009,200	\$ 1,978,532	\$ 30,668	1.55%

*

Prior year balances were restated for implementation of GASB 101 (*Compensated Absences*). See Note 12 for additional information.

Fund Budgetary Highlights

This section contains an explanation of the significant differences between the Commission's final budget amounts and actual amounts, and original and final budget amounts recorded for revenues and expenditures for Fiscal Year 2024-2025 as detailed in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual (shown on page 15). In Fiscal Year 2024-2025 the Commission received actual revenues of \$4.62 million compared to the budgeted amount of \$4.45 million. In preparing the budget, the Commission used revenue projections provided by the State of California. Actual total revenues were \$169,423 more than budgeted, largely as the result of the interest and investment revenues. Interest and investment revenues were \$502,106 more than expected. Combined Prop 10/Prop 56 revenue came in \$446,583 less than projected by the State. Other revenues came in at \$616,006 more than expected.

In Fiscal Year 2024-2025, actual expenditures were approximately \$1,928,409 million less than budgeted primarily due to lower than projected contracts and services and supplies spending as a result of operational impacts related to implementation of the new strategic plan and realignment of service delivery to the Commission's new strategic goals. A schedule of the Commission's original and final budget amounts compared with actual revenues and expenses is provided in the audited financial report, see page 15.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital assets of \$4,625 (net of accumulated depreciation) are for equipment purchased. See Note 3 for more information on capital assets. The Commission implemented GASB Statement No. 87, *Leases*, in the prior fiscal year. As part of the implementation, intangible capital assets of \$22,826 (net of accumulated amortization) are for the Commission's right-to-use building lease. See Note 4 for more information on right-to use capital assets. At the end of the current fiscal year, the Commission did not have any outstanding long-term debt; however, the Commission does have long-term obligations for compensated absences, pensions and lease liability. See Notes 5, 6, and 11 for details.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following are facts, decisions, and conditions that could potentially have a significant impact on Commission finances:

- State tobacco tax revenue projections are anticipated to continue to decline through fiscal year 2028-2029.
- The flavored tobacco products ban that was upheld by voters in November 2022 continues to impact revenue and the long-term impacts of this ban are still unknown.
- Implementation of Year 2 of the 2024-2029 strategic plan.
- The long-range model approved by the Commission in May 2025, shows the Commission maintaining fiscal strength through the next five fiscal years.

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 Executive Director of the Stanislaus County Children and Families Commission, 930 15th Street, Modesto, CA 95354.

BASIC FINANCIAL STATEMENTS

STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and investments	\$ 17,515,164
Due from other agencies	451,762
Other receivables	78,637
Capital assets, net of accumulated depreciation	4,625
Right-to-use asset, net of accumulated amortization	22,826
Total assets	18,073,014
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pensions	208,705
LIABILITIES	
Accounts payable and accrued expenses	505,040
Salaries and benefits payable	25,246
Long-term liabilities:	
Portion due within one year:	
Compensated absences	55,530
Lease liability	23,882
Portion due in more than one year:	
Net pension liability	672,036
Total liabilities	1,281,734
DEFERRED INFLOWS OF RESOURCES	
Deferred pensions	18,101
NET POSITION	
Net investment in capital assets	3,569
Restricted net position - children's programs	16,978,315
Total net position	\$ 16,981,884

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

STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) and Revenues and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government:				
Governmental Activities:				
Child development services	\$ 2,650,978	\$ -	\$ 3,826,972	\$ 1,175,994
Total Primary Government	<u>\$ 2,650,978</u>	<u>\$ -</u>	<u>\$ 3,826,972</u>	<u>\$ 1,175,994</u>
General revenues:				
Interest and investment earnings				<u>793,406</u>
Total general revenues				<u>793,406</u>
Change in net position				1,969,400
Net position, beginning of year				15,020,933
Restatement for adoption of GASB Statement No. 101				<u>(8,449)</u>
Net position, beginning of year, as restated				<u>15,012,484</u>
Net position, end of year				<u><u>\$ 16,981,884</u></u>

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

STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2025

	Governmental Fund
ASSETS	
Cash and investments	\$ 17,515,164
Due from other agencies	451,762
Interest receivable	78,637
	<u>78,637</u>
Total assets	<u><u>\$ 18,045,563</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable and accrued expenses	\$ 505,040
Salaries and benefits payable	25,246
	<u>25,246</u>
Total liabilities	<u>530,286</u>
Fund balance:	
Committed:	
Budget reserve account	500,000
Contracts approved and executed	1,668,652
	<u>1,668,652</u>
Total committed	<u>2,168,652</u>
Assigned	
Future CORE programs and services	<u>15,346,625</u>
Total fund balance	<u>17,515,277</u>
Total liabilities and fund balance	<u><u>\$ 18,045,563</u></u>

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

**STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

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

Total fund balance	\$ 17,515,277
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund (net of accumulated depreciation of \$2,875).	4,625
Right-of-use assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund (net of accumulated amortization of \$148,352).	22,826
Deferred outflows of resources for pensions contributions reported in the Statement of Net Position.	208,705
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund.	(751,448)
Deferred inflows of pensions reported in the Statement of Net Position.	<u>(18,101)</u>
Total net position - governmental activities	<u><u>\$ 16,981,884</u></u>

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

**STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Governmental Fund
REVENUES	
Proposition 10 taxes	\$ 2,538,600
Proposition 56 taxes	1,074,472
Interest and investment earnings	793,406
Other revenue	<u>213,900</u>
Total revenues	<u>4,620,378</u>
EXPENDITURES	
Contracts	1,817,288
Salaries and employee benefits	565,418
Services and supplies	193,318
Debt service:	
Principal retirement	35,068
Interest	<u>86</u>
Total expenditures	<u>2,611,178</u>
Net change in fund balance	<u>2,009,200</u>
Fund balance - beginning of year	<u>15,506,077</u>
Fund balance - end of year	<u><u>\$ 17,515,277</u></u>

