

**CHILDREN AND FAMILIES FIRST COMMISSION
OF VENTURA COUNTY
A Component Unit of the County of Ventura**

Financial Statements for the Years
Ended June 30, 2019 and 2018 and
Independent Auditor's Report

Fanning & Karrh

Certified Public Accountants

A Professional Corporation

CHILDREN AND FAMILIES FIRST COMMISSION OF VENTURA COUNTY
A Component Unit of the County of Ventura

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Children and Families First Commission of Ventura County:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each governmental fund of Children and Families First Commission of Ventura County (Commission), a component unit of the County of Ventura, California, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each governmental fund of the Children and Families First Commission of Ventura County, as of June 30, 2019 and 2018, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information on pages 3 through 10 and 26 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2019 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Children and Families First Commission of Ventura County'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 Children and Families First Commission of Ventura County's internal control over financial reporting and compliance.

Fanning & Karrh

Ventura, California
October 14, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Children and Families First Commission of Ventura County's (Commission) Annual Financial Report presents management's discussion and analysis of the Commission's financial performance during the fiscal year ended June 30, 2019. Please read in conjunction with the Commission's financial statements and accompanying notes that begin on page 11.

FINANCIAL HIGHLIGHTS

- The Commission received \$5,926,261 in tobacco tax revenue, compared to \$5,848,545 received in the prior fiscal year, an increase of \$77,716 or 1%.
- The Commission recognized \$610,818 in grant funding from federal, state, and foundation sources, compared to \$1,043,061 received in the prior fiscal year. This decrease of \$432,243 is primarily because certain pass through dollars are contracted directly to the program implementer and no longer flow through the Commission.
- The Commission's expenses totaled \$10,763,983 compared to \$10,771,507 incurred in the prior fiscal year, a decrease of \$7,524.
- The Commission's assets at June 30, 2019 were \$14,951,336, a decrease of \$3,845,455 or 20%, compared to total assets of \$18,796,791 at June 30, 2018, a planned decrease as a result of utilizing Commission resources to sustain program services.
- The Commission's net position at June 30, 2019 was \$12,681,643, a decrease of \$3,813,073 or 23%, compared to a net position of \$16,494,716 at June 30, 2018. This decrease is primarily attributed to the planned use of prior years' distributions to sustain program expenditures in the current year.

OVERVIEW OF SIGNIFICANT EVENTS FOR FY 2018-19

In FY 2018-19, the Commission implemented the third funding year of its five-year strategic plan that was adopted in June 2015. For funding years one through three, investments in strategies and programs largely remained the same as the Commission utilized its Sustainability Fund to maintain current funding levels as long as possible due to declining revenues. With the depletion of the Sustainability Fund, strategic investments for years four and five will shift towards advocacy and capacity building efforts to support and build the overall early childhood system of services that promote parent engagement, build best practices and quality standards, engage partners in cross-system governance and increase the alignment of resources for improved outcomes for young children. Over this five-year strategic plan spanning a funding period of July 1, 2016 through June 30, 2021, the Commission anticipates its local investment to total over \$44 million dollars.

Since the Commission's major strategic plan programs were continued for FY 2018-19, spending levels were commensurate with the prior year with most programs expending or nearly expending their annual allocation and thereby continuing their capacity to serve young children and their families in Ventura County. The Neighborhoods for Learning (NfL) initiative, a nationally recognized, community-based service delivery model brought together early learning, health and family support resources for families in their neighborhoods. Programs funded under Countywide Specialized Strategies played a critical role in the delivery of regional-based family strengthening, early intervention, and health-focused programming. Quality early learning opportunities continued through the funding of preschool spaces and quality improvement activities. The fourth and final transfer from the Sustainability Fund occurred as planned to support program services at their current funding levels.

Furthering the Commission's Neighborhoods for Learning Initiative, the Commission is one of 29 communities nationwide selected to participate in the Pritzker Children's Initiative, which aims to increase the number of children developmentally on track for Kindergarten readiness by age 3. The Commission received funding from the J.B. and M.K. Pritzker Family Foundation as one of nine communities to house a Fellow, thereby advancing the Commission's Prenatal to Three (PN-3) agenda and transitioning to the redesigned Neighborhoods for Learning Initiative. The Commission received \$75,000 in FY 2018-19 towards the cost of a Fellow, as well as technical assistance from national partners. As individuals and as a cohort, Pritzker Fellows connected, engaged, and informed PN-3 leaders, driving both their individual community initiatives and provided leadership within the nation.

Several accomplishments were realized this year in the development and implementation of countywide system initiatives in promoting early literacy, parent engagement, early intervention, and early childhood mental health. Through these partnership-based collaboratives with county agencies, schools and community organizations, common frameworks for addressing the needs of young children and their families were advanced. The Commission championed the *Take 5 and Read To Kids* campaign to raise awareness about the importance of early childhood literacy. Working with local media partners and community leaders, countywide celebrity readers encouraged parents and caregivers to talk, read, and sing with young children. The Commission launched a new parent engagement strategy built upon a national model, in collaboration with the Center for the Study of Social Policy's EC-LINC. Parents from Ventura County joined their Parent Leader Network and two of the parents were selected to participate on their national steering committee. Significant strides were made this year through the Commission's investment in Help Me Grow system - a partner network across early childhood sectors in Ventura County to streamline the process of accessing support for families of young children with developmental and behavioral concerns. Providers in pediatric medical settings and early childhood programs were trained on screening protocols and making referrals to community resources. Resource materials were developed, best practices were shared, and projects were launched to address screenings for postpartum depression and adverse childhood experiences. The Commission partnered with Ventura County Behavioral Health and community leaders to develop strategies and promote innovation in addressing early childhood mental health.

During FY 2018-19, the Commission engaged in significant planning and preparation for the transition to years four and five of the current strategic plan. Implementation models were finalized and contractor selection occurred so that services were ready to begin on July 1, 2019, resulting in a substantial investment in the county's early childhood system.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's financial statements comprise three components:

- 1) Government-wide financial statements;
- 2) Fund financial statements; and
- 3) Notes to the financial statements.

The Commission's financial statements offer key, high-level financial information about its activities.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Commission finances in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all Commission assets and liabilities, with differences between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is changing.

The *Statement of Activities* presents information on how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement include some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Fund Financial Statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Commission has established funds to control and manage funding for a particular purpose (future years' financing, community investment loan funds). The Commission reports all activities under *governmental funds*.

Governmental funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. In fiscal year ended June 30, 2019, the Commission maintained three individual governmental funds. With the final transfer from the sustainability fund occurring in March 2019, the Commission will now maintain two individual funds.

Notes to the Financial Statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The Commission is considered a legal public entity separate from the County of Ventura (County). However, for financial statement presentation purposes only, the Commission is a component unit of the County.

FINANCIAL STATEMENT ANALYSIS

The following is a summary of the Commission's assets, liabilities and net position comparing June 30, 2019 with June 30, 2018.

