



## FIRST 5 ALAMEDA COUNTY COMMISSION MEETING AGENDA

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**Thursday, October 3, 2024**  
**9:00 AM – 11:30 AM**

**First 5 Alameda County**  
**1115 Atlantic Avenue**  
**Alameda, CA 94501**  
Conference Room A

Members of the public may access the meeting  
via Zoom Meeting ID: 886 3930 2806 Passcode: 820301

### **Commissioners:**

Chair: Renee Herzfeld, Vice Chair: Cecilia Oregón, Clarissa Doutherd, Andrea Ford,  
Tomás A. Magaña M.D., Karina Moreno, Lena Tam, Josh Thurman, Kimi Watkins-Tartt

**Alternates:** George Ayala, Anissa Basoco-Villarreal, Serena Chen

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#### **1. Call to Order**

Commission Chairperson Renee Herzfeld will call this meeting to order at 9:00 AM.

#### **2. Public Comment**

This portion of the meeting is reserved for persons desiring to address the Commission on any matter not on the agenda. Speakers are limited to three minutes except as otherwise ordered by the Chairperson.

#### **3. Approve Commission Meeting Minutes**

Recommended Action: Approve Commission Minutes from June 20, 2024 and September 18, 2024 meetings

- a. Commission Meeting Minutes June 20, 2024
- b. Commission Special Meeting Minutes September 18, 2024

#### **4. Communication from Commissioners**

#### **5. Receive Staff Announcements**

- a. Receive General Staff Report
- b. CEO Contract Authorizations

#### **6. Receive Oakland Children's Initiative Fiscal Year 2023-24 Results Based Accountability Presentation**

#### **7. Receive 2025 Commission Draft Calendar**

Recommended Action: Review 2025 Commission Draft Calendar and communicate any conflicts with proposed meeting dates

- 8. Approve New Revenue to be included in Adopted Fiscal Year 2024-25 Budget**  
Recommended Action: Approve new revenue to be included in Adopted Fiscal Year 2024-25 Budget
- 9. Adopt Fiscal Year 2023-24 Financial Audit Report**  
Recommended Action: Adopt Fiscal Year 2023-24 Financial Audit Report
- 10. Approve Fiscal Year 2023-24 Investment Report**  
Recommended Action: Approve Fiscal Year 2023-24 Investment Report
- 11. Approve Fiscal Year 2024-25 Contract Authorizations**  
Recommended Action: Approve Fiscal Year 2024-25 Contract Authorizations
- 12. Approve Revisions to Governance Policies**  
Recommended Action: Approve revisions to the following existing policies:
  - a. Financial Policies
- 13. Receive Training Presentation**
- 14. First 5 California Commission and First 5 Association Updates**
- 15. Receive Legislation and Public Policy Updates**
- 16. Adjournment**

**First 5 Alameda County Commission Meeting****June 20, 2024, 9:00 AM – 11:30 AM****Zoom Webinar Meeting ID: 886 6578 8077**

Commissioners Present: Chair Renee Herzfeld, Tomás A. Magaña M.D., Andrea Ford, Kimi Watkins-Tartt, Clarissa Doutherd, Karina Moreno

Alternates Present: Serena Chen

Not present: Cecilia Oregón, Lena Tam

First 5 Staff Present: Kristin Spanos, Vanessa Cedeño Geisner, Cally Martin, Ayano Ogawa, Nick Zhou, Christine Hom

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>1. CALL TO ORDER AND ROLL CALL</b>			
R. Herzfeld	The Commission meeting was called to order by Chair Herzfeld who gaveled in at 9:10 AM. Chair Herzfeld shared that the meeting was being recorded and conducted roll call. Commissioners Herzfeld, Magaña, Ford, Watkins-Tartt, Moreno and Alternate Chen stated their names to indicate that they were present for the meeting.	None	None
<b>2. PUBLIC COMMENT</b>			
R. Herzfeld	There was no Public Comment.	None	None
<b>3. CONSENT CALENDAR</b>			
R. Herzfeld	<a href="#">[Attachment]</a> b. Approve the GASB 54 Fund Balance Commitment c. Approve the Resolution to Fund the FY 2024-2025 ACERA 401(h) Account Authorization Chair Herzfeld asked if there was any public comment before taking a vote to approve. Chair Herzfeld facilitated the vote to approve the GASB 54 Fund Balance Commitment and the Resolution to Fund the FY 2024-2025 ACERA 401(h) Account Authorization.	Motion: Karina Moreno Second: Tomás Magaña No abstentions. Motion passed.	None
	a. Approval of Commission Meeting Minutes from April 25, 2024 Chair Herzfeld asked if there was any public comment before taking a vote to approve. Chair Herzfeld facilitated the vote to approve the Commission Meeting Minutes from April 25, 2024.	Motion: Tomás Magaña Second: Serena Chen Abstentions: Andrea Ford and Kimi Watkins-Tartt Motion passed.	None
<b>4. COMMUNICATION FROM COMMISSIONERS</b>			
R. Herzfeld	There was no communication from Commissioners.	None	None
<b>5. RECEIVE JUNE 11, 2024 EXECUTIVE COMMITTEE REPORT</b>			
R. Herzfeld	Chair Herzfeld reported that the Executive Committee met on June 11, 2024. The Committee received the CEO general agency updates and information on two CEO contract authorizations; approved the Executive Committee's April 18, 2024 meeting minutes; reviewed and approved revisions to the Conflict of Interest Code; reviewed and	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>5. RECEIVE JUNE 11, 2024 EXECUTIVE COMMITTEE REPORT (CONTINUED)</b>			
R. Herzfeld	recommended to the Commission approval of the FY 2024-25 Proposed Budget Final Reading, FY 2024-34 Proposed Long Range Financial Plan Final Reading, GASB 54 Fund Balance Commitment, and Resolution to Fund the FY 2024-25 ACERA 401(h) Account Authorization; reviewed and approved revisions to the Employee Handbook; and finally placed the April 25, 2024 Commission meeting minutes, the GASB 54 Fund Balance Commitment, and the FY 2024-25 ACERA 401(h) Account Authorization on Consent Calendar for the June 20, 2024 Commission meeting.	None	None
<b>6. RECEIVE STAFF ANNOUNCEMENTS</b>			
K. Spanos	<a href="#">[Attachment]</a> a. Receive General Staff Report Ms. Spanos presented the General Staff Announcements.	Commissioner Doutherd arrived at 9:27 AM.	None
<b>7. APPROVE FISCAL YEAR 2023-25 CONTRACT AUTHORIZATION</b>			
N. Zhou	<a href="#">[Attachment]</a> Mr. Zhou presented the Fiscal Year 2023-25 Contract Authorization. Chair Herzfeld asked if there was any public comment before taking a vote to approve. Chair Herzfeld facilitated the vote to approve the Fiscal Year 2023-25 Contract Authorization.	Motion: Andrea Ford Second: Kimi Watkins-Tartt No Abstentions. Motion passed.	None
<b>8. RECEIVE MEASURE C UPDATE PRESENTATION</b>			
K. Spanos C. Martin A. Ogawa V. Cedeño Geisner	<a href="#">[Attachment]</a> Ms. Spanos, Ms. Martin, Ms. Ogawa and Ms. Cedeño Geisner presented the Measure C Update Presentation.	None	None
<b>9. APPROVE FIRST 5 ALAMEDA COUNTY REVISED FISCAL YEAR 2022-27 STRATEGIC PLAN, FISCAL YEAR 2024-25 PROPOSED BUDGET - FINAL READING AND FISCAL YEAR 2024-34 PROPOSED LONG RANGE FINANCIAL PLAN - FINAL READING</b>			
C. Martin N. Zhou	<a href="#">[Attachment]</a> a. First 5 Alameda County Revised Fiscal Year 2022-27 Strategic Plan b. Fiscal Year 2024-25 Proposed Budget – Final Reading c. Fiscal Year 2024-34 Proposed Long Range Financial Plan – Final Reading Ms. Martin presented the First 5 Alameda County Revised Fiscal Year 2022-27 Strategic Plan. Mr. Zhou presented the Fiscal Year 2024-25 Proposed Budget - Final Reading and the Fiscal Year 2024-34 and Proposed Long Range Financial Plan – Final Reading. Chair Herzfeld asked if there was any public comment before taking a vote to approve. Chair Herzfeld facilitated the vote to approve the First 5 Alameda County Revised Fiscal Year 2022-27 Strategic Plan, Fiscal Year 2024-25 Proposed Budget – Final Reading and Fiscal Year 2024-34 Proposed Long Range Financial Plan – Final Reading.	Motion: Tomás Magaña Second: Andrea Ford No Abstentions. Motion passed.	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>10. APPROVE FISCAL YEAR 2024-25 CONTRACT AUTHORIZATIONS</b>			
C. Hom	<a href="#">[Attachment]</a> Ms. Hom presented the Fiscal Year 2024-25 Contract Authorizations. Chair Herzfeld asked if there was any public comment before taking a vote to approve.	Motion: Kimi Watkins-Tartt Second: Serena Chen Recused: Andrea Ford, Karina Moreno Motion passed.	None
	Chair Herzfeld facilitated the vote to approve the following contracts under the Communications strategy: Full Court Press, Joshua Steinberger, Karen Capraro and Yellow & Blue Communications, LLC.		
	Chair Herzfeld facilitated the vote to approve the following contracts under the Data & Evaluation strategy: Applied Survey Research, Center for the Study of Child Care Employment, University of California Los Angeles.	Motion: Tomás Magaña Second: Andrea Ford No Abstentions. Motion passed.	
	Commissioner Moreno facilitated the vote to approve the following contracts under the Early Care & Education strategy: Bananas, Inc., California School-Age Consortium, 4Cs of Alameda County, Friends of the Oakland Public Library, Hively, Hubbe Inc. and YMCA of the East Bay.	Motion: Kimi Watkins-Tartt Second: Tomás Magaña Recused: Renee Herzfeld, Clarissa Doutherd, Andrea Ford Motion passed.	
	Commissioner Moreno facilitated the vote to approve the following contracts under the Fatherhood strategy: A Better Way, 4Cs of Alameda County, Dads Evoking Change, Darren White dba Realized Potential Inc., DDG Training and Consulting, Family Paths, Friends of the Oakland Public Library, Hayward Unified School District and Positive Communication Practices.	Motion: Kimi Watkins-Tartt Second: Renee Herzfeld Recused: Renee Herzfeld, Clarissa Doutherd, Andrea Ford Motion passed.	
	Commissioner Magaña facilitated the vote to approve the following contracts under the Government Affairs & Policy strategy: Lucile Packard Children's Hospital Stanford and Parent Voices Oakland.	Motion: Karina Moreno Second: Andrea Ford Recused: Renee Herzfeld, Clarissa Doutherd Motion passed.	

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>10. APPROVE FISCAL YEAR 2024-25 CONTRACT AUTHORIZATIONS (CONTINUED)</b>			
	Commissioner Moreno facilitated the vote to approve the following contracts under the Neighborhoods Ready for School strategy: East Bay Asian Youth Center, Lincoln, Lotus Bloom, Lotus Bloom Family Resource Center, New Haven Unified School District, Roots Community Health Center and Trybe, Inc.	Motion: Kimi Watkins-Tartt Second: Tomas Magaña Recused: Renee Herzfeld, Tomas Magaña, Andrea Ford, Clarissa Doutherd Motion passed.	
	Commissioner Magaña facilitated the vote to approve the following contracts under the Operational Support strategy: Hatchuel Tabernik & Associates, International Contact, Inc., Interpreters Unlimited, Iris Lin, Teresa Matias, Olson Remcho LLP, TECHsperience and RedCar IT.	Motion: Renee Herzfeld Second: Karina Moreno Recused: Renee Herzfeld, Andrea Ford Motion passed.	
	Commissioner Magaña facilitated the vote to approve the following contracts under the Parent Partnership strategy: County of Alameda Public Health Department, Help a Mother Out (HAMO), Lotus Bloom, Mothers for Mothers Postpartum Justice, Narrative Nation, Oakland Feather River Camp, Supplybank.org, The BLACK Course and TLC Consulting & Maternal Healing.	Motion: Karina Moreno Second: Clarissa Doutherd Recused: Renee Herzfeld, Clarissa Doutherd, Andrea Ford, Clarissa Doutherd, Kimi Watkins-Tartt Motion passed.	
	Chair Herzfeld facilitated the vote to approve the following contracts under the Pediatric Care Coordination strategy: Alameda Health System, East Bay Community Law Center and Family Resource Navigators.	Motion: Kimi Watkins-Tartt Second: Andrea Ford Recused: Tomás Magaña, Clarissa Doutherd Motion passed.	
	Chair Herzfeld facilitated the vote to approve the following contracts under the Training strategy: DDG Training and Consulting and Shawn Bryant.	Motion: Tomás Magaña Second: Andrea Ford No Abstentions. Motion passed.	

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>11. RECEIVE FIRST 5 CALIFORNIA COMMISSION AND FIRST 5 ASSOCIATION UPDATES</b>			
K. Spanos	<a href="#">[Attachment]</a> Ms. Spanos noted that the First 5 California Commission and First 5 Association Updates were included in the meeting packet as written updates.	None	None
<b>12. RECEIVE LEGISLATION AND PUBLIC POLICY UPDATES</b>			
K. Spanos	<a href="#">[Attachment]</a> Ms. Spanos noted that the Legislation and Public Policy Updates were included in the meeting packet as written updates.	None	None
<b>13. ADJOURNMENT</b>			
R. Herzfeld	Chair Herzfeld gaveled out and adjourned the meeting at 11:26 AM.	None	None

Respectfully Submitted By: Julia Otani, Executive Assistant

**First 5 Alameda County Commission Special Meeting****September 18, 2024, 3:30 PM – 5:00 PM****Zoom Webinar Meeting ID: 864 8555 2522**

Commissioners Present: Chair Renee Herzfeld, Cecilia Oregón, Clarissa Doutherd, Andrea Ford, Karina Moreno, Josh Thurman, Kimi Watkins-Tartt

Alternates Present: Serena Chen

Not present: Lena Tam, Tomás A. Magaña M.D.

First 5 Staff Present: Kristin Spanos, Vanessa Cedeño Geisner, Cally Martin, Ayano Ogawa, Laura Schroeder

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>1. CALL TO ORDER AND ROLL CALL</b>			
R. Herzfeld	The Commission meeting was called to order by Chair Herzfeld who gaveled in at 3:32 PM. Chair Herzfeld shared that the meeting was being recorded and conducted roll call. Commissioners Herzfeld, Oregón, Doutherd, Ford, Moreno, Thurman, and Alternate Chen stated their names to indicate that they were present for the meeting.	None	None
<b>2. PUBLIC COMMENT</b>			
R. Herzfeld	There was one Public Comment by Mary Hekl.	None	None
<b>3. RECEIVE EARLY CARE AND EDUCATION LANDSCAPE IN ALAMEDA COUNTY PRESENTATION</b>			
K. Spanos C. Martin A. Ogawa L. Schroeder	<a href="#">[Attachment]</a> Ms. Spanos, Ms. Martin, Ms. Ogawa and Ms. Schroeder provided the Early Care and Education Landscape in Alameda County Presentation. There was one Public Comment by Tamika Williams.	Commissioner Watkins-Tartt arrived at 3:43 PM.	Staff to bring a framework of initial Measure C allocations by mandated components to the Commission's December 2024 meeting. Staff to also build up strategic communications capacity.
<b>4. ADJOURNMENT</b>			
R. Herzfeld	Chair Herzfeld gaveled out and adjourned the meeting at 5:06 PM.	None	None

Respectfully Submitted By: Julia Otani, Executive Assistant



# Staff Announcements

October 3, 2024



# GENERAL AGENCY ANNOUNCEMENTS



## Welcome Commissioner Thurman!

**Josh Thurman** is the Human Services Programs Manager for the City of Livermore. Prior to joining the City of Livermore, Josh served as a Policy Analyst and Deputy Chief of Staff to former Alameda County Supervisor Scott Haggerty for 18 years, focusing on Health, Social Services, and Juvenile Probation policy.



# GENERAL AGENCY ANNOUNCEMENTS



## First 5 Receives Letter from Vice President Harris

**We were honored to receive a note from Vice President Harris** acknowledging the work of First 5 Alameda County's early childhood system building efforts and the advocacy efforts of all the families, child care providers, and organizations who made the Children's Health and Child Care Initiative (Measure C) a reality.



THE VICE PRESIDENT

August 26, 2024

I am honored to extend my warmest greetings and gratitude to First 5 Alameda County (F5AC) on your remarkable work through the Children's Health and Child Care Initiative.

For decades, F5AC has been at the forefront of advancing the health and well-being of children across Alameda County and improving education outcomes. Through your programming and advocacy, you play a vital role in supporting our Nation's most vulnerable and underserved communities. Your work has created an invaluable model for other counties to follow.

As a proud daughter of California, I am inspired by your efforts to uplift children and families in your county and across the state. Please know that President Biden and I are committed to eliminating disparities and ensuring that all children have access to the resources and opportunities they deserve. We are proud to stand alongside you in this work.

Thank you for your leadership and all that you do. I send my best wishes for a bright future ahead and continued success through Measure C.

# GENERAL AGENCY ANNOUNCEMENTS



## Measure C

- **Community Advisory Council seated!**
  - Orientation Retreat on Aug 24
  - Early Care & Education Data Study Session on Sept 18
- **Measure C Community Engagement Highlights** (June – September):
  - Site visits with early childhood partners incl. YMCA East Bay, Lil' Nancy's Primary Schoolhouse, Lotus Bloom, and St. Vincent's Day Home.
  - Bilingual webinars for providers
  - Family and Provider Surveys
  - Child Care Pathways Design Team Recruitment
  - Analysis of six Family, Friend & Neighbor (FFN) providers focus groups
  - Enhanced communications, e.g. newsletters



# GENERAL AGENCY ANNOUNCEMENTS



## **Systems Partner Leadership Visioning Retreats**

In July and August we convened a two-part retreat with OUSD and City of Oakland Head Start to define a shared vision for Oakland's early childhood system and inform development of their Fiscal Year 2025-26 program plans and budgets.

## **Sept 26 Oversight Commission Meeting**

First 5, OUSD, and City of Oakland Head Start presented on the Early Education Fund's Fiscal Year 2023-24 Results Based Accountability (RBA) measures.

**Scan to view the meeting packet.**





# PLACE

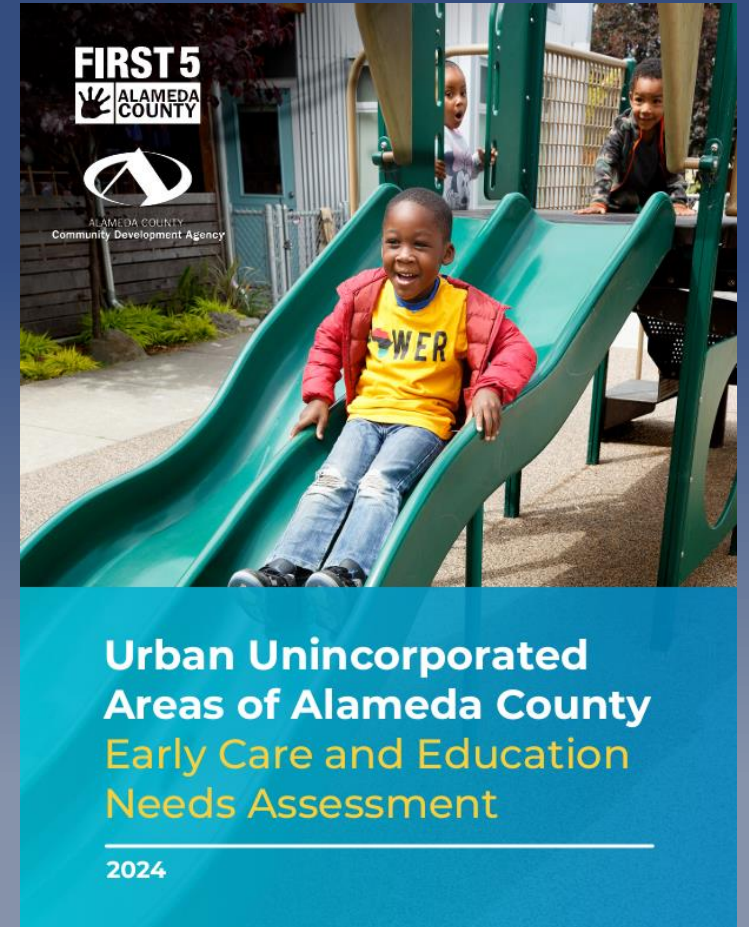
We partner with communities to build relationships, services, and infrastructure that support neighborhood conditions for family and child well-being.

# PLACE



## Urban Unincorporated Areas Early Care and Educations Needs Assessment

This assessment, funded by the Alameda County Community Development Agency, reveals systemic inequities that impact the health and well-being of children, child care professionals, and families in the unincorporated areas of Alameda County and recommends strategies to address the underlying issues of structural racism and economic equity.



# PLACE



## Backpack Extravaganza

- First 5 supported backpack distributions at several community events, including Hayward Unified School District's third annual Back to School Backpack Giveaway, Hip Hop Fairyland, and New Haven Unified School District's welcoming of new TK students
  - Over 3K backpacks distributed
  - 200 tote bags
  - Backpacks for TK students included books



A photograph of three people standing in a parking lot, each holding a blue and white box. The person in the center is a woman wearing a grey sweater and camouflage pants. The person on the left is a woman wearing a white t-shirt with 'AERO NYC' on it. The person on the right is a man wearing a blue polo shirt and light blue jeans. They are all wearing face masks. The background shows a parking lot with yellow lines and a building in the distance.

# PEOPLE

We partner with stakeholders to support parents, caregivers, and children and ensure that families and providers have the resources they need for children to thrive.

# PEOPLE



## Help Me Grow

**The Pediatric Care and Coordination team exceeded the Fiscal Year 2023-24 Alameda Alliance for Health grant goals!** We are working with the Alliance to transition to a contracted CalAIM provider.

### **FY 2023-24 exceed goals include:**

- 2,191 AAH members completed a well-child visit
- 959 visits scheduled by First 5 staff
- 1,432 provider referrals made using HMG Centralized Access Point
- 1,016 members referred to at least one health plan or early interventions service
- 828 members referred to at least one community service support



# PEOPLE



## Father Corps Photo Day

Fathers Corps hosted a “Daddy & Me” picnic for fathers all over Alameda County. To grow the county’s photo bank with **positive images showcasing fathers with their children**, the team provided photos for the attending families. They saw a total of **110 attendees, including 34 dads, 53 children, 23 mothers**.

## Fatherhood Evaluation Presentation

On September 23, the **Board of Supervisors’ Social Services Committee** received a presentation on the Fathers Corps 10-Year Evaluation.



A man in a grey shirt and face mask is speaking into a microphone at an outdoor graduation ceremony. He is holding a piece of paper. In the background, several graduates in white gowns and caps are visible, some wearing face masks. The event is taking place under a white tent with colorful bunting. A chain-link fence is in the background.

## POLICY

We advocate for policy and systems change that centers the needs of families, young children, and caregivers and supports community and family conditions for children and families to thrive. We also support community-led efforts, including parent leadership.

# POLICY



Appointed to the statewide **Building Equitable Early Care Systems (BEELS) Early Learning Advisory Group** hosted by First 5 California and WestEd.

Participating in a national **Early Care and Education Implementation Working Group** hosted by One For All Strategies Learning Community – a national network of early childhood leaders working to expand their programs and share promising practices

Supporting the **First 5 Association's one-time \$25 million Stabilization Fund request** to First 5 California, which would deliver critical resources to local First 5 County Commissions so they can maintain critical local services and infrastructure to serve young children and their families as intended by Proposition 10.

Met with **Assemblymember Liz Ortega** to discuss essential services needed for children, families, and early care and education professionals in District 20.







