

# AGENDA

## MEETING OF THE BOARD OF COMMISSIONERS

Chair: Holly J. Mitchell

Thursday, October 10, 2024  
1:30 PM – 4:30 PM

### Meeting Location:

First 5 LA  
750 N. Alameda Street  
Los Angeles, CA 90012

1. **ACTION**  
Call to Order / Roll Call
2. **ACTION**  
AB 2449 Request to Participate Remotely Due to Just Cause or Emergency Circumstances
3. **INFORMATION**  
Report out on Closed Session of the Board of Commissioners – October 10, 2024
4. **ACTION**  
**Consent**
  - A. Approve Special Commission Meeting Summary Action Minutes – June 13, 2024 3
  - B. Approve the Monthly Financial Statements Month Ending May 31, 2024 9
  - C. Contract: Approve One (1) Renewal and Authorize Staff to Complete the Final Execution of the Agreement Upon Approval from the Board. 15
  - D. Approve Investment Portfolio Update for Q4 17
  - E. Approve Biennial Update to First 5 LA COI Code 33
  - F. Approve Annual Comprehensive Financial Report for the Year Ended June 30, 2024 38
5. **INFORMATION**  
Remarks by the Commission Chair of the Board
6. **INFORMATION** 126  
President/CEO Report
7. **ACTION** 135  
**Public Hearing**  
Approval to Submit First 5 LA Annual Report to First 5 CA

#### COMMISSIONERS

Los Angeles County Supervisor  
Holly J. Mitchell  
*Chair*  
Summer McBride  
Vice Chair

Robert Byrd, Psy.D  
Alma Cortes  
Barbara Ferrer, Ph.D.  
Astrid Heger, M.D.

Abigail Marquez  
Maricela Ramirez  
Carol Sigala

#### EX OFFICIO MEMBERS

Deanne Tilton Durfee  
Jacquelyn McCroskey, DSW  
Alejandra Albarran Moses  
Brandon Nichols

#### PRESIDENT & CEO

Karla Pleitéz Howell

#### EXECUTIVE VICE PRESIDENT

John A. Wagner

8. **ACTION** 162  
Approve Proposed Direction on the Long-Term Financial Plan to Align with the

Strategic Plan for 2024-2029

- Presenters: JR Nino, Vice President of Operations & Sustainability; Raoul Ortega, Director of Finance; and John Wagner, Executive Vice President**
9. **INFORMATION** 178  
 Consideration of Lease Agreement for the 2nd Floor of the First 5 LA Building
10. **INFORMATION** 180  
 Policy on Compensation & General Human Resources Procedures
- Presenters: Gala Collins, Director of Human Resources and John Wagner, Executive Vice President**
11. **INFORMATION** 200  
 Review of 2025 Policy Agenda
- Presenters: Ofelia Medina, Senior Policy Strategist and Jamie Zamora, Senior Government Affairs Strategist**
12. Break
13. **INFORMATION** 212  
 Annual Review of 2024-29 Strategic Plan
14. **INFORMATION** 219  
 Strategic Plan Implementation Update
- Presenters: Chrissie M. Castro, Chrissie M. Castro & Associates and Rigoberto Rodriguez, Chrissie M. Castro & Associates**
15. **INFORMATION**  
 Public Comment (for items not on the agenda)

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**SUMMARY ACTION MINUTES**

**FIRST 5 LA  
June 13, 2024**

**Meeting of the Board of Commissioners  
Hybrid of In-Person and Virtual  
Special Meeting | Closed Session: 12:15-1:15 pm  
Regular Session: 1:30-4:30 pm**

**COMMISSIONER PRESENT**

**Commissioners:**

Robert Byrd  
Alma Cortes  
Barbara Ferrer  
Astrid Heger  
Summer McBride  
Holly Mitchell (Chair)  
Maricela Ramirez  
Carol Sigala

**Ex-Officio Commissioners:**

Alejandra Albarran Moses  
Jacquelyn McCroskey  
Deanne Tilton Durfee  
Frank Ramos (Alternate)

**COMMISSIONERS ABSENT:**

Abigail Marquez  
Brandon Nichols

**STAFF PRESENT:**

Karla Pleitez Howell, Executive Director  
Linda Vo, Board Relations Manager  
John Wagner, Executive Vice President

**GENERAL COUNSEL:**

Serita Young, Attorney-at-Law

**CALL TO ORDER / ROLL CALL:**

1. Commission Chair Holly Mitchell called the meeting to order at 1:31 pm. Quorum was present.
2. **AB 2449 Request(s) to Participate Remotely Due to Emergency Circumstances and Notice(s) of Remote Participation for Just Cause**  
  
No Commissioners joined under AB 2449.
3. **Report out on Closed Session of the Board of Commissioners – June 13, 2024**  
  
There were no reportable actions.
4. **CONSENT**
  - A. **Approve Special Commission Meeting Summary Action Minutes and Transcript – May 9, 2024**
  - B. **Approve the Monthly Financial Statements Month Ending April 30, 2024**
  - C. **Contracts: Approve 47 Renewals and Authorize Staff to Complete Final Execution of the Agreements Upon Approval from the Board**
  - D. **Approve Amendment of the Strategic Partnership with Catalyst California (Formerly Advancement Project California) in the Amount of \$200,000 for a Total of \$1,350,000 Through June 30, 2025 to Support First 5 LA's Work Towards the 2024-2029 Strategic Plan Goals by Providing Data at the Regional and County-Wide Levels and Authorize First 5 LA Staff to Execute an Agreement in the Amount of up to \$200,000**

## SUMMARY ACTION MINUTES

- E. Approve Amendment of the Strategic Partnership with Community Partners, Fiscal Sponsor for the Mayor’s Fund for Long Beach (formerly known as the Long Beach Mayor’s Fund for Education), in the Amount of \$100,000 for a Total of \$400,000 through June 2025 to Continue Engagement of Local Stakeholder Groups, like the Business Community, Newly Elected Officials, Policymakers, Community Leaders, in Strengthening the Early Childhood and Education (ECE) Ecosystem in Long Beach and to Continue and Expand the Long Beach Early Learning Hub**

**M/S (Robert Byrd/Summer McBride)**

**Abstentions from Item 4C – Maricela Ramirez and Astrid Heger**

Roll Call:

Robert Byrd – Aye  
Alma Cortes – Aye  
Barbara Ferrer – Aye  
Holly Mitchell – Aye  
Summer McBride – Aye  
Carol Sigala – Aye

### THE ITEMS WERE APPROVED

#### **COMMISSION: (Items 5– 12)**

**5. Remarks by the Commission Chair**

Remarks were given by Supervisor Holly Mitchell.

**6. President & CEO’s Report**

A report out was given by Karla Pleitez Howell.

**7. Approve the Proposed FY 2024-25 Budget and Updates to the current Long-Term Financial Plan (LTFP)**

This presentation was presented as an Action item and focused on the FY 2024-25 budget and updates to the Long-Term Financial Plan (LTFP). Key assumptions include a projected annual spending decline of 6.47% from FY 2024-25 to FY 2027-28. The budget for FY 2024-25 totals \$91.7 million with an administrative cost limit set at \$14.4 million, a 15.69% increase from the previous year. Adjustments to the budget reflected updated revenue estimates and actual spending. Notably, there is a decrease in projected Proposition 10 revenue but an increase in external funding.

Some key highlights:

- Annual spending decline is projected at 6.47% from FY 2024-25 to FY 2027-28.
- The total budget for FY 2024-25 is set at \$91.7 million.
- The administrative cost limit for FY 2024-25 increased to \$14.4 million, primarily due to personnel costs.

## SUMMARY ACTION MINUTES

- Adjustments were made to align revenue estimates with updated projections from financial authorities.
- Despite a decrease in Proposition 10 revenue, external funding sources have increased, influencing overall financial strategy.
- The increase in the administrative cost limit is primarily due to \$1.2 million in vacant positions captured within the Human Resources budget and rising personnel costs due to merit adjustments and insurance.
- Revenue projections were updated to align with estimates provided by the Department of Finance and the California Department of Tax and Fee Administration, reflecting anticipated changes in funding sources.

### M/S (Maricela Ramirez/Carol Sigala)

#### Roll Call:

Robert Byrd – Aye  
Alma Cortes – Aye  
Barbara Ferrer – Aye  
Astrid Heger – Aye  
Holly Mitchell – Aye  
Summer McBride – Aye  
Maricela Ramirez – Aye  
Carol Sigala – Aye

### THE ITEMS WERE APPROVED

There was no further discussion on this item.

#### 8. **Public Hearing** **Receive and File First 5 CA's Annual Report**

The First 5 California (CA) Annual Report for the fiscal year 2022-2023 was presented by HaRi Kim Han in a public hearing. She provided an overview of the procedural requirements established by Proposition 10, which mandates each county commission to submit data in the fall, leading to the release of a statewide Annual Report in the spring. Key highlights from the FY 22-23 report are reviewed, marking the conclusion of the annual reporting process for that fiscal year. Additionally, she noted that data for the FY 2023-2024 Annual Report for First 5 LA will be made available in the fall.

#### Other things to note:

- The First 5 CA Annual Report is a mandated process guided by Proposition 10.
- Each county commission has specific timelines for data submission, fostering accountability.
- The statewide Annual Report condenses data from all counties, showcasing overall trends and insights.
- The report for FY 2022-2023 serves as a closing document for that fiscal period, emphasizing its significance.
- Upcoming data release for FY 2023-2024 indicates ongoing efforts to monitor and evaluate early childhood programs.

## SUMMARY ACTION MINUTES

Ms. Han explains that the Annual Report provides insights that can shape policy decisions, funding allocations, and improvements in early childhood programs across California, aligning with the goals of First 5 initiatives.

The item was received and filed.

There is no further discussion on this item.

### 9. Break

### 10. Direction on the Long-Term Financial Plan to Align with the Strategic Plan for 2024-2029

Raoul Ortega and JR Nino discussed First 5 LA's current work on updating its Long term financial plan to align its financial strategy with its long-term goals for the children and families of LA County. They underscored the importance of maximizing existing assets and adapting to a new fiscal environment is crucial, especially in light of Proposition 31. They asked the Board to consider some key points as First 5 LA decides on which direction to move in for their LTFP.

#### Overview of Long-Term Financial Plan (LTFP) Goals

1. **Maximizing Existing Assets:**
  - Focus on optimizing the fund balance.
  - Align financial strategy with the needs of LA County's children and families.
2. **Strategic Alignment:**
  - The 2024/29 Strategic Plan necessitates a fresh approach to the LTFP, looking beyond FY 27/28.
  - Aim for long-term impact through FY 34/35, ensuring consistency in community support.
3. **Stability and Consistency:**
  - Create a financial plan that conveys stability to external partners.
  - Position F5LA to withstand future uncertainties and fiscal disruptions.
4. **Guardrails as Guiding Principles:**
  - Ensure decisions maximize impact for children and families.
  - Provide stability through longer-term contracts for community partners.
  - Allocate adequate resources to support the new strategic plan.

#### Key Considerations for the Board

- **Initial Response to Guardrails:**
  - Gather board feedback on the proposed guiding principles.
  - Discuss any potential concerns or additional considerations that should be included.
- **Impact on Community Partners:**
  - Explore how these strategies can strengthen partnerships and enhance service delivery for children and families.
- **Future Fiscal Disruptions:**
  - Consider ways to mitigate risks associated with potential economic challenges.

## SUMMARY ACTION MINUTES

Mr. Ortega and Mr. Nino emphasized the importance of the decision that First 5 LA needs to make to would ensure that the LTFP not only supports immediate goals but also establishes a robust foundation for sustained impact in the community.

This item will be brought back in the fall for Board consideration prior to staff requesting approval.

There is no further discussion on this item.

### 11. Strategic Plan Implementation – Discussion and Updates on Tactics

First 5 LA consultants Chrissie & Rigo presented to the Board an update on First 5 LA's strategic planning process. They began with an overview to provide context, especially regarding equity. The emphasis is on anchoring the plan in community knowledge and experiences to address systemic barriers and advance equity, racial justice, and social justice.

Three main goals are outlined:

- Ensure children and families have their basic needs met.
- Foster nurturing relationships and environments.
- Establish a solid foundation for well-being, learning, and success.

Rigo emphasized that these goals aim not just for survival but for thriving, with each accompanied by three ambitious, measurable objectives focused on population and systems levels.

The overarching strategies to achieve these objectives include:

- Catalyzing public policies at local, state, and federal levels to address constraints.
- Collaborating with partners to strengthen public systems, services, and supports.
- Emphasizing community engagement and partnerships to enhance collective efforts.

Some other key highlights that Chrissie and Rigo covered include:

- The implementation process emphasizes community engagement and input from diverse stakeholders.
- Tactics are designed to address specific objectives and demonstrate potential impact on targeted outcomes.
- An equity-driven approach ensures that all demographics are included and considered in the planning process.
- Sustainability of tactics beyond First 5 LA's funding is a priority, ensuring long-term benefits.
- A structured timeline outlines milestones for tactic development, stakeholder feedback, and action initiation.

It was also underscored that tactics will be assessed based on their cost-benefit analysis, ensuring that the benefits outweigh the costs and that changes will be sustainable beyond the funding period of First 5 LA.

## SUMMARY ACTION MINUTES

There is no further discussion on this item.

### 12. Equity Index – Targeting Declining Resources

Ms. Kimberly Hall informed the Commission at this meeting that First 5 LA is developing an early childhood equity index for L.A. County to address disparities, historic under-investment, and systemic inequities affecting young children and families. She indicated this initiative responds to the board's directive and is influenced by First 5 LA's declining revenue. The equity index will help prioritize future resources and investments. Staff introduced the concept to the Program and Planning Committee in April 2024, gathering feedback for further development.

Ms. Hall presented the vision for the equity index, focusing on well-being: Assessing factors affecting young children and families.

The index will also provide a composite measure of well-being using multiple indicators.

- Identify disparities in well-being across communities.
- Prioritize resource allocation.
- 

Finally, Ms. Hall informed the Board that the goal of the index would be to promote equity by targeting resources to communities with the most significant disparities.

She said that in the upcoming fiscal year, staff will come back to the full Board to present further information on the equity index framework and continue discussions throughout 2024 to refine the index.

There is no further discussion on this item.

### 13. Public Comment (for items not on the agenda)

No general public comments.

### **ADJOURNMENT:**

The Commission adjourned at 4:35 pm.

### **NEXT MEETING:**

The next Commission meeting will take place on Thursday, October 10, 2024, at 1:30 pm.

Meeting details will be posted per Brown Act Requirements

Meeting minutes were recorded by Linda Vo, Board Relations Manager

**FIRST 5 LA**

**SUBJECT:**  
**Monthly Financial Reports**

**RECOMMENDATION:**  
**Approval of the monthly financial statements for the month ending May 31, 2024.**

**BACKGROUND:**  
Staff provides monthly financial reports for the Commission's review and approval to ensure transparency of the financial status of First 5 LA.

**DISCUSSION:**

First 5 LA began the month of May with a net position of \$295.1 million. During the month of May 2024, we received \$9.1 million in revenues. We had \$5.2 million in program expenditures, and \$1.8 million in operating expenditures. As a result, First 5 LA ended the month with a net position of \$297.3 million.

This report includes detailed financial information for the month ending May 31, 2024. The financial statements are unaudited and reported as a "soft close." All materials in this packet and check registers are available online. Statements in this report include the following:

- Revenue and Expense Statement: Summarizes financial statements to highlight the starting cash balance, revenues received, program and operating expenses, and the ending cash balance for the month.
- Balance Sheet: Provides a "snapshot" view of the Commission's assets, liabilities and fund balance as of May 31, 2024.
- Detailed operating and program expenditures: Shows expenses against the FY 2023-24 Budget approved on June 8, 2023, concluding with a report of expenditures related to programs functioning as pass-through agreements.

**Los Angeles County Children and Family First -  
Proposition 10 Commission (aka) First 5 LA  
Revenue and Expense Statement  
May 31, 2024, Unaudited**

	<b>REVENUES AND EXPENDITURES</b>
<b>Net Position as of Net Position April 30, 2024</b>	<b>\$ 295,139,720</b>
<b>Revenue</b>	
Monthly State Allotments	2,696,594 (1)
Medi-Cal Administrative Activities (MAA)	-
State Commission - Other Program Funds	2,397,262
Interest Income - Unreserved	3,994,366
Investment Income - Other	-
<b>Total Revenue</b>	<b>\$ 9,088,222</b>
<b>Expenses</b>	
<b>Program Budget (Attachment A)</b>	
2020-2028 Strategic Plan: Focusing For The Future	\$ 5,180,031
Legacy Investments	-
<b>Total Initiative/Program Expenses</b>	<b>\$ 5,180,031</b>
<b>Pass-Through (Attachment B)</b>	
Medi-Cal Administrative Activities (MAA)	\$ -
<b>Total Pass-Through Expenses</b>	<b>\$ -</b>
<b>Operation and Administration (Attachment C)</b>	
Personnel	\$ 1,472,438
General Operating	82,132
Consultant Services	168,810
Professional Services	28,829
Travel Expenses	12,781
Professional Development	3,294
Capital Improvements	-
<b>Total Operation and Administration</b>	<b>\$ 1,768,283</b>
<b>Total Expenses</b>	<b>\$ 6,948,314</b>
<b>Variance (Revenue - Expenses)</b>	<b>\$ 2,139,908</b>
<b>Net Position as of May 31, 2024</b>	<b>\$ 297,279,628 (2)</b>

**NOTE:**

- 1) Tobacco tax revenue for March 2024.
- 2) Net Position excludes fixed assets and liabilities.

