
**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION**
(A component unit of the County of San Diego, California)

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025



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A PROPOSITION 10 COMMISSION**
(A component unit of the County of San Diego, California)

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

Issued by:

Manyee Cheng
Fiscal Manager

Prepared by: The Finance Department of the First 5 Commission of San Diego

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**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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INTRODUCTION SECTION



COMMISSION MEMBERS

TERRA LAWSON-REMER - Chair

SANDRA L. McBRAYER - Vice Chair

DR. KELLY MOTADEL - Secretary

DR. KIMBERLY GIARDINA - Commissioner

RICK RICHARDSON - Commissioner

ALETHEA ARGUILEZ - Executive Director

October 7, 2025

To the Members of the First 5 Commission of San Diego and the Citizens of San Diego County:

The Annual Comprehensive Financial Report (ACFR) of the First 5 Commission of San Diego (First 5 San Diego) for the fiscal year ended June 30, 2025, is hereby submitted as mandated by applicable statutes. These statutes require First 5 San Diego to annually issue a report of its financial position and activities. A complete audit of the report by an independent firm of certified public accountants is also required. Responsibilities for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rest with the Commission's management. The information in this report is intended to present the reader with a comprehensive view of the Commission's financial position and the results of its operations for the fiscal year ending June 30, 2025, along with additional disclosures and financial information designed to enable the reader to gain an understanding of First 5 San Diego's financial activities.

Moss, Levy & Hartzheim, LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on First 5 San Diego's financial statements for the fiscal year ended June 30, 2025. The independent auditor's report is located on page 1 of this ACFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction.

PROFILE OF THE COMMISSION

First 5 San Diego was created by the San Diego County Board of Supervisors on December 8, 1998, following the passage of Proposition 10, through which the California voters made an unprecedented investment in early childhood development. Since its inception, First 5 San Diego has made a lasting positive impact in San Diego County through its allocation of more than \$900 million towards programs that aim to improve the well-being of young children and families throughout San Diego County.

LOCAL ECONOMY

San Diego County encompasses 4,211 square miles and extends nearly 160 miles from the Pacific Ocean to Imperial County to the East. It borders Mexico to the South and Orange County and Riverside County to the North. There are 18 incorporated cities within the county. The total county population per the 2023 U.S. Census is 3,269,973, with children under 5 years old representing 5.5% of that total, with 35,709 new births recorded in 2023, the most recent year for which data is available.

As of June 2025, the unemployment rate in San Diego County was 4.9%, which marks a notable increase from the previous year's low of 4.3% in June 2024. In comparison, during the same period, California had an unadjusted unemployment rate of 5.7%, while the national rate was 4.4%.

According to data from the U.S. Bureau of Economic Analysis, real gross domestic product (GDP) experienced an annual growth rate of 3.0% in the second quarter of 2025. In contrast, real GDP declined by 0.5% in the first quarter. Additionally, the U.S. Bureau of Labor Statistics reported an increase in total nonfarm payroll employment by 147,000 in June. This growth was primarily driven by job gains in the state government and health care sectors, while the federal government continued to experience job losses.

The annual inflation rate in the US was 2.9% for 2024 and is currently at 2.7% for the 12 months ending June 2025, according to the Bureau of Labor Statistics. Inflation refers to the increase in prices of goods and services over time, which reduces the purchasing power of the dollar. The inflation rate is the percentage that indicates how quickly these prices are rising. However, economists note that the full impact of tariffs imposed by the federal administration is still being felt in the economy, which could lead to further price increases.

High inflation has impacted tobacco sales for First 5 San Diego, which in turn affects the revenue generated through Proposition 10. For the fiscal year 2024/2025, revenue fell short of budget expectations by nearly \$1.92 million. We believe this decline is primarily due to inflation and the recent implementation of Proposition 31, which bans flavored cigarettes.

MAJOR ACCOMPLISHMENTS

- Recognizing the financial conditions facing the State, the County of San Diego, and San Diego County families with young children, the Commission allocated \$33,431,737 in contracts for services in the areas of health, education, family, and community.
- The Commission leveraged funding from HHSA to administer the following funding: the CalWORKs Home Visiting, the Doula pilot program, the Child Care Program American Rescue Plan Act (ARPA), and the Family First Prevention Services Act (FFPSA).
- The Commission received \$4,300,000 from the Tobacco Securitization Special Revenue Fund to support the Healthy Development Services program. It aims to enhance capacity under Proposition 10 and to prevent expected budget reductions for the Healthy Development Services program in Fiscal Year 2025-26.

- The Commission received \$20,250 from the Dr. Seuss Foundation. This grant is intended to integrate the Dr. Seuss Foundation into the Talk, Read, Sing parent education campaign to strengthen brand alignment and advance the promotion of early literacy.
- First 5 California awarded two grants focused on supporting Regional Technical Assistance and Home Visiting coordination and integration, as well as promoting quality early learning through the IMPACT Legacy grant. The home visiting coordination grant was led by our partner, the American Academy of Pediatrics, while the IMPACT Legacy grant and efforts to improve quality early learning were led by our partner, the San Diego County Office of Education. All of these programs support the Commission's focus on assisting pregnant individuals, children ages birth to five, and their families.
- The Commission awarded contracts to 15 community-based organizations across San Diego County, focusing on health, education, family services, and community outreach.
- Additionally, the Government Finance Officers Association of the United States (GFOA) reviewed the Annual Comprehensive Financial Report (ACFR) for the fiscal year 2023/2024 and granted the Certificate of Achievement for Excellence in Financial Reporting. The Commission has received this prestigious award for ten consecutive years.

FUTURE INITIATIVES

This was the fifth and final year of the 2020/2025 Strategic Plan, which was approved by the Commission on April 18, 2019, covering fiscal years 2020/2021 through 2024/2025.

The primary components of this plan are:

- The vision and mission of the Commission, along with the corresponding goals and objectives, guide annual investments.
- Increase access, affordability, and quality of early care and education.
- Increase access, affordability, and utilization of healthcare services for children 0-5.
- Identify and treat children with special health and developmental needs as early as possible.
- Ensure parents utilize age-appropriate health and development information in their parenting practices.
- Ensure that parents and caregivers are knowledgeable about available community resources and programs.

In addition, the existing plan further captures four systems-level strategic directions that are as follows: Resilient Families, Equity Centered Coordinated Systems of Care, Integrated Leadership, and Policy Advocacy & Sustained Funding. A direct service approach will continue in the near term, with a greater focus on how these investments will continue to support systems change and sustainability that goes beyond First 5 San Diego's investments in the long term.

OTHER FINANCIAL INFORMATION

Internal Control

Management is fully responsible for the accuracy and completeness of the information contained in this report. This responsibility is based on a comprehensive framework of internal controls that have been established for this purpose. The internal control structure is designed to protect the Commission's assets from loss, theft, or misuse, and to ensure that sufficient accounting data is compiled for preparing the financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in the United States. The objective is to provide reasonable assurance, rather than absolute assurance that the financial statements are free from any material misstatements, while ensuring that the costs of internal controls do not exceed the anticipated benefits.

Budgetary and Accounting Systems

The Commission is required to adopt an operating budget for the upcoming year before the conclusion of each fiscal year. Any increases in the approved appropriations during the fiscal year require the Commission's approval. Additionally, Commissioners receive periodic financial updates during the regularly scheduled Commission meetings from the Finance Committee Chair and Executive Director.

Financial Spending Plan

The Commission annually adopts a 5-year Financial Spending Plan (FSP) as part of the budget approval process. The FSP serves as a guideline for program funding allocations and aims to reduce the Sustainability Fund (Fund Balance) to a total of \$5.0 million, designated for a Management Reserve. It is expected that an average of approximately \$3.3 million will be utilized from the Sustainability Fund over the next five years.

ACKNOWLEDGEMENTS

The Commission's Annual Comprehensive Financial Report was prepared through the collaborative effort of First 5 San Diego's staff. Special recognition is due to the Fiscal Department staff for their efforts to ensure timely and accurate reporting. I would also like to thank the Commissioners and our Finance Committee members for their continued support and oversight of the financial operations of First 5 San Diego in a responsible and comprehensive manner.

Sincerely,



Alethea Arguilez
Executive Director

Transmitted,



Manyee Cheng
Fiscal Manager

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**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Board of Commissioners

Terra Lawson-Remer - Chair

Dr. Kelly Motadel - Secretary

Mayra E. Alvarez - Commissioner

Dr. Kimberly Giardina - Commissioner

Rick Richardson - Commissioner

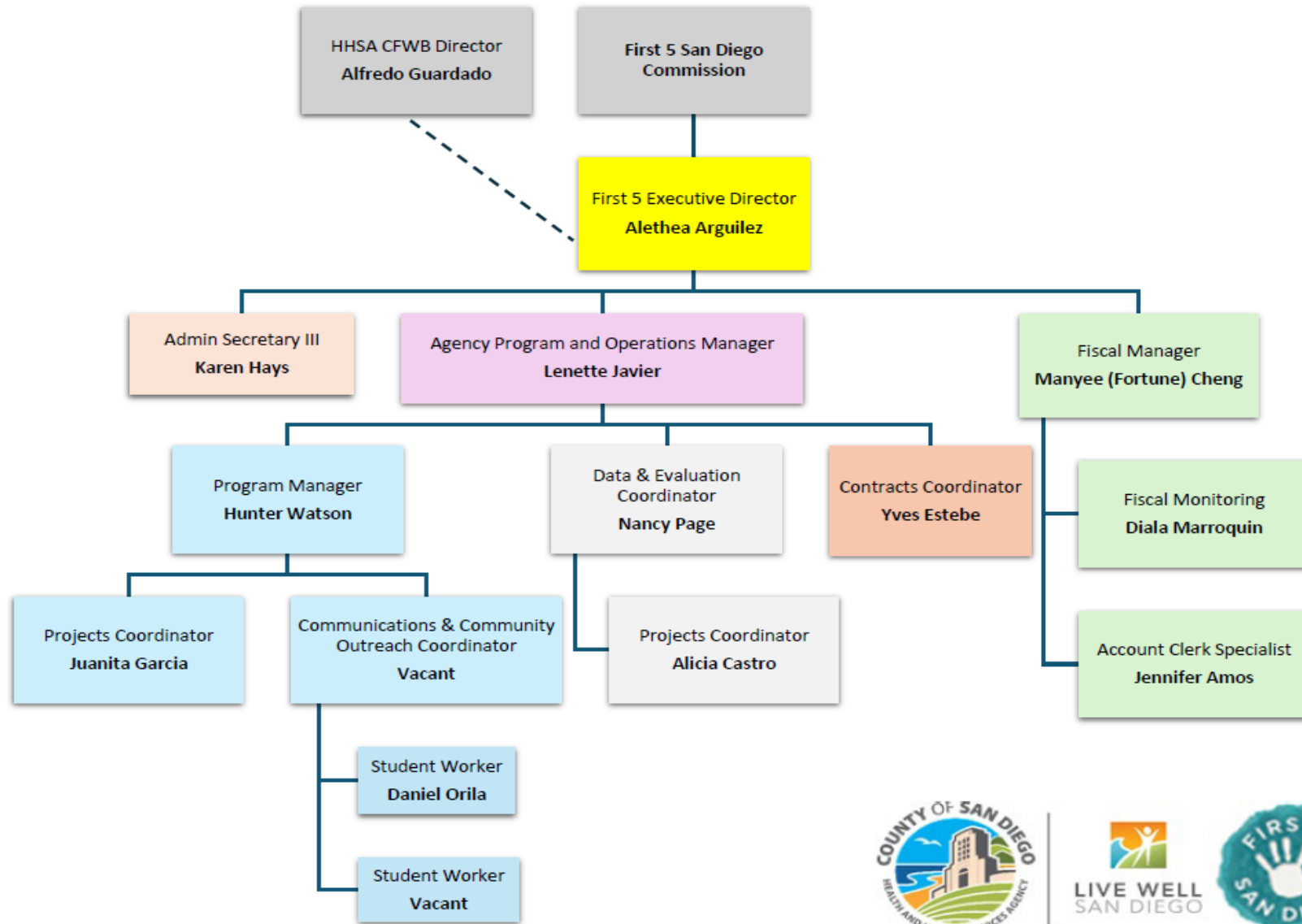
Executive Director

Alethea Arguilez

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HEALTH AND HUMAN SERVICES AGENCY
FIRST 5 SAN DIEGO

June 30, 2025



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**First 5 Commission of San Diego
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO

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FINANCIAL SECTION

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
First 5 Commission of San Diego
San Diego, California

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the First 5 Commission of San Diego (the Commission), a discretely presented component unit of the County of San Diego, California, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission as of June 30, 2025, and the respective changes in financial position for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2025 the Commission adopted new accounting guidance, GASB No. 100, Accounting Changes and Error Corrections, and GASB No. 101, Compensated Absences. Our opinions are not modified with respect to this matter

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis on pages 5 through 10 and the Budgetary Comparison Government Fund information on page 33 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

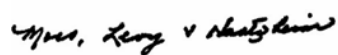
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section, supplementary information section, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The supplementary information on pages 36 through 51 are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2025, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.



Moss, Levy & Hartzheim, LLP
Culver City, California
October 6, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

INTRODUCTION

Our discussion and analysis of the First 5 Commission of San Diego's (The Commission) financial performance provides an overview of the Commission's financial activities for the fiscal year that ended June 30, 2025. It should be read in conjunction with the Commission's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued June 1999; GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, an amendment to GASB Statements No. 21 and No. 34, issued in June 2001 and; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, issued in 2001. Certain comparative information between the current fiscal year and the prior fiscal year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS (FY 2024/2025)

The Financial Highlights section is based on information from governmental funds.

Expenditures were \$6,099,201 more than revenues. This is due to the planned reduction of the Sustainability Fund. Overall revenues were \$30,919,822. Expenditures were \$37,019,023.