FY 2024-25 CEO-Approved Contracts List  
CEO Contract Authorizations and Amendments

Original Award, approved by Commission (June 20, 2024)							New Contracts or Augmentations, approved by CEO (6/21/24 - 10/2/24)		
Strategy	Award Number	Contractor	Contract Start Date	Contract End Date	Original Description of Scope of Work	Amount	New Award, Amendment or Ancillary Amount	New Total Contract Amount	Description of New Contract or Added Scope of Work
Technology	OS-TEC-2425-345	Child Trends	9/1/2024	3/31/2025	N/A	N/A	\$ 149,500.00	\$ 149,500.00	Funding to facilitate the research, recommendations and provide technical guidance in development of requests for proposals for integrating early childhood data in Alameda County and developing a data warehouse or storage solution to support the administration of the Oakland Children's Initiative (Measure AA) and Children's Health and Child Care Initiative for Alameda County (Measure C).
Technology	OS-TEC-2425-346	SRI International	7/1/2024	6/30/2025	N/A	N/A	\$ 149,998.00	\$ 149,998.00	Funding to facilitate the research, recommendations and provide technical guidance in development of requests for proposals for a centralized eligibility and early care and education enrollment system to support the administration of the Oakland Children's Initiative (Measure AA) and Children's Health and Child Care Initiative for Alameda County (Measure C).
						\$ -	\$ 299,498.00	\$ 299,498.00	

# EARLY EDUCATION FUND: ONE YEAR OF IMPACT

## FISCAL YEAR 2023-2024



# FIRST 5 ALAMEDA COUNTY'S ROLE AS THE EARLY EDUCATION FUND IMPLEMENTATION PARTNER

## Implementation Partner Legal Requirements specific to Section 1605(d):

1. Performance metrics and benchmarks;
2. Plans for consultation or engagement with experts, community members, and program beneficiaries;
3. Annual independent financial audits;
4. Data sharing agreements including disaggregation by race and income of program beneficiaries; and
5. Accounting practices that securely segregate Fund revenues and expenditures in order to ensure appropriate accounting of receipts and expenditures.



# SYSTEM BUILDING HIGHLIGHTS

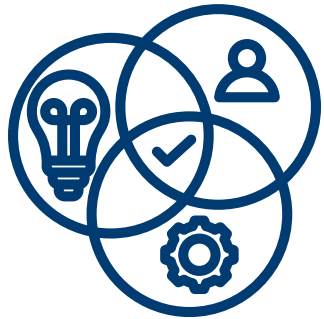
## EARLY EDUCATION FUND FY 2023-24



**Built system capacity and infrastructure** to meet reporting and evaluation mandates (e.g., finance, data and evaluation, compliance, planning, and project management)



**Initiated a Joint Public Systems Partners Leadership table** for strategic implementation planning and decision-making



**Set up multi-year contracts through 3 governing bodies and reached agreement on a definition of capacity** as the ability to spend to promote administrative ease, flexibility, and avoid disruption of services



**Established data sharing agreements and built data system capabilities** that allow for the collection of individual level data that can be analyzed and used for reporting and evaluation



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*Community Schools, Thriving Students*



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OAKLAND  
HEAD START



# EARLY EDUCATION FUND

## PARTNER FEEDBACK FY 2023-24

### INITIAL KEY SUCCESSES

Systems Collaboration

Data Collection + Analysis

Family Navigation

Professional Development

Capacity Investments

Facility Improvements

### IMPLEMENTATION PARTNER VALUE ADD

Finance + Budgeting Expertise

Project Management + Planning Capacity

Collaboration and Partnership Approach

Stakeholder Relationship (local, state, federal, political, philanthropic, etc.)

Administrative Flexibility

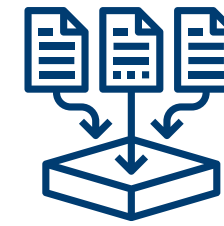
Multiyear Planning



# EARLY EDUCATION FUND CONTINUED LEARNINGS FY 2023-24



**Clarifying roles** for decision-making and **accountability**



**Establishing administrative agreements** (e.g. data sharing, finance, permitting)



Investing in **capacity building, infrastructure** and administration



**Telling the story of the Initiative**



**Refining the programmatic vision** and identifying the **community partnership** opportunities



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# Oakland Family Demographics: Our Work in Context

## Families in Oakland Face Financial Challenges



**16%** of Oakland children under 5 live in poverty (4,300 of 26,100)



**80%** of OUSD TK-12 students were socioeconomically disadvantaged in school year 2023-2024



**12,800** of Oakland's 0-6 population, about 41%, are receiving Medi-Cal



**5,900** of Oakland's 0-6 population, about 19%, are receiving CalFresh



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# Oakland Children's Initiative: Reaching Young Children

~10,500 CHILDREN AGES  
3 AND 4 LIVE IN OAKLAND



**1 in 5 children** (ages 3-4) in Oakland  
are enrolled in a site funded by the  
Initiative's Early Education Fund

~5,500  
CHILDREN AGES  
3 AND 4  
UNDER  
85% SMI IN  
OAKLAND



**1 in 3 children** (ages 3-4) under 85% SMI  
in Oakland are enrolled in a program  
funded by the Initiative's Early  
Education Fund



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# OAKLAND UNIFIED SCHOOL DISTRICT

## FISCAL YEAR 2023-2024



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# Early Education Fund: OUSD

## Top Investments by Type, FY 2023-2024

### \$8.1M INVESTED IN OAKLAND UNIFIED SCHOOL DISTRICT (OUSD)



\$1.8M invested in **direct staff** (27 FTE) in OUSD (e.g., Early Learning Coaches, Family Navigators)



\$4.2M invested in **capital projects** (infrastructure)



\$498K invested in **infrastructure** (7 FTE) in OUSD (e.g., Directors, Program Manager Kindergarten Readiness, Project Manager)



\$339K invested in **professional development and coaching** for OUSD educators



\$664K invested in **capital improvements** (painting and murals, fencing, and classroom improvements)



\$233K invested in **classroom materials**



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# CITY OF OAKLAND HEAD START

## FISCAL YEAR 2023-2024



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# Early Education Fund: COOHS

## Top Investments by Type, FY 2023-2024

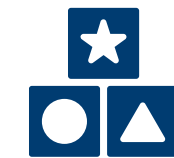
### \$2.7M INVESTED IN CITY OF OAKLAND HEAD START (COOHS)



\$2M invested in **direct staff** (36 FTE) in COOHS (e.g., Center directors, educators, cooks, mechanics, couriers, and Family Services Specialist, School Readiness Coordinator)



\$61K invested in **capital maintenance**



\$59K invested in **classroom materials**



\$401K invested in **infrastructure** (6.4 FTE) in COOHS (e.g., Admins, Supervisors, Facility Coordinators, Project Manager, Data Analyst, Compliance Supervisor)



\$55K invested in **professional development and coaching** for COOHS educators



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# RESULTS BASED ACCOUNTABILITY OVERVIEW

## FISCAL YEAR 2023-2024



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# OAKLAND CHILDREN’S INITIATIVE EARLY EDUCATION FUND: RBA METRICS

HOW MUCH?

RBA MEASURE	JANUARY - JUNE 2023	RBA MEASURES FY2023-2024		
		GRAND TOTAL	COOHS	OUSD
Number of free and subsidized slots by program type	2,660	2,815 	52	2,763
Number of children enrolled in priority partner sites (OUSD & OHS)	1,943	2,062 	19	2,043
Number of ECE educators	244	261 	7	254
Additional capacity from OCI funded capital infrastructure improvements	66	0 	0	0
Number and percentage of sites receiving OCI funded capital infrastructure improvements	2%	10% 	0	6 (11%)
Average number of hours ECE educators and staff participated in training/coaching/ and Professional Learning Communities (PLC)	n/a	31.7	35.2	31.6

# OAKLAND CHILDREN’S INITIATIVE EARLY EDUCATION FUND: RBA METRICS

HOW WELL?	RBA MEASURE	JANUARY- JUNE 2023	RBA MEASURE FY2023-2024		
			GRAND TOTAL	COOHS	OUSD
	Percent of free and subsidized slots enrolled (uptake)	73%	73%	37%	74%
	Retention rate for ECE educators	n/a	89%	67%	90%
	Number and percentage of ECE educators and staff who report the quality of trainings were good or very good	n/a	n/a	n/a	356 (94%)
IS ANYONE BETTER OFF?	Number and percentage of children enrolled in an improved ECE facility due to OCI funded capital infrastructure improvements	81 (4%)	374 (18%) ↑	0	374 (18%)
	Percentage of OCI sites with a quality rating above standard	100%	100%	100%	100%

# OAKLAND CHILDREN'S INITIATIVE

NUMBER OF FREE AND SUBSIDIZED SLOTS AND ENROLLMENT

## PERCENT OF FREE AND SUBSIDIZED SLOTS ENROLLED (UPTAKE) FY23-24

SYSTEM PARTNER	ENROLLMENT	FREE & SUBSIDIZED SLOTS	PERCENT ENROLLED
COOHS	19	52	37%
OUSD	2,043	2,763	74%



OAKLAND UNIFIED  
SCHOOL DISTRICT  
*Community Schools, Thriving Students*

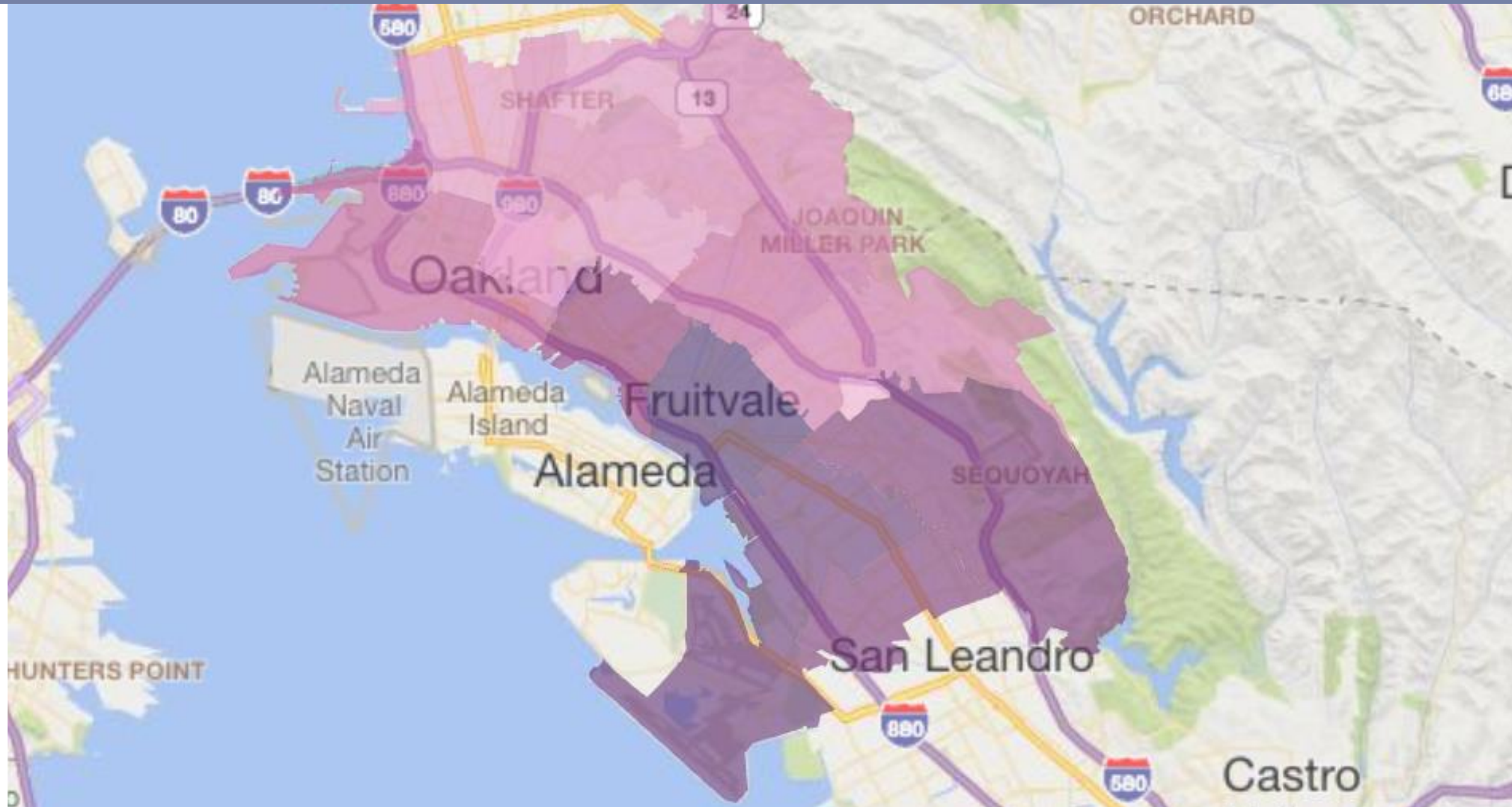


CITY OF  
OAKLAND  
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# OAKLAND CHILDREN'S INITIATIVE

ENROLLMENT BY HOME ZIP CODE



OAKLAND UNIFIED  
SCHOOL DISTRICT  
*Community Schools, Thriving Students*



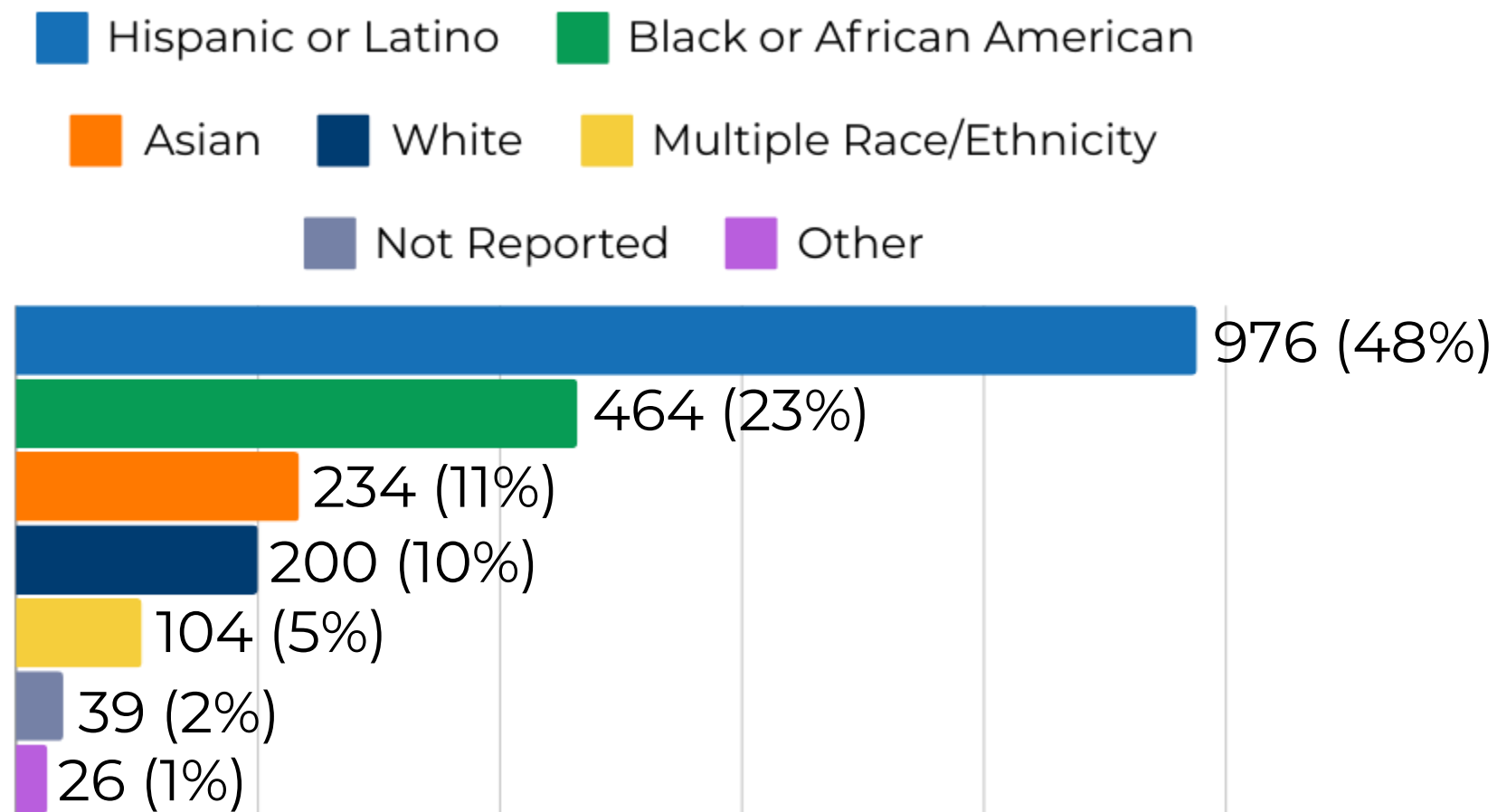
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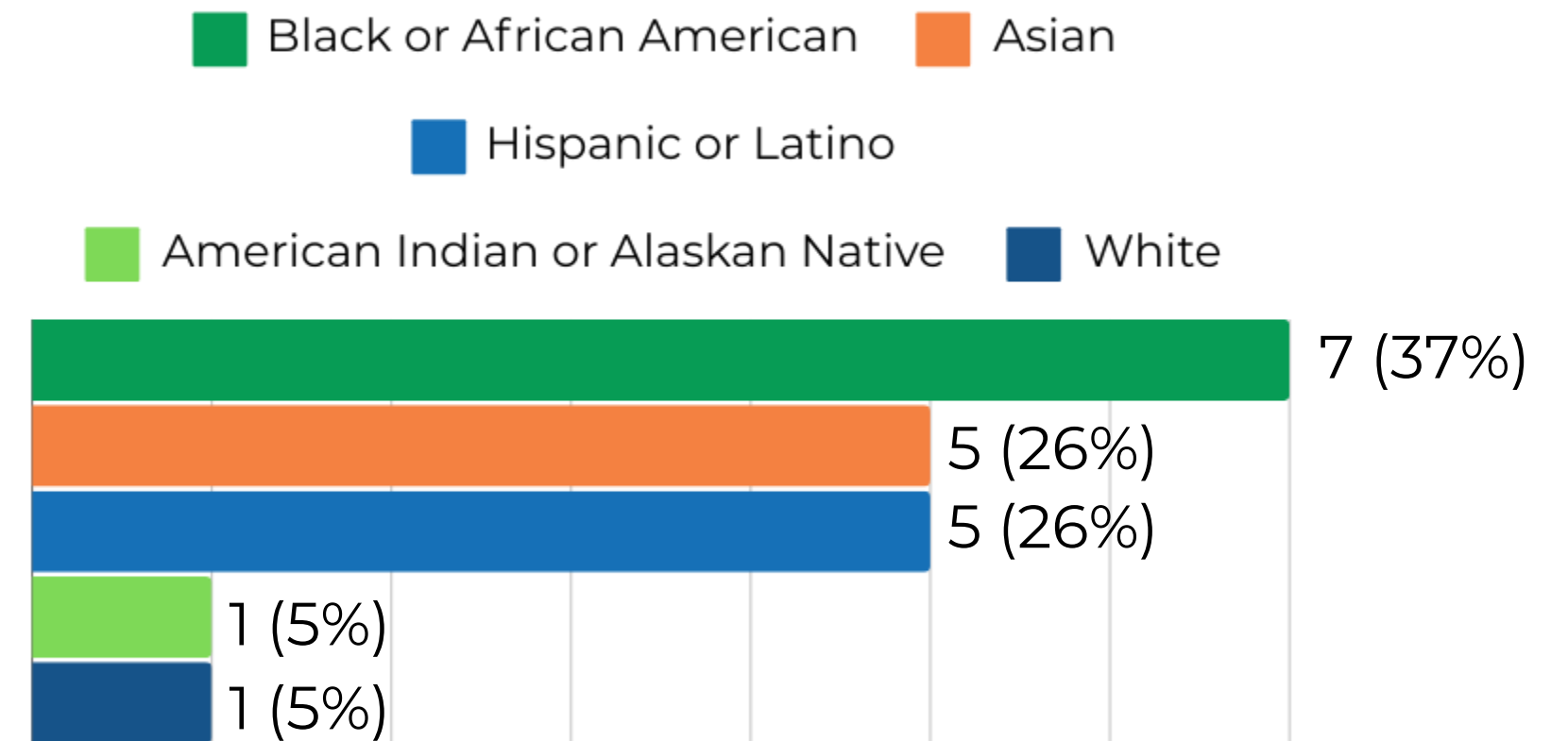
# OAKLAND CHILDREN'S INITIATIVE

## ENROLLMENT BY RACE/ETHNICITY IN PRIORITY PARTNER SITES

### Enrollment by Race/Ethnicity OUSD - FY23-24



### Enrollment by Race/Ethnicity COOHS - FY23-24



# OAKLAND CHILDREN’S INITIATIVE

## ENROLLMENT BY AGE IN PRIORITY PARTNER SITES



Enrollment by Age

Age	GRAND TOTAL	COOHS	OUSD
Age 5	20 (1%)	0	20
Age 4	1,410 (68%)	6	1,404
Age 3	567 (27%)	7	560
Age 2	62 (3%)	3	59
Age 1	3 (0%)	3	0

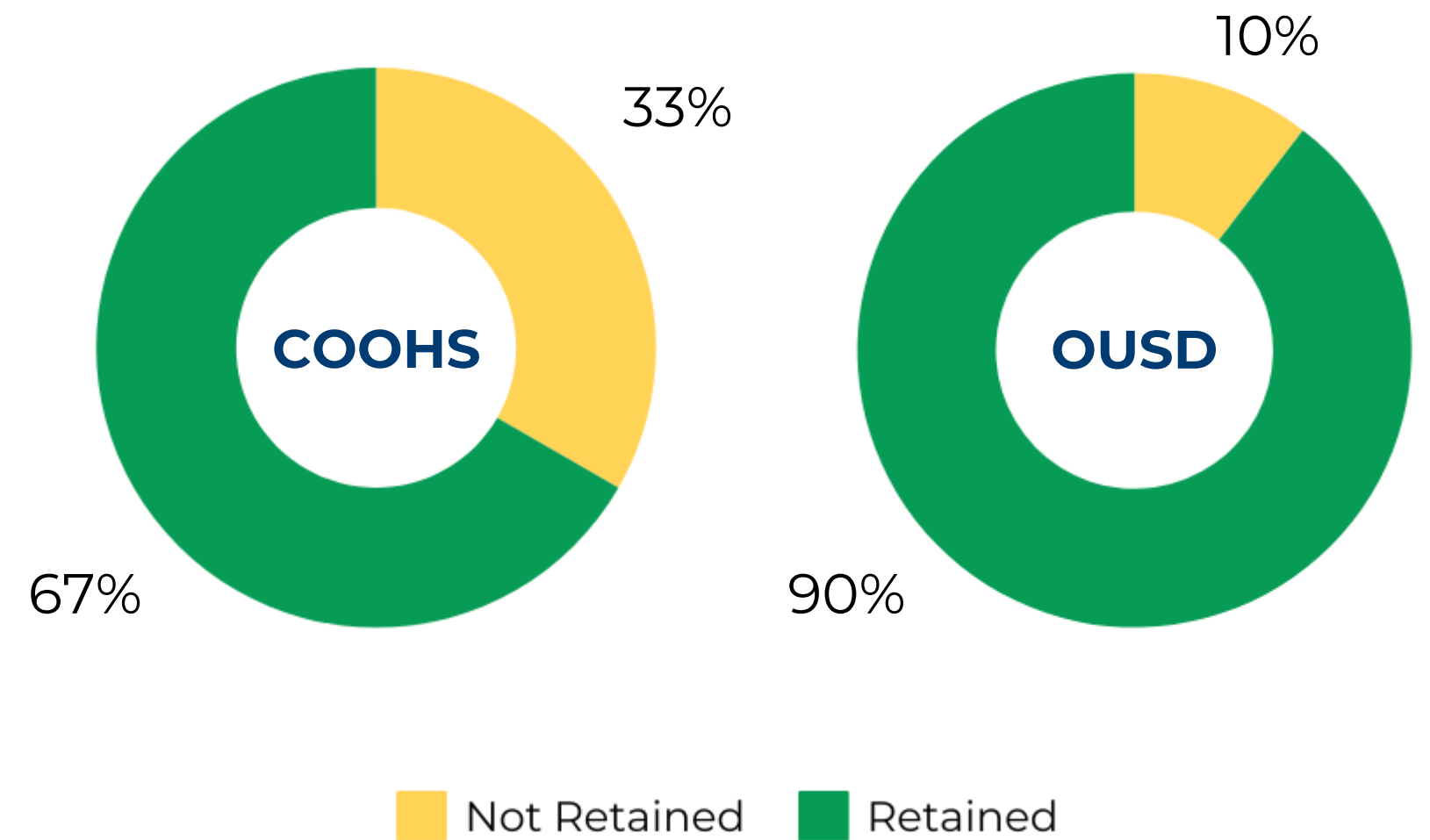


# OAKLAND CHILDREN'S INITIATIVE

## RETENTION RATE FOR ECE EDUCATORS



### EDUCATOR RETENTION - FY23-24 (OAKLAND CHILDREN INITIATIVE SITES)



# OAKLAND CHILDREN'S INITIATIVE

NUMBER AND PERCENTAGE OF CHILDREN ENROLLED IN AN IMPROVED ECE FACILITY  
DUE TO OCI FUNDED CAPITAL INFRASTRUCTURE IMPROVEMENTS

**374 (18%) children ages 0-5 enrolled in an improved early care and education facility funded by the Initiative's Early Education Fund**

**10% of OUSD sites received capital infrastructure investments**

- Oakland Academy of Knowledge Preschool & Elementary
- Highland Child Development Center (CDC) & Community School
- Horace Mann Elementary
- Jefferson CDC
- Kaiser CDC & Early Childhood Center
- United Nation CDC



OAKLAND UNIFIED  
SCHOOL DISTRICT  
*Community Schools, Thriving Students*



CITY OF  
OAKLAND  
HEAD START



# OAKLAND CHILDREN'S INITIATIVE

PERCENTAGE OF OCI SITES WITH A QUALITY RATING ABOVE STANDARD

**100% sites funded by Early Education Fund  
with quality ratings above standard\***

\$401K invested in infrastructure (6.4 FTE) in COOHS  
(e.g., Admins, Supervisors, Facility Coordinators, Project  
Manager, Data Analyst, Compliance Supervisor)

\$498K invested in infrastructure (7 FTE) in OUSD  
(e.g., Directors, Program Manager Kindergarten  
Readiness, Project Manager)

*\*A high quality early childhood program provides a safe and  
nurturing environment while promoting the physical, social,  
emotional, and intellectual development of young children.*



OAKLAND UNIFIED  
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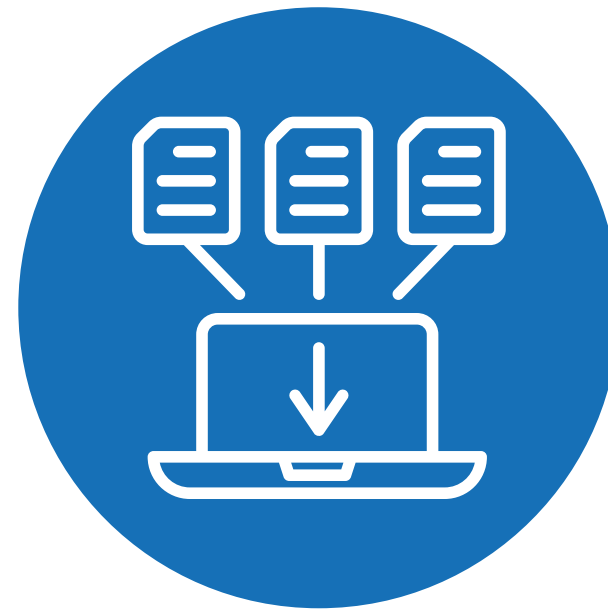
# LOOKING AHEAD



# RECOMMENDATIONS TO IMPROVE DATA INFRASTRUCTURE



Establish system wide  
data-sharing agreements



Continue to build more  
robust data collection,  
tracking, and systems



Continue to support  
infrastructure needs



## 2025 MEETING CALENDAR

MEETING DATES ARE SUBJECT TO CHANGE.