**LOS ANGELES COUNTY CHILDREN AND FAMILY FIRST - PROPOSITION 10 COMMISSION (AKA FIRST 5 LA)**  
**PROGRAM EXPENDITURES BY FY 2023-24 BUDGET**  
**MAY 31, 2024, UNAUDITED**

INITIATIVE/PROGRAM	FY 2023-24 BUDGET	MAY EXPENDITURES	FISCAL YTD EXPENDITURES	BALANCE REMAINING
<b>2020-2028 STRATEGIC PLAN</b>				
Center for Child and Family Impact				
Family Supports	39,103,000	3,088,553	27,769,139	11,333,861
Communities	14,367,200	1,097,489	7,649,843	6,717,357
Early Care & Education	8,174,615	299,482	3,934,423	4,240,192
Health Systems	4,750,550	397,780	2,378,840	2,371,710
Center Support	450,000	-	55,000	395,000
Office of Government Affairs & Public Policy				
Early Childhood Policy and Advocacy Fund	4,000,000	-	4,000,000	-
Policy Advocacy Fund Technical Assistance Provider	596,000	46,572	366,616	229,384
Organization-wide Sponsorships	300,000	49,400	337,450	(37,450)
Organizational Memberships	175,000	-	121,500	53,500
Organization-wide Partnerships	175,000	-	-	175,000
Federal & Advocacy Stakeholder Engagement	180,000	-	-	180,000
State Policy and Sustainability Advocate	320,000	-	93,833	226,167
Strategic Plan Advocacy Strategies	819,500	27,375	501,028	318,472
Office of Communications				
Strategic Communications	1,587,417	143,380	635,782	951,635
Strategic Communications Partnerships	200,000	-	18,000	182,000
Strategic Marketing	1,400,000	-	6,264	1,393,736
Office of Data for Action				
Annual Reporting	63,000	-	37,050	25,950
Data Requests	5,000	-	-	5,000
Children's Data Network (CDN)	723,000	-	-	723,000
County Data Partnership	75,000	-	-	75,000
WIC Data Mining Research Partnership	407,000	-	119,341	287,659
First 5 LA Data Strategy	200,000	30,000	30,000	170,000
Impact Framework	122,000	-	6,213	115,787
<b>Subtotal 2020-2028 Strategic Plan</b>	<b>78,193,282</b>	<b>5,180,031</b>	<b>48,060,322</b>	<b>30,132,960</b>
<b>LEGACY INVESTMENTS</b>				
Little by Little/One Step Ahead Program	2,027,000	-	973,417	1,053,583
<b>Subtotal Legacy Investments</b>	<b>2,027,000</b>	<b>-</b>	<b>973,417</b>	<b>1,053,583</b>
Emerging Opportunities Fund	150,000	-	-	150,000
<b>TOTAL</b>	<b>80,370,282</b>	<b>5,180,031</b>	<b>49,033,739</b>	<b>31,336,543</b>

The FY 2023-24 program budget was approved by the Board of Commissioners on June 8, 2023.

**NOTES:**

Journal entries for FY 2022-23 accrued expenses were reversed in July 2023. The amounts reported are the actual program expenditures for May 2024.

LOS ANGELES COUNTY CHILDREN AND FAMILY FIRST - PROPOSITION 10 COMMISSION (AKA FIRST 5 LA)  
 EXPENDITURES - PASS-THROUGH  
 MAY 31, 2024, UNAUDITED

Attachment B

INITIATIVE/PROGRAM - PASS-THROUGH	MAY EXPENDITURES	YEAR TO DATE EXPENDITURES
Medi-Cal Administrative Activities (MAA) - LA County Charges	-	-
Medi-Cal Administrative Activities (MAA) - Participation Payment	-	-
<b>TOTAL</b>	-	-

**Los Angeles County Children and Family First -  
Proposition 10 Commission (aka) First 5 LA  
Operating & Administrative Budget Update  
MAY 31, 2024, UNAUDITED**

OPERATION AND ADMINISTRATION EXPENSE	MAY ACTUAL	FISCAL YTD ACTUAL	FY 2023-24 BUDGET	FISCAL YTD VARIANCE
<b>Personnel Services</b>				
Salaries & Wages	1,128,014	10,007,778	12,274,806	2,267,028
Fringe Benefits	344,424	3,158,382	3,996,716	838,334
<b>Total Personnel Services</b>	<b>1,472,438</b>	<b>13,166,160</b>	<b>16,271,521</b>	<b>3,105,362</b>
<b>General Operating Expenses</b>				
ADP Payroll Charges	2,520	30,290	42,000	11,710
Workers Compensation Insurance	-	60,404	45,000	(15,404)
Utilities	16,087	148,406	170,000	21,594
Corporate Insurance	-	128,006	113,300	(14,706)
Mileage, Parking and Other Transportation	1,739	6,457	28,825	22,368
Telephones	4,753	57,512	71,600	14,088
Cell Phones & Mobile Devices	7,950	92,700	122,000	29,300
Outside Printing & Publishing	-	-	1,450	1,450
Other Supplies	329	7,415	6,250	(1,165)
Postage & Delivery	179	1,130	6,000	4,870
Educational Supplies	-	285	3,850	3,565
Office Supplies	506	12,598	63,655	51,057
Subscriptions & Publication	11,264	23,153	28,325	5,172
Equipment-Rents & Leases	1,790	20,054	13,000	(7,054)
Building Repair & Maintenance	14,390	124,045	185,000	60,955
Equipment Repair & Maintenance	-	-	7,500	7,500
Offsite Storage	105	10,489	5,500	(4,989)
Hardware & Software Maintenance	2,504	242,767	406,500	163,733
Miscellaneous/Contingency	15,950	27,308	60,000	32,692
Stipend Honorarium	-	-	2,500	2,500
Internal Meeting	2,066	40,712	100,740	60,028
Divisional Capacity Building	-	8,960	20,000	11,040
<b>Total General Operating Expenses</b>	<b>82,132</b>	<b>1,042,689</b>	<b>1,502,995</b>	<b>460,306</b>
<b>Consultant Services</b>				
Consultant Fees	143,935	633,780	1,458,500	824,720
Other Professional Fees	24,875	228,338	291,000	62,662
<b>Total Consultant Services</b>	<b>168,810</b>	<b>862,118</b>	<b>1,753,500</b>	<b>887,382</b>
<b>Professional Services</b>				
Audit	-	60,473	72,000	11,527
Legal Fees	15,113	124,776	225,000	100,224
Professional Dues	3,507	37,446	55,370	17,924
Staff Recruitment	415	1,260	15,000	13,740
Commission Stipends	2,700	10,200	20,000	9,800
Web-Based Services	1,099	19,228	88,000	68,772
Bank & Other Service Charges	5,995	11,919	11,000	(919)
<b>Total Professional Services</b>	<b>28,829</b>	<b>265,302</b>	<b>486,370</b>	<b>221,068</b>
<b>Travel Expenses</b>				
Airfare	3,244	22,846	109,582	86,736
Lodging	7,228	21,679	106,354	84,675
Per Diem	1,337	8,984	49,602	40,618
Other Travel Expense	972	3,776	14,158	10,382
<b>Total Travel Expenses</b>	<b>12,781</b>	<b>57,285</b>	<b>271,676</b>	<b>222,411</b>
<b>Professional Development</b>				
Training Material & Supplies	-	-	15,780	15,780
In-house Training	-	-	57,200	57,200
Leadership Programs	-	19,700	83,500	63,800
Conference/Training Registrations	2,752	40,844	114,300	73,456
Outside Training	541	1,589	55,700	54,111
<b>Total Professional Development</b>	<b>3,294</b>	<b>62,133</b>	<b>344,480</b>	<b>264,347</b>
<b>Capital Improvements</b>				
Capital Outlay (Equipment Purchases)	-	101,065	130,000	28,935
<b>Total Capital Improvements</b>	<b>-</b>	<b>101,065</b>	<b>130,000</b>	<b>28,935</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1,768,283</b>	<b>15,556,751</b>	<b>20,746,542</b>	<b>5,189,812</b>

**NOTES - OPERATING & ADMINISTRATIVE BUDGET UPDATE:**

*The administrative expenses are within the maximum authorized under the Board policy.*

The FY 2023-24 operating budget was approved by the Board of Commissioners on June 8, 2023.

**Los Angeles County Children and Families First -  
Proposition 10 Commission  
Statement of Net Assets  
May 31, 2024 Unaudited**

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**Current Assets:**

Cash	\$	3,654,214
Cash- Morlin Mgmt Corp		237,380
Investment:		
Operating and Allocated funds		146,170,851
Specific Investment - County Pooled		134,000,000
Advance - Regional Network (RN)		849,416
Advance - Various		373,674
<b>Total Current Assets</b>	<b>\$</b>	<b><u>285,285,535</u></b>

**Fixed Assets:**

Land	\$	2,039,000
Building & Improvements		15,822,441
Furniture & Fixtures		627,671
Computer, Software & Accessories		2,262,881
Office Equipment		346,044
Accumulated Depreciation		(7,633,402)
<b>Total Fixed Assets</b>	<b>\$</b>	<b><u>13,464,635</u></b>

<b>Total Assets</b>	<b>\$</b>	<b><u><u>298,750,170</u></u></b>
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**Liabilities and Net Assets**

**Current liabilities:**

Other Liabilities	\$	(16,770) (1)
<b>Total Current Liabilities</b>	<b>\$</b>	<b><u>(16,770)</u></b>

**Net Assets:**

Investment in capital assets	\$	13,464,635
Restricted		285,302,305
<b>Total Net Assets</b>	<b>\$</b>	<b><u>298,766,940</u></b>

<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b><u><u>298,750,170</u></u></b>
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**NOTES:**

(1) Other Liabilities include accounts payable, and other related liabilities.

First 5 LA

**SUBJECT:**

Contracts for approval

**RECOMMENDATION:**

Approve one (1) renewal and authorize staff to complete the final execution of the agreement upon approval from the Board.

**BACKGROUND:**

Pursuant to the Procurement Policy adopted on September 9, 2021, contracts and amendments over \$150,000 in the aggregate shall be presented to the Board of Commissioners as an item under Consent for approval prior to execution.

First 5 LA's proposed programmatic budget for FY 2024-25 totals \$70,184,925 and the operating budget totals \$ 21,536,467. Funding for the renewing agreement is included in the FY 24-25 budget approved at the June 13, 2024, Board of Commissioners meeting.

The Contractor is proposed for renewal to continue or complete a multiyear project. A description of the contractor's project and scope of work for FY 24-25 is provided in Attachment A. Staff analyzed the progress of the contractor and determined whether this contractor is making or will be expected to make satisfactory progress towards completion of the objectives in the current agreement by the contract expiration date. This information can be found in the last column of Attachment A. Upon approval of the agreement presented below, staff will complete the final execution of the agreement.

**DISCUSSION:**

Staff seeks the Commission's approval of the agreement summarized in Attachment A.

Attachment A  
October 2024

RENEWAL											
	DEPARTMENT	DEPARTMENT/ INITIATIVE/STRATEGY / PROGRAM	CONTRACT (PROJECT) INFORMATION	PROCUREMENT METHOD	PROJECT LENGTH	ESTIMATED TOTAL PROJECT COST	CONTRACT AMOUNT	ANTICIPATED CONTRACT START DATE	ANTICIPATED CONTRACT END DATE	ANTICIPATED PROJECT END DATE	SATISFACTORY PROGRESS ACHIEVED BY CONTRACTOR?
1	Early Care & Education	Early Care & Education /Quality Improvement System/Dual Language Learner	<p><b><u>OOH BUYING GROUP, INC. #10432</u></b>                      The Contractor will purchase outdoor advertising that will include convenience store posters, bus benches, bus shelters, and billboards for Phase 4 of the Dual Language Learner Communications Campaign.</p> <p>Funding for this agreement is drawn down through First 5 California's IMPACT legacy initiative. Funding for this contract is included in the FY 24-25 budget which was approved at the June 13, 2024, Meeting of the Board of Commissioners.</p>	Categorical Exemption	15 months	\$1,238,000	\$200,000	October 11, 2024	June 30, 2025	June 30, 2025	Yes 16

# Memo

To: Board of Commissioners

From: Raoul Ortega, Director of Finance

Date: September 17, 2024

Copies To: Karla Pleitéz Howell, Executive Director  
JR Nino, Chief Operating Officer

Subject: **INVESTMENT PORTFOLIO REPORT –  
QUARTER ENDED JUNE 30, 2024**

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**RECOMMENDATION:**

Receive and file the Investment Portfolio report as of June 30, 2024.

**BACKGROUND:**

First 5 LA has the ability to invest outside the Los Angeles County’s Treasurer Surplus Investment Pool in Specifically Invested Portfolio per the adopted investment policy. A report on all investments including the Specifically Invested Portfolio must be presented to the Board quarterly.

During November 2022, First 5 LA, with approval from the Executive Committee, transferred \$134 million from the County’s Treasurer Surplus Investment Pool to a 3-year Specific Investment. This investment has a 3.80% rate of return and an annualized estimated amount of \$7.0 million in interest over a 3-year period. This investment is reflected in our balance sheet effective November 2022.

**DISCUSSION:**

The earnings rate for the Treasurer Pooled Surplus Investment Portfolio for the month of June 2024 was 4.16% with an annualized rate from January 2024 to June 2024 of 4.14%. As of June 2024, First 5 LA had \$140.8 million invested in the Treasurer Pooled Surplus Investment.

The 3-Year Specific Investment has been earning approximately \$581,000 in monthly interest and a year-to-date interest totaling approximately \$3.49 million from January through June 2024. As of the June 2024 report from the Treasurer’s office, this investment had a market value of \$133.8 million.

**COMMISSIONERS**

Los Angeles County Supervisor  
Holly J. Mitchell  
*Chair*  
  
Summer McBride  
*Vice Chair*

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Alma Cortes  
Barbara Ferrer, Ph.D.,  
M.P.H., M.Ed.  
Astrid Heger, M.D.

Abigail Marquez  
Maricela Ramirez  
Carol Sigala

**EX OFFICIO MEMBERS**

Deanne Tilton Durfee  
Jacquelyn McCroskey, DSW  
Alejandra Albarran Moses  
Brandon Nichols

**PRESIDENT & CEO**

Karla Pleitéz Howell

**EXECUTIVE VICE PRESIDENT**

John A. Wagner

LOS ANGELES COUNTY TREASURER  
TREASURER PORTFOLIO COMPARED TO MARKET VALUE  
FOR THE PERIOD: APRIL 1, 2024 TO APRIL 30, 2024  
FUND: SPECIFIC PURPOSE INVESTMENTS  
ATTACHMENT X