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

**STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
RECONCILIATION OF THE CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

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

Net change in fund balance - governmental fund	\$ 2,009,200
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The governmental fund reports capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$1,500) exceeded capital outlay (\$0) in the current period.	(1,500)
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The governmental fund reports lease expense as expenditures. However, in the Statement of Activities, the lease is capitalized as a right-to-use asset along with a corresponding lease liability to reflect the future obligation. The cost of these right-to-use assets are amortized (\$34,235) over the life of the lease including implied interest (\$86) which exceeded the lease payment (\$35,154) in the current period.	(34,235)
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Long-term liabilities are not due during the current year and, therefore, the change is not recorded in the governmental fund	(4,065)
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Change in net position - governmental activities	<u>\$ 1,969,400</u>
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The accompanying notes are an integral part of these financial statements.

**STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (GAAP)
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual (GAAP Basis)	Variance with Final Budget
REVENUES				
Proposition 10 taxes	\$ 4,059,655	\$ 4,059,655	\$ 2,538,600	\$ (1,521,055)
Proposition 56 taxes	-	-	1,074,472	1,074,472
Interest and investment earnings	291,300	291,300	793,406	502,106
Other revenue	100,000	100,000	213,900	113,900
	<u>4,450,955</u>	<u>4,450,955</u>	<u>4,620,378</u>	<u>169,423</u>
Total revenues				
EXPENDITURES				
Contracts	2,037,760	2,037,760	1,817,288	220,472
Salaries and employee benefits	753,575	753,575	565,418	188,157
Services and supplies	1,248,252	1,248,252	193,318	1,054,934
Contingency	500,000	500,000	-	500,000
Debt service:				
Principal retirement	-	-	35,068	(35,068)
Interest	-	-	86	(86)
	<u>4,539,587</u>	<u>4,539,587</u>	<u>2,611,178</u>	<u>1,928,409</u>
Total expenditures				
Net change in fund balance	<u>\$ (88,632)</u>	<u>\$ (88,632)</u>	<u>2,009,200</u>	<u>\$ 2,097,832</u>
Fund balance - beginning of year			<u>15,506,077</u>	
Fund balance - end of year			<u>\$ 17,515,277</u>	

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

STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Stanislaus County Children and Families Commission (the Commission) was established on December 8, 1998, pursuant to Health and Safety Code §130140. The Commission was also established in accordance with the provisions of the California Children and Families First Act of 1998 and by the County of Stanislaus Ordinance #687. The Commission is funded by surtaxes imposed on the sale of cigarettes and tobacco products. The nine members (as amended by Ordinance #787) of the Board of Commissioners are appointed by the County of Stanislaus (the County) Board of Supervisors.

The Commission is responsible for the creation and implementation of a comprehensive, collaborative, and integrated system of information and services to enhance early childhood development. Services to enhance early childhood development include early childhood education and health programs.

The Commission is a discretely presented component unit of the County under accounting principles generally accepted in the United States of America. As such, the results of its operations are also included in the County's Annual Comprehensive Financial Report (ACFR). 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 taken as a whole. For additional information regarding the County, please refer to the audited basic financial statements available from the County.

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

The basic financial statements of the Commission are prepared on the basis of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements Management's Discussion and Analysis for State and Local Governments*, and related standards. GASB Statement No. 34 established standards for external financial reporting for all state and local government entities which includes a Management's Discussion and Analysis section, a Statement of Net Position, Statement of Activities, and, if applicable, a Statement of Cash Flows. The financial statements consist of the following:

Government-Wide Financial Statements

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements

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

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

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

C. 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.

D. Expenses/Expenditures

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

E. Investments

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Investments (Continued)

State statutes and the Commission's Investment Policy authorize the Commission to invest in U.S. Government Treasury and Agency Securities, bankers' acceptances, commercial paper, corporate bonds and notes, repurchase Agreements, and the State Treasurer's Local Agency Investment Fund (LAIF). In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held by the County Treasurer are stated at fair value. The fair value of pooled investments is determined quarterly and is based on current market prices received from the securities custodian. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer.

F. Due from Other Agencies

The Commission utilizes the allowance method of accounting for and reporting uncollectible or doubtful accounts. On June 30, 2025, management considered all accounts to be fully collectible and, therefore, no allowance was recorded in the accompanying financial statements.

G. Right-to-Use Lease Asset

The Commission has recorded right-to-use lease assets as a result of implementing GASB Statement No. 87. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use lease assets are intangible capital assets and are amortized on a straight-line basis over the life of the related lease.

H. Lease Liability

The Commission's lease liability is measured at the present value of payments expected to be made by the Commission during the lease term. As lease payments are made, the Commission will reduce the liability (principal portion of payment) and recognize interest expense.

I. 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 on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment:	3-10 years
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J. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the Commission recognizes deferred outflows and inflows of resources.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Deferred Outflows and Inflows of Resources (Continued)

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the Commission that is applicable to a future reporting period.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Commission that is applicable to a future reporting period.

K. Use of Estimates

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

L. 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.

M. Compensated Absences

Commission employees earn vacation and sick leave with pay every year. The amount of vacation and sick leave earned is based on the years of continuous service.

After at least six months of Commission service, most regular employees, upon separation, are entitled to all unused vacation time accumulation. Most regular employees are entitled to a portion of accumulated sick leave after six years of service, depending on age, years of service, and bargaining unit.

