FIRST 5 STANISLAUS

Commission Meeting

October 27, 2026, 4:00 pm

Location:

SCOE- Board Room

1100 H Street

Modesto, CA 95354

Commission Meeting Notice

MEMBERS:

Vito Chiesa
County Supervisor

David Cooper
Chair
Community Representative

Daniel Diep, M.D.
Community Representative

Heather Duvall Health
Services Agency

Christine Huber
Community Services Agency

Tony Jordan
School Representative

Keri Magee
Vice Chair
Community Representative

Thea Papasozomenos, M.D.
Public Health Officer

Nelly Paredes-Walsborn, Ph.D.
Community Representative

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Shammy Karim, Ed.D.
Executive Director

Tuesday, October 27, 2026, 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 27, 2026, 4:00 PM
SCOE Board Room
1100 H Street, Modesto, CA 95354

1. Welcome & Introductions
2. Pledge of Allegiance
3. Announcement of Recusals[1]
4. Presentation
5. Public Comment Period (Limit of 5 minutes per person)
6. Consent Calendar A. Miscellaneous
    - A. Approval of the June 23, 2026, Commission Meeting Minutes
    - B. Approval of the October 12, 2026, Administrative Committee Meeting Minutes
        - a. Budget Summary Report as of June 30, 2026
        - b. Result Area Report as of June 30, 2026
    - C. Approval of the October 15, 2026, Operations Committee Meeting Minutes
    - D. Approval of the October 21, 2026, Executive Committee Meeting Minutes
    - E. Approval to Accept $40,000 from Sunlight Giving for the Garden Grant
7. Discussion
    - A. Discuss and Approve the 2027 First 5 Stanislaus Committee and Commission Meeting Dates
    - B. Discuss and Approve a One-Year Lease Agreement Extension with Dana Bosio, trustee, Richard Bosio Revocable Trust
    - C. Discuss and Approve a One-Year Agreement with Modesto City Schools 2026-2027 Contract for a Healthy Start Location
8. Public Hearing
    - A. Public Hearing Prior to Commission Consideration and Vote to Accept the First 5 Stanislaus 2025 – 2026 Annual Financial Audit Report
    - B. Public Hearing Prior to Commission Consideration and Vote to Accept the First 5 Stanislaus 2025 – 2026 Local Annual Report and Authorize Staff to Submit the Report to First 5 California
    - C. Public Hearing Prior to Commission Consideration and Vote to Accept the Amendments to the Policies and Procedures Manual
9. Correspondence
10. Commission Reports
11. Staff Reports
12. 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, June 23, 2026
Stanislaus County Office of Education - Board Room
1100 H Street, Modesto, California 95354

Commissioners Present:	Christine Huber (Chair), David Cooper (Vice-Chair), Dr. Nelly Paredes-Walsborn, Tony Jordan, Heather Duvall, Dr. Thea Papasozomenos, Keri Magee, Vito Chiesa and Dr. Daniel Diep
Commissioners Absent:	None
Staff Present:	Dr. Shameram Karim, Jasmine Gutierrez, and Teala Diaz
Counsel Present:	Sophia Ahmad

1. Christine Huber (Chair) called the meeting to order at 4:04 p.m. Commissioners introduced themselves.

2. Pledge of Allegiance was conducted.

3. Announcement of Commissioner Recusals – Commissioner Huber (Chair) informed the audience that some Commissioners would be recusing themselves during the sections of the contract approval process for item 8A.

4. Presentation - None

5. Public Comment Period (Limit of 5 minutes per person) – None

6. Consent Calendar – Magee/Diep (9,0) approved the Consent Calendar
   - A. Miscellaneous
     - a. Approval of the April 28, 2026, Commission Meeting Minutes
     - b. Approval of the June 08, 2026, Administrative Committee Meeting Minutes
     - c. Approval of the June 11, 2026, Operations Committee Meeting Minutes
     - d. Approval of the June 17, 2026, Executive Committee Meeting Minutes
     - e. Approval to Accept Previously Awarded $100,000 Grant from Sunlight Giving

Commissioner Chiesa suggested to send Sunlight Giving a thank you for their donations over the years.

7. Discussion Items
   - A. Cooper/Duvall (9,0) approved the election of Keri Magee as the Commission Vice Chair for Fiscal Year 2026-2027. (The Vice Chair will automatically become Chair on September 01, 2026, for a one-year term.)

Dr. Shammy Karim provided a presentation on the Fiscal Year 2026-2027 Budget, Long Range Financial Plan and Related Actions.

Commissioners Huber and Magee recused themselves from the meeting at 4:25 p.m. In Christine Huber's recusal, Commissioner Cooper served as the Chair.

8. Public Hearing
   A. Paredes-Walsborn/Diep (7/0) approved the Public Hearing to Consider Adoption of the Fiscal Year 2026-2027 Budget, Longe Range Financial Plan and Related Actions and approved Exhibits A's FRC Contracts 1-7 and Staff Recommendation #7 on pages 11 and 12 of the Agenda Packet and authorized the Executive Director to negotiate and execute the FRC Contracts.

Commissioners Huber and Magee returned to the meeting at 4:26 p.m. and Commissioner Huber resumed as the Chair.

Commissioner Jordan recused himself from the meeting at 4:27 p.m.

Cooper/Paredes-Walsborn (8/0) approved Exhibit B's FRC Contracts 1-5 and 10 and Staff recommendation #8 on pages 11 and 12 of the Agenda Packet and authorized the Executive Director to negotiate and execute the FRC Contracts.

Diep/Cooper (8/0) approved Exhibit B's FRC Contracts 6-9 on page 11 of the Agenda Packet and authorized the Executive Director to negotiate and execute the FRC Contracts.

Duvall/Paredes-Walsborn (8/0) approved staff recommendations 1-6 on page 12 of the Agenda Packet.

9. Commissioner Reports – None

10. Staff Reports - Executive Director Karim expressed appreciation to the team for their support across recruitment, accounting, and program-related functions. Executive Director Karim shared that per Commissioner request, she would be scheduling a Commission retreat later in the year to review funding priorities, community service needs, and future strategic directions.

11. Adjournment at 4:33 p.m.

FIRST 5 STANISLAUS
930 15th Street
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Community Representative

Daniel Diep, M.D. Community Representative

Heather Duvall
Health Services Agency

Christine Huber
Community Services Agency

Tony Jordan
School Representative

Keri Magee
Vice-Chair
Community Representative

Thea Papasozomenos, M.D.
Public Health Officer

Nelly Paredes-Walsborn, Ph.D. Community Representative

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Shammy Karim, Ed.D.
Executive Director

Administrative Committee

Monday, October 12, 2026

Commissioners Present: Dr. Daniel Diep, Nelly Paredes-Walsborn and Tony Jordan

Commissioners Absent:

Staff Present: Dr. Shammy Karim

Others Present: Chis Barnes

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

1. The Budget Summary report and result area report as of June 30, 2026, were presented. No action was taken.
2. First 5 Stanislaus applied for the Sunlight Giving Garden Grant that will be used to create the 0-5 area at the Children's Garden. First 5 was awarded $40,000. Staff will be asking the Commission to approve and accept the funds at the October Commission meeting. No action was taken.
3. Dr. Karim presented the proposed committee and commission meeting calendar for 2027. The calendar reflects that no meetings will be scheduled in January, July, August, or December. No action was taken.
4. Amendment to the Policy and Procedure Manual was presented by Dr. Karim. First 5 Stanislaus will be asking the Commission to vote and approve the amendments at the October Commission meeting. No action was taken.
5. Annual Fiscal Audit- Dr. Karim shared that the audit began in July which created additional demands alongside our year-end responsibilities. During this period, First 5's accountant position continued to remain vacant. The Auditor Controller's Office provided assistance but also faced staffing challenges and therefore were not able to thoroughly complete all First 5 tasks. Collectively, these factors contributed to items being missed and resulted in an audit finding. The finding relates to internal controls over year-end processes and ensuring that amounts are properly recorded in the correct fiscal year. First 5 will be working closely with the Auditor Controller's Office to develop written procedures and strengthen controls to ensure this does not occur again. No action was taken.
6. Dr. Karim presented the Commissioners with an overview of data comparing this Local Annual Report to the previous year. Dr. Karim shared that staff will be providing a presentation to the Commission on the 27th. No action was taken.
7. Dr. Karim shared that staff have asked for a one year extension for the 930 15th St. lease. No action was taken.
8. Dr. Karim shared that staff will be asking the Commission to approve a Healthy Start agreement with Modesto City School. This will be an additional site to the existing two sites for the remainder of this year. No action was taken.
9. Dr. Karim shared that staff released the First 5 newsletter for quarter 1. Dr. Karim asked Commissioners for feedback for future newsletters. No action was taken.

Adjournment at 12:45 p.m.

STANISLAUS COUNTY CHILDREN & FAMILIES COMMISSION
FISCAL YEAR 2025-2026
Budget Summary
Through June 30, 2026

	FY 25/26 Adopted Budget	FY 25/26 Legal Budget	Actual	Remaining Budget	% Actual to Budget
Beginning Fund Balance	$ 15,010,458		$ 17,486,534		
REVENUE					
Tobacco Tax Revenue	$ 3,517,566	$ 3,517,566	$ 3,490,175	$ 27,391	99%
Other State Revenue	$ -	-	$ -	$ -	0%
Other Federal Revenue	$ 500,000	500,000	$ 336,750	$ 163,250	67%
Misc. Revenue	$ 100,000	$ 100,000	$ 150,753	$ (50,753)	151%
Interest Revenue	$ 300,039	$ 300,039	$ 753,660	$ (453,621)	251%
TOTAL REVENUE	**$ 4,417,605**	**$4,417,605**	**$ 4,731,338**	**$ (313,733)**	**107%**
EXPENDITURES					
Program					
Result Areas*	$ 2,631,196	$ 2,631,196	$ 1,928,733	$ 702,463	73%
Contingency	$ 500,000	$ 500,000	$ -	$ 500,000	0%
Salaries & Benefits	$ 376,739	$ 376,739	$ 261,699	$ 115,040	69%
Services & Supplies	$ 660,969	$ 660,969	$ 284,709	$ 376,260	43%
Total Expenditures - Program	**$ 4,168,904**	**$ 4,168,904**	**$ 2,475,142**	**$ 1,693,762**	**59%**
Evaluation					
Salaries & Benefits	$ 41,859	$ 41,859	$ 25,130	$ 16,729	60%
Services & Supplies	$ 15,077	$ 15,077	$ 825	$ 14,252	5%
Total Expenditures - Evaluation	**$ 56,936**	**$ 56,936**	**$ 25,955**	**$ 30,981**	**46%**
Administration					
Salaries & Benefits	$ 418,597	$ 418,597	$ 328,624	$ 89,973	79%
Services & Supplies	$ 130,765	$ 130,765	$ 32,379	$ 98,386	25%
Total Expenditures - Administration**	**$ 549,362**	**$ 549,362**	**$ 361,004**	**$ 188,358**	**66%**
Total Expenditures	**$ 4,775,202**	**$ 4,775,202**	**$ 2,862,100**	**$ 1,913,101**	**60%**
NET INCREASE (DECREASE) TO FUND BALANCE	**$ (357,597)**	**$ (357,597)**	**$ 1,869,237**		
ENDING FUND BALANCE	**$ 14,652,861**		**$ 19,355,771**		