Security ID	CUSIP	Description	Maturity Date	Face Rate	PAR	Amortized Cost	Historical Cost	Market Value
<b>AVCCD-ANTELOPE VALLEY CCD</b>								
821801195	3130AJTQ2	FEDERAL HOME LOAN BANKS	07/27/2040	2.030	25,230,000.00	25,230,000.00	25,230,000.00	16,124,720.07
<b>FHLB TOTAL</b>					<b>25,230,000.00</b>	<b>25,230,000.00</b>	<b>25,230,000.00</b>	<b>16,124,720.07</b>
<b>AVCCD TOTAL</b>					<b>25,230,000.00</b>	<b>25,230,000.00</b>	<b>25,230,000.00</b>	<b>16,124,720.07</b>
<b>EL SEGUNDO UNIFIED SCHOOL DIST.</b>								
821801197	3133EH4Z3	FEDERAL FARM CREDIT BANKS FUNDING CORP	12/27/2039	3.250	9,000,000.00	9,000,000.00	9,000,000.00	7,228,647.00
821801199	3133EH5A7	FEDERAL FARM CREDIT BANKS FUNDING CORP	12/26/2041	3.270	7,000,000.00	7,000,000.00	7,000,000.00	5,463,108.00
<b>FFCB TOTAL</b>					<b>16,000,000.00</b>	<b>16,000,000.00</b>	<b>16,000,000.00</b>	<b>12,691,755.00</b>
<b>ESUSD TOTAL</b>					<b>16,000,000.00</b>	<b>16,000,000.00</b>	<b>16,000,000.00</b>	<b>12,691,755.00</b>
<b>FIRST5LA</b>								
932316984	3130ATS81	FEDERAL HOME LOAN BANKS	11/03/2025	5.200	50,000,000.00	50,000,000.00	50,000,000.00	49,729,850.00
932316983	3130ATS81	FEDERAL HOME LOAN BANKS	11/03/2025	5.200	34,000,000.00	34,000,000.00	34,000,000.00	33,816,298.00
<b>FHLB TOTAL</b>					<b>84,000,000.00</b>	<b>84,000,000.00</b>	<b>84,000,000.00</b>	<b>83,546,148.00</b>
941898663	3134GX6S8	FEDERAL HOME LOAN MORTGAGE CORP	11/14/2025	5.210	50,000,000.00	50,000,000.00	50,000,000.00	49,704,800.00
<b>FHLMC TOTAL</b>					<b>50,000,000.00</b>	<b>50,000,000.00</b>	<b>50,000,000.00</b>	<b>49,704,800.00</b>
<b>FIRST5LA TOTAL</b>					<b>134,000,000.00</b>	<b>134,000,000.00</b>	<b>134,000,000.00</b>	<b>133,250,948.00</b>
<b>GF - GENERAL FUND</b>								
821801187	35272RPVLAC	RPV TAX ALLOCATION BOND 1997	12/02/2027	5.000	2,060,000.00	2,060,000.00	2,060,000.00	2,060,000.00
<b>LONG TERM BDS TOTAL</b>					<b>2,060,000.00</b>	<b>2,060,000.00</b>	<b>2,060,000.00</b>	<b>2,060,000.00</b>
<b>GF TOTAL</b>					<b>2,060,000.00</b>	<b>2,060,000.00</b>	<b>2,060,000.00</b>	<b>2,060,000.00</b>
<b>PHHPA-PH HABITAT PRESERVATION AU</b>								
821801198	3133EMW65	FEDERAL FARM CREDIT BANKS FUNDING CORP	07/29/2041	2.500	22,675,000.00	22,675,000.00	22,675,000.00	14,985,454.00
<b>FFCB TOTAL</b>					<b>22,675,000.00</b>	<b>22,675,000.00</b>	<b>22,675,000.00</b>	<b>14,985,454.00</b>
821801196	3134GWS09	FEDERAL HOME LOAN MORTGAGE CORP	08/27/2043	2.000	9,500,000.00	9,500,000.00	9,500,000.00	5,546,299.50
<b>FHLMC TOTAL</b>					<b>9,500,000.00</b>	<b>9,500,000.00</b>	<b>9,500,000.00</b>	<b>5,546,299.50</b>
<b>PHHPA TOTAL</b>					<b>32,175,000.00</b>	<b>32,175,000.00</b>	<b>32,175,000.00</b>	<b>20,531,753.50</b>
<b>SCP61 - SCAQMD - GENERAL FUND</b>								
951495021	3133EN3M0	FEDERAL FARM CREDIT BANKS FUNDING CORP	12/05/2024	4.625	10,000,000.00	10,005,427.63	10,018,200.00	9,957,910.00
<b>FFCB TOTAL</b>					<b>10,000,000.00</b>	<b>10,005,427.63</b>	<b>10,018,200.00</b>	<b>9,957,910.00</b>
1221234606	912797HP5	UNITED STATES TREASURY	11/29/2024	4.800	10,000,000.00	9,717,333.33	9,645,333.33	9,710,254.70
1163559893	912797HP5	UNITED STATES TREASURY	11/29/2024	4.660	10,000,000.00	9,725,577.78	9,554,711.11	9,710,254.70
1163559895	912796ZW2	UNITED STATES TREASURY	06/20/2024	5.080	10,000,000.00	9,929,444.45	9,743,177.78	9,925,360.00
<b>UST BILL TOTAL</b>					<b>30,000,000.00</b>	<b>29,372,355.56</b>	<b>28,943,222.22</b>	<b>29,345,869.40</b>
<b>SCP61 - SCAQMD GENERAL FUND TOTAL</b>					<b>40,000,000.00</b>	<b>39,377,783.19</b>	<b>38,961,422.22</b>	<b>39,303,779.40</b>
<b>SCP66 - SCAQMD CMP AB SPE REV FD</b>								
1163559889	912796ZW2	UNITED STATES TREASURY	06/20/2024	5.080	10,000,000.00	9,929,444.45	9,743,177.78	9,925,360.00
1163559883	912797HP5	UNITED STATES TREASURY	11/29/2024	4.660	10,000,000.00	9,725,577.78	9,554,711.11	9,710,254.70
<b>UST BILL TOTAL</b>					<b>20,000,000.00</b>	<b>19,655,022.23</b>	<b>19,297,888.89</b>	<b>19,635,614.70</b>
<b>SCP66 - SCAQMD CMP AB SPE REV FD TOTAL</b>					<b>20,000,000.00</b>	<b>19,655,022.23</b>	<b>19,297,888.89</b>	<b>19,635,614.70</b>
<b>SCP6G - SCAQMD - INVESTMENT</b>								
1221234607	912797HP5	UNITED STATES TREASURY	11/29/2024	4.800	10,000,000.00	9,717,333.33	9,645,333.33	9,710,254.70
<b>UST BILL TOTAL</b>					<b>10,000,000.00</b>	<b>9,717,333.33</b>	<b>9,645,333.33</b>	<b>9,710,254.70</b>
<b>SCP6G - SCAQMD INVESTMENT TOTAL</b>					<b>10,000,000.00</b>	<b>9,717,333.33</b>	<b>9,645,333.33</b>	<b>9,710,254.70</b>
<b>SCP9A - SCAQMD - FD66 SPE REV FD</b>								
1221234608	912797HP5	UNITED STATES TREASURY	11/29/2024	4.800	20,000,000.00	19,434,666.67	19,290,666.67	19,420,509.40
<b>UST BILL TOTAL</b>					<b>20,000,000.00</b>	<b>19,434,666.67</b>	<b>19,290,666.67</b>	<b>19,420,509.40</b>
<b>SCP9A - SCAQMD - FD66 SPE REV FD TOTAL</b>					<b>20,000,000.00</b>	<b>19,434,666.67</b>	<b>19,290,666.67</b>	<b>19,420,509.40</b>
<b>SCU5F - SCAQMD CLEAN FUELS PROG</b>								
1163559891	912796ZW2	UNITED STATES TREASURY	06/20/2024	5.080	10,000,000.00	9,929,444.45	9,743,177.78	9,925,360.00
1163559887	912797HP5	UNITED STATES TREASURY	11/29/2024	4.660	20,000,000.00	19,451,155.55	19,109,422.22	19,420,509.40
<b>UST BILL TOTAL</b>					<b>30,000,000.00</b>	<b>29,380,600.00</b>	<b>28,852,600.00</b>	<b>29,345,869.40</b>
<b>SCU5F - SCAQMD CLEAN FUELS PROG TOTAL</b>					<b>30,000,000.00</b>	<b>29,380,600.00</b>	<b>28,852,600.00</b>	<b>29,345,869.40</b>



**COUNTY OF LOS ANGELES  
TREASURER AND TAX COLLECTOR**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 437  
Los Angeles, California 90012  
Telephone: (213) 974-2101 Fax: (213) 626-1812  
ttc.lacounty.gov and propertytax.lacounty.gov

**ELIZABETH BUENROSTRO GINSBERG**  
TREASURER AND TAX COLLECTOR

Board of Supervisors

**HILDA L. SOLIS**  
First District

**HOLLY J. MITCHELL**  
Second District

**LINDSEY P. HORVATH**  
Third District

**JANICE HAHN**  
Fourth District

**KATHRYN BARGER**  
Fifth District

May 7, 2024

Raoul Ortega, Director of Finance  
First 5 LA  
750 N. Alameda Street, Suite 300  
Los Angeles, CA 90012

Email: [ROrtega@first5la.org](mailto:ROrtega@first5la.org)

Dear Raoul Ortega:

**FIRST 5 LA  
MONTHLY INVESTMENT REPORTS**

Enclosed are the First 5 LA Portfolio Income Report (Earnings Report), Custom Position Report and Purchase Detail Report for the month ended April 30, 2024, for your review and reference.

Should you have questions, you may contact Ms. Marivic Liwag, Assistant Operations Chief, of my staff at (213) 584-1252, or [mliwag@ttc.lacounty.gov](mailto:mliwag@ttc.lacounty.gov).

Very truly yours,

Elizabeth Buenrostro Ginsberg  
Interim Treasurer and Tax Collector

Jennifer Koai  
Operations Chief

JK:ML:bh

Enclosures

**Income Report - FIRST5LA**

04/01/2024 - 04/30/2024

**Specific Purpose Invest Agg (299402)**

Dated: 05/02/2024

SPI

Original Lot ID	Detailed Description	CUSIP	Coupon Rate	PAR Value	Interest/Dividend Received	Accretion Income	Amortization Expense	Interest Income	Net Gain/Loss	Net Income
941898663	FREDDIE MAC 5.210 11/14/25 '24 MTN	3134GX6S8	5.210	50,000,000.00	0.00	0.00	0.00	217,083.33	0.00	217,083.33
932316984	FHLBANKS 5.200 11/03/25 '24	3130ATS81	5.200	50,000,000.00	0.00	0.00	0.00	216,666.67	0.00	216,666.67
932316983	FHLBANKS 5.200 11/03/25 '24	3130ATS81	5.200	34,000,000.00	0.00	0.00	0.00	147,333.33	0.00	147,333.33
---	---	---	<b>5.204</b>	<b>134,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>581,083.33</b>	<b>0.00</b>	<b>581,083.33</b>

\* Grouped by: Aggregate Accounts. \* Groups Sorted by: Aggregate Accounts. \* Filtered By: LA Fund Number = "FIRST5LA". \* Weighted by: Ending Market Value + Accrued. \* Holdings Displayed by: Lots without MMF Collapse.

Custom Position Report - FIRST5LA

Specific Purpose Invest Agg (299402)

As of 04/30/2024

Dated: 05/02/2024

SPI

Original Lot ID	Detailed Description	CUSIP	Coupon Rate	Final Maturity	Purchase Yield	PAR Value	Amortized Cost	Historical Cost	Net Accumulated Amortization/Accretion
932316984	FHLBANKS 5.200 11/03/25 '24	3130ATS81	5.200	11/03/2025	5.200	50,000,000.00	50,000,000.00	50,000,000.00	0.00
932316983	FHLBANKS 5.200 11/03/25 '24	3130ATS81	5.200	11/03/2025	5.200	34,000,000.00	34,000,000.00	34,000,000.00	0.00
941898663	FREDDIE MAC 5.210 11/14/25 '24 MTN	3134GX6S8	5.210	11/14/2025	5.210	50,000,000.00	50,000,000.00	50,000,000.00	0.00
---	---	---	<b>5.204</b>	<b>11/07/2025</b>	<b>5.204</b>	<b>134,000,000.00</b>	<b>134,000,000.00</b>	<b>134,000,000.00</b>	<b>0.00</b>

\* Grouped by: Aggregate Accounts. \* Groups Sorted by: Aggregate Accounts. \* Filtered By: LA Fund Number = "FIRST5LA". \* Weighted by: PAR Value. \* Holdings Displayed by: Lots without MMF Collapse.

Purchase Detail Report - First5LA

Specific Purpose Invest Agg (299402)

04/01/2024 - 04/30/2024

Dated: 05/02/2024

<i>LA Fund Number</i>	<i>Original Lot ID</i>	<i>Description</i>	<i>Settle Date</i>	<i>Final Maturity</i>	<i>Coupon Rate</i>	<i>PAR Value</i>	<i>Principal</i>	<i>Purchased Accrued Income</i>	<i>Settlement Amount</i>
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\* Grouped by: Aggregate Accounts. \* Groups Sorted by: Aggregate Accounts. \* Filtered By: Settle Date ≥ 04/01/2024 and Settle Date ≤ 04/30/2024 and LA Fund Number = "FIRST5LA". \* Weighted by: Ending Market Value + Accrued. \* Holdings Displayed by: Lot.  
 \* Purchased Accrued Income = -[Purchased Accrued Income], Summary Calculation: Sum. \* Settlement Amount = [Ending Original Cost]+(-[Purchased Accrued Income]), Summary Calculation: Sum.

LOS ANGELES COUNTY TREASURER  
 TREASURER PORTFOLIO COMPARED TO MARKET VALUE  
 FOR THE PERIOD: MAY 1, 2024 TO MAY 31, 2024  
 FUND: SPECIFIC PURPOSE INVESTMENTS  
 ATTACHMENT X

Security ID	CUSIP	Description	Maturity Date	Face Rate	PAR	Amortized Cost	Historical Cost	Market Value
<b>AVCCD-ANTELOPE VALLEY CCD</b>								
821801195	3130AJTQ2	FEDERAL HOME LOAN BANKS	07/27/2040	2.030	25,230,000.00	25,230,000.00	25,230,000.00	16,270,902.69
<b>FHLB TOTAL</b>					<b>25,230,000.00</b>	<b>25,230,000.00</b>	<b>25,230,000.00</b>	<b>16,270,902.69</b>
<b>AVCCD TOTAL</b>					<b>25,230,000.00</b>	<b>25,230,000.00</b>	<b>25,230,000.00</b>	<b>16,270,902.69</b>
<b>EL SEGUNDO UNIFIED SCHOOL DIST.</b>								
821801197	3133EH4Z3	FEDERAL FARM CREDIT BANKS FUNDING COR	12/27/2039	3.250	9,000,000.00	9,000,000.00	9,000,000.00	7,264,206.00
821801199	3133EH5A7	FEDERAL FARM CREDIT BANKS FUNDING COR	12/26/2041	3.270	7,000,000.00	7,000,000.00	7,000,000.00	5,470,892.00
<b>FFCB TOTAL</b>					<b>16,000,000.00</b>	<b>16,000,000.00</b>	<b>16,000,000.00</b>	<b>12,735,098.00</b>
<b>ESUSD TOTAL</b>					<b>16,000,000.00</b>	<b>16,000,000.00</b>	<b>16,000,000.00</b>	<b>12,735,098.00</b>
<b>FIRST5LA</b>								
932316984	3130ATS81	FEDERAL HOME LOAN BANKS	11/03/2025	5.200	50,000,000.00	50,000,000.00	50,000,000.00	49,895,900.00
932316983	3130ATS81	FEDERAL HOME LOAN BANKS	11/03/2025	5.200	34,000,000.00	34,000,000.00	34,000,000.00	33,929,212.00
<b>FHLB TOTAL</b>					<b>84,000,000.00</b>	<b>84,000,000.00</b>	<b>84,000,000.00</b>	<b>83,825,112.00</b>
941898663	3134GX6S8	FEDERAL HOME LOAN MORTGAGE CORP	11/14/2025	5.210	50,000,000.00	50,000,000.00	50,000,000.00	49,848,650.00
<b>FHLMC TOTAL</b>					<b>50,000,000.00</b>	<b>50,000,000.00</b>	<b>50,000,000.00</b>	<b>49,848,650.00</b>
<b>FIRST5LA TOTAL</b>					<b>134,000,000.00</b>	<b>134,000,000.00</b>	<b>134,000,000.00</b>	<b>133,673,762.00</b>
<b>GF - GENERAL FUND</b>								
821801187	35272RPVLC	RPV TAX ALLOCATION BOND 1997	12/02/2027	5.000	2,060,000.00	2,060,000.00	2,060,000.00	2,060,000.00
<b>LONG TERM BDS TOTAL</b>					<b>2,060,000.00</b>	<b>2,060,000.00</b>	<b>2,060,000.00</b>	<b>2,060,000.00</b>
<b>GF TOTAL</b>					<b>2,060,000.00</b>	<b>2,060,000.00</b>	<b>2,060,000.00</b>	<b>2,060,000.00</b>
<b>PHHPA-PH HABITAT PRESERVATION AU</b>								
821801198	3133EMW65	FEDERAL FARM CREDIT BANKS FUNDING COR	07/29/2041	2.500	22,675,000.00	22,675,000.00	22,675,000.00	15,104,724.50
<b>FFCB TOTAL</b>					<b>22,675,000.00</b>	<b>22,675,000.00</b>	<b>22,675,000.00</b>	<b>15,104,724.50</b>
821801196	3134GWSD9	FEDERAL HOME LOAN MORTGAGE CORP	08/27/2043	2.000	9,500,000.00	9,500,000.00	9,500,000.00	5,732,385.50
<b>FHLMC TOTAL</b>					<b>9,500,000.00</b>	<b>9,500,000.00</b>	<b>9,500,000.00</b>	<b>5,732,385.50</b>
1265565669	912797LC9	UNITED STATES TREASURY	11/07/2024	5.140	4,100,000.00	4,006,923.16	3,993,459.22	4,009,209.27
<b>UST BILL TOTAL</b>					<b>4,100,000.00</b>	<b>4,006,923.16</b>	<b>3,993,459.22</b>	<b>4,009,209.27</b>
					<b>36,275,000.00</b>	<b>36,181,923.16</b>	<b>36,168,459.22</b>	<b>24,846,319.27</b>
<b>SCP61 - SCAQMD - GENERAL FUND</b>								
951495021	3133EN3M0	FEDERAL FARM CREDIT BANKS FUNDING COR	12/05/2024	4.625	10,000,000.00	10,004,655.81	10,018,200.00	9,962,720.00
<b>FFCB TOTAL</b>					<b>10,000,000.00</b>	<b>10,004,655.81</b>	<b>10,018,200.00</b>	<b>9,962,720.00</b>
1221234606	912797HP5	UNITED STATES TREASURY	11/29/2024	4.800	10,000,000.00	9,758,666.66	9,645,333.33	9,749,082.80
1163559893	912797HP5	UNITED STATES TREASURY	11/29/2024	4.660	10,000,000.00	9,765,705.55	9,554,711.11	9,749,082.80
1163559895	912796ZW2	UNITED STATES TREASURY	06/20/2024	5.080	10,000,000.00	9,973,188.89	9,743,177.78	9,970,670.00
<b>UST BILL TOTAL</b>					<b>30,000,000.00</b>	<b>29,497,561.10</b>	<b>28,943,222.22</b>	<b>29,468,835.60</b>
<b>SCP61 - SCAQMD GENERAL FUND TOTAL</b>					<b>40,000,000.00</b>	<b>39,502,216.91</b>	<b>38,961,422.22</b>	<b>39,431,555.60</b>
<b>SCP66 - SCAQMD CMP AB SPE REV FD</b>								
1163559889	912796ZW2	UNITED STATES TREASURY	06/20/2024	5.080	10,000,000.00	9,973,188.89	9,743,177.78	9,970,670.00
1163559883	912797HP5	UNITED STATES TREASURY	11/29/2024	4.660	10,000,000.00	9,765,705.55	9,554,711.11	9,749,082.80
<b>UST BILL TOTAL</b>					<b>20,000,000.00</b>	<b>19,738,894.44</b>	<b>19,297,888.89</b>	<b>19,719,752.80</b>
<b>SCP66 - SCAQMD CMP AB SPE REV FD TOTAL</b>					<b>20,000,000.00</b>	<b>19,738,894.44</b>	<b>19,297,888.89</b>	<b>19,719,752.80</b>
<b>SCP6G - SCAQMD - INVESTMENT</b>								
1221234607	912797HP5	UNITED STATES TREASURY	11/29/2024	4.800	10,000,000.00	9,758,666.66	9,645,333.33	9,749,082.80
<b>UST BILL TOTAL</b>					<b>10,000,000.00</b>	<b>9,758,666.66</b>	<b>9,645,333.33</b>	<b>9,749,082.80</b>
<b>SCP6G - SCAQMD INVESTMENT TOTAL</b>					<b>10,000,000.00</b>	<b>9,758,666.66</b>	<b>9,645,333.33</b>	<b>9,749,082.80</b>
<b>SCP9A - SCAQMD - FD66 SPE REV FD</b>								
1221234608	912797HP5	UNITED STATES TREASURY	11/29/2024	4.800	20,000,000.00	19,517,333.34	19,290,666.67	19,498,165.60
<b>UST BILL TOTAL</b>					<b>20,000,000.00</b>	<b>19,517,333.34</b>	<b>19,290,666.67</b>	<b>19,498,165.60</b>
<b>SCP9A - SCAQMD - FD66 SPE REV FD TOTAL</b>					<b>20,000,000.00</b>	<b>19,517,333.34</b>	<b>19,290,666.67</b>	<b>19,498,165.60</b>



**COUNTY OF LOS ANGELES  
TREASURER AND TAX COLLECTOR**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 437  
Los Angeles, California 90012  
Telephone: (213) 974-3385 Fax: (213) 626-1812  
ttc.lacounty.gov and propertytax.lacounty.gov

**ELIZABETH BUENROSTRO GINSBERG**  
TREASURER AND TAX COLLECTOR

Board of Supervisors  
**HILDA L. SOLIS**  
First District  
**HOLLY J. MITCHELL**  
Second District  
**LINDSEY P. HORVATH**  
Third District  
**JANICE HAHN**  
Fourth District  
**KATHRYN BARGER**  
Fifth District

June 6, 2024

Raoul Ortega, Director of Finance  
First 5 LA  
750 N. Alameda Street, Suite 300  
Los Angeles, CA 90012

Email: [ROrtega@first5la.org](mailto:ROrtega@first5la.org)

Dear Raoul Ortega:

**FIRST 5 LA  
MONTHLY INVESTMENT REPORTS**

Enclosed are the First 5 LA Portfolio Income Report (Earnings Report), Custom Position Report and Purchase Detail Report for the month ended May 31, 2024, for your review and reference.