MEMBERS OF THE PUBLIC CAN CALL 510-227-6900 TO VERIFY DATE AND TIME.

ALL MEETINGS WILL BE HELD AT THE FIRST 5 OFFICE: 1115 ATLANTIC AVENUE, ALAMEDA, CA 94501

UNLESS OTHERWISE INDICATED IN ADVANCE OF THE MEETING

MONTH	EXECUTIVE COMMITTEE 11:00 AM– 12:30PM	COMMISSION 9:00 AM– 11:30 AM	AGENDA ITEMS (SUBJECT TO CHANGE)
FEBRUARY	Thursday, February 6	Thursday, February 13	<ul style="list-style-type: none"> <li>▪ Election of Officers</li> <li>▪ FY 2024-25 Mid-Year Budget Modification</li> <li>▪ FY 2024-25 Mid-Year Investment Update</li> </ul>
APRIL	Thursday, April 17	Thursday, April 24	<ul style="list-style-type: none"> <li>▪ First reading of FY 2025-26 Budget</li> <li>▪ First reading of Long-Range Financial Plan</li> <li>▪ First 5 CA Annual Report</li> </ul>
JUNE	Thursday, May 29	Thursday, June 5	<ul style="list-style-type: none"> <li>▪ Final adoption of FY 2025-26 Budget</li> <li>▪ FY 2025-26 Contract Authorizations</li> <li>▪ Approval of FY 2025-26 Strategic Plan</li> <li>▪ Final Reading of Long-Range Financial Plan</li> <li>▪ ACERA 401(h)</li> <li>▪ GASB 54 Fund Balance Commitment</li> </ul>
AUGUST	Thursday, August 14	Thursday, August 21	TBD
OCTOBER	Thursday, October 2	Tuesday, October 14	<ul style="list-style-type: none"> <li>▪ Adoption of FY 2024-25 Financial Audit Report</li> <li>▪ FY 2024-25 Investment Report</li> </ul>
DECEMBER	Thursday, December 4	Thursday, December 11	<ul style="list-style-type: none"> <li>▪ F5AC Annual Report Submission to First 5 CA</li> <li>▪ F5AC Annual Report</li> </ul>



**To:** First 5 Alameda County Commission

**From:** Kristin Spanos, Chief Executive Officer  
Cally Martin, Deputy Chief Executive Officer  
Nick Zhou, Chief Financial Officer  
Maria Canteros, Senior Finance Administrator

**Date:** October 3, 2024

**Subject:** New revenue to be included in Adopted Fiscal Year 2024-2025 Budget

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**ACTION REQUESTED**

Review and approve the addition of new revenue to be included in adopted Fiscal Year 2024-2025 budget.

**BACKGROUND**

The following grants and contracts have been received or are anticipated to be received since the Commission's adoption of the FY 2024-2025 budget on June 20, 2024:

**Funding Source: California Department of Social Services**

**Amount: \$1,339,461 (addition of \$819,670)**

**Term: FY 2024-2025, Year 1 of 3**

First 5 Alameda County was awarded \$1,339,461 for year 1 of 3 to support the Quality Counts California (QCC) Quality Improvement activities in Alameda County. Funding received will be budgeted in the Early Care and Education strategy with a corresponding appropriation in expenses.

**Funding Source: Heising-Simons Foundation**

**Amount: \$75,000**

**Term: FY 2024-2026**

First 5 Alameda County was awarded \$75,000 to support Measure C implementation activities. Funding will be budgeted in the Communications strategy with a corresponding appropriation in expenses.

**Funding Sources: California Wellness Foundation**  
**Amount: \$20,000**  
**Term: FY 2024-2025**

First 5 Alameda County was awarded funding to support the 2025 Fatherhood Summit, scheduled for November 2025. Funding will be budgeted in the Fatherhood strategy with a corresponding appropriation in expenses.


**FISCAL IMPACT**

The addition of \$914,670 in new and anticipated revenue will increase the approved FY 2024-2025 budget from \$63,383,580 to \$64,298,250.

**RECOMMENDATION**


That the Commission approve the new and anticipated revenue to be included in the adopted Fiscal Year 2024-2025 budget and the corresponding adjustments to the expense appropriations per identified strategy.

Submitted by:

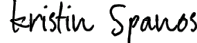
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Nick Zhou  
Chief Financial Officer

Reviewed by:

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Cally Martin  
Deputy Chief Executive Officer

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Maria Canteros  
Senior Finance Administrator

Approved by:

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Kristin Spanos  
Chief Executive Officer

**First 5 Alameda County  
Proposed Budget - Revenue  
July 1, 2024 - June 30, 2025**

AGENDA ITEM 8.1

Revenues	Original Approved Budget FY 2024-25	October 2024 Revenue Additions	Revised Projected Budget FY 2024-25	Notes
<b>Tobacco Tax Revenue</b>	8,768,292	-	8,768,292	FY24-25 Projected Prop 10 Tobacco Tax revenue, per the January 2024 update from First 5 California.
<b>Measure AA Parcel Tax Revenue</b>	32,519,042	-	32,519,042	FY24-25 projected OCI revenue includes the base allocation and carryover from the prior year.
<b>Other First 5 Income</b>				
First 5 San Benito (IMPACT Legacy & HUB)	694,156	-	694,156	Budget year 2 of 2 supporting the IMPACT Legacy and IMPACT T/TA Hub activities.
First 5 San Benito (Home Visiting Regional Technical Assistance)	170,171	-	170,171	Budget year 2 of 2 supporting the Home Visiting Regional TA program activities (Abundant Birth Project).
<b>Total Other First 5 Income</b>	<b>864,327</b>	<b>-</b>	<b>864,327</b>	
<b>Interagency Income</b>				
Alameda County Health Care Services Agency (Fathers Corp)	410,000	-	410,000	Budget year 3 of 5 supporting the Fathers Corp, includes \$10,000 rollover funds for completion of the FH evaluation.
Alameda County Office of Education (QRIS Block Grant)	593,821	-	593,821	Projected level-funding to support the ACOE CSPP Block Grant quality improvement and rating activities
Alameda County Public Health Dept. (shared Technology costs)	171,409	-	171,409	Projected ACPHD annual shared technology costs to support ECChange maintenance and hosting.
Alameda County Social Services Agency (CEL Application)	421,684	-	421,684	One-time funding to support the CEL Application development, contract extended to 6/30/25.
<b>Federal Pass-through Grants:</b>				
Alameda County Social Services Agency (Family Navigator, Comprehensive Child Development and Workforce Pilot)	725,000	-	725,000	New 3-year award, budget reflects year 1 of 3
<b>Federal Pass-through State Grants:</b>				
California Dept. of Social Services (QCC Quality Improvement Grant)	519,791	819,670	1,339,461	New 3-year award, budget reflects year 1 of 3; FY2024-25 allocations were updated in July 2024.
<b>Total Interagency Income</b>	<b>2,841,705</b>	<b>819,670</b>	<b>3,661,375</b>	
<b>Grants</b>				
Sunlight Giving	440,000	-	440,000	General Support award year 3 of 3 (\$200K) plus carryover from prior year.
Alameda Alliance for Health	1,594,344	-	1,594,344	Projected level-funding to support the Pediatric Care Coordination activities.
Hellman Foundation (via CA Children and Families Foundation)	100,000	-	100,000	One-time 2 year award to support KRA-activities.
Stupski Foundation	104,492	-	104,492	One-time funding to support the Pediatric Care Coordination Director position, funding ends December 31, 2024.
Child Family & Community Services (via CA Children and Families Foundation)	435,500	-	435,500	One-time funding from defunct organization to support Parent Partnership activities.
California Wellness Foundation	-	20,000	20,000	One-time funding to support the 2025 Fatherhood Summit.
Heising-Simons Foundation	-	75,000	75,000	One-time funding to support Measure C strategic communications activities.
<b>Total Grants</b>	<b>2,674,336</b>	<b>95,000</b>	<b>2,769,336</b>	
<b>Fiscal Leveraging - Medi-Cal Administrative Activities</b>	<b>2,500,000</b>	<b>-</b>	<b>2,500,000</b>	Projected revenue from Medi-Cal Administrative Activities (MAA)
<b>Other Income</b>				
Investment Revenue	-	-	-	
Miscellaneous Revenue - Other	-	-	-	
<b>TOTAL REVENUE</b>	<b>50,167,702</b>	<b>914,670</b>	<b>51,082,372</b>	
<b>RESERVES</b>				
<b>Proposition 10 - Sustainability Funds</b>	<b>13,215,878</b>	<b>-</b>	<b>13,215,878</b>	
<b>TOTAL REVENUES &amp; AVAILABLE FUNDS</b>	<b>63,383,580</b>	<b>914,670</b>	<b>64,298,250</b>	

First 5 Alameda County  
Proposed FY 2024-25 Operating Expenditure Budget by Strategy  
October 2024 Update

AGENDA ITEM 8.2

	Pediatric Care Coordination	Parent Partnership	Neighborhoods Ready for School	Fatherhood	Early Care and Education	Data & Evaluation	Government Affairs & Policy	Training	Communications	Operational Support (Finance, Human Resources, Technology & Admin/Facilities)	Children's Health Initiative & Expansion	TOTAL PROPOSED BUDGET
	FY 2024-25 BUDGET - OCTOBER 2024 UPDATE											
Original Approved Budget FY 2024-25	4,768,944	2,765,565	3,149,332	786,862	5,981,068	2,335,393	2,773,885	588,641	1,195,621	9,943,357	29,094,912	63,383,580
October 2024 Revenue Additions	0	0	0	20,000	819,670	0	0	0	75,000	0	0	914,670
Revised Projected Budget FY 2024-25	4,768,944	2,765,565	3,149,332	806,862	6,800,738	2,335,393	2,773,885	588,641	1,270,621	9,943,357	29,094,912	64,298,250



**To:** First 5 Alameda County Commission

**From:** Kristin Spanos, Chief Executive Officer  
Cally Martin, Deputy Chief Executive Officer  
Nick Zhou, Chief Financial Officer  
Maria Canteros, Senior Finance Administrator

**Date:** October 3, 2024

**Subject:** Fiscal Year 2023-24 Financial and Single Audit Update

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#### REQUESTED ACTION

To review and adopt the Fiscal Year 2023-24 Financial Audit.

#### BACKGROUND

It is a requirement of the Proposition 10 statute and First 5 California that each First 5 county commission conduct an audit and submit its corresponding audit report to First 5 California and the State Controller's Office by November 1st of each year. First 5 Alameda County engaged the services of Eide Bailly LLP for the third year to conduct the FY 2023-24 financial, single, and expanded audits.

#### Areas Covered by FY 2023-24 Financial Audit:

Eide Bailly LLP conducted the FY 2023-24 financial audit, expanded audit (for state compliance), and single audit (for federal compliance), and provided an unqualified opinion, in other words, a clean report with financial statements presented fairly in all material respects, the financial position and results of the organization.

#### Interim Audit Fieldwork (Began June 17, 2024):

The interim audit fieldwork included the following areas:

- Interviews with Key Staff: Covering Financial Management, Revenue Management, Cash Disbursements and Procurement, Payroll, Treasury, and Information Technology.
- Review of:
  - Risk Management and Planning: Policies, approved budget, conflict of interest documentation, etc.
  - Sampling of Transactions: Cash disbursements, cash receipts, payroll, contracts, and funder contracts.

**AGENDA ITEM 9**

- Current Insurance and Legal Matters: Insurance brokers, attorneys, leases, bank reconciliations, credit cards, etc.
- Compliance Verification: Commission minutes, strategic planning, approved policies, etc.

**Financial Audit Fieldwork (Began August 14, 2024):**

The financial audit fieldwork continued the interim audit work and covered the following areas:

- General Planning and Financial Statements: Ensured all revenues and expenditures are presented accurately.
- Review of Assets: Including cash and investments, receivables, and capital assets.
- Review of Revenues and Expenditures: Federal and State grants, verification of cash receipts, program evaluation costs, etc.
- Related Party Transactions: Review and confirmation of contracts with entities associated with Commissioners.
- State Compliance (SB 35 and AB 109): Schedule of program, evaluation, and administrative costs.
- Governmental Accounting Standards Board (GASB) Compliance: Including GASB 87 (Leases) and GASB 96 (Subscription-Based IT Arrangements).

**Single Audit:**

The single audit was conducted concurrently with the financial audit. It reviewed federal expenditures received directly or via pass-through entities exceeding \$750,000 per year. This year, the single audit focused on the Medi-Cal Administrative Activities program, Help Me Grow Central Access Line program, and the Family Navigator, Comprehensive Child Development, and Workforce Pilot Program. The audit included:

- Policy Review: Allowable costs, subrecipient monitoring, etc.
- Funder Grant Agreement Review: Federal requirements and verification of program implementation per the agreement.
- Reconciliation: Federal funding revenues and expenditures.
- Programmatic Reports Review

**Sections of the Audit Package:**

- Independent Auditor's Report
- Management's Discussion and Analysis
- Financial Statements:
  - Statement of Net Position
  - Statement of Activities
- Governmental Fund Statements:
  1. Balance Sheet
  2. Reconciliation of Balance to Net Assets
  3. Statement of Revenues, Expenditures, and Changes in Fund Balance
  4. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
- Notes to Financial Statements
- Supplementary Schedules: Budget to Actual Revenue and Expenditures, Pension Schedules, and other Supplementary Information.


## AGENDA ITEM 9

- Schedule of Revenue and Expenditures by Fund Source and Fund Balance of the California Children and Families Commission (CCFC) Fund for First 5 Programs
- Special Revenue Fund Report for City of Oakland Measure AA
- Independent Auditor's Reports:
  - Internal Controls
  - State Compliance
- Governance Letter: Including any findings or issues presented to the Commission separately.


### RECOMMENDATION

That the Commission adopt the Fiscal Year 2023-24 Financial Audit.

Submitted by:

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 Nick Zhou  
 Chief Financial Officer

Reviewed by:

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 Cally Martin  
 Deputy Chief Executive Officer

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 Maria Canteros  
 Senior Administrator, Finance

Approved by:

DocuSigned by:  
  
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 Kristin Spanos  
 Chief Executive Officer



# FIRST 5 ALAMEDA COUNTY

Board Presentation



# SCOPE OF WORK

- Form and express an opinion on the financial statements
  - Generally Accepted Auditing Standards (U.S. GAAS)
  - State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*
- Consider and report on internal controls over financial reporting
  - *Government Auditing Standards*
- Consider and report on State Compliance
  - State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*
- Audit each major federal program (ongoing)
  - Uniform Guidance



# REPORTS ISSUED

## INDEPENDENT AUDITOR'S REPORT

- Opinions (Unmodified or "Clean")
- Basis for Opinions
- Responsibilities (management and auditor)
- Required Supplementary Information
- Supplementary Information

## INTERNAL CONTROL / COMPLIANCE

- 2 reports (both clean)
- Internal Control over Financial Reporting
- Opinion on State Compliance

## REQUIRED COMMUNICATIONS

- Board letter

# REQUIRED COMMUNICATIONS





CPAs & BUSINESS ADVISORS

**QUESTIONS?**

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Financial Statements  
For the Year Ended June 30, 2024  
**First 5 Alameda County**

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## Independent Auditor's Report

To the Board of Commissioners  
First 5 Alameda County  
Alameda, California

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of the First 5 Alameda County as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise First 5 Alameda County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of First 5 Alameda County, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 First 5 Alameda County 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 Reporting Entity***

As discussed in Note 12 to the financial statements, First 5 Alameda County has separated out the Measure AA funds from the General Fund. Accordingly, a restatement has been made to the General Fund and Measure AA Special Revenue Fund beginning fund balances as of July 1, 2023, to restate beginning fund balance. 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 First 5 Alameda County'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 GAAS 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 GAAS 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 First 5 Alameda County'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 First 5 Alameda County's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of proportionate share of the net OPEB liability/(asset), and budgetary comparison information 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 GAAS, 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 First 5 Alameda County's basic financial statements. The Schedule of Revenues and Expenditures by Fund Source and Fund Balance of the California Children and Families Commission (CCFC) Funds for first 5 programs (Schedule) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2024, on our consideration of the First 5 Alameda County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of First 5 Alameda County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering First 5 Alameda County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California  
September 27, 2024

**FIRST 5 ALAMEDA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2024**

This Management's Discussion and Analysis is intended to serve as a narrative overview and analysis of the financial activities of First 5 Alameda County for the year ended June 30, 2024. The information presented should be read in conjunction with the information furnished in the financial statements and notes to the financial statements (beginning on page 10).

**Financial Highlights**

- At the end of the Fiscal Year (FY) 2023-24, First 5 Alameda County had assets of \$44.9 million and liabilities of \$31.4 million. The assets consist primarily of \$33 million in cash and investments, \$1.2 million in tobacco taxes receivables, \$5 million in intergovernmental receivables, \$1.9 million in advances to grantees, and \$3.6 million in capital assets. Total liabilities consist primarily of \$4.7 million in accounts payable, \$15.0 million in net pension liability, \$1.3 million in net OPEB liability, and approximately \$1.1 million in accrued payroll and employee benefits and \$8.4 million in unearned revenue. The total net position was \$21.2million.
- The City of Oakland Measure AA Parcel Tax funds have been separated out of the General Fund and are presented in the financial statements as a Special Revenue Fund beginning July 1, 2023.
- First 5 Alameda County's total fund balance at the end of FY 2023-24 was \$24.5 million with an assigned fund balance of \$15.6 million to be used towards activities outlined in the long-range financial plan.
- During FY 2023-24, First 5 Alameda County revenues reported in the fund statements were approximately \$34.8 million, representing a \$11.0 million increase over the prior year. Total expenditure was \$40.3 million compared to \$26.0 million in the prior year.
- Revenue from the Proposition 10 tobacco tax measure was \$9.9 million, a decrease of approximately \$1 million from the prior year. Included in this amount is Proposition 56 revenue of \$2,728,402 and new California Electronic Cigarette Excise Tax (CECET) funding per Senate Bill 395 of \$167,031. Senate Bill 395 mandates that beginning July 1, 2022, retailers of electronic cigarettes are required to collect from purchasers at the time of sale, a CECET tax of 12.5%, on the retail selling price of electronic cigarettes containing or sold with nicotine.
- For FY 2023-24, the Oakland Children's Initiative (Measure AA) was allocated \$24.5 million, of which \$14.7 million was received during the fiscal year. Additionally, \$11.6 million was received from the FY 2022-23 allocation. Expenditures for FY 2023-24 totaled \$14.5 million in the second year of the five-year plan, with the remaining balance expected to be integrated into future program planning.

**Overview of Financial Statements**

The First 5 Alameda County financial statements include the government-wide financial statements and the fund financial statements. The financial statements also include the notes to the financial statements and the required supplementary information, such as the budgetary comparison schedule for the General Fund and other supplementary information.

The government-wide financial statements include the statements of net position and activities and provides information about the financial position of First 5 Alameda County as a whole on an accrual basis, similar to that used in the private sector. The statement of activities provides information about First 5 Alameda County's revenues and all its expenses, also on an accrual basis, with the emphasis on measuring net revenues and expenses of each of First 5 Alameda County's divisions.

The fund financial statements include a balance sheet as well as statement of revenues, expenditures, and changes in fund balance. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Commission's activities are accounted for in the general fund and a special revenue fund for Measure AA. The fund financial statements report essentially the same functions as those reported in the governmentwide financial statements. However, unlike the government-wide financial statements, the fund financial statements report the Commission's operations in more detail and focus primarily on the short-term activities of the Commission. The fund financial statements are prepared on the modified accrual basis and measure only current revenues, expenditures and fund balances; they exclude capital assets, long-term liabilities, deferred outflows of resources, and deferred inflows of resources related to pensions and OPEB.

The notes to the financial statements provide additional information that is essential to a complete understanding of the information provided in the financial statements.

The required supplementary information includes pension schedules, other postemployment benefit (OPEB) schedules, and budgetary comparison schedules. The schedule of revenues, expenses, and changes in fund balance – budget and actual presents First 5 Alameda County's budget comparisons between the original budget and the final amended budget compared with actual resource inflows and outflows.

### Statement of Net Position

The net position of First 5 Alameda County decreased by \$6.5 million from the prior year from \$27,755,111 as of June 30, 2023, to \$21,247,710 as of June 30, 2024.

The composition of net position as of June 30, 2024 and 2023 is shown in the following table:

(All Amounts in \$millions)	FY 2024	FY 2023	Change
Other Assets	\$ 41.3	\$ 42.3	\$ (1.0)
Capital Assets, net	<u>3.6</u>	<u>3.8</u>	<u>(0.2)</u>
Total Assets	<u>44.9</u>	<u>46.1</u>	<u>(1.3)</u>
Total Deferred Outflows of Resources	9.4	7.1	2.3
Current Liabilities	14.2	9.5	4.7
Noncurrent Liabilities	<u>17.2</u>	<u>15.1</u>	<u>2.1</u>
Total Liabilities	<u>31.4</u>	<u>24.6</u>	<u>6.8</u>
Total Deferred Inflows of Resources	1.6	0.8	0.8
Net Investment in Capital Assets	3.6	3.7	(0.1)
Restricted	0.6	0.8	(0.2)
Unrestricted	<u>17.1</u>	<u>23.2</u>	<u>(6.1)</u>
Total Net Position	\$ <u>21.3</u>	\$ <u>27.8</u>	\$ <u>(6.5)</u>

FY 2023-24 is the eighteenth full year of investment of funds outside of the Alameda County Treasury's investment pool. The fair market value of these investments was \$21.2 million as of June 30, 2024, a decrease of \$4.5 million from the prior year. During FY 2023-24 fees charged by money managers and custodial services totaled \$29,731 compared to \$33,508 in the prior year, a decrease of \$3,777. The investment incurred a net unrealized loss of \$578,391, while generating net investment interest earnings of \$561,880 for the fiscal year as a result of the higher yields across the 1-5 year interest rate curve and declining interest rates.