First 5 Stanislaus

Result Areas Report

YTD Totals through June 30, 2026

	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)*	$ 222,838	$ 175,623	$ 47,215	79%
Sierra Vista Children and Fam. Svcs *(Hughson FRC)*	$ 222,838	$ 129,187	$ 93,651	58%
Sierra Vista Children and Fam. Svcs *(N. Modesto/Salida FRC)*	$ 215,744	$ 134,051	$ 81,693	62%
Center for Human Svcs *(Oakdale/Riverbank FRC)*	$ 215,744	$ 180,761	$ 34,983	84%
Parent Resource Center *(Central Modesto FRC)*	$ 133,968	$ 89,022	$ 44,946	66%
Aspiranet *(Turlock FRC)*	$ 215,744	$ 170,049	$ 45,695	79%
Center for Human Svcs *(Patterson FRC)*	$ 215,744	$ 194,505	$ 21,239	90%
Sierra Vista Children and Fam. Svsc (*C. Modesto FRC*)	$ 187,556	$ 110,425	$ 77,131	59%
Healthy Starts:				
Modesto City Schools - Orville, Franklin, Robertson Rd	$ 165,000	$ 165,000	$ -	100%
Ceres Unified	$ 50,000	$ 50,000	$ -	100%
Waterford Unified	$ 50,000	$ 50,000	$ -	100%
Hughson Unified	$ 50,000	$ 50,000	$ -	100%
Total Area 1:	**$ 1,985,176**	**$ 1,538,623**	**$ 446,553**	**78%**
RESULT AREA 2: Improved Child Development (Child Development Services)				
Quality Early Learning Support				
Early Care and Education Conference	$ 20,000	$ 1,127	$ 18,873	6%
Early Care and Education Conference - Spanish	$ 20,000	$ 1,127	$ 18,873	6%
Childcare Entrepreneurship Program	$ 500,000	$ 297,500	$ 202,500	60%
Total Area 2:	**$ 540,000**	**$ 299,753**	**$ 240,247**	**56%**
RESULT AREA 3: Improved Health (Health Education and Services)				
Prenatal & Infant Home Visiting	*Other; County Health & Human Services*			
StanCo Pal - Safe Kids Stanislaus	$ 25,000	$ 25,000	$ -	100%
Total Area 3:	**$ 25,000**	**$ 25,000**	**$ -**	**100%**
RESULT AREA 4: Improved Systems of Care				
System Building				
CBO/non-profit, Other Private/For Profit				
Tides Center dba Abriendo Puertas	$ 15,000	$ 11,094	$ 3,906	74%
StanCo DCSS Partnership - KidsConnect!	$ 2,670	$ 2,832	$ (162)	106%
Vanessa Aduelo	$ 25,000	$ 6,150	$ 18,850	25%
Modesto Nuts	$ 5,000	$ 5,000	$ -	100%
ASQ Online - Brooks	$ 3,550	$ 19,141	$ (15,591)	539%
Neighborly	$ 4,800	$ 5,040	$ (240)	105%
SCOE Training	$ 25,000	$ 16,100	$ 8,900	64%
Total Area 4:	**$ 81,020**	**$ 65,358**	**$ 15,662**	**81%**
Result Area Total	**$ 2,631,196**	**$ 1,928,733**	**$ 702,463**	
ADJUSTED PROGRAM CONTRACT EXPENDITURES*	**$ 2,591,196**	**$ 1,926,480**	**$ 462,216**	**74%**

** Adjusted Program Contract Expenditures does not include ECE Conference Costs*

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Shammy Karim, Ed.D.
Executive Director

Operations Committee

Thursday, October 15, 2026

Commissioners Present: Dave Cooper

Commissioners Absent: Thea Papasozomenos, Christine Huber, and Heather Duvall

Staff Present: Dr. Shammy Karim

Others Present: Chis Barnes

Meeting was called to order at 11:50 p.m.

1. The Budget Summary report and result area report as of June 30, 2026, were presented. No action was taken.
2. First 5 Stanislaus applied for the Sunlight Giving Garden Grant that will be used to create the 0-5 area at the Children's Garden. First 5 was awarded $40,000. Staff will be asking the Commission to approve and accept the funds at the October Commission meeting. No action was taken.
3. Dr. Karim presented the proposed committee and commission meeting calendar for 2027. The calendar reflects that no meetings will be scheduled in January, July, August, or December. No action was taken.
4. Amendment to the Policy and Procedure Manual was presented by Dr. Karim. First 5 Stanislaus will be asking the Commission to vote and approve the amendments at the October Commission meeting. No action was taken.
5. Annual Fiscal Audit- Dr. Karim shared that the audit began in July which created additional demands alongside our year-end responsibilities. During this period, First 5's accountant position continued to remain vacant. The Auditor Controller's Office provided assistance but also faced staffing challenges and therefore were not able to thoroughly complete all First 5 tasks. Collectively, these factors contributed to items being missed and resulted in an audit finding. The finding relates to internal controls over year-end processes and ensuring that amounts are properly recorded in the correct fiscal year. First 5 will be working closely with the Auditor Controller's Office to develop written procedures and strengthen controls to ensure this does not occur again. No action was taken.
6. Dr. Karim presented the Commissioners with an overview of data comparing this Local Annual Report to the previous year. Dr. Karim shared that staff will be providing a presentation to the Commission on the 27th. No action was taken.
7. Dr. Karim shared that staff have asked for a one year extension for the 930 15th St. lease. No action was taken.
8. Dr. Karim shared that staff will be asking the Commission to approve a Healthy Start agreement with Modesto City School. This will be an additional site to the existing two sites for the remainder of this year. No action was taken.
9. Dr. Karim shared that staff released the First 5 newsletter for quarter 1. Dr. Karim asked Commissioners for feedback for future newsletters. No action was taken.

Adjournment at 1:08 p.m.

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Shammy Karim, Ed.D.
Executive Director

Executive Committee

Wednesday, October 21, 2026

Commissioners Present: Keri Magee

Commissioners Absent: Dave Cooper, and Vito Chiesa

Staff Present: Dr. Shammy Karim

Others Present: Chis Barnes

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

1. The Budget Summary report and result area report as of June 30, 2026, were presented. No action was taken.
2. First 5 Stanislaus applied for the Sunlight Giving Garden Grant that will be used to create the 0-5 area at the Children's Garden. First 5 was awarded $40,000. Staff will be asking the Commission to approve and accept the funds at the October Commission meeting. No action was taken.
3. Dr. Karim presented the proposed committee and commission meeting calendar for 2027. The calendar reflects that no meetings will be scheduled in January, July, August, or December. No action was taken.
4. Amendment to the Policy and Procedure Manual was presented by Dr. Karim. First 5 Stanislaus will be asking the Commission to vote and approve the amendments at the October Commission meeting. No action was taken.
5. Annual Fiscal Audit- Dr. Karim shared that the audit began in July which created additional demands alongside our year-end responsibilities. During this period, First 5's accountant position continued to remain vacant. The Auditor Controller's Office provided assistance but also faced staffing challenges and therefore were not able to thoroughly complete all First 5 tasks. Collectively, these factors contributed to items being missed and resulted in an audit finding. The finding relates to internal controls over year-end processes and ensuring that amounts are properly recorded in the correct fiscal year. First 5 will be working closely with the Auditor Controller's Office to develop written procedures and strengthen controls to ensure this does not occur again. No action was taken.
6. Dr. Karim presented the Commissioners with an overview of data comparing this Local Annual Report to the previous year. Dr. Karim shared that staff will be providing a presentation to the Commission on the 27th. No action was taken.
7. Dr. Karim shared that staff have asked for a one year extension for the 930 15th St. lease. No action was taken.
8. Dr. Karim shared that staff will be asking the Commission to approve a Healthy Start agreement with Modesto City School. This will be an additional site to the existing two sites for the remainder of this year. No action was taken.
9. Dr. Karim shared that staff released the First 5 newsletter for quarter 1. Dr. Karim asked Commissioners for feedback for future newsletters. No action was taken.

Adjournment at 1:05 p.m.

COMMITTEE ROUTING	
Administrative/Finance	☒
Operations	☒
Executive	☒

ACTION AGENDA SUMMARY

AGENDA DATE: October 27, 2026 COMMISSION AGENDA #: 6.E.

SUBJECT: Approval to Accept $40,000 Grant Award from Sunlight Giving for the Garden Grant

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 applied for a Garden Grant to support the Children's Garden with creating a 0-5 area. First 5 Stanislaus has been awarded a one-time grant of $40,000. The payment was received on August 24, 2026.

Staff are asking the Commission approve receipt and accept the $40,000 grant award from Sunlight Giving received on August 24, 2026. 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 12th, October 15th, October 21st.

STAFF RECOMMENDATIONS:

1. Approve receipt of the grant award from Sunlight Giving in the amount of $40,000 for the Garden Grant

FISCAL IMPACT:

Acceptance of the $40,000 grant award will support the work of First 5 Stanislaus.

COMMISSION ACTION:

On motion of Commissioner Jordan, seconded by Commissioner Duvall
And approved by the following vote: (7/0)
Ayes: Commissioner(s): 7
Noes: Commissioner(s): 0
Excused or Absent Commissioner(s): Dr. Daniel Diep and Nelly Paredes-Walsborn
Abstaining: Commissioner(s):

1) ✓ Approved as recommended.
2) ____ Denied.
3) ____ Approved as amended.

Motion: Passed (7/0)

Attest: _____

Teala Diaz, Confidential Assistant IV

COMMITTEE ROUTING	
Administrative/Finance	☒
Operations	☒
Executive	☒

ACTION AGENDA SUMMARY

AGENDA DATE: October 27, 2026 COMMISSION AGENDA#: 7.A.

SUBJECT:

Approval of the 2027 Meeting Dates for the First 5 Stanislaus Committees and Commission

BACKGROUND:

Each year, the Commission approves meeting dates for the following calendar year. The proposed dates for 2027 are presented for consideration of the Commission.

The Administrative, Operations, and Executive Committees heard this item at their meeting on October 12th, 15th, and 21st.

STAFF RECOMMENDATIONS:

1. Approve the 2027 Meeting Dates for the First 5 Stanislaus Committees and Commission.

FISCAL IMPACT:

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

COMMISSION ACTION:

On motion of Commissioner Huber, seconded by Commissioner Magee
And approved by the following vote: (7/0)
Ayes: Commissioner(s): 7
Noes: Commissioner(s): 0
Excused or Absent Commissioner(s): Dr. Daniel Diep and Nelly Paredes-Walsborn
Abstaining: Commissioner(s):
1) ✓ Approved as recommended.
2) _____ Denied.
3) _____ Approved as amended.

Motion: Passed (7/0)

Attest: _____

Teala Diaz, Confidential Assistant IV

FIRST 5 STANISLAUS

2027

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						

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						

March

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	

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					

June

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

August

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29	30	31				

September

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October

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31						

November

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28	29	30				

December

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26	27	28	29	30	31	

Administrative Committee (noon)

Operations Committee (noon)

Executive Committee (noon)

Commission Meeting (4:oo p.m.)

Holiday - Office Closed

Meeting locations will be announced at www.First5Stan.org

COMMITTEE ROUTING	
Administrative/Finance	☒
Operations	☒
Executive	☒

FIRST 5 STANISLAUS

ACTION AGENDA SUMMARY

AGENDA DATE: October 27, 2026 COMMISSION AGENDA #: 7.B.

SUBJECT:

Approval to extend the existing Lease Agreement with Dana Bosio, Trustee of the Richard Bosio 2012 Revocable Trust for First 5 Stanislaus Office Space for an additional year

BACKGROUND:

First 5 Stanislaus has exercised its option to extend the current lease for an additional year. The extension would be effective through February 28, 2028.

Staff recommend that the Commission approve a one-year extension for continued office space at 930 15th Street in Modesto. The extended lease rate will remain at $3,286.23 per month, plus utilities, for approximately 3,200 square feet of office space.

The Administrative and Finance Committee, the Operations Committee and the Executive Committee were informed of this at their respective meetings on October 12th, October 15th, and October 21st.

STAFF RECOMMENDATIONS:

1. Authorize the Executive Director to negotiate and execute a one-year lease extension for office space at 930 15th Street.

FISCAL IMPACT:

This agreement is projected at an annual cost of $39,434.76.