Should you have questions, you may contact Ms. Marivic Liwag, Assistant Operations Chief, of my staff at (213) 584-1252, or [mliwag@ttc.lacounty.gov](mailto:mliwag@ttc.lacounty.gov).

Very truly yours,

**ELIZABETH BUENROSTRO GINSBERG**  
Treasurer and Tax Collector

Jennifer Koai  
Operations Chief

JK:ML:bh

Enclosures

**Income Report - FIRST5LA**

05/01/2024 - 05/31/2024

**Specific Purpose Invest Agg (299402)**

Dated: 06/05/2024

SPI

Original Lot ID	Detailed Description	CUSIP	Coupon Rate	PAR Value	Interest/Dividend Received	Accretion Income	Amortization Expense	Interest Income	Net Gain/Loss	Net Income
941898663	FREDDIE MAC 5.210 11/14/25 '24 MTN	3134GX6S8	5.210	50,000,000.00	1,302,500.00	0.00	0.00	217,083.33	0.00	217,083.33
932316984	FHLBANKS 5.200 11/03/25 '24	3130ATS81	5.200	50,000,000.00	1,300,000.00	0.00	0.00	216,666.67	0.00	216,666.67
932316983	FHLBANKS 5.200 11/03/25 '24	3130ATS81	5.200	34,000,000.00	884,000.00	0.00	0.00	147,333.33	0.00	147,333.33
---	---	---	<b>5.204</b>	<b>134,000,000.00</b>	<b>3,486,500.00</b>	<b>0.00</b>	<b>0.00</b>	<b>581,083.33</b>	<b>0.00</b>	<b>581,083.33</b>

\* Grouped by: Aggregate Accounts. \* Groups Sorted by: Aggregate Accounts. \* Filtered By: LA Fund Number = "FIRST5LA". \* Weighted by: Ending Market Value + Accrued. \* Holdings Displayed by: Lots without MMF Collapse.

Custom Position Report - FIRST5LA

Specific Purpose Invest Agg (299402)

As of 05/31/2024

Dated: 06/05/2024

SPI

Original Lot ID	Detailed Description	CUSIP	Coupon Rate	Final Maturity	Purchase Yield	PAR Value	Amortized Cost	Historical Cost	Net Accumulated Amortization/Accretion
932316984	FHLBANKS 5.200 11/03/25 '24	3130ATS81	5.200	11/03/2025	5.200	50,000,000.00	50,000,000.00	50,000,000.00	0.00
932316983	FHLBANKS 5.200 11/03/25 '24	3130ATS81	5.200	11/03/2025	5.200	34,000,000.00	34,000,000.00	34,000,000.00	0.00
941898663	FREDDIE MAC 5.210 11/14/25 '24 MTN	3134GX6S8	5.210	11/14/2025	5.210	50,000,000.00	50,000,000.00	50,000,000.00	0.00
---	---	---	<b>5.204</b>	<b>11/07/2025</b>	<b>5.204</b>	<b>134,000,000.00</b>	<b>134,000,000.00</b>	<b>134,000,000.00</b>	<b>0.00</b>

\* Grouped by: Aggregate Accounts. \* Groups Sorted by: Aggregate Accounts. \* Filtered By: LA Fund Number = "FIRST5LA". \* Weighted by: PAR Value. \* Holdings Displayed by: Lots without MMF Collapse.

Purchase Detail Report - First5LA

Specific Purpose Invest Agg (299402)

05/01/2024 - 05/31/2024

Dated: 06/05/2024

<i>LA Fund Number</i>	<i>Original Lot ID</i>	<i>Description</i>	<i>Settle Date</i>	<i>Final Maturity</i>	<i>Coupon Rate</i>	<i>PAR Value</i>	<i>Principal</i>	<i>Purchased Accrued Income</i>	<i>Settlement Amount</i>
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\* Grouped by: Aggregate Accounts. \* Groups Sorted by: Aggregate Accounts. \* Filtered By: Settle Date ≥ 05/01/2024 and Settle Date ≤ 05/31/2024 and LA Fund Number = "FIRST5LA". \* Weighted by: Ending Market Value + Accrued. \* Holdings Displayed by: Lot.  
 \* Purchased Accrued Income = -[Purchased Accrued Income], Summary Calculation: Sum. \* Settlement Amount = [Ending Original Cost]+(-[Purchased Accrued Income]), Summary Calculation: Sum.

LOS ANGELES COUNTY TREASURER  
TREASURER PORTFOLIO COMPARED TO MARKET VALUE  
FOR THE PERIOD: JUNE 1, 2024 TO JUNE 30, 2024  
FUND: SPECIFIC PURPOSE INVESTMENTS  
ATTACHMENT X

Security ID	CUSIP	Description	Final Maturity	Face Rate	PAR	Amortized Cost	Historical Cost	Market Value
<b><u>AVCCD-ANTELOPE VALLEY CCD</u></b>								
821801195	3130AJTQ2	FEDERAL HOME LOAN BANKS	07/27/2040	2.030	25,230,000.00	25,230,000.00	25,230,000.00	16,837,745.10
<b>FHLB TOTAL</b>					<b>25,230,000.00</b>	<b>25,230,000.00</b>	<b>25,230,000.00</b>	<b>16,837,745.10</b>
<b>AVCCD TOTAL</b>					<b>25,230,000.00</b>	<b>25,230,000.00</b>	<b>25,230,000.00</b>	<b>16,837,745.10</b>
<b><u>EL SEGUNDO UNIFIED SCHOOL DIST.</u></b>								
821801197	3133EH4Z3	FEDERAL FARM CREDIT BANKS FUNDING CORP	12/27/2039	3.250	9,000,000.00	9,000,000.00	9,000,000.00	7,450,227.00
821801199	3133EH5A7	FEDERAL FARM CREDIT BANKS FUNDING CORP	12/26/2041	3.270	7,000,000.00	7,000,000.00	7,000,000.00	5,630,030.00
<b>FFCB TOTAL</b>					<b>16,000,000.00</b>	<b>16,000,000.00</b>	<b>16,000,000.00</b>	<b>13,080,257.00</b>
<b>ESUSD TOTAL</b>					<b>16,000,000.00</b>	<b>16,000,000.00</b>	<b>16,000,000.00</b>	<b>13,080,257.00</b>
<b><u>FIRSTSLA</u></b>								
932316984	3130ATS81	FEDERAL HOME LOAN BANKS	11/03/2025	5.200	50,000,000.00	50,000,000.00	50,000,000.00	49,977,500.00
932316983	3130ATS81	FEDERAL HOME LOAN BANKS	11/03/2025	5.200	34,000,000.00	34,000,000.00	34,000,000.00	33,984,700.00
<b>FHLB TOTAL</b>					<b>84,000,000.00</b>	<b>84,000,000.00</b>	<b>84,000,000.00</b>	<b>83,962,200.00</b>
941898663	3134GX6S8	FEDERAL HOME LOAN MORTGAGE CORP	11/14/2025	5.210	50,000,000.00	50,000,000.00	50,000,000.00	49,853,500.00
<b>FHLMC TOTAL</b>					<b>50,000,000.00</b>	<b>50,000,000.00</b>	<b>50,000,000.00</b>	<b>49,853,500.00</b>
<b>FIRSTSLA TOTAL</b>					<b>134,000,000.00</b>	<b>134,000,000.00</b>	<b>134,000,000.00</b>	<b>133,815,700.00</b>
<b><u>GF - GENERAL FUND</u></b>								
821801187	35272RPVLAC	RPV TAX ALLOCATION BOND 1997	12/02/2027	5.000	2,060,000.00	2,060,000.00	2,060,000.00	2,060,000.00
<b>LONG TERM BDS TOTAL</b>					<b>2,060,000.00</b>	<b>2,060,000.00</b>	<b>2,060,000.00</b>	<b>2,060,000.00</b>
<b>GF TOTAL</b>					<b>2,060,000.00</b>	<b>2,060,000.00</b>	<b>2,060,000.00</b>	<b>2,060,000.00</b>
<b><u>PHHPA-PH HABITAT PRESERVATION AU</u></b>								
821801198	3133EMW65	FEDERAL FARM CREDIT BANKS FUNDING CORP	07/29/2041	2.500	22,675,000.00	22,675,000.00	22,675,000.00	15,885,424.75
<b>FFCB TOTAL</b>					<b>22,675,000.00</b>	<b>22,675,000.00</b>	<b>22,675,000.00</b>	<b>15,885,424.75</b>
821801196	3134GWS09	FEDERAL HOME LOAN MORTGAGE CORP	08/27/2043	2.000	9,500,000.00	9,500,000.00	9,500,000.00	5,910,330.00
<b>FHLMC TOTAL</b>					<b>9,500,000.00</b>	<b>9,500,000.00</b>	<b>9,500,000.00</b>	<b>5,910,330.00</b>
1265565689	912797LC9	UNITED STATES TREASURY	11/07/2024	5.140	4,100,000.00	4,024,484.83	3,993,459.22	4,025,091.56
<b>UST BILL TOTAL</b>					<b>4,100,000.00</b>	<b>4,024,484.83</b>	<b>3,993,459.22</b>	<b>4,025,091.56</b>
<b>PHHPA TOTAL</b>					<b>36,275,000.00</b>	<b>36,199,484.83</b>	<b>36,168,459.22</b>	<b>25,820,846.31</b>
<b><u>SCP61 - SCAQMD - GENERAL FUND</u></b>								
951495021	3133EN3M0	FEDERAL FARM CREDIT BANKS FUNDING CORP	12/05/2024	4.625	10,000,000.00	10,003,908.89	10,018,200.00	9,960,500.00
<b>FFCB TOTAL</b>					<b>10,000,000.00</b>	<b>10,003,908.89</b>	<b>10,018,200.00</b>	<b>9,960,500.00</b>
1302540523	912796ZV4	UNITED STATES TREASURY	12/26/2024	5.120	20,000,000.00	19,493,688.89	19,482,311.11	19,484,400.00
1221234606	912797HP5	UNITED STATES TREASURY	11/29/2024	4.800	10,000,000.00	9,798,666.66	9,645,333.33	9,788,765.10
1163559893	912797HP5	UNITED STATES TREASURY	11/29/2024	4.660	10,000,000.00	9,804,538.89	9,554,711.11	9,788,765.10
<b>UST BILL TOTAL</b>					<b>40,000,000.00</b>	<b>39,096,894.44</b>	<b>38,682,355.55</b>	<b>39,061,930.20</b>
<b>SCP61 - SCAQMD GENERAL FUND TOTAL</b>					<b>50,000,000.00</b>	<b>49,100,803.33</b>	<b>48,700,555.55</b>	<b>49,022,430.20</b>
<b><u>SCP66 - SCAQMD CMP AB SPE REV FD</u></b>								
1302540522	912796ZV4	UNITED STATES TREASURY	12/26/2024	5.120	10,000,000.00	9,746,844.45	9,741,155.56	9,742,200.00
1163559883	912797HP5	UNITED STATES TREASURY	11/29/2024	4.660	10,000,000.00	9,804,538.89	9,554,711.11	9,788,765.10
<b>UST BILL TOTAL</b>					<b>20,000,000.00</b>	<b>19,551,383.34</b>	<b>19,295,866.67</b>	<b>19,530,965.10</b>
<b>SCP66 - SCAQMD CMP AB SPE REV FD TOTAL</b>					<b>20,000,000.00</b>	<b>19,551,383.34</b>	<b>19,295,866.67</b>	<b>19,530,965.10</b>
<b><u>SCP6G - SCAQMD - INVESTMENT</u></b>								
1221234607	912797HP5	UNITED STATES TREASURY	11/29/2024	4.800	10,000,000.00	9,798,666.66	9,645,333.33	9,788,765.10
<b>UST BILL TOTAL</b>					<b>10,000,000.00</b>	<b>9,798,666.66</b>	<b>9,645,333.33</b>	<b>9,788,765.10</b>
<b>SCP6G - SCAQMD INVESTMENT TOTAL</b>					<b>10,000,000.00</b>	<b>9,798,666.66</b>	<b>9,645,333.33</b>	<b>9,788,765.10</b>
<b><u>SCP9A - SCAQMD - FD66 SPE REV FD</u></b>								
1221234608	912797HP5	UNITED STATES TREASURY	11/29/2024	4.800	20,000,000.00	19,597,333.34	19,290,666.67	19,577,530.20
<b>UST BILL TOTAL</b>					<b>20,000,000.00</b>	<b>19,597,333.34</b>	<b>19,290,666.67</b>	<b>19,577,530.20</b>
<b>SCP9A - SCAQMD - FD66 SPE REV FD TOTAL</b>					<b>20,000,000.00</b>	<b>19,597,333.34</b>	<b>19,290,666.67</b>	<b>19,577,530.20</b>



**COUNTY OF LOS ANGELES  
TREASURER AND TAX COLLECTOR**

Kenneth Hahn Hall of Administration  
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**ELIZABETH BUENROSTRO GINSBERG**  
TREASURER AND TAX COLLECTOR

Board of Supervisors  
**HILDA L. SOLIS**  
First District  
**HOLLY J. MITCHELL**  
Second District  
**LINDSEY P. HORVATH**  
Third District  
**JANICE HAHN**  
Fourth District  
**KATHRYN BARGER**  
Fifth District

July 9, 2024

Raoul Ortega, Director of Finance  
First 5 LA  
750 N. Alameda Street, Suite 300  
Los Angeles, CA 90012

Email: [ROrtega@first5la.org](mailto:ROrtega@first5la.org)

Dear Raoul Ortega:

**FIRST 5 LA  
MONTHLY INVESTMENT REPORTS**

Enclosed are the First 5 LA Portfolio Income Report (Earnings Report), Custom Position Report and Purchase Detail Report for the month ended June 30, 2024, for your review and reference.

Should you have questions, you may contact Ms. Marivic Liwag, Assistant Operations Chief, of my staff at (213) 584-1252, or [mliwag@ttc.lacounty.gov](mailto:mliwag@ttc.lacounty.gov).

Very truly yours,

**ELIZABETH BUENROSTRO GINSBERG**  
Treasurer and Tax Collector

Jennifer Koai  
Operations Chief

JK:ML:bh

Enclosures

**Income Report - FIRST5LA**

06/01/2024 - 06/30/2024

**Specific Purpose Invest Agg (299402)**

Dated: 07/03/2024

SPI

Original Lot ID	Detailed Description	CUSIP	Coupon Rate	PAR Value	Interest/Dividend Received	Accretion Income	Amortization Expense	Interest Income	Net Gain/Loss	Net Income
941898663	FREDDIE MAC 5.210 11/14/25 '24 MTN	3134GX6S8	5.210	50,000,000.00	0.00	0.00	0.00	217,083.33	0.00	217,083.33
932316984	FHLBANKS 5.200 11/03/25 '24	3130ATS81	5.200	50,000,000.00	0.00	0.00	0.00	216,666.67	0.00	216,666.67
932316983	FHLBANKS 5.200 11/03/25 '24	3130ATS81	5.200	34,000,000.00	0.00	0.00	0.00	147,333.33	0.00	147,333.33
---	---	---	<b>5.204</b>	<b>134,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>581,083.33</b>	<b>0.00</b>	<b>581,083.33</b>

\* Grouped by: Aggregate Accounts. \* Groups Sorted by: Aggregate Accounts. \* Filtered By: LA Fund Number = "FIRST5LA". \* Weighted by: Ending Market Value + Accrued. \* Holdings Displayed by: Lots without MMF Collapse.

Custom Position Report - FIRST5LA

Specific Purpose Invest Agg (299402)

As of 06/30/2024

Dated: 07/03/2024

SPI

Original Lot ID	Detailed Description	CUSIP	Coupon Rate	Final Maturity	Purchase Yield	PAR Value	Amortized Cost	Historical Cost	Net Accumulated Amortization/Accretion
932316984	FHLBANKS 5.200 11/03/25 '24	3130ATS81	5.200	11/03/2025	5.200	50,000,000.00	50,000,000.00	50,000,000.00	0.00
932316983	FHLBANKS 5.200 11/03/25 '24	3130ATS81	5.200	11/03/2025	5.200	34,000,000.00	34,000,000.00	34,000,000.00	0.00
941898663	FREDDIE MAC 5.210 11/14/25 '24 MTN	3134GX6S8	5.210	11/14/2025	5.210	50,000,000.00	50,000,000.00	50,000,000.00	0.00
---	---	---	<b>5.204</b>	<b>11/07/2025</b>	<b>5.204</b>	<b>134,000,000.00</b>	<b>134,000,000.00</b>	<b>134,000,000.00</b>	<b>0.00</b>

\* Grouped by: Aggregate Accounts. \* Groups Sorted by: Aggregate Accounts. \* Filtered By: LA Fund Number = "FIRST5LA". \* Weighted by: PAR Value. \* Holdings Displayed by: Lots without MMF Collapse.