Receivables primarily consist of Prop 10 tobacco taxes (June 2024 are typically received after the end of the fiscal year) and MediCal Administrative Activities (MAA) revenue. The recognition of our net pension liabilities, in accordance with the reporting requirements of Governmental Accounting Standards (GASB 68) that became effective in FY 2014-15 is based on an actuarial valuation of pension plan assets and liabilities provided by the Alameda County Employee Retirement Association (ACERA), which administers our pension plan. First 5 Alameda County has recognized a net pension liability of \$15 million, a change of \$1.5 million. This liability reduces the net position as of the end of the fiscal year but has no effect on fund balance. The notes to the financial statements provide a full accounting of all deferred inflows and outflows related to this liability.

### Statement of Activities

During the year ended June 30, 2024, First 5 Alameda County's net position decreased by approximately \$6.5 million from the prior year. This change in net position is shown in the following table:

(All amounts in \$millions)	FY 2024	FY 2023	Change
Program revenues	\$ 23.5	\$ 13.8	\$ <u>9.7</u>
General revenues	<u>11.0</u>	<u>11.1</u>	<u>(0.1)</u>
Total revenues	34.5	24.9	<u>9.6</u>
Program expenses	<u>41.0</u>	<u>27.2</u>	<u>13.8</u>
Change in net position	<u>(6.5)</u>	<u>(2.3)</u>	<u>(4.2)</u>
Net position, beginning of year	27.8	30.1	<u>(2.3)</u>
Net position, end of year	\$ <u>21.3</u>	\$ <u>27.8</u>	\$ <u>(6.5)</u>

Program Revenues primarily include:

- Measure AA Tax – Revenue from the City of Oakland \$14 million was received for the Oakland Children's Initiative activities.
- Other First 5 – Income of \$1.2 million from First 5 California via First 5 San Benito for the IMPACT Legacy grant and First 5 IMPACT Regional T/TA Hub activities.
- Local Agency (Interagency) Contracts and Grants – Income of \$464,800 from Alameda County Health Care Services Agency in support of the Fathers Corps, \$641,704 from Alameda County Office of Education in support of QRIS Block Grants and Inclusive ELC Grant, \$761,065 from Alameda County Public Health Department for shared Technology costs and support for Perinatal Health Outreach Services and Linkage Line program, \$1,081,215 from Alameda County Social Services Agency to support the Workforce Pilot, family navigation, early identification programming and Centralized Eligibility List development, \$515,120 from California Department of Social Services for the Quality Counts California Block Grant, \$25,000 from the City of Berkeley and \$46,615 from the City of Oakland Head Start for Fatherhood activities, and \$15,479 from the Alameda County Housing and Community Development Agency for an ECE Needs Assessment.

- Grant funding of \$200,000 from Sunlight Giving for general support, \$1,448,795 from Alameda Alliance for Health to support Pediatric Care Pilot, \$193,138 from Stupski Foundation to support the Director of Pediatric Care Coordination position, \$100,000 from the Hellman Foundation for support of the KRA tool development activities, and \$131,060 from sponsors supporting the Fatherhood Summit (Kresge Foundation, First 5 California, Kaiser Foundation, Golden State Warriors, East Bay Community Foundation and others).
- \$2.2 million for MediCal Administrative Activities (MAA) revenue for FY 2022-23 expenses.

FY 2023-24 represents the second year of the FY 2023-27 5-year strategic plan. Total program expenses increased by \$13.8 million from \$27.2 million in FY 2022-23 to \$41.0 million in FY 2023-24. The increase in program expenses correspond to the planned programming for the second year of the strategic plan with new and increased funding and by temporarily using our sustainability fund to provide a steady state as we anticipate the build-out of the early childhood system. Total Program Revenues also increased by \$9.7 million from \$13.8 million in FY 2022-23 to \$23.5 million in FY 2023-24. The increase in program revenues is primarily due to increased activities in year 2 of the Oakland Children's Initiative. Prop 10 tobacco tax revenue decreased by \$1.0 million over the prior year is expected to decline by an average of 11.5% in the next two years and then 5% and 3% decline in the subsequent years. FY 2023-24 was the seventh year that Prop 56 tobacco tax revenues were received in the amount of \$2.7 million, the same as in the prior year. New tobacco tax revenue received in FY 2023-24 included the California Electronic Cigarette Excise Tax (CECET) funding of \$167,028. Tobacco taxes are allocated to counties in proportion to the number of births in each county. In addition to the Alameda County birth rate, tobacco tax allocations are affected by a variety of factors including statewide tobacco sales, tax collection methods, birth rate changes in the other counties and new tobacco related legislation.

### **Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual**

In February 2024, the Commission authorized an increase of \$5,825,018 to the operating budget totaling \$56,391,721. The annual mid-year modified budget addresses material changes in revenue, seeks approval for unanticipated expenses and to make necessary transfers and adjustments to reflect changes to program goals since the adoption of the original budget. The revision added new revenue with equivalent appropriations to expenses from the Hellman Foundation, Kresge Foundation and other Fatherhood Summit sponsorships, and adjustments to revenue from First 5 California via First 5 San Benito, Alameda Alliance for Health, Prop 10 Tobacco Tax revenue, Alameda County Office of Education, Alameda County Health Care Services Agency, and added \$1.3 million from the City of Oakland to update the base allocation for the Oakland Children's Initiative.

### **Comparison of Budget to Actual**

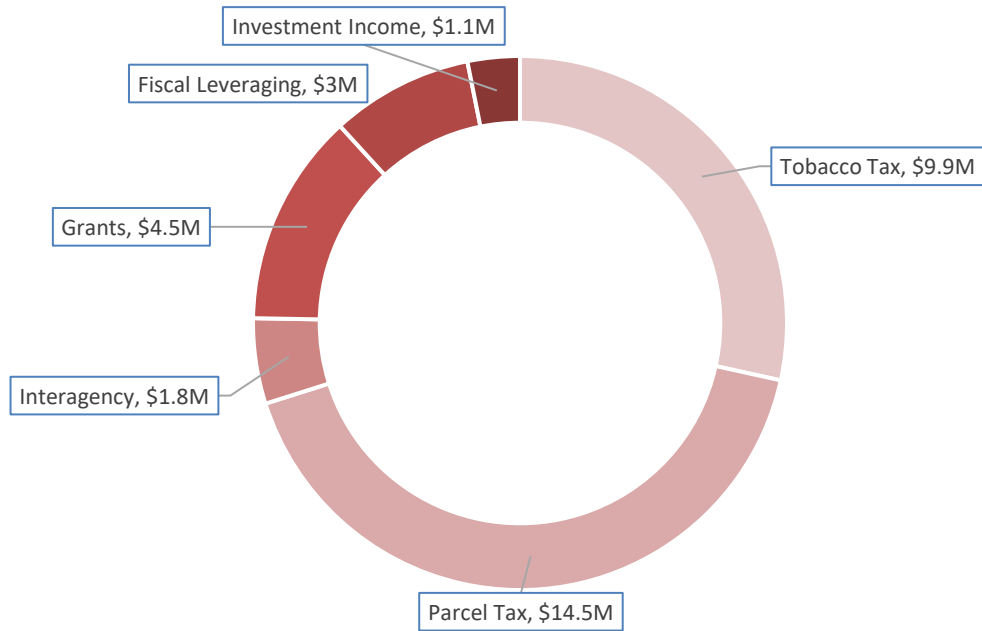
For the fiscal year ending June 30, 2024, First 5 Alameda County's financial statements presented two major funds: the General Fund and Measure AA Special Revenue Fund.

The General Fund had an approved expenditure budget of \$34.2 million, with actual expenditures totaling \$28 million. The final budget anticipated using \$10.2 million from the Sustainability Fund for agency program and operations expenses in FY 2023-24. However, due to savings in personnel and contract expenditures, the actual amount drawn from the Sustainability Fund was only \$5.4 million. The Sustainability Fund is First 5 Alameda County's reserve fund which was set aside to cover expenditures and future costs as the expected decline of tobacco tax revenue occurs.

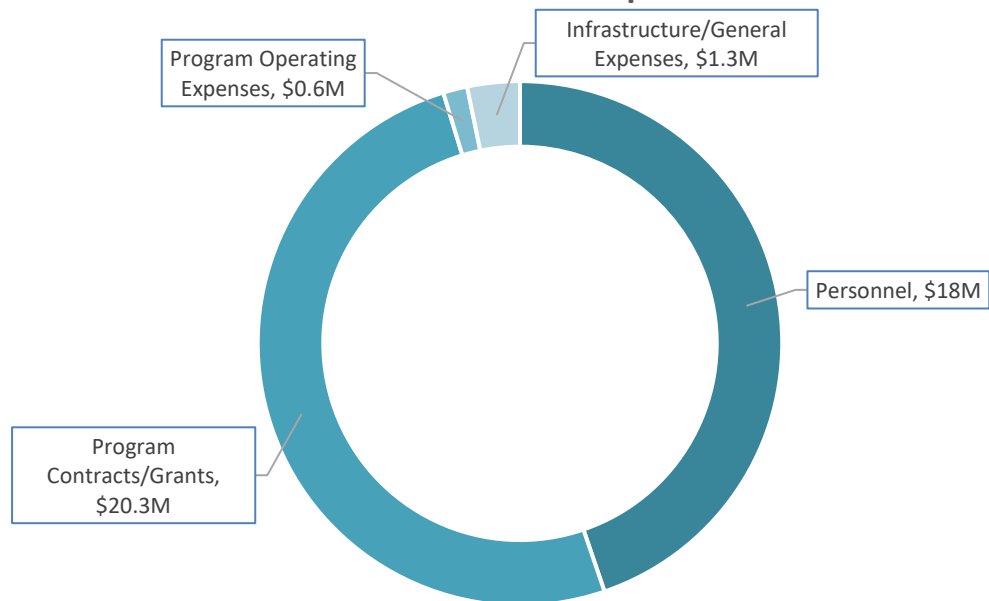
For the Measure AA Special Revenue Fund, funding was fully awarded at the annual allocation and budgeted at \$24.5 million. Actual expenditures amounted to \$14.5 million, with the variance primarily due to delays in implementation activities.

## Agency Wide Actuals – Revenue & Expenditures

### FY 2023-24 Actual Revenue



### FY 2023-24 Actual Expenses



## **Summary of Known Facts, Decisions or Conditions**

The following are currently known facts, decisions or conditions that are expected to have an impact on the financial position of First 5 Alameda County:

FY 2023-24 represented the second year of the five-year FY 2022-27 strategic plan. The Strategic Plan includes eleven core strategies that integrate the many different services and supports focused on specific target populations and outcomes. Due to the anticipated decline in tobacco tax revenues and increase from the local tax ballot revenue, planned program adjustments will be reflected in the latter years of the agency's long-range financial plan.

Tobacco tax receipts for First 5 Alameda County for FY 2023-24 show a decrease of \$1 million from the prior year. Tobacco tax revenue projections are based on the California Department of Finance and Tax Administration and First 5 California projections for county commissions and based largely on birth rates in each county and tobacco consumption rates. State revenue projections received in June 2024 were updated using the birth rate data from July 2023 and Proposition 31 which bans the sale of flavored tobacco products. Projections include revenue from Proposition 10 and Proposition 56 Backfill (passed in 2016 which levied a \$2.0 increase on tobacco products including e-cigarettes which assumed a greater amount of backfill due to the inclusion of e-cigarettes) and estimated interest earned.

In FY 2023-24, First 5 Alameda County, in collaboration with the OCI Accountability Officer, Oakland Unified School District (OUSD), and City of Oakland Head Start (COOHS), has mapped out funding allocations for Measure AA extending through to FY 2026-27. The approved annual allocation for the Measure AA program was set at \$24,513,168 with actual expenditures recorded at \$14,486,881. Future fiscal planning for Measure AA will continue to be guided by an evolving programmatic strategy to ensure the financial resources are aligned with the anticipated community needs and the agency's long-range financial objectives.

In March 2020, Alameda County voters passed the Children's Health and Child Care Initiative for Alameda County (Measure C), a 0.5% sales tax that will generate approximately \$150 million annually for expanding access to early childhood education and care. Measure C names First 5 Alameda County as the administrator of the Child Care, Preschool, and Early Education portion of the revenue, amounting to 80 percent of the generated funds. It was upheld by the California Supreme Court in April 2024, granting First 5 the right to move forward. Over the next year, First 5 will develop a five-year program plan and annual budget under the advisement of a Community Advisory Council (CAC) to be approved by the First 5 Commission and the Board of Supervisors.

All the above factors were considered in preparing First 5 Alameda County's budget for FY 2023-24.

## **Requests for Information**

The annual financial report is designed to provide a general overview of the First 5 Alameda County's finances and operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Kristin Spanos, Chief Executive Officer, First 5 Alameda County, 1115 Atlantic Avenue, Alameda, California 94501.

First 5 Alameda County  
Statement of Net Position  
June 30, 2024

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and investments	\$ 32,960,074
Tobacco taxes receivable	1,229,297
Intergovernmental receivables	5,091,053
Advances to grantees	1,870,787
Prepaid expenses	129,609
	<u>41,280,820</u>
Noncurrent Assets	
Capital assets not being depreciated	1,096,265
Capital assets being depreciated, net	2,463,902
Right to use lease assets being amortized, net	24,960
	<u>3,585,127</u>
Total assets	<u>44,865,947</u>
Deferred Outflows of Resources	
Related to pensions	8,087,035
Related to OPEB	1,310,286
	<u>9,397,321</u>
Liabilities	
Current Liabilities	
Accounts payable and accrued liabilities	4,652,137
Accrued payroll	711,040
Employee benefits payable	366,171
Unearned revenue	8,404,263
Lease liability, current portion	15,559
Compensated absences, current portion	91,409
	<u>14,240,579</u>
Total current liabilities	<u>14,240,579</u>
	(Continued)

First 5 Alameda County  
Statement of Net Position  
June 30, 2024

	Governmental Activities
Noncurrent Liabilities	
Lease liability	\$ 9,878
Net pension liability	14,969,416
Net OPEB liability	1,349,314
Compensated absences	822,676
	<u>17,151,284</u>
Total noncurrent liabilities	<u>17,151,284</u>
Total liabilities	<u>31,391,863</u>
Deferred Inflows of Resources	
Related to pensions	886,207
Related to OPEB	737,488
	<u>1,623,695</u>
Total deferred inflows of resources	<u>1,623,695</u>
Net Position	
Net investment in capital assets	3,559,690
Restricted	
Childhood system grants	562,371
Unrestricted	17,125,649
	<u>21,247,710</u>
Total net position	<u>\$ 21,247,710</u>

First 5 Alameda County  
Statement of Activities  
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Government Activities			
Communications	\$ 743,557	\$ 122,684	\$ (620,873)
Children's Health Initiative	12,588,265	14,785,947	2,197,682
Data and Evaluation	1,501,996	329,640	(1,172,356)
Early Identification	4,586,585	2,866,259	(1,720,326)
Fatherhood	1,210,884	673,075	(537,809)
Neighborhoods Ready for School	3,015,406	-	(3,015,406)
Policy & Evaluation	1,938,270	15,479	(1,922,791)
Parent Engagement/Parent Support	2,014,696	300,024	(1,714,672)
Quality Early Childhood Education	5,238,044	3,250,321	(1,987,723)
Training	532,134	-	(532,134)
Administration	4,965,988	1,187,357	(3,778,631)
Finance	1,490,956	6,190	(1,484,766)
Human Resources	1,192,696	-	(1,192,696)
	<u>\$ 41,019,477</u>	<u>\$ 23,536,976</u>	<u>(17,482,501)</u>
General Revenues			
Tobacco tax			9,882,853
Investment income			<u>1,092,247</u>
Total general revenues			<u>10,975,100</u>
Change in Net Position			<u>(6,507,401)</u>
Net Position, July 1			<u>27,755,111</u>
Net Position, June 30			<u>\$ 21,247,710</u>

First 5 Alameda County  
Governmental Fund Balance Sheet  
June 30, 2024

	<u>General Fund</u>	<u>Measure AA</u>	<u>Total</u>
<b>Assets</b>			
Cash and investments	\$ 24,996,328	\$ 7,963,746	\$ 32,960,074
Tobacco taxes receivable	1,229,297	-	1,229,297
Intergovernmental receivables	5,091,053	-	5,091,053
Advances to grantees	-	1,870,787	1,870,787
Prepaid costs	129,609	-	129,609
Due from other fund	170,822	-	170,822
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 31,617,109</u>	<u>\$ 9,834,533</u>	<u>\$ 41,451,642</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 3,133,402	\$ 1,518,735	\$ 4,652,137
Accrued payroll	711,040	-	711,040
Payroll taxes and employee benefits payable	366,171	-	366,171
Unearned revenue	259,287	8,144,976	8,404,263
Due to other fund	-	170,822	170,822
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>4,469,900</u>	<u>9,834,533</u>	<u>14,304,433</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue	2,601,745	-	2,601,745
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Fund Balances</b>			
Nonspendable			
Prepays	129,609	-	129,609
Restricted			
Childhood system grants	562,371	-	562,371
Committed			
Program contracts	8,241,949	-	8,241,949
Assigned			
Long range financial plan	15,611,535	-	15,611,535
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>24,545,464</u>	<u>-</u>	<u>24,545,464</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,617,109</u>	<u>\$ 9,834,533</u>	<u>\$ 41,451,642</u>

First 5 Alameda County  
Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position  
June 30, 2024

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Fund balance of governmental funds:	\$ 24,545,464
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Long-term assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets and right to use lease assets, net of accumulated depreciation and amortization.	3,585,127
Unavailable revenues which are deferred inflows on the fund financial statements because they are not currently available, are reported as revenue in the Government-wide Statement of Activities.	2,601,745
Deferred inflows and outflows of resources related to the net pension liability are not due and payable in the current period and therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	8,087,035
Deferred inflows of resources related to pensions	(886,207)
Deferred inflows and outflows of resources related to the net OPEB liability are not due and payable in the current period and therefore, are not reported in the funds:	
Deferred outflows of resources related to OPEB	1,310,286
Deferred inflows of resources related to OPEB	(737,488)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Net pension liability	(14,969,416)
Net OPEB liability	(1,349,314)
Compensated absences	(914,085)
Lease liability	(25,437)
	<hr/>
Net Position of Governmental Activities	<u><u>\$ 21,247,710</u></u>

First 5 Alameda County

Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended June 30, 2024

	General Fund	Measure AA	Total
Revenues			
Prop 10 Tobacco Tax	\$ 9,932,086	\$ -	\$ 9,932,086
Measure AA Parcel Tax	-	14,486,881	14,486,881
Grant income			
Federal	1,961,665	-	1,961,665
State	1,133,272	-	1,133,272
Local	1,554,606	-	1,554,606
Private	1,560,759	-	1,560,759
Fiscal Leveraging:			
Medi-Cal Administrative Activities (MAA)	3,058,291	-	3,058,291
Investment income	1,092,247	-	1,092,247
Miscellaneous income	51,060	-	51,060
	<u>20,343,986</u>	<u>14,486,881</u>	<u>34,830,867</u>
Total revenues			
Expenditures			
Current			
Personnel			
Salaries	11,156,807	820,874	11,977,681
Benefits	5,624,206	375,007	5,999,213
	<u>16,781,013</u>	<u>1,195,881</u>	<u>17,976,894</u>
Sub-total			
Program Contracts/Grants/MOU's			
Contracts	8,501,618	10,994,090	19,495,708
Grants	250,000	-	250,000
Training stipends	199,471	-	199,471
Professional services contracts	359,076	17,039	376,115
	<u>9,310,165</u>	<u>11,011,129</u>	<u>20,321,294</u>
Sub-total			
Training expenses			
Copy/printing	27,370	-	27,370
Food/hospitality	45,336	1,081	46,417
Space rental	28,684	-	28,684
Honoraria	13,625	-	13,625
Postage	8,729	-	8,729
Professional services	58,355	838	59,193
Supplies	292,591	-	292,591
Travel	56,258	252	56,510
Staff development/training	95,602	1,050	96,652
	<u>626,550</u>	<u>3,221</u>	<u>629,771</u>
Sub-total			

(Continued)

First 5 Alameda County

Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2024

	General Fund	Measure AA	Total
General expenses			
Communications	\$ 397,128	\$ -	\$ 397,128
Copying/printing	3,792	-	3,792
Equipment purchase	83,514	-	83,514
Postage	384	-	384
Insurance	75,566	-	75,566
Membership	80,966	-	80,966
Professional services	418,225	-	418,225
Space rental	21,896	-	21,896
Utilities	89,504	-	89,504
Janitorial services	55,119	-	55,119
Dues and taxes	24,857	-	24,857
Maintenance	62,575	-	62,575
Sub-total	<u>1,313,526</u>	<u>-</u>	<u>1,313,526</u>
Debt Service			
Principal	15,368	-	15,368
Interest	531	-	531
Total expenditures	<u>28,047,153</u>	<u>12,210,231</u>	<u>40,257,384</u>
Net change in fund balance	<u>(7,703,167)</u>	<u>2,276,650</u>	<u>(5,426,517)</u>
Other Financing Sources			
Transfer in	2,276,650	-	2,276,650
Transfer out	<u>-</u>	<u>(2,276,650)</u>	<u>(2,276,650)</u>
Net Change in Fund Balance	<u>(5,426,517)</u>	<u>-</u>	<u>(5,426,517)</u>
Fund Balance, July 1, as previously reported	<u>29,971,981</u>	<u>-</u>	<u>29,971,981</u>
Adjustments (Note 12)	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1, as restated	<u>29,971,981</u>	<u>-</u>	<u>29,971,981</u>
Fund Balance, June 30	<u><u>\$ 24,545,464</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 24,545,464</u></u>

First 5 Alameda County  
Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of the Governmental Fund to the Statement of Activities  
For the Year Ended June 30, 2024

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Net change in fund balance - total governmental fund \$ (5,426,517)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which the depreciation and amortization exceeds the capital outlays in the current period. (166,288)

Revenues not received within the period of availability are recognized as revenues in the subsequent period. (318,791)

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. (34,837)

Governmental funds report OPEB plan contributions as expenditures. However, in the Statement of Activities, OPEB expense is measured as the change in net OPEB liability and the amortization of deferred outflows and inflows related to OPEB. (427,297)

Change in compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount represents the net change in the compensated absences liability. (149,039)

Principal payments on the lease liabilities reported in the statement of net position are reported as expenditures in the governmental funds. 15,368

Change in net position of governmental activities \$ (6,507,401)

## **Note 1 - Summary of Significant Accounting Policies**

### **Reporting Entity**

First 5 Alameda County was established in accordance with California Health and Safety Code Section 130140, which was enacted as a result of the passage of the California Children and Families Act of 1998 (Proposition 10). This act levies a 50-cent tax on tobacco products, of which 80 percent of the revenues are distributed to county commissions established specifically to fund programs for the purposes of promoting, supporting, and improving the early development of children from the prenatal stage to five years of age. Information on First 5 Alameda County can be found on the Internet at <http://www.first5alameda.org/>.

**Government-wide financial statements** (i.e. the statement of net position and the statement of activities) report information on all governmental activities using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of net position presents First 5 Alameda County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories.

- Net investment in capital assets consist of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes, leases, and other debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position represents restrictions imposed on the use of First 5 Alameda County's resources by parties outside of the government or by law through constitutional provisions or enabling legislation.
- Unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The statement of activities demonstrates the degree to which direct expenses of each program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Indirect expenses are allocated to programs based on the percentage of costs per program to total costs. Program revenues include grants and contributions that are restricted to meeting the operational requirements of a program. Tobacco taxes are reported as general revenues.

When both restricted and unrestricted resources are available for use, it is First 5 Alameda County's policy to use restricted resources first.

**Governmental fund financial statements** are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available within the current period or soon enough thereafter to pay liabilities of the current period. First 5 Alameda County uses a 90- day availability period for revenue recognition for all governmental fund revenues.

All revenues are considered susceptible to accrual. Revenues include fiscal leveraging which consists of revenue from Federal Title 19 funds for services to people who are eligible for or who receive Medi-Cal assistance. Revenue assistance is provided on a reimbursement basis for programs with eligible activities. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

### Major Funds

Major funds are defined as funds which have either assets, liabilities, and deferred inflows of resources revenues or expenditures equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. First 5 Alameda County may select other governmental funds it believes should be presented as major funds. First 5 Alameda County reported the following major governmental funds in the accompanying financial statements:

**General Fund** – This is First 5 Alameda County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Measure AA Special Revenue Fund** – Used to account for funds received related to the Oakland Children’s Initiative (Measure AA).