At the close of each fiscal year, the balance of this accumulated time at the last pay period is computed for each employee at the current salary range. In the financial statements, these amounts are referred to as “Compensated Absences.” In accordance with GASB 101, the Commission recognizes a liability only for the portion of accrued sick leave that is more likely than not to be used during employment.

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 retirement 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*.

N. Pensions

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note 6 and the Required Supplementary Information (RSI) section immediately following the Notes to the Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Pensions (Continued)

In general, the Commission recognizes a net pension liability, which represents the Commission's proportionate share of the County's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by Stanislaus County Employees' Retirement Association (StanCERA). The net pension liability is measured as of the County's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows of resources or deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the County's pension plans with StanCERA and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they were reported to StanCERA.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed five-year period of recognition.

O. Fund Balance

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance (Continued)

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

For the Commission's governmental fund, the Commission strives to maintain a budgeted total fund balance that is in excess of at least half of current year budgeted revenues.

P. Net Position

Net position represents the residual interest in the Commission's assets after liabilities are deducted. In accordance with GASB Statement No. 34, the fund equity section on the Statement of Net Position was combined to report total net position and present it in three broad components: net investment in capital assets, restricted, and unrestricted. Net position, net investment in capital assets includes capital assets, including right-to-use asset, net of accumulated depreciation, accumulated amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Net position is restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation. All other net position is unrestricted. 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.

Q. Budgeting Procedures

The Commission prepares and legally adopts a final budget on or before July 1st of each fiscal year. After the budget is approved, the appropriations can be added to, subtracted from, or changed only by Commission resolution. All such changes must be within the revenues and reserves estimated as available in the final budget or within revised revenue estimates as approved by the Commission.

An operating budget is adopted each fiscal year on the modified accrual basis of accounting. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if the unperformed contracts in process at year-end are completed or purchase commitments satisfied. Such year-end encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year and included in the subsequent year's budget. Unencumbered appropriations lapse at year-end.

R. Governmental Accounting Standards Update

During the year ending June 30, 2025, the Commission implemented the following standards:

GASB Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for reporting periods beginning after December 15, 2023. The Commission implemented GASB Statement No. 101 during the year ended June 30, 2025. Adoption of this standard required recognition of a liability for compensated absences, including sick leave, when earned rather than when taken or paid. See Note 5 for the related disclosure of compensated absences and Note 12 for information regarding the prior year restatement resulting from adoption of this standard.

GASB Statement No. 102 – *Certain Risk Disclosures*. The requirements of this statement are effective for reporting periods beginning after June 15, 2024. The Commission's net position was not impacted as a result of the adoption of this standard. The required disclosures regarding revenue concentrations are included in Note 10 to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**R. Governmental Accounting Standards Update** (Continued)

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

GASB Statement No. 103 – *Financial Reporting Model Improvements* The requirements of this statement are effective for reporting periods beginning after June 15, 2025. The Commission has not fully judged the impact of this standard on the financial statements.

GASB Statement No. 104 – Disclosure of certain Capital Assets. The requirements of this statement are effective for the fiscal years beginning after June 15, 2025. The Commission has not fully judged the impact of implementation of this standard on the financial statements

S. Subsequent Events

In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the financial statements. Management has determined that no events require disclosure in accordance with accounting standards. These subsequent events have been evaluated through October 13, 2025, which is the date the financial statements were available to be issued.

NOTE 2 – CASH AND INVESTMENTS

The Commission's cash is invested in the County cash and investment pool. The County cash and investment pool is invested in accordance with California State Government Code Section 53600. In addition, the cash and investment pool is further restricted to those investments deemed acceptable per the investment policy guidelines prepared by the County Treasurer and approved by the Board of Supervisors of the County.

For further information regarding the cash and investment pool, the audit report of the County may be obtained by writing the County of Stanislaus, 1010 10th Street, Suite 5100, Modesto, CA 95354.

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

Cash and investments in County of Stanislaus Treasury	<u>\$ 17,515,164</u>
Total Cash and Investments	<u><u>\$ 17,515,164</u></u>

NOTE 3 – CAPITAL ASSETS

Capital assets activity related to governmental activities for the year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions / Adjustments</u>	<u>Ending Balance</u>
Equipment	\$ 15,596	\$ -	\$ (8,096)	\$ 7,500
Less accumulated depreciation	<u>(9,471)</u>	<u>(1,500)</u>	<u>8,096</u>	<u>(2,875)</u>
Total	<u><u>\$ 6,125</u></u>	<u><u>\$ (1,500)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,625</u></u>

Depreciation expense charged to the governmental unit for the year ended June 30, 2025, was \$1,500.

NOTE 4 – RIGHT-TO-USE ASSET

The Commission has recorded one right-to-use leased asset. The asset is a right-to-use asset for leased building. The related lease is discussed in Note 11. The right-to-use asset is amortized on a straight-line basis over the terms of the related lease.

Right-to-use asset activity related to governmental activities for the year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions / Adjustments</u>	<u>Ending Balance</u>
Intangible assets				
Right-to-use building	\$ 171,178	\$ -	\$ -	\$ 171,178
Less accumulated amortization	<u>(114,117)</u>	<u>(34,235)</u>	<u>-</u>	<u>(148,352)</u>
Total	<u>\$ 57,061</u>	<u>\$ (34,235)</u>	<u>\$ -</u>	<u>\$ 22,826</u>

Amortization expense charged to governmental activities for the year ended June 30, 2025, was \$34,235.

NOTE 5 – COMPENSATED ABSENCES

Compensated absences activity for the year ended June 30, 2025, was as follows:

	<u>Beginning Balance June 30, 2024**</u>	<u>Net Change</u>	<u>Ending Balance June 30, 2025</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 36,572	\$ 18,958 *	\$ 55,530	\$ 55,530
Total	<u>\$ 36,572</u>	<u>\$ 18,958</u>	<u>\$ 55,530</u>	<u>\$ 55,530</u>

*The change in compensated absences liability is presented as a net change.