Purchase Detail Report - First5LA

Specific Purpose Invest Agg (299402)

06/01/2024 - 06/30/2024

Dated: 07/03/2024

<i>LA Fund Number</i>	<i>Original Lot ID</i>	<i>Description</i>	<i>Settle Date</i>	<i>Final Maturity</i>	<i>Coupon Rate</i>	<i>PAR Value</i>	<i>Principal</i>	<i>Purchased Accrued Income</i>	<i>Settlement Amount</i>
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\* Grouped by: Aggregate Accounts. \* Groups Sorted by: Aggregate Accounts. \* Filtered By: Settle Date ≥ 06/30/2024 and Settle Date ≤ 06/30/2024 and LA Fund Number = "FIRST5LA". \* Weighted by: Ending Market Value + Accrued. \* Holdings Displayed by: Lot.  
 \* Purchased Accrued Income = -[Purchased Accrued Income], Summary Calculation: Sum. \* Settlement Amount = [Ending Original Cost]+(-[Purchased Accrued Income]), Summary Calculation: Sum.

**FIRST 5 LA**

**SUBJECT:**

2024 Biennial Update to First 5 LA's Local Conflict of Interest Code

**RECOMMENDATION:**

Approve the updated Local Conflicts of Interest Code and direct staff to file the updated Code with the County of Los Angeles at the October Board Meeting

**BACKGROUND:**

The Commission has adopted a local conflict of interest code as required by California's Political Reform Act ("PRA") and the statutes that implement Proposition 10. Because the Commission is a local public entity, the PRA requires that the Commission have this local code in place to designate which officials and employees are required to file various categories of annual statements of economic interests. The local code also sets forth the basic rules that prohibit public officials and employees from making, participating in making, or using their official positions to influence decisions of the Commission.

Every two years, the Commission is required to conduct a biennial review and update of the Code. This year, the review and update must be completed prior to the end of December. Staff presented this item as information to Commissioners at the September 26 Special Board/Program & Planning Committee Meeting and are now presenting it for action on Consent today's Commission meeting on October 10, 2024.

**DISCUSSION:**

The last time First 5 LA made substantial revisions to its organization structure that impacted its conflict of interest code was in November 2020, when First 5 LA made additional changes to its structure to align with the refined 2020-2028 Strategic Plan. During that time, First 5 LA informed LA County that its code would need to be revised to reflect these changes during the next biennial review period for 2022. These updates reflect the addition of several new positions and deletion of old positions, as shared with the Board in 2020.

This year's biennial update to First 5 LA's COI code will also include updates that reflect a new organization structure aligned with the newly approved Strategic Plan 2024-2029. The amendments required by the County (see Attachment A) are solely reflective of organizational and/or title changes for First 5 LA previously shared with the Board.

Upon adoption of the proposed amendment, staff will file the amended code with the County of Los Angeles as required by the PRA.

Conflict of Interest Code  
of the

**LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST –  
PROPOSITION 10 COMMISSION  
(Aka First 5-LA)**

Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section  
18730) by Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the conflict of interest code of this agency by reference. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the conflict of interest code of this agency.

Place of Filing of Statements of Economic Interests

All officials and employees required to submit a statement of economic interests shall file their statements with the agency head; or his or her designee. The agency shall make and retain a copy of all statements filed by its Board of Commissioners, Alternate Commissioners, Ex-Officio Representatives and the Executive Director and forward the originals of such statements to the Executive Office of the Board of Supervisors of Los Angeles County.

The agency shall retain the originals of statements for all other Designated Positions named in the agency's conflict of interest code. All retained statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

**LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST –  
PROPOSITION 10 COMMISSION  
(Aka First 5-LA)**

**EXHIBIT “A”**

**CATEGORY 1**

Persons in this category shall disclose all business positions, investments in, or income (including gifts, loans and travel payments) received from any entities that provide services of the type, which are eligible to receive Proposition 10 funding.

**CATEGORY 2**

Persons in this category shall disclose all interests in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the agency.

Persons are not required to disclose a residence, such as a home or vacation cabin, used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

**CATEGORY 3**

Persons in this category shall disclose all business positions, investments in, or income (including gifts, loans and travel payments) received from business entities that manufacture, provide or sell services and/or supplies of a type utilized by the agency and associated with the job assignment of designated position assigned to this disclosure category.

**CATEGORY 4**

Persons in this category shall disclose all income from any Proposition 10 employee, any represented or association of such employee; and business positions or income (including gifts, loans and travel payments) from any entity owned or controlled by such employee or his/her spouse or other financial dependent.

**LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST –  
PROPOSITION 10 COMMISSION  
(Aka First 5-LA)**

**EXHIBIT “B”**

<b><u>Designated Position</u></b>	<b><u>Disclosure Categories</u></b>
Board of Commissioners & Alternates	1, 2, 3, 4
<del>Chief Communications Officer</del>	<del>1, 3, 4</del>
<del>Chief Data Officer</del>	<del>1, 3, 4</del>
<del>Chief Government Affairs Officer</del>	<del>1, 2, 3, 4</del>
<del>Chief Operating Officer</del>	<del>1, 2, 3, 4</del>
<del>Chief of Staff</del>	<del>1, 2, 3, 4</del>
<del>Chief Transformation Officer</del>	<del>1, 3, 4</del>
<b><u>Vice President of Operations &amp; Sustainability</u></b>	<b>1, 3, 4</b>
<b><u>Vice President of Community Engagement &amp; Policy</u></b>	<b>1, 3, 4</b>
<b><u>Vice President of Strategy &amp; Culture</u></b>	<b>1, 3, 4</b>
<b><u>Director of Impact &amp; Accountability</u></b>	<b>1, 3</b>
<b><u>Director of Public Policy &amp; Early Care and Education</u></b>	<b>1, 3</b>
<b><u>Director of Communications</u></b>	<b>1, 3</b>
Communications Coordinators	1, 3
Consultants/New Positions*	
Director of Communities	1, 3
Director of Contract Administration and Purchasing	1, 3, 4
<del>Director of Early Care Education</del>	<del>1, 3</del>
Director of Finance	1, 2, 3
Director of Family Supports	1, 3
Director of Health Systems	1, 3
<del>Director of Human Resources and Talent Management</del>	<del>1, 3, 4</del>

**LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST –  
PROPOSITION 10 COMMISSION  
(Aka First 5-LA)**

**EXHIBIT “B” (Cont’d)**

<u><b>Designated Position</b></u>	<u><b>Disclosure Categories</b></u>
<u><b>Director of Human Resources</b></u>	<u><b>1, 3, 4</b></u>
Director of Information Technology	3
<del>Executive Director</del>	<del>1, 2, 3, 4</del>
<u><b>President and Chief Executive Officer</b></u>	<u><b>1, 2, 3, 4</b></u>
Board Relations Manager	3
Executive Vice President	1, 2, 3, 4
Ex-Officio Representatives	1, 2, 3, 4
Finance Manager	<del>1, 3</del>
<u><b>Financial Planning &amp; Analysis Manager</b></u>	<u><b>1, 3</b></u>
IT Project Manager	3
Legal Counsel	1, 2, 3, 4
<del>Executive Vice President, Center for Child and Family Impact</del>	<del>1, 2, 3, 4</del>

\* Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitations:

The Executive Director or his or her designee may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director or his or her designee’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

Individuals who perform under contract the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.

**EFFECTIVE DATE: 9/13/2023**

Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Los Angeles County Children and  
Families First – Proposition 10  
Commission**

(a Component Unit of the County of Los Angeles, California)

Los Angeles County Children and Families First – Proposition 10 Commission

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Los Angeles County Children and Families First – Proposition 10 Commission

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October 10, 2024

To the Board of Commissioners and  
 Citizens of County of Los Angeles  
 750 North Alameda Street, Suite 300  
 Los Angeles, CA 90012

Dear Commissioners and Citizens of County of Los Angeles:

The Annual Comprehensive Financial Report of the Los Angeles County Children and Families First – Proposition 10 Commission (First 5 LA) for the year ending June 30, 2024, is hereby submitted, as mandated by applicable statutes. These statutes require First 5 LA to annually issue a report of its financial position and activity.

A complete audit of the report by an independent firm of certified public accountants is also required. Responsibility for both accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Commission’s management team. The information in this report is intended to present the reader with a comprehensive view of the Commission’s financial position and the results of its operations for the fiscal year, along with additional disclosures and financial information designed to provide an understanding of First 5 LA’s financial activities.

Eide Bailly LLP, Certified Public Accountants, has issued an unmodified (“clean”) opinion on First 5 LA’s financial statements for the year ending June 30, 2024. The independent auditor’s report is located at the beginning of the financial section of this report. Management also provides a narrative introduction, overview, and analysis of the basic financial statements in the form of the Management’s Discussion and Analysis (MD&A).

**PROFILE OF THE COMMISSION**

First 5 LA was created by the Los Angeles County Board of Supervisors in December 1998 following the passage of Proposition 10, through which California voters made an unprecedented investment in early childhood development.

Over the last 25 years, First 5 LA has made a lasting positive impact in Los Angeles County through its allocation of more than \$2.5 billion to support diverse partnerships, innovative programs, leading policy, and systems change efforts and operations that improve the well-being of young children and families.

**OUR EVOLVING STRATEGIC DIRECTION**

In Fiscal Year 2023-2024, First 5 LA began developing a new Strategic Plan. Fiscal Year 2024-2025 will serve as a transitional period as we move from the 2020-2028 Strategic Plan to the newly approved

**COMMISSIONERS**

Los Angeles County Supervisor  
 Holly J. Mitchell  
*Chair*  
 Summer McBride  
*Vice Chair*

Robert Byrd, Psy.D  
 Alma Cortes  
 Barbara Ferrer, Ph.D.,  
 M.P.H., M.Ed.  
 Astrid Heger, M.D.  
 Abigail Marquez  
 Maricela Ramirez  
 Carol Sigala

**EX OFFICIO MEMBERS**

Deanne Tilton Durfee  
 Jacquelyn McCroskey, DSW  
 Alejandra Albarran Moses  
 Brandon Nichols

**PRESIDENT & CEO**

Karla Pleitéz Howell

**EXECUTIVE VICE PRESIDENT**

John A. Wagner

2024-2029 Strategic Plan. This transition is driven by changes in our funding and our commitment to addressing the evolving needs of our communities based on our learnings.

Over the past 25 years, First 5 LA has evolved from solely funding direct services to partnering broadly to drive systems change that improves outcomes for young children and families. The new Strategic Plan outlines goals aimed at ensuring well-being for all children from prenatal to age 5 in Los Angeles County, addressing needs across a continuum—from physiological safety to self-fulfillment. The key goals are:

- Goal One: Children prenatal to age 5 and their families have their basic needs met.
- Goal Two: Children prenatal to age 5 have nurturing relationships and environments.
- Goal Three: Children prenatal to age 5 have a solid foundation for well-being, lifelong learning and success.

To implement this plan and support children in reaching their full developmental potential, First 5 LA will serve as a:

- Convenor: brings together public agencies, philanthropy, nonprofit organizations and communities to share data, access and learn from new and diverse perspectives
- Connector: cultivates existing and new relationships to improve collaboration to advance better outcomes for children and families
- Trusted thought partner on early childhood: ensures issues impacting children, prenatal to age 5 are part of diverse agendas and spaces
- Advocate: influences resource allocation and distribution, policy and practice changes, and implementation of public policy

This strategic approach reflects First 5 LA's commitment to directing resources for maximum impact on families and children prenatal to age 5 in Los Angeles County as *“we envision a future where every child is born healthy and thrives in a nurturing, safe and loving community.”*

## ORGANIZATIONAL HIGHLIGHTS

As we conclude the fourth year of the 2020-2028 Strategic Plan, we have established a solid foundation for aligning our organizational priorities and structure. This foundation will continue to evolve next year as we implement the 2024-2029 Strategic Plan and the updated Long-Term Financial Plan. These updates are designed to better align with our fiscal reality and more accurately reflect the resources needed to support our strategic priorities through FY 2028-29.

First 5 LA's primary funding source, the Proposition 10 Tobacco Tax, has been declining gradually since FY 2004-05 due to decreases in smoking rates and births in L.A. County. The passage of Proposition 31, which banned the sale of certain flavored tobacco products starting November 2022, has reduced state tobacco tax revenues, leading to a further decline in funding for First 5 Commissions, including First 5 LA. The result is a steep decline in projected revenue for Fiscal Year 2022-23 and 2023-24, as well as a significant reduction in the available fund balance by FY 2029.

In response to this revenue impact, we are using the new strategic plan to review and reassess our priorities, short-term and long-term work, and proposed spending. We will continue to apply a diversity, equity, and inclusion lens to ensure our investments are reflective of and responsive to community needs.

As First 5 LA evolves, our work remains informed by experience, learning, and the dynamic context in which we operate. It is clear that our efforts to promote systems change and *build a future where every child is born healthy and thrives in nurturing, safe and loving communities* require substantial time and effort to build the necessary partnerships. We will continue to invest in these efforts while maintaining a focus on sustainability, particularly in light of the recent changes to tobacco tax revenue. This ongoing emphasis will guide our investment decisions to achieve the best outcomes for children and families in our communities.

## LOOKING AHEAD

- **Implementation of our 2024-2029 Strategic Plan.** The FY 2024-2025 budget represents resources that will support the first-year implementation of the 2024-2029 Strategic Plan. Completion of year four of the prior Strategic Plan and pivot to the new five-year plan represents the culmination of internal collaboration across teams, alignment of program costs to our strategic direction and fiscal realities of declining tobacco tax revenues, and the continued evolution of First 5 LA as it fulfills its multiple roles. The reduced level of spending, compared to the prior year, largely driven by the Proposition 31 approved ballot, has forced us to think more critically and creatively about how we employ our funds for greatest impact as we continue to uphold and advance the goals and priorities of the strategic plan through our work. First 5 LA will continue to evolve as we revisit and update key elements of our strategic plan in an effort toward greater alignment of the Commission's objectives and fiscal realities, as well as the evolving needs of the children and families we serve.
- **Long term financial planning.** First 5 LA's approach to sustainability requires that we take a multi-year view beyond the budget year. Towards that end, the Board-approved Long Term Financial Plan (LTFP) provides financial guardrails to focus and discipline First 5 LA's expenditures over the course of the 2024-2029 Strategic Plan. Given the evolving context of our work, guided by refinements to the strategic plan, as well as recent legislative changes impacting our primary source of tobacco tax revenue, First 5 LA will be revisiting the long-term plan spending limits and revenue projections to identify the appropriate level of resources for distribution in support of our new fiscal reality and revised strategic plan goals.

## OTHER FINANCIAL INFORMATION

### Internal Controls

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. The internal control structure is designed to protect the Commission's assets from loss, theft, or misuse and to ensure that adequate accounting data is compiled for the preparation of the financial statements in conformity with Generally Accepted Accounting Principles. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

### Budgetary and Accounting System

The Commission is not required to adopt a budget for the following year before the end of each fiscal year. However, the Commission has historically adopted a budget to ensure controlled spending. Any increase to previously adopted appropriations during the fiscal year requires Commission approval. The Executive Director has the authority to adjust the operating budget in an amount not to exceed \$25,000, and any adjustments to the adopted fiscal year budget for programs must be approved by the Commission. Monthly financial updates are also provided to the Board of Commissioners. The

Commission has not adopted or revised any financial policies that may have a significant impact on the current period's financial statements.

The approach to budgeting at First 5 LA has undergone significant evolution in recent years and will continue to do so, driven by experience, to achieve greater precision, clarity, and transparency. Annually, the Commission adopts a budget that reflects the staff's best estimate of the financial resources needed to advance work in alignment with the strategic direction. The format and approach for the FY 2024-25 Budget signifies ongoing efforts to enhance financial accountability and transparency while maintaining flexibility within the evolving operational landscape of First 5 LA. As First 5 LA experiences declining revenue, the Commission must refine the resources necessary to pursue the goals and strategies outlined in the Strategic Plan. Additionally, it's crucial to assess the alignment of current initiatives with new objectives. The FY 2024-25 Budget underscores the organization's dedication to fiscal responsibility by aligning budget estimates with realistic expenditures.

#### Long Term Financial Plan

First 5 LA's approach to sustainability involves a multi-year perspective that extends beyond the current budget year. The Board-approved LTFP establishes financial guidelines to focus and discipline First 5 LA's expenditures throughout the 2024-2029 Strategic Plan. The LTFP serves as a framework for multi-year financial planning to manage the ongoing reduction in tobacco revenue. By adopting proactive measures with a long-term view, First 5 LA can responsibly plan for the future and avoid the need for drastic and disruptive cuts.

We will continue to advance Commission priorities with a focus on sustainability and strategic leveraging, while considering the fiscal outlook outlined in the most recent Long-Term Financial Projection (LTFP) and the revised LTFP which will be presented to the Board in FY 2024-25. The revised LTFP will provide an opportunity to adjust spending limits, approved by the Board in July 2020, to align with changes in projected revenue, fund balance, and the new Strategic Plan. This adjustment aims to reflect our fiscal reality, reinforce our role as fiscal stewards, and proactively address potential risks to our long-term success through strategic planning, budgeting, and policy development.