**Fund Balance** – Following is a description of First 5 Alameda County’s fund balance classifications:

- **Nonspendable** – Includes amounts that cannot be spent because they are either (a) not in spendable form (inventories, prepaid amounts, etc.) or (b) legally or contractually required to be maintained intact (such as the corpus of principal of a permanent fund).
- **Restricted** – Includes amounts with constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislations.
- **Committed** – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of First 5 Alameda County Board. Those committed amounts cannot be used for any other purpose unless First 5 Alameda County Board removes or changes the specified use by taking the same type of action (legislation, resolution, ordinance) it employed to previously commit those amounts. First 5 Alameda County establishes grants allocation amounts for specific programs and/or recipient by formal Commission Board vote.
- **Assigned** – Includes amounts First 5 Alameda County intends to be used for specific purposes that are neither restricted nor committed.
- **Unassigned** – Resources that cannot be reported in any other classification.

First 5 Alameda County applies restricted resources first when an expenditure is incurred for purposes for which both restricted and other funds are available, then First 5 Alameda County applies amounts to the committed fund balance followed by assigned and then unassigned.

**Capital Assets** – Capital assets and right-to-use assets are not considered to be financial resources and therefore, are not reported as assets in the fund financial statements. Capital assets are capitalized and reported at cost, net of accumulated depreciation in the government-wide financial statements. Capital assets are defined by First 5 Alameda County as assets with an initial, individual cost of more than \$5,000, and an estimated useful life of more than one year. Such assets are recorded at cost and depreciated using the straight-line method over the estimated useful lives of all assets ranging from 5 to 27.5 years.

Right to use lease assets are recognized at the lease commencement date and represent First 5 Alameda County's right to use an underlying asset for the lease term. Right to use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years. Right-to-use assets are recorded at the present value of the payments at the inception of the lease. The asset is recorded as right to use asset and is amortized over the shorter of the asset's useful life or the lease term.

**Advances to Grantees** – First 5 Alameda County may provide advances to grantees/contractors that are repayable by the end of the fiscal year unless otherwise stipulated by contract or agreement.

**Compensated Absences** – It is First 5 Alameda County's policy to permit employees to accumulate earned but unused vacation, sick and paid time-off benefits. Compensated absences consist of the employee earned time and are accrued by First 5 Alameda County when earned by the employee. Compensated absence obligations are considered long-term in nature and are reported in the fund financial statements as expenditures in the period paid or when due and payable at year-end under the modified accrual basis of accounting. The compensated absences have been accrued in the government-wide financial statements and are included in long-term liabilities.

**Pensions** – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Alameda County Employees' Retirement Association (ACERA) plan and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by ACERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Post-Employment Benefits (OPEB)** – For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of First 5 Alameda County's Alameda County Employees' Retirement Association (ACERA) plan and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by ACERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Deferred Outflows/Inflows of Resources** – In addition to assets, the statement of net position also reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. First 5 Alameda County reports deferred outflows related to pensions and OPEB.

In addition to liabilities, the statement of net position and governmental fund balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period. First 5 Alameda County reports deferred inflows related to pensions, OPEB, and unavailable revenue. Under the modified accrual basis of accounting, revenue is recognized in the fund financial statements if it has been collected after year-end within the First 5 Alameda County's established availability period of 90 days. All other accrued revenues due to First 5 Alameda County are recognized as deferred inflows - unavailable revenue in the fund financial statements. Governmental funds recognized unavailable revenue where receivables are not available to liquidate liabilities of the current period. Unavailable revenues of \$2,601,745 was recognized as revenue in the government wide financial statements.

**Use of Estimates** – The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

#### **Implementation of New GASB Pronouncements**

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the First 5 Alameda County's financial reporting process. New standards applicable to the year ending June 30, 2024 are as follows:

**GASB Statement No. 99** – In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in account and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. First 5 Alameda County has determined that there was no material impact on the financial statements.

**GASB Statement No. 100** – In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. First 5 Alameda County has separated the Measure AA fund from the General Fund. The effect of this change is reported in Note 12 to the financial statements.

## Note 2 - Cash and Investments

The following is a summary of deposits and investments as of June 30, 2024:

	Investment Maturities in Years			Total Fair Value	Moody's Credit Rating	Portfolio Allocation
	Less than 1	1-3	3-5			
Cash and cash deposits	\$ -	\$ -	\$ -	\$ 11,484,447	Not Rated	35%
Investments						
Investment in County Pool	268,107	-	-	268,107	Not Rated	1%
Money market mutual funds	168,573	-	-	168,573	Aaa	1%
Municipal bonds	-	250,536	-	250,536	Aa2/Aa1	1%
U.S. Treasury obligations	2,499,634	2,661,431	4,033,044	9,194,109	Aaa	28%
Federal agency securities	-	1,701,761	1,524,697	3,226,458	Aaa	10%
Supranational	-	836,788	246,494	1,083,282	Aaa	3%
Asset backed security	260,257	849,037	786,908	1,896,202	Aaa/Not Rated	6%
Corporate bonds and notes	-	3,110,845	2,277,515	5,388,360	See Below	16%
Total investments	<u>\$ 3,196,571</u>	<u>\$ 9,410,398</u>	<u>\$ 8,868,658</u>	<u>21,475,627</u>		
Total cash and investments				<u>\$ 32,960,074</u>		

The corporate bonds and notes were rated by Moody's at June 30, 2024 as follows:

A1	\$ 2,623,681
A2	1,653,143
A3	438,999
Aaa	169,217
Aa2	<u>503,320</u>
Total	<u>\$ 5,388,360</u>

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses from rising interest rates, First 5 Alameda County's investment policy limits the average portfolio maturity to three years. The investment policy states that First 5 Alameda County shall not directly purchase securities maturing more than six years from the date of purchase, unless matched to a specific cash flow.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. First 5 Alameda County’s investment policy limits investments to (a) U.S. Treasury obligations, (b) federal agency obligations (including notes issued by corporations under the Federal Deposit Insurance Corporation’s Temporary Liquidity Guarantee Program) and (c) securities that, at the time of purchase, are rated or collateralized as follows:

- Negotiable Certificates of Deposit (CD) issued by institutions which have long-term debt rated in a rating category of A or the equivalent or better by a nationally recognized statistical rating organizations (NRSRO) and/or have short-term debt rated at least A-1 or the equivalent by a NRSRO. Negotiable CDs in amounts up to the FDIC limit does not require any credit ratings.
- Money Market Mutual Funds rated the highest letter and numerical rating provided by not less than two NRSROs.
- Commercial Paper rated the highest ranking or of the highest letter and number rating as provided for by a NRSRO.
- Corporate Notes rated in a rating category of A or the equivalent or better by a NRSRO.
- Local Agency Obligations and Municipal Securities rated in a rating category of A or the equivalent or better by at least one NRSRO.
- Asset Back Securities rated in a rating category of “AA” or the equivalent or better by a NRSRO.
- Supranationals rated in a rating category of “AA” or the equivalent or higher by a NRSRO.

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. First 5 Alameda County’s investment policy limits the amount that may be invested in the securities of any one issuer to five percent of the portfolio, except for securities of the U.S. Treasury. Investments in any one issuer that represent 5% or more of total investments are as follows:

Issuer	Amount	Percentage Holdings
Federal Farm Credit Banks Funding Group	\$ 1,619,161	8%

**County Pool** – First 5 Alameda County is a participant in the Alameda County Treasurer’s Pool (County Pool). The County Pool is not registered with the Securities and Exchange Commission and is not rated. The Alameda County Treasury Oversight Committee conducts County Pool oversight. Cash on deposit in the County Pool at June 30, 2024, is stated at fair value. The County values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. First 5 Alameda County has \$268,107 invested in the County of Alameda Treasurer’s investment pool at June 30, 2024.

The County’s investment policy limits the investment maximum average maturity to two years; Authorized investments include debts issued by the County; U.S. Treasury securities; bankers’ acceptances; federal, state and local government securities; commercial paper; medium-term corporate notes; negotiable certificates of deposit; state investment pool (Local Agency Investment Fund); money market and mutual funds; mortgage-backed obligations; repurchase agreements; and reverse repurchase agreements. Additional information regarding deposit custodial credit, interest and credit risks, and securities lending transactions of the County investment pool is presented in the notes of the County’s basic financial statements.

**Custodial Credit Risk for Deposits** – Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities in the possession of an outside party. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. First 5 Alameda County places its cash and investments with credit worthy and high-quality financial institutions. Cash balance is insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2024, the bank balance of First 5 Alameda County's bank deposit exceeded FDIC's insurance limit by \$11,511,275 (including outstanding checks in transit of \$276,828) and are collateralized by the pledging institution as noted above.

### Fair Value Measurements

First 5 Alameda County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 inputs are significant unobservable inputs.

First 5 Alameda County's investments have the following recurring fair value measurements as of June 30, 2024:

Investment	Total Investment	Fair Value Measuring Using		
		Quoted Price in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Asset backed securities	\$ 1,896,202	\$ -	\$ 1,896,202	\$ -
Federal agency securities	3,226,458	-	3,226,458	-
Municipal bonds	250,536	-	250,536	-
Supranational	1,083,282	-	1,083,282	-
Corporate bonds and notes	5,388,360	-	5,388,360	-
U.S. Treasury obligations	9,194,109	-	9,194,109	-
	<u>21,038,947</u>	<u>\$ -</u>	<u>\$ 21,038,947</u>	<u>\$ -</u>
Investments Not Subject to Fair Value Hierarchy				
Money market mutual funds	168,573			
Investment in County Pool	<u>268,107</u>			
Total pooled and direct investments	<u>\$ 21,475,627</u>			

Deposits and withdrawals of Funds held in the County Investment Pool are made on the basis of \$1 and not fair value. Accordingly, First 5 Alameda County's proportionate share of investments in the County of Alameda Investment Pool at June 30, 2024, of \$268,107 is an uncategorized input, not defined as a level 1, level 2 or level 3 input and approximates fair value. The valuation of the 2a-7 Money Market Mutual funds is at one-dollar net asset value (NAV) per share. Money Market Mutual funds may be redeemed daily.

### Note 3 - Capital Assets

A Summary of changes in capital assets and right to use assets recorded in governmental activities follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated				
Land	\$ 1,096,265	\$ -	\$ -	\$ 1,096,265
Total capital assets not being depreciated	1,096,265	-	-	1,096,265
Capital assets being depreciated				
Building	4,148,408	-	-	4,148,408
Furniture and equipment	125,082	-	-	125,082
Total capital assets being depreciated	4,273,490	-	-	4,273,490
Less accumulated depreciation for				
Building	1,533,653	150,851	-	1,684,504
Furniture and Equipment	125,084	-	-	125,084
Total accumulated depreciation	1,658,737	150,851	-	1,809,588
Total capital assets being depreciated, net	2,614,753	(150,851)	-	2,463,902
Right to use lease assets being amortized				
Furniture and equipment	67,631	-	-	67,631
Less accumulated amortization for right to use lease assets				
Furniture and equipment	27,234	15,437	-	42,671
Total right to use lease assets being amortized, net	40,397	(15,437)	-	24,960
Total capital assets and right to use lease assets, net	<u>\$ 3,751,415</u>	<u>\$ (166,288)</u>	<u>\$ -</u>	<u>\$ 3,585,127</u>

Depreciation expense for the year ended June 30, 2024, was \$150,851 and amortization expense was \$15,437. Depreciation expense and amortization expense are included in the administration function on the statement of activities.

#### Note 4 - Leases

Changes in the lease liability for the fiscal year ended June 30, 2024, are summarized as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Amount Due within one year
Lease liability	\$ 40,805	\$ -	\$ 15,368	\$ 25,437	\$ 15,559

First 5 Alameda County entered into two agreements to lease office equipment. The first lease is to lease a copier for 60 months, beginning July 2020. Under the terms of the lease, First 5 Alameda County pays a quarterly fee of \$2,910. First 5 Alameda County has an option to extend the lease for 12 months after the end of the lease term (60 months), which First 5 Alameda County believes it will not exercise with reasonable certainty. The second lease is to lease a postage machine for 60 months beginning May 2022. The lease terminates in May 2027. Under the terms of the lease, First 5 Alameda County pays a quarterly fee of \$1,065.

At June 30, 2024, the First 5 Alameda County has recognized a right to use asset (net of accumulated amortization) of \$24,960 and a lease liability of \$25,437 related to these agreements. During the fiscal year, the First 5 Alameda County recorded \$15,437 in amortization expense and \$531 in interest expense for the right to use the office equipment. The First 5 Alameda County used a discount rate of 1% and 3% on each lease respectively, based on First 5 Alameda County's estimated incremental borrowing rates adjusted for the timing and length of each lease.

Remaining obligations associated with these leases are as follows:

Fiscal Year Ended June 30,	Principal	Interest
2025	\$ 15,559	\$ 340
2026	6,028	171
2027	3,850	54
Total	\$ 25,437	\$ 565

#### Note 5 - Compensated Absences

Changes in the compensated absences liability for the fiscal year ended June 30, 2024, are summarized as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Amount Due within one year
Compensated Absences	\$ 765,046	\$ 386,557	\$ 237,518	\$ 914,085	\$ 91,409

Compensated absences are typically liquidated by the General Fund.

## **Note 6 - Retirement Plan**

### **Plan Description**

First 5 Alameda County provides retirement benefits through the Alameda County Employees' Retirement Association (ACERA). ACERA began operations on January 1, 1948, and is governed by the California Constitution, the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act (PEPRA) of 2012 and the bylaws, procedures and policies adopted by the Board of Retirement. ACERA operates as a cost-sharing multiple-employer defined benefit plan for Alameda County and participating special districts located in the County, including First 5 Alameda County. ACERA is not under the control of the Alameda County Board of Supervisors. ACERA issues a publicly available financial report that can be obtained at [www.ACERA.org](http://www.ACERA.org).

The management of ACERA is vested with the ACERA Board of Retirement. The Board consists of nine members and two alternates. The County Treasurer is a member of the Board of Retirement by law and is elected by the general public. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two active members are elected by the General members; one active member and one alternate are elected by the Safety members; one retired member and one alternate are elected by the retired members. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with his term as County Treasurer.

### **Benefits Provided**

ACERA provides service and disability retirement benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by state law and are subject to amendment only by an act of the State of California legislature.

All full-time regular First 5 Alameda County employees are required by statute to become members of ACERA. Membership for these employees is effective on the first day of the second pay period following the employee's hire date. Safety membership includes employees who are in active law enforcement, probation officers and juvenile hall counselors. General membership includes all other eligible classifications. As of June 30, 2024, 67 First 5 Alameda County employees are members of ACERA, and all members are General members.

General members enrolled in Tiers 1, 2 or 3 are eligible to retire once they attain the age of 70 regardless of service or at age 50 with five or more years of retirement service credit and a total of 10 years of qualifying membership. A non-Tier 4 General member with 30 years of service is eligible to retire regardless of age. General members enrolled in Tier 4 are eligible to retire once they have attained the age of 52 and have acquired five years of retirement credit, or at age 70 regardless of service. The retirement benefits the member will receive is based upon age of retirement, final average compensation, years of retirement service credit and retirement plan and tier. For members enrolled in Tiers 1, 2, or 3, the maximum monthly retirement allowance is 100% of final compensation. There is no maximum for members enrolled in Tier 4.

The Tiers and their basic provisions are listed below:

Tier Name	Service Retirement Governing Code	Effective Date	Basic Provisions	Final Average Salary Period
General Tier 1	31676.12	Various	2% at 57; maximum 3% COLA	Highest 1-year
General Tier 2	31676.1	June 30, 1983	2% at 61; maximum 2% COLA	Highest 3-years
General Tier 4	7522.20(a)	January 1, 2013	2.5% at 67; maximum 2% COLA	Highest 3-years

### Contributions

The participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from the Plan's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2024 was 23.41% of compensation. For the year ended June 30, 2024, the First 5 Alameda County made contributions of \$2,408,479 to the Plan.

State and Federal laws as well as the California Constitution provide the authority for the establishment of ACERA benefit provisions. In most cases where the 1937 Act provides options concerning the allowance of credit for service, the offering of benefits, or the modification of benefit levels, the law generally requires approval of the employers' governing board for the option to take effect. Separately, in 1984 the Alameda Board of Supervisors and the Board of Retirement approved the adoption of Article 5.5 of the 1937 Act. This adoption permitted the establishment of a Supplemental Retirees Benefit Reserve (SRBR) for ACERA.

Article 5.5 provides for the systematic funding of the SRBR and stipulates that its assets be used only for the benefit of retired members and their beneficiaries. The 1937 Act grants exclusive authority over the use of the SRBR funds to the Board of Retirement. Supplemental benefits currently provided through the SRBR include supplemental COLA, retiree death benefit, and retiree health benefits including the Monthly Medical Allowance (MMA), dental and vision care, and Medicare Part B reimbursement. The provision of all supplemental benefits from the SRBR is subject to available funding and annual review and authorization by the Board of Retirement. SRBR benefits are not vested.

Members are required to make contributions to ACERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2024 was 10.00% of compensation.

### Plan's Collective Net Pension Liability

As of June 30, 2024, First 5 Alameda County reported a net pension liability of \$14,969,416 for its proportionate shares of the Plan's collective net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. First 5 Alameda County's proportion of the net pension liability was based on a projection of First 5 Alameda County's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined.

First 5 Alameda County's proportionate share of the net pension liability for the plan as of December 31, 2023, and 2022 was as follows:

Proportion – December 31, 2022	0.604%
Proportion – December 31, 2023	<u>0.859%</u>
Change in Proportion	<u><u>0.255%</u></u>

For the year ended June 30, 2024, First 5 Alameda County recognized pension expense of \$2,958,917. At June 30, 2024, First 5 Alameda County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,582,904	\$ -
Changes in proportion and differences between employer's contributions and proportionate share of contributions	3,513,801	-
Change in assumptions	563,966	771,933
Difference between projected and actual earnings on pension plan investments	1,518,238	-
Difference between expected and actual experience	<u>908,126</u>	<u>114,274</u>
Total	<u><u>\$ 8,087,035</u></u>	<u><u>\$ 886,207</u></u>

\$1,582,904 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year End June 30,</u>	
2025	\$ 1,763,084
2026	1,638,294
2027	2,205,317
2028	<u>11,229</u>
Total	<u><u>\$ 5,617,924</u></u>

## Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount rate	7.00%
Inflation Rate	2.75%
Salary Increases	3.65% to 8.35%
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Mortality	Amount-Weighted Above-Median Mortality Tables projected 30 years generationally with the two dimensional MP-2021 scale

The underlying mortality assumptions and all other actuarial assumption used in the December 31, 2022 valuation was based on the results of an experience study for the period of December 1, 2019 through November 30, 2022.

## Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of December 31, 2023 and 7.00% as of December 31, 2022. Article 5.5 of the 1937 Act, which authorizes the allocation of 50% excess earnings to the SRBR, does not allow the use of a different investment return assumption for funding than is used for interest crediting. In order to reflect the provisions of Article 5.5, future allocations to the SRBR have been treated as an additional outflow against ACERA's fiduciary net position in the GASB crossover test. It is estimated that the additional outflow would average approximately 0.65% of assets over time, based on the results of the actuarial stochastic modeling of the 50% allocation of future excess earnings to the SRBR.

The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current member contribution rates, and that employer contributions will be made at rates equal to the actuarially determined contribution rates plus additional future contributions that would follow from the future allocation of excess earnings to the SRBR. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, ACERA's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments for funding valuation purposes was using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of December 31, 2022, are summarized in the table below.

Asset Class	Target Allocation	Long Term (Arithmetic) Expected Real Rate of Return
US Large Cap Equity	21.60%	6.00%
US Small Cap Equity	2.40%	6.65%
International Developed Equity	16.30%	7.01%
International Small Cap Equity	2.90%	7.34%
Emerging Markets Equity	4.80%	8.80%
Core Fixed Income	10.50%	1.97%
High Yield Bonds	1.50%	4.63%
Global Fixed Income	2.00%	1.17%
Private Equity	11.00%	9.84%
Core Real Estate	6.30%	3.86%
Value Added Real Estate	1.80%	6.70%
Opportunistic Real Estate	0.90%	8.60%
Commodities	0.90%	4.21%
Private Credit	4.00%	6.47%
Absolute Return	8.00%	2.10%
Infrastructure	5.10%	7.30%
Total	100.00%	

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the First 5 Alameda County’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what First 5 Alameda County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

1% Decrease	6.00%
Net Pension Liability	\$ 25,719,423
Current Discount Rate	7.00%
Net Pension Liability	\$ 14,969,416
1% Increase	8.00%
Net Pension Liability	\$ 6,110,310

#### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued ACERA financial reports, which can be obtained at ACERA’s website ([www.acera.org](http://www.acera.org)) under Forms and Publications.

#### **Note 7 - Other Postemployment Benefits (OPEB)**

##### **Plan Description**

First 5 Alameda County provides other post-employment benefits (OPEB) through the Alameda County Employees’ Retirement Association (ACERA). ACERA began operations on January 1, 1948, and is governed by the California Constitution, the County Employees Retirement Law of 1937 and the bylaws, procedures and policies adopted by the Board of Retirement. ACERA operates as a cost-sharing multiple- employer defined benefit plan for Alameda County and participating special districts located in the County, including First 5 Alameda County. ACERA is not under the control of the Alameda County Board of Supervisors. ACERA issues a publicly available financial report that can be obtained at [www.ACERA.org](http://www.ACERA.org).

The management of ACERA is vested with the ACERA Board of Retirement. The Board consists of nine members and two alternates. The County Treasurer is a member of the Board of Retirement by law and is elected by the general public. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two active members are elected by the General members; one active member and one alternate are elected by the Safety members; one retired member and one alternate are elected by the retired members. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with his term as County Treasurer.

##### **Benefits Provided**

ACERA administers a non-vested medical benefits program for eligible retired members. The benefits include medical, dental and vision subsidies as well as Medicare Part B premium reimbursement. The subsidies are paid in the form of a monthly medical allowance. The maximum levels of the monthly medical allowances are reviewed annually by the Board of Retirement.

Retired members with a minimum of ten years of service credit or those retired with service-connected disability are eligible to receive monthly medical, dental and vision allowance benefits if they enroll in one of the ACERA sponsored medical plans or Medicare exchange. Retired members eligible for the monthly medical allowance benefit may also be reimbursed for the lowest standard Medicare Part B premium with proof of enrollment in Medicare Part B.

### Contributions

There are no legal or contractual contribution requirements for the OPEB plan. Funding for the OPEB plan relies entirely on semi-annual earnings allocations from the total fund to the Supplemental Retiree Benefits Reserve (SRBR) as mandated by Article 5.5 of the 1937 Act. The OPEB assets are held in the 401(h) account and the SRBR to pay the non-vested benefits.

### Plan's Collective Net OPEB Liability

As of June 30, 2024, First 5 Alameda County reported a net OPEB liability of \$1,349,314 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. First 5 Alameda County's proportion of the net OPEB liability was based on a projection of First 5 Alameda County's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined.

First 5 Alameda County's proportionate share of the net OPEB liability for the plan as of December 31, 2022 and 2023 (measurement dates) was as follows:

Proportion – December 31, 2022	0.463%
Proportion – December 31, 2023	<u>0.647%</u>
Change in Proportion	<u><u>0.184%</u></u>

For the year ended June 30, 2024, First 5 Alameda County recognized OPEB expense of \$427,297. At June 30, 2024, First 5 Alameda County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 164,430	\$ 290,235
Difference between expected and actual experience	-	447,253
Changes in proportion and differences between employer's contributions and proportionate share of contributions	200,477	-
Difference between projected and actual earnings on OPEB plan investments	<u>945,379</u>	<u>-</u>
Total	<u><u>\$ 1,310,286</u></u>	<u><u>\$ 737,488</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>	
2025	\$ (112,157)
2026	170,852
2027	684,275
2028	(141,163)
2029	(25,781)
Thereafter	<u>(3,228)</u>
Total	<u>\$ 572,798</u>

### Actuarial Assumptions

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Investment rate of return	7.00%, net of OPEB plan expense, including inflation
Discount rate	7.00%
Inflation	2.50%
Salary	3.65% - 8.35%
Health care premium trend rates:	
Non-Medicare medical plan	7.50% in 2025, then graded from 7.00% in 2026 to ultimate 4.50% over 10 years
Medicare medical plan	7.00% in 2025 to graded to ultimate 4.50% over 10 years
Dental	0.00% in 2024 to reflect a two-year rate guarantee (premiums fixed at 2024 level for 2024 and 2025) and 4.00% thereafter
Vision	0.00% for the first year to reflect a five-year rate guarantee (premiums fixed at 2021 level for 2022, 2023, 2024 and 2025) and 4.00% thereafter
Medicare Part B	4.50%
Other assumptions	See analysis of actuarial experience during the period December 1, 2019 through November 30, 2022

### Discount Rate

The discount rate used to measure the total OPEB Liability was 7.00% as of December 31, 2023, and 7.00% as of December 31, 2022. The projection of cash flows used to determine the discount rate assumed benefits are paid out of current SRBR OPEB assets. Based on those assumptions, the SRBR's Fiduciary Net Position was projected to be available to make all projected future benefits payments for current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB Liability as of December 31, 2023, and December 31, 2022.