Expenditures fall within four categories: **Administrative, Program, Evaluation, and Debt Service.**

- **Administrative** expenditures were \$2,239,463, or 6% of the total expenditure.
- **Program** expenditures were \$33,431,737 or 90.3%.
- **Evaluation** expenditures were \$1,052,983 or 2.8%, and
- **Debt Service** expenditures were \$294,840 or 0.8%.

Total expenditure was \$37,019,023.

The Commission's Administrative Rate is set by policy to be no more than 10% of the Total Operating Budget. For FY 2024/2025, the administrative rate was 5.95% of the budget. This is based on the Total Administrative Expenditures of \$2,240,481 and the final Total Operating Budget of \$37,634,826.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Commission's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Commission's finances in a manner similar to a private sector business.

The *Statement of Activities* presents information showing how the Commission's 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 are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other local governments, uses fund accounting to ensure compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund 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 the County of San Diego's ORACLE accounting system, Proposition 10 funds are designated as a Special Revenue Fund.

The Commission adopts an annual appropriated budget for its special revenue fund. A budgetary comparison statement (page 33) has been provided for the special revenue fund to demonstrate compliance with this budget.

The fund financial statements can be found on pages 13 and 15 of this report.

Government-Wide Financial Analysis

Net Position

Table I: Net Position

	FY 2024/2025	FY 2023/2024
Assets:		
Current and other assets	\$ 30,538,881	\$ 37,374,432
Capital assets	1,556,289	1,852,725
Total assets	32,095,170	39,227,157
Liabilities:		
Long-term liabilities	1,585,165	1,715,420
Other liabilities	11,656,146	12,331,117
Total liabilities	13,241,311	14,046,537
Net Position:	18,853,859	25,180,620
Net investment in capital assets	(112,437)	(99,054)
Restricted	-	-
Unrestricted	18,966,296	25,279,674
Total Net Position	\$ 18,853,859	\$ 25,180,620

The Commission's total net position decreased by \$6,326,761 or 25.13%. This decline is notable in comparison to the previous fiscal year's reduction of \$9,952,646, reflecting a 57% decrease. Several factors contributed to this financial change:

- During the fourth quarter of FY2024/2025, the Commission received \$4.3 million from the Tobacco Settlement Revenue Securitization Trust Fund.
- In addition, the Commission secured funding of \$1,135,463 from the Health and Human Services Agency (HHSA). This funding is comprised of two primary sources: the Child Care Program American Rescue Plan Act (ARPA) and the Family First Prevention Services Act (FFPSA).

Changes in Net Position

Table II: Changes in Net Position

	FY 2024/2025	FY 2023/2024
Program Revenues	\$ 30,024,353	\$ 27,781,765
General Revenues	895,469	1,296,702
Total Revenues	30,919,822	29,078,467
Administrative Expenses	3,814,846	4,107,964
Program Expenses	33,431,737	34,923,149
Total Expenses	37,246,583	39,031,113
Change in net position	(6,326,761)	(9,952,646)
Net position – Beginning, July 1	\$ 25,180,620	\$ 35,133,266
Net position – Ending, June 30	\$ 18,853,859	\$ 25,180,620

Program expenses decreased by \$1,491,412, which is a 4.27% reduction compared to the previous fiscal year. This decline was primarily due to some contractors delaying the filling of vacancies because of uncertainties surrounding funding levels for 2025/2026, as well as the pending re-procurement process of the home visiting and healthy development services programs.

General revenues decreased by \$401,233, or 30.94%, from the previous fiscal year. This decline was primarily due to a lower fund balance in the investment account during the fiscal year. The decrease was largely a result of reduced revenue received from Proposition 10 funding, which was impacted by the effects of the Proposition 31 ban on flavored tobacco.

In 2009, the Commission made the decision to reduce the Sustainability Fund to zero by systematically spending more each fiscal year until the fund was fully expended. These funds have been utilized to maintain consistent funding levels in the community while revenues from Proposition 10 have continued to decline. The Net Position has decreased every fiscal year since 2013, with the exception of FY 2020/2021. During the Strategic Plan period from 2015 to 2020, the fund was reduced by an average of \$7.8 million per fiscal year. For the Strategic Plan period from FY 2020 to 2025, the rate of reduction has been adjusted to an average of \$5.1 million per fiscal year to mitigate the impact on the community when the fund is exhausted. The FY 2025/2030 Strategic Plan was approved by the First 5 Commission in December 2024 and is effective July 1, 2025.

BUDGETARY HIGHLIGHTS

- The revenue generated from the Prop 10 Tobacco Tax was under budget by \$1,928,457, representing a 9.16% shortfall. This decline can largely be attributed to the passing of Proposition 31, a flavor ban on tobacco products, which has significantly impacted the distribution of cigarettes and other tobacco products since its implementation in December 2022.

- The CalWORKs Home Visiting Program's revenue fell short of budgetary expectations by \$458,318, representing a 12.53% decrease, primarily due to lower program expenses. Additionally, there is a requirement for the program to maintain an incentive fund, which is reserved for authorized expenditures requested by participants. This year, the incentive fund was largely underutilized.
- Interest revenue recorded an unfavorable variance of \$60,871 compared to the budget, representing a decrease of 6.36%. This was primarily due to a lower fund balance in the investment account during the fiscal year.
- Two grants from First 5 California were budgeted in full for the fiscal year 2023/2024. Each of these grants is a two-year award. As anticipated, the revenue received from each grant in the fiscal year 2024/2025 was approximately half of the budgeted amount. For the fiscal year 2024/2025, the F5CA Home Visiting Coordination Grant is valued at \$586,282, and the F5CA IMPACT Legacy Grant is valued at \$1,607,315.
- The HHSA Doula Pilot Program was comprehensively budgeted for the fiscal year 2023/2024. For the fiscal year 2024/2025, the program generated revenue amounting to \$47,101, and the program concluded on December 31, 2024.
- Contributions to Programs and Initiatives reflected a negative variance of \$99,922, or 0.3%. Two grants from First 5 California—the F5CA Home Visiting Coordination Grant and the F5CA IMPACT Legacy Grant—were both fully budgeted for the fiscal year 2023/2024. However, as each grant is awarded over a two-year period, the expenditure for each grant was approximately half of the budgeted amount. This outcome aligns with our projected financial expectations for the fiscal year 2024/2025.
- The labor and benefit expenses, excluding the evaluation labor cost, were \$596,153 lower than budgeted for several reasons. In anticipation of a funding reduction in FY 2024/2025, one full-time equivalent (FTE) position was not filled due to attrition. Additionally, the Executive Director's costs were allocated to the Child and Family Development Department (CFWB) to oversee the Office of Child and Family Strengthening, which includes the operations of the First 5 Commissions for FY 2024/2025. This change resulted in over \$119,380 in labor costs being partially charged to CFWB, providing savings to the First 5 Commission. Furthermore, the labor costs for four (4) staff members are now partially charged to the HHSA CFWB Department, leading to a reduction of approximately \$330,436 in labor costs for the FFPSA program. Finally, while the burden rate budgeted for FY 2024/2025 was 15.60%, the actual burden rate turned out to be 11.4%, resulting in additional savings of \$146,337 in labor costs.
- Administrative costs, such as data, evaluation, and labor costs, showed a favorable variance of \$99,675 compared to the budget for several reasons. While the budgeted burden rate for evaluation labor costs in FY 2024/2025 was 15.60%, the actual burden rate was only 11.4%. This difference resulted in additional savings of \$20,241 in labor costs. Additionally, the CMEDS database program expenses were lower than initially anticipated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Commission's investment in capital assets for its governmental and business-type activities as of FY2024/2025 amounts to \$1,556,289 (net of accumulated amortization). This investment includes a right-to-use lease asset. Amortization expense for the year totaled \$296,436.

Long-Term Debt

In FY2024/2025, the Commission had total long-term obligations of \$2,024,730, consisting primarily of right-to-use lease assets and compensated absences.

Additional information regarding the Commission's capital assets and long-term debt activity can be found in Notes 4 and 7 to the financial statements.

BEYOND FY 2024/2025

In April 2019, the Commission approved a Strategic Plan that guides its community investments for the fiscal years 2020/21 to 2024/25. During this period, the Sustainability Fund, which previously allowed investments in programs that exceeded revenue, will be phased out. Furthermore, by the end of the Strategic Plan (2020/2025), the Commission will no longer maintain a Sustainability Fund due to its gradual reduction over the course of 5-year financial planning cycle. The intention is to convert the Sustainability Fund into an adequate Management Reserve and align expenses with revenues for the fiscal years beyond 2025.

The Sustainability Fund provided an average of \$5.1 million in supplemental revenue during the 2020–2025 Strategic Plan. For the 2025/2030 period, it is expected to supplement revenue by an average of \$3.3 million per fiscal year, and it is projected to be nearly exhausted by the end of the plan, leaving approximately \$5.0 million as a management reserve.

The Commission, through formal action, approved the Budget that obligates funding for FY 2025/2026 for the following programs:

Healthy Development Services	\$ 12,700,000
First 5 First Steps Home Visiting	6,725,408
Learn Well Initiative	4,000,000
Oral Health Initiative	500,000
KidSTART	975,000
Mi Escuelita Therapeutic Preschool	653,160
F5CA Impact Legacy Grant	1,424,672
Parent & Public Education	400,000
Community Outreach	100,000
Total	\$ 27,478,240

DECLINING REVENUES

The revenues from Proposition 10, which are derived from the sales of tobacco products, are expected to continue to decline as tobacco product sales decrease. It is estimated that the Commission will receive approximately \$18 million per fiscal year in Proposition 10 revenues after the Sustainability Fund is completely exhausted at the end of the 2024/2025 fiscal year. The Commission is continuously exploring additional contracts, grants, and new sources of revenue to support the future sustainability of services provided to children and families in San Diego County.

According to the latest projections from the First 5 CA Commission, revenues for San Diego County are estimated to decline by 3% in the next fiscal year. The significant decrease in the distribution of cigarettes and other tobacco products can largely be attributed to the flavor ban implemented in December 2022. Other contributing factors include recent price increases for cigarettes due to inflation, which have affected affordability and consumption rates, as well as a nationwide shift in societal attitudes toward smoking and vaping.

ECONOMY

California has maintained its position as the 5th largest economy in the world for the seventh consecutive year, with a nominal GDP of nearly \$3.9 trillion in 2023. This represents a growth rate of 6.1% compared to the previous year, according to the U.S. Bureau of Economic Analysis (BEA). On a per capita basis, California ranks as the second largest economy worldwide. As of June 2025, the unemployment rate in San Diego County was 4.9%, an increase from 4.3% in June 2024. During the same period, California's unadjusted unemployment rate was 5.7%, while the national rate stood at 4.4%.

Data from the U.S. Bureau of Economic Analysis shows that real gross domestic product (GDP) experienced an annual growth rate of 3.0% in the second quarter of 2025, following a decline of 0.5% in the first quarter. Additionally, the U.S. Bureau of Labor Statistics reported an increase of 147,000 in total nonfarm payroll employment for June. This growth was mainly driven by job gains in the state government and healthcare sectors, while the federal government continued to experience job losses. It is expected that California's population will stabilize over the next year.

The annual inflation rate in the U.S. was 2.9% for 2024 and is currently at 2.7% for the 12 months ending in June 2025, according to the Bureau of Labor Statistics. Inflation measures the increase in prices of goods and services over time, which reduces the purchasing power of the dollar. The inflation rate reflects how quickly these prices are rising. However, economists caution that the full impact of tariffs imposed by the federal administration is still being felt in the economy, potentially leading to further price increases.

FIRST 5 SAN DIEGO REVENUE CHANGES

Throughout the years, First 5 San Diego has relied primarily on two key revenue sources: Proposition 10, the State of California Tobacco Tax and grant funding provided by First 5 California for various statewide programs. Across California, there are a total of 58 First 5 Commissions, each with the opportunity to apply for funding tailored to specific programs within their respective counties.