### **CERTIFICATE OF ACHIEVEMENT**

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to First 5 LA for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 16th consecutive year that First 5 LA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, First 5 LA must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **ACKNOWLEDGEMENTS**

The Commission's Annual Comprehensive Financial Report was prepared through the combined efforts of all First 5 LA staff. Special recognition is due to the Finance Department staff for their effort to ensure timely and accurate reporting. I would also like to thank the Board of Commissioners for your responsible and thoughtful fiscal stewardship of First 5 LA's financial operations.

Sincerely,

Karla Pleitéz Howell  
Executive Director

KPH:ro

**FIRST 5 LA**

**Commissioners**

Holly J. Mitchell, Los Angeles County Supervisor, Chair  
Summer McBride, Vice Chair  
Robert Byrd, Psy.D.  
Alma Cortes  
Barbara Ferrer, Ph.D., M.P.H., M.Ed.  
Astrid Heger, M.D.  
Abigail Marquez  
Maricela Ramirez, Ed.D.  
Carol Sigala, Ph.D.

**Ex-Officio Commissioners**

Deanne Tilton Durfee  
Jacquelyn McCroskey, DSW  
Alejandra Albarran Moses  
Brandon T. Nichols, J.D.

**Alternate Commissioners**

Priya Batra  
Mary Romero Barraza  
Luis Bautista  
Victor Manalo, Ph.D.  
Kristin McGuire  
Frank Ramos  
Sylvia S. Swilley, M.D.  
Winnie Wechsler  
Julie Taren

**President & CEO**

Karla Pleitéz Howell, J.D.

**Executive Vice President**

John A. Wagner

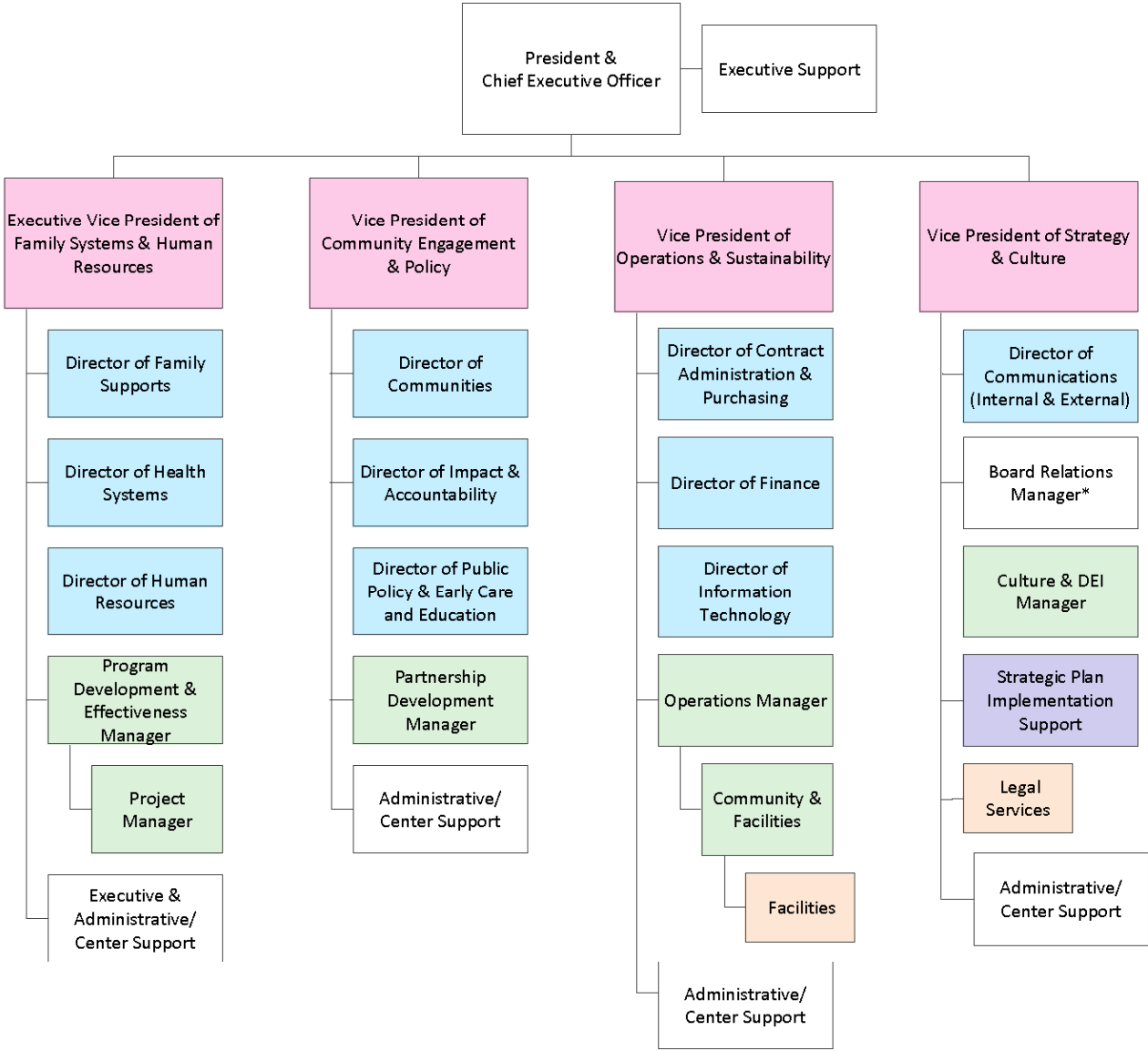
**Vice President**

Teofilo "JR" Nino

**Team/Center/Office Directors**

Diana Careaga, Family Supports  
Galina Collins, Human Resources & Talent Management  
Jennifer L. Eckhart, Contract Administration & Purchasing  
Tara Ficek, Health Systems  
Jasmine Frost, Information Technology  
Kim Hall, Impact & Accountability  
Raoul Ortega, Finance

# Organization Structure



- Center Oversight
- Department Oversight
- New Manager Position
- New Function
- Outsourced Function

\*Function Already Exists



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**First 5 LA  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

## Independent Auditor's Report

Board of Commissioners  
Los Angeles County Children and Families  
First – Proposition 10 Commission  
Los Angeles, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities and the general fund of the Los Angeles County Children and Families First – Proposition 10 Commission (Commission), a component unit of the County of Los Angeles, California, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Commission, 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 the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, 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 the Commission's basic financial statements. The Schedule of First 5 California Funding 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 of First 5 California Funding is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

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

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

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

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

Rancho Cucamonga, California

[report date]

**Los Angeles County Children and Families First – Proposition 10 Commission  
Management’s Discussion and Analysis  
(Unaudited)**

This section of the Los Angeles County Children and Families First – Proposition 10 Commission (the “Commission”) annual comprehensive financial report presents management’s discussion and analysis of the Commission’s financial performance during the year ending June 30, 2024. This discussion and analysis is intended to be read in conjunction with the Commission’s basic financial statements and accompanying notes.

**Financial Highlights**

- The Commission recognized a total of \$65.6 million in program revenues which include tobacco taxes, Proposition 56 backfill, IMPACT/Hubs funds, Refugee Family Support Grant, Local Entity Program Funding and pass-through funds. Revenues through First 5 California (the State) totaled \$58.7 million, reflecting a 15.8% decrease of \$11.0 million from \$69.7 million in FY 2022-23.
- Commission expenses totaled \$86.8 million in FY 2023-24, representing a 5.6% decrease of \$5.1 million from \$91.9 million in FY 2022-23.
- The Commission’s liabilities decreased from \$21.7 million in FY 2022-23 to \$15.4 million in FY 2023-24, reflecting a total decrease of \$6.3 million or 29.1%.
- The Commission’s total net position decreased from \$292.1 million in FY 2022-23 to \$287.7 million in FY 2023-24, a decline of approximately \$4.4 million, or 1.5%.

**Overview of the Financial Statements**

The annual comprehensive financial report consists of two parts, this management’s discussion and analysis and the basic financial statements, including: government-wide financial statements, fund financial statements, and notes to the basic financial statements. The Commission’s financial statements offer key, high-level financial information about its activities.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Commission’s finances, in a manner similar to a private-sector business. These statements provide both long-term and short-term information about the Commission’s overall financial status.

The Statement of Net Position includes information on all the Commission’s assets and liabilities, with the difference between assets and liabilities reported as net position. Changes in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Activities presents information showing how the Commission’s net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to when the change occurs, regardless of the timing of related cash flows.

Fund Financial Statements

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. All the Commission’s activities are accounted for in the general fund.

Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and balances of spendable resources available at the end of the year.

While a nine-member Board of Commissioners governs the Commission, the Commission was created by, and ultimately is, under the authority of the Los Angeles County Board of Supervisors, in accordance with California State Law, through its appointment of the Board of Commissioners and its ability to remove the Commissioners at will. Consequently, the County of Los Angeles Auditor-Controller’s Office has designated the Commission as a “discretely presented component unit” of the County of Los Angeles and includes a summary of the Commission’s basic financial statements in the County’s basic financial statements.

Government-wide Financial Statements Analysis

The following is a condensed summary of the Commission’s assets, liabilities and net position comparing FY 2023-24 with FY 2022-23:

	FY 2023-24	FY 2022-23	Percent Increase (Decrease)	Increase (Decrease)
<b>Assets:</b>				
Current and other assets	\$289,830,097	\$300,335,306	-3.50%	(\$10,505,209)
Capital assets	13,272,466	13,464,635	-1.43%	(192,169)
<b>Total assets</b>	<b>\$303,102,563</b>	<b>\$313,799,941</b>	<b>-3.41%</b>	<b>(\$10,697,378)</b>
<b>Liabilities:</b>				
Long-term liabilities	\$826,211	\$883,953	-6.53%	(\$57,742)
Other liabilities	14,553,337	20,809,081	-30.06%	(6,255,744)
<b>Total liabilities</b>	<b>\$15,379,548</b>	<b>\$21,693,034</b>	<b>-29.10%</b>	<b>(\$6,313,486)</b>
<b>Net Position:</b>				
Unrestricted	\$274,450,549	\$278,642,272	-1.50%	(\$4,191,723)
Investment in capital assets	13,272,466	13,464,635	-1.43%	(192,169)
<b>Total net position</b>	<b>\$287,723,015</b>	<b>\$292,106,907</b>	<b>-1.50%</b>	<b>(\$4,383,892)</b>
<b>Total liabilities and net position</b>	<b>\$303,102,563</b>	<b>\$313,799,941</b>	<b>-3.41%</b>	<b>(\$10,697,378)</b>

The Commission’s FY 2023-24 total assets of \$303.1 million represent a decrease of \$10.7 million, or a 3.4% decline, compared with the prior year. Of this total, the decrease in current and other assets is approximately \$10.5 million. A key factor contributing to this reduction in total assets is that total expenses, including program expenses (such as provider grants and contractors), were higher than the total revenue by \$4.4 million, as anticipated.

Total liabilities decreased by \$6.3 million or 29.1% as a result of year-end grantee accruals being significantly lower than in the prior year.

The \$192,169 decrease in capital assets is a result of the organization’s incremental start of Phase 2 of its Capital Improvement Project to provide additional physical improvements to the 750 N. Alameda Street building, which will continue into FY 2024-25. The depreciation expense for FY 2023-24 was \$437,195. Additional information on capital assets can be found in Note 3 of this report.

The following is a summary of the Commission’s revenues; expenses and change in net position comparing FY 2023-24 with FY 2022-23:

	FY 2023-24	FY 2022-23	Percent Increase (Decrease)	Increase (Decrease)
<b>Revenues:</b>				
<b>Program revenues</b>				
Tobacco taxes	\$39,331,539	\$47,253,504	-16.76%	(\$7,921,965)
Proposition 56	15,382,483	16,236,701	-5.26%	(854,218)
CA Electronic Cigarette Excise Tax	900,231	1,114,427	-19.22%	(214,196)
State Commission Program Funds	3,083,396	5,109,088	-39.65%	(2,025,692)
Medi-Cal Administrative Activities	0	132,945	-100.00%	(132,945)
Local Entity Program Funding	6,948,184	550,017	1163.27%	6,398,167
<b>Total program revenues</b>	<b>\$65,645,833</b>	<b>\$70,396,682</b>	<b>-6.75%</b>	<b>(\$4,750,849)</b>
<b>General revenues</b>				
Investment income	\$12,965,425	\$9,440,982	37.33%	\$3,524,443
Net increase in fair value of investments	3,805,000	3,649,787	4.25%	\$155,213
Other general income	75	2,500	-97.00%	(\$2,425)
<b>Total general revenues</b>	<b>16,770,500</b>	<b>13,093,269</b>	<b>28.08%</b>	<b>3,677,231</b>
<b>Total revenues</b>	<b>\$82,416,333</b>	<b>\$83,489,951</b>	<b>-1.29%</b>	<b>(\$1,073,618)</b>
<b>Expenses:</b>				
Provider grants and other allocations	\$69,291,109	\$73,000,450	-5.08%	(\$3,709,341)
Salaries and benefits	14,128,762	15,672,576	-9.85%	(1,543,814)
Operating services	1,227,536	1,136,076	8.05%	91,460
Consultant services	1,231,750	1,274,116	-3.33%	(42,366)
Professional services	329,402	293,063	12.40%	36,339
Professional development	79,753	68,743	16.02%	11,010
Other expenses	74,718	66,365	12.59%	8,353
Depreciation	437,195	438,429	-0.28%	(1,234)
<b>Total expenses</b>	<b>\$86,800,225</b>	<b>\$91,949,818</b>	<b>-5.60%</b>	<b>(\$5,149,593)</b>
<b>Change in net position:</b>	<b>(4,383,892)</b>	<b>(8,459,867)</b>	<b>-48.18%</b>	<b>4,075,975</b>
Net position – beginning	292,106,907	300,566,774	-2.81%	(8,459,867)
<b>Net position – ending</b>	<b>\$287,723,015</b>	<b>\$292,106,907</b>	<b>-1.50%</b>	<b>(\$4,383,892)</b>

## Revenues

The Commission received a total of roughly \$82.4 million in revenues for FY 2023-24, reflecting a decrease of \$1.1 million, or 1.3% compared with the prior year's total revenues of \$83.5 million. The overall changes in revenue are due to the following:

### Tobacco Tax

Tobacco tax revenue decreased from \$47.3 million in FY 2022-23 to \$39.3 million in FY 2023-24, a decrease of roughly \$7.9 million, or 16.8%. Revenue decreased due to an accelerated decline in overall tobacco sales and the enactment of Proposition 31 (SB 793) in November 2022, which prohibits in-person stores and vending machines from selling most flavored tobacco products or tobacco product flavor enhancers.

### Proposition 56

Proposition 56 backfill (or "hold harmless") amounts are calculated in arrears, which considered in FY 2016-17 actual revenue loss was attributable to Proposition 56. The backfill amount decreased in FY 2023-24 to \$15.4 million compared to \$16.2 million in the prior fiscal year, a decrease of \$854,218 million, or 5.3%. The backfill is received the following fiscal year and the actual amount represented here is for FY 2022-23.

### California Electronic Cigarette Excise Tax

Beginning July 1, 2022, retailers of electronic cigarettes (in-state or out-of-state) are required to collect from the purchaser at the time of sale the California Electronic Cigarette Excise Tax (CECET) at the rate of 12.5% of the retail selling price of electronic cigarettes containing or sold with nicotine. First 5 California receives 12% of that total tax, which is then distributed following the First 5 County disbursement guidelines to the 58 individual counties. CECET revenue of \$900,231 was recognized in FY 2023-24 a decrease of \$214,196 from \$1.1 million in FY 2022-23. This was due to lower consumption of electronic cigarettes and declining birth rates across Los Angeles County.

### State Commission Program Funds

State Commission program funds decreased from \$5.1 million in FY 2022-23 to \$3.1 million in FY 2023-24, a decrease of \$2.0 million or 39.7%. This source of revenue was primarily from First 5 CA related programs including IMPACT/Hubs funds and the Refugee Family Support Grant.

### Medi-Cal Administrative Activities

The Medi-Cal Administrative Activities (MAA) reported no revenue in FY 2023-24 due to the discontinuation of the program in the prior year. The program, contracted through the County of Los Angeles, assisted in the administration of the Medi-Cal program by improving the availability and accessibility of Medi-Cal services to eligible participants.

### Local Entity Program Funding

Local Entity program funding increased from \$550,017 in FY 2022-23 to \$6.9 million in FY 2023-24. This is a significant year-to-year increase of \$6.4 million. This revenue includes grants from Los Angeles County Office of Education (\$2.0 million), Los Angeles County – Department of Mental Health (\$4.58 million), and Los Angeles County – Department of Public Health (\$360,000).