Statements of Net Position For the Years Ended			
	June 30, 2019	June 30, 2018	Percent Increase (Decrease)
ASSETS			
Cash and investments	\$12,320,009	\$15,855,609	(22%)
Current and other assets	2,631,327	2,941,182	(11%)
Total assets	\$14,951,336	\$18,796,791	(20%)
LIABILITIES	\$2,269,693	\$2,302,075	(1%)
NET POSITION			
Unrestricted	12,681,643	16,494,716	(23%)
Total liabilities and net position	\$14,951,336	\$18,796,791	(20%)

As of June 30, 2019, the Commission's total assets were \$14,951,336, a decrease of \$3,845,455 or 20%. This decrease in total assets is mainly attributed to the planned use of prior years' distributions to support program services and sustain service capacity in the current period. The Commission accrued all amounts due to the Commission but not yet received by year-end. These amounts are reflected under current and other assets. Current and other assets include receivables and prepaid expenses such as amounts due from other governments, loans for preschool facilities, and interest receivables. The decrease of 11% or \$309,855 in current and other assets is primarily attributed to a decrease in amounts due from other governments since the Commission is no longer serving as the pass through for a portion of the First 5 California - IMPACT program dollars. Additionally, loan repayments occurred throughout the year which reduced receivables for the Community Investment Loan Fund. There were higher grant reimbursements due at year-end for preschool quality efforts, which offset this decrease, along with the inclusion of the April tobacco tax distribution as a receivable due to the timing of the payment.

At the end of FY 2018-19, the Commission also accrued all amounts owed by the Commission but not yet paid by year-end. Liabilities include accounts and contracts payable, accrued wages and benefits, and unearned revenue. Liabilities of \$2,269,693 as of June 30, 2019 were just slightly lower than the \$2,302,075 at June 30, 2018. The decrease in total liabilities of 1% or \$32,382 is mainly due to a decrease in the balance of unearned revenue as a result of earning the remaining revenues that had been received for grants received from the Center for the Study of Social Policy and the Ventura County Community Foundation. This decrease in unearned revenue is partially offset by the receipt of funds for a new grant from the California Department of Education focused on preschool workforce quality improvement for which expenditures will occur in FY 2019-20 at which time the revenue will be recognized.

The Commission's net position at June 30, 2019 was \$12,681,643, a decrease of 23% or \$3,813,073, compared to a net position of \$16,494,716 at June 30, 2018. The overall decrease in net position is largely attributed to the planned use of prior years' distributions to support program services and sustain service capacity in the current period. The decrease in net position for the current period was more than the prior year, demonstrating consistent use of the fund balance as planned to mitigate declining revenues. The Commission's remaining net position is committed for future program sustainability.

The following table summarizes the changes in net position comparing FY 2018-19 with FY 2017-18:

Statements of Activities For the Years Ended			
	June 30, 2019	June 30, 2018	Percent Increase (Decrease)
Expenses:			
Programs	\$9,898,190	\$9,953,033	(1%)
Program Evaluation (Results Accountability)	280,409	231,434	21%
Administration	582,183	578,295	1%
Equipment Replacement	3,201	8,745	(63%)
Total expenses	10,763,983	10,771,507	-
Revenues:			
Program revenues:			
State distribution of Proposition 10 funds	5,926,261	5,848,545	1%
First 5 CA IMPACT Program	295,836	881,231	(66%)
Pritzker Children's Initiative	75,000	-	100%
Federal Revenues -			
California QRIS Certification	73,155	83,416	(12%)
Pay for Success	110,919	67,527	64%
Grants - Other	55,908	10,887	414%
Other income	575	7,650	(92%)
Total program revenues	6,537,654	6,899,256	(5%)
General revenues:			
Interest earnings	361,146	259,178	39%
Surplus Monetary Investment Funds (SMIF)	16,218	8,525	90%
Unrealized gain (loss) on investments	35,892	27,517	30%
Total general revenues	413,256	295,220	40%
Change in net position	\$(3,813,073)	\$(3,577,031)	

The Commission planned for a decrease in net position, utilizing funds from prior years' distributions to support program services and sustain service capacity in the current period. With consideration of the unrealized gain on investments as a result of fair market value adjustments, the net expense in FY 2018-19 against program and general revenues is \$3,813,073.

In FY 2018-19, the Commission spent \$9,898,190 on program services compared to \$9,953,033 in FY 2017-18, a decrease of \$54,843 or less than 1%. This decrease is primarily attributed to no longer serving as a pass-through for a portion of the First 5 California IMPACT program funds. The decrease is offset by the implementation of Place-Based Transition Pilot and Pritzker Children's Initiative grant, pre-transition activities for the redesigned Neighborhood for Learning initiative, and utilization of available unspent funds for activities and one-time projects by some funded programs.

Program evaluation (Results-based Accountability and Quality Assurance) includes expenses for the data software system, external evaluation services, training/capacity building, and staffing/operating expenses for the coordination of evaluation activities and technical assistance for funded programs. Expenses for this year in the amount of \$280,409 were higher than the prior year, which came in at \$231,434, primarily due to the completion of a one-time grant from the Center for the Study of Social Policy, filling a staff vacancy assigned to this cost center, and carrying out additional evaluation projects. The increase was offset by implementing fewer training activities in the current period.

In FY 2018-19, administrative expenses were 5.4% of operating expenses, below the established target of 5.5% of total operating costs. Actual administrative expenses were lower than budgeted, coming in at 86% of the administrative budget.

The Commission received program revenues totaling \$6,537,654 in FY 2018-19, a decrease of 5% or \$361,602, compared to prior year's total program revenues. The overall reduction in program revenues is primarily due to certain IMPACT program funds no longer contracted through the Commission and instead flow directly to the program implementer. This decrease is offset by an increase in Proposition 10 distributions along with state and federal funding for preschool quality efforts.

In FY 2018-19, the Commission continued to successfully leverage local Proposition 10 funds to enhance its initiatives, particularly in the area of quality preschool as highlighted below:

- The Commission is serving as the lead agency for one of 10 IMPACT Hub regional consortiums established by First 5 California for the purpose of advancing the implementation of CA-QRIS in each county and across the regions. The Commission received \$295,836 from First 5 California on behalf of Region 7 (comprised of Ventura, Santa Barbara, and San Luis Obispo counties) to coordinate and reimburse systems-building work. Enhancing these efforts even further, the Commission received \$73,155 from California Department of Education to support the training of QRIS coaches and assessors in Region 7.
- The Commission also received \$110,919 in funding from the United States Department of Education, in collaboration with the Ventura County Office of Education (VCOE), to conduct a feasibility study for Pay for Success (PFS), an innovative financing model that drives government resources toward high-performing social programs. This study is exploring alternative financing options for quality preschool.

The general revenues (from interest earnings), without consideration of the unrealized gain on investments as a result of fair market value adjustments, in the current period are \$377,364, compared to \$267,703 in the prior year. This 41% increase is a result of improved market rates and higher interest earnings in the current period, even with lower fund balances upon which to draw interest. The majority of these interest earnings come from the Commission's funds that are maintained in the Ventura County Treasury Investment Pool. The Ventura County Treasurer-Tax Collector's Office earned an average rate of 2.3% in FY 2018-19 for funds invested in the County investment pool, compared to the average rate of 1.3% earned in FY 2017-18. Interest rates for FY 2019-20 are forecasted to be 2.4%.

The Commission recognized an unrealized gain on investments of \$35,892 in FY 2018-19 compared to the change in fair value of \$27,517 realized in the prior year. With this gain in fair value for FY 2018-19, the Commission's overall portfolio at June 30, 2019 reflects an unrealized gain of \$68,669.

Without consideration of the unrealized gain on investments as a result of fair market value adjustments, the Commission utilized \$3.85 million in funds from the planned use of prior years' distributions in the current period to sustain program service levels. The overall financial position of the Commission remains strong. With the final transfer of the Sustainability Fund to the Operating Fund that occurred in FY 2018-19, the Commission has reduced spending levels beginning July 1, 2019. A portion of the Commission's net position will be used to fill the gap between revenues and designated spending levels.