** Prior year balances were restated for the implementation of GASB 101, *Compensated Absences*. This restatement is reported as a change in accounting principle in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*. See also Note 12 for additional information regarding the restatement of prior-year net position.

The current portion represents the amount expected to be used or paid within one year of the reporting date, consistent with the requirements of GASB 101.

NOTE 6 – PENSIONS

A. Plan Description

The Commission, as a discretely presented component unit of the County, is a participant in the Stanislaus County Employees Retirement Association (StanCERA), a retirement system organized under the 1937 Retirement Act. StanCERA is a cost-sharing multiple employer Public Employee Retirement System (PERS). StanCERA provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits. Health and welfare insurance for retirees and their dependents is available, however, it is administered independently of StanCERA. The plan is administered by StanCERA. An actuarial valuation is performed for the system annually as a whole and the contribution rate is determined for each participating entity. The participating entities are the County, City of Ceres, and six special districts located in the County not governed by the County's Board of Supervisors. StanCERA issues an Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for StanCERA. The ACFR may be obtained by writing to Stanislaus County Employees Retirement Association, P.O. Box 3150, Modesto, CA 95353-3150 or by calling (209) 525-6393.

NOTE 6 – PENSIONS (Continued)

A. Plan Description (Continued)

The StanCERA ACFR is prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. All other securities are valued at the last reported market price at current exchange rates.

Summary of Plans and Eligible Participants

General Tiers 1, 2, 4, 5 (not open to new members)	Vests after five years of credited service and may retire at age 50 or older with 10 or more years of membership with StanCERA or any age with 30 or more years of credited service
General Tier 3 (not open to new members)	Vests after ten years of credited service and may retire at age 55 with 10 or more years of credited service.
General Tier 6 (open to new members)	Vests after five years of credited service and may retire at age 52 with 5 years of service credit or age 70 regardless of service credit.
Safety Tiers 1, 2, 4, 5 (not open to new members)	Vests after five years of credited service and may retire at age 50 or older with 10 or more years of membership with StanCERA or any age with 20 or more years of credited service
Safety Tier 6 (open to new members)	Vests after five years of credited service and may retire at age 50 with 5 years of service credit or age 70 regardless of service credit.

B. Benefits Provided

Members terminating employment before accruing ten years for Tier 3 of retirement service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested members who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Members who terminate after earning five or ten years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. Difference between expected or actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

For members with Tier 1, Tier 4, or Tier 5 benefits, final average salary is the average monthly salary based on the highest twelve consecutive months of earnings. For members with Tier 2, Tier 3, or Tier 6 benefits, final average salary is the average monthly salary based on the highest thirty-six consecutive months of earnings.

The retirement benefit for Tier 1, Tier 2, Tier 4, Tier 5, and Tier 6 members includes a postretirement cost-of-living adjustment (COLA) based upon the Consumer Price Index. COLA increases/decreases are limited to a maximum of 3% annually. Total COLA decrease(s) cannot exceed the cumulative amount of previous COLA increase(s). Tier 1, Tier 2, Tier 4, Tier 5, and Tier 6 provide death and disability benefits.

Those members participating in Tier 1, Tier 2, Tier 4, Tier 5, and Tier 6 are required by statute to contribute to the Pension plan. Members' contribution rates for Tier 1, Tier 2, Tier 4, and Tier 5 are formulated on the basis of the age at date of entry and the actuarially calculated future benefits. Members' contribution rate for Tier 6 is a flat rate based on the actuarially calculated future benefit. The Council is required by statute to contribute the remaining amounts necessary to finance the estimated benefits accrued to its members.

NOTE 6 – PENSIONS (Continued)B. Benefits Provided (Continued)

Member and employer contribution rates for each plan are as follows:

<u>PLAN</u>	<u>EMPLOYER CONTRIBUTION RATES</u>	<u>EMPLOYEE CONTRIBUTION RATES</u>
General Tier 1	33.24%	3.39%-7.99%
General Tier 2	30.75%	4.60%-11.59%
General Tier 3	22.56%	Non-contributory
General Tier 4	34.94%	3.25%-7.91%
General Tier 5	30.06%	5.44%-13.07%
General Tier 6	28.33%	8.53%
Safety Tier 2	45.38%	7.60%-16.67%
Safety Tier 4	N/A	N/A
Safety Tier 5	50.35%	8.84%-17.41%
Safety Tier 6	43.33%	13.30%

The Commission's contributions to StanCERA for the fiscal year ended June 30, 2024, were equal to the required contributions. The required contributions for the last three fiscal years are noted in the below chart. The Commission does not contribute towards post-employment benefits other than retirement.

<u>Fiscal Year Ended</u>	<u>Contributions</u>
June 30, 2023	\$ 79,113
June 30, 2024	88,747
June 30, 2025	99,767

The County Employees' Retirement Law of 1937 establishes the basic obligations for employer and member contributions and benefits to and of the retirement system. The actual employer and member contribution rates in effect each year are based on recommendations made by an independent actuary and adopted by the StanCERA Board of Retirement.

StanCERA provides a death benefit of \$5,000 paid to the beneficiary or estate if a member dies after retirement, provided that Stanislaus County was the member's last public employer.

Ad-hoc benefits are non-vested benefits determined by the Board of Retirement. Approved changes to the excess earnings policy by the Board of Retirement on June 30, 2014, placed restrictions on offering ad-hoc benefits, specifically that the system must be 100% actuarially funded prior to the Board of Retirement offering any ad-hoc benefits. StanCERA is 78.5% actuarially funded as of June 30, 2024.