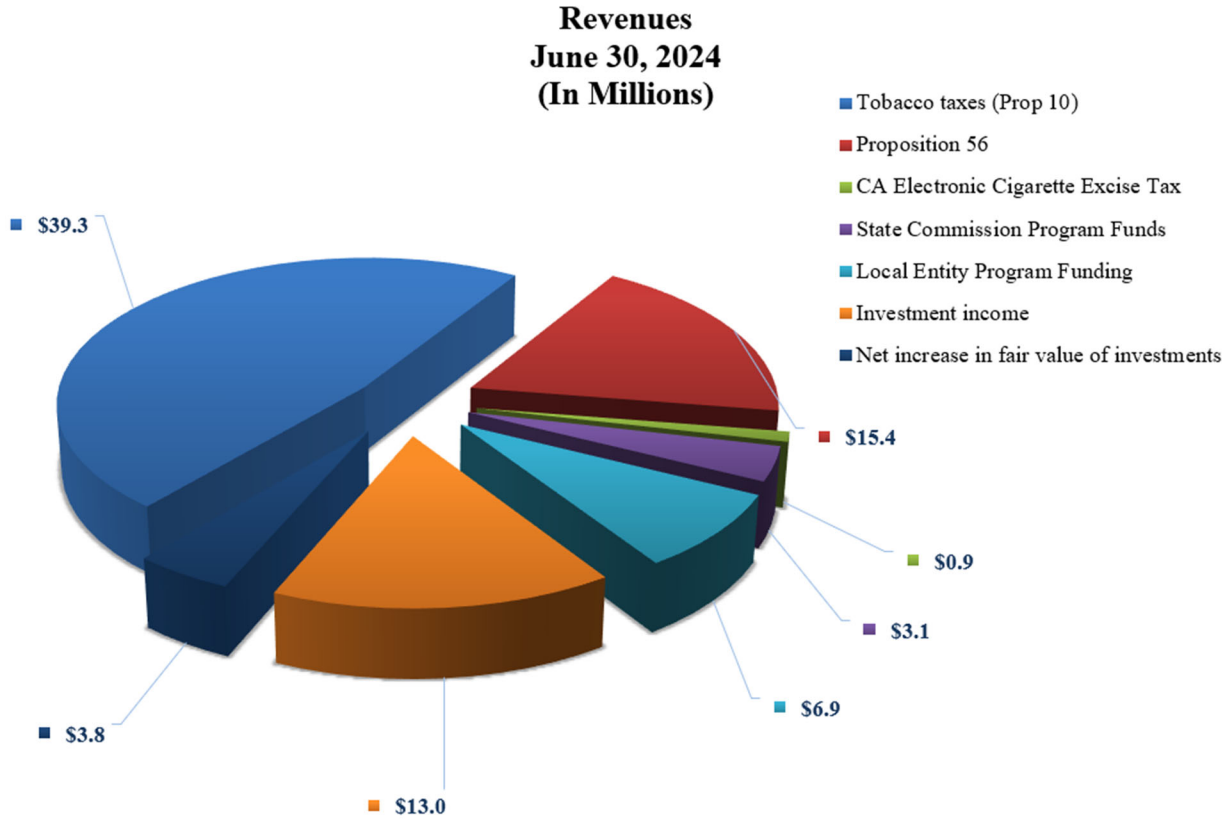
### Investment Income

The Commission recognized roughly \$13 million of investment income in FY 2023-24, which was an increase of \$3.5 million, or approximately 37.3%, compared with the \$9.4 million recognized in the prior year. The overall rate of return for FY 2023-24 was 4.02%, an increase of 1.13% over the prior year. This was due to sustained high interest rates over the course of the fiscal year and the continuation of the three-year specific investment with the County of Los Angeles over the course of FY 2023-24, which yielded a 5.16% rate of return.

Fair Value Adjustment

First 5 LA separates the fair value adjustment under investment income from the Statement of Activities to more accurately reflect true interest recognized. In FY 2023-24, the fair value of First 5 LA’s investment portfolio adjustment increase was roughly \$3.8 million, compared to the \$3.6 million adjustment in FY 2022-23. This increase can be attributed to higher interest rates in the current year and ongoing external macroeconomic factors affecting overall economic health.

The fair value adjustments included an unrealized gain on investments in the County Pooled investment account of approximately \$4.0 million offset by an unrealized loss of \$184,300 for the 3-year specific investment with Los Angeles County.



Expenses

The Commission recognized expenses of \$86.8 million in FY 2023-24 compared with \$91.9 million in FY 2022-23, a decrease of \$5.1 million, or 5.6%. The \$5.1 million net decrease in overall expenses encompasses the following in FY 2023-24:

Provider Grants and Other Allocations

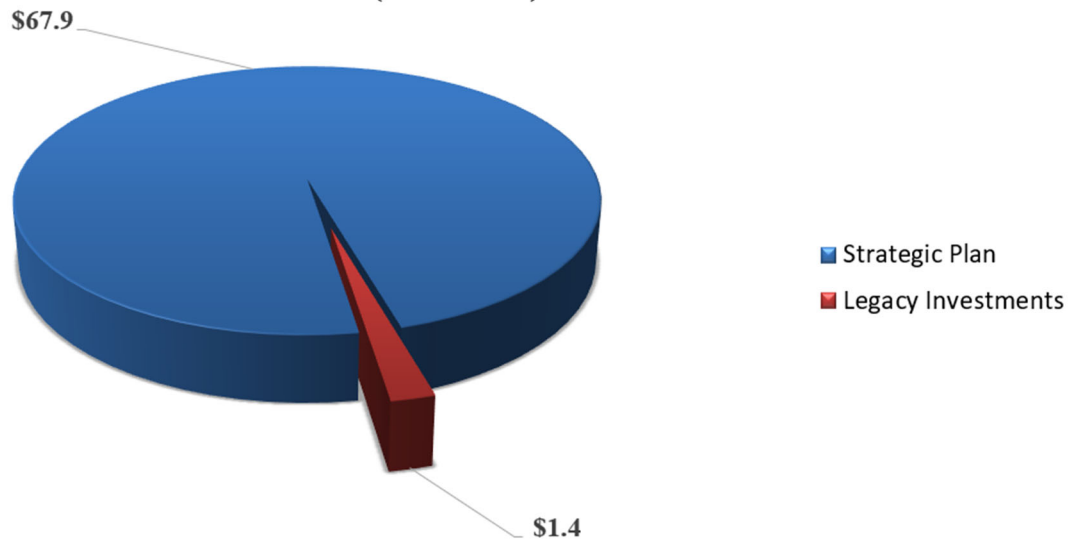
The Commission experienced a decrease of \$3.7 million, or 5.1% in support of “Provider grants and other allocations,” spending approximately \$69.3 million in FY 2023-24 compared to \$73.0 million in FY 2022-23. The net decrease is the result of the continued learning and refinement to the work and proposed spending in alignment to the Long-Term Financial Plan spending limits and downward revenue trajectory, as well as adjusted activity timelines and sunsetted or ramped down projects. The following details activity based on the Commission’s investment categories, during the fiscal year:

- 2020-2028 Strategic Plan: Focusing for the Future: FY 2023-24 marked the fourth year of the now concluded 2020-2028 Strategic Plan and a transition to the enactment of the 2024-2029 Strategic Plan. Roughly \$67.9 million was expended in FY 2023-24, a decrease of

approximately \$3.2 million or 4.5% as compared to FY 2022-23. A significant driver of the strategic plan is a long-term emphasis on sustainability, particularly considering recent changes to tobacco tax revenue, which has and will continue to undergird the investment decisions to advance results for children and families in Los Angeles’ communities. As such, the decline in spending was anticipated and was consistent with the long-term financial plan and annual spending limits.

- Legacy Investments: This category includes existing multi-year funding representing ongoing work of the Commission that is expected to end according to the terms of the project approval or was determined to be aligned with the 2020-2028 Strategic Plan. There is only one legacy investment remaining—Little by Little. Approximately \$1.4 million of the remaining allocation balance was expended in FY 2023-24 which reflected a \$530,059 decrease or roughly 26.3% from FY 2022-23. This investment, with an original allocation of \$30 million, is anticipated to fully expend by 2025.

**First 5 LA Funded Provider Grants and Other Allocations Expenses**  
**Fiscal Year Ended June 30, 2024**  
**(In Millions)**



Salaries and Benefits

Salaries and Benefits decreased from FY 2022-23 by \$1.5 million or 9.9%. This was primarily due to staff turnover over the course of the fiscal year and the reduction of FTE from 120 to 117.

Operating Services

Operating Services increased by \$91,460 or 8.1% from the prior year due to ongoing inflationary pressures and macroeconomic factors affecting general operating costs, particularly in facilities, maintenance, and utilities.

Consultant Services

The Commission recorded \$1.2 million in expenses for consultant services in FY 2023-24, a 3.3% decrease from FY 2022-23. The decrease is primarily due to the reduced engagement of firms and individuals for assistance in ongoing strategic plan related work, temporary labor support and building management services.

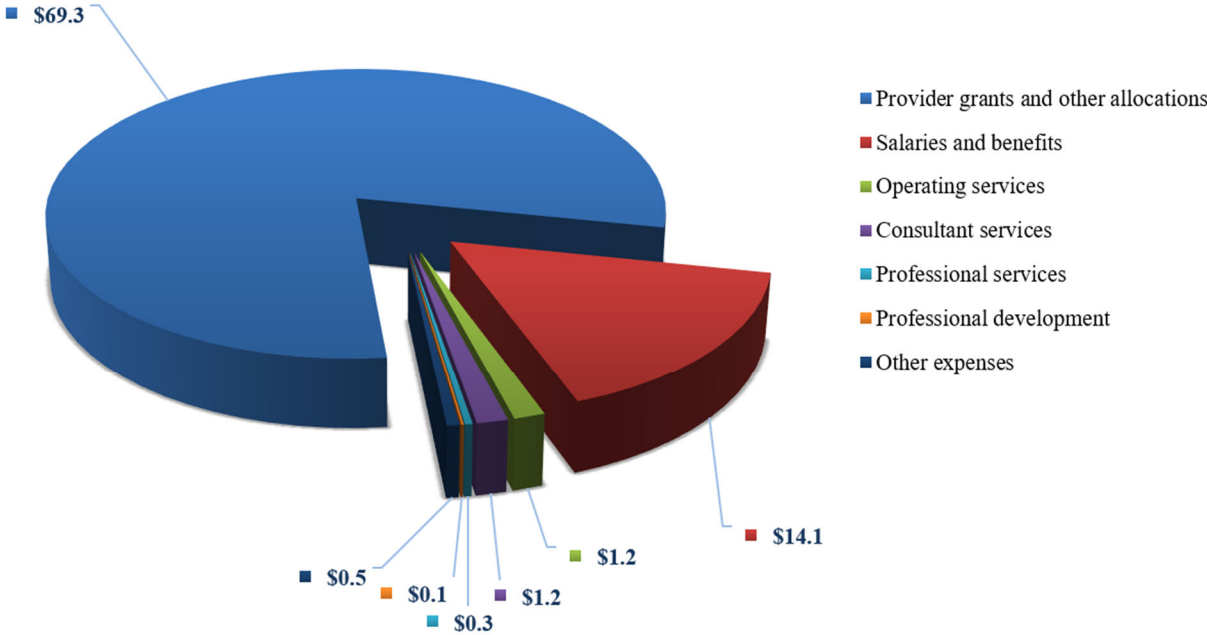
Professional Services

Professional services increased from FY 2022-23 by \$36,339 or 12.4%. The increase is largely due to slight increases in expense for legal, audit and staff recruitment services.

Professional Development

Professional development increased in FY 2023-24 by \$11,010 or 16% from FY 2022-23. The increase is due to a variety of factors, including the increase of staff travel to in-person conferences and development opportunities across the State.

**Program and Operating Expenses  
Fiscal Year Ended June 30, 2024  
(In Millions)**



**Analysis of the Governmental Fund**

The activities are contained in the general fund of the Commission. The focus of the Commission’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Commission’s financing requirements. In particular, fund balance may serve as a useful measure of the Commission’s net resources, both committed and available for future operation needs.

At the end of FY 2023-24, the Commission’s general fund reported a total ending fund balance of \$268.7 million, a decrease of \$7 million, or 3% in comparison with the prior fiscal year balance of \$275.7 million.

Total fund balance decreased due to an ongoing decline between annual incoming revenue and the expenditures that are required to advance the activities and strategies outlined in the 2020-2028 Strategic Plan, including the ongoing responsibility to multi-year commitments for specific initiatives.

**Budgetary Highlights**

Based on the information provided in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, the following analysis is presented:

**Final Revenue Budget vs. Actual Revenue**

The information below provides a summary of the primary factors that caused the variance between revenue estimates and actual revenue.

**Tobacco Taxes, Prop 56, and CA Electronic Cigarette Excise Tax (CECET)**

Tobacco tax revenue recorded for FY 2023-24 was \$36 million of tobacco tax revenue, \$15.4 million of Proposition 56 backfill, and \$906,273 in CECET revenue. The total combined amount of \$52.3 million was approximately \$4.3 million or 7.6% lower than the anticipated amount of \$56.7 million. The original estimate of \$56.7 million was based on data provided by the California Department of Tax and Fee Administration, updated January 2024.

**Other Program Revenue**

Other program revenue, including Local Entity Program Funding and State Commission Program Funds, recorded for FY 2023-24 was \$10.3 million which is close to the \$10.3 million estimated in the Long-Term Financial Plan approved by the Commission in June of 2024. The other revenue category includes funding from First 5 California, the Los Angeles County Department of Mental Health (DMH), and Los Angeles County Department of Public Health (DPH).

**Investment Income**

Investment income of \$13.2 million was recognized in FY 2023-24. The monthly average return of 4.02% is higher than the 1.3% anticipated and included in the Long-Term Financial Projection approved by the Commission in June 2024. In November 2022, the Commission invested in a 3-year specific investment which is earning an approximate \$581,000 in monthly interest in addition to the interest the Commission is earning from its County Treasurer Surplus Investment Pool.

**Original Expenditure Budget vs. Final Expenditure Budget**

In February 2024, the Commission received and filed the proposed mid-year adjustments to the FY 2023-24 budget, increasing the original approved \$99.1 million budget by \$2.0 million or 2.0%. This streamlined approach, presented to the board and approved in November 2023, bypassed formal board-approval of the mid-year adjustments in favor of a lighter touch engagement with the board and staff. Approval of this approach was grounded in full transparency of the detailed spending plan and adherence to the board-approved annual spending limit. Materials shared for board review were comparable to those shared in previous years. Like the previous four years, the net change to the original board-approved budget for FY 2023-24 was less than 3%. The following provides a brief summary of the primary factors that contributed to the increase in the final budgeted expenditures compared with the original budgeted expenditures:

**Provider Grants and Other Allocations**

The overall Program Budget (Provider Grants and Other Allocations) was adjusted upward during the year by \$2.0 million or 2.6%. In February 2024, through the process of receiving and filing, the Commission agreed to a mid-year revised budget adjusting Early Care & Education upward by a net \$2 million. The increase to the Early Care & Education Systems budget is due to the receipt of funds from the Los Angeles County Office of Education (LACOE). In November 2023, the Board authorized the receipt of \$2,000,000 from LACOE to expand implementation of the QSLA Dual Language Learner (DLL) Communications Campaign, whose intent is to widely disseminate key messages about the benefits of bilingualism and the value of home language use, and encourage families, programs, and communities to prioritize children's bilingual development. In addition to the budget adjustment in response to the receipt of funds, there were other cost neutral adjustments within ECE. One cost neutral

adjustment was a \$5,000 increase to the Provider Advisory Group project budget due to a potential increased need for translation and honorariums, with a proportional reduction in the Kindergarten Readiness budget due to lower than anticipated spending. There was also a shift of \$500,000, reducing the proposed spending in the IMPACT Legacy budget and increasing the QSLA Database budget to cover the cost of the database. The QSLA Impact line reflects funds pulled down from the state funding streams IMPACT and HUB.

### **Final Expenditure Budget vs. Actual Expenditure Amounts**

The following provides a summary of the primary factors causing the significant variances in the actual expenditures compared with the final budgeted expenditures:

#### Provider Grants and Other Allocations

The total Provider Grants and Other Allocations variance for FY 2023-24 was approximately \$11.1 million lower than anticipated spending in FY 2023-24 due to several interrelated factors. First, there were incremental reductions in spending across many projects, with specific activities like Help Me Grow and African American Infant and Maternal Mortality (AAIMM) scaling down as direct funding and partnership activities decreased. Second, fewer memberships and reduced funds needed for advocacy partners led to lower expenditures. Third, underspending was further exacerbated by understaffing in a few departments and an overall organizational shift in priorities toward developing and transitioning to a new strategic plan, resulting in postponed objectives and delays in the timeline for several activities. And finally, new external funds were received to offset some budgeted costs.

#### Salaries and Benefits

Salary and Benefit costs were lower than budgeted, with a total variance of \$2.1 million. This is due to a combination of regular employee turnover during this fiscal year and vacant positions that were budgeted but not filled.

Operating Services were less than final budget by \$275,459. Below is an analysis of the significant activities comprising this variance:

#### Utilities

Utilities expenses were higher than budgeted, with a variance of \$24,022. This is due to macroeconomic factors including higher energy prices and a full year of staff working hybrid in the office building, which all yielded higher than anticipated costs.

#### Mileage and Parking

Mileage and parking costs were lower than budgeted, with a variance of \$19,200. This is informed by staff turnover and vacant positions, and varying staff travel trends.

#### Telephones and Modems

Telephones, modems and related expenses were lower, with a savings of \$8,577. Existing technology and equipment were able to support much of the needs in this category, resulting in an overall decrease in expenses.

#### Cell Phones and Mobile Devices

Cell phone and mobile device costs came in lower than budgeted, with a variance of \$21,300. This is due to overall lower cellular reimbursements than expected due to staff vacancies and absences.

#### Office Supplies

Office Supplies were lower than budgeted, with a variance of \$46,968. This is due to hybrid work and lower utilization of the building and offices for meetings, as well as the increased utilization of digital applications and platforms to bypass traditional means for documentation and storage.

Building Repairs and Maintenance

Building repairs and maintenance expenses were below the final budget by \$17,478. Maintenance costs were lower than anticipated due to the upgrades performed to the building before staff returned to the office for full hybrid work in FY 2023-24.

Hardware & Software Maintenance

Hardware & Software Maintenance was lower than budgeted with a variance of \$123,237. This is primarily due to fewer software subscriptions and applications that were not utilized in FY 2023-24 which resulted in cost savings.

Miscellaneous/Contingency

Miscellaneous and Contingency expenses came in below budget by \$30,974 for FY 2023-24. This is due to a reduction in one-time events or emergency needs over the fiscal year.

Internal Meetings

Internal Meeting expenses were lower than budgeted, with a variance of \$43,548. This is due to hybrid work promoting fewer in-person meetings.

Division Capacity Building

Division Capacity Building spending was \$8,240 below budget. Hybrid work schedules and lack of in-person meetings with internal staff and contractor/external partner meetings have created ongoing delays in spending within this expense category.

Consultant Services

Consultant services costs came in under budget by \$517,750. The variance is primarily the result of a lower anticipated need for consultants.