BUDGETARY HIGHLIGHTS

OPERATING FUND

As presented in the accompanying "Budgetary Comparison Schedule – Operating Fund" on page 26, the Commission projected \$7.0 million in total revenues. Actual revenues earned for the fiscal year ended June 30, 2019 in the Operating Fund were just under \$6.8 million. Of total revenues, tobacco tax distributions had been originally budgeted at \$6.0 million. A forecast prepared in February 2019 estimated revenues at \$5.7 million using updated projections provided by First 5 California that took into account recent trends in tobacco tax sales and impact of new tobacco tax legislation. While actual Proposition 10 revenues of \$5.9 million were slightly lower than budgeted, they were higher than the State's forecast. In Ventura County, tobacco tax revenues increased 1.3% compared to the prior year. Statewide, there was an overall increase in tobacco tax revenues of 5.7%. This increase was lower than anticipated and with multiple factors likely contributing, including: a lower backfill from Proposition 56; stricter purchase age requirements; sales that circumvent tax collection; and the inclusion of e-cigarettes, which has an offsetting effect. Locally, this increase is offset by 4.4% because Ventura County continued to experience a lower percent distribution of statewide births (1.961% in FY 2017-18 compared to 2.046% in FY 2018-19). In addition to tobacco tax revenues, the Commission received over \$600,000 in grant funding during FY 2018-19.

In FY 2018-19, the Commission budgeted \$14.2 million for Operating Fund expenditures. Actual expenditures in the Operating Fund came in at \$10.7 million for an overall average percent budget expended rate of 75%. The overall budget variance of \$3.5 million is mainly attributed to the following: 1) budgeting for the use of carry over funds for funded programs that were not all utilized; 2) the effects of conversion of Commission-funded preschool spaces to State-funding in the Oxnard, Santa Clara Valley, and Hueneme/South Oxnard Neighborhood for Learning programs and loss of a preschool facility in the Rio Neighborhood for Learning; 3) delaying implementation of challenge grants, the website redesign, and certain projects/education campaigns; 4) winding down of programs that sunset June 30, 2019; and 5) some staff vacancies for funded programs and in the Commission's internal cost centers. Approximately \$1.1 million of program funds from FY 2018-19 are carried forward to FY 2019-20 for the completion of certain activities and grant projects.

The Commission also budgeted for transfers of \$6.3 million from the Sustainability Fund and \$8,580 from the Community Investment Loan Fund in excess interest earnings for the fiscal year ended June 30, 2019. As planned, all resources available in the Sustainability Fund were transferred to the Operating Fund, resulting in a transfer of just under \$6.4 million from the Sustainability Fund thereby closing out the fund. The Commission also transferred in \$15,694 to the Operating Fund from the Community Investment Loan Fund, which represents excess interest earnings from FY 2017-18. Revenues and the transfers sufficiently covered expenditures, therefore, the resources from the existing fund balance were not drawn upon in the current period.

SUSTAINABILITY FUND

Recognizing there are reductions in tobacco tax revenue, which will in turn impact the Commission's ability to fund services, the Sustainability Fund provided for the ability to continue to fund program services. In order to maintain funding levels as long as possible, the Commission planned to make full use of this fund for the funding period of FY 2016-17 through FY 2018-19, when it would ultimately be depleted. FY 2018-19 marked the final transfer from this fund. As presented in the accompanying "Budgetary Comparison Schedule – Sustainability Fund" on page 27, the Commission projected revenues from interest earnings of \$37,572 and a transfer of \$6,299,755 to the Operating Fund in FY 2018-19. The Commission earned interest revenues in the amount of \$103,377 and transferred out \$6,370,490 to the Operating Fund. Interest earnings and the subsequent transfer were higher due to the timing of the transfer.

COMMUNITY INVESTMENT LOAN FUND

The Community Investment Loan Fund, launched in 2008, provides low-cost capital for facilities development, including planning, construction and amortized loans to create new early care and education spaces. The Commission's implementation partner for the loan fund is the Economic Development Collaborative – Ventura County. As presented in the accompanying "Budgetary Comparison Schedule – Community Investment Loan Fund" on page 28, the Commission allocated \$385,000 in FY 2018-19 for the Community Investment Loan Fund. Of that amount, \$350,000 was budgeted for loan disbursements.

This Fund has issued 6 loans since its inception, totaling \$1,196,868, creating a total of 343 new early care and education spaces in high need areas. In FY 2018-19, one loan settled its liability early resulting in higher loan repayments than anticipated. While new loans and their associated earned interest and inflows of repayments were anticipated, no additional loans were processed by June 30, 2019. Additional distribution of loan funds is planned for FY 2019-20.

Actual revenues earned in FY 2018-19 for the Community Investment Loan Fund represent interest earnings of \$44,447. Since no loans were issued in FY2018-19, there were no loan fees received. Revenues in the current period more than cover actual expenditures of \$28,461 for costs related to implementing the loan fund. As interest earnings are expected to more than cover the costs related to loan administration, interest earnings that exceed the amount needed to operate the Loan Fund are subsequently transferred to the Operating Fund to help sustain program funding levels.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of the current fiscal year, the Commission did not have any capital assets.

Debt Administration

At the end of the current fiscal year, the Commission did not have any long-term obligations outstanding.

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

The Commission updated its long-range financial plan in February 2019 that continues a substantial investment in the county's early childhood system. For FY 2019-21, the last two years of the five-year strategic plan, the Commission will make an annual base investment of \$6.9 million. The plan allocates \$2.9 million annually for place-based services focused on Parent and Child Together programs (PACT) and family support services through a redesigned Neighborhoods for Learning Initiative. The plan also maintains an annual investment of \$1.4 million in preschool for a two-year transitional period to maintain licensed preschool capacity while efforts continue to transition these spaces to public funding sources. The remainder of funds will be invested in countywide linkage to resources and early intervention, systems change, results-based accountability, program management, and administration. Beginning with FY 2021-22, the new financial plan forecasts a five-year annual spending level of \$5.3 million with continued investments in place-based services, countywide linkage to resources and early intervention, systems change, results-based accountability, program management, and administration.

In FY 2019-20, the Commission will implement the fourth funding year of its five-year plan that was adopted in June 2015 whereby strategic investments have been modified and shift towards advocacy and capacity building efforts to support and build the overall early childhood system of services. The overall local investment of the Operating Fund for FY 2019-20 is budgeted at \$8.0 million, which includes some one-time investments beyond the base allocation of \$6.9 million. With leveraged funding, particularly for countywide preschool quality efforts, the Commission's overall budget is \$8.7 million. In FY 2019-20, the Commission will continue to consider strategies for building its financial resources and identify opportunities for supporting services for young children in Ventura County.

Furthering the Commission's Neighborhoods for Learning Initiative, the Commission is one of 29 communities participating in the Pritzker Children's Initiative recently renamed the National Collaborative for Infants and Toddlers (NCIT). This national initiative aims to increase the number of children developmentally on track for Kindergarten readiness by age 3. The Commission is slated to receive \$75,000 in FY 2019-20 from the J.B. and M.K. Pritzker Family Foundation as one of nine communities housing a Fellow focused on advancing the Commission's Prenatal to Three (PN-3) agenda.

The Commission will continue to engage in local and statewide QRIS efforts and will serve as the fiscal agency for IMPACT Hub, Region 7, which is comprised of Ventura, Santa Barbara, and San Luis Obispo. The currently funding cycle for this program concludes June 30, 2020. For FY 2019-20, it is estimated that the Commission will receive \$640,000 in grant revenue from First 5 California and the California Department of Education for preschool quality and system building efforts in this region.

In FY 2019-20, the Commission will complete the feasibility study for Pay for Success (PFS), an innovative financing model that drives government resources toward high-performing social programs. In collaboration with the Ventura County Office of Education (VCOE) and funding from the United States Department of Education, this study is exploring alternative financing options for quality preschool. Over the two and half-year project period ending November 30, 2019, the Commission will receive a total of \$300,000 in federal funding.