NOTE 6 – PENSIONS (Continued)**C. Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2025, the Commission reported a liability of \$672,036 for its proportionate share of the County's proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the liability used to calculate the net pension liability was determined by an actuarial valuation date of June 30, 2023, updated to June 30, 2024. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2025, the Commission's proportionate share of the County's proportionate share was 0.0954%, compared to 0.0947% at June 30, 2024, an increase of 0.0007%.

For the year ended June 30, 2025, the Commission recognized a pension expense of \$78,905. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions, or method and plan benefits. At June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred outflows of resources - change in proportionate share	\$ 100,659	\$ -
Commission contributions subsequent to the measurement date	108,046	-
Deferred inflows of resources - change in actual vs. proportionate contributions	<u>-</u>	<u>18,101</u>
Total	<u><u>\$ 208,705</u></u>	<u><u>\$ 18,101</u></u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

The Commission's contributions of \$108,046 made subsequent to the measurement date are reported as deferred outflows of resources for fiscal year ending June 30, 2025, and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2026	\$ 14,141
2027	79,510
2028	(5,899)
2029	(5,194)
Thereafter	<u>-</u>
Total	<u><u>\$ 82,558</u></u>

NOTE 6 – PENSIONS (Continued)**D. Actuarial Assumptions**

The total pension liability in the June 30, 2023 actuarial valuation, updated to June 30, 2024, was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Inflation	2.50%
Salary increases	2.75% plus merit component
COLA increases	2.40% for those eligible
Investment rate of return	6.75%, net of investment expense
Post-retirement mortality	Fully generational mortality improvement projection from base year 2017 using Scale MP-2020.

The actuarial assumptions used in the June 30, 2023, actuarial valuation, updated to the June 30 2024 valuation, were based on the results of an actuarial experience study for the period July 1, 2018 – June 30, 2021.

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Domestic Equities		
U.S. Large Cap	14.00%	3.93%
U.S. Small Cap	4.00%	4.51%
International Equities		
International Development	13.00%	3.75%
Emerging Market Equity	5.00%	6.27%
U.S. Fixed Income		
Core Fixed Income	7.00%	2.94%
U.S. Treasury	6.00%	1.67%
U.S. TIPS	4.00%	1.98%
Public Credit	4.00%	3.64%
Real Estate		
Core	6.50%	3.36%
Value-Add	6.00%	4.48%
Risk Parity	4.00%	3.81%
Absolute Return	5.00%	6.24%
Private Equity	5.00%	6.03%
Private Credit	8.00%	4.56%
Infrastructure	7.50%	3.75%
Cash	1.00%	0.74%

E. Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 6 – PENSIONS (Continued)

F. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the County's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as the Commission's proportionate share of the County's proportionate share of the net pension liability if it were calculated using a discount rate that is 1 percent lower (5.75%) or 1 percent higher (7.75%) than the current rate, as follows:

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Commission's proportionate share of the County's proportionate share of the net pension liability	\$ 1,091,169	\$ 672,036	\$ 327,540

G. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued StanCERA ACFR.

NOTE 7 – FUND BALANCES

In accordance with GASB Statement No. 54, fund balances are reserved for amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use. Commitments of fund balance represent uses of funds for a specific purpose that require the Board of Commissioners action for initiation, modification, and removal. Assignment of fund balance represents managements plans that are subject to change. Fund balances have been committed for the following purposes:

- **Budget Reserve Account** represents an amount the Commission has established, as a contingency fund, of which no funds will be spent without prior Commission approval.
- **Contracts Approved and Executed** represents amounts that the Commission has authorized, entered into an agreement, and has been executed.

NOTE 8 – 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.

Risk management expenditures during the fiscal year ended June 30, 2025, are as follows:

General liability insurance	\$ 5,590
Unemployment insurance	390
Workers' compensation insurance	1,966
Health insurance	17,276
Total risk management expenditures	<u>\$ 25,222</u>

NOTE 9 – EVALUATION EXPENDITURES

The Commission spent \$5,842 on program evaluation during the fiscal year ended June 30, 2025.

NOTE 10 – ECONOMIC DEPENDENCY AND REVENUE CONCENTRATION

The Commission receives a significant portion of its revenues from Proposition 10 and Proposition 56 tobacco tax allocations, which are collected by the State of California and distributed to county commissions based on birth rates. These codes impose additional taxes on the sale of cigarettes and tobacco products. Proposition 10 and Proposition 56 funding represented approximately 78% of the Commission's total revenues for the year ended June 30, 2025.

Because these revenues represent a significant funding source for the Commission, its ability to continue providing services is highly dependent on the continued collection and allocation of Proposition 10 funds. Future declines in tobacco product consumption, changes in legislation affecting tobacco taxation, or modifications to the State's allocation methodology could result in reduced revenues. A significant reduction in Proposition 10 and Proposition 56 funding may adversely affect the Commission's ability to sustain current program levels or initiate new services.

NOTE 11 – LEASE LIABILITY

The Commission entered into a building lease agreement to house the operations of the Commission at 930 15th Street, Modesto, CA. The lease commenced on December 1, 2014, and terminated on February 28, 2021. The lease had an option to renew at the end of the first lease period. The lease was renewed on March 1, 2021, and will terminate on February 28, 2026. The Commission has the option to extend the terms of the lease for a period of two years from the expiration of the initial term. If the option to extend is exercised, the monthly payment will be \$2,987 from March 1, 2026, through February 29, 2028. Lease expense for the year ended June 30, 2025, was \$35,068. Interest expense for the year ending June 30, 2025, was \$86. Lease liability was recognized as part of the implementation of GASB Statement No. 87, *Leases*. Future minimum lease and interest payments for the lease liability are as follow:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2026	\$ 23,882	\$ 18	\$ 23,900
	<u>\$ 23,882</u>	<u>\$ 18</u>	<u>\$ 23,900</u>

NOTE 12 – RESTATEMENT OF PRIOR PERIOD NET POSITION

During the fiscal year 2025, the Commission implemented GASB Statement No. 101, *Compensated Absences* which requires governments to recognize a liability for certain types of compensated absences when the benefits are earned, rather than when leave is taken or paid.