COMMISSION ACTION:

On motion of Commissioner Magee, seconded by Commissioner Jordan
And approved by the following vote: (7/0)
Ayes: Commissioner(s): 7
Noes: Commissioner(s): 0
Excused or Absent Commissioner(s): Dr. Daniel Diep and Nelly Paredes-Walsborn
Abstaining: Commissioner(s):
1) ✓ Approved as recommended.
2) _____ Denied.
3) _____ Approved as amended.

Motion: Passed (7/0)

Attest: _____

Teala Diaz, Confidential Assistant IV

COMMITTEE ROUTING	
Administrative/Finance	☒
Operations	☒
Executive	☒

FIRST 5 STANISLAUS

ACTION AGENDA SUMMARY

AGENDA DATE: October 27, 2026 COMMISSION AGENDA #: 7.C.

SUBJECT:
Approval to Negotiate and Execute a One Year Agreement with Modesto City Schools for a Healthy Start Program

BACKGROUND:
The Mission Statement of First 5 Stanislaus is "Promote the importance of the first five years of life and strengthen community partner capacity through collaboration, funding, and support to serve young children and their families so that every child in Stanislaus County thrives." Investment for First 5 is guided by the First 5 Stanislaus Strategic Plan 2024-2029. As part of its strategies, First 5 targets investment in partner organizations to help advance the strategies, goals, and objectives of the Strategic Plan. First 5 funds organizations to implement strategies to support the work identified in the Strategic Plan.

First 5 staff are recommending a one-year contract with Modesto City Schools for operating an additional Healthy Start Program through the 2026-2027 school year. The Commission previously approved Modesto City Schools operating two Healthy Start Programs currently funded by First 5 Stanislaus. This would be an additional site.

Modesto City Schools operates the Healthy Start Program which provides a variety of services focused on enhancing parenting practices and behaviors, such as developing and practicing positive discipline techniques, learning age-appropriate child development skills and milestones (specifically ready for kindergarten), promoting positive play and interaction between parents and children.

It is recommended a one-year agreement not to exceed $55,000 be approved for Fiscal Year 2026-2027 as well as all staff recommendations.

The Administrative and Finance Committee, the Operations Committee and the Executive Committee were informed of this at their respective meetings on October 12th, October 15th, and October 21st.

STAFF RECOMMENDATIONS:
1. Authorize the Executive Director to negotiate and execute an agreement with Modesto City Schools to provide an additional Healthy Start Program for a not to exceed amount of $55,000 for the remaining Fiscal Year 2026-2027.
2. Authorize staff to make the necessary technical and budget adjustments associated with this agreement.

FISCAL IMPACT:
The approved one-year agreement for Fiscal Year 2026-2027 for amount not to exceed $55,000.

COMMISSION ACTION:
On motion of Commissioner Duvall, seconded by Commissioner Papasozomenos
And approved by the following vote: (7/0)
Ayes: Commissioner(s): 7
Noes: Commissioner(s): 0
Excused or Absent Commissioner(s): Dr. Daniel Diep and Nelly Paredes-Walsborn
Abstaining: Commissioner(s):
1) ✓ Approved as recommended.
2) _____ Denied.
3) _____ Approved as amended.

Motion: Passed (7/0)

Attest: _____

Teala Diaz, Confidential Assistant IV

COMMITTEE ROUTING	
Administrative/Finance	☒
Operations	☒
Executive	☒

ACTION AGENDA SUMMARY

AGENDA DATE: October 27, 2026 COMMISSION AGENDA #: 8.A. (PUBLIC HEARING)

SUBJECT:

Public Hearing to Consider the Acceptance of the First 5 Stanislaus 2025-2026 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 2025-2026 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, 2026, 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 a significant deficiency in internal controls. 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 27, 2026, 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 2025-2026 Audit Report at their respective meetings on October 12th, October 15th, and October 21st.

STAFF RECOMMENDATIONS:

1. Conduct a public hearing to consider acceptance of the First 5 Stanislaus 2025-2026 Financial Audit Report prepared by Brown Armstrong Accountancy Corporation.
2. Accept the First 5 Stanislaus 2025-2026 Financial Audit Report.

FISCAL IMPACT:

Brown Armstrong Accountancy Corporation shall be compensated for the services provided effective July 1, 2026, through June 30, 2028, as follows:

1. 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 Duvall, seconded by Commissioner Magee
And approved by the following vote: (7/0)
Ayes: Commissioner(s): 7
Noes: Commissioner(s): 0
Excused or Absent Commissioner(s): Dr. Daniel Diep and Nelly Paredes-Walsborn
Abstaining: Commissioner(s):

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

Motion: Passed (7/0)

Attest: _____

Teala Diaz, Confidential Assistant IV

COMMITTEE ROUTING	
Administrative/Finance	☒
Operations	☒
Executive	☒

ACTION AGENDA SUMMARY

AGENDA DATE: October 27, 2026 COMMISSION AGENDA #: 8.B. (PUBLIC HEARING)

SUBJECT:

Public Hearing on the 2025-2026 Local Annual Report and Authorization for Staff to Submit the Full 2025-2026 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.

2025-2026 Summary

No substantive changes were made by First 5 California to the reporting categories of the Annual Report for Fiscal Year 2025-2026.

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 at their respective meetings on October 12th, October 15th, and October 21st.

STAFF RECOMMENDATIONS:

1. Conduct a public hearing on the 2025-2026 Local Annual Report.
2. Accept the 2025-2026 Local Annual Report and authorize staff to submit the report to First 5 California.

FISCAL IMPACT:

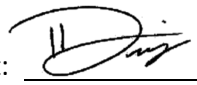
There is no fiscal impact associated with the approval of this agenda item.

COMMISSION ACTION:

On motion of Commissioner Chiesa, seconded by Commissioner Duvall
And approved by the following vote: (7/0)
Ayes: Commissioner(s): 7
Noes: Commissioner(s): 0
Excused or Absent Commissioner(s): Dr. Daniel Diep and Nelly Paredes-Walsborn
Abstaining: Commissioner(s):

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

Motion: Passed (7/0)

Attest: 

Teala Diaz – Confidential Assistant IV

COMMITTEE ROUTING	
Administrative/Finance	☒
Operations	☒
Executive	☒

ACTION AGENDA SUMMARY

AGENDA DATE: October 27, 2026 COMMISSION AGENDA #: 8.C. (PUBLIC HEARING)

SUBJECT:

Public Hearing to Consider Approval of Amendments to the Policies and Procedures Manual and Adoption of the Policies and Procedures Manual

BACKGROUND:

The Children and Families Commission has approved Policies and Procedures Manual to govern Commission and contractor operations. The current manual can be found on the First 5 Stanislaus website on the Commission information page: http://www.first5stan.org/commission.shtm. Staff periodically review the Manual and recommended changes are brought to the Commission for consideration. Changes are recommended for approval to Sections 1-7, 200-207, 400-409, 500-509, 600-605 (See attached).

If Staff recommendations are approved by the Commission, the Policy and Procedure Manual will be updated to reflect the policy revisions as well as other minor, non-substantive modifications such as numbering and formatting as needed.

The Administrative and Financial Committee, Operations Committee, and Executive Committee were updated on the changes at their respective meetings on October 12th, October 15th, October 21st.

STAFF RECOMMENDATIONS:

1. Conduct a public hearing on the recommended revisions to the Policies and Procedures Manual.
2. Adopt the Policies and Procedures Manual changes as presented.
3. Adopt the Policies and Procedures Manual in its entirety.
4. Authorize staff to make changes to the Policies and Procedures Manual and to place the Manual on the First 5 Stanislaus website.

FISCAL IMPACT:

There is no direct fiscal impact associated with this agenda item.

COMMISSION ACTION:

On motion of Commissioner Magee, seconded by Commissioner Papasozomenos
And approved by the following vote: (6/0)
Ayes: Commissioner(s): 6
Noes: Commissioner(s): 0
Excused or Absent Commissioner(s): Dr. Daniel Diep, Nelly Paredes-Walsborn, and Vito Chiesa
Abstaining: Commissioner(s):

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

Motion: Passed (6/0)

Attest: _____

Teala Diaz, Confidential Assistant IV

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AT THE CONCLUSION OF THE AUDIT

To the 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 discretely presented component unit of the County of Stanislaus, California, for the fiscal year ended June 30, 2026. 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 *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5),* issued by the State Controller's Office, 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 9, 2026. 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 implemented Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*, and GASB Statement No. 104, *Disclosure of Certain Capital Assets*, during the fiscal year ended June 30, 2026. Implementation of GASB Statement No. 103 changed the presentation of Management's Discussion and Analysis and the budgetary comparison schedule and added notes to the required supplementary information. Implementation of GASB Statement No. 104 did not have a significant impact on the financial statements or disclosures of the Commission. We noted no transactions entered into by the Commission during the fiscal year for which there is a lack of authoritative guidance or consensus. We did not identify any significant unusual transactions. All significant transactions have been recognized in the financial statements in the proper period.

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

> Management's estimate of the fair value of investments is based on the methods 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 investments and determined that it is reasonable in relation to the financial statements taken as a whole.

Management's estimates of the right-to-use lease asset and related lease liability are based on the present value of the expected lease payments, discounted using the Commission's incremental borrowing rate, as detailed in the notes to the financial statements. We evaluated the methods, assumptions, and data used to develop the estimates and determined that they are 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 and determined 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 and determined 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. Management has corrected all such misstatements. The following misstatements detected as a result of audit procedures were corrected by management. These misstatements are described in Finding 2026-001.

- Prior-year expenditure accruals of $324,176 were not reversed, overstating expenditures and accounts payable.
- A fiscal year 2025-26 expenditure accrual of $41,250 was recorded twice, overstating expenditures and accounts payable.
- A fiscal year 2025-26 expenditure accrual of $12,500 was not recorded, understating expenditures and accounts payable.
- Prior-year Proposition 10 revenue accruals of $280,675 were not reversed, overstating revenues and receivables.
- Fiscal year 2025-26 June Proposition 10 and Surplus Money Investment Fund (SMIF) revenue accruals of $233,634 were not recorded, understating revenues and receivables.

In total, these corrections decreased expenditures and accounts payable by $352,926, decreased revenues and receivables by $47,041, and increased the change in fund balance and net position by $305,885.

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. Management agrees with the condition described in Finding 2026-001 and has committed to corrective action; however, management disagrees with our classification of the finding as a significant deficiency in internal control. We considered management's views and concluded that the classification is appropriate. Management's response and our evaluation of that response are included in the Schedule of Findings and Responses. This matter does not affect our opinion on the financial statements. No other 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 23, 2026.

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.

Significant Deficiency in Internal Control
During our audit, we identified a deficiency in internal control that we consider to be a significant deficiency. The deficiency is described as Finding 2026-001 in the Schedule of Findings and Responses and is reported in our 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* dated October 23, 2026. 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses. Management's response to the finding, including its disagreement with the classification of the finding, and our evaluation of that response are included in the Schedule of Findings and Responses.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, 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.

With respect to the Commission Membership listing, which accompanies the financial statements but is not RSI, we read the information and considered whether a material inconsistency exists between that information and the basic financial statements, or whether the information otherwise appears to be materially misstated. We did not identify any such matters.