Future annual revenues from the Proposition 10 apportionments are expected to continue to decline due to the decrease in the amount of tobacco sales within the State, smokers purchasing tobacco via the Internet, illegal sales of tobacco, and Board of Equalization (BOE) administrative costs. To prepare for decreases in future years' revenues, the Commission closely monitors and periodically revises its long-term financial plan. The Commission

is closely monitoring the revenue impact of recent bills signed into law including Proposition 56 (the \$2 tobacco tax that went into effect on April 1, 2017), classification of e-cigarettes as a tobacco product, raising the legal age for purchasing tobacco products from 18 to 21, and changes in licensing fees which are expected to reduce administrative costs charged to Proposition 10 by the California Department of Tax and Fee Administration.

SUMMARY

Brain research clearly tells us that ages 0-5 are critical years for developing lifelong social, emotional and learning skills. While this period is absolutely key to a child's development, it is also where public investments are the lowest. Together with parents, school districts, community leaders, and social and healthcare agencies, First 5 Ventura County works to fill the gaps through its network of essential services for young children and their families- a network that strengthens futures for children, families and communities. For FY 2018-19, in addition to a local investment of \$10.1 million, the Commission successfully brought in \$600,000 in grants and leveraged program dollars, resulting in a total investment of \$10.7 million. The Commission and its partners will continue to serve children and families in Ventura County.

This financial report is designed to provide the public with an overview of the Commission's financial operations and conditions. If you have questions about this report or need additional financial information, please contact First 5 Ventura County (Children and Families First Commission of Ventura County), 2580 E. Main Street, Suite 203, Ventura, CA 93003, (805) 648-9990.

CHILDREN AND FAMILIES FIRST COMMISSION OF VENTURA COUNTY
A COMPONENT UNIT OF THE COUNTY OF VENTURA

STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and investments	\$ 12,320,009	\$ 15,855,609
Due from other governments	1,640,975	1,842,783
Loans receivable	773,077	907,578
Accounts receivable	26,157	34,567
Interest receivable	152,652	122,305
Prepaid expenses	<u>38,466</u>	<u>33,949</u>
Total assets	<u>\$ 14,951,336</u>	<u>\$ 18,796,791</u>
 LIABILITIES AND NET POSITION		
Liabilities:		
Accounts and contracts payable	\$ 2,136,869	\$ 2,166,179
Accrued wages and benefits	41,052	29,084
Compensated absences	66,520	48,488
Unearned revenue	<u>25,252</u>	<u>58,324</u>
Total liabilities	<u>2,269,693</u>	<u>2,302,075</u>
Net Position - Unrestricted	<u>12,681,643</u>	<u>16,494,716</u>
Total liabilities and net position	<u>\$ 14,951,336</u>	<u>\$ 18,796,791</u>

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

CHILDREN AND FAMILIES FIRST COMMISSION OF VENTURA COUNTY
A COMPONENT UNIT OF THE COUNTY OF VENTURA

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
EXPENSES		
Program expenses:		
Neighborhoods for Learning	\$ 6,339,386	\$ 5,951,706
Countywide Strategies	1,592,592	1,458,604
Countywide Preschool	1,319,675	1,945,914
Program Management and Community Initiatives	618,076	567,777
Community Investment Loan Fund	28,461	29,032
Evaluation expenses - Results-based		
Accountability and Quality Assurance	280,409	231,434
Administration expenses	582,183	578,295
Equipment replacement	3,201	8,745
Total expenses	<u>10,763,983</u>	<u>10,771,507</u>
REVENUES		
Program revenues:		
Proposition 10 apportionment	5,926,261	5,848,545
First 5 California IMPACT Program	295,836	881,231
Pritzker Children's Initiative	75,000	-
Federal grant revenue:		
California QRIS Certification	73,155	83,416
Pay for Success	110,919	67,527
Grants - Other	55,908	10,887
Other	575	7,650
Total program revenues	<u>6,537,654</u>	<u>6,899,256</u>
Net expense	<u>(4,226,329)</u>	<u>(3,872,251)</u>
General revenues:		
Interest earnings	361,146	259,178
Proposition 10 SMIF	16,218	8,525
Unrealized gain (loss) on investments	35,892	27,517
Total general revenues	<u>413,256</u>	<u>295,220</u>
Change in net position	(3,813,073)	(3,577,031)
Net position, beginning of year	<u>16,494,716</u>	<u>20,071,747</u>
Net position, end of year	<u>\$ 12,681,643</u>	<u>\$ 16,494,716</u>

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

CHILDREN AND FAMILIES FIRST COMMISSION OF VENTURA COUNTY
A COMPONENT UNIT OF THE COUNTY OF VENTURA

GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2019

	Operating Fund	Sustainability Fund	Community Investment Loan Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 11,808,519	\$ -	\$ 511,490	\$ 12,320,009
Due from other governments	1,640,975	-	-	1,640,975
Loans receivable	-	-	773,077	773,077
Accounts receivable	26,157	-	-	26,157
Interest receivable	137,682	-	14,970	152,652
Prepaid expenses	38,466	-	-	38,466
Total assets	<u>\$ 13,651,799</u>	<u>\$ -</u>	<u>\$ 1,299,537</u>	<u>\$ 14,951,336</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts and contracts payable	\$ 2,126,054	\$ -	\$ 10,815	\$ 2,136,869
Accrued wages and benefits	41,052	-	-	41,052
Compensated absences	-	-	-	-
Unearned revenue	25,252	-	-	25,252
Total liabilities	<u>2,192,358</u>	<u>-</u>	<u>10,815</u>	<u>2,203,173</u>
Fund balance:				
Nonspendable	38,466	-	773,077	811,543
Restricted	-	-	-	-
Committed	11,420,975	-	515,645	11,936,620
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balance	<u>11,459,441</u>	<u>-</u>	<u>1,288,722</u>	<u>12,748,163</u>
Total liabilities and fund balance	<u>\$ 13,651,799</u>	<u>\$ -</u>	<u>\$ 1,299,537</u>	<u>\$ 14,951,336</u>

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

Total fund balance from above	\$ 12,748,163
Long-term liabilities, including accrued compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(66,520)</u>
Net position of governmental activities	<u>\$ 12,681,643</u>

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

CHILDREN AND FAMILIES FIRST COMMISSION OF VENTURA COUNTY
A COMPONENT UNIT OF THE COUNTY OF VENTURA

GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2018

	Operating Fund	Sustainability Fund	Community Investment Loan Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 9,249,947	\$ 6,242,909	\$ 362,753	\$ 15,855,609
Due from other governments	1,842,783	-	-	1,842,783
Loans receivable	-	-	907,578	907,578
Accounts receivable	27,767	-	6,800	34,567
Interest receivable	67,642	37,161	17,502	122,305
Prepaid expenses	33,949	-	-	33,949
Total assets	<u>\$ 11,222,088</u>	<u>\$ 6,280,070</u>	<u>\$ 1,294,633</u>	<u>\$ 18,796,791</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts and contracts payable	\$ 2,157,862	\$ -	\$ 8,317	\$ 2,166,179
Accrued wages and benefits	29,084	-	-	29,084
Compensated absences	-	-	-	-
Unearned revenue	58,324	-	-	58,324
Total liabilities	<u>2,245,270</u>	<u>-</u>	<u>8,317</u>	<u>2,253,587</u>
Fund balance:				
Nonspendable	33,949	-	907,578	941,527
Restricted	-	-	-	-
Committed	8,942,869	6,280,070	378,738	15,601,677
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balance	<u>8,976,818</u>	<u>6,280,070</u>	<u>1,286,316</u>	<u>16,543,204</u>
Total liabilities and fund balance	<u>\$ 11,222,088</u>	<u>\$ 6,280,070</u>	<u>\$ 1,294,633</u>	<u>\$ 18,796,791</u>