In recent years, First 5 San Diego has encountered a notable shift in its revenue stream, largely attributed to a decline in tobacco tax revenues. In response, we have actively pursued additional funding opportunities and have established partnerships with the County of San Diego Health and Human Services Agency (HHSA). While we previously served as the primary funder for First 5 San Diego programs, we have transitioned to a collaborative model that combines multiple funding streams. This new approach is focused on jointly supporting initiatives aimed at young children ages 0 to 5 and their families in San Diego County. This represents a significant and positive evolution for both organizations, fostering collaboration and enhancing services for the community we serve.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the First 5 Commission of San Diego finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to First 5 Commission of San Diego, 9655 Granite Ridge Drive, Suite 120, San Diego, California 92123.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION**

STATEMENT OF NET POSITION

JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES
	<u>2025</u>
Assets	
Cash and investments in county treasury	\$ 26,845,422
Imprest cash	250
Accounts receivable	3,030,679
Due from County of San Diego	659,658
Prepaid expenses	2,872
Non-current assets:	
Capital Assets	
Right to use lease assets	2,742,033
Less accumulated amortization	<u>(1,185,744)</u>
Total assets	<u>32,095,170</u>
Liabilities	
Accounts payable	11,119,621
Due to County of San Diego	96,960
Long-term liabilities:	
Due within one year	439,565
Due more than one year	<u>1,585,165</u>
Total liabilities	<u>13,241,311</u>
Net Position	
Net position	
Net investment in capital assets	(112,437)
Unrestricted	<u>18,966,296</u>
Total net position	<u>\$ 18,853,859</u>

See accompanying notes to the basic financial statements

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION**

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

		PROGRAM REVENUES	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		PROPOSITION 10 AND	GOVERNMENTAL ACTIVITIES
<u>GOVERNMENTAL ACTIVITIES</u>	<u>EXPENSES</u>	<u>SPECIAL FUND</u>	<u>2025</u>
Health	\$ 14,248,114	\$ 10,879,435	\$ (3,368,679)
Learning	10,478,040	6,681,434	(3,796,606)
Family	7,744,167	8,221,240	477,073
Community	961,416	440,781	(520,635)
General Administration	3,506,623	3,801,463	294,840
Interest on long-term debt	11,787	-	(11,787)
Amortization	<u>296,436</u>	<u>-</u>	<u>(296,436)</u>
Total governmental activities	<u>\$ 37,246,583</u>	<u>\$ 30,024,353</u>	<u>\$ (7,222,230)</u>
GENERAL REVENUES:			
Net investment revenue			<u>895,469</u>
Total general revenues			<u>895,469</u>
Change in net position			(6,326,761)
Net position, beginning of fiscal year, restated			<u>25,180,620</u>
Net position, end of fiscal year			<u>\$ 18,853,859</u>

See accompanying notes to the basic financial statements.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION**

BALANCE SHEET

GOVERNMENTAL FUND

JUNE 30, 2025

Assets	2025
Cash and investments in county treasury	\$ 26,845,422
Imprest cash	250
Accounts receivable	3,030,679
Due from the County of San Diego	659,658
Prepaid expenditures	2,872
Total assets	\$ 30,538,881
Liabilities and Fund Balance	
Liabilities:	
Accounts payable	\$ 11,119,621
Due to the County of San Diego	96,960
Total liabilities	11,216,581
Fund Balance:	
Non-spendable	2,872
Committed	19,319,428
Total fund balance	19,322,300
	\$ 30,538,881

See accompanying notes to the basic financial statements.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

JUNE 30, 2025

	<u>2025</u>
Total governmental fund balance	\$ 19,322,300
 In governmental funds, only current assets are reported. The statement of net position shows the cost of the right-to-use lease, less accumulated amortization. Long-term assets related to governmental activities consist of:	
Right to use lease assets relating to governmental activities	
at historical costs:	\$ 2,742,033
Accumulated amortization	<u>(1,185,744)</u>
Net	1,556,289
 In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:	
Compensated absences	\$ (356,004)
Lease payable	<u>(1,668,726)</u>
Total	<u>(2,024,730)</u>
Net position of governmental activities	<u>\$ 18,853,859</u>

See accompanying notes to the basic financial statements.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenues:	<u>2025</u>
Prop 10 tobacco tax (including SMIF, CECET & Prop 56 back-fill)	\$ 19,128,916
F5CA Regional Technical Assistance for Home Visiting Coordination Grant	586,282
F5CA IMPACT Legacy Grant	1,607,315
HHSA CalWORKs Home Visiting Program	3,199,026
HHSA Public Health Services Doula Pilot Program	47,101
HHSA Child Care Program American Rescue Plan Act (ARPA)	250,000
HHSA Family First Prevention Services Act (FFPSA)	885,463
HHSA Tobacco Settlement Revenue Securitization Trust Fund	4,300,000
Dr. Seuss Foundation	20,250
Interest revenue	<u>895,469</u>
Total revenues	<u><u>\$30,919,822</u></u>
Expenditures:	
Labor and benefits (* less: Evaluation Labor)	1,998,420
Services and supplies	241,043
Evaluation (*added: Evaluation Labor)	1,052,983
Contributions to community programs and initiatives	33,431,737
Debt Service - Principal - Leases	283,053
Debt Service – Interest - Leases	<u>11,787</u>
Total expenditures	<u>37,019,023</u>
Net change in fund balance	(6,099,201)
Fund balance, beginning of fiscal year	<u>25,421,501</u>
Fund balance, end of fiscal year	<u><u>\$19,322,300</u></u>

See accompanying notes to the basic financial statements.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION**

**RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES**

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>2025</u>
Net change in total governmental fund balance	\$ (6,099,201)
In governmental funds, the cost of lease assets is reported as expenditures in the period when the assets are required. In the statement of activities, the cost of lease assets is allocated over their lease terms as amortization expense.	(296,436)
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayment of long-term debt is reported as a reduction of liabilities.	283,053
In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In the governmental fund, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid).	(214,177)
	<u>(214,177)</u>
Change in net position of governmental activities	<u><u>\$(6,326,761)</u></u>

See accompanying notes to the basic financial statements.

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The San Diego County Board of Supervisors established the First 5 Commission of San Diego, formerly the San Diego County Children and Families Commission (The Commission) on December 8, 1998, under the provisions of the California Children and Families Act of 1998 (Act). The Commission is discretely presented as a component unit of the County of San Diego, California. The Commission provides leadership for a network of support for all children from the prenatal stage through age five and their families; develops and operates in partnerships with communities and families; and is accountable for improving outcomes in children's health, safety, and learning. The Commission is funded through tobacco tax revenue generated as a result of the California approval of the Proposition 10 Act (Prop 10) in November 1998. The Commission is made up of five members: one (1) Chair member of the Board of Supervisors, two (2) members-at-large appointed by the Board of Supervisors, one (1) member is the Director of the Health and Human Services Agency, and one (1) member is nominated by the Director of the Health and Human Services Agency from among the County health officer and persons responsible for management of the following County functions: children's services, public health services, social services, behavioral health services, and tobacco and other substance abuse prevention and treatment services.

In April 2019, the Commission adopted the Strategic Plan for 2020–2025. The plans focus the Commission's investments toward achieving key results that best promote early childhood development in San Diego County. The Commission's vision is that "All children are healthy, are loved and nurtured, and enter school as active learners." The current plan guides the allocation of up to \$33,431,737 for the fiscal year 2024/2025 to support four strategic goal areas that strengthen the relationships essential for the healthy development of young children: (1) Health, (2) Learning, (3) Family, and (4) Community. The plan spends down the fund balance from \$40.5 million at the beginning of FY 2020/2021 to \$11.8 million excluding a Management Reserve of \$7.5 million at the end of FY 2024/2025.

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

The Commission's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission's more significant accounting policies are described below.

The government-wide financial statements (i.e. *The Statement of Net Position* and *The Statement of Activities* on pages 11 and 12 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 the related cash flows. Contributions to community outreach projects through local contractors are recognized as expenditures when criteria for contract payments are met by the contractors.

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Statement of Net Position presents the Commission's financial position in a *net position approach*.

Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as net investment in capital assets, restricted, or unrestricted.

The net position that is a net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of the related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. The unrestricted net position consists of a net position that does not meet the definition of net investment in capital assets or restricted net position.

The Statement of Activities reports the change in net position in a net program cost format to demonstrate the degree to which the expense of the Commission is offset by its program revenues (page 12) in the categories of 1) Health, 2) Learning, 3) Family, and 4) Community.

Governmental fund financial statements, presented after the government-wide financial statements are reported using the *current financial resources measurement focus* and the *modified accrual* basis of accounting on pages 13 and 15. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues are considered to be *available* when they are collectible within 90 days of the end of the current fiscal period. Revenues susceptible to accrual include tax revenue, grants, and investment income. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

C. Budgets, Budgetary Process and Encumbrances

The Commission adopts an annual budget, which can be amended by the Commission throughout the fiscal year. Revenue (not including interest revenue) was budgeted at \$25 million per the Financial Spending Plan that was approved in April 2024. The Financial Spending Plan is reviewed annually and, if necessary, is revised to account for updated projections of birth rates, taxable sales of tobacco products and changes in interest rates. Budgeted revenues were established to balance revenues with projected expenditures. Liability for unrealized gains and losses under the Governmental Accounting Standards Board's Statement No. 31 (GASB Statement No. 31) is not included in the budget.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. 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 expenditures during the reporting period. Actual reports could differ from those estimates.

E. Cash and Investments

Investments are valued at fair value. Fair value is defined as the amount that the Commission could reasonably expect to receive for an investment as a current sale between a willing buyer and seller and is generally measured by quoted market prices.

F. Right to use lease assets

The Commission has recorded the right to use lease assets as a result of implementing GASB statement no. 87. The right to use lease assets is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use lease assets will be amortized on a straight-line basis over the term of the lease, which has an estimated useful life of 10 years.

G. Adopted Accounting Pronouncement

During the fiscal year ended June 30, 2025, the Commission implemented the following GASB Pronouncement:

GASB Statement No. 100: *Accounting for Changes and Error Corrections*: As of July 1, 2024, the Commission implemented GASB Statement No. 100. The statement enhances accounting and financial reporting requirements for accounting changes and error correction to provide more understandable, reliable, relevant, consistent, and comparable information. The Commission adopted this guidance retroactively for the year beginning July 1, 2024.

GASB Statement No. 101: *Compensated Absences*: As of July 1, 2024, the Commission implemented GASB Statement No. 101. The statement updates the accounting rules for how state and local governments recognize and measure liabilities for employee absences like vacation, sick leave, and paid time off. The statement focuses on recognizing liabilities for both used but unpaid leave and unused leave that is likely to be used or paid out. It also provides guidance on measuring these liabilities, including the impact of salary-related payments. The Commission adopted this guidance retroactively for the year beginning July 1, 2024.

GASB Statement No. 102: *Certain Risk Disclosures*: As of July 1, 2024, the Commission implemented GASB Statement No. 102, *Certain Risk Disclosures*. This statement establishes disclosure requirements intended to provide users of financial statements with information regarding certain risks that could affect a government's ability to meet its obligations as they come due. Implementation of this statement did not have a material impact on the Commission's financial statements.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 103	“Financial Reporting Model Improvements”	The provisions of this statement are effective for fiscal years beginning after June 15, 2025.
Statement No. 104	“Disclosure of Certain Capital Assets”	The provisions of this statement are effective for fiscal years beginning after June 15, 2025.

NOTE 2: CASH AND INVESTMENTS IN COUNTY TREASURY

The Commission’s cash and investments at June 30, 2025 are included in the County’s balance sheet as “Cash and Investments in County Treasury”. The Commission has two dedicated portfolios with the County Treasurer’s Office, and a segment of these portfolios are positions in the County Investment Pool. The County Treasurer maintains an 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 on investments that are outside the County pool are recognized when earned (i.e. coupon payments on bonds). Interest from the County pool is apportioned to the Commission based on the average daily balances on deposit with the Treasurer of those funds. All cash and investments at June 30, 2025, are stated at fair value.

Cash and Investments in County Treasury consisted of the following at June 30, 2025:

Assets Invested through the County Treasurer’s Office:

County Pool	\$ 26,845,422
Total Cash and Investments by County Treasury	<u>\$ 26,845,422</u>

Investments Authorized by the California Government Code

The California Government Code Section 53601 governs the investments of the Commission. The Commission adopted an investment policy on October 4, 2004, but it does not contain policies for exposure to interest rate risk, credit risk, and concentration of credit risk. Portfolios will invest primarily in the County Investment Pool (“County Pool”), Commercial Paper, Negotiable CD, Medium Term Notes, US Agencies, and Treasuries. The portfolio maturity structure will be driven by the cash flow needs of the First 5, as provided by staff members, and accommodations for appropriate levels of liquidity.

California Government Code 53601 provides that the County Board of Supervisors is empowered to authorize the Commission to hold investments with maturities that exceed five years. The Commission has received such authorization from the San Diego Board of Supervisors on March 22, 2005 to invest for a maximum of 20 years.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2: CASH AND INVESTMENTS IN COUNTY TREASURY (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Commission's investments by maturity:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity in Months</u>		
		<u>12 months or less</u>	<u>13 to 24 months</u>	<u>25 to 60 months</u>
Negotiable Certificates of Deposit	\$ -	\$ -	\$ -	\$ -
Commercial Paper Disc.	-	-	-	-
County Pool	<u>26,845,422</u>	<u>26,845,422</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 26,845,422</u>	<u>\$ 26,845,422</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code Section 53601 (where applicable) and the actual rating as of fiscal year-end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Rating Required</u>	<u>Credit Quality Rating</u>
Negotiable Certificates of Deposit	\$ -	A-1 or equivalent	A-1
Commercial Paper Disc	-	A-1 or equivalent	AAA
County Pool	<u>26,845,422</u>	VARIOUS	AAA
Total	<u>\$ 26,845,422</u>		

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2: CASH AND INVESTMENTS IN COUNTY TREASURY (continued)

Concentration of Credit Risk

The California Government Code Section 53601 places limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, negotiable certificates of deposit, and external investment pools) that represent 1% or more of total investment are as follows:

Issuer	Investment Type	Amount	% of Total Investments
None for FY 2024/2025			

Custodial Credit Risk

Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code Section 53652 requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure government deposits by pledging first trust deed mortgage notes having a value of 150% of the secure public deposits.

Investment in San Diego Investment Pool

The Commission is a voluntary participant in the pool regulated by the California Government Code Sections 53601 and 53635, under the oversight of the Treasurer of the County of San Diego. The fair value of the Commission's investment in this pool is reported in the accompanying financial statements at amounts based upon the Commission's pro-rata share of the fair value provided by the County of San Diego for the entire pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the pool, which are recorded on a cash basis.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2: CASH AND INVESTMENTS IN COUNTY TREASURY (continued)

Fair Value

The Commission categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the Commission's own data. The Commission should adjust that data if reasonably available information indicates that other market participants would use different data, or certain circumstances specific to the Commission are not available to other market participants.

Uncategorized - Investments in the San Diego County Treasury Investment Pool and/or Local Agency Investment Funds/State Investment Pools are not measured using the input levels above because the Commission's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The Commission's fair value measurements at June 30, 2025, were as follows:

	Quoted Prices <u>Level 1</u>	Observabl e Inputs <u>Level 2</u>	Unobservable Inputs <u>Level 3</u>	<u>Uncategorized</u>	<u>Total</u>
Investments in county treasury	\$ -	\$ -	\$ -	\$ 26,845,422	\$ 26,845,422
Other investments	-	-	-	-	-
Total leveled investments	\$ -	\$ -	\$ -	\$ 26,845,422	\$ 26,845,422

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable is recorded at full value and represents the amount of Prop 10 revenue that the California Children and Families Commission (First 5 California) owes to the Commission for May and June 2025, California Electronic Cigarette Excise Tax (CECET), as well as miscellaneous revenue from the Surplus Money Investment Fund (SMIF). Additionally, First 5 California owes First 5 San Diego for the fourth quarter of the Regional Technical Assistance for Home Visiting Coordination and Integration Grant, as well as the fourth quarter revenues from the CA IMPACT Legacy Grant for the fiscal year 2024/2025.