The long-term expected rate of return on pension plan investments for funding valuation purposes was using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return are summarized in the table below.

Asset Class	Target Allocation	Long Term (Arithmetic) Expected Real Rate of Return
US Large Cap Equity	22.40%	5.43%
US Small Cap Equity	2.50%	6.21%
International Developed Equity	17.00%	6.67%
International Small Cap Equity	3.00%	7.36%
Emerging Markets Equity	5.00%	8.58%
Core Plus Fixed Income	11.50%	1.10%
High Yield Bonds	1.60%	2.91%
Global Fixed Income	3.00%	-0.63%
Private Equity	10.50%	10.00%
Core Real Estate	8.00%	4.58%
Commodities	0.75%	3.46%
Infrastructure	1.75%	7.80%
Private Credit	4.00%	8.50%
Absolute Return	9.00%	3.70%
Total	<u>100.00%</u>	

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following presents the First 5 Alameda County’s proportionate share of the net OPEB liability calculated using the discount rate of 7.00%, as well as what First 5 Alameda County’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

1% Decrease	6.00%
Net OPEB Liability	\$ 2,444,362
Current Discount Rate	7.00%
Net OPEB Liability	\$ 1,349,314
1% Increase	8.00%
Net OPEB Liability	\$ 442,279

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the First 5 Alameda County’s proportionate share of the net OPEB liability calculated using the current trend rate, as well as what First 5 Alameda County’s proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

1% Decrease	6.5% decreasing to 3.5%
Net OPEB Liability	\$ 287,756
Current Trend Rates	7.5% decreasing to 4.5%
Net OPEB Liability	\$ 1,349,314
1% Increase	8.5% decreasing to 5.5%
Net OPEB Liability	\$ 2,662,451

#### **OPEB Plan Fiduciary Net Position**

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued ACERA financial reports, which can be obtained at ACERA’s website ([www.acera.org](http://www.acera.org)) under Forms and Publications.

#### **Note 8 - Commitments and Contingent Liabilities**

First 5 Alameda County has received funds from various Federal, state and local programs. It is possible that at some future date, funding sources may be discontinued if First 5 Alameda County was found not in compliance with any applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although First 5 Alameda County does not expect such disallowed amount, if any, to materially affect the financial statements.

#### **Note 9 - Risk Management**

First 5 Alameda County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. First 5 Alameda County has purchased commercial insurance coverage for general liability, workers’ compensation, employee liability; fidelity, and property coverage.

During the year ending June 30, 2024, the First 5 Alameda County had no settlements exceeding insurance coverage for these categories of risk. For the past three years, settlements or judgment amounts have not exceeded insurance provided for the First 5 Alameda County.

#### **Note 10 - Program Evaluation Costs**

First 5 Alameda County spent \$1,473,886 on program evaluation during year ended June 30, 2024.

### Note 11 - Related Party Transactions

The legally required composition of First 5 Alameda County includes a County Supervisor, Directors of County agencies and representatives of agencies and constituencies concerned with children. Many of the programs funded by First 5 Alameda County are operated by organizations represented by Commissioners. Commissioners may abstain from voting on issues and participating in discussions directly related to their respective organizations. The following table shows those contracts awarded and expenditures in the fiscal year 2023-24 to agencies represented by Commissioners:

Related Party	Contract Amount	Fiscal Year 2023-24 Expenditures
4Cs of Alameda County	\$ 366,820	\$ 366,820
Alameda County Public Health Department	95,000	95,000
Parent Voices Oakland	77,625	77,625
	<u>\$ 539,445</u>	<u>\$ 539,445</u>

The following table shows balances due to agencies represented by Commissioners at June 30, 2024:

Related Party	Amount Due
4Cs of Alameda County	\$ 208,925
Alameda County Public Health Department	23,750
Parent Voices Oakland	19,406
	<u>\$ 252,081</u>

The following table shows revenue with agencies represented by Commissioners for the fiscal year ended June 30, 2024:

Related Party	Fiscal Year 2023-24 Revenues
Alameda County Public Health Department	\$ 761,065
Alameda County Social Services Agency	1,081,215
	<u>\$ 1,842,280</u>

**Note 12 - Change in Reporting Entity**

The Measure AA funds were previously reported in the General Fund. Due to the nature of the funds and the administrative requirement to account and report on these funds, First 5 Alameda County has separated out the funds from the General Fund into a special revenue fund as of July 1, 2023. The effect of the separation is as follows:

	General Fund	Measure AA Special Revenue Fund
	<u>                    </u>	<u>                    </u>
Fund Balance at June 30, 2023, as previously reported	\$ 29,971,981	\$ -
Change within the Financial Reporting Entity		
Transfer of Assets	(3,666,757)	3,666,757
Transfer of Liabilities	<u>3,666,757</u>	<u>(3,666,757)</u>
Fund Balance at July 1, 2023, as restated	<u><u>\$ 29,971,981</u></u>	<u><u>\$ -</u></u>



Required Supplementary Information  
For the Year Ended June 30, 2024

## First 5 Alameda County

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**First 5 Alameda County**

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - General Fund  
For the Year Ended June 30, 2024

	Budgeted amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Prop 10 Tobacco Tax	\$ 9,989,069	\$ 9,577,736	\$ 9,932,086	\$ 354,350
Grants				
Federal	1,742,692	1,742,692	1,961,665	218,973
State	1,225,293	1,225,293	1,133,272	(92,021)
Local	2,104,777	2,294,926	1,554,606	(740,320)
Private	3,538,513	4,036,020	1,560,759	(2,475,261)
Subtotal	18,600,344	18,876,667	16,142,388	(2,734,279)
Fiscal Leveraging				
Medi-Cal Administrative Activities (MAA)	2,500,000	2,500,000	3,058,291	558,291
Investment income				
Interest Income	324,000	324,000	1,092,247	768,247
Subtotal	2,824,000	2,824,000	4,150,538	1,326,538
Miscellaneous income	-	-	51,060	51,060
Total revenues	21,424,344	21,700,667	20,343,986	(1,356,681)
Expenditures				
Current				
Personnel				
Salaries	11,682,538	12,731,324	11,156,807	1,574,517
Benefits	6,460,417	6,747,593	5,624,206	1,123,387
Subtotal	18,142,955	19,478,917	16,781,013	2,697,904
Program Contracts/Grants/MOU's:				
Contracts	10,186,601	11,695,663	8,501,618	3,194,045
Grants	250,000	250,000	250,000	-
Training stipends	205,000	215,000	199,471	15,529
Professional services contracts	293,345	422,328	359,076	63,252
Subtotal	10,934,946	12,582,991	9,310,165	3,272,826

(Continued)

# First 5 Alameda County

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended June 30, 2024

	Budgeted amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Training expenses				
Copy/printing	\$ 17,111	\$ 29,899	\$ 27,370	\$ 2,529
Food/hospitality	35,700	37,300	45,336	(8,036)
Space rental	7,000	8,500	28,684	(20,184)
Honoraria	12,456	19,706	13,625	6,081
Postage	3,200	3,200	8,729	(5,529)
Professional services	107,271	100,271	58,355	41,916
Supplies	224,925	263,815	292,591	(28,776)
Travel	33,500	36,000	56,258	(20,258)
Staff development/training	110,256	125,756	95,602	30,154
Subtotal	551,419	624,447	626,550	(2,103)
General expenses				
Communications	456,929	456,929	397,128	59,801
Copying/printing	20,000	20,000	3,792	16,208
Equipment purchase	80,000	80,000	83,514	(3,514)
Postage	5,000	5,000	384	4,616
Insurance	80,000	80,000	75,566	4,434
Membership	85,950	85,950	80,966	4,984
Professional services	428,000	428,000	418,225	9,775
Space rental	24,000	24,000	21,896	2,104
Utilities	90,000	90,000	89,504	496
Janitorial services	47,000	47,000	55,119	(8,119)
Dues and taxes	25,000	25,000	24,857	143
Maintenance	159,969	159,969	62,575	97,394
Subtotal	1,501,848	1,501,848	1,313,526	188,322
Debt Service				
Principal	-	-	15,368	(15,368)
Interest	-	-	531	(531)
Subtotal	-	-	15,899	(15,899)
Total expenditures	31,131,168	34,188,203	28,047,153	6,141,050
Other Financing Sources				
Transfer In	3,477,215	2,276,650	2,276,650	-
Net change in fund balance	<u>\$ (6,229,609)</u>	<u>\$ (10,210,886)</u>	<u>(5,426,517)</u>	<u>\$ 4,784,369</u>
Fund Balance - beginning of year			29,971,981	
Fund Balance - end of year			<u>\$ 24,545,464</u>	

# First 5 Alameda County

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Measure AA For the Year Ended June 30, 2024

	Budgeted amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Measure AA Parcel Tax	\$ 23,181,428	\$ 24,513,168	\$ 14,486,881	\$ (10,026,287)
Expenditures				
Current				
Personnel				
Salaries	506,949	815,362	820,874	(5,512)
Benefits	268,680	432,142	375,007	57,135
Subtotal	775,629	1,247,504	1,195,881	51,623
Program Contracts/Grants/MOU's				
Contracts	18,928,584	20,951,014	10,994,090	9,956,924
Professional services contracts	-	-	17,039	(17,039)
Subtotal	18,928,584	20,951,014	11,011,129	9,939,885
Direct Program Costs				
Food/hospitality	-	-	1,081	(1,081)
Professional services	-	-	838	(838)
Supplies	-	25,000	-	25,000
Travel	-	10,000	252	9,748
Staff development/training	-	-	1,050	(1,050)
Subtotal	-	35,000	3,221	31,779
General expenses				
Professional services	-	3,000	-	3,000
Subtotal	-	3,000	-	3,000
Total expenditures	19,704,213	22,236,518	12,210,231	10,026,287
Other Financing Sources				
Transfer Out	(3,477,215)	(2,276,650)	(2,276,650)	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund Balance - beginning of year			-	
Fund Balance - end of year			\$ -	

First 5 Alameda County  
Employees' Retirement Association –  
Schedule of Proportionate Share of the Net Pension Liability  
Last 10 Years Ended June 30, 2024

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	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Proportion of the net pension liability	0.326%	0.349%	0.358%	0.334%
Proportionate share of the net pension liability	\$ 5,674,306	\$ 7,383,341	\$ 8,035,666	\$ 6,731,962
Covered payroll	\$ 3,957,401	\$ 4,239,645	\$ 4,416,769	\$ 4,562,701
Proportionate share of the net pension liability as a percentage of covered payroll	143.38%	174.15%	181.94%	147.54%
Plan fiduciary net position as a percentage of the total pension liability	81.06%	76.89%	76.88%	81.93%
Measurement date	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017

First 5 Alameda County  
Employees' Retirement Association –  
Schedule of Proportionate Share of the Net Pension Liability  
Last 10 Years Ended June 30, 2024

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
0.366%	0.368%	0.398%	0.792%	0.604%	0.859%
\$ 10,129,093	\$ 7,872,042	\$ 8,730,366	\$ 6,278,562	\$ 13,481,275	\$ 14,969,416
\$ 4,952,333	\$ 5,423,220	\$ 5,953,576	\$ 6,311,029	\$ 6,796,789	\$ 9,745,890
204.53%	145.15%	146.64%	99.49%	198.35%	153.60%
74.56%	82.22%	82.77%	88.38%	77.51%	82.54%
December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023

First 5 Alameda County  
Schedule of Pension Contributions  
Last 10 Years for the Year Ended June 30, 2024\*

	2015	2016	2017	2018
Actuarially determined contributions	\$ 764,451	\$ 808,996	\$ 897,742	\$ 910,867
Contributions in relation to the actuarially determined contribution	764,451	808,996	897,742	910,867
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,957,401	\$ 4,239,645	\$ 4,416,769	\$ 4,562,701
Contributions as a percentage of covered payroll	19.32%	19.08%	20.33%	19.96%

**Notes to schedule:**

\*Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

Methods and assumptions used to determine contribution rates:

Contribution rates are determined based on calendar year.

Calendar year	January - June	July - December
Valuation Date	December 31, 2021	December 31, 2022
Actuarial Cost Method	Entry Age Actuarial Cost Method	
Amortization Method	3.25%	3.25%
Amortization Period	5.05	5.05
Asset Valuation Method	Investment gains and losses spread over 10 six month interest crediting periods.	
Investment rate of return, net of pension plan administrative and investment expense, including inflation	7.00%	7.00%
General Inflation	2.75%	2.50%

First 5 Alameda County  
Schedule of Pension Contributions  
Last 10 Years for the Year Ended June 30, 2024\*

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 1,022,889	\$ 1,200,993	\$ 1,329,139	\$ 1,477,674	\$ 1,695,921	\$ 2,408,479
<u>1,022,889</u>	<u>1,200,993</u>	<u>1,329,139</u>	<u>1,477,674</u>	<u>1,695,921</u>	<u>2,408,479</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,952,333	\$ 5,423,220	\$ 5,953,576	\$ 6,311,029	\$ 6,796,789	\$ 9,745,890
20.65%	22.15%	22.33%	23.41%	24.95%	24.71%

First 5 Alameda County  
Schedule of Proportionate Share of the Net OPEB Liability (Asset)  
Last 10 Years for the Year Ended June 30, 2024\*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Proportion of the net OPEB liability	0.369%	0.379%	0.403%	0.429%
Proportionate share of the Net OPEB liability / (asset)	\$ 101,306	\$ 883,354	\$ 455,283	\$ 28,692
Covered-employee payroll	\$ 4,562,701	\$ 4,952,333	\$ 5,423,220	\$ 5,953,576
Proportionate share of the Net OPEB liability as a percentage of covered - employee payroll	2.22%	17.84%	8.40%	0.48%
Plan fiduciary net position as a percentage of the Net OPEB liability	97.33%	77.91%	89.57%	99.44%
Measurement date	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020

**Notes to schedule:**

\*Fiscal year 2018 was the first year of implementation, therefore, only seven years are shown.

The plan is funded on a pay as you go basis and therefore has no actuarially determined contributions.

First 5 Alameda County  
Schedule of Proportionate Share of the Net OPEB Liability (Asset)  
Last 10 Years for the Year Ended June 30, 2024\*

<u>2022</u>	<u>2023</u>	<u>2024</u>
0.445%	0.463%	0.647%
\$ (1,871,205)	\$ 885,628	\$ 1,349,314
\$ 6,311,029	\$ 6,796,789	\$ 9,745,890
-29.65%	13.03%	13.84%
134.96%	84.47%	97.11%
December 31, 2021	December 31, 2022	December 31, 2023

**Note 1 - Budget**

The First 5 Alameda County prepares and legally adopts a final budget on or before June 30th of each fiscal year. The First 5 Alameda County operations, commencing July 1st, are governed by the proposed budget, adopted by the First 5 Alameda County by June of the prior fiscal year.

An operating budget is adopted each fiscal year in accordance with generally accepted accounting principles based on estimates of revenues and anticipated expenditures.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the total fund level. The First 5 Alameda County does not establish a budget for capital outlay or debt service.



Supplementary Information  
For the Year Ended June 30, 2024  
**First 5 Alameda County**

**First 5 Alameda County**

Schedule of Revenues and Expenditures by Fund Source and Fund Balance of CCFC Funds for First 5 Programs  
For the Year Ended June 30, 2024

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	<u>CCFC Funds*</u>
Revenue	
First 5 IMPACT - Improve and Maximize Programs so All Children Thrive	<u>\$ 1,133,272</u>
Expenditures	
Current	
Salaries and employee benefits	206,595
Other	798,083
Indirect costs	<u>128,594</u>
Total expenditures	<u>1,133,272</u>
Excess of Revenues over Expenditures	-
Beginning Fund Balance	<u>-</u>
Ending Fund Balance	<u><u>\$ -</u></u>

\* \$69,432 HUB funding received from First 5 San Benito is not included in IMPACT (\$1,133,272).



Compliance Reports  
For the Year Ended June 30, 2024  
**First 5 Alameda County**



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed in Accordance  
with *Government Auditing Standards***

To the Board of Commissioners  
First 5 Alameda County  
Alameda, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of First 5 Alameda County, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise First 5 Alameda County's basic financial statements and have issued our report thereon dated September 27, 2024. Our report included an emphasis of matter on the change in reporting fund for the year ended June 30, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered First 5 Alameda County'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 First 5 Alameda County's internal control. Accordingly, we do not express an opinion on the effectiveness of First 5 Alameda County'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 First 5 Alameda County's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether First 5 Alameda County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California  
September 27, 2024



## Independent Auditor's Report on State Compliance

To the Board of Commissioners  
First 5 Alameda County  
Alameda, California

### Report on Compliance

#### ***Opinion***

We have audited the First 5 Alameda County's 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 First 5 Alameda County's statutory requirements identified below for the year ended June 30, 2024.

In our opinion, First 5 Alameda County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2024.

#### ***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 (*Government Auditing Standards*) and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. 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 First 5 Alameda County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of First 5 Alameda County's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding First 5 Alameda County's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of First 5 Alameda County'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 First 5 Alameda County's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine First 5 Alameda County's compliance with the state laws and regulations applicable to the following items:

Description	Audit Guide Procedures	Procedures Performed
Contacting 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 Benefits Policies	2	Yes

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

### **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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California  
September 27, 2024



**To:** First 5 Alameda County Commission

**From:** Kristin Spanos, Chief Executive Officer  
Cally Martin, Deputy Chief Executive Officer  
Nick Zhou, Chief Financial Officer  
Maria Canteros, Senior Finance Administrator

**Date:** October 3, 2024

**Subject:** Fiscal Year 2023-24 Investment Report, July 1, 2023 – June 30, 2024

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**ACTION REQUESTED**

To review and approve the Fiscal Year 2023-24 Investment Report covering the period July 1, 2023 – June 30, 2024.

**BACKGROUND OF ACTIVITIES**

As required by California Government Code, the investment objectives of First 5 Alameda County are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all requirements that may be reasonably anticipated; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

The performance objective of the First 5 Alameda County investment portfolio is to earn a total rate of return that exceeds the total rate of return on identified benchmarks.

First 5 Alameda County maintains the majority of its funds invested in a portfolio of high quality, very liquid, fixed-income securities, which are professionally managed by the Commission's investment advisor, Chandler Asset Management. The remaining funds continue to be invested with the Alameda County Treasurer's pool. This report summarizes the activity and status of the investment portfolio as of June 30, 2024.

**PORTFOLIO HIGHLIGHTS**

The Investment Report shows the performance of funds that are invested in the portfolio with Chandler Asset Management. At the end of the last fiscal year June 30, 2023, the total market value of the portfolio was \$25,690,316. The market value of the Chandler portfolio as of June 30, 2024, was \$21,207,521 and the portfolio at cost was \$ \$21,785,912.

**INVESTMENT REPORT****Investment Activity**

The Investment Activity shows all transactions affecting our portfolio as of June 30, 2024. Purchases of securities are conducted when a maturity occurs, or when the investment advisor sells a security before maturity to rebalance the portfolio. Rebalancing is conducted to manage the risk profile of the portfolio, diversify portfolio maturities and sectors, protect market value, and enhance overall return.

**Investment Income**

Investment income is primarily derived from interest or yield payments on securities held in the investment portfolio. Typically, interest income from each security is received semi-annually. The Commission's investment advisor buys, sells and exchanges securities consistent with the First 5 Alameda County Investment Policy in order to optimize overall yields.

Total investment earnings for the period net of fees ending June 30, 2024, was \$532,149. For the same period last fiscal year, the total investment earnings for the period ending June 30, 2023, was \$398,874. The investment portfolio's total rate of return is higher than the prior fiscal year due to reinvestment in a higher interest rate environment, and subsequent lower interest rates leading to additional capital gains for the portfolio. The active management of the portfolio during the last fiscal year positioned the portfolio to further enhance overall returns in a falling interest rate environment.

**Market Value and Unrealized Gains and Losses**

The market value of the portfolio securities changes as a result of market supply and demand, shifts in interest rates, and other factors. There was an unrealized loss position of \$578,391 at the end of June 2024. The unrealized loss position is determined by comparing the Cost and the Market Value of the portfolio on that date. This is a loss on paper only, implying that a loss would have been realized, had the portfolio been liquidated in full on June 30, 2024. The unrealized loss position this year is lower than last year's loss position of \$1,450,273. This drop in fair value can be attributed to a lower level of unrealized losses in the portfolio due to the lower interest rate environment. Since the portfolio was not liquidated, this section is for informational purposes only. Per the Governmental Accounting Standards Board (GASB), government entities must report unrealized gains and losses on investments (GASB 31).

**Investment Fees**

Fees include those levied by the portfolio manager and the fees levied by the account custodian US Bank. The total fees paid during this period were \$29,731.

**Yield Benchmarks**

Investment yields are compared to the Local Agency Investment Fund (LAIF) and the Alameda County Treasury Investment Pool yields in order to benchmark investment manager performance. Chandler's average portfolio yield for the 12-month period of 2.51% is lower than the LAIF yield of 3.93% for the year. The Alameda County Treasurer's average portfolio yield was 3.04% for the year.

## AGENDA ITEM 10

Investment returns are compared to the ICE BofA 1-5 Year US Treasury and Agency Index. Chandler's Total Rate of Return for the 12-month period of 4.68% is higher than the 4.18% Total Rate of Return of the benchmark.

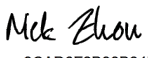
### FISCAL IMPACT

The total realized investment earnings and interest received (net of fees) for July 1, 2023 – June 30, 2024, was \$532,149. Investment revenue for FY 2023-24 was budgeted at \$324,000.

### REQUESTED ACTION

That the Commission approve the Fiscal Year 2023-24, July 1, 2023 – June 30, 2024 investment report.