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

Total fund balance from above	\$ 16,543,204
Long-term liabilities, including accrued compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(48,488)</u>
Net position of governmental activities	<u>\$ 16,494,716</u>

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

CHILDREN AND FAMILIES FIRST COMMISSION OF VENTURA COUNTY
A COMPONENT UNIT OF THE COUNTY OF VENTURA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

	Operating Fund	Sustainability Fund	Community Investment Loan Fund	Total Governmental Funds
REVENUES				
Program revenues:				
Proposition 10 apportionment	\$ 5,926,261	\$ -	\$ -	\$ 5,926,261
First 5 California IMPACT Program	295,836	-	-	295,836
Pritzker Children's Initiative	75,000	-	-	75,000
Federal grant revenue -				
California QRIS Certification	73,155	-	-	73,155
Pay for Success	110,919	-	-	110,919
Grants - Other	55,908	-	-	55,908
Other	575	-	-	575
Total program revenues	<u>6,537,654</u>	<u>-</u>	<u>-</u>	<u>6,537,654</u>
General revenues:				
Interest earnings	213,322	103,377	44,447	361,146
Proposition 10 SMIF	16,218	-	-	16,218
Unrealized gain on investments	46,736	(12,957)	2,113	35,892
Total general revenues	<u>276,276</u>	<u>90,420</u>	<u>46,560</u>	<u>413,256</u>
Total revenues	<u>6,813,930</u>	<u>90,420</u>	<u>46,560</u>	<u>6,950,910</u>
EXPENDITURES				
Program expenditures:				
Neighborhoods for Learning	6,339,386	-	-	6,339,386
Countywide Strategies	1,592,592	-	-	1,592,592
Countywide Preschool	1,319,675	-	-	1,319,675
Program Management and Community Initiatives	606,536	-	-	606,536
Community Investment Loan Fund	-	-	28,461	28,461
Evaluation expenditures - Results-based				
Accountability and Quality Assurance	280,409	-	-	280,409
Administrative expenditures	575,691	-	-	575,691
Equipment replacement	3,201	-	-	3,201
Total expenditures	<u>10,717,490</u>	<u>-</u>	<u>28,461</u>	<u>10,745,951</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,903,560)</u>	<u>90,420</u>	<u>18,099</u>	<u>(3,795,041)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,386,184	-	-	6,386,184
Transfers out	-	(6,370,490)	(15,694)	(6,386,184)
Total other financing sources and uses	<u>6,386,184</u>	<u>(6,370,490)</u>	<u>(15,694)</u>	<u>-</u>

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

CHILDREN AND FAMILIES FIRST COMMISSION OF VENTURA COUNTY
A COMPONENT UNIT OF THE COUNTY OF VENTURA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - concluded
FOR THE YEAR ENDED JUNE 30, 2019

	Operating Fund	Sustainability Fund	Community Investment Loan Fund	Total Governmental Funds
Change in fund balance	2,482,624	(6,280,070)	2,405	(3,795,041)
Fund balance, beginning of year	<u>8,976,817</u>	<u>6,280,070</u>	<u>1,286,317</u>	<u>16,543,204</u>
Fund balance, end of year	<u>\$ 11,459,441</u>	<u>\$ -</u>	<u>\$ 1,288,722</u>	<u>\$ 12,748,163</u>

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

Net change in fund balance from above \$ (3,795,041)

The change in compensated absences reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. (18,032)

Change in net position of governmental activities \$ (3,813,073)

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

CHILDREN AND FAMILIES FIRST COMMISSION OF VENTURA COUNTY
A COMPONENT UNIT OF THE COUNTY OF VENTURA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018

	Operating Fund	Sustainability Fund	Community Investment Loan Fund	Total Governmental Funds
REVENUES				
Program revenues:				
Proposition 10 apportionment	\$ 5,848,545	\$ -	\$ -	\$ 5,848,545
First 5 California IMPACT Program	881,231	-	-	881,231
Federal grant revenue -				
California QRIS Certification	83,416	-	-	83,416
Pay for Success	67,527	-	-	67,527
Grants - Other	10,887	-	-	10,887
Other	850	-	6,800	7,650
Total program revenues	<u>6,892,456</u>	<u>-</u>	<u>6,800</u>	<u>6,899,256</u>
General revenues:				
Interest earnings	127,915	93,337	37,926	259,178
Proposition 10 SMIF	8,525	-	-	8,525
Unrealized gain on investments	16,848	10,077	592	27,517
Total general revenues	<u>153,288</u>	<u>103,414</u>	<u>38,518</u>	<u>295,220</u>
Total revenues	<u>7,045,744</u>	<u>103,414</u>	<u>45,318</u>	<u>7,194,476</u>
EXPENDITURES				
Program expenditures:				
Neighborhoods for Learning	5,951,706	-	-	5,951,706
Countywide Strategies	1,458,604	-	-	1,458,604
Countywide Preschool	1,945,914	-	-	1,945,914
Program Management and Community Initiatives	564,993	-	-	564,993
Community Investment Loan Fund	-	-	29,032	29,032
Evaluation expenditures - Results-based				
Accountability and Quality Assurance	231,434	-	-	231,434
Administrative expenditures	576,859	-	-	576,859
Equipment replacement	8,745	-	-	8,745
Total expenditures	<u>10,738,255</u>	<u>-</u>	<u>29,032</u>	<u>10,767,287</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,692,511)</u>	<u>103,414</u>	<u>16,286</u>	<u>(3,572,811)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,888,627	-	-	4,888,627
Transfers out	-	<u>(4,887,308)</u>	<u>(1,319)</u>	<u>(4,888,627)</u>
Total other financing sources and uses	<u>4,888,627</u>	<u>(4,887,308)</u>	<u>(1,319)</u>	<u>-</u>

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

CHILDREN AND FAMILIES FIRST COMMISSION OF VENTURA COUNTY
A COMPONENT UNIT OF THE COUNTY OF VENTURA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - concluded
FOR THE YEAR ENDED JUNE 30, 2018

	Operating Fund	Sustainability Fund	Community Investment Loan Fund	Total Governmental Funds
Change in fund balance	1,196,116	(4,783,894)	14,967	(3,572,811)
Fund balance, beginning of year	<u>7,780,701</u>	<u>11,063,964</u>	<u>1,271,350</u>	<u>20,116,015</u>
Fund balance, end of year	<u>\$ 8,976,817</u>	<u>\$ 6,280,070</u>	<u>\$ 1,286,317</u>	<u>\$ 16,543,204</u>

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

Net change in fund balance from above \$ (3,572,811)

The change in compensated absences reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. (4,220)

Change in net position of governmental activities \$ (3,577,031)

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

CHILDREN AND FAMILIES FIRST COMMISSION OF VENTURA COUNTY
A COMPONENT UNIT OF THE COUNTY OF VENTURA

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Children and Families First Commission of Ventura County (Commission), known as First 5 Ventura County, was established by the Ventura County Board of Supervisors in 1998 under the provisions of the California Children and Families First Act of 1998 (the Act). The purpose of the Commission is to promote, support, and improve the early development of children from the prenatal stage through five years of age. The Commission's programs are primarily funded by taxes levied by the State of California on tobacco products. Any change to the tobacco tax revenue impacts the Commission's ability to perform services.