Prop 10 revenue for:

May 2025	\$ 1,016,969
June 2025	1,114,558
CECET	51,263
SMIF	135,718
4 th F5CA RTA-Home Visiting Coordination Grant	142,346
4 th F5CA IMPACT Legacy Grant	569,825
	\$ 3,030,679

NOTE 4: CAPITAL ASSETS - RIGHT TO USE LEASE ASSET

The Commission has recorded a right-to-use lease asset. The asset is a right-to-use asset for a leased office space. The related lease is discussed in the lease subsection of the lease payable section of this note. The right-to-use lease asset is amortized on a straight-line basis over the terms of the related lease.

Right-to-use lease asset activity for the Primary Government for the fiscal year ended June 30, 2025, was as follows:

<u>Capital Asset</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right-to-use lease asset	\$ 2,742,033	\$ -	\$ -	\$ 2,742,033
Lease asset	2,742,033	-	-	2,742,033
Total right-to-use lease assets				
Less accumulated amortization for:				
Lease asset	889,308	296,436	-	1,185,744
Total accumulated amortization	889,308	296,436	-	1,185,744
Right to use lease asset, net	\$ 1,852,725	\$ (296,436)	\$ -	\$ 1,556,289

NOTE 5: ACCOUNTS PAYABLE

Accounts payable is comprised of \$11,119,621 in funding due to contractors at June 30, 2025.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6: DUE TO/DUE FROM COUNTY OF SAN DIEGO

These are funds that are “due to” or “due from” the County of San Diego’s general fund.

The County of San Diego owes the Commission \$659,658 for:

- 1) Investment interest earnings of \$327,817;
- 2) HHSA reimbursement of the burden cost of \$102,308;
- 3) Contract reimbursement of \$229,533;

The Commission owes the County of San Diego \$96,960 for:

- 4) Purchasing & Contracting services of \$40;
- 5) Computing and IT charges of \$5,387;
- 6) County Counsel services of \$1,516;
- 7) Commission labor and burden cost of \$90,017;

NOTE 7: LONG-TERM LIABILITIES

Long-term liability activity for the fiscal year ended June 30, 2025, was as follows:

	Balance at July 1, 2024	Additions	Reductions	Balance at June 30, 2025	Due Within One Year
Governmental Activities:					
Other long-term liabilities					
Compensated Absences *	\$ 406,937	\$ 47,596	\$ (98,529)	\$ 356,004	\$ 145,892
Direct borrowings and placements	1,951,779	-	(283,053)	1,668,726	293,673
Lease Liabilities					
Total	\$ 2,358,716	\$ 47,596	\$ (381,582)	\$ 2,024,730	\$ 439,565

* The beginning net position was restated due to adopting GASB 101, totaling \$265,110

NOTE 8: COMPENSATED ABSENCES

The compensated absences liability balance for the fiscal year ended June 30, 2025 is \$356,004.

Change in Accounting Principle

The Commission is implementing the provisions of GASB Statement 101 concerning Compensated Absences in the financial statements for the current fiscal year. In prior fiscal years, sick leave was not recognized as a liability since it was not paid out upon termination. However, in accordance with Statement 101, sick leave now qualifies to be accrued as a compensated absence liability.

The Commission examined its historical data regarding accumulated sick leave and compensatory time to estimate the amount of leave employees are likely to use. This estimate will now be reported as a liability in both the government-wide financial statements and the enterprise fund financial statements. The portion of these liabilities that existed at the beginning of the current fiscal year will be recognized as a decrease in the beginning net position due to the adoption of this new accounting standard.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9: LEASE PAYABLE

The Commission has entered into an agreement to lease an office space. The lease agreement qualifies as other than short-term leases under GASB Statement No. 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement was executed on April 5, 2020, to lease an office space and requires 125 monthly payments, initially in the amount of \$21,060 per month and a 3% annual escalation. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 0.71%, which is the estimated incremental borrowing rate of the Commission. As a result of the lease, the Commission has recorded a right to use lease asset with a net book value of \$1,556,289 on June 30, 2025. The right to use lease asset is discussed in more detail in Note 1 (F) and Note 4 – Right to use lease asset.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

Fiscal Year Ending	Principal	Interest	
<u>June 30</u>	<u>Payments</u>	<u>Payments</u>	<u>Total</u>
2026	\$ 293,673	\$ 10,898	\$ 304,571
2027	304,626	8,777	313,403
2028	315,923	6,578	322,501
2029	327,575	4,297	331,872
2030	339,591	1,932	341,523
2031	87,338	103	87,441
	<u>\$ 1,668,726</u>	<u>\$ 32,585</u>	<u>\$ 1,701,311</u>

NOTE 10: REVENUE

The Commission receives a proportionate share of Proposition 10, California Electronic Cigarette Excise Tax (CECET), and Proposition 56 money from First 5 California based on the number of live births in the county in comparison to the number of live births statewide. This fund is identified in the County of San Diego's accounting records as the First 5 Commission Operating Fund (Fund Number 49217). The Commission also receives Special Funding, as explained in Note 11, and Surplus Money Investment Fund (SMIF) allocations from First 5 California. The SMIF allocations represent distributions of interest accrued on statewide Proposition 10 money.

Revenue for the fiscal year 2024/2025 is comprised of:

Prop 10 revenue (monthly allocations)	\$ 13,018,167
California Electronic Cigarette Excise Tax (quarterly allocations)	286,385
SMIF	135,718
Prop 56 backfill (included in Prop 10 in Financials)	5,688,646
F5CA RTA Home Visiting Coordination and Integration Grant	586,282
F5CA IMPACT Legacy Grant	1,607,315
HHSA CalWORKs Home Visiting Program	3,199,026
HHSA Public Health Services Doula Pilot Program	47,101
HHSA Child Care Program American Rescue Plan Act (ARPA)	250,000
HHSA Family First Prevention Services Act (FFPSA)	885,463
HHSA Tobacco Settlement Revenue Securitization Trust Fund	4,300,000
Dr. Seuss Foundation	20,250
Interest	<u>895,469</u>
Total Revenue	<u>\$ 30,919,822</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11: SPECIAL FUNDING

Special funding for FY 2024/2025 included \$586,282 for the F5CA Regional Technical Assistance for Home Visiting Coordination and Integration Grant; \$1,607,315 for F5CA IMPACT Legacy Grant; \$3,199,026 for HHSA CalWORKs Home Visiting Program; \$47,101 for HHSA Public Health Services Doula Pilot Program; \$250,000 for HHSA Child Care Program American Rescue Plan Act (ARPA); \$885,463 for HHSA Family First Prevention Services Act (FFPSA); \$4.3 million from HHSA Tobacco Settlement Revenue Securitization Trust Fund; and a \$20,250 Grant from the Dr. Seuss Foundation.

F5CA Regional Technical Assistance for Home Visiting Coordination and Integration Grant (HVC-RTA)

The primary purpose of the HVC-RTA is to empower counties in their efforts to create a sustainable and unified system that supports families with the home visiting services they need and maximizes available funding to serve more families. Additionally, the HVC-RTA promotes group, individual, and peer-to-peer technical assistance to help counties strengthen various systems of coordination and integration. It emphasizes the importance of incorporating lived experiences into policy and program decisions while addressing inequities. The balance sheet and schedule of revenue, expenditures, and changes in fund balance for this special funding program are presented as supplementary information in this report on pages 36 and 37.

F5CA IMPACT Legacy Grant The primary purpose of the F5 IMPACT Legacy is to enhance the quality of early learning and care (ELC) environments across California. This grant focuses on improving the quality of ELC program and ensuring that all children experience high-quality learning. The grant is designed to strengthen and advance the ELC system, engage programs and early educators in Quality Counts California (QCC), and leverage other funding sources for future growth. The balance sheet and schedule of revenue, expenditures, and changes in fund balance for this special funding program are presented as supplementary information in this report on pages 38 and 39.

HHSA CalWORKs Home Visiting Program The California Work Opportunity and Responsibility to Kids (CalWORKs) Home Visiting Program (HVP) is a voluntary program funded by the California Department of Social Services (CDSS) and administered by participating California counties. The HVP aims to support positive health development and well-being outcomes for pregnant and parenting people, families, and infants born into poverty, expand their future educational, economic, and financial capability opportunities, and improve the likelihood that they will exit poverty. The balance sheet and schedule of revenue, expenditures, and changes in fund balance for this special funding program are presented as supplementary information in this report on pages 40 and 41.

HHSA Public Health Services Doula Pilot Program The County of San Diego, through the Maternal, Child, and Family Health Services Doula Pilot Program with First 5 San Diego, aims to help bring greater doula access to BIPOC birthing people, as well as support a workforce pipeline through a doula training program. The Doula Pilot Program seeks to overcome barriers by contracting with community-based doula businesses with demonstrated experience providing services to birthing people who are BIPOC during pregnancy, for birth and delivery, and postpartum care. This program will serve more individuals at no cost to the program participants, train more doulas to expand capacity in the region to serve communities, and promote improved BIPOC maternal and infant health outcomes. The balance sheet and schedule of revenue, expenditures, and changes in fund balance for this special funding program are presented as supplementary information in this report on pages 42 and 43.

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11: SPECIAL FUNDING (continued)

HHSA Child Care Program American Rescue Plan Act (ARPA) The County of San Diego, through the Child and Family Well-Being (CFWB) program and The Learn Well Initiative, aims to support quality interactions between adults and children in early learning and care environments. The Learn Well Initiative specifically focuses on serving children who are most at risk, to positively influence their growth and development from birth to five years of age. This initiative ensures that these children have a solid developmental foundation, which is essential for their future academic success and lifelong learning. The program provides affordable childcare options tailored to meet the needs of local parents. It also addresses peer-based childcare needs, such as mentorship and workforce opportunities, to help alleviate the childcare crisis. The balance sheet and schedule of revenue, expenditures, and changes in fund balance for this special funding program are presented as supplementary information in this report on pages 44 and 45.

HHSA Family First Prevention Services Act (FFPSA) Through a collaboration with the County of San Diego Child and Family Well-Being (CFWB) department access to additional funding from the Family First Prevention Services Act (FFPSA) supported the First 5 First Steps (F5FS) home visiting program. F5FS provides home visiting services to targeted populations throughout the county. This includes families known to CFWB, as well as community families who qualify for assistance under FFPSA. The program targets families identified as having key risk factors for poor child health and well-being outcomes. These include young, first-time parents, low-income households, parents with low educational attainment, FFPSA candidates, and families living in isolated areas or lacking access to other sources of social support. The primary goal of the Commission's home visitation strategy is to promote positive parenting, enhance child health and development, and prevent child abuse and neglect. This is achieved using the evidence-based Healthy Families America (HFA) curriculum within the F5FS program. F5FS offers regular one-on-one visits over a designated period, establishing processes for sharing information and resources with parents. This program is backed by evidence demonstrating its effectiveness in preventing entry into the formal child welfare system. The balance sheet and schedule of revenue, expenditures, and changes in fund balance for this special funding program are presented as supplementary information in this report on pages 46 and 47.

HHSA Tobacco Settlement Revenue Securitization Trust Fund The First 5 Commission of San Diego received \$4,300,000 from the Tobacco Settlement Revenue Securitization Trust Fund (Tobacco Settlement Fund) to support the continuity of the Healthy Development Services program (HDS). HDS is a groundbreaking program that promotes young children's optimal healthy development and learning by identifying and addressing problems early. The focus of HDS are children that present mild to moderate developmental and behavioral concerns who do not qualify for services provided by schools or through traditional health insurance. This funding aims to enhance capacity under Proposition 10 and prevent expected budget reductions for the program in Fiscal Year 2025-26. These funds are designated to ensure the continuity of services provided by the HDS Program. This allocation includes the FY 2024/2025 amount of \$4,300,000 from the Tobacco Settlement Fund, facilitating an increase in revenue available under Proposition 10. The balance sheet and schedule of revenue, expenditures, and changes in fund balance for this special funding program are presented as supplementary information in this report on pages 48 and 49.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11: SPECIAL FUNDING (continued)

Dr. Seuss Foundation Grant The Dr. Seuss Foundation Grant is designed to incorporate the Dr. Seuss Foundation into the Talk, Read, Sing parent education campaign. This initiative aims to strengthen brand alignment and promote early literacy. By utilizing engaging social media content and compelling storytelling, the campaign seeks to build baseline awareness among target audiences. Furthermore, it will capitalize on earned media opportunities to expand its reach and enhance its overall impact within the community. The balance sheet and schedule of revenue, expenditures, and changes in fund balance for this special funding program are presented as supplementary information in this report on pages 50 and 51.

NOTE 12: DATA & EVALUATION EXPENSES

The Commission spent \$849,336 on program data & evaluation and \$203,647 on evaluation labor costs during the audit period.

NOTE 13: FUND BALANCES

As of June 30, 2025, fund balances of the governmental funds are classified as follows:

Non-spendable – amounts that cannot be spent either because they are in non-spendable form (e.g. Prepaid Expense) or because they are legally or contractually required to be maintained intact (e.g. revolving fund or the principal of an endowment).

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal “Action Item” of the Commission. This formal “Action Item” is the approval by the Commission of a meeting agenda action item, if approved, resulting in a final resolution to be implemented. The Commission is the highest level of decision-making authority. These committed amounts cannot be used for any other purpose unless the Commission removes or changes the specific uses through the same type of formal action taken to establish the commitment.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Commission’s adopted policy, only the Commission or Executive Director may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

When an expense is incurred for purposes for which both restricted and unrestricted fund balances are available, the commission considers restricted funds to have been spent first. When an expense is incurred for which committed, assigned, or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commission has provided otherwise in its commitment or assignment actions.