Submitted by:

Signed by:  
  
 9CAD6F2B98B34BC...  
 Nick Zhou  
 Chief Financial Officer

Reviewed by:

DocuSigned by:  
  
 F38237346EC4482...  
 Cally Martin  
 Deputy Chief Executive Officer

DocuSigned by:  
  
 849376244A274E9...  
 Maria Canteros  
 Senior Finance Administrator

Approved by:

DocuSigned by:  
  
 ED630B4561644E4...  
 Kristin Spanos  
 Chief Executive Officer

**First 5 Alameda County**  
**Investment Report - Chandler Asset Management**  
**For the Period July 1, 2023 - June 30, 2024**

**INVESTMENT INCOME:**

<i>Interest Received</i>	\$ 561,880
Total Investment Earnings	\$ 561,880
<i>Less:</i>	
Investment Fees (Chandler)	(25,907)
US Bank Custodial Fees	(3,824)
<i>Net Investment Income</i>	<u>\$ 532,149</u>

**INVESTMENT ACTIVITY:**

Portfolios - Cost Basis at 6/30/23	\$ 27,140,589
Calls	\$ -
Capital Gains/Losses	\$ (390,433)
Change in Cash, Payables, Receivables	\$ 34,069
Contributions	\$ -
Maturities	\$ -
Principal Pay Downs	\$ (1,355,753)
Purchases	\$ 16,701,118
Sales	\$ (17,325,836)
Withdrawals	\$ (3,017,842)
Portfolios - Cost Basis at 6/30/24	<u>\$ 21,785,912</u>

**COST VS. MARKET VALUE:**

Portfolios at Market 6/30/24	\$ 21,207,521
Portfolios at Cost 6/30/24	21,785,912
<i>Unrealized Gain (Loss) at 6/30/24</i>	<u>\$ (578,391)</u>

## APPROXIMATE YIELD AND BENCHMARKS (Annualized) for FY 2023-24:

Chandler Asset Management	2.51
Local Agency Investment Fund (LAIF)	3.93
Alameda County Treasurer's Pool	3.04

## HOLDINGS REPORT



First 5 Alameda County | Account #10022 | As of June 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
<b>ABS</b>									
43815GAC3	HAROT 2021-4 A3 0.88 01/21/2026	39,957.54	11/16/2021 0.89%	39,949.11 39,949.11	97.97 4.64%	39,144.53 9.77	0.18% (804.59)	Aaa/NA AAA	1.56 0.55
47789QAC4	JDOT 2021-B A3 0.52 03/16/2026	36,756.85	07/13/2021 0.52%	36,753.57 36,753.57	98.07 4.81%	36,049.01 8.49	0.17% (704.56)	Aaa/NA AAA	1.71 0.45
89238JAC9	TAOT 2021-D A3 0.71 04/15/2026	37,467.70	11/09/2021 0.71%	37,466.90 37,466.90	98.00 4.44%	36,717.95 11.82	0.17% (748.95)	NA/AAA AAA	1.79 0.57
44935FAD6	HART 2021-C A3 0.74 05/15/2026	26,460.72	11/09/2021 0.75%	26,454.82 26,454.82	98.36 4.11%	26,026.80 8.70	0.12% (428.02)	NA/AAA AAA	1.87 0.49
43815BAC4	HAROT 2022-1 A3 1.88 05/15/2026	99,070.87	02/15/2022 1.88%	99,055.97 99,055.97	98.11 4.63%	97,195.60 82.78	0.46% (1,860.38)	Aaa/AAA NA	1.87 0.70
05602RAD3	BMWOT 2022-A A3 3.21 08/25/2026	62,221.74	05/10/2022 3.21%	62,218.51 62,218.51	98.66 4.97%	61,389.78 33.29	0.29% (828.73)	Aaa/AAA NA	2.15 0.78
47787JAC2	JDOT 2022 A3 0.36 09/15/2026	52,750.71	03/10/2022 2.33%	52,739.05 52,739.05	98.03 5.46%	51,713.04 54.39	0.24% (1,026.01)	Aaa/NA AAA	2.21 0.64
89238FAD5	TAOT 2022-B A3 2.93 09/15/2026	59,386.76	04/07/2022 2.93%	59,385.37 59,385.37	98.46 4.91%	58,472.45 77.33	0.28% (912.92)	Aaa/AAA NA	2.21 0.82
362554AC1	GMCAR 2021-4 A3 0.68 09/16/2026	33,545.03	10/13/2021 0.68%	33,544.17 33,544.17	97.67 4.17%	32,764.25 9.50	0.15% (779.92)	Aaa/AAA NA	2.21 0.69
448977AD0	HART 2022-A A3 2.22 10/15/2026	135,136.77	03/09/2022 2.22%	135,131.56 135,131.56	98.19 4.60%	132,687.37 133.33	0.63% (2,444.19)	NA/AAA AAA	2.29 0.78
380146AC4	GMCAR 2022-1 A3 1.26 11/16/2026	34,827.98	01/11/2022 1.26%	34,824.95 34,824.95	97.78 4.27%	34,056.43 18.28	0.16% (768.52)	NA/AAA AAA	2.38 0.76
47800AAC4	JDOT 2022-B A3 3.74 02/16/2027	110,019.57	07/12/2022 3.74%	110,009.06 110,009.06	98.59 5.33%	108,468.29 182.88	0.51% (1,540.77)	Aaa/NA AAA	2.63 0.88
36269FAD8	GMALT 2024-1 A3 5.09 03/22/2027	135,000.00	02/08/2024 5.09%	134,983.13 134,983.13	99.52 5.46%	134,351.60 209.96	0.63% (631.54)	NA/AAA AAA	2.73 1.65
02582JIT8	AMXCA 2022-2 A 05/17/2027	265,000.00	05/17/2022 3.40%	264,941.38 264,941.38	98.21 5.54%	260,256.50 399.27	1.23% (4,684.88)	NA/AAA AAA	0.87 0.92
36269WAD1	GMALT 2024-2 A3 5.39 07/20/2027	85,000.00	05/07/2024 5.39%	84,995.06 84,995.06	100.29 5.30%	85,246.25 139.99	0.40% 251.19	NA/AAA AAA	3.05 1.71
437918AC9	HAROT 2024-1 A3 5.21 08/15/2028	220,000.00	02/13/2024 5.21%	219,990.43 219,990.43	100.05 5.26%	220,109.38 509.42	1.04% 118.95	Aaa/AAA NA	4.13 2.44
161571HT4	CHAIT 2023-1 A 5.16 09/15/2028	250,000.00	09/07/2023 5.17%	249,930.70 249,930.70	100.26 5.11%	250,638.20 573.33	1.18% 707.50	NR/AAA AAA	4.21 2.03

# HOLDINGS REPORT



First 5 Alameda County | Account #10022 | As of June 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
448973AD9	HART 2024-A A3 4.99 02/15/2029	95,000.00	03/11/2024 5.00%	94,979.05 94,979.05	99.63 5.24%	94,650.68 210.69	0.45% (328.37)	NA/AAA AAA	4.63 2.05
02582JKH2	AMXCA 2024-1 A 5.23 04/16/2029	135,000.00	04/16/2024 5.23%	134,972.33 134,972.33	100.94 4.99%	136,263.65 313.80	0.64% 1,291.32	NA/AAA AAA	4.79 2.53
<b>Total ABS</b>		<b>1,912,602.24</b>	<b>3.79%</b>	<b>1,912,325.13</b> <b>1,912,325.13</b>	<b>99.15</b> <b>5.10%</b>	<b>1,896,201.76</b> <b>2,987.05</b>	<b>8.94%</b> <b>(16,123.36)</b>	<b>Aaa/AAA</b> <b>AAA</b>	<b>2.87</b> <b>1.43</b>

AGENCY									
3137EAEX3	FEDERAL HOME LOAN MORTGAGE CORP 0.375 09/23/2025	645,000.00	-- 0.44%	643,091.55 643,091.55	94.51 5.03%	609,601.76 658.44	2.87% (33,489.79)	Aaa/AA+ AA+	1.23 1.20
3135G06G3	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 11/07/2025	630,000.00	-- 0.55%	628,448.60 628,448.60	94.22 4.97%	593,614.54 472.50	2.80% (34,834.06)	Aaa/AA+ AA+	1.36 1.32
3133ERFJ5	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 05/20/2027	500,000.00	06/26/2024 4.60%	498,635.00 498,635.00	99.71 4.61%	498,544.87 2,562.50	2.35% (90.14)	Aaa/AA+ AA+	2.89 2.67
3133EPGW9	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.875 04/25/2028	400,000.00	05/05/2023 3.55%	405,800.00 405,800.00	97.93 4.47%	391,706.01 2,841.67	1.85% (14,093.99)	Aaa/AA+ AA+	3.82 3.48
3133EPA47	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.875 11/01/2028	250,000.00	11/27/2023 4.49%	254,225.00 254,225.00	101.71 4.44%	254,274.26 2,031.25	1.20% 49.26	Aaa/AA+ AA+	4.34 3.85
3133ERAK7	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.375 04/10/2029	475,000.00	04/19/2024 4.72%	467,894.00 467,894.00	99.92 4.39%	474,635.48 4,675.78	2.24% 6,741.48	Aaa/AA+ AA+	4.78 4.23
3130B1BC0	FEDERAL HOME LOAN BANKS 4.625 06/08/2029	400,000.00	06/26/2024 4.38%	404,328.00 404,328.00	101.02 4.39%	404,081.29 2,980.56	1.91% (246.71)	Aaa/AA+ AA+	4.94 4.35
<b>Total Agency</b>		<b>3,300,000.00</b>	<b>2.92%</b>	<b>3,302,422.15</b> <b>3,302,422.15</b>	<b>97.86</b> <b>4.66%</b>	<b>3,226,458.20</b> <b>16,222.69</b>	<b>15.21%</b> <b>(75,963.95)</b>	<b>Aaa/AA+</b> <b>AA+</b>	<b>3.06</b> <b>2.77</b>

CASH									
CCYUSD	Receivable	34,069.23	-- 0.00%	34,069.23 34,069.23	1.00 0.00%	34,069.23 0.00	0.16% 0.00	Aaa/AAA AAA	0.00 0.00
<b>Total Cash</b>		<b>34,069.23</b>	<b>0.00%</b>	<b>34,069.23</b> <b>34,069.23</b>	<b>1.00</b> <b>0.00%</b>	<b>34,069.23</b> <b>0.00</b>	<b>0.16%</b> <b>0.00</b>	<b>Aaa/AAA</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>

## CORPORATE

# HOLDINGS REPORT

First 5 Alameda County | Account #10022 | As of June 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
46647PBK1	JPMORGAN CHASE & CO 2.083 04/22/2026	101,000.00	05/20/2021 1.11%	104,770.33 104,770.33	97.11 6.58%	98,077.11 403.23	0.46% (6,693.22)	A1/A- AA-	1.81 0.78
023135BX3	AMAZON.COM INC 1.0 05/12/2026	470,000.00	05/10/2021 1.09%	467,969.60 467,969.60	93.03 4.95%	437,252.40 639.72	2.06% (30,717.20)	A1/AA AA-	1.87 1.81
808513BR5	CHARLES SCHWAB CORP 1.15 05/13/2026	270,000.00	12/14/2021 1.48%	266,233.50 266,233.50	92.48 5.44%	249,686.51 414.00	1.18% (16,546.99)	A2/A- A	1.87 1.80
91324PEC2	UNITEDHEALTH GROUP INC 1.15 05/15/2026	375,000.00	-- 1.09%	375,977.75 375,977.75	92.96 5.14%	348,588.59 551.04	1.64% (27,389.16)	A2/A+ A	1.87 1.81
89236TJK2	TOYOTA MOTOR CREDIT CORP 1.125 06/18/2026	440,000.00	-- 1.23%	437,932.00 437,932.00	92.61 5.12%	407,473.24 178.75	1.92% (30,458.76)	A1/A+ A+	1.97 1.90
06051GJD2	BANK OF AMERICA CORP 1.319 06/19/2026	300,000.00	-- 1.25%	300,792.00 300,792.00	95.82 6.18%	287,462.75 131.90	1.36% (13,329.25)	A1/A- AA-	1.97 0.94
037833DN7	APPLE INC 2.05 09/11/2026	180,000.00	12/14/2021 1.51%	184,291.20 184,291.20	94.01 4.96%	169,216.61 1,127.50	0.80% (15,074.59)	Aaa/AA+ NA	2.20 2.09
06368FAC3	BANK OF MONTREAL 1.25 09/15/2026	150,000.00	09/13/2021 1.28%	149,818.50 149,818.50	91.60 5.33%	137,396.44 552.08	0.65% (12,422.06)	A2/A- AA-	2.21 2.12
87612EBM7	TARGET CORP 1.95 01/15/2027	170,000.00	01/19/2022 1.99%	169,711.00 169,711.00	93.06 4.89%	158,202.37 1,528.58	0.75% (11,508.63)	A2/A A	2.54 2.41
26444HAC5	DUKE ENERGY FLORIDA LLC 3.2 01/15/2027	300,000.00	02/22/2022 2.48%	309,444.00 309,444.00	95.46 5.13%	286,392.07 4,426.67	1.35% (23,051.93)	A1/A WR	2.54 2.36
084664CZ2	BERKSHIRE HATHAWAY FINANCE CORP 2.3 03/15/2027	275,000.00	03/07/2022 2.30%	274,947.75 274,947.75	93.74 4.79%	257,777.56 1,862.36	1.22% (17,170.19)	Aa2/AA A+	2.71 2.56
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	280,000.00	-- 3.89%	281,305.90 281,305.90	97.61 4.90%	273,319.25 1,586.67	1.29% (7,986.65)	A2/A+ A+	2.86 2.65
756109BG8	REALTY INCOME CORP 3.95 08/15/2027	156,000.00	11/28/2022 5.00%	149,193.72 149,193.72	96.42 5.20%	150,417.93 2,327.87	0.71% 1,224.21	A3/A- NA	3.13 2.85
341081GN1	FLORIDA POWER & LIGHT CO 4.4 05/15/2028	250,000.00	05/19/2023 4.68%	246,955.00 246,955.00	98.22 4.91%	245,541.62 1,405.56	1.16% (1,413.39)	Aa2/A+ AA-	3.88 3.50
74340XCG4	PROLOGIS LP 4.875 06/15/2028	290,000.00	-- 5.17%	286,358.30 286,358.30	99.51 5.01%	288,580.93 628.33	1.36% 2,222.63	A3/A NA	3.96 3.55
89115A2U5	TORONTO-DOMINION BANK 5.523 07/17/2028	255,000.00	09/08/2023 5.54%	254,829.15 254,829.15	101.24 5.18%	258,168.07 6,415.89	1.22% 3,338.92	A1/A AA-	4.05 3.51
78016HZS2	ROYAL BANK OF CANADA 5.2 08/01/2028	255,000.00	09/08/2023 5.50%	251,769.15 251,769.15	100.66 5.02%	256,674.32 5,525.00	1.21% 4,905.17	A1/A AA-	4.09 3.57
74456QBX3	PUBLIC SERVICE ELECTRIC AND GAS CO 3.65 09/01/2028	230,000.00	09/21/2023 5.29%	213,791.90 213,791.90	95.35 4.90%	219,305.40 2,798.33	1.03% 5,513.50	A1/A WR	4.17 3.76

# HOLDINGS REPORT

First 5 Alameda County | Account #10022 | As of June 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
63743HFJ6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 5.05 09/15/2028	250,000.00	10/05/2023 5.52%	245,010.00 245,010.00	100.22 4.99%	250,546.67 3,717.36	1.18% 5,536.67	A2/A- A	4.21 3.63
532457CK2	ELI LILLY AND CO 4.5 02/09/2029	175,000.00	02/07/2024 4.51%	174,884.50 174,884.50	99.16 4.70%	173,523.95 3,106.25	0.82% (1,360.55)	A1/A+ NA	4.61 4.04
437076CW0	HOME DEPOT INC 4.9 04/15/2029	235,000.00	05/21/2024 4.84%	235,552.21 235,552.21	100.17 4.86%	235,403.07 2,430.94	1.11% (149.14)	A2/A A	4.79 4.19
24422EXT1	JOHN DEERE CAPITAL CORP 4.85 06/11/2029	200,000.00	06/24/2024 4.84%	200,126.00 200,126.00	99.68 4.92%	199,352.93 538.89	0.94% (773.07)	A1/A A+	4.95 4.34
<b>Total Corporate</b>		<b>5,607,000.00</b>	<b>3.15%</b>	<b>5,581,663.46</b> <b>5,581,663.46</b>	<b>96.20</b> <b>5.11%</b>	<b>5,388,359.79</b> <b>42,296.93</b>	<b>25.41%</b> <b>(193,303.67)</b>	<b>A1/A</b> <b>A+</b>	<b>3.03</b> <b>2.69</b>
<b>MONEY MARKET FUND</b>									
60934N104	FEDERATED HRMS GV O INST	134,505.68	-- 5.19%	134,505.68 134,505.68	1.00 5.19%	134,505.68 0.00	0.63% 0.00	Aaa/ AAAm AAA	0.00 0.00
<b>Total Money Market Fund</b>		<b>134,505.68</b>	<b>5.19%</b>	<b>134,505.68</b> <b>134,505.68</b>	<b>1.00</b> <b>5.19%</b>	<b>134,505.68</b> <b>0.00</b>	<b>0.63%</b> <b>0.00</b>	<b>Aaa/</b> <b>AAAm</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>MUNICIPAL BONDS</b>									
649791RC6	NEW YORK ST 1.25 03/15/2027	275,000.00	06/17/2022 3.89%	243,933.25 243,933.25	91.10 4.79%	250,536.00 1,012.15	1.18% 6,602.75	Aa1/AA+ AA+	2.71 2.59
<b>Total Municipal Bonds</b>		<b>275,000.00</b>	<b>3.89%</b>	<b>243,933.25</b> <b>243,933.25</b>	<b>91.10</b> <b>4.79%</b>	<b>250,536.00</b> <b>1,012.15</b>	<b>1.18%</b> <b>6,602.75</b>	<b>Aa1/AA+</b> <b>AA+</b>	<b>2.71</b> <b>2.59</b>
<b>SUPRANATIONAL</b>									
459058JL8	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 0.5 10/28/2025	280,000.00	10/21/2020 0.52%	279,683.60 279,683.60	94.26 5.02%	263,920.52 245.00	1.24% (15,763.08)	Aaa/AAA NA	1.33 1.29
4581X0DV7	INTER-AMERICAN DEVELOPMENT BANK 0.875 04/20/2026	615,000.00	04/13/2021 0.97%	612,183.30 612,183.30	93.15 4.88%	572,867.22 1,061.30	2.70% (39,316.08)	Aaa/AAA NA	1.80 1.75

# HOLDINGS REPORT

First 5 Alameda County | Account #10022 | As of June 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
4581X0EN4	INTER-AMERICAN DEVELOPMENT BANK 4.125 02/15/2029	250,000.00	02/22/2024 4.41%	246,807.50 246,807.50	98.60 4.46%	246,494.15 4,325.52	1.16% (313.36)	Aaa/AAA NA	4.63 4.09
<b>Total Supranational</b>		<b>1,145,000.00</b>	<b>1.64%</b>	<b>1,138,674.40</b> <b>1,138,674.40</b>	<b>94.66</b> <b>4.82%</b>	<b>1,083,281.88</b> <b>5,631.82</b>	<b>5.11%</b> <b>(55,392.52)</b>	<b>Aaa/AAA</b> <b>NA</b>	<b>2.33</b> <b>2.17</b>
<b>US TREASURY</b>									
912797KH9	UNITED STATES TREASURY 07/02/2024	2,500,000.00	06/26/2024 5.29%	2,498,188.19 2,498,188.19	99.99 2.67%	2,499,633.98 0.00	11.79% 1,445.79	P-1/A-1+ F1+	0.01 0.01
91282CAM3	UNITED STATES TREASURY 0.25 09/30/2025	600,000.00	02/19/2021 0.51%	592,851.56 592,851.56	94.29 5.02%	565,734.37 377.05	2.67% (27,117.19)	Aaa/AA+ AA+	1.25 1.22
91282CAT8	UNITED STATES TREASURY 0.25 10/31/2025	600,000.00	-- 0.49%	593,328.13 593,328.13	93.98 4.97%	563,882.81 252.72	2.66% (29,445.32)	Aaa/AA+ AA+	1.34 1.30
91282CAZ4	UNITED STATES TREASURY 0.375 11/30/2025	55,000.00	03/26/2021 0.77%	54,013.87 54,013.87	93.82 4.94%	51,599.02 17.47	0.24% (2,414.84)	Aaa/AA+ AA+	1.42 1.38
91282CCW9	UNITED STATES TREASURY 0.75 08/31/2026	150,000.00	09/17/2021 0.86%	149,185.55 149,185.55	91.97 4.69%	137,953.13 376.02	0.65% (11,232.43)	Aaa/AA+ AA+	2.17 2.10
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	900,000.00	-- 1.08%	891,046.88 891,046.88	92.04 4.64%	828,316.40 1,979.51	3.91% (62,730.48)	Aaa/AA+ AA+	2.25 2.18
91282CDG3	UNITED STATES TREASURY 1.125 10/31/2026	300,000.00	11/15/2021 1.25%	298,171.88 298,171.88	92.29 4.65%	276,855.47 568.61	1.31% (21,316.41)	Aaa/AA+ AA+	2.34 2.25
91282CET4	UNITED STATES TREASURY 2.625 05/31/2027	250,000.00	06/09/2022 3.07%	244,912.11 244,912.11	94.84 4.53%	237,089.85 555.84	1.12% (7,822.27)	Aaa/AA+ AA+	2.92 2.76
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	200,000.00	-- 3.12%	201,174.48 201,174.48	96.49 4.51%	192,976.56 17.66	0.91% (8,197.92)	Aaa/AA+ AA+	3.00 2.82
91282CFB2	UNITED STATES TREASURY 2.75 07/31/2027	150,000.00	08/22/2022 3.12%	147,457.03 147,457.03	94.95 4.52%	142,429.69 1,722.53	0.67% (5,027.34)	Aaa/AA+ AA+	3.08 2.88
91282CFH9	UNITED STATES TREASURY 3.125 08/31/2027	130,000.00	09/19/2022 3.70%	126,648.44 126,648.44	95.94 4.51%	124,718.75 1,357.85	0.59% (1,929.69)	Aaa/AA+ AA+	3.17 2.94
91282CGC9	UNITED STATES TREASURY 3.875 12/31/2027	340,000.00	-- 3.77%	341,615.63 341,615.63	98.08 4.47%	333,478.91 35.80	1.57% (8,136.72)	Aaa/AA+ AA+	3.50 3.23
91282CGH8	UNITED STATES TREASURY 3.5 01/31/2028	650,000.00	-- 3.83%	640,375.00 640,375.00	96.85 4.46%	629,509.76 9,500.00	2.97% (10,865.24)	Aaa/AA+ AA+	3.59 3.27
91282CGT2	UNITED STATES TREASURY 3.625 03/31/2028	500,000.00	04/11/2023 3.57%	501,308.59 501,308.59	97.19 4.45%	485,937.50 4,556.01	2.29% (15,371.09)	Aaa/AA+ AA+	3.75 3.43

# HOLDINGS REPORT



First 5 Alameda County | Account #10022 | As of June 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CHE4	UNITED STATES TREASURY 3.625 05/31/2028	500,000.00	06/14/2023 4.00%	491,738.28 491,738.28	97.15 4.42%	485,761.72 1,535.18	2.29% (5,976.56)	Aaa/AA+ AA+	3.92 3.59
91282CJF9	UNITED STATES TREASURY 4.875 10/31/2028	400,000.00	01/17/2024 4.02%	414,640.63 414,640.63	101.87 4.40%	407,468.75 3,285.33	1.92% (7,171.88)	Aaa/AA+ AA+	4.34 3.85
91282CJN2	UNITED STATES TREASURY 4.375 11/30/2028	500,000.00	-- 3.93%	509,738.28 509,738.28	99.98 4.38%	499,921.88 1,852.80	2.36% (9,816.41)	Aaa/AA+ AA+	4.42 3.96
91282CJR3	UNITED STATES TREASURY 3.75 12/31/2028	750,000.00	-- 3.99%	741,923.83 741,923.83	97.45 4.38%	730,839.84 76.43	3.45% (11,083.99)	Aaa/AA+ AA+	4.50 4.09
<b>Total US Treasury</b>		<b>9,475,000.00</b>	<b>3.40%</b>	<b>9,438,318.36</b> <b>9,438,318.36</b>	<b>97.12</b> <b>4.06%</b>	<b>9,194,108.38</b> <b>28,066.80</b>	<b>43.35%</b> <b>(244,209.97)</b>	<b>Aaa/AA+ AA+</b>	<b>2.27</b> <b>2.10</b>
				<b>21,785,911.65</b>	<b>96.22</b>	<b>21,207,520.93</b>	<b>100.00%</b>	<b>Aa2/AA-</b>	<b>2.63</b>
<b>Total Portfolio</b>		<b>21,883,177.15</b>	<b>3.22%</b>	<b>21,785,911.65</b>	<b>4.56%</b>	<b>96,217.44</b>	<b>(578,390.72)</b>	<b>AA</b>	<b>2.28</b>
<b>Total Market Value + Accrued</b>						<b>21,303,738.37</b>			



**To:** First 5 Alameda County Commission

**From:** Kristin Spanos, Chief Executive Officer  
Cally Martin, Deputy Chief Executive Officer  
Nick Zhou, Chief Financial Officer  
Maria Canteros, Senior Finance Administrator

**Date:** October 3, 2024

**Subject:** Fiscal Year 2024-25 Contract Authorizations

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#### **REQUESTED ACTION**

To review the proposed Fiscal Year (FY) 2024-25 contract authorizations.

#### **BACKGROUND**

Per our Financial Policies, Section IX. Purchasing and Contracting, the Executive Committee must approve contract/award amounts between \$150,000 and \$300,000 in aggregate and the Commission must approve contract/award amounts over \$300,000 in aggregate. In the absence of an Executive Committee meeting in October, contract authorizations with aggregate totals of \$150,000 that require specific authorization from the Commission have been included.

#### **Applied Survey Research (ASR) - \$13,626**

First 5 Alameda County is requesting approval of a sole source contract amendment with ASR to increase the budget by \$13,626 for FY 2024-25. This amendment funds additional activities to increase responses to the Measure C Surveys for Providers and Families to achieve greater representativeness. Surveys are intended to improve First 5 Alameda's understanding of the needs and priorities of Alameda County licensed early care and education providers and families/caregivers with children under 6 to inform planning and implementation for Measure C. ASR is supporting the development, implementation, and analysis of these two countywide surveys. This contract increase will support additional costs associated with extending the survey timeline, providing incentives for additional survey respondents, and conducting additional data cleaning efforts to ensure a representative sample is achieved for both surveys.

ASR currently has a FY 2023-25 contract for \$155,875 for the development, dissemination, analysis, reporting and presentation of the Measure C Surveys for Providers and Families. The addition of this \$13,626 amendment brings the aggregate FY 2023-25 contract amount to \$169,501 for which Commission approval is needed.

Fiscal impact: Funding is budgeted and provided by Proposition 10.

Action requested: Approve an aggregate FY 2023-25 \$169,501 contract amount with Applied Research Survey.