The Commission is administered by a governing board of nine voting members. The Ventura County Board of Supervisors appoints the commissioners as follows:

- a. One member of the Board of Supervisors.
- b. Two members recommended by the County Executive Officer responsible for management of the County's children's services, public health services, behavioral health services, social services and tobacco or other substance abuse prevention and treatment services.
- c. A representative recommended by the Child Care Planning Council.
- d. The remaining five members shall be selected from members of the Community Commission of Ventura County, nominated, one each, by the members of the Board of Supervisors, who are either described in (b) above or are: (1) recipients of project services included in the Commission's strategic plan, (2) educators specializing in early childhood development, (3) representatives of a local child care resource or referral agency or child care coordinating group, (4) representatives of a local organization for prevention or early intervention for families at risk, (5) representatives of community-based organizations that have the goal of promoting nurturing and early childhood development, (6) representative of local school districts, or (7) representatives of local medical, pediatric, or obstetric associations or societies.

The Commission is considered a legal public entity separate from the County of Ventura (County). However, the Commission is a component unit of the County for financial reporting purposes.

Upon termination of the Commission, all assets of the Commission shall be returned to the State of California. The liabilities of the Commission shall not become liabilities of the County upon either termination of the Commission or the liquidation or disposition of the Commission's remaining assets.

Basis of Presentation and Accounting and Measurement Focus

The basic financial statements of the Commission are composed of the following:

- Commission-wide financial statements
- Fund financial statements
- Notes to the financial statements

The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units, hereinafter referred to as GAAP (generally accepted accounting principles). The accepted standard-setting body for establishing governmental accounting and financial reporting principles is GASB (Governmental Accounting Standards Board).

Commission-wide Financial Statements – The commission-wide financial statements consist of the statement of net position and the statement of activities and display information about the primary government (the Commission).

The commission-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 at the time liabilities are incurred, regardless of when the related cash flows take place.

The statement of activities presents a comparison of direct expenses and program revenues for the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include grants that are restricted to meeting the operational or capital requirements of the Commission. Revenues that are not classified as program revenues, including investment income, are presented as general revenues.

Fund Financial Statements – The fund financial statements consist of the balance sheet and the statement of revenues, expenditures and changes in fund balance. These statements are presented on a current-financial resources measurement focus. Under this method, revenues are recognized when measurable and available to finance expenditures of the current period. Revenues are generally considered to be available when they are collected within 90 days of the end of the current fiscal year. All receivables are expected to be collected within the current year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

The Commission reports only governmental funds as follows:

Operating Fund – The Operating Fund accounts for the legally authorized activities of the Commission not provided for in other specialized funds. For financial reporting information, the Operating Fund includes the state distribution and investment revenues and program, evaluation, and administration expenditures.

Sustainability Fund – The Sustainability Fund accounts for those funds set aside by terms of the Commission's financial plan for future years' financing of specifically designated programs. The Commission recognizes there are reductions in tobacco tax revenue, which will in turn impact the Commission's ability to fund services; therefore, the Sustainability Fund provided for the ability to continue to fund services until depleted, which occurred in fiscal year ended June 30, 2019.

Community Investment Loan Fund – The Community Investment Loan Fund accounts for those funds set aside by terms of the Commission's strategic plan for programs related to providing financing for facilities development of licensed quality child care and preschool.

As a general rule, the effect of interfund activity has been eliminated from the commission-wide financial statements.

Cash and Investments

The Commission participates in an external investment trust fund managed by the County of Ventura Treasurer. The County Treasurer's investment pool is defined in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The external investment pool commingles the moneys of more than one legally separate entity and invests on the participant's behalf in an investment portfolio for the purpose of increasing investment earnings. Interest earned on the pooled funds is allocated and credited to these funds quarterly. The Commission is required to deposit, but is not required to maintain, the state distributions of the tobacco tax in the County Treasury.

Capital Assets

Capital assets are reported in the commission-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of three years. Such assets are recorded at historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. There were no capital assets at June 30, 2019 or 2018.

Compensated Absences

The Commission has estimated its liability for vested compensated absences to be \$66,250 and \$48,488 at June 30, 2019 and 2018, respectively. Compensated absence obligations are reported in the fund financial statements as expenditures in the period paid. The estimated liabilities have been accrued in the commission-wide financial statements and are included in accrued liabilities.

Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied.

Equity Classifications

In the commission-wide financial statements, equity is classified as net position and displayed in three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. The Commission did not have any of its net position invested in capital assets at June 30, 2019 and 2018.
- Restricted net position – Consists of net position with legal limitations imposed on their use by County or State Ordinance, external restrictions by other governments, creditors or grantors. There were no restrictions of net position as of June 30, 2019 and 2018.
- Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

The Commission follows the provisions of GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. Accordingly, fund balance is divided into five classifications based primarily on the extent to which the Commission is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

- Nonspendable fund balance – includes amounts that cannot be spent because they are either (a) not in spendable form (e.g., prepaid expenses or inventory) or (b) legally or contractually required to be maintained intact (e.g., resources that must be held intact pursuant to legal or contractual requirements, such as revolving loan fund capital or the principal of an endowment).
- Restricted fund balance - includes resources that are subject to constraints for which there are externally enforceable legal restrictions (e.g., funding from the State Commission or foundations that are legally restricted to specific uses; funds legally restricted by County, state, or federal legislature, or a government’s charter or constitution; amounts collected from non-spendable items, such as the long-term portion of loan outstanding, if those amounts are also subject to legal constraints).
- Committed fund balance - includes amounts that can only be used for specific purposes pursuant to limitations imposed by the Board of Commissioners. Formal action is required by the Board of Commissioners to commit, to modify or remove the commitment. Committed fund balance also includes the minimum fund balance whereby up to six months of operating funds shall be maintained.
- Assigned fund balance – includes amounts that are constrained by the Commission’s intent to be used for specific purposes, but are neither restricted nor committed. Unless formal authority is delegated to another appointed body or official by the Board of Commissioners, the Board of Commissioners shall be the level of authority to allocate resources to the assigned category.
- Unassigned fund balance - includes fund balance that has not been classified into any of the other categories.

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.

Budgets and Budgetary Accounting

The Commission is legally required to prepare and submit a budget of expected expenditures to the Ventura County Board of Supervisors and the Ventura County Children, Family, and Community Commission for their review and comment. The Commission's fiscal year 2018-19 budget was reviewed by the Ventura County Board of Supervisors and the Community Commission for Ventura County on June 12, 2018 and June 14, 2018, respectively.

The budgetary basis of accounting is different from generally accepted accounting principles because for budgetary purposes investment earnings are recognized when earned. Under generally accepted accounting principles, investments and investment earnings include changes in fair values.

The accompanying Budgetary Comparison Schedule - Operating Fund, Budgetary Comparison Schedule - Sustainability Fund, and Budgetary Comparison Schedule - Community Investment Loan Fund include the budgeted expenditures and transfers for the year, along with management's estimate of revenues for the year. Budgetary control is exercised at the fund level.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements

In June 2017, the GASB issued Statement of Governmental Accounting Standard No. 87 "Leases" which amends the accounting and financial reporting for leases. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under the standard, a lessee will be required to recognize a lease liability and an intangible right-to-use asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources. GASB Statement No. 87 will be effective for the year ending June 30, 2021. The Commission has not yet determined the effects of GASB No. 87 on its financial reporting.

Subsequent Events

The Commission has evaluated subsequent events through October 14, 2019, the date which the financial statements were available to be issued.

2. CASH AND INVESTMENTS

The Commission's carrying value of deposits with a bank was \$63,372 and \$62,541 at June 30, 2019 and 2018, respectively. The corresponding bank balance was \$120,835 and \$123,998, respectively. Bank balances up to \$250,000 are covered by Federal deposit insurance. Any remaining uninsured balance is covered by a written collateral agreement with the financial institution whereby any uninsured deposits will be collateralized with eligible securities having a market value of at least 110% of the amount of the deposits.