Restriction on Use

This information is intended solely for the information and use of the Stanislaus County Children and Families 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 23, 2026

STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION

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

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2026

STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

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STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
COMMISSION MEMBERSHIP
AS OF JUNE 30, 2026

Name	Position	Original Appointment	Term Expires
David Cooper	Community Representative ***Vice Chair***	September 2006	August 2027
Heather Duvall	Health Services Agency	April 2025	Permanent
Keri Magee	Community Representative	November 2023	August 2029
Vito Chiesa	Board of Supervisors	January 2009	December 2026
Daniel Diep, MD	Community Representative	December 2021	August 2029
Christine Huber, MSW	Community Services Agency ***Chair***	May 2022	Permanent
Nelly Paredes-Walsborn, PhD	Community Representative	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

To the Commission Members
Stanislaus County Children and Families Commission
Modesto, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying 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 fiscal year ended June 30, 2026, and the related notes to the basic financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Commission, as of June 30, 2026, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

BAKERSFIELD
4200 Truxtun Avenue, Suite 300
Bakersfield, CA 93309
661-324-4971

FRESNO
10 River Park Place East, Suite 208
Fresno, CA 93720
559-476-3592

STOCKTON
2423 West March Lane, Suite 202
Stockton, CA 95207
209-451-4833

REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

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 4-9, the budgetary comparison schedule for the General Fund on page 32, the schedule of the Commission's proportionate share of the County's proportionate share of the net pension liability on page 33, and the schedule of the Commission's contributions on page 34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 23, 2026, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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

Brown Armstrong
Accountancy Corporation

Stockton, California
October 23, 2026

STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

This section of the Stanislaus County Children and Families Commission's (First 5 Stanislaus) annual financial report presents management's discussion and analysis of First 5 Stanislaus' financial performance for the fiscal year ended June 30, 2026. This discussion should be read in conjunction with the basic financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

First 5 Stanislaus was established by the Stanislaus County Board of Supervisors in December 1998 under Ordinance #687, following voter approval of Proposition 10. It operates as an independent County agency governed by a nine-member Commission appointed by the Board of Supervisors, with independent strategic planning and budget authority. First 5 Stanislaus is reported as a discretely presented component unit of the County of Stanislaus (the County). See Note 1 for additional information about the reporting entity.

First 5 Stanislaus' basic financial statements consist of three components:

1. Government-wide financial statements
2. Governmental fund financial statements
3. Notes to the financial statements

Together, these statements provide both a broad view of First 5 Stanislaus' financial position and a more detailed view of its governmental fund activity.

Government-Wide Financial Statements

These statements provide readers with a broad overview of First 5 Stanislaus' financial position and activities and are composed of the following:

- **Statement of Net Position:** Reports First 5 Stanislaus' assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Changes in net position over time may provide a useful indicator of First 5 Stanislaus' financial position.
- **Statement of Activities:** Reports how First 5 Stanislaus' net position changed during the fiscal year. Revenues and expenses are recognized when the underlying event occurs, regardless of when cash is received or paid.

The government-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting and provide an overall view of First 5 Stanislaus' financial activities.

Governmental Fund Financial Statements

First 5 Stanislaus, like other state and local governmental entities, uses fund accounting to report on the specific purposes for which resources are used or restricted.

First 5 Stanislaus has one governmental fund, the General Fund. The governmental fund financial statements focus on current financial resources and provide information about how resources were received and expended during the fiscal year. These statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

Because the governmental fund financial statements have a narrower focus than the government-wide financial statements, reconciliations are provided to explain the differences between the two presentations.

Notes to the Financial Statements
The notes to the financial statements provide additional information necessary for a complete understanding of the amounts reported in the basic financial statements.

Required Supplementary Information
Required supplementary information includes this Management's Discussion and Analysis, the budgetary comparison schedule for the General Fund, and the pension schedules.

Beginning with the fiscal year ended June 30, 2026, the budgetary comparison schedule is presented as required supplementary information rather than as a basic financial statement, as required by GASB Statement No. 103, *Financial Reporting Model Improvements*.

FINANCIAL SUMMARY

The following condensed financial information provides a comparative overview of First 5 Stanislaus' financial position and results of operations for fiscal years 2025-2026 and 2024-2025.

The highlights of fiscal year 2025-2026 reflect increased financial strength through greater than budgeted revenue and less than budgeted expenditures. Key indicators comparing the results of fiscal year 2025-2026 and fiscal year 2024-2025 include:

- Total revenues increased by 1.0% ($43,969) from fiscal year 2024-2025 actuals. A $273,603 increase in other revenue, primarily federal funding, more than offset decreases of $122,896 in combined Proposition 10 and Proposition 56 revenue and $106,738 in interest and investment earnings.
- Total expenditures increased by 11.1% ($289,737) from fiscal year 2024-2025 actuals, largely due to a $204,868 increase in services and supplies and $38,814 of lease capital outlay from the March 2026 lease amendment.
- As a result, fund balance increased $1,802,246 and net position increased $1,819,388 during the fiscal year.

The following tables summarize First 5 Stanislaus' 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.

Condensed Statement of Net Position
June 30, 2026 and 2025

	2026	2025	Change in Dollars	Change in Percent
ASSETS				
Current assets	$ 19,966,336	$ 18,045,563	$ 1,920,773	10.64%
Capital assets, net of accumulated depreciation	3,125	4,625	(1,500)	-32.43%
Right-to-use assets, net of accumulated amortization	25,878	22,826	3,052	13.37%
Total assets	19,995,339	18,073,014	1,922,325	10.64%
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pensions	222,127	208,705	13,422	6.43%
Total deferred outflows of resources	222,127	208,705	13,422	6.43%
LIABILITIES				
Current liabilities	648,813	530,286	118,527	22.35%
Long-term liabilities	723,394	751,448	(28,054)	-3.73%
Total liabilities	1,372,207	1,281,734	90,473	7.06%
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pensions	43,987	18,101	25,886	143.01%
Total deferred inflows of resources	43,987	18,101	25,886	143.01%
NET POSITION				
Net investment in capital assets	3,053	3,569	(516)	-14.46%
Restricted net position	18,798,219	16,978,315	1,819,904	10.72%
Total net position	$ 18,801,272	$ 16,981,884	$ 1,819,388	10.71%

Highlights of the above statement include:

- Total assets increased $1,922,325 (10.6%) over the prior fiscal year, primarily from a $2,103,920 increase in cash and investments as revenues exceeded expenditures.
- Current liabilities increased $118,527 (22.4%) compared to the prior fiscal year, primarily due to a $120,188 increase in accounts payable and accrued contract costs.
- Long-term liabilities decreased $28,054 due to a $42,312 decrease in the net pension liability recorded in connection with Governmental Accounting Standards Board (GASB) Statement No. 68, partially offset by increases of $12,190 in compensated absences and $2,068 in the lease liability.
- Deferred outflows of resources and deferred inflows of resources of $222,127 and $43,987, respectively, relate to First 5 Stanislaus' proportionate share of the County's proportionate share of the net pension liability, including differences between expected and actual experience, changes of assumptions, differences between projected and actual investment earnings, and contributions made after the measurement date.

Condensed Statement of Activities
For the Years Ended June 30, 2026 and 2025

	2026	2025	Change in Dollars	Change in Percent
Revenues				
Program revenues	$ 3,977,679	$ 3,826,972	$ 150,707	3.94%
General revenues	686,668	793,406	(106,738)	-13.45%
Total revenues	4,664,347	4,620,378	43,969	0.95%
Expenses	2,844,959	2,650,978	193,981	7.32%
Change in net position	1,819,388	1,969,400	(150,012)	-7.62%
Net position, beginning of year	16,981,884	15,012,484	1,969,400	13.12%
Net position, end of year	$ 18,801,272	$ 16,981,884	$ 1,819,388	10.71%

Highlights of the above statement include:

- Total expenses increased 7.3% ($193,981) from 2025 to 2026, primarily as a result of increased services and supplies expenses.
- Total revenues increased 1.0% ($43,969) from 2025 to 2026, as higher other revenue more than offset lower Proposition 10 and Proposition 56 revenue and lower interest and investment earnings.
- Revenues exceeded expenses by $1,819,388, resulting in a positive change in net position.

DETAILED ANALYSES

The following analysis addresses significant changes from the prior fiscal year in First 5 Stanislaus' government-wide and governmental fund financial statements, including significant General Fund budget variances and the reasons for those changes.

First 5 Stanislaus' primary revenue source is tobacco-tax revenue collected by the State and distributed among California's 58 county First 5 commissions based on each county's share of live births. Tobacco-tax revenues have declined over time as a result of reduced tobacco use and regulatory changes. Proposition 56 provides backfill funding to help offset declining Proposition 10 revenues, while the HOPE Act provides First 5 commissions a portion of revenues generated from taxes on electronic tobacco products. More recently, the statewide prohibition on most flavored tobacco products has continued to affect tobacco-tax revenues. State projections anticipate that this overall revenue source will continue to decline.

First 5 Stanislaus addresses these long-term revenue trends through ongoing financial planning. Commission policy requires that, unless otherwise approved by the Commission, the budgeted fund balance be not less than one-half of current-year budgeted revenues. Long-range revenue and expenditure projections are used to guide program investments, maintain adequate reserves, and support implementation of the Commission's strategic plan.

ANALYSIS OF THE GENERAL FUND

First 5 Stanislaus utilizes one governmental fund to account for its revenues, expenditures, and programs. The Commission continues to focus on long-term financial sustainability and reducing reliance on deficit spending. Although Proposition 56 revenue declined in fiscal year 2025-2026, higher-than-projected interest and investment earnings contributed to an increase in fund balance. The following table summarizes the Commission's governmental fund activity for the past two fiscal years.

Condensed Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund For the Years Ended June 30, 2026 and 2025

	2026	2025	Change in Dollars	Change in Percent
Revenues				
Proposition 10 taxes	$ 2,558,074	$ 2,538,600	$ 19,474	0.77%
Proposition 56 taxes	932,102	1,074,472	(142,370)	-13.25%
Interest and investment earnings	686,668	793,406	(106,738)	-13.45%
Other revenue	487,503	213,900	273,603	127.91%
Total revenues	4,664,347	4,620,378	43,969	0.95%
Expenditures				
Contracts	1,836,548	1,817,288	19,260	1.06%
Salaries and employee benefits	590,322	565,418	24,904	4.40%
Services and supplies	398,186	193,318	204,868	105.97%
Capital outlay - lease right-to-use	38,814	-	38,814	N/A
Debt service - principal retirement	36,746	35,068	1,678	4.78%
Debt service - interest	299	86	213	247.67%
Total expenditures	2,900,915	2,611,178	289,737	11.10%
Other financing sources				
Lease financing	38,814	-	38,814	N/A
Change in fund balance	$ 1,802,246	$ 2,009,200	$ (206,954)	-10.30%

Fund Budgetary Highlights

The fiscal year 2025-2026 budget included a slightly increased revenue estimate of $4.42 million, which was an increase of 0.1% ($3,930) from the fiscal year 2024-2025 budget. The estimated revenue increase was based on increased projections of interest and investment earnings. Total service provider funding was budgeted at $2.52 million, which was an increase of 19.4% ($408,956) from the fiscal year 2024-2025 budget. This funding was allocated for 13 service provider contracts. Total budgeted expenses were $4.78 million, which was an estimated 9.5% ($415,950) increase from the prior fiscal year.

Actual revenues exceeded the budget because interest and investment earnings more than offset lower than anticipated tobacco tax (Proposition 10 and Proposition 56) revenue and other revenue.

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 2025-2026 as detailed in the budgetary comparison schedule presented as required supplementary information. There were no amendments to the original budget during the fiscal year; the original and final budget amounts are the same. In fiscal year 2025-2026, the Commission received actual revenues of $4.66 million compared to the budgeted amount of $4.42 million. In preparing the budget, the Commission used revenue projections provided by the State of California. Actual total revenues were $246,742 more than budgeted, largely as the result of the interest and investment revenues. Interest and investment revenues were $386,629 more than expected. Combined Proposition 10/Proposition 56 revenue came in $27,390 less than projected by the State. Other revenues came in $112,497 less than expected.