**Hubbe, Inc. - \$80,000**

First 5 Alameda County is requesting approval of a sole source contract amendment with Hubbe, Inc. to increase the budget by \$80,000 for FY 2024-25. This amendment funds enhancements to the Hubbe database system used by the Quality Counts quality improvement and rating program. Upgrades will include new functionalities that support the application process, improved data collection, data integration, and reporting capabilities. As First 5 prepares for Measure C implementation, these enhancements will streamline the onboarding of sites, ensuring a smoother and more user-friendly application process. Additionally, improved data collection methods and reporting tools will help us to monitor program performance, measure outcomes, and make data-driven decisions.

Hubbe, Inc. currently has a FY 2024-25 contract for \$150,912 to host a secure and fully managed iteration of the Hubbe database system for Alameda County Quality Counts to manage the local Quality Rating and Improvement System program. Funding also includes minor upgrades to the Hubbe database system as needed.

The addition of \$80,000 brings the aggregate amount for Fiscal Years 2024-25 to \$230,912, for which Commission approval is needed.

Fiscal Impact: Funding is provided by the California Department of Social Services' Quality Counts California (QCC) Quality Improvement Grant and will be updated in the mid-year budget modification.

Action requested: Approve the proposed amendment to the contract for Hubbe, Inc. increasing the aggregate amount to \$230,912 for Fiscal Year 2024-25.

**The Regents of the University of California on behalf of its Center for the Study of Child Care Employment (CSCCE) - \$240,000**

First 5 Alameda County is requesting approval of a sole source contract with the Center for the Study of Child Care Employment (CSCCE) for \$240,000 to conduct a Supportive Environmental Quality Underlying Adult Learning (SEQUAL) study in Alameda County. As First 5 prepares for the implementation of Measure C, it is essential to gain a comprehensive understanding of the current state of the early childhood education (ECE) workforce in Alameda County. The SEQUAL study will add to the growing body of evidence on the influence of workplace supports on early educators' well-being and their career intentions. SEQUAL evaluates the quality of work environments in early childhood education settings, aiming to identify areas that can enhance both teacher well-being and instructional quality. The tool generates data that can inform targeted interventions to improve workplace conditions, which can lead to better outcomes for educators and children. CSCCE conducted a SEQUAL study in Alameda County in 2016 and this is an opportunity to complete a follow-up SEQUAL to understand how conditions have shifted.

CSCCE currently has a FY 2022-25 contract for \$192,782 to conduct an evaluation of the Alameda County Early Childhood CalWORKs Apprenticeship Program ("Apprenticeship Program").

The addition of a FY 2024-25 contract for \$240,000 to conduct a SEQUAL study in Alameda County brings the aggregate FY 2022-25 amount to \$432,782 for which Commission approval is needed.

Fiscal Impact: Funding is provided by the California Department of Social Services' QCC Quality Improvement Grant and Proposition 10 and will be updated in the mid-year budget modification.

Action requested: Approve the proposed FY 2024-25 contract for the Regents of the University of California's CSCCE SEQUAL study, increasing the aggregate amount to \$432,782 for Fiscal Year 2022-25.

#### RECOMMENDATION

That the Commission approves the above contracts.

Submitted by:

Signed by:  
  
9CAD6F2B98B34BC  
Nick Zhou  
Chief Financial Officer

Reviewed by:

DocuSigned by:  
  
F38237246EC4482...  
Cally Martin  
Deputy Chief Executive Officer

DocuSigned by:  
  
8493762444274F9...  
Maria Canteros  
Senior Finance Administrator

Approved by:

DocuSigned by:  
  
ED630B4561544E4...  
Kristin Spanos  
Chief Executive Officer



**To:** First 5 Alameda County Commission

**From:** Kristin Spanos, Chief Executive Officer  
Cally Martin, Deputy Chief Executive Officer  
Nick Zhou, Chief Financial Officer

**Date:** October 3, 2024

**Subject:** Revision to First 5 Alameda County Financial Policies

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**ACTION REQUESTED**

Review and approve revisions to the Financial Policies – Financial Reserves and Goals.

**BACKGROUND**

First 5 Alameda County originally adopted Financial Policies on June 24, 2004. The policies are reviewed by staff on at minimum an annual basis and revisions are brought to the Executive Committee and Commission for consideration and approval as necessary.

**Financial Reserves and Goals – Minimum Fund Balance Requirements**

First 5 has used Sustainability Funds to augment operating budget needs and to meet revenue shortfalls, to the extent authorized by the Commission. The Sustainability Fund balance as of June 30, 2024 was \$21.2 million. This Fund may not be spent down to zero; some funds must be maintained as an operating reserve to cover ongoing cash flow requirements to act as a buffer for delays in receiving state tobacco tax monies or other revenues. The current policy is to maintain an amount in the Fund Balance, at a minimum, equal to six months of the corresponding fiscal year's Prop 10 operating expenses plus an amount to cover fiscal obligations under the Agency's Reduction in Workforce Policy.

Given the ramp-up and readying for Measure C implementation, First 5 recommends temporarily suspending the six-month minimum fund balance policy until the receipt of Measure C funding from the County of Alameda. This change will allow First 5 to continue to plan and prepare and give us the necessary administrative flexibility as we anticipate the release of Measure C funds. As needed, First 5 will bring forward budget modifications and an updated Long Range Financial Plan to your Commission for approval.

First 5 has used the Sustainability Fund to support a steady state to maintain Agency capacity and close the gap between program costs and declining Prop 10 revenue. Additionally, following the passage of Measure C, the Commission authorized First 5 to temporarily borrow funds from the Sustainability Fund

to help the organization prepare for the implementation of Measure C. When the loan is repaid, the funds will be restored to the Sustainability Fund.

First 5 is named as the Administering Agency to develop, administer, and implement the programs and services paid for by the Measure C under the Child Care, Preschool, and Early Education account. As of June 30, 2024, total Measure C revenue was over \$560M and 80% (\$448.7M) is allocated to the Child Care, Preschool, and Early Education Account.

Action: Approve revisions to the Financial Reserves and Goals policy to temporarily suspend the six-month minimum fund balance requirement to be effective October 3, 2024 until receipt of Measure C funds from the County. Upon receipt of Measure C funds, this suspension will be automatically lifted restoring the six-month minimum balance requirement.

**FISCAL IMPACT**

There is no fiscal impact.

**RECOMMENDATION**

Approve revisions to the Financial Policies – Financial Reserves and Goals.

Submitted by:

Signed by:  
  
9CAD6F2B98B34BC

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Nick Zhou  
Chief Financial Officer

Approved by:

DocuSigned by:  
  
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Kristin Spanos  
Chief Executive Officer

Reviewed by:

DocuSigned by:  
  
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Cally Martin  
Deputy Chief Executive Officer

### III. Financial Reserves and Goals

Adopted 6/15/2023

Sufficient financial reserves in the Children's Sustainability Fund are critical to F5AC's ability to achieve its mission of improving health and developmental outcomes of children ages 0 to 5 in Alameda County.

#### Long Range Financial Planning

- A. F5AC will maintain the Children's Sustainability Fund in accordance with the 10 Year Long Range Financial Plan established by the Commission on March 25, 2004, and any subsequently approved Long Range Plans. Prudent use of reserves will enable F5AC to maintain programs at a constant level of funding through the following strategic plans through 2025 in the face of declining Proposition 10 revenues.
- B. F5AC will maintain specific reserves required by law and/or debt covenants and any general reserve requirements as may be set from time to time by the Commission. F5AC will maintain an amount in the Children's Sustainability Fund, ~~at a minimum, equal to six months of the corresponding fiscal year's Prop 10 operating expenses, and~~ to cover fiscal obligations under the Reduction in Workforce Policy.
- C. F5AC will maintain sufficient reserves to support the cost of reimbursement in the case of audit exception in federal fiscal leveraging.
- D. The Commission may approve use of the Children's Sustainability Fund during the fiscal year to support budgeted activities with adjustments to be made to the corresponding Long Range Financial Plan.
- E. Unspent funds at year end will close to the Children's Sustainability Fund.

#### Reserve Policy

Adequate reserves position an organization to effectively plan to fund the services it provides as well as meet unplanned needs caused by economic downturns, outside agency actions, revenue reductions, natural disasters and other unexpected emergencies.

- A. The Commission will adopt a Long Range Financial Plan that enables F5AC to maintain programs at a constant level of funding through the current Commission-approved strategic plan in the face of declining Proposition 10 revenues. F5AC will maintain amounts in the Children's Sustainability Fund in accordance with the Long Range Financial Plan. At a minimum, the amount in the Children's Sustainability Fund shall ~~exceed six months of the corresponding fiscal year's Prop 10 operating expenses and to~~ cover fiscal obligations under the Reduction in Workforce Policy.
- B. In addition to the Children's Sustainability Fund, F5AC will maintain sufficient reserves to support the cost of reimbursement of grant proceeds in the event of audit exceptions. It will maintain other reserves required by law and/or debt covenants and any general reserve requirements as may be set from time to time by the Commission.
- C. The Commission may approve use of the Children's Sustainability Fund to support budgeted activities with appropriate adjustments made to subsequent annual budgets to restore the balance of the Children's Sustainability Fund within three years.
- D. Unspent funds at year end will close to the Children's Sustainability Fund.
- E. Fund balance is defined as the excess of assets over liabilities. Fund balance is reported in the following categories in accordance with Governmental Accounting Standards Board Statement No. 54:
  - Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained

intact. Nonspendable amounts are determined before all other classifications of fund balance and consist of the following: long-term receivables, inventory of supplies, prepaid items, corpus (principal) of any permanent funds that are legally or contractually required to be maintained intact, and nonfinancial assets held for resale.

- Restricted – includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
  - Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the Commission.
  - Assigned – includes remaining amounts not classified in Special Revenue Funds as any of the above or amounts intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. The Commission delegates to the Chief Executive Officer or his/her designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance.
  - Unassigned – includes all amounts not included in the other fund balance classifications.
- F. When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of F5AC to use the most restrictive funds first.



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# TRAINING AT FIRST 5

OCTOBER 3, 2024

Catherine Rosillo, Training Administrator  
Lea Yancey, Senior Administrative Associate



# TRAINING STRATEGY AT FIRST 5

Our “**North Star**,” the population result that guides our work, is that all **Children Are Ready for Kindergarten**; our work is to ensure that policies, systems, communities, and schools support families and children by creating the **conditions** that position all for success.

## Training Strategy

### ADMINISTER

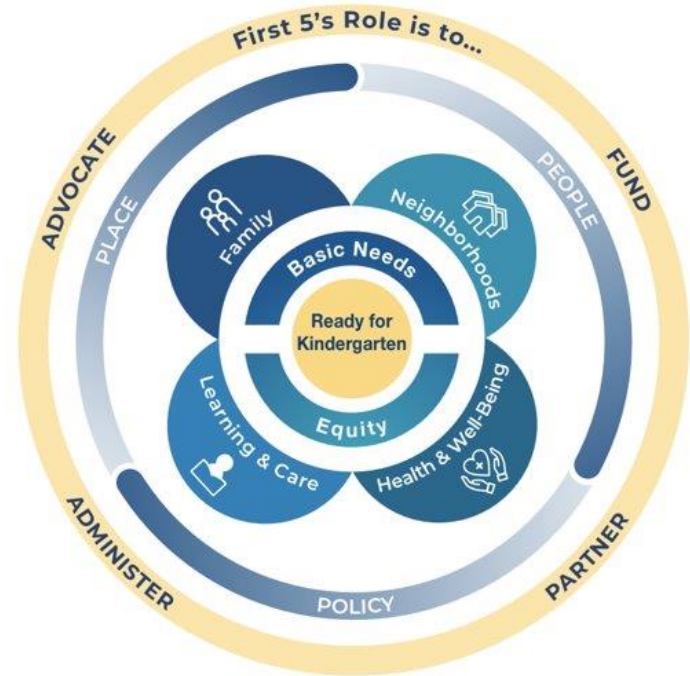
Develop and Host Trainings

### PARTNER

Establish and Maintain External and Internal Partnerships

### FUND & ADVOCATE

Share Policy Updates  
Fund Collaborative Opportunities



# HISTORY OF TRAINING AT FIRST 5

(2000)  
Established  
Training  
program

(2005)  
Offered  
Continuing  
Education Units  
for  
professionals

(2013)  
Supported the  
establishment  
of Alameda  
County Fathers  
Corps

(2019)  
Established  
collaborative  
partnership with  
Neighborhoods  
Ready for  
School (NRFS)  
sites

(2020)  
Developed  
Online  
Training &  
YouTube  
Training  
Library

(2024)  
Transitioned to  
Programs  
Department

# TRAINING AT FIRST 5 STRATEGIC GOALS 2022 - 2027



**Incorporate First 5 equity framework** into content development and mode of delivery.



**Assist human resources with implementation of staff trainings** ranging from professional development directly linked to agency strategy and program goals.



**Ensure alignment with agency and community priorities and needs** to focus programming on areas critical to sustainability of key investments and ongoing service provision.

# EXTERNAL AND INTERNAL PARTNERSHIPS



# HIGHLIGHT FY 23-24 TRAINING

## Medi-Cal Training Series

### Supporting Immigrant Families: Medi-Cal and Public Charge Updates



SAN FRANCISCO  
HUMAN SERVICES AGENCY



**CENTROLEGAL**  
DE LA RAZA



*123 attended*

### Public Benefits 101: Understanding Medi-Cal



*113 attended*

# DATA & IMPACT - FISCAL YEAR 2023 - 2024



**48 training events**



**900+ unduplicated individuals**



**250+ Agencies**



**12,700 YouTube views**



**92% said their Learning Goals  
were met**



**93% Very Good or Excellent,**  
“How would you rank this training  
overall?”

# UPCOMING HIGHLIGHT FY 24-25 TRAINING

## Black Maternal Health & Birth Equity Series In collaboration with the Parent Partnership Strategy



**TaNefer L Camara, MS-HCA, IBCLC**  
**Part 1: Oxytocin: The Link Between Birth, Breastfeeding, and Maternal Mental Health**



**Sayida Peprah-Wilson, PsyD**  
**Part 2: Pregnancy and Infant Loss**

# STAFF DEVELOPMENT FY 2023 - 2024



**Staff Development**  
Training Program

**First 5 Staff Development**  
*Supporting the Human Resources Team*



**Excel Series**



**Write It Well Series**



**Additional Topics**

# VISION FOR THE FUTURE



## Plans and Collaborations in Development

Continue to offer a **range of learning opportunities**

Pilot a **return to in-person learning**

Pilot a **Professional Learning Community**

Support **Measure C** implementation



# First 5 Association of California and First 5 CA Updates

October 2024

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# First 5 Association of California and First 5 CA Updates

October 2024

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### First 5 Center for Children's Policy: Medi-Cal Learning Community

In August, the First 5 Center for Children's Policy unveiled a framework for the second year of the Medi-Cal Learning Community. The First 5 Center will continue to convene the Medi-Cal Learning Community with monthly tables and offer more tailored support for First 5 Commissions looking to deepen their partnerships with their local managed care plans. The First 5 Center also announced a contract with Oscar Flores, Respond Mindfully LLC, to offer First 5 Commissions with 1:1 technical assistance. Oscar has led Medi-Cal engagement efforts with First 5 Monterey County. First 5 Alameda County is excited to partner, support, and learn from other First 5s as we shift to becoming a CalAIM provider with our local managed care plan. More information on the Medi-Cal Learning Community is available [here](#).

### First 5 Association of California: Executive Directors Monthly Meeting

The focus of the September First 5 Association of California Executive Directors meeting was on the Mental Health Services Act as the state and counties prepare for shifts resulting from the passage of [Proposition 1: Behavioral Health Transformation](#) in March 2024. The California Health and Human Services representative shared that there is a locally mandated planning process and First 5's are mandated partners. As a follow-up, First 5 Alameda County will be reaching out to Alameda County Behavioral Health to learn more about how we can support our county's local planning process.

### First 5 Center for Children's Policy: Infant and Early Childhood Mental Health and Its Workforce

The First 5 Center for Children's Policy released two policy resources on Infant and Early Childhood Mental Health and its workforce. The [first blog](#) highlights the unique needs of infants, toddlers, and young children compared to their older counterparts. The [second blog](#) highlights four policy recommendations for the state to improve access to mental health services and reduce the inequitable impacts on the current system.



# Legislation and Public Policy Updates

October 2024

## State Policy

### State Legislative Session

The California Legislature ended a two-year cycle on August 31<sup>st</sup> with the approval of hundreds of bills that are now awaiting the Governor's review. Governor Newsom has until September 30<sup>th</sup> to decide the fate of bills passed by the Legislature. Included below is a list of bills where First 5 Alameda has taken a formal *support* position and their status as of mid-September. A list of signed legislation impacting our [2024 Policy Agenda](#) priorities will be shared at the next Legislation and Public Policy Update.

Bill	Summary	Status
<a href="#">AB 2982 (Reyes)</a> : Prenatal to 3 Workgroup  <i>Sponsored by the First 5 Association of California</i>	Would establish a workgroup to create recommendations for a statewide comprehensive, equity-focused prenatal-to-3 system agenda, as specified. The bill would require the workgroup to submit its recommendations to the administration and to the Legislature by January 31, 2026.	Held under submission
<a href="#">AB 2446 (Ortega)</a> : Medi-Cal Diapers	Would establish diapers as a covered Medi-Cal benefit for a child greater than 3 years of age who has been diagnosed with a condition, as specified, that contributes to incontinence, and for an individual under 21 years of age if necessary to correct or ameliorate a condition pursuant to certain federal standards. The bill would limit the provided diapers to an appropriate supply based on the diagnosed condition and the age of the Medi-Cal beneficiary.	Enrolled and Presented to the Governor
<a href="#">AB 2476 (Bonta)</a> : Child Care Payments	Would remove the requirement that alternative payment programs reimburse child care providers based on specified criteria; would require the state to ensure that child care providers are reimbursed at the applicable regional market rate ceiling; and it would require that, commencing on April 30, 2026, alternative payment programs provide payment to childcare providers prior to the day the child care begins.	Dead
<a href="#">AB 1808 (Nguyen)</a> : Childcare and development services: eligibility	Would delete that 12-month exception for CalWORKs Stage 1, Stage 2, or Stage 3 programs, aligning eligibility with other subsidized child care programs for 24 months.	Signed by the Governor
<a href="#">AB 2319 (Wilson)</a> : California Dignity in Birth Act	Would expand implicit bias trainings to include recognition of intersecting identities and potential biases and would establish clear penalties for violations. The Office of the Attorney General may also publish a list of non-compliant facilities and report on compliance data every two years.	Enrolled and Presented to the Governor



Bill	Summary	Status
<a href="#">AB 2343 (Schiavo)</a> : CalWORKs: childcare programs	Would specify that nothing prohibits an administrator of an alternative payment program or agency administering CalWORKs Stage One or Stage Two programs, serving children, as specified, from utilizing funds for administrative and support services to provide families at risk of homelessness or escaping domestic abuse a referral pathway to secure stable childcare placement.	Enrolled and Presented to the Governor
<a href="#">AB 1975 (Bonta)</a> : Medi-Cal: medically supportive food and nutrition interventions.	Would make medically supportive food and nutrition interventions a covered benefit under the Medi-Cal program, through both the fee-for-service and managed care delivery systems, no sooner than July 1, 2026, upon appropriation and subject to federal approval and the issuance of final guidance. The bill would require those interventions to be covered if determined to be medically necessary by a health care provider or health care plan, as specified. The bill would require the provision of interventions for 12 weeks, or longer if deemed medically necessary.	Enrolled and Presented to the Governor
<a href="#">AB 2740 (Waldron)</a> : Incarcerated persons: prenatal and postpartum care.	Would require, within 7 days of arriving at a prison, each incarcerated pregnant person to be referred to a social worker to discuss options for parenting classes and other classes relevant to caring for newborns and options for placement and visiting the newborn. The bill would require a prenatal plan of care to include additional meals and beverages. The bill would also require that the incarcerated mother and newborn child remain at a medical facility after delivery for as long as the medical provider determines is necessary for recovery and postpartum medical care. The bill would require the mother and child to be provided with bonding time, as specified, and that the incarcerated mother be permitted to breastfeed the newborn at the medical facility, and pump breast milk to be stored and provided to the child.	Enrolled and Presented to the Governor

### **State Budget Outlook**

In August the Legislature released nine additional budget “clean up” bills. These bills reflect language in the final Fiscal Year 2024-2025 budget agreement reached between the Legislature and the Governor. For Fiscal Year 2023-2024, projections from the Department of Finance show state revenues to be \$3.2 billion (1.5%) above budget projections. Revenue gains for Fiscal Year 2024-2025 are likely to be paid to schools and community colleges under Proposition 98’s maintenance factor provisions.

### **State and Local Advocacy**

The Government Affairs and Policy Team tracks legislative and policy developments at the local, state and federal level. Since the last Commission Meeting, First 5 Alameda County submitted the following position letters and sign-on requests:



### Budget

- [BUILD UP CA Sign-On Letter](#): Supported a 2024-2025 State Budget Trailer Bill Language Request that would make changes that deem Child Care and Development Infrastructure Grants (IGP) nontaxable.
- [The Children’s Budget Coalition Sign-On](#): A letter sharing concerns with the U.S. House of representative’s approach to FY 2025 funding and its failure to prioritize investments in children, their families, and those most in need. The letter cites important data to better understand the challenges children experience.
- [Protect Communities, Families, and Children in the Final Budget](#): A letter to State Budget Committees thanking them for their continued partnership in opposing a range of budget cuts included in the Governor’s May Revise that impact early care and education, CalWORKs eligible families, child welfare, efforts to advance health equity, mental and public health services, and community well-being.

### Birth Equity

- [Support AB 2740 \(Waldron\): Incarcerated persons: prenatal and postpartum care](#): This bill would require that incarcerated pregnant people have access to necessary supports including medically appropriate meal plans, options for placement and visitation of the newborn, and the ability to stay in the hospital for at least 3 days with the child after birth.

### Health & Well-Being

- [Support AB 1975 \(Bonta\): Medi-Cal: medically supportive food and nutrition interventions](#): This bill builds on the success of the State Department of Health Care Services’ Medically Tailored Meals Pilot Program, piloted by Alameda County, and would serve Californians with certain health conditions with an innovative, cost-effective, and evidence-based approach.

## Federal Policy

### **Fiscal Year 2025 Appropriations**

The federal Fiscal Year 2025 Appropriations process has stalled and will likely not move forward until after the November general elections. Congress is working on negotiations for a continuing resolution that will keep the federal government operating past the September 30<sup>th</sup> federal fiscal year-end deadline.

### **Child Tax Credit**

A minority of Senators blocked passage of the bipartisan [Tax Relief for American Families and Workers Act of 2024 \(H.R. 7024\)](#), which would have expanded the Child Tax Credit. Although the bill was not passed, Senate leaders have positioned the bill for another possible vote later this year.



### **Emergency Child Care Funding**

In July, the Biden Administration released a supplemental [funding request](#) to Congress that reiterates the Administration's request for \$16 billion in emergency child care funding. The request, originally called for in October 2023, comes after the expiration of federal child care stabilization dollars last September.

### **Head Start: Supporting the Head Start Workforce and Consistent Quality Programming**

On August 16, the Office of Head Start issued the [Final Rules](#) pursuant to the 2023 Notice of Proposed Rule Making. This final rule makes regulatory changes to the Head Start Program Performance Standards (HSPPS) to support and stabilize the Head Start workforce and improve the quality of services Head Start programs provide to children and families. Changes to the standards increase wages and benefits for Head Start educators and other staff, better integrate mental health supports across program services, strengthen processes to support child health and safety, and enhance family engagement services. They also modernize the process programs use to identify and meet community needs.

### **Fatherhood**

The Administration of Children and Families released a [Notice of Proposed Rulemaking](#) that would allow child support agencies to pay for employment and training services for noncustodial parents with regular child support funds. The proposal encourages child support agencies to avoid duplicating services by entering into contracts with employment and/or fatherhood programs. In support of our Fatherhood Initiative, First 5 Alameda County submitted a comment letter highlighting systems level recommendations from our recent [Fatherhood Program evaluation](#). Our comment letter is available to [read here](#).

### **Promise Neighborhoods**

In August, First 5 Alameda County supported a Results 4 America [coalition letter sign-on](#) and submitted a letter of support for federal Promise Neighborhoods Grants. The letters request, at minimum, the \$93 million recommended by the Senate Committee be included in the final Fiscal Year 2025 conference agreement. This amount would fund implementation and extension grants that create opportunities for current and new grantees to strengthen communities' abilities to deliver critical services to children and families. In our [letter of support](#) we highlight our Neighborhoods Ready for School partnership, the importance of place-based investments, our partnership with Hayward Promise Neighborhoods, and our support for the East Oakland Promise Neighborhood application to the United States Department of Education Promise Neighborhoods grant program.