At June 30, 2019 and 2018, the Commission had \$12,256,536 and \$15,792,967, respectively, held in an external investment pool in the County of Ventura. Investments are stated at fair value, per GASB Statement 31 requiring fair value reporting of all investments. The fair value of the County's pooled investments was determined by the County's investment advisory firm. The Commission's investments include recognized but unrealized net gain of \$68,669 and \$32,777 as of June 30, 2019 and 2018, respectively. Because the County's investment practice is to generally hold investments until maturity, the amount to be collected over the life of the security is known and the risk of market losses is minimized. Therefore, while potential gains or losses are recognized and reported because of the County's investment policy, they are not anticipated to be realized.

The Commission is authorized under California Government Code to make direct investments. In January 2009, the Commission adopted an investment policy to provide for the prudent investment of funds and the effective management of investment activities, including short-term investments to meet daily cash flow requirements and long-term investments to meet future goals. The policy was updated in April 2019. A minimum of six months of operating funds must be maintained in the Ventura County Treasury Investment Pool or the Local Agency Investment Fund (LAIF). Any remaining funds beyond one year operating funds may be invested in the Ventura County Treasury Investment Pool or elsewhere as outlined in the *Eligible, Authorized, and Suitable Investments* section of the Policy. An investment plan is developed and approved annually by the Commission. All funds are currently being invested in the Ventura County Investment Pool. As of June 30, 2019, the County portfolio received a rating of AA+ by Standard & Poor's (S&P), the highest possible rating given by the agency. The portfolio was rated S1+, also the highest ranking given by S&P, for maintaining sufficient liquidity to meet cash flow needs.

The County Treasurer maintains a cash investment pool for all funds of the County and other agencies for which the County treasury is the depository. Interest earned on the pooled funds is allocated and credited to these funds quarterly. Interest is apportioned to the Commission based on the average daily balances on deposit with the County Treasurer. Investment earnings are accrued at year-end.

The County Treasurer invests Commission funds in accordance with the state statutes and the County's investment policy as approved by the Treasury Oversight Committee and the County Board of Supervisors. The policy emphasizes safety, liquidity, and yield and follows the "prudent investor rule." The County Treasurer is authorized by Government Code Section 53635 to invest in U.S. Government Treasury and Agency Securities, certain commercial paper, bankers' acceptances, corporate bonds and notes, repurchase agreements and the State Treasurer Local Agency Investment Fund.

The external investment pool held with the County of Ventura categorizes its fair value measurements within their fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2019, the Commission held no individual investments. All funds are invested in the Ventura County Investment Pool. The Commission's proportionate share of investments in the Ventura County Investment Pool at June 30, 2019 of \$12,256,536 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

3. DUE FROM OTHER GOVERNMENTS

The due from other governments primarily represents amounts due to the Commission from the California Children and Families Commission for 1) Prop 10 related revenues and 2) participation in preschool quality improvement programs.

4. LOANS RECEIVABLE

The Community Investment Loan Fund provides low-cost capital for facilities development, including planning, construction and amortized loans to create new early care and education spaces. As of June 30, 2019, the Commission has issued six loans to preschool providers which were granted under the provisions of the Community Investment Loan Fund. One loan settled its liability in FY 2018-19, therefore, there were five active loans at June 30, 2019. Notes receivable are evaluated for collectability. No provision for loss was considered necessary by management at June 30, 2019, as all borrowers are paying in accordance with terms.

The loans bear interest at 4.25% per year and are secured by all assets of the business; personal guarantees; and, for two of the loans, a deed of trust. The loans are fully amortized over 7 years with maturity dates through January 2026. Additional distribution of loan funds is planned for fiscal year ending June 30, 2020. The loans are administered by the Economic Development Collaborative.

5. OPERATING LEASE

The Commission leases office space from a third party under a lease which expires in December 2020. The future minimum rental payments due under the lease are as follows:

Year ending June 30:	
2020	\$ 77,737
2021	<u>39,510</u>
	<u>\$ 117,247</u>

Rent expense totaled \$75,320 and \$72,987 for the years ended June 30, 2019 and 2018, respectively.

6. RETIREMENT PLAN

The Commission has established a 401(a), a defined contribution plan, and a 457, a deferred compensation plan, through International City/County Management Association Retirement Corporation (ICMA RC). The 401(a) and 457 plans are administered by the Commission with the 401(a) for employer contributions and the 457 for employee contributions. Benefit terms are established and may be amended by the Commission. The 457 plan is administered in accordance with Internal Revenue Code (IRC) Section 457.

The Commission contributes 3% of an employee's salary earnings for all regular classified employees that are regularly scheduled to work 20 hours or more per week. The Commission matches additional contributions, up to 4%, for every percent that the employee contributes to their 457 plan. The maximum contribution by the Commission is 7%. The Commission provides immediate 100% vesting for the participants. The retirement contribution by the Commission for the fiscal year ended June 30, 2019 and 2018 was \$63,905 and \$53,958, respectively. All contributions made to the 457 plan are solely at the discretion of the employees.

7. INTERFUND TRANSFERS

The Commission recognizes there are reductions in tobacco tax revenue, which will in turn impact the Commission's ability to fund services; therefore, the Sustainability Fund provided for the ability to continue to fund program services until depleted, which occurred in fiscal year ended June 30, 2019. Additionally, any interest earnings that exceed the amount needed to operate the Community Investment Loan Fund are transferred to the Operating Fund to also help maintain program funding levels. The Commission transferred in \$6,370,490 to the Operating Fund from the Sustainability Fund to offset program costs in fiscal year ended June 30, 2019. The Commission also transferred in \$15,694 to the Operating Fund from the Community Investment Loan Fund, which represents excess interest earnings resulting from the prior fiscal year ended June 30, 2018.

8. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to general liability and workers' compensation. The Commission has general liability insurance to \$1,000,000 per occurrence. There have been no settlements nor are there any claims that are expected to result in a settlement.

9. ECONOMIC DEPENDENCY

The Commission is largely dependent on Proposition 10 Tobacco funds for its revenue. Any reduction to the tobacco tax revenue impacts the Commission's ability to fund services.

10. RELATED PARTY TRANSACTIONS

Certain members of the Commission are contractors, directors, or employees of agencies that are funded by the Commission and, accordingly, may receive payments or compensation from those agencies. For fiscal year ending June 30, 2019, the Commission entered into contracts with these agencies to provide funding of \$2,713,656. Amounts paid under these contracts amounted to \$2,201,617. The Commission's conflict of interest policy prohibits a commissioner from any decision-making process that involves a related agency.

11. PROGRAM EVALUATION – RESULTS ACCOUNTABILITY AND QUALITY ASSURANCE

The Commission spent \$280,409 on program evaluation during the year ended June 30, 2019 which includes the data software system, the annual evaluation report, evaluation projects, training/capacity building, coordination of evaluation activities, and technical assistance for funded programs. The Commission spent \$231,434 on program evaluation for the year ended June 30, 2018.

12. FUNDING FOR PURCHASE OF FIXED ASSETS AND INFRASTRUCTURE PROJECTS

The Commission adopted a policy in 2000 to provide for the granting of funds for the acquisition of fixed assets. In February 2012, the Commission amended the policy and incorporated provisions for infrastructure projects. In connection with this policy, any funds granted for the purchase of fixed assets or infrastructure projects over \$5,000 are structured as no-interest forgivable loans for each year that the grant recipient remains in business and continues operation of the program for which the asset was purchased or the infrastructure investment was made. The Commission recognizes the funding for the acquisition of fixed assets as program expenditures in the year granted. Grant recipients are expected to continue operations of the program for the determined length of time for which the asset was purchased or the infrastructure project was made.