In fiscal year 2025-2026, actual expenditures were $1.87 million less than budgeted primarily due to lower than projected contracts and services and supplies spending and the unused $500,000 contingency, 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. Salaries and employee benefits were $246,873 less than budgeted primarily due to a vacant accounting position. A schedule of the Commission's original and final budget amounts compared with actual revenues and expenditures is presented as required supplementary information in the audited financial report.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital assets of $3,125 (net of accumulated depreciation of $4,375) are for equipment purchased; the $1,500 decrease from the prior year reflects current-year depreciation. See Note 3 for more information on capital assets. During the current fiscal year, the Commission implemented GASB Statement No. 104, *Disclosure of Certain Capital Assets*, and reports right-to-use lease assets separately within capital assets. At June 30, 2026, the Commission's right-to-use building lease asset was $25,878 (net of accumulated amortization of $12,936). Effective March 1, 2026, the Commission extended the building lease through February 28, 2027, which increased the lease asset and lease liability by $38,814. 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 totaling $723,394, consisting of the net pension liability ($629,724), compensated absences ($67,720), and the lease liability ($25,950). See Notes 4, 5, and 10 for details.

Management evaluated First 5 Stanislaus' software subscription arrangements and determined that no subscription-based information technology arrangements met the criteria for recognition as assets under GASB Statement No. 96. Management also evaluated capital assets at June 30, 2026, and determined that no capital assets met the GASB Statement No. 104 criteria for classification as held for sale.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The following currently known facts, decisions, and conditions are expected to have a significant effect on First 5 Stanislaus' future financial position or results of operations:

- State projections indicate that tobacco-tax revenues available to First 5 Stanislaus are expected to continue to decline through fiscal year 2028-2029.
- The statewide prohibition on the sale of most flavored tobacco products, upheld by California voters in November 2022, continues to affect tobacco-tax revenue. The long-term effect on Commission revenue continues to be monitored.
- First 5 Stanislaus continues implementation of its 2024-2029 Strategic Plan, which guides the organization's strategies, service investments, and use of resources.
- First 5 Stanislaus' long-range financial plan, adopted in June 2026, projects a planned use of fund balance in each year through fiscal year 2031-2032. Fund balance is projected to decrease from approximately $19.3 million beginning fiscal year 2026-2027 to $7.2 million over that period while remaining above the Commission's minimum fund balance policy.
- In September 2026, First 5 Stanislaus exercised its option to extend the building lease through February 28, 2028.

CONTACTING FIRST 5 STANISLAUS' FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of First 5 Stanislaus' 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, 2026

	Governmental Activities
ASSETS	
Cash and investments	$ 19,619,084
Due from other agencies	237,998
Interest receivable	109,254
Capital assets, net of accumulated depreciation	3,125
Right-to-use assets, net of accumulated amortization	25,878
Total assets	19,995,339
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	222,127
LIABILITIES	
Accounts payable and accrued expenses	625,228
Salaries and benefits payable	23,585
Long-term liabilities:	
Portion due within one year:	
Compensated absences	67,720
Lease liability	25,950
Portion due in more than one year:	
Net pension liability	629,724
Total liabilities	1,372,207
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	43,987
NET POSITION	
Net investment in capital assets	3,053
Restricted net position - children's programs	18,798,219
Total net position	$ 18,801,272

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

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary Government:				
Governmental Activities:				
Child development services	$ 2,844,959	$ -	$ 3,977,679	$ 1,132,720
Total Primary Government	$ 2,844,959	$ -	$ 3,977,679	1,132,720
General revenues:				
Interest and investment earnings				686,668
Total general revenues				686,668
Change in net position				1,819,388
Net position, beginning of year				16,981,884
Net position, end of year				$ 18,801,272

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

STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2026

	Governmental Fund
ASSETS	
Cash and investments	$ 19,619,084
Due from other agencies	237,998
Interest receivable	109,254
Total assets	$ 19,966,336
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable and accrued expenses	$ 625,228
Salaries and benefits payable	23,585
Total liabilities	648,813
Fund balance:	
Restricted - for children's programs:	
Budget reserve account	500,000
Future CORE programs and services	16,836,807
Contracts approved	1,980,716
Total restricted fund balance	19,317,523
Total liabilities and fund balance	$ 19,966,336

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

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

Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position:	
Total fund balance	$ 19,317,523
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund (net of accumulated depreciation of $4,375).	3,125
Right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund (net of accumulated amortization of $12,936).	25,878
Deferred outflows of resources related to pensions are not financial resources and, therefore, are not reported in the governmental fund.	222,127
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund.	(723,394)
Deferred inflows of resources related to pensions are not reported in the governmental fund.	(43,987)
Total net position - governmental activities	$ 18,801,272

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 FISCAL YEAR ENDED JUNE 30, 2026

	Governmental Fund
REVENUES	
Proposition 10 taxes	$ 2,558,074
Proposition 56 taxes	932,102
Interest and investment earnings	686,668
Other revenue	487,503
Total revenues	4,664,347
EXPENDITURES	
Contracts	1,836,548
Salaries and employee benefits	590,322
Services and supplies	398,186
Capital outlay:	
Lease right-to-use	38,814
Debt service:	
Principal retirement	36,746
Interest	299
Total expenditures	2,900,915
Excess of revenues over expenditures	1,763,432
OTHER FINANCING SOURCES	
Lease financing	38,814
Total other financing sources	38,814
Net change in fund balance	1,802,246
Fund balance - beginning of year	17,515,277
Fund balance - end of year	$ 19,317,523

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 FISCAL YEAR ENDED JUNE 30, 2026

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities:		
Net change in fund balance - governmental fund	$	1,802,246
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)
The governmental fund reports lease capital outlay and principal payments as expenditures and lease proceeds as an other financing source. In the Statement of Activities, the lease asset is amortized and the lease liability is adjusted. This is the amount by which capital outlay ($38,814) and principal payments ($36,746) exceeded amortization ($35,762) and lease proceeds ($38,814) in the current period.		984
Changes in compensated absences and pension-related balances do not require current financial resources and, therefore, are not reported in the governmental fund.		17,658
Change in net position - governmental activities	$	1,819,388

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

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 operates as an independent County agency with authority over its strategic plan. The County performs the Commission's fiscal, legal, and human resources functions under a professional services agreement and serves as the Commission's fiscal agent.

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—and 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 include 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 that are not classified as program revenues are presented as general revenues of the Commission, with certain limited exceptions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

The Commission's governmental fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 180 days after 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. Debt service expenditures, including lease principal and interest, are recorded when payment is due. Lease assets acquired are reported as capital outlay expenditures in the governmental fund, with an equal amount reported as an other financing source.

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***, which 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 of accounting when the exchange takes place. On a modified accrual basis of accounting, 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.

Non-exchange transactions, in which the Commission receives value without directly giving equal value in exchange, include Proposition 10 and Proposition 56 tobacco tax allocations. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as amended by GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*, these derived tax revenues are recognized when the underlying exchange transaction (the taxable sale) has occurred and, in the governmental fund, when the resources are also available. Grant revenues are recognized when all eligibility requirements have been met and, in the governmental fund, when the resources are also available.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, including leases, are recognized as expenditures in the governmental fund when due. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental fund 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.

State statutes and the County's investment policy authorize the County Treasury to invest pooled funds, including the Commission's cash, 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 annually at fiscal year-end 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. As of June 30, 2026, management considered all accounts to be fully collectible and, therefore, no allowance was recorded in the accompanying financial statements.

G. Right-to-Use Lease Assets

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, 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. In accordance with GASB Statement No. 104, the right-to-use lease assets are disclosed separately, by major class of underlying asset, within the capital asset disclosure in Note 3.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

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

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

Equipment:	3-10 years

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.

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 Statement No. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Compensated Absences (Continued)

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 5 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.

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 and 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance (Continued)

- *Committed* – Amounts constrained to specific purposes by the Commission itself, using its highest level of decision-making authority (the Board of Commissioners). 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, modifies or rescinds fund balance commitments by formal action of the Commission, documented in the meeting minutes, in accordance with Section 407 of the Commission's Policies and Procedures Manual. 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 of a future year budget plan, as intended for a specific purpose. Because the Commission's resources are restricted by state law to the purposes of the California Children and Families Act, amounts the Commission has committed or assigned to specific programs are reported within restricted fund balance, and the related designations are described in Note 6.

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. When unrestricted resources are used, committed amounts are used first, followed by assigned and then unassigned amounts.

Commission policy requires that, unless otherwise approved by affirmative action of the Commission, the General Fund's budgeted fund balance be not less than one-half of the Commission's budgeted revenues for the current fiscal year.

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 investment in capital assets includes capital assets, including right-to-use assets, 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. Net position restricted for children's programs consists of Proposition 10 and Proposition 56 resources and related earnings, which state law restricts to the purposes of the California Children and Families Act (Health and Safety Code Section 130100 et seq.). 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 are available.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Governmental Accounting Standards Update

During the fiscal year ended June 30, 2026, the Commission implemented the following standards:

GASB Statement No. 103 – *Financial Reporting Model Improvements.* The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Commission implemented GASB Statement No. 103 during the fiscal year ended June 30, 2026. Adoption of this standard resulted in the following changes to the Commission's financial report: Management's Discussion and Analysis is organized into the five sections required by the standard, and the budgetary comparison schedule for the General Fund is presented as required supplementary information, with variances between original and final budget amounts and between final budget and actual amounts, rather than as a basic financial statement. The Commission had no unusual or infrequent items to report for the fiscal year ended June 30, 2026. The Commission's net position was not impacted as a result of the adoption of this standard.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Commission implemented GASB Statement No. 104 during the fiscal year ended June 30, 2026. Adoption of this standard required certain types of capital assets, including lease right-to-use assets, to be disclosed separately by major class of underlying asset and established additional disclosure requirements for subscription assets and capital assets held for sale. As a result, the Commission's right-to-use building lease asset is presented within the capital asset disclosure in Note 3 by major class of underlying asset. The Commission had no subscription assets or capital assets held for sale at June 30, 2026. Adoption of this standard did not affect the amounts reported in the financial statements.

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

GASB Statement No. 105 – *Subsequent Events*. The requirements of this statement are effective for reporting periods beginning after June 15, 2026 (the Commission's fiscal year ending June 30, 2027). The statement defines subsequent events as transactions or other events that occur after the financial statement date but before the financial statements are available to be issued, distinguishes recognized from nonrecognized subsequent events, and requires disclosure of the date through which subsequent events were evaluated. The Commission has not yet determined the effect of this standard on the financial statements.

R. 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. Except as disclosed in Note 10 regarding exercise of the lease extension option, management has determined that no events require disclosure in accordance with accounting standards. These subsequent events have been evaluated through October 23, 2026, 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.

NOTE 2 – CASH AND INVESTMENTS (Continued)

The Commission is a required participant in the Stanislaus County Treasury Pool. The pool is not registered with the Securities and Exchange Commission. It is overseen by the County Treasury Oversight Committee, which consists of the County Auditor-Controller, a designee of the County Superintendent of Schools, and a public member. It operates under an investment policy adopted by the Board of Supervisors effective July 1, 2025. The County provides no legally binding guarantee supporting the value of pool shares. The Commission's position in the pool is adjusted to fair value annually in accordance with GASB Statement No. 31. Interest is apportioned monthly based on average daily cash balances, net of the Treasury's and Auditor-Controller's administrative costs. At June 30, 2026, the pool held investments with a book value of $3.13 billion and a fair value of $3.12 billion, and a weighted average maturity of 360 days. Approximately 68% of pool investments were scheduled to mature within one year, and none exceeded five years. The pool is not rated. The Commission's investment in the pool is not categorized under the fair value hierarchy.

For further information regarding the pool, including credit risk and fair value measurement, the County's Annual Comprehensive Financial Report may be obtained by writing the County of Stanislaus, 1010 10th Street, Suite 5100, Modesto, CA 95354.