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13: FUND BALANCES (continued)

The details of the fund balances as of June 30, 2025 are presented below:

Fund Balance:

Non-spendable:

Prepaid items	\$ <u>2,872</u>
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Committed To:

Administration	1,035,102
Evaluation	293,325
Healthy Development Services	4,401,936
KidSTART	359,607
Oral Health Initiative	259,957
Reducing Childhood Injuries	25,996
Learn Well Initiative	2,326,557
Mi Escuelita	226,391
First 5 First Steps Home Visiting	1,316,547
HHSA CalWORKs Home Visiting Program	1,327,052
Parent & Public Education	138,643
Information & Referral	51,991
Maternity Housing Program	21,663
Community Outreach	34,661
Management Reserve	<u>7,500,000</u>

Total Committed	<u>19,319,428</u>
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Total Fund Balance	<u>\$ 19,322,300</u>
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NOTE 14: RELATED PARTY

For FY 2024/2025, the First 5 Commission had a contract with The Children's Initiative for \$150,000 for the Childhood Injury Prevention Program. The Chief Executive Officer of The Children's Initiative is Sandra McBrayer, one of the five First 5 San Diego Commissioners.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

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**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BUDGETARY COMPARISON SCHEDULE GOVERNMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**BUDGETED AMOUNTS
(UNAUDITED)**

	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Prop 10 Tobacco Tax	\$ 21,057,373	\$ 21,057,373	\$ 19,128,916	\$ (1,928,457)
F5CA Regional Technical Assistance for Home Visiting Coordination and Integration Grant	-	-	586,282	586,282
F5CA IMPACT Legacy Grant	-	-	1,607,315	1,607,315
HHSA Public Health Services Doula Pilot Program	-	-	47,101	47,101
HHSA Self-Sufficiency Operations – CalWORKs HV	4,000,000	3,657,344	3,199,026	(458,318)
HHSA Child Care Program American Rescue Plan Act (ARPA)	-	250,000	250,000	-
HHSA Family First Prevention Services Act (FFPSA)	-	943,026	885,463	(57,563)
HHSA Tobacco Settlement Revenue Securitization TF	-	4,300,000	4,300,000	-
Dr. Seuss Foundation Grant	-	25,000	20,250	(4,750)
Interest revenue	<u>956,340</u>	<u>956,340</u>	<u>895,469</u>	<u>(60,871)</u>
Total revenues	<u>\$ 26,013,713</u>	<u>\$ 31,189,083</u>	<u>\$ 30,919,822</u>	<u>\$ (269,261)</u>
Expenditures:				
Labor & benefits (less Evaluation labor)	2,594,573	2,594,573	1,998,420	596,153
Services and Supplies	555,780	555,780	241,043	314,737
Evaluation (with Evaluation Labor)	1,092,658	1,152,658	1,052,983	99,675
Contributions to Community Programs	33,056,815	33,331,815	33,431,737	(99,922)
Debt Service - Principal - Leases	-	-	283,053	(283,053)
Debt Service – Interest - Leases	<u>-</u>	<u>-</u>	<u>11,787</u>	<u>(11,787)</u>
Total expenditures	<u>\$ 37,299,826</u>	<u>\$ 37,634,826</u>	<u>\$ 37,019,023</u>	<u>\$ 615,803</u>
Net change in fund balance OVER (UNDER) Expenditures	(11,286,113)	(6,445,743)	(6,099,201)	346,542
Fund balance, beginning of fiscal year	<u>25,421,501</u>	<u>25,421,501</u>	<u>25,421,501</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 14,135,388</u>	<u>\$ 18,975,758</u>	<u>\$ 19,322,300</u>	<u>\$ 346,542</u>

Budget and Budgetary Process

The Commission adopts an annual budget which can be amended throughout the fiscal year. The basis used to prepare the budget is in accordance with accounting principles generally accepted in the United States (GAAP).

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SUPPLEMENTARY INFORMATION SECTION

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

**F5CA REGIONAL TECHNICAL ASSISTANCE FOR
HOME VISITING COORDINATION AND INTEGRATION GRANT**

JUNE 30, 2025

	<u>2025</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
Fund balance:	
Restricted for F5CA Regional Technical Assistance for Home Visiting Coordination and Integration Grant	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

**F5CA REGIONAL TECHNICAL ASSISTANCE FOR
HOME VISITING COORDINATION AND INTEGRATION GRANT**

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

	<u>2025</u>
Revenues:	
F5CA Regional Technical Assistance for Home Visiting Coordination and Integration Grant	<u>\$ 586,282</u>
Total revenues	<u>586,282</u>
 Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>586,282</u>
Total expenditures	<u>586,282</u>
 Net change in fund balance	-
 Fund balance, beginning of fiscal year	<u>-</u>
Fund balance, end of fiscal year	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

F5CA IMPACT LEGACY GRANT

JUNE 30, 2025

	<u>2025</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	<u>\$ -</u>
Total liabilities	<u>-</u>
Fund balance:	
Restricted for F5CA IMPACT Legacy Grant	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

F5CA IMPACT LEGACY GRANT

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

	<u>2025</u>
Revenues:	
F5CA IMPACT Legacy Grant	<u>\$ 1,607,315</u>
Total revenues	<u>1,607,315</u>
 Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>1,607,315</u>
Total expenditures	<u>1,607,315</u>
 Net change in fund balance	-
 Fund balance, beginning of fiscal year	<u>-</u>
 Fund balance, end of fiscal year	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

HHSA CalWORKs HOME VISITING PROGRAM

JUNE 30, 2025

	<u>2025</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
Fund balance:	
Restricted for HHSA CalWORKs Home Visiting Program	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

HHSA CalWORKs HOME VISITING PROGRAM

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

	<u>2025</u>
Revenues:	
HHSA CalWORKs Home Visiting Program	<u>\$ 3,199,026</u>
Total revenues	<u>3,199,026</u>
Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>3,199,026</u>
Total expenditures	<u>3,199,026</u>
Net change in fund balance	-
Fund balance, beginning of fiscal year	<u>-</u>
Fund balance, end of fiscal year	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

**HHSA PUBLIC HEALTH SERVICES
DOULA PILOT PROGRAM**

JUNE 30, 2025

	<u>2025</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
Fund balance:	
Restricted for HHSA Public Health Services Doula Pilot Program	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

**HHSA PUBLIC HEALTH SERVICES
DOULA PILOT PROGRAM**

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

	<u>2025</u>
Revenues:	
HHSA Public Health Services Doula Pilot Program	<u>\$ 47,101</u>
Total revenues	<u>47,101</u>
Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>47,101</u>
Total expenditures	<u>47,101</u>
Net change in fund balance	-
Fund balance, beginning of fiscal year	<u>-</u>
Fund balance, end of fiscal year	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

**HHSA CHILD CARE PROGRAM
AMERICAN RESCUE PLAN ACT (ARPA)**

JUNE 30, 2025

	<u>2025</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
Fund balance:	
Restricted for HHSA Child Care Program American Rescue Plan Act (ARPA)	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

**HHSA CHILD CARE PROGRAM
AMERICAN RESCUE PLAN ACT (ARPA)**

FOR THE FISCAL YEAR ENDED

JUNE 30, 2025

	<u>2025</u>
Revenues:	
HHSA Child Care Program American Rescue Plan Act (ARPA)	<u>\$ 250,000</u>
Total revenues	<u>250,000</u>
Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>250,000</u>
Total expenditures	<u>250,000</u>
Net change in fund balance	-
Fund balance, beginning of fiscal year	<u>-</u>
Fund balance, end of fiscal year	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

HHSA FAMILY FIRST PREVENTION SERVICES ACT (FFPSA)

JUNE 30, 2025

	<u>2025</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
Fund balance:	
Restricted for HHSA Family First Prevention Services Act (FFPSA)	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

HHSA FAMILY FIRST PREVENTION SERVICES ACT (FFPSA)

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

	<u>2025</u>
Revenues:	
HHSA Family First Prevention Services Act (FFPSA)	<u>\$ 885,463</u>
Total revenues	<u>885,463</u>
Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>885,463</u>
Total expenditures	<u>885,463</u>
Net change in fund balance	-
Fund balance, beginning of fiscal year	<u>-</u>
Fund balance, end of fiscal year	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

HHSA TOBACCO SETTLEMENT REVENUE SECURITIZATION TRUST FUND

JUNE 30, 2025

	<u>2025</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
Fund balance:	
Restricted for HHSA Tobacco Settlement Revenue Securitization Trust Fund	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

HHSA TOBACCO SETTLEMENT REVENUE SECURITIZATION TRUST FUND

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

	<u>2025</u>
Revenues:	
HHSA Tobacco Settlement Revenue Securitization Trust Fund	<u>\$ 4,300,000</u>
Total revenues	<u>4,300,000</u>
Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>4,300,000</u>
Total expenditures	<u>4,300,000</u>
Net change in fund balance	-
Fund balance, beginning of fiscal year	<u>-</u>
Fund balance, end of fiscal year	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
BALANCE SHEET**

DR. SEUSS FOUNDATION GRANT

JUNE 30, 2025

	<u>2025</u>
Assets	
Cash and investments in county treasury	\$ -
Total assets	<u>\$ -</u>
Liabilities and Fund Balance	
Liabilities:	
Unearned revenue	\$ -
Total liabilities	<u>-</u>
Fund balance:	
Restricted for Dr. Seuss Foundation Grant	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**

DR. SEUSS FOUNDATION GRANT

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

	<u>2025</u>
Revenues:	
Dr. Seuss Foundation Grant	<u>\$ 20,250</u>
Total revenues	<u>20,250</u>
 Expenditures:	
Labor and benefits	-
Contributions to community outreach projects	<u>20,250</u>
Total expenditures	<u>20,250</u>
 Net change in fund balance	-
 Fund balance, beginning of fiscal year	<u>-</u>
 Fund balance, end of fiscal year	 <u>\$ -</u>

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STATISTICAL SECTION

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2025

The information in this section is not covered by the Independent Auditor's Report, but it is presented as supplemental data for the benefit of the readers of the annual comprehensive financial report. The objectives of the statistical section information are to provide financial statement users with additional statements, notes to financial statements, and required supplemental information to understand and assess the Commission's economic condition.

	<u>Pages</u>
<u>Financial Trends</u>	
These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.	55 - 58
<u>Revenue Capacity</u>	
These schedules contain trend information to help the reader assess the Commission's most significant revenue base.	59 - 60
<u>Debt Capacity</u>	61
This table presents information to help the reader assess the affordability of the Commission's current levels of outstanding debt and its ability to issue additional debt in the future.	
<u>Demographic Information</u>	62 - 65
These schedules offer economic and demographic indicators to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.	
<u>Operating Information</u>	66
This table presents information to help the reader understand the appropriate account for the right to use lease assets as Capital assets.	

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2025

Net Position by Component
Last Ten Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Investment in Capital Assets	\$ (112,437)	\$ (99,054)	\$ (75,375)	\$ (41,715)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	18,966,296	25,279,674	35,208,641	40,313,992	42,119,960	40,449,779	46,523,865	55,106,348	65,232,870	73,239,274
Total net position	<u>\$ 18,853,859</u>	<u>\$ 25,180,620</u>	<u>\$ 35,133,266</u>	<u>\$ 40,272,277</u>	<u>\$ 42,119,960</u>	<u>\$ 40,449,779</u>	<u>\$ 46,523,865</u>	<u>\$ 55,106,348</u>	<u>\$ 65,232,870</u>	<u>\$ 73,239,274</u>

* Governmental Accounting Standards Board (GASB) Statement 63 was implemented by the Commission in the fiscal year ended June 30, 2013. Net Position was reported as net assets prior to GASB 63 implementation.