As of June 30, 2019, the Commission had active contracts totaling \$1,249,431 for the purchase of fixed assets and infrastructure projects with \$655,792 remaining to be forgiven through September 30, 2029.

REQUIRED SUPPLEMENTARY INFORMATION

CHILDREN AND FAMILIES FIRST COMMISSION OF VENTURA COUNTY
A COMPONENT UNIT OF THE COUNTY OF VENTURA

BUDGETARY COMPARISON SCHEDULE - OPERATING FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual on Budgetary Basis	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Program Revenues:				
Proposition 10 apportionment	\$ 6,042,435	\$ 6,042,435	\$ 5,926,261	\$ (116,174)
First 5 California IMPACT Program	402,953	402,953	295,836	(107,117)
Pritzker Children's Initiative	-	75,000	75,000	-
Federal grant revenue - California QRIS Certification	-	-	73,155	73,155
Pay for Success	170,710	170,710	110,919	(59,791)
Grants - Other	29,200	29,200	55,908	26,708
Other	-	-	575	575
Total program revenues	<u>6,645,298</u>	<u>6,720,298</u>	<u>6,537,654</u>	<u>(182,644)</u>
General revenues:				
Interest earnings	314,300	314,300	213,322	(100,978)
Proposition 10 SMIF	-	-	16,218	16,218
Total general revenues	<u>314,300</u>	<u>314,300</u>	<u>229,540</u>	<u>(84,760)</u>
Total revenues	<u>\$ 6,959,598</u>	<u>\$ 7,034,598</u>	<u>\$ 6,767,194</u>	<u>\$ (267,404)</u>
EXPENDITURES				
Program expenditures:				
Neighborhoods for Learning	\$ 8,523,750	\$ 8,523,750	\$ 6,339,386	\$ 2,184,364
Countywide Strategies	1,879,000	1,879,000	1,592,592	286,408
Countywide Preschool	1,501,130	1,501,130	1,319,675	181,455
Challenge Grants	400,000	400,000	-	400,000
Program Management and Community Initiatives	930,000	930,000	606,536	323,464
Evaluation expenditures - Results-based				
Accountability and Quality Assurance	312,000	312,000	280,409	31,591
Administrative expenditures	670,000	670,000	575,691	94,309
Equipment replacement	8,000	8,000	3,201	4,799
Total expenditures	<u>\$ 14,223,880</u>	<u>\$ 14,223,880</u>	<u>\$ 10,717,490</u>	<u>\$ 3,506,390</u>
OTHER FINANCING SOURCES (USES)				
Transfers in - from Sustainability Fund	\$ 6,299,755	\$ 6,299,755	\$ 6,370,490	\$ 70,735
Transfers in - from Community Investment Loan Fund	8,580	8,580	15,694	7,114
Total other financing sources and uses	<u>\$ 6,308,335</u>	<u>\$ 6,308,335</u>	<u>\$ 6,386,184</u>	<u>\$ 77,849</u>
Change in fund balance	<u>\$ (955,947)</u>	<u>\$ (880,947)</u>	<u>\$ 2,435,888</u>	<u>\$ 3,316,835</u>
BUDGET-TO-GAAP RECONCILIATION:				
Actual revenue on a budgetary basis			\$ 6,767,194	
Differences - budget to GAAP:				
For budgetary purposes investment earnings do not include unrealized gains and losses			46,736	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance			<u>\$ 6,813,930</u>	

See accompanying notes to financial statements and auditor's report.

CHILDREN AND FAMILIES FIRST COMMISSION OF VENTURA COUNTY
A COMPONENT UNIT OF THE COUNTY OF VENTURA

BUDGETARY COMPARISON SCHEDULE - SUSTAINABILITY FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual on Budgetary Basis	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
General revenues -				
Interest earnings	\$ 37,572	\$ 37,572	\$ 103,377	\$ 65,805
Total revenues	\$ 37,572	\$ 37,572	\$ 103,377	\$ 65,805
EXPENDITURES	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES)				
Transfers out - to Operating Fund	\$ (6,299,755)	\$ (6,299,755)	\$ (6,370,490)	\$ (70,735)
Change in fund balance	\$ (6,262,183)	\$ (6,262,183)	\$ (6,267,113)	\$ (4,930)
BUDGET-TO-GAAP RECONCILIATION:				
Actual revenue on a budgetary basis			\$ 103,377	
Differences - budget to GAAP:				
For budgetary purposes investment earnings do not include unrealized gains and losses			(12,957)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance			\$ 90,420	

See accompanying notes to financial statements and auditor's report.

CHILDREN AND FAMILIES FIRST COMMISSION OF VENTURA COUNTY
A COMPONENT UNIT OF THE COUNTY OF VENTURA

BUDGETARY COMPARISON SCHEDULE - COMMUNITY INVESTMENT LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual on Budgetary Basis	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES/INFLOWS				
Loan repayments	\$ 109,315	\$ 109,315	\$ 134,500	\$ 25,185
Loan fees	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>(7,000)</u>
Total revenues/inflows	<u>116,315</u>	<u>116,315</u>	<u>134,500</u>	<u>18,185</u>
General revenues -				
Interest earnings	<u>46,715</u>	<u>46,715</u>	<u>44,447</u>	<u>(2,268)</u>
Total revenues/inflows	<u>\$ 163,030</u>	<u>\$ 163,030</u>	<u>\$ 178,947</u>	<u>\$ 15,917</u>
EXPENDITURES/OUTFLOWS				
Loan implementation	\$ 35,000	\$ 35,000	\$ 28,461	\$ 6,539
Loan disbursements	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Total expenditures/outflows	<u>\$ 385,000</u>	<u>\$ 385,000</u>	<u>\$ 28,461</u>	<u>\$ 356,539</u>
OTHER FINANCING SOURCES (USES)				
Transfers out - to Operating Fund	<u>\$ (8,580)</u>	<u>\$ (8,580)</u>	<u>\$ (15,694)</u>	<u>\$ (7,114)</u>
Change in fund balance	<u>\$ (230,550)</u>	<u>\$ (230,550)</u>	<u>\$ 134,792</u>	<u>\$ 365,342</u>
BUDGET-TO-GAAP RECONCILIATION:			Actual on Budgetary Basis	
Actual revenue /inflows on a budgetary basis			\$ 178,947	
Differences - budget to GAAP:				
For GAAP purposes loan repayments are not recognized as revenue			(134,500)	
For budgetary purposes investment earnings do not include unrealized gains and losses			<u>2,113</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance			<u>\$ 46,560</u>	

See accompanying notes to financial statements and auditor's report.

OTHER REPORTS



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*

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Children and Families First Commission of Ventura County:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each governmental fund of Children and Families First Commission of Ventura County (Commission), a component unit of the County of Ventura, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 14, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of This Report

This 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.

Fanning & Karrh

Ventura, California
October 14, 2019



INDEPENDENT AUDITOR’S REPORT ON STATE COMPLIANCE

To the Commissioners of
 Children and Families First Commission of Ventura County:

Compliance

We have audited the Children and Families First Commission of Ventura County’s (Commission), a component unit of the County of Ventura, compliance with the requirements specified in the State of California’s *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller’s Office, applicable to the Commission’s statutory requirements identified below for the year ended June 30, 2019.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Commission’s compliance with the requirements referred to above based on our audit.

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

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

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

Opinion

In our opinion, the Children and Families First Commission of Ventura County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2019.

Fanning & Karrh

Ventura, California
October 14, 2019