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

Cash and investments in County of Stanislaus Treasury	$ 19,619,084
Total cash and investments	$ 19,619,084

NOTE 3 – CAPITAL ASSETS

In accordance with GASB Statement No. 104, *Disclosure of Certain Capital Assets*, the right-to-use lease assets are disclosed separately from other capital assets by major class of underlying asset. Capital asset activity, including the right-to-use lease assets, for the fiscal year ended June 30, 2026, was as follows:

	Beginning Balance	Additions	Deletions / Adjustments	Ending Balance
Capital assets being depreciated:				
Equipment	$ 7,500	$ -	$ -	$ 7,500
Less accumulated depreciation	(2,875)	(1,500)	-	(4,375)
Total capital assets being depreciated, net	4,625	(1,500)	-	3,125
Right-to-use lease assets being amortized:				
Right-to-use building	171,178	38,814	(171,178)	38,814
Less accumulated amortization	(148,352)	(35,762)	171,178	(12,936)
Total right-to-use lease assets, net	22,826	3,052	-	25,878
Total governmental activities capital assets, net	$ 27,451	$ 1,552	$ -	$ 29,003

Depreciation expense charged to governmental activities for the fiscal year ended June 30, 2026, was $1,500. The Commission has recorded one right-to-use lease asset for a leased building, which is amortized on a straight-line basis over the term of the related lease. Amortization expense on the right-to-use building for the fiscal year ended June 30, 2026, was $35,762. The related lease is discussed in Note 10. The Commission had no subscription assets, other intangible assets, or capital assets held for sale at June 30, 2026.

NOTE 4 – COMPENSATED ABSENCES

Compensated absences activity for the fiscal year ended June 30, 2026, was as follows:

	Beginning Balance June 30, 2025	Net Change	Ending Balance June 30, 2026	Due Within One Year
Compensated Absences	$ 55,530	$ 12,190 *	$ 67,720	$ 67,720
Total	$ 55,530	$ 12,190	$ 67,720	$ 67,720

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

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 Statement No. 101.

NOTE 5 – 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 County Employees' Retirement Law of 1937. 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, the City of Ceres, the Stanislaus Superior Court, 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.

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.

NOTE 5 – PENSIONS (Continued)

A. Plan Description (Continued)

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 of retirement service credit for Tier 3 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 and 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 Commission is required by statute to contribute the remaining amounts necessary to finance the estimated benefits accrued to its members.

NOTE 5 – PENSIONS (Continued)

B. Benefits Provided (Continued)

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

PLAN	EMPLOYER CONTRIBUTION RATES	EMPLOYEE CONTRIBUTION RATES
General Tier 1	34.23%	3.57%-9.02%
General Tier 2	31.13%	4.48%-11.82%
General Tier 3	22.93%	Non-contributory
General Tier 4	36.52%	3.42%-8.46%
General Tier 5	31.08%	5.73%-13.92%
General Tier 6	28.86%	8.76%
Safety Tier 1	N/A	N/A
Safety Tier 2	48.94%	7.76%-16.80%
Safety Tier 4	N/A	N/A
Safety Tier 5	54.62%	9.04%-18.26%
Safety Tier 6	46.65%	13.72%

The Commission's contributions to StanCERA for the fiscal year ended June 30, 2026, 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.

Fiscal Year Ended	Contributions
June 30, 2024	$ 88,747
June 30, 2025	99,767
June 30, 2026	114,383

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 fiscal 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's fiduciary net position was 80.6% of the total pension liability as of June 30, 2025.

NOTE 5 – PENSIONS (Continued)

C. Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2026, the Commission reported a liability of $629,724 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, 2025, and the total liability used to calculate the net pension liability was determined by an actuarial valuation date of June 30, 2024, updated to June 30, 2025. 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, 2026, the Commission's proportionate share of the County's proportionate share was 0.0939%, compared to 0.0954% at June 30, 2025, a decrease of 0.0015%.

For the fiscal year ended June 30, 2026, the Commission recognized a pension expense of $84,535. 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, 2026, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 79,881	$ -
Changes of assumptions	25,707	8,016
Net difference between projected and actual earnings	-	33,920
Changes in proportion and contribution differences	2,156	2,051
Contributions subsequent to the measurement date	114,383	-
Total	$ 222,127	$ 43,987

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 $114,383 made subsequent to the measurement date are reported as deferred outflows of resources for fiscal year ending June 30, 2026, and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2027.

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

Fiscal Year Ended June 30	Amount
2027	$ 77,202
2028	(6,643)
2029	(5,950)
2030	(852)
Thereafter	-
Total	$ 63,757

NOTE 5 – PENSIONS (Continued)

D. Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation, updated to June 30, 2025, 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. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021, through June 30, 2024.

Inflation	2.50%
Salary increases	2.75% per year, plus a merit component based on employee classification and years of service
COLA increases	100% of CPI, up to 3.0% annually with banking; 2.40% annual increases assumed
Investment rate of return	6.75%, net of investment expense
Post-retirement mortality	Based on 2021 CalPERS tables, with adjustments by member classification and gender, and fully generational improvements projected from base year 2017 using SOA Scale MP-2020.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities		
U.S. Large Cap	14.00%	4.27%
U.S. Small Cap	4.00%	4.32%
International Equities		
International Developed	13.00%	3.82%
Emerging Market Equity	5.00%	6.06%
U.S. Fixed Income		
Core Fixed Income	7.00%	3.17%
U.S. Treasury	6.00%	2.04%
U.S. TIPS	4.00%	2.26%
Public Credit	4.00%	3.90%
Real Estate		
Core	6.50%	3.70%
Value-Add	6.00%	5.33%
Risk Parity	4.00%	4.12%
Absolute Return	5.00%	3.99%
Private Equity	5.00%	6.69%
Private Credit	8.00%	6.16%
Infrastructure	7.50%	4.26%
Cash	1.00%	0.88%

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 5 – 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	$ 1,063,100	$ 629,724	$ 273,327

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 6 – FUND BALANCES

In accordance with GASB Statement No. 54, fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned (see Note 1O). The Commission's fund balance of $19,317,523 is restricted for children's programs because Proposition 10 and Proposition 56 tax revenues and the related investment earnings may be used only for the purposes of the California Children and Families Act under state law (Health and Safety Code Section 130100 et seq.). Within restricted fund balance, the Commission has designated amounts for the following purposes:

- ***Budget Reserve Account*** of $500,000 represents an amount the Commission has established as a contingency fund, of which no funds will be spent without prior Commission approval.
- ***Contracts Approved*** of $1,980,716 represents amounts that the Commission has authorized by formal action for specific agreements, including agreements not yet fully executed as of June 30, 2026.

Future CORE Programs and Services of $16,836,807 represents amounts the Commission intends to use for future CORE programs and services, consistent with the Commission's strategic plan and long-range financial plan.

NOTE 7 – 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 health, and natural disasters. The Commission manages these risks by participating in the County's risk management program, which covers general and automobile liability, fiduciary liability, crime and fidelity, property, workers' compensation, and unemployment. The County is self-insured for certain of these risks and purchases excess insurance above its self-insured retentions. The Commission is charged its share of program costs through the County's Cost Allocation Plan. Commission employees receive health benefits through the County's benefit programs. Settlements have not exceeded covered amounts for the past three years.

NOTE 7 – RISK MANAGEMENT (Continued)

Risk management expenditures during the fiscal year ended June 30, 2026, are as follows:

General and automobile liability insurance	$	3,939
Unemployment insurance		259
Workers' compensation insurance		909
Health insurance		18,444
Other liability insurance		434
Total risk management expenditures	$	23,985

NOTE 8 – EVALUATION EXPENDITURES

The Commission spent $25,955 on program evaluation during the fiscal year ended June 30, 2026.

NOTE 9 – 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 propositions impose additional taxes on the sale of cigarettes and tobacco products. Proposition 10 and Proposition 56 funding represented approximately 75% of the Commission's total revenues for the fiscal year ended June 30, 2026.

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 and Proposition 56 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 10 – LEASE LIABILITY

The Commission leases office space at 930 15th Street, Modesto, California, to house its operations. The original lease commenced December 1, 2014, and terminated February 28, 2021. The lease was renewed effective March 1, 2021, for a five-year term ending February 28, 2026. In March 2021, the original lessor assigned the lease to RJB Farm Properties, LLC.

On March 13, 2026, the Commission executed a first amendment extending the lease term one year, from March 1, 2026, through February 28, 2027, at a monthly payment of $3,286. Because the prior lease term had ended, the amendment was accounted for as a new lease commencing March 1, 2026, the date the extended term began. The lease liability and right-to-use lease asset of $38,814 were measured as of that date using the Commission's incremental borrowing rate of 3.48%, because the interest rate implicit in the lease was not readily determinable. The amendment grants the Commission an option to extend the term one additional year if exercised in writing on or before October 1, 2026. The option was not included in the measurement of the lease liability because its exercise was not reasonably certain at the commencement date. On September 16, 2026, the Commission exercised the option, extending the lease term through February 28, 2028, at a monthly payment of $3,286.

For the fiscal year ended June 30, 2026, lease payments totaled $37,045, consisting of principal of $36,746 and interest of $299. Amortization of the right-to-use lease asset was $35,762. At June 30, 2026, the right-to-use lease asset was $38,814, less accumulated amortization of $12,936, for a net carrying value of $25,878. The lease liability increased from $23,882 at July 1, 2025, by $38,814 from the new lease and decreased by principal payments of $36,746, for a balance of $25,950 at June 30, 2026, all due within one year.

NOTE 10 – LEASE LIABILITY (Continued)

Future minimum lease payments are as follows:

Fiscal Year Ended June 30,	Principal Payments	Interest Payments	Total
2027	$ 25,950	$ 340	$ 26,290
	$ 25,950	$ 340	$ 26,290

NOTE 11 – 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.

Under a professional services agreement, the County provides fiscal, legal, and human resources services to the Commission and serves as its fiscal agent. Charges for these services totaled $77,834 for the fiscal year ended June 30, 2026.

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 under this program were $336,750 for the fiscal year ended June 30, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Original Budget	Final Budget	Actual (GAAP Basis)	Variance - Final to Actual	Variance - Original to Final
REVENUES					
Proposition 10 and 56 taxes	$ 3,517,566	$ 3,517,566	$ 3,490,176	$ (27,390)	$ -
Interest and investment earnings	300,039	300,039	686,668	386,629	-
Other revenue	600,000	600,000	487,503	(112,497)	-
Total revenues	4,417,605	4,417,605	4,664,347	246,742	-
EXPENDITURES					
Contracts	2,515,346	2,515,346	1,836,548	678,798	-
Salaries and employee benefits	837,195	837,195	590,322	246,873	-
Services and supplies	922,661	922,661	398,186	524,475	-
Contingency	500,000	500,000	-	500,000	-
Capital outlay - lease right-to-use	-	-	38,814	(38,814)	-
Debt service:					
Principal retirement	-	-	36,746	(36,746)	-
Interest	-	-	299	(299)	-
Total expenditures	4,775,202	4,775,202	2,900,915	1,874,287	-
Excess (deficiency) of revenues over (under) expenditures	(357,597)	(357,597)	1,763,432	2,121,029	-
Other financing sources - lease financing	-	-	38,814	38,814	-
Net change in fund balance	$ (357,597)	$ (357,597)	1,802,246	$ 2,159,843	$ -
Fund balance - beginning of year			17,515,277		
Fund balance - end of year			$ 19,317,523		

See accompanying notes to 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, 2026
LAST 10 FISCAL YEARS

Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Commission's proportion of the County's proportion of the net pension liability	0.0939%	0.0954%	0.0947%	0.0883%	0.1313%
Commission's proportionate share of the County's proportionate share of the net pension liability	$ 629,724	$ 672,036	$ 710,016	$ 577,142	$ 501,265
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 net pension liability as a percentage of its covered-employee payroll	204.83%	235.23%	294.92%	212.18%	179.17%
Plan's fiduciary net position	$ 3,122,108,131	$ 2,874,285,014	$ 2,661,833,729	$ 2,526,425,344	$ 2,730,597,870
Plan fiduciary net position as a percentage of the total pension liability	80.57%	78.50%	76.00%	77.40%	86.50%