As a result of this implementation, the June 30, 2024, ending net position of governmental activities was reduced by \$8,449. Accordingly, the 2024 comparative amounts presented in these financial statements have been restated to allow for year-over-year comparison. This restatement is reported as a change in accounting principle in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*.

NOTE 12 – RESTATEMENT OF PRIOR PERIOD NET POSITION (Continued)

The effect of the restatement is summarized below:

	<u>Governmental Activities</u>
Net position, June 30, 2024 (as previously reported)	\$ 15,020,933
Restatement for implementation of GASB Statement No. 101	<u>(8,449)</u>
Net position, June 30, 2024 (as restated)	<u>\$ 15,012,484</u>

The restatement for prior year transactions relates to adjustments identified during the fiscal year 2024 review process and does not reflect a change in accounting principle.

NOTE 13 – RELATED PARTY TRANSACTIONS

The required composition of the Commission Membership includes members from the Board of Supervisors, a County Health Officer, County Department Heads, a representative of a local school district and community representatives.

The Commission entered into a memorandum of understanding with the County of Stanislaus Chief Executive Office (County CEO) to dedicate \$1,000,000 of American Rescue Plan Act (ARPA) funds to the Commission to be used solely to fund the Entrepreneurship Childcare Program. Expenditures of leverage funding this program were \$95,000 for the year ended June 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE
COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2025
LAST 10 YEARS

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Commission's proportion of the County's proportion of the net pension liability	0.10%	0.09%	0.08%	0.13%	0.13%
Commission's proportionate share of the County's proportionate share of the net pension liability	\$ 672,036	\$ 710,016	\$ 577,142	\$ 501,265	\$ 972,196
Commission's covered-employee payroll	\$ 307,434	\$ 285,695	\$ 240,749	\$ 272,011	\$ 279,769
Commission's proportionate share of the County's proportionate share of the proportionate share of the net pension liability as a percentage of its covered-employee payroll	218.60%	248.52%	239.73%	184.28%	347.50%
Plan's fiduciary net position	\$ 2,874,285,000	\$ 2,661,833,729	\$ 2,526,425,344	\$ 2,730,597,870	\$ 2,205,866,239
Plan fiduciary net position as a percentage of the total pension liability	78.50%	76.00%	77.40%	86.50%	73.00%
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Commission's proportion of the County's proportion of the net pension liability	0.13%	0.12%	0.12%	0.10%	0.10%
Commission's proportionate share of the County's proportionate share of the net pension liability	\$ 775,929	\$ 718,274	\$ 706,274	\$ 649,408	\$ 291,028
Commission's covered-employee payroll	\$ 258,944	\$ 235,034	\$ 272,220	\$ 211,089	\$ 263,665
Commission's proportionate share of the County's proportionate share of the proportionate share of the net pension liability as a percentage of its covered-employee payroll	299.65%	305.60%	259.45%	307.65%	110.38%
Plan's fiduciary net position	\$ 2,208,241,432	\$ 2,126,960,745	\$ 1,994,223,311	\$ 1,772,913,713	\$ 1,832,604,204
Plan fiduciary net position as a percentage of the total pension liability	77.00%	76.70%	74.98%	70.63%	86.10%

STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
SCHEDULE OF THE COMMISSION'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2025
LAST 10 YEARS

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Contractually Required Contribution (Actuarially Determined)	\$ 99,104	\$ 88,842	\$ 78,799	\$ 72,717	\$ 67,783
Contributions in Relation to the Actuarially Determined Contributions	<u>99,767</u>	<u>88,747</u>	<u>79,113</u>	<u>111,213</u>	<u>106,732</u>
Contribution Deficiency (Excess)	<u>\$ (663)</u>	<u>\$ 95</u>	<u>\$ (314)</u>	<u>\$ (38,496)</u>	<u>\$ (38,949)</u>
Covered-Employee Payroll	\$ 307,434	\$ 285,695	\$ 240,749	\$ 272,011	\$ 279,769
Contributions as a Percentage of Covered- Employee Payroll	32.45%	31.06%	32.86%	40.89%	38.15%
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Contractually Required Contribution (Actuarially Determined)	\$ 58,937	\$ 56,535	\$ 66,908	\$ 51,259	\$ 53,096
Contributions in Relation to the Actuarially Determined Contributions	<u>98,027</u>	<u>82,251</u>	<u>66,649</u>	<u>51,349</u>	<u>52,809</u>
Contribution Deficiency (Excess)	<u>\$ (39,090)</u>	<u>\$ (25,716)</u>	<u>\$ 259</u>	<u>\$ (90)</u>	<u>\$ 287</u>
Covered-Employee Payroll	\$ 258,944	\$ 235,034	\$ 272,220	\$ 211,089	\$ 263,665
Contributions as a Percentage of Covered- Employee Payroll	37.86%	35.00%	24.48%	24.33%	20.03%

COMPLIANCE SECTION

**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**

Commission Members
Stanislaus County Children and Families Commission
Modesto, 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 the major fund of the Stanislaus County Children and Families Commission (the Commission), a discretely presented component unit of the County of Stanislaus, California, as of and for the year ended June 30, 2025, the budgetary comparison statement for the governmental fund, 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 13, 2025.