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2025

Changes in Net Position
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Prop 10 Tobacco Taxes (see page 15)	\$19,128,916	\$21,959,123	\$23,470,990	\$26,670,216	\$28,636,321	\$27,663,745	\$26,411,158	\$25,589,026	\$17,887,814	\$21,643,265
Prop 10 Quality Preschool Initiative	-	-	-	-	-	-	-	-	10,769,855	7,877,537
Prop 10 Child Signature Program	-	-	-	-	-	-	-	-	1,677,313	3,454,625
CDE QRIS Certification Grant	-	-	-	-	34,396	181,918	179,039	189,959	-	-
Race to the Top	-	-	-	-	-	-	-	-	-	1,830,888
F5CA Shared Services Alliance Pilot Grant	-	86,382	151,499	11,232	-	-	-	-	-	-
F5CA Refugee Family Services Program	-	213,404	209,614	-	-	-	-	-	-	-
F5CA IMPACT Grant	-	-	-	-	-	2,173,883	1,599,578	1,587,196	1,607,269	-
F5CA IMPACT Hub Grant	-	-	-	-	544,079	541,277	339,197	400,661	250,321	-
F5CA IMPACT Legacy Grant	1,607,315	1,575,574	-	-	-	-	-	-	-	-
F5CA Home Visiting Coordination Grant	-	-	47,586	80,179	35,153	-	-	-	-	-
F5CA RTA-Home Visiting Coordination Gt	586,282	266,643	-	-	-	-	-	-	-	-
HHSA Office of Violence Prevention	-	-	-	250,000	-	-	-	-	-	-
HHSA PHS Doula Pilot Program	47,101	262,154	120,201	-	-	-	-	-	-	-
HHSA OSI Drowning Prevention	-	-	37,738	208,370	-	-	-	-	-	-
HHSA CalWORKs Home Visiting Program	3,199,026	3,418,485	3,296,525	2,823,098	2,453,747	-	-	-	-	-
HHSA Cal-Learn Educational Support Svc	-	-	301,980	866,183	717,980	-	-	-	-	-
HHSA CA Home Visiting Program GF	-	-	505,161	599,999	164,941	-	-	-	-	-
HHSA Child Care Program ARPA	250,000	-	-	-	-	-	-	-	-	-
HHSA Family First Prevention Svc Act (FFPSA)	885,463	-	-	-	-	-	-	-	-	-
HHSA Tobacco Settlement Revenue TF	4,300,000	-	-	-	-	-	-	-	-	-
Interest revenue	895,469	1,296,702	1,098,757	325,559	413,747	955,100	1,021,281	784,637	828,087	578,755
Other miscellaneous	20,250	-	-	-	-	-	-	-	-	43,146
Net increase (decrease) in FMV	-	-	-	-	-	-	206,530	248,038	25,604	(79,750)
Total revenues	\$30,919,822	\$29,078,467	\$29,240,051	\$31,834,836	\$33,000,364	\$31,515,923	\$29,756,783	\$28,799,517	\$33,046,263	\$35,348,466
Health	\$14,248,114	\$13,509,115	\$12,816,661	\$12,010,123	\$11,627,348	\$14,622,113	\$15,613,398	\$15,804,733	\$15,398,149	\$15,592,246
Learning	10,478,040	10,982,603	8,908,889	8,832,179	7,595,960	13,280,171	12,770,648	13,181,082	13,761,649	14,158,039
Family	7,744,167	9,626,862	7,874,164	7,957,275	7,733,280	4,686,816	5,118,518	5,031,315	5,426,101	5,221,359
Community	961,416	804,569	839,914	1,217,391	814,546	1,304,628	1,307,091	1,166,445	2,876,033	2,540,614
General Administration	3,506,623	3,797,932	3,626,188	3,352,098	3,484,606	3,696,281	3,529,611	3,742,464	3,590,735	3,927,334
Interest on long-term debt	11,787	13,596	16,810	17,017	-	-	-	-	-	-
Amortization	296,436	296,436	296,436	296,436	-	-	-	-	-	-
Total expenditure	\$37,246,583	\$39,031,113	\$34,379,062	\$33,682,519	\$31,255,740	\$37,590,009	\$38,339,266	\$38,926,039	\$41,052,667	\$41,439,592
Net change in net position	\$(6,326,761)	\$(9,952,646)	\$(5,139,011)	\$(1,847,683)	\$1,744,624	\$(6,074,086)	\$(8,582,483)	\$(10,126,522)	\$(8,006,404)	\$(6,091,126)

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2025**

**Fund Balance – General Fund
Last Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Fund Balance										
Non-spendable	\$2,872	\$2,613	\$2,345	\$2,227	\$2,196	\$2,081	\$1,946	\$1,895	\$1,889	\$32,325
Committed	19,319,428	25,418,888	35,345,844	40,410,520	42,221,595	40,537,402	46,577,066	55,162,594	65,278,719	73,257,337
Restricted	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	<u>\$19,322,300</u>	<u>\$25,421,501</u>	<u>\$35,348,189</u>	<u>\$40,412,747</u>	<u>\$42,223,791</u>	<u>\$40,539,483</u>	<u>\$46,579,012</u>	<u>\$55,164,489</u>	<u>\$65,280,608</u>	<u>\$73,289,662</u>

FIRST 5 COMMISSION OF SAN DIEGO
PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2025
Changes in Fund Balances – General Fund

	Last Ten Fiscal Years									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenue										
Prop 10 Tobacco Taxes	\$19,128,916	\$21,959,123	\$23,470,990	\$26,670,216	\$28,636,321	\$27,663,745	\$26,411,158	\$25,589,026	\$17,887,814	\$21,643,265
Prop 10 Quality Preschool Initiative	-	-	-	-	-	-	-	-	10,769,855	7,877,537
Prop 10 Child Signature Program	-	-	-	-	-	-	-	-	1,677,313	3,454,625
CDE QRIS Certification Grant	-	-	-	-	34,396	181,918	179,039	189,959	-	-
Race to the Top	-	-	-	-	-	-	-	-	-	1,830,888
F5CA Shared Services Alliance Pilot Grant	-	86,382	151,499	11,232	-	-	-	-	-	-
F5CA Refugee Family Services Program	-	213,404	209,614	-	-	-	-	-	-	-
F5CA IMPACT Grant	-	-	-	-	-	2,173,883	1,599,578	1,587,196	1,607,269	-
F5CA IMPACT Hub Grant	-	-	-	-	544,079	541,277	339,197	400,661	250,321	-
F5CA IMPACT Legacy Grant	1,607,315	1,575,574	-	-	-	-	-	-	-	-
F5CA Home Visiting Coordination Grant	-	-	47,586	80,179	35,153	-	-	-	-	-
F5CA RTA-Home Visiting Coordination Grant	586,282	266,643	-	-	-	-	-	-	-	-
HHSA Office of Violence Prevention	-	-	-	250,000	-	-	-	-	-	-
HHSA PHS Doula Pilot Program	47,101	262,154	120,201	-	-	-	-	-	-	-
HHSA OSI Drowning Prevention	-	-	37,738	208,370	-	-	-	-	-	-
HHSA CalWORKs Home Visiting Program	3,199,026	3,418,485	3,296,525	2,823,098	2,453,747	-	-	-	-	-
HHSA Cal-Learn Educational Support Services	-	-	301,980	866,183	717,980	-	-	-	-	-
HHSA CA Home Visiting Program GF	-	-	505,161	599,999	164,941	-	-	-	-	-
HHSA Child Care Program ARPA	250,000	-	-	-	-	-	-	-	-	-
HHSA Family First Prevention Service Act	885,463	-	-	-	-	-	-	-	-	-
HHSA Tobacco Settlement Revenue Trust Fund	4,300,000	-	-	-	-	-	-	-	-	-
Interest revenue	895,469	1,296,702	1,098,757	325,559	413,747	955,100	1,021,281	784,637	828,087	578,755
Other miscellaneous	20,250	-	-	-	-	-	-	-	-	43,146
Net increase (decrease) in FMV	-	-	-	-	-	-	206,530	248,038	25,604	(79,750)
Total revenues	\$30,919,822	\$29,078,467	\$29,240,051	\$31,834,836	\$33,000,364	\$31,515,923	\$29,756,783	\$28,799,517	\$33,046,263	\$35,348,466
Expenditures										
Labor & benefits	\$ 2,202,067	\$ 2,575,559	\$ 2,451,116	\$ 2,257,841	\$ 2,015,727	\$ 2,074,074	\$ 2,053,585	\$ 2,226,197	\$ 2,123,804	\$ 2,542,561
Services & Supplies	241,043	263,844	283,191	223,912	574,392	723,356	654,081	632,742	627,523	623,890
Debt Services - Principal - Leases	283,053	272,757	262,776	254,721	-	-	-	-	-	-
Debt Services - Interest - Leases	11,787	13,596	16,810	17,017	-	-	-	-	-	-
Evaluation	849,336	956,250	851,088	875,421	880,360	864,294	824,939	873,122	842,058	821,321
Contribution to Community Programs & Initiative	33,431,737	34,923,149	30,439,628	30,016,968	27,771,134	33,893,728	34,809,655	35,183,575	37,461,932	37,512,258
Total expenditures	\$37,019,023	\$39,005,155	\$34,304,609	\$33,645,880	\$31,241,613	\$37,555,452	\$38,342,260	\$38,915,636	\$41,055,317	\$41,500,030
Net change in fund balances	(\$6,099,201)	(\$9,926,688)	(\$5,064,558)	(\$1,811,044)	\$1,758,751	(\$6,039,529)	(\$8,585,477)	(\$10,116,119)	(\$8,009,054)	(\$6,151,564)
Debt's service as a percentage of noncapital expenditures	0.80%	0.73%	0.82%	0.81%	-	-	-	-	-	-

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2025

FIRST 5 CALIFORNIA COUNTY TAX REVENUE PROJECTIONS FOR 2024-25 THROUGH 2028-29 with Flavor Ban
 UTILIZING January 2025 UPDATED TOBACCO TAX REVENUE PROJECTIONS AND
 DOF BIRTH PROJECTIONS FOR CALIFORNIA STATE AND COUNTIES 2000-2050
 UPDATED 4-15-2025