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Commission's proportion of the County's proportion of the net pension liability	0.1343%	0.1322%	0.1243%	0.1196%	0.0998%
Commission's proportionate share of the County's proportionate share of the net pension liability	$ 972,196	$ 775,929	$ 718,274	$ 706,274	$ 649,408
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 net pension liability as a percentage of its covered-employee payroll	375.45%	330.13%	263.86%	334.59%	246.30%
Plan's fiduciary net position	$ 2,205,866,239	$ 2,208,241,432	$ 2,126,960,745	$ 1,994,223,311	$ 1,772,913,713
Plan fiduciary net position as a percentage of the total pension liability	73.00%	77.00%	76.70%	74.98%	70.63%

STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
SCHEDULE OF THE COMMISSION'S CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026
LAST 10 FISCAL YEARS

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
Contractually Required Contribution (Actuarially Determined)	$ 114,383	$ 99,104	$ 88,842	$ 78,799	$ 72,717
Contributions in Relation to the Actuarially Determined Contributions	114,383	99,767	88,747	79,113	111,213
Contribution Deficiency (Excess)	$ -	$ (663)	$ 95	$ (314)	$ (38,496)
Covered-Employee Payroll	$ 324,928	$ 307,434	$ 285,695	$ 240,749	$ 272,011
Contributions as a Percentage of Covered-Employee Payroll	35.20%	32.45%	31.06%	32.86%	40.89%

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Contractually Required Contribution (Actuarially Determined)	$ 67,783	$ 58,937	$ 56,535	$ 66,908	$ 51,259
Contributions in Relation to the Actuarially Determined Contributions	106,732	98,027	82,251	66,649	51,349
Contribution Deficiency (Excess)	$ (38,949)	$ (39,090)	$ (25,716)	$ 259	$ (90)
Covered-Employee Payroll	$ 279,769	$ 258,944	$ 235,034	$ 272,220	$ 211,089
Contributions as a Percentage of Covered-Employee Payroll	38.15%	37.86%	35.00%	24.48%	24.33%

STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The Stanislaus County Children and Families Commission (the Commission) adopts an annual budget for the General Fund prior to the start of each fiscal year. The legal level of budgetary control is the fund level; expenditures may not exceed total appropriations without approval of the Commission. The Executive Director is authorized to make technical adjustments within the adopted budget. Amendments that change total appropriations require formal action of the Commission by resolution or minute order and must be within the revenues and fund balance estimated as available.

The budget is adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. Encumbrance accounting is used to assure effective budgetary control. Encumbrances outstanding at year-end represent the estimated amount of expenditures ultimately to result if unperformed contracts in process at year-end are completed or purchase commitments satisfied. Year-end encumbrances do not constitute expenditures or liabilities and are reported within restricted fund balance because the commitments will be honored during the subsequent year and included in the subsequent year's budget. Unencumbered appropriations lapse at year-end.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*, the budgetary comparison schedule presents the original budget, the final budget, and actual amounts, together with variances between the original and final budget and between the final budget and actual amounts.

NOTE 2 – EXPLANATION OF SIGNIFICANT BUDGET VARIANCES

There were no amendments to the original budget during the fiscal year ended June 30, 2026; original and final budget amounts are the same. Significant variances between final budget and actual amounts were as follows:

Revenues: Actual revenues exceeded the final budget by $246,742, primarily because interest and investment earnings exceeded the budget by $386,629. Combined Proposition 10 and Proposition 56 revenue was $27,390 less than the State projection used to prepare the budget. Other revenue was $112,497 less than budgeted.

Expenditures: Actual expenditures were $1,874,287 less than the final budget. Contract ($678,798) and services and supplies ($524,475) spending was lower than projected, and the $500,000 contingency was not used, during implementation of the Commission's 2024-2029 Strategic Plan and realignment of service delivery to the Commission's strategic goals. Salaries and employee benefits were $246,873 (29%) under budget, primarily due to a vacant accounting position. Lease capital outlay of $38,814 and lease principal and interest of $37,045 were not budgeted in those categories; the capital outlay is offset by lease financing of $38,814.

NOTE 3 – PENSION SCHEDULES: CHANGES OF BENEFIT TERMS AND ASSUMPTIONS

Amounts reported in the Schedule of the Commission's Proportionate Share of the County's Proportionate Share of the Net Pension Liability for each fiscal year are measured as of StanCERA's June 30 measurement date one year earlier. Amounts reported in the Schedule of the Commission's Contributions are for the Commission's fiscal year.

Changes of benefit terms: There were no changes of benefit terms for the measurement periods presented.

NOTE 3 – PENSION SCHEDULES: CHANGES OF BENEFIT TERMS AND ASSUMPTIONS
(Continued)

Changes of assumptions:

- Measurement date June 30, 2025 (fiscal year 2026): updates to cost-of-living adjustment and certain demographic assumptions, based on the experience study for July 1, 2021 through June 30, 2024.
- Measurement date June 30, 2022 (fiscal year 2023): changes in economic assumptions.
- Measurement date June 30, 2021 (fiscal year 2022): the assumed investment rate of return was reduced from 7.00% to 6.75%.
- Measurement date June 30, 2019 (fiscal year 2020): the assumed investment rate of return was reduced from 7.25% to 7.00%, and mortality, disability, and retirement rates were adjusted.
- Measurement date June 30, 2016 (fiscal year 2017): the assumed investment rate of return was reduced from 7.75% to 7.25%, and mortality tables with generational improvements were adopted.

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*

To the 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 fiscal year ended June 30, 2026, and the related notes to the basic financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 the Commission's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2026-001, that we consider to be a significant deficiency.

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REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

Commission's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Brown Armstrong
Accountancy Corporation

Stockton, California
October 23, 2026

STANISLAUS COUNTY CHILDREN AND FAMILIES COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

Finding 2026-001: Year-End Closing and Accrual Controls

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Criteria: Management is responsible for establishing and maintaining internal controls that ensure revenues and expenditures are recorded in the proper fiscal year. This includes establishing and applying the appropriate reversal treatment for prior-year accruals in the following fiscal year, recording each current-year accrual completely and only once, and completing the related reviews before the books are closed.

Condition: During our audit, we identified the following misstatements, which management corrected in period Adj-26 after we brought them to management's attention:

- Prior-year expenditure accruals of $324,175.78 (JV013-25, JV014-25, and JV020-25) were not reversed during fiscal year 2025-2026, resulting in an overstatement of expenditures and accounts payable.
- A fiscal year 2025-2026 year-end expenditure accrual of $41,250.00 was recorded twice, resulting in an overstatement of expenditures and accounts payable.
- A fiscal year 2025-2026 year-end expenditure accrual of $12,500.00 was not recorded, resulting in an understatement of expenditures and accounts payable.
- Prior-year Proposition 10 revenue accruals of $280,675.33 were not reversed during fiscal year 2025-2026, resulting in an overstatement of revenues and receivables.
- The fiscal year 2025-2026 June Proposition 10 and Surplus Money Investment Fund (SMIF) revenue accruals of $233,633.84 were not recorded, resulting in an understatement of revenues and receivables.

Cause: Prior-year accruals were reversed manually when invoices or deposits were received. Reversals were recorded in August 2025 for some fiscal year 2024-2025 accruals, while others, including accruals recorded later in the close process and a post-closing audit adjustment, were not reversed. The Stanislaus County Auditor-Controller's Office requires departments to complete Balance Sheet Account Listing Forms that itemize the receivable and payable account balances, and reviews those listings against the general ledger. For fiscal year 2025-2026, that review was not completed until after the audit was in progress. The listing review agrees recorded balances to supporting detail and does not address the completeness of accruals omitted from the general ledger. In addition, the year-end close process did not include a review of year-end accrual entries for completeness and duplication.

Effect: The Commission's year-end closing controls did not prevent, or detect and correct, errors involving unreversed, duplicate, and omitted accruals. These errors resulted in misstatements of expenditures, revenues, accounts payable, and accounts receivable and required audit adjustments. The nature and extent of the errors demonstrate that the year-end closing controls did not operate with sufficient precision to ensure that accruals were recorded completely, accurately, and in the proper fiscal year.

Recommendation: We recommend that the Commission:

1. Establish and document the required reversal treatment for each year-end and post-closing accrual. Configure accruals to reverse in the first period of the following fiscal year when appropriate; maintain a schedule that identifies the required manual reversal and responsible employee.
2. Reconcile the receivable and payable accrual accounts to supporting detail monthly and at year end, complete the County's Balance Sheet Account Listing Forms before the general ledger is provided for audit, and investigate any prior-year items remaining after the related cash is received or paid.

3. Maintain a single year-end accrual listing that combines system-generated and manual accruals so each accrual is recorded once, completely, and in the appropriate fiscal year.
4. Require review and approval of all year-end accrual entries by someone other than the preparer, including a check for completeness and duplication, before the books are closed.
5. Review cash receipts and payments in the months after year end to identify revenues and expenditures that belong to the fiscal year and were not accrued, including recurring items such as the June Proposition 10 distribution and SMIF interest.

Views of Responsible Officials and Planned Corrective Action: Management acknowledges the finding and agrees with the importance of strengthening year-end closing procedures and internal controls related to accruals; however, management respectfully disagrees with the classification of the finding as a significant deficiency in internal control.

During fiscal year 2025-2026, First 5 Stanislaus experienced an extended vacancy in its accounting position for most of the fiscal year. Despite ongoing recruitment efforts, the position remained unfilled, requiring other First 5 Stanislaus staff, whose primary roles and responsibilities are outside of accounting, to assume additional fiscal responsibilities.

During fiscal year-end and throughout the audit process, the Stanislaus County Auditor-Controller's Office provided valuable support and assistance to First 5 Stanislaus in completing year-end financial activities and responding to audit requirements. First 5 Stanislaus appreciates this partnership and the support provided during the staffing transition.

The Auditor-Controller's Office provides procedures for reviewing accruals and performs a reconciliation of accrual balances to support accrual schedules. For fiscal year 2025-2026, this review was completed after audit fieldwork had begun due to workload demands and the timing of Stanislaus County's audit. Management believes the established review process is designed to identify unreversed and duplicate accruals when completed as part of the year-end closing process.

Moving forward, management will formalize its year-end accrual controls by documenting the required reversal treatment for each accrual, reconciling receivable and payable accrual accounts, maintaining a comprehensive year-end accrual listing, and requiring documented review of accrual entries by an individual other than the preparer. Management will also review subsequent receipts and payments to identify unrecorded year-end accruals. These procedures will be implemented for the fiscal year 2026-2027 closing process and completed before the general ledger is provided for audit.

The contact person for these corrective actions is Dr. Shammy Karim, Executive Director, First 5 Stanislaus.

Auditor's Response: We acknowledge management's response and the staffing challenges described. The Stanislaus County Auditor-Controller's balance-sheet listing review was not completed as part of the year-end closing process before the general ledger was provided for audit. Although that review may identify unreversed or duplicate accruals already reflected in the general ledger or supporting schedules, a reconciliation of recorded balances does not, by itself, test whether all required accruals were identified and recorded. The omitted expenditure and revenue accruals totaled $246,133.84 and require a separate completeness control, such as a review of subsequent receipts and payments. Accordingly, the finding and its classification remain unchanged.