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 opinion 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 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 have not been identified.

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

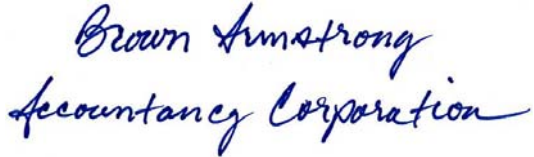
effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Stockton, California
October 13, 2025

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Commission Members
Stanislaus County Children and Families Commission
Modesto, California

Report on Compliance

Opinion

We have audited the Stanislaus County Children and Families Commission (the Commission) compliance with the requirements specified in the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2025.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2025.

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether the material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of

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

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

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

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

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

Report on Internal Control over Compliance

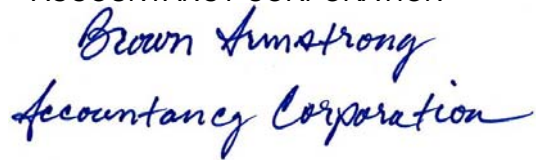
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness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

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

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

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Stockton, California
October 13, 2025



Local Annual Report
Fiscal Year 2024-2025



Annual Report AR-1

Stanislaus Revenue and Expenditure Summary

July 1, 2024 - June 30, 2025

Revenue Detail

Category	Amount
Tobacco Tax Funds	\$3,613,072
IMPACT Legacy	\$0
Small Population County Augmentation Funds	\$0
Home Visiting Coordination Funds	\$0
Other First 5 California Funds	\$0
Other First 5 California Funds Description	
Other Public Funds	\$95,000
Other Public Funds Description Pass through ARPA funding from Stanislaus County for reimbursement of an Administrative MOU for a Childcare Entrepreneurship Program.	
Donations	\$18,900
Revenue From Interest Earned	\$793,406
Grants	\$100,000
Grants Description Represents the second installment of a 3-year grant from Sunlight Giving.	
Other Funds	\$0
Other Funds	
Total Revenue	\$4,620,378

Improved Family Support

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Family Support	CBO/Non-Profit	Core Operating Support	4400	5557	0	\$1,371,634
Reason for no population served: Providers not served through these services						
General Family Support	County Office of Education/School District	Core Operating Support	1548	1674	0	\$290,775
Reason for no population served: Providers not served through these services						
Family Literacy and Book Programs	First 5 County Commission	Kit for New Parents	0	139	0	\$0
Reason for no population served: Kit for New Parents is given to parents and not children/providers						
Family Literacy and Book Programs	County Office of Education/School District	Dolly Parton's Imagination Library	446	638	0	\$0
Reason for no population served: Providers not served through these services						
					Total	\$1,662,409

Improved Child Development

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
Quality Early Learning and Care Supports	First 5 County Commission	Not Applicable (Early Care & Education Conference)	0	0	372	\$4,516
Reason for no population served: Children & Caregivers are not served through this service.						
Quality Early Learning and Care Supports	CBO/Non-Profit	Not Applicable (Nurture)	0	0	19	\$95,000
Reason for no population served: Children & Caregivers are not served through this service.						
					Total	\$99,516

Improved Child Health

Service	Grantee	Program(s)	Children	Caregivers	Providers	Unique Families	Amount
General Health Education and Promotion	CBO/Non-Profit	Safety Education	332	332	0	0	\$25,000
Reason for no population served: Providers not served through these services							
Total							\$25,000

Improved Systems Of Care

Service	Grantee	Program(s)	Amount
Policy and Public Advocacy	First 5 County Commission	Not Applicable (StanCo DCSS Partnership - KidsConnect!)	\$2,540
Systems Building	CBO/Non-Profit	Not Applicable (PlanetBaby! Technical Assistance)	\$6,356
Systems Building	CBO/Non-Profit	Not Applicable (Abriendo Puertas)	\$39,649
Systems Building	First 5 County Commission	Not Applicable (Other Program Support)	\$334,934
Systems Building	Other Private/For Profit	Not Applicable (Vanessa Audelo - Nurturing Parenting)	\$3,750
Total			\$387,229

Expenditure Details

Category	Amount
Program Expenditures	\$2,174,154
Administrative Expenditures	\$431,182
Evaluation Expenditures	\$5,842
Total Expenditures	\$2,611,178
Excess (Deficiency) Of Revenues Over (Under) Expenses	\$2,009,200

Other Financing Details

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

Net Change in Fund Balance

Category	Amount
Fund Balance - Beginning	\$15,506,077
Fund Balance - Ending	\$17,515,277
Net Change In Fund Balance	\$2,009,200

Fiscal Year Fund Balance

Category	Amount
Nonspendable	\$0
Restricted	\$0
Committed	\$2,168,652
Assigned	\$15,346,625
Unassigned	\$0
Total Fund Balance	\$17,515,277

Expenditure Note

No data entered for this section as of 10/22/2025 3:56:44 PM.