	COUNTY	2023 Births ¹	2023 Birthrate	2024-25 TAX REVENUE PROJECTION	2024 Births ¹	2024 Birthrate	2025-26 TAX REVENUE PROJECTION	2025 Births ¹	2025 Birthrate	2026-27 TAX REVENUE PROJECTION	2026 Births ¹	2026 Birthrate	2027-28 TAX REVENUE PROJECTION	2027 Births ¹	2027 Birthrate	2028-29 TAX REVENUE PROJECTION
1	Alameda	16,155	4.051%	\$8,883,963	15,958	3.979%	\$8,405,707	15,614	3.938%	\$8,096,112	14,988	3.611%	\$7,633,712	14,529	3.738%	\$7,302,500
2	Alpine	3	0.001%	\$1,650	5	0.001%	\$2,634	8	0.002%	\$4,148	6	0.002%	\$3,056	12	0.003%	\$6,031
3	Amador	307	0.077%	\$168,826	323	0.081%	\$170,137	343	0.087%	\$177,851	322	0.082%	\$164,002	307	0.079%	\$154,303
4	Butte	2,036	0.511%	\$1,119,638	1,886	0.470%	\$993,430	1,927	0.466%	\$999,181	1,938	0.493%	\$987,065	1,883	0.484%	\$946,425
5	Calaveras	374	0.094%	\$205,670	390	0.097%	\$205,428	387	0.098%	\$200,666	378	0.096%	\$192,524	371	0.095%	\$186,470
6	Colusa	249	0.062%	\$136,930	262	0.065%	\$138,006	292	0.074%	\$151,407	250	0.064%	\$127,330	260	0.067%	\$130,680
7	Contra Costa	11,169	2.801%	\$6,142,060	11,028	2.750%	\$5,808,882	10,792	2.722%	\$5,595,827	10,651	2.708%	\$5,424,784	10,632	2.735%	\$5,343,808
8	Del Norte	216	0.054%	\$116,783	220	0.055%	\$115,883	209	0.053%	\$108,370	213	0.054%	\$108,486	215	0.055%	\$108,062
9	El Dorado	1,421	0.356%	\$781,437	1,401	0.349%	\$737,362	1,455	0.367%	\$754,441	1,383	0.352%	\$704,392	1,467	0.377%	\$737,337
10	Fresno	13,085	3.281%	\$7,195,708	13,139	3.276%	\$6,920,829	12,787	3.225%	\$6,630,267	12,818	3.259%	\$6,528,484	12,526	3.223%	\$6,295,761
11	Glenn	320	0.080%	\$175,975	348	0.087%	\$183,305	321	0.081%	\$166,444	348	0.088%	\$177,244	312	0.080%	\$156,816
12	Humboldt	1,069	0.268%	\$587,865	1,202	0.300%	\$633,141	1,158	0.292%	\$600,442	1,215	0.309%	\$618,826	1,161	0.299%	\$583,537
13	Imperial	2,232	0.560%	\$1,227,422	2,483	0.619%	\$1,307,694	2,460	0.620%	\$1,275,550	2,441	0.621%	\$1,243,254	2,495	0.642%	\$1,254,026
14	Inyo	132	0.033%	\$72,589	130	0.032%	\$68,476	143	0.036%	\$74,148	122	0.031%	\$62,137	131	0.034%	\$65,843
15	Kern	12,055	3.023%	\$6,629,290	11,683	2.913%	\$6,153,896	11,638	2.935%	\$6,034,492	11,875	3.019%	\$6,048,194	11,828	3.043%	\$5,944,936
16	Kings	2,016	0.506%	\$1,108,639	2,042	0.509%	\$1,075,602	2,027	0.511%	\$1,051,032	2,043	0.519%	\$1,040,544	2,066	0.532%	\$1,038,404
17	Lake	599	0.150%	\$329,402	648	0.162%	\$341,327	604	0.152%	\$313,184	626	0.159%	\$318,835	634	0.163%	\$318,658
18	Lassen	224	0.056%	\$123,182	202	0.050%	\$106,401	203	0.051%	\$105,259	193	0.049%	\$98,299	184	0.047%	\$92,481
19	Los Angeles	90,466	22.666%	\$49,745,093	91,011	22.695%	\$47,939,078	90,290	22.772%	\$46,816,830	89,102	22.654%	\$45,381,574	87,567	22.529%	\$44,012,528
20	Madera	2,176	0.546%	\$1,196,627	2,146	0.535%	\$1,130,383	2,144	0.541%	\$1,111,699	2,179	0.554%	\$1,109,812	2,198	0.565%	\$1,104,749
21	Marin	2,176	0.546%	\$1,196,627	2,142	0.534%	\$1,128,276	2,072	0.523%	\$1,074,366	2,026	0.515%	\$1,031,886	1,974	0.508%	\$992,163
22	Mariposa	149	0.037%	\$81,338	158	0.039%	\$83,225	144	0.036%	\$74,666	162	0.041%	\$82,510	150	0.039%	\$75,392
23	Mendocino	757	0.190%	\$416,290	798	0.199%	\$420,338	799	0.202%	\$414,294	821	0.209%	\$418,153	822	0.211%	\$413,150
24	Merced	3,653	0.916%	\$2,008,859	3,831	0.955%	\$2,017,939	3,818	0.963%	\$1,979,695	3,867	0.983%	\$1,969,547	3,832	0.986%	\$1,926,022
25	Modoc	26	0.007%	\$14,298	19	0.005%	\$10,008	28	0.007%	\$14,518	28	0.007%	\$14,261	30	0.008%	\$15,078
26	Mono	98	0.025%	\$53,892	102	0.025%	\$53,727	92	0.023%	\$47,703	97	0.025%	\$49,404	109	0.028%	\$54,785
27	Monterey	5,331	1.337%	\$2,931,625	5,394	1.345%	\$2,841,232	5,282	1.332%	\$2,738,803	5,365	1.364%	\$2,732,510	5,267	1.355%	\$2,647,276
28	Napa	1,254	0.314%	\$689,600	1,153	0.288%	\$607,331	1,155	0.291%	\$598,886	1,227	0.312%	\$624,938	1,182	0.304%	\$594,091
29	Nevada	749	0.188%	\$411,890	714	0.178%	\$376,052	710	0.179%	\$368,147	690	0.175%	\$351,432	726	0.187%	\$364,899
30	Orange	29,921	7.503%	\$16,454,166	28,814	7.185%	\$15,177,469	28,468	7.180%	\$14,761,120	28,223	7.176%	\$14,374,584	27,888	7.175%	\$14,016,940
31	Piacer	3,767	0.945%	\$2,071,550	3,750	0.935%	\$1,975,273	3,733	0.941%	\$1,935,621	3,777	0.960%	\$1,923,708	3,698	0.951%	\$1,858,672
32	Plumas	110	0.028%	\$60,491	114	0.028%	\$60,048	108	0.027%	\$56,000	112	0.028%	\$57,044	107	0.028%	\$53,780
33	Riverdale	26,341	6.605%	\$14,485,452	27,154	6.771%	\$14,303,081	26,758	6.749%	\$13,874,457	26,517	6.742%	\$13,505,681	26,395	6.791%	\$13,266,535
34	Sacramento	17,363	4.354%	\$9,548,267	17,176	4.283%	\$9,047,276	17,014	4.291%	\$8,822,035	16,668	4.238%	\$8,489,373	16,668	4.288%	\$8,377,594
35	San Benito	768	0.193%	\$422,339	780	0.195%	\$410,857	790	0.199%	\$409,628	723	0.184%	\$368,240	726	0.187%	\$364,899
36	San Bernardino	24,693	6.192%	\$13,579,183	25,415	6.338%	\$13,387,082	24,772	6.248%	\$12,844,684	24,723	6.286%	\$12,591,358	24,542	6.314%	\$12,335,189
37	San Diego	35,504	8.903%	\$19,524,372	35,985	8.973%	\$18,954,717	35,371	8.921%	\$18,340,437	34,894	8.672%	\$17,772,268	34,127	8.780%	\$17,152,758
38	San Francisco	6,759	1.695%	\$3,716,912	7,301	1.821%	\$3,845,724	7,602	1.917%	\$3,941,760	7,747	1.970%	\$3,945,715	7,903	2.033%	\$3,972,170
39	San Joaquin	9,544	2.393%	\$5,248,440	9,555	2.383%	\$5,032,995	9,551	2.409%	\$4,952,348	9,625	2.447%	\$4,902,221	9,630	2.478%	\$4,840,187
40	San Luis Obispo	2,437	0.611%	\$1,340,156	2,402	0.599%	\$1,265,228	2,510	0.633%	\$1,301,476	2,507	0.637%	\$1,276,869	2,556	0.658%	\$1,284,685
41	San Mateo	7,109	1.783%	\$3,909,384	7,165	1.787%	\$3,774,088	6,873	1.733%	\$3,563,762	6,841	1.739%	\$3,484,269	6,519	1.677%	\$3,276,550
42	Santa Barbara	5,425	1.360%	\$2,983,318	5,429	1.354%	\$2,859,668	5,494	1.386%	\$2,848,728	5,471	1.391%	\$2,786,499	5,517	1.419%	\$2,772,929
43	Santa Clara	18,276	4.583%	\$10,050,344	18,485	4.609%	\$9,736,778	18,061	4.555%	\$9,364,922	17,813	4.529%	\$9,072,546	17,224	4.431%	\$8,657,049
44	Santa Cruz	2,134	0.535%	\$1,173,530	2,201	0.549%	\$1,159,523	2,247	0.567%	\$1,165,106	2,176	0.553%	\$1,108,284	2,179	0.561%	\$1,095,199
45	Shasta	1,814	0.455%	\$997,555	1,719	0.429%	\$905,465	1,727	0.436%	\$895,478	1,671	0.425%	\$851,076	1,727	0.444%	\$868,017
46	Sierra	13	0.003%	\$7,149	9	0.002%	\$4,741	11	0.003%	\$5,704	14	0.004%	\$7,131	18	0.005%	\$9,047
47	Siskiyou	279	0.070%	\$153,428	300	0.075%	\$158,022	300	0.076%	\$155,555	296	0.075%	\$150,759	312	0.080%	\$156,816
48	Solano	4,624	1.160%	\$2,542,832	4,742	1.182%	\$2,497,798	4,628	1.167%	\$2,399,693	4,713	1.198%	\$2,400,433	4,633	1.192%	\$2,328,617
49	Sonoma	4,352	1.091%	\$2,393,253	4,395	1.096%	\$2,315,020	4,259	1.074%	\$2,208,361	4,308	1.095%	\$2,194,158	4,201	1.081%	\$2,111,488
50	Stanislaus	6,706	1.682%	\$3,687,766	6,678	1.665%	\$3,517,566	6,591	1.662%	\$3,417,540	6,590	1.676%	\$3,356,429	6,555	1.686%	\$3,284,644
51	Sutter	1,221	0.306%	\$671,453	1,235	0.308%	\$650,523	1,274	0.321%	\$660,590	1,328	0.338%	\$676,379	1,276	0.328%	\$641,337
52	Tehama	756	0.190%	\$415,740	776	0.194%	\$408,750	773	0.195%	\$400,813	780	0.198%	\$397,271	786	0.202%	\$395,056
53	Trinity	93	0.023%	\$51,143	83	0.021%	\$43,719	95	0.024%	\$49,259	108	0.027%	\$55,007	103	0.026%	\$51,769
54	Tulare	6,539	1.640%	\$3,595,929	6,565	1.637%	\$3,458,044	6,706	1.691%	\$3,477,170	6,589	1.675%	\$3,355,920	6,647	1.710%	\$3,340,885
55	Tuolumne	437	0.110%	\$240,315	423	0.105%	\$222,611	449	0.113%	\$232,814	492	0.125%	\$250,586	431	0.111%	\$216,627
56	Ventura	8,337	2.091%	\$4,584,686	8,535	2.128%	\$4,495,721	8,473	2.137%	\$4,393,388	8,357	2.125%	\$4,256,401	8,462	2.177%	\$4,253,132
57	Yolo	1,892	0.474%	\$1,040,445	1,835	0.458%	\$966,567	1,809	0.456%	\$937,595	1,804	0.459%	\$918,816	1,814	0.467%	\$911,744
58	Yuba	1,072	0.269%	\$589,515	1,183	0.295%	\$623,133	1,151	0.290%	\$596,812	1,069	0.272%	\$544,465	1,169	0.301%	\$587,557
	TOTALS	398,783	100%	\$219,298,883	401,022	100%	\$211,234,083	396,500	100%	\$205,591,683	393,310	100%	\$200,321,283	388,683	100%	\$195,358,083
	DOF projected births by county.															
	FROM REVENUE BREAKDOWN			\$219,298,883			\$211,234,083			\$205,591,683			\$200,321,283			\$195,358,083

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2025
Cigarette Tax

TABLE 30A—CIGARETTE TAXES AND OTHER TOBACCO PRODUCTS SURTAX REVENUE, 1964-65 TO 2023-24

Fiscal Year From	Fiscal Year To	Cigarette Tax Revenue	Cigarette Tax Distributors' Discount	Gross Value Of Cigarette Tax Indicia	Cigarette Tax Refunds	Other Tobacco Products Surtax Revenue	Other Tobacco Products Surtax Rate	CA Electronic Cigarette Excise Tax Revenue
2023	2024	1,143,589,000	3,397,000	1,146,986,000	7,803,000	206,728,000	56.32	43,611,000
2022	2023	1,332,671,515	3,958,661	1,336,630,176	1,796,055	218,274,000	61.74	49,219,000
2021	2022	1,552,563,789	4,611,767	1,557,175,556	847,881	288,996,313	63.49	0
2020	2021	1,700,943,162	5,052,570	1,705,995,732	335,175	266,693,552	56.93	0
2019	2020	1,708,597,186	5,075,163	1,713,672,349	1,191,474	258,560,053	59.27	0
2018	2019	1,786,073,587	5,305,265	1,791,378,852	3,659,213	271,771,587	62.78	0
2017	2018	1,882,025,123	5,589,979	1,887,615,102	1,032,957	211,440,480	65.08	0
2016	2017	948,636,000	8,133,000	956,769,000	1,185,000	95,330,000	27.30	0
2015	2016	741,937,000	6,360,000	748,297,000	1,262,000	101,427,000	28.13	0
2014	2015	748,022,000	6,413,000	754,434,000	837,000	86,949,000	28.95	0
2013	2014	751,513,000	6,443,000	757,956,000	600,000	86,424,000	29.82	0
2012	2013	782,115,000	6,705,000	788,820,000	498,000	82,548,000	30.68	0
2011	2012	820,322,000	7,032,000	827,355,000	1,017,000	80,424,000	31.73	0
2010	2011	828,831,000	7,105,000	835,937,000	1,308,000	77,016,000	33.02	0
2009	2010	838,709,000	7,187,000	845,896,000	1,583,000	84,617,000	41.11	0
2008	2009	912,724,000	7,819,000	920,543,000	626,000	85,506,000	45.13	0
2007	2008	955,030,000	8,185,000	963,215,000	727,000	85,929,000	45.13	0
2006	2007	998,723,000	8,558,000	1,007,281,000	1,330,000	79,946,000	46.76	0
2005	2006	1,026,497,000	8,759,000	1,035,293,000	1,707,000	67,348,000	46.76	0
2004	2005	1,024,272,000	8,778,000	1,033,051,000	1,653,000	58,441,000	46.76	0
2003	2004	1,021,366,000	8,755,000	1,030,121,000	4,721,000	44,166,000	46.76	0
2002	2003	1,031,772,000	8,845,000	1,040,617,000	13,248,000	40,996,000	48.89	0
2001	2002	1,067,004,000	9,146,000	1,076,150,000	10,774,000	50,037,000	52.65	0
2000	2001	1,110,692,000	9,503,000	1,120,195,000	8,741,000	52,834,000	54.89	0
1999	2000	1,166,880,000	9,980,000	1,176,859,000	9,413,000	66,884,000	66.50	0
1998	1999	841,911,000	7,206,000	849,117,000	6,808,000	42,137,000	61.53	0
1997	1998	612,066,000	5,244,000	617,309,000	5,448,000	39,617,000	29.37	0
1996	1997	629,579,000	5,394,000	634,973,000	5,060,000	41,590,000	30.38	0
1995	1996	639,030,000	5,469,000	644,499,000	6,193,000	32,788,000	31.20	0
1994	1995	656,923,000	5,628,000	662,551,000	11,159,000	28,460,000	31.20	0
1993	1994	647,993,000	5,553,000	653,546,000	8,353,000	19,773,000	23.03	0
1992	1993	667,479,000	5,715,000	673,195,000	9,138,000	21,480,000	26.82	0
1991	1992	711,275,000	6,086,000	717,362,000	7,791,000	22,016,000	29.35	0
1990	1991	729,612,000	6,242,000	735,854,000	7,904,000	24,064,000	34.17	0
1989	1990	770,042,000	6,581,000	776,623,000	11,615,000	24,956,000	37.47	0
1988	1989	499,712,000	4,273,000	503,984,000	4,968,000	9,994,000	41.67	0
1987	1988	254,869,000	2,180,000	257,049,000	2,970,000	0	0	0
1986	1987	257,337,000	2,202,000	259,539,000	2,661,000	0	0	0
1985	1986	260,960,000	2,231,000	263,190,000	2,834,000	0	0	0
1984	1985	265,070,000	2,267,000	267,337,000	2,390,000	0	0	0
1983	1984	265,265,000	2,267,000	267,532,000	2,756,000	0	0	0
1982	1983	273,748,000	2,336,000	276,084,000	2,060,000	0	0	0
1981	1982	278,667,000	2,383,000	281,050,000	1,843,000	0	0	0
1980	1981	280,087,000	2,395,000	282,482,000	1,567,000	0	0	0
1979	1980	272,119,000	2,327,000	274,446,000	1,645,000	0	0	0
1978	1979	270,658,000	2,315,000	272,973,000	1,408,000	0	0	0
1977	1978	275,042,000	2,352,000	277,394,000	1,239,000	0	0	0
1976	1977	270,502,000	2,315,000	272,817,000	832,000	0	0	0
1975	1976	269,852,000	2,309,000	272,161,000	927,000	0	0	0
1974	1975	264,182,000	2,262,000	266,444,000	745,000	0	0	0
1973	1974	259,738,000	2,222,000	261,960,000	632,000	0	0	0
1972	1973	253,089,000	2,167,000	255,256,000	626,000	0	0	0
1971	1972	248,398,000	2,127,000	250,525,000	677,000	0	0	0
1970	1971	240,372,000	2,058,000	242,430,000	552,000	0	0	0
1969	1970	237,220,000	2,032,000	239,253,000	455,000	0	0	0
1968	1969	238,836,000	2,046,000	240,882,000	492,000	0	0	0
1967	1968	208,125,000	1,862,000	209,987,000	328,000	0	0	0
1966	1967	75,659,000	1,543,000	77,202,000	129,000	0	0	0
1965	1966	74,880,000	1,528,000	76,407,000	88,000	0	0	0
1964	1965	74,487,000	1,520,000	76,007,000	61,000	0	0	0

**FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2025**

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Lease Payable	\$1,668,726	\$ 1,951,779	\$ 2,224,536	\$ 2,487,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage of Personal Income Per Capita	*	*	-	-	-	-	-	-	-	-

* 2024 and 2025 personal income and County population data are not available at the time ACFR issued.