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

To the Commission Members
Stanislaus County Children and Families Commission
Modesto, California

Report on Compliance

Opinion

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

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the fiscal year ended June 30, 2026.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State of California's *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)*, issued by the State Controller's Office. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the First 5 Program.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and the State of California's *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the California Children and Families Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State of California's *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of California's *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items:

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

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the State of California's *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5).* Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
October 23, 2026



Local Annual Report

Fiscal Year 2025-2026

Annual Report AR-1

Stanislaus Revenue and Expenditure Summary

July 1, 2025 - June 30, 2026

Revenue Detail

Category	Amount
Tobacco Tax Funds	$3,490,175
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	$336,750
Other Public Funds Description ARPA funds passed through Stanislaus County to support reimbursement of administrative costs under the Memorandum of Understanding for the Childcare Entrepreneurship Program.	
Donations	$0
Revenue From Interest Earned	$753,660
Grants	$150,753
Grants Description Represents the third installment of a 3-year grant from Sunlight Giving. Also includes grant from Board of Supervisors.	
Other Funds	$0
Other Funds	
Total Revenue	**$4,731,338**

Improved Family Support

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Family Support	CBO/Non-Profit	• Core Operating Support	1634	5146	0	$1,183,623
General Family Support	County Office of Education/School District	• Core Operating Support	4481	5383	0	$315,000
General Family Support	CBO/Non-Profit	• Core Operating Support	2233	1576	0	$40,000
General Family Support	First 5 County Commission	• Not Applicable (Outreach)	496	610	0	$0
Family Literacy and Book Programs	First 5 County Commission	• Kit for New Parents	0	635	0	$0
Family Literacy and Book Programs	County Office of Education/School District	• Dolly Parton's Imagination Library	920	1252	0	$0
					Total	**$1,538,623**

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	316	$2,253
Quality Early Learning and Care Supports	CBO/Non-Profit	• Not Applicable (Mission Asset Fund (Nurture))	0	0	44	$297,500
					Total	**$299,753**

Improved Child Health

Service	Grantee	Program(s)	Children	Caregivers	Providers	Unique Families	Amount
General Health Education and Promotion	CBO/Non-Profit	• Safety Education	250	250	0	0	$25,000
						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 - Kids Connect)	$2,832
Policy and Public Advocacy	Other Private/For Profit	• Resilient Families and Communities	$5,000
Systems Building	CBO/Non-Profit	• Not Applicable (Abriendo Puertas)	$11,094
Systems Building	CBO/Non-Profit	• Not Applicable (Vanessa Audelo - Nurturing Parenting)	$6,150
Systems Building	First 5 County Commission	• Not Applicable (Other Program Support)	$546,408
Systems Building	Other Private/For Profit	• Early Identification and Intervention	$19,141
Systems Building	Other Private/For Profit	• Not Applicable (Data Reporting System)	$5,040
Systems Building	County Office of Education/School District	• Not Applicable (Professional Development Training)	$16,100
		Total	**$611,765**

Expenditure Details

Category	Amount
Program Expenditures	$2,475,141
Administrative Expenditures	$361,004
Evaluation Expenditures	$25,955
Total Expenditures	$2,862,100
Excess (Deficiency) Of Revenues Over (Under) Expenses	$1,869,238

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	$17,486,534
Fund Balance - Ending	$19,355,772
Net Change In Fund Balance	$1,869,238

Fiscal Year Fund Balance

Category	Amount
Nonspendable	$0
Restricted	$19,355,772
Committed	$0
Assigned	$0
Unassigned	$0
Total Fund Balance	$19,355,772

Expenditure Note

No data entered for this section as of 10/22/2026 8:49:38 AM.

Annual Report AR-2

Stanislaus Demographic Worksheet

July 1, 2025 - June 30, 2026

Population Served

Category	Number
Children Less than 3 Years Old	3,469
Children from 3rd to 6th Birthday	4,315
Providers	360
Children – Ages Unknown (birth to 6th Birthday)	2,243
Primary Caregivers	14,853
Total Population Served	**25,240**

Primary Language Spoken in Home

Category	Number of Children	Number of Primary Caregivers
English	3,112	4,060
Cantonese	2	0
Other - Specify with text box Hmong	12	8
Mandarin	1	0
Spanish	3,768	5,196
Vietnamese	3	3
Unknown	2,670	4,216
Other - Specify with text box unspecified	459	1,370
Totals	**10,027**	**14,853**

Race and/or Ethnicity of Population Served

Category	Number of Children	Number of Primary Caregivers
Alaska Native/American Indian	25	54
Asian	118	134
Non-Hispanic Black or African American	274	350
Hispanic/Latino	5,271	7,127
Native Hawaiian or Other Pacific Islander	143	13
Non-Hispanic White	954	1,186
Other – Specify with text box Multiracial	236	126
Other – Specify with text box Other unspecified	393	1,294
Unknown	2,613	4,569
Totals	**10,027**	**14,853**

Duplication Assessment

Category	Data
Degree of Duplication	0%
Confidence in Data	Very confident
Additional Details (Optional)	

Annual Report AR-3

Stanislaus County Evaluation Summary and Highlights

July 1, 2025 - June 30, 2026

County Evaluation Summary

Evaluation Activities Completed, Findings, and Policy Impact

Program Overview and Objectives

First 5 Stanislaus continued collaborating with local libraries to promote early literacy and help families build a strong foundation for lifelong learning. Through engaging Story Time sessions and educational workshops at Family Resource Centers and through elementary school partnerships, including Hughson Elementary and Lucas Elementary Dual Language Academy, families gained access to literacy activities and valuable library resources. On September 10, 2025, library partners hosted Story Time at the Ceres Family Resource Center, engaging children ages 0–5 and sharing practical strategies to help parents incorporate reading into everyday routines. These partnerships promote early childhood development, strengthen parent-child connections, and encourage families to make reading a part of their daily lives. First 5 Stanislaus supports Community Baby Showers that connect expecting parents and families with young children to essential resources, educational opportunities, and local service providers. These events create welcoming spaces where families can learn about pregnancy, infant care, and early childhood development while building relationships with organizations that can support them throughout their parenting journey. For example, the Hughson Community Baby Shower, hosted by Hughson Elementary and Hughson Healthy Start, welcomed 82 expecting mothers and their families. With support from First 5 Stanislaus, Health Plan of San Joaquin, Stanislaus County WIC, and 12 community partners, families connected with local organizations, participated in educational classes, and explored services available to support healthy pregnancies and positive early childhood outcomes. Through these community partnerships, First 5 Stanislaus helps increase awareness of available resources, strengthen connections between families and service providers, and support families as they prepare to welcome and raise healthy children.

Methodology and Evaluation Approach

First 5 Stanislaus uses sign-in forms to track attendance and families served through library partnerships and Community Baby Showers. Follow-up surveys assess program goals and gather feedback. Library partnership surveys evaluate whether parents and caregivers read more frequently with their children at home and whether Imagination Library enrollment increases. Community Baby Shower surveys collect participant feedback to identify improvements and inform future planning. Evaluation includes quantitative data, such as attendance and enrollment, and qualitative data, including participant feedback. Findings are reviewed to monitor participation, measure progress, and improve services. Limitations include low survey response rates, incomplete follow-up data, reliance on self-reported information, and variations in attendance and responses across events, which may limit the ability to generalize findings to all participating families.

Key Findings and Outcomes

Both initiatives made progress toward their goals. Library partnerships increased awareness of the Imagination Library and connected families with early literacy resources. Enrollment more than doubled from 446 in FY 2024–25 to 920 in FY 2025–26. Library card issuance increased from 319 to 493, while participation in literacy services grew from 1,076 to 2,019 children and family members, demonstrating expanded access to early learning opportunities. Community Baby Showers strengthened connections between families and organizations supporting healthy birth outcomes and children's health. Vendor participation has grown, increasing the variety of resources available to families. Moving forward, First 5 Stanislaus aims to strengthen partnerships further by recruiting additional community organizations and expanding access to services.

Equity and Access

Both initiatives serve families with young children, including those facing barriers to educational resources and community services. Literacy service participation increased from 1,076 to 2,019 children and family members, while Imagination Library enrollment grew from 446 to 920. Library partnerships bring literacy activities directly to Family Resource Centers and local schools, improving access to early learning resources. Community Baby Showers connect expecting parents with service providers and resources that support healthy pregnancies and early childhood development. Increased vendor participation has expanded available resources. Additional demographic data is needed to assess outreach to marginalized populations. Potential barriers include transportation, language differences, and limited awareness of services. First 5 Stanislaus will continue strengthening partnerships, promoting resources, and connecting families to programs such as PlanetBaby! for ongoing support.

Lessons Learned and Recommendations

Evaluation findings show that community partnerships expand access to early literacy resources and connect families with services supporting healthy pregnancies and early childhood development. Increased Imagination Library enrollment, library card issuance, literacy participation, and vendor involvement at Community Baby Showers highlight the value of collaboration and accessible community locations. First 5 Stanislaus recommends strengthening partnerships with libraries, schools, Family Resource Centers, and service providers. Multilingual outreach may help reach families facing barriers. Collecting consistent survey responses and demographic data would help assess outreach to underserved populations and identify needs. Community Baby Showers can connect expecting families with ongoing support through PlanetBaby! classes and other early childhood programs. Tracking referrals and enrollment would help measure continued engagement.

County Highlights

Purpose and Activities

First 5 Stanislaus focuses on strengthening families and supporting the healthy development of children ages 0–5 through Family Resource Centers, Healthy Start programs, parent education, literacy initiatives, and community outreach. A key highlight is the expansion of connections and access to resources through Waterford Healthy Start, which began its first year as a First 5 Stanislaus-funded program. Activities include parenting workshops, literacy support, referrals to community services, and partnerships with schools, libraries, childcare providers, and health services. In response to families' needs, the program offers morning activities, evening and weekend outreach, and resources for use at home. These efforts help reduce barriers to participation, connect families with essential services, and strengthen support networks for young children and their caregivers.

Key Achievements and Outcomes

During FY 2025–2026, First 5 Stanislaus and its contractors reached 25,240 children, parents, caregivers, and providers throughout Stanislaus County. Family support services reached the caregivers of 10,027 children, helping families increase their knowledge and use of community resources. Literacy initiatives also made a measurable impact, with 19,290 books distributed to support early learning and reading at home. Additionally, 389 caregivers reported increased confidence in their parenting abilities, and 387 reported increased skills and knowledge after attending parenting classes. These outcomes demonstrate the value of connecting families with practical information, educational opportunities, and resources that support children's development and family well-being.

Community Engagement, Partnerships and Equity-Focused Efforts

First 5 Stanislaus promotes equity by partnering with trusted community organizations to connect families with resources that support their children's development and well-being. Programs provide accessible opportunities for families from diverse backgrounds, including bilingual workshops in English and Spanish and outreach designed to accommodate parents' work and family schedules. The report indicates that 62% of participants served were from Hispanic, Asian, Black/African American, or multiracial population groups. Partnerships with schools, libraries, Family Resource Centers, healthcare providers, and community organizations extend outreach and help families discover services they may not otherwise know are available. Initiatives such as Community Baby Showers, library Story Time sessions, and family resource events create welcoming spaces for parents to build relationships, learn about available services, and strengthen their support networks.

Qualitative Impact

The experiences of families demonstrate how accessible programs can strengthen parenting confidence and connect caregivers with practical resources. Erika, a participant at the Waterford Healthy Start Family Resource Center, attended workshops on child development, parenting, and managing tantrums. She valued learning strategies she could apply at home and appreciated that staff helped care for her infant during workshops so she could participate. Reflecting on the experience, Erika shared, "I would walk out feeling very informed and knowing what to do." Her story highlights the importance of creating welcoming environments where parents can learn, feel supported, and gain confidence in caring for their children.

Looking Forward

First 5 Stanislaus will continue strengthening partnerships and expanding opportunities for families to access early childhood resources, parenting education, and literacy services. Building on the first year of Waterford Healthy Start, future priorities include expanding parenting education, creating additional opportunities for families to connect, and helping community organizations share information and resources with parents. Continued collaboration with schools, libraries, healthcare providers, Family Resource Centers, and other community partners will remain essential to reaching underserved families and addressing emerging needs. First 5 Stanislaus remains committed to meeting families where they are, reducing barriers to support, and helping every child ages 0–5 build a strong foundation for lifelong learning and well-being.