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

Population Served

Category	Number
Children Less than 3 Years Old	3,214
Children from 3rd to 6th Birthday	2,819
Providers	391
Primary Caregivers	8,340
Children – Ages Unknown (birth to 6th Birthday)	693
Total Population Served	15,457

Primary Language Spoken in Home

Category	Number of Children	Number of Primary Caregivers
English	2,460	3,824
Other - Specify with text box Hmong	2	1
Mandarin	1	2
Spanish	1,791	3,255
Other - Specify with text box not specified	247	415
Unknown	2,225	843
Totals	6,726	8,340

Race and/or Ethnicity of Population Served

Category	Number of Children	Number of Primary Caregivers
Alaska Native/American Indian	15	41
Asian	52	83
Black/African-American	153	236
Hispanic/Latino	2,794	4,878
Native Hawaiian or Other Pacific Islander	8	13
White	569	822
Other – Specify with text box not specified	542	551
Two or more races	211	229
Unknown	2,382	1,487
Totals	6,726	8,340

Duplication Assessment

Category	Data
Degree of Duplication	10%
Confidence in Data	Moderately confident
Additional Details (Optional)	



Annual Report AR-3

Stanislaus County Evaluation Summary and Highlights

July 1, 2024 - June 30, 2025

County Evaluation Summary

Evaluation Activities Completed, Findings, and Policy Impact

Program evaluation is vital for ensuring that programs funded by First 5 Stanislaus effectively and efficiently achieve their intended outcomes, ultimately helping to fulfill the community goals outlined in the Strategic Plan. This evaluation process occurs throughout the fiscal year and utilizes a mixed-methods approach, gathering data from various sources to provide a comprehensive view of each funded program's impact, including effective and ineffective practices, effects on children, families, and communities, and associated costs and benefits. The Strategic Plan serves as the guiding framework for the evaluation cycle each fiscal year, detailing First 5 Stanislaus' goals, objectives, and strategies. Activities and expected outcomes of each funded program are designed to align with specific goals in the Strategic Plan, as outlined in their Scope of Work (SOW) developed at the start of the fiscal year. The SOW forms the basis for each program's SCOARRS (Stanislaus County Outcomes and Results Reporting Scorecard), which documents anticipated outcomes, services rendered, and individuals served. Both the SOW and SCOARRS are created with input from First 5 Stanislaus staff and program staff, ensuring that each program leverages its unique strengths to contribute to the overarching goals. These documents clearly articulate how resources will translate into results. Quantitative and qualitative data are gathered through the SCOARRS, providing a structured method for tracking and reporting data and outcomes. SCOARRS are submitted quarterly, facilitating effective monitoring of each program's performance. The data collected also allows programs to assess their successes, identify areas for improvement throughout the year, and adjust practices as necessary. Throughout the annual evaluation cycle, First 5 Stanislaus and the programs continuously assess service delivery using both qualitative and quantitative methods. A range of tools, such as pre/post tests, satisfaction surveys, intake forms, and screenings, are employed to collect program data. Programs report output and outcome data via SCOARRS and demographic information through an online data portal. First 5 staff review all submitted reports, budgets, invoices, and site visit summaries to evaluate the effectiveness of individual programs and overall progress toward First 5 Stanislaus' goals. Ongoing efforts to assess leveraging and collaboration are supported by data from the annual reports of individual programs. During the 2024-2025 fiscal year, First 5 staff evaluated programs funded in the 2023-2024 fiscal year, with results published in the 2023-2024 Annual Program Evaluation report available on the First 5 Stanislaus website (http://first5stan.org/all_reports.shtml). These evaluation results are one of several tools utilized by First 5 Stanislaus to guide funding decisions for the 2024-2025 fiscal year. The data gathered through the evaluation process aids First 5 Stanislaus in making informed decisions across various operational aspects, including budgeting (both short- and long-term), programming, and updates to the Strategic Plan. As revenue continues to decline, evaluation data will remain crucial for prioritizing services and allocating resources.

County Highlights

County Highlight

It is the mission of First 5 Stanislaus to be a catalyst to help give children and families the best start. In Fiscal Year 2024-2025, First 5 Stanislaus funded partners delivered services to the community that allowed 14,774 children, families, and early care education providers to remain connected to their support systems and basic needs when they were most needed. First 5 Stanislaus and its partners distributed supplies to assist families, including 139 new parent kits, 5,148 books and over 39,000 diapers. First 5 Stanislaus funded partners fostered the children and families they serve thrive in their communities. The parents of 6,394 children received family support services through countywide Family Resource Centers or other programs. Ninety-eight percent of pregnant and parenting women (125/128) reported less stress as a result of attending support group sessions during their pregnancy through their child's first year. During this fiscal year, our partnership with Imagination Library welcomed 446 new applicants, serving children aged 0-5 living in Stanislaus County. Ninety-seven percent of caregivers surveyed (340/351) gained an increase in skills and knowledge from attending parent education classes. 319 library cards were issued to children/families who participated in literacy services. The Ceres Community Baby Shower, held in May at the Center for Human Services' Ceres Partnership Family Resource Center, was a wonderful celebration of families and community connections! This event brought together 8 vendors and welcomed 79 participants—41 English speakers and 38 Spanish speakers. Hosted by First 5 Stanislaus, Ceres Partnership, WIC, and Health Plan of San Joaquin, the baby shower featured a variety of vendors including La Familia, Livingston Community Health, Safe Sleep, Safe Kids Stanislaus, Oral Health, Imagination Library, and many more. Expecting moms received height and weight screenings from WIC, while Health Plan of San Joaquin offered postpartum classes in both English and Spanish. Attendees were thrilled to receive giveaways such as strollers, bassinets, and gift baskets. Open to the Ceres WIC community, this event was a true example of strengthening community connections and supporting families during the early years. The 2024/2025 fiscal year marks the beginning of First 5 Stanislaus's new 2024-2029 Strategic Plan, building upon the foundation laid in our previous initiatives. This plan is designed to promote the importance of the first five years of life and strengthen community partner capacity through collaboration, funding, advocacy, and support to serve young children and their families so that every child in Stanislaus County thrives. Our focus areas include improved family functioning, child development, and systems of care, with a commitment to enhancing literacy, safety, and early childhood education. By fostering partnerships with local agencies and organizations, we aim to create a cohesive network that supports the well-being of children and families throughout the county. As we embark on this strategic journey, we are excited to continue our mission and look forward to the positive impact this plan will have on our community.