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2025

California Live Births Data

TABLE: PROVISIONAL LIVE BIRTHS, CALIFORNIA COUNTIES, 2011-2023 (By Place of Residence)

COUNTY	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
CALIFORNIA	400,183	419,228	420,776	448,754	464,300	454,244	485,901	488,490	491,789	502,973	494,390	503,788	502,023
ALAMEDA	16,195	16,603	16,935	17,302	18,875	18,225	19,551	19,559	19,440	19,657	19,050	19,550	19,002
ALPINE	0	0	0	14	6	10	5	4	5	6	6	8	6
AMADOR	308	312	352	272	327	305	309	308	305	291	269	285	269
BUTTE	2,040	1,936	2,057	1,984	2,394	2,419	2,430	2,493	2,444	2,482	2,372	2,397	2,392
CALAVERAS	381	367	392	364	370	375	381	373	379	348	328	347	326
COLUSA	239	284	286	292	284	267	311	315	300	285	306	314	302
CONTRA COSTA	11,200	11,595	11,934	11,814	12,567	11,995	12,927	12,342	12,600	12,560	12,173	12,061	12,057
DEL NORTE	242	276	262	258	254	269	315	308	300	324	317	302	337
EL DORADO	1,438	1,563	1,595	1,477	1,764	1,678	1,590	1,599	1,598	1,618	1,561	1,513	1,629
FRESNO	13,102	13,946	13,974	13,828	14,891	14,413	15,116	15,098	15,363	15,796	15,939	15,953	16,157
GLENN	315	367	353	359	402	365	380	379	374	416	391	368	391
HUMBOLDT	1,075	1,199	1,264	1,258	1,336	1,365	1,521	1,487	1,446	1,474	1,455	1,511	1,448
IMPERIAL	2,358	2,658	2,444	2,426	2,958	2,628	3,108	2,976	3,216	3,270	3,139	3,041	3,075
INYO	133	148	166	171	199	176	199	182	202	226	219	219	213
KERN	12,064	12,508	12,495	12,349	13,415	12,874	13,732	13,721	13,770	14,199	14,514	14,558	14,287
KINGS	2,027	2,045	2,162	2,235	2,369	2,256	2,216	2,247	2,277	2,342	2,417	2,357	2,565
LAKE	604	690	660	700	697	714	726	752	723	748	726	739	715
LASSEN	249	273	292	281	328	307	296	302	295	326	298	298	300
LOS ANGELES	90,471	95,511	95,908	97,770	111,500	110,167	121,413	122,958	124,442	130,150	127,194	131,697	130,312
MADERA	2,189	2,170	2,043	2,106	2,090	2,076	2,257	2,347	2,223	2,313	2,339	2,258	2,401
MARIN	2,193	2,232	2,336	2,082	1,799	2,122	2,239	2,258	2,287	2,403	2,310	2,306	2,385
MARIPOSA	154	143	169	124	155	154	157	148	167	138	137	161	132
MENDOCINO	769	883	909	881	918	896	994	1,023	1,052	1,020	1,077	1,153	1,061
MERCED	3,699	3,896	3,905	3,774	4,305	3,870	4,073	4,109	4,106	4,158	4,279	4,311	4,281
MODOC	84	84	83	77	105	100	88	105	79	90	72	76	87
MONO	118	126	127	124	137	129	134	132	152	149	142	131	156
MONTEREY	5,349	5,701	5,432	5,603	5,904	5,887	6,304	6,213	6,428	6,458	6,552	6,652	6,814
NAPA	1,234	1,147	1,205	1,200	1,334	1,206	1,441	1,408	1,456	1,478	1,501	1,431	1,572
NEVADA	772	782	808	776	832	772	823	776	875	817	812	810	761
ORANGE	29,886	30,858	30,706	30,921	37,250	35,643	36,693	38,107	37,622	38,610	37,429	38,186	38,100
PLACER	3,766	3,758	3,854	3,481	3,792	3,664	3,820	3,734	3,747	3,644	3,806	3,648	3,832
PLUMAS	133	139	166	162	185	168	172	172	162	147	156	151	165
RIVERSIDE	26,455	27,936	27,588	27,149	30,001	28,684	30,596	30,629	30,511	30,271	30,540	30,316	30,610
SACRAMENTO	17,380	18,196	18,363	17,995	19,362	19,052	19,540	19,598	19,431	19,886	19,439	19,618	19,998
SAN BENITO	764	867	835	725	781	772	755	780	718	697	763	701	772
SAN BERNARDINO	24,907	26,348	26,805	26,778	30,354	28,964	30,217	31,120	30,619	31,306	30,265	30,691	30,573
SAN DIEGO	35,709	37,749	37,564	37,266	39,258	40,008	42,574	42,578	43,960	44,596	42,676	44,391	43,621
SAN FRANCISCO	6,791	7,092	7,482	7,984	8,924	8,690	9,077	9,065	8,970	9,102	8,768	9,070	8,813
SAN JOAQUIN	9,572	10,105	9,764	9,740	10,010	9,811	10,411	10,234	9,988	10,095	10,179	10,129	10,328
SAN LUIS OBISPO	2,440	2,415	2,451	2,353	2,419	2,433	2,749	2,574	2,670	2,595	2,580	2,580	2,632
SAN MATEO	7,157	7,528	7,486	7,757	8,192	8,326	8,975	8,961	9,039	9,098	8,815	9,182	9,047
SANTA BARBARA	5,435	5,667	5,489	5,332	5,557	5,256	5,396	5,493	5,675	5,829	5,664	5,584	5,803
SANTA CLARA	18,303	19,023	19,109	19,509	20,871	21,267	22,958	23,011	23,394	23,759	23,224	24,308	23,652
SANTA CRUZ	2,131	2,323	2,245	2,183	2,460	2,447	2,688	2,804	2,843	3,047	3,005	3,084	3,232
SHASTA	1,824	1,775	1,837	1,839	2,085	1,961	1,996	2,056	2,075	2,083	2,051	2,110	2,021
SIERRA	0	0	0	25	32	26	28	34	30	21	19	19	23
SISKIYOU	371	398	405	390	456	438	458	458	467	451	482	501	472
SOLANO	4,647	4,853	4,969	4,946	5,241	5,039	5,192	5,253	5,134	5,251	5,161	5,061	5,158
SONOMA	4,344	4,442	4,554	4,306	4,244	4,525	5,101	4,964	5,016	5,075	5,157	5,144	5,150
STANISLAUS	6,662	7,028	7,251	7,049	7,552	7,339	7,790	7,867	7,701	7,521	7,644	7,592	7,737
SUTTER	1,231	1,216	1,253	1,256	1,383	1,266	1,396	1,363	1,303	1,317	1,290	1,258	1,326
TEHAMA	763	789	750	731	802	731	840	787	826	787	751	767	728
TRINITY	94	104	113	102	127	113	104	115	103	112	108	125	123
TULARE	6,570	6,836	6,800	6,701	7,315	6,900	7,380	7,149	7,411	7,618	7,854	8,000	7,966
TUOLUMNE	436	434	458	395	473	450	441	456	467	454	444	459	430
VENTURA	8,456	8,746	8,785	8,331	9,300	9,025	9,975	9,580	10,062	10,471	10,565	10,641	10,656
YOLO	1,888	1,919	1,965	1,962	2,134	2,127	2,372	2,423	2,400	2,395	243	2,452	2,340
YUBA	1,066	1,239	1,181	1,117	1,225	1,099	1,171	1,238	1,156	1,193	1,232	1,213	1,282

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2025
San Diego County
Demographic Data

	Percentage										
Demographic		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Population		3,269,973	3,276,208	3,286,069	3,323,970	3,338,330	3,343,364	3,337,685	3,317,349	3,299,521	3,263,431
White	41.9%	1,368,905	1,382,332	1,399,865	1,492,463	1,495,572	1,504,514	1,511,971	1,522,663	1,517,780	1,524,022
Hispanic	34.9%	1,140,733	1,146,839	1,143,552	1,126,826	1,138,371	1,133,400	1,131,475	1,111,312	1,102,040	1,083,459
Asian	12.2%	400,282	394,846	387,756	388,904	393,923	394,517	393,847	381,495	379,445	372,031
Pacific Islander	0.3%	10,298	12,934	13,144	13,296	13,353	13,373	13,351	13,269	13,198	13,054
Black	4.4%	142,128	139,175	144,587	152,903	156,902	160,481	153,534	155,915	161,677	150,118
American Indian & Alaskan Native	0.2%	7,717	8,977	6,572	13,296	13,353	13,373	13,351	13,269	9,899	9,790
Multi-race or other race	6.1%	199,910	191,105	190,592	136,283	126,857	123,704	120,157	119,425	115,483	110,957
Female	49.5%	1,617,431	1,615,587	1,620,032	1,648,689	1,659,150	1,661,652	1,658,829	1,648,722	1,643,161	1,621,925
Male	50.5%	1,652,542	1,660,621	1,666,037	1,675,281	1,679,180	1,681,712	1,678,856	1,668,627	1,656,360	1,641,506
Under 5 years	5.5%	179,031	180,516	187,306	206,086	203,638	207,289	213,612	212,310	214,469	215,386
5-14 years	11.6%	378,344	382,401	394,328	392,228	397,261	397,860	400,522	398,082	395,943	394,875
15-24 years	13.3%	435,014	445,165	440,333	455,384	454,013	461,384	460,601	471,064	481,730	482,988
25-34 years	15.7%	514,527	520,961	525,771	551,779	550,824	551,655	547,380	544,045	534,522	525,412
35-44 years	14.5%	473,363	466,531	463,336	445,412	457,351	448,011	443,912	434,573	432,237	430,773
45-54 years	12.0%	392,171	394,053	397,614	408,848	403,938	414,577	420,548	424,621	425,638	427,509
55-64 years	11.6%	377,239	379,550	387,756	392,228	393,923	394,517	397,185	388,130	382,744	372,031
65-74 years	9.2%	301,969	294,006	292,460	272,566	280,420	270,812	263,677	255,436	244,165	231,704
75+ years	6.6%	218,315	213,025	197,164	199,438	196,961	197,258	190,248	189,089	188,073	182,752

Source: US Census Bureau, American Community Survey

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2025

Income Data

2023 American Community Survey (1-year estimates)
INCOME (IN 2023 INFLATION-ADJUSTED DOLLARS)
California, Counties, and Places of 65,000 or more

Geography	Median household income (dollars) - Estimate	Median household income (dollars) - Margin of Error	Mean household income (dollars) - Estimate	Mean household income (dollars) - Margin of Error	Median family income (dollars) - Estimate	Median family income (dollars) - Margin of Error	Mean family income (dollars) - Estimate	Mean family income (dollars) - Margin of Error	Per capita Mean income (dollars) - Estimate	Per capita Mean income (dollars) - Margin of Error
California	\$95,521	+/- \$611	\$134,491	+/- \$756	\$109,349	+/- \$854	\$151,243	+/- \$926	\$48,013	+/- \$250
San Diego County	\$103,674	+/- \$1,360	\$139,510	+/- \$2,514	\$121,069	+/- \$1,896	\$158,234	+/- \$3,265	\$51,564	+/- \$842

2023 American Community Survey (1-year estimates)
PERCENTAGE OF FAMILIES AND PEOPLE WHOSE INCOME IN THE PAST 12 MONTHS IS BELOW POVERTY LEVEL
California, Counties, and Places of 65,000 or more

Geography	All families - Percent	All families - Percent Margin of Error	Married couple families - Percent	Married couple families - Percent Margin of Error	Families with female householder, no spouse present - Percent	Families with female householder, no spouse present Percent Margin of Error
California	8.5%	+/- .2%	5.2%	+/- .2%	19.5%	+/- .6%
San Diego County	6.7%	+/- .5%	4.3%	+/- .5%	15.9%	+/- 2.1%

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
Statistical Section (Unaudited)
For the Fiscal Year Ended June 30, 2025

Employment Status

2023 American Community Survey (1-year estimates)

EMPLOYMENT STATUS

California, Counties, and Places of 65,000 or more

Geography	Population 16 years and over Estimate	In Labor Force Total Estimate	Total Percent (Labor Force Participation Rate)	Total Civilian Labor Force Estimate	Civilian Labor Force Employed Estimate	Civilian Labor Force Employed Percent	Civilian Labor Force Unemployed Estimate	Civilian Labor Force Unemployed Percent	Armed Forces Estimate	Armed Forces Percent	Not in Labor Force Estimate	Not in Labor Force Percent
California	31,584,340	20,298,562	64.3%	20,137,422	19,026,566	60.2%	1,110,856	3.5%	161,140	0.5%	11,285,778	35.7%
San Diego County	2,674,564	1,788,661	66.9%	1,699,115	1,619,445	60.5%	79,670	3.0%	89,546	3.3%	885,903	33.1%

FIRST 5 COMMISSION OF SAN DIEGO
A PROPOSITION 10 COMMISSION
 Statistical Section (Unaudited)
 For the Fiscal Year Ended June 30, 2025

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Administration										
Right to use lease assets	\$ 1,556,289	\$ 1,852,725	\$ 2,149,161	\$ 2,445,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COMPLIANCE SECTION

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

Board of Commissioners
First 5 Commission of San Diego
San Diego, 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, each major fund, and the aggregate remaining fund information of the First 5 Commission of San Diego (the Commission), a discretely presented component unit of the County of San Diego, California, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the First 5 Commission of San Diego's basic financial statements, and have issued our report thereon dated October 6, 2025.

Internal Control over Financial Reporting

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

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

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

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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, CA
October 6, 2025



MOSS, LEVY & HARTZHEIM LLP

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

Board of Commissioners
First 5 Commission of San Diego
San Diego, California

Report on Compliance

Opinion

We have audited the First 5 Commission of San Diego's (the Commission), a discretely presented component unit of the County of San Diego, California, 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 fiscal year ended June 30, 2025.

In our opinion, the First 5 Commission of San Diego 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, 2025.

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* will always detect material misstatement when it exists. The risk of not detecting material misstatement resulting from fraud is higher than for that 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 federal program as a whole.

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, CA
October 6, 2025