Professional Services

Professional services costs came in under budget for a total savings of \$156,968. Considerable decreases in legal services and web-based services led to cost savings for the organization.

Travel

Travel and travel-related expenses were considerably lower than budgeted. The \$204,958 in cost savings coincides with the ongoing use of virtual meetings, in addition to lower levels of travel for a variety of uses, including professional development, in-person conferences and offsite meetings.

Professional Development

Professional Development expenditures were \$246,727 less than the final budget. This is a result of continuing to leverage virtual opportunities for professional development at a fraction of the price of in-person trainings, as well as ongoing delays in the ramp up of in-person professional development opportunities, particularly for in-person leadership cohorts and conferences.

**Other Potentially Significant Matters**

The State projections of Proposition 10 funding have assumed a 3-5% rate of revenue decline on an annual basis over the last several years. However, approval of the ballot measure prohibiting the sale of certain flavored tobacco, Proposition 31, resulted in an accelerated decline in First 5 LA’s Proposition 10 tobacco tax funding for FY 2022-23 and FY 2023-24. Based on the most recent forecast from the Department of Finance (DOF) and the California Department of Tax and Fee Administration (CDTFA) updated January 2024, which was adjusted in response to Proposition 31, following two years of higher-than-average decline in revenues, the future rate of decline is anticipated to return to the average state of 3-5% rate of revenue decline per year.

The long-term impact to our primary source of funding, and ever-changing tobacco tax legislation, will require us to revisit the established spending limits. These long-term spending limits will be informed by the impact of Proposition 31 and the new strategic plan implementation process. A revised long-term financial plan will be shared with the First 5 LA Commission for review and approval in FY 2024-25. The revised LTFP should allow us to continue manage the transition to a more sustainable spending plan with greater alignment to the new strategic plan and evolving fiscal realities.

First 5 LA continues to receive backfill “hold harmless” payments from the State to keep Proposition 10 revenue whole for participating counties following the passage and implementation of SBx2 and Proposition 56.

**Contacting the Commission’s Financial Management**

This financial report is designed to provide the public with an overview of the Commission’s financial operations and condition. If you have questions about this report or need additional information, please contact the Commission’s Director of Finance at (213) 482-7545 or 750 N. Alameda Street, Suite 300, Los Angeles, California 90012.

Los Angeles County Children and Families First – Proposition 10 Commission  
Statement of Net Position and Governmental Fund Balance Sheet  
June 30, 2024

	General Fund	Adjustments (Note 1)	Statement of Net Position
<b>Assets</b>			
Cash and investments	\$ 277,109,498	\$ -	\$ 277,109,498
State receivable	11,214,745	-	11,214,745
Interest receivable	1,139,881	-	1,139,881
Advances to grantees	365,973	-	365,973
Capital assets			
Not depreciated	-	2,039,000	2,039,000
Depreciable capital assets (net)	-	11,233,466	11,233,466
<b>Total assets</b>	<b>\$ 289,830,097</b>	<b>\$ 13,272,466</b>	<b>\$ 303,102,563</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 14,405,489	\$ -	\$ 14,405,489
Compensated absences			
Due within one year	-	147,848	147,848
Due in more than one year	-	826,211	826,211
<b>Total liabilities</b>	<b>14,405,489</b>	<b>974,059</b>	<b>15,379,548</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	6,754,348	(6,754,348)	-
<b>Total deferred inflows of resources</b>	<b>6,754,348</b>	<b>(6,754,348)</b>	<b>-</b>
<b>Fund Balance/Net Position</b>			
Fund balance			
Nonspendable	365,973	(365,973)	-
Committed	72,416,202	(72,416,202)	-
Assigned	128,490,922	(128,490,922)	-
Unassigned	67,397,163	(67,397,163)	-
<b>Total fund balance</b>	<b>268,670,260</b>	<b>(268,670,260)</b>	<b>-</b>
<b>Net position</b>			
Investment in capital assets	-	13,272,466	13,272,466
Unrestricted	-	274,450,549	274,450,549
<b>Total net position</b>	<b>-</b>	<b>287,723,015</b>	<b>287,723,015</b>
<b>Total liabilities, deferred inflows of resources and fund balance/net position</b>	<b>\$ 289,830,097</b>	<b>\$ 13,272,466</b>	<b>\$ 303,102,563</b>

Los Angeles County Children and Families First – Proposition 10 Commission  
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended June 30, 2024

	General Fund	Adjustments (Note 1)	Statement of Activities
Revenues			
Program revenues			
Operating grants and contributions			
Tobacco taxes	\$ 36,053,911	\$ 3,277,628	\$ 39,331,539
Proposition 56	15,382,483	-	15,382,483
CA Electronic Cigarette Excise Tax	906,273	(6,042)	900,231
State Commission Program Funds	4,550,388	(1,466,992)	3,083,396
Local Entity Program Funding	5,718,128	1,230,056	6,948,184
Total program revenues	<u>62,611,183</u>	<u>3,034,650</u>	<u>65,645,833</u>
General revenues			
Investment income	13,204,033	(238,608)	12,965,425
Net increase in fair value of investments	3,805,000	-	3,805,000
Other general income	75	-	75
Total general revenues	<u>17,009,108</u>	<u>(238,608)</u>	<u>16,770,500</u>
Total revenues	<u>79,620,291</u>	<u>2,796,042</u>	<u>82,416,333</u>
Expenditures/expenses			
Provider grants and other allocations	69,291,109	-	69,291,109
Salaries and benefits	14,159,195	(30,433)	14,128,762
Operating services	1,227,536	-	1,227,536
Consultant services	1,231,750	-	1,231,750
Professional services	329,402	-	329,402
Professional development	79,753	-	79,753
Travel	74,718	-	74,718
Capital outlay	245,026	(245,026)	-
Depreciation	-	437,195	437,195
Total expenditures/expenses	<u>86,638,489</u>	<u>161,736</u>	<u>86,800,225</u>
Net change in fund balance	(7,018,198)	7,018,198	-
Change in Net Position	-	(4,383,892)	(4,383,892)
Fund Balance/Net Position			
Beginning of Year	<u>275,688,458</u>	<u>16,418,449</u>	<u>292,106,907</u>
End of Year	<u>\$ 268,670,260</u>	<u>\$ 19,052,755</u>	<u>\$ 287,723,015</u>

## Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements  
For the Year Ended June 30, 2024

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**Note 1 - Organization and Summary of Significant Accounting Policies****Reporting Entity**

With the passage of a ballot initiative in November 1998, California (the “State”) voters approved the establishment of the Los Angeles County Children and Families First – Proposition 10 Commission (the “Commission”), a component unit of Los Angeles County. A thirteen-member Board of Commissioners governs the Commission. The Commission was created by and ultimately is under the authority of the Los Angeles County Board of Supervisors, in accordance with California State Law, through its appointment of the Board of Commissioners and its ability to remove the Commissioners at will. The Commission is a public entity legally separate and apart from the County. The initiative, Proposition 10, mandated an additional 50-cent-per-pack tax on cigarettes and a comparable increase in the tax of other tobacco products and required that the new funds be used on programs focused exclusively on early childhood development for children prenatal up to five years of age.

Following the directive of Proposition 10 to fund programs at the community level, each of the State’s 58 counties created a Proposition 10 Commission as well as a trust fund to receive Proposition 10 revenues. In Los Angeles County, the Board of Supervisors passed an ordinance in December 1998 to establish the Los Angeles County Children and Families First – Proposition 10 Commission, and in May 1999, the Commission held its first meeting, elected officers and established a number of ad hoc committees to address organizational and planning issues. The Commissioners and others who were involved in the effort regarded Proposition 10 as an extraordinary and unprecedented opportunity to begin making a difference in the lives of pregnant women, young children, and their families, and to do so at a point in their lives when it can make the most difference. In August 2002, the Commission introduced a new branding identity, First 5 LA, to signify the importance of the first five years of life.

The Commission’s vision statement is that all children throughout Los Angeles’ diverse communities, “are born healthy and raised in a safe, loving and nurturing environment so that they grow up healthy in mind, body, and spirit, are eager to learn with opportunities to reach their full potential.” The Commission’s mission, in partnership with others, is to “strengthen families, communities, and systems of services and support so all children in LA County enter kindergarten ready to succeed in school and life”.

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

Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements  
For the Year Ended June 30, 2024

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**Basis of Accounting and Measurement Focus**

**Government-Wide Financial Statements**

Government-wide financial statements consist of the statement of net position and the statement of activities. These statements are presented on an economic resources measurement focus. All economic resources and obligations of the reporting government are reported in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with operation of the Commission's fund are included on the statement of net position. The statement of activities presents a comparison of the direct expenses and program revenues for the Commission's governmental activities. Program revenues include grants and contributions restricted for the operational requirements of a particular program. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Program revenues include tobacco taxes, proposition 56 taxes, CA Electronic Cigarette Excise taxes and grants and contributions that are restricted to meeting the operational requirements of a particular program. General revenues are all revenues that do not qualify as program revenues and include investment income and other income. Net position represents the resources that the Commission has available for use in providing services. Net position is composed of investment in capital assets and unrestricted funds. At June 30, 2024, the Commission reported unrestricted net position of \$274,450,549.

**Fund Financial Statements**

The fund financial statements consist of the balance sheet and the statement of revenues, expenditures and changes in fund balance of the Commission's general fund. These statements are presented on a current-financial resources measurement focus. The fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. The statement of revenues, expenditures and changes in fund balance for the governmental fund generally presents increases (revenues) and decreases (expenditures) in net current resources. All operations of the Commission are accounted for in the general fund.

The fund financial statements have been prepared on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are considered available if they are received within 60 days after year-end. Revenues susceptible to accrual include tax revenues, grants, and investment income. Expenditures are recognized in the accounting period in which the fund liability is incurred except for compensated absences which are recorded only when payment is due.

Los Angeles County Children and Families First – Proposition 10 Commission  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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### Adjustments Between Fund Financial Statements and Government-Wide Financial Statements

a. Capital Assets

Capital assets are not considered to be financial resources and therefore, are not reported as an asset in the fund financial statements. Capital assets in the amount of \$13,272,466 are capitalized and reported at cost, net of accumulated depreciation, in the government-wide financial statements. Capital assets purchased during the year in the amount of \$245,026 are reported as expenditures on the fund financial statements and capitalized on the government-wide financial statements. Depreciation expense for the year ended June 30, 2024 amounted to \$437,195 and is included in the government-wide financial statements.

b. Long-Term Liabilities

As of June 30, 2024, the Commission estimated its liability for vested compensated absences to be \$974,059. 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. The decrease in compensated absences during the year of \$30,433 is reported in the statement of activities and does not require the use of current financial resources.

c. 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 Commission's established availability period of 60 days. All other accrued revenues due to the Commission are recognized as unavailable revenue at year-end in the fund financial statements. Governmental funds recognized unavailable revenue where receivables are not available to liquidate liabilities of the current period. As of June 30, 2024, the Commission has unavailable revenues of \$6,754,348. The change in unavailable revenue during the year of \$2,796,042 is reported in the statement of activities and is presented in the adjustments column on page 17 of the statements.

### Net Position

In the government-wide financial statements, net position represents the difference between assets less liabilities and is classified into two components:

- Investment in capital assets – This balance reflects the net position of the Commission that are invested in capital assets. This amount is generally not accessible for other purposes.
- Unrestricted net position – This balance represents the net amount of the assets and liabilities that are available for general use.

## Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements  
For the Year Ended June 30, 2024

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**Fund Balance**

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Commission established the following classifications and definitions of fund balance for the year ended June 30, 2024:

## a. Nonspendable

Portion of net resources that cannot be spent because they are not in an expendable form (e.g., Advances to Grantees) or the portion of net resources that cannot be spent because they must be maintained intact (e.g., revolving fund or the principal of an endowment).

## b. Restricted (externally enforceable limitations on use)

Amounts constrained to specific purposes by their providers (such as creditors, grantors, contributors, or laws and regulations of other governments: e.g., funds advanced by First 5 CA under specific agreements for services such as matching funds for specific initiatives). Amounts constrained by limitations imposed by law through constitutional provisions or enabling legislation (e.g., funds legally restricted by County, state, or federal legislature, or a government's charter or constitution; or amounts collected from non-spendable items such as long-term portion of loan outstanding if those amounts are subject to legal constraint).

## c. Committed (self-imposed limitations in place prior to end of the period)

Amounts constrained by limitations imposed at the highest level of decision making authority that requires the same formal action at the same level to remove or modify. The formal action required by the Board of Commissioners for funds to be committed is action by way of resolution allocating funding for a specific program or initiative.

## d. Assigned (limitation resulting from intended use)

Amounts or limitations that are constrained by the Commission's intent to be used for a specific purpose (the purpose of the assignment must be narrower than the general fund itself) and are not either restricted or committed. Adoption of a Strategic Plan or Long-Term Financial Plan with general spending parameters would be examples of the Commission's intent and would constitute an assignment. Accordingly, modification to the Commission's intent would not require formal action. Further, the Commission may designate a body/committee or an official who can specify such purposes. However, as of June 30, 2024, the Commission had not made such a designation.

## e. Unassigned (residual net resources)

Resources in the fund balance that cannot be reported in any other classification including a minimum fund balance reserve based on 50% of the operating and programmatic budget. It also includes the negative residual fund balance that cannot be eliminated by offsetting assigned fund balance amounts.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first and then unrestricted resources as needed. The spending priority of fund balance is restricted, committed, assigned, and then unassigned.

## Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements  
For the Year Ended June 30, 2024**Effect of New Governmental Accounting Standards Board (GASB) Pronouncements****Effective in Current Fiscal Year**

**GASB Statement No. 99** – In April 2022, the GASB issued Statement No. 99, *Omnibus*. The objectives of this Statement are to enhance comparability in accounting 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 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. The Commission has determined that there was no material impact on the Commission’s 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. The Commission has determined that there was no material impact on the Commission’s financial statements.

**Effective in Future Fiscal Years**

The GASB has issued the following pronouncements that have effective dates which may impact future financial statement presentation. The Commission has not determined the effect of the following Statements:

GASB Statement No. 101 – *Compensated Absences*

GASB Statement No. 102 – *Certain Risk Disclosures*

GASB Statement No. 103 – *Financial Reporting Model Improvements*

**Investments**

The Commission participates in the common investment pool of Los Angeles County as well as investments in a 3-year specific investment program administered by Los Angeles County. Investments are reported at fair value which is the amount at which financial instruments could be exchanged in a current transaction between willing parties. The Commission categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Los Angeles County Treasurer is responsible for establishing and consistently applying a policy for identifying those events that might affect fair value measurements.

Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements  
For the Year Ended June 30, 2024

**Advances to Grantees**

The Commission may provide advances to grantees/contractors that are repayable by the end of the fiscal year unless otherwise stipulated by contract or agreement. During fiscal year 2023-24, the Commission entered into agreements with various grantees to support the Commission’s 2024-2029 Strategic Plan. The Commission has the following outstanding advances to grantees as of June 30, 2024.

Advances to Grantees	
Para Los Ninos	\$ 143,812
The Nonprofit Partnership	43,295
El Nido Family Centers	37,912
Community Health Councils	82,087
Martin Luther King	<u>58,867</u>
 Total advances to grantees	 <u><u>\$ 365,973</u></u>

**Capital Assets**

Capital assets are composed of land, buildings, building improvements, computer software and accessories, office equipment and furniture and fixtures and are recorded at cost. Donated capital assets are recorded at acquisition value at the date of donation. The Commission capitalizes assets with a cost in excess of \$5,000 and with a useful life greater than one year. Subscription-Based Information Technology Arrangements (SBITAs) with a cost in excess of \$10,000 and with a period equal to one year or greater are capitalized. The Commission depreciates capital assets using a straight-line method over the estimated useful life of fifty years for buildings, four years for computers and five years for office equipment and furniture and fixtures. Building improvements are depreciated over the remaining useful life of the building. SBITAs are amortized over the term of the agreement.

**Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Commission has one type of deferred inflow, unavailable revenue, which occurs only under the modified accrual basis of accounting. Accordingly, the item is reported only in the governmental fund balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Los Angeles County Children and Families First – Proposition 10 Commission  
 Notes to Financial Statements  
 For the Year Ended June 30, 2024

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**Note 2 - Cash and Investments**

Total cash and investments at fair value, as of June 30, 2024 are as follows:

Cash		
Cash in bank		\$ 3,433,435
Investments		
Investments with County Treasurer		
Pooled cash and investments		139,860,363
3 Year Specific Investments		133,815,700
Total investments		273,676,063
Total cash and investments		\$ 277,109,498

**Cash in Bank**

The California Government Code requires California banks and savings and loan associations to secure the Commission's deposits by pledging government securities as collateral. The fair value of pledged securities must equal 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits and collateral is considered to be held in the name of the Commission. At June 30, 2024, cash held by financial institutions of \$4,596,064 was entirely insured and collateralized as described above. The book balance at June 30, 2024 was \$3,433,435.

**Investments**

Investments with the Los Angeles County Treasurer at June 30, 2024 are stated at fair value.

The fair value of investments is determined annually and is based on current market prices. The fair value of each participant's position in the pool is the same as the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawals. The Los Angeles County Treasury is sponsored and administered by the County of Los Angeles and oversight is conducted by the County Treasury Oversight Committee. At June 30, 2024, the remaining maturity for the County pool approximated 668 days and the County pool is not rated.

For further information regarding the Los Angeles County Investment Pool, refer to the County of Los Angeles Annual Comprehensive Financial Report.

Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements  
For the Year Ended June 30, 2024

The Commission had the following investments and maturities at June 30, 2024:

Investment Type	Investment Maturities (in Months)			Total
	12 Months or Less	13 to 24 Months	25 to 36 Months	
Investments with County Treasurer				
3 Year Specific Investments				
Federal Agencies	\$ -	\$ 133,815,700	\$ -	\$ 133,815,700
Pooled Cash and Investments	139,860,363	-	-	139,860,363
Total investments	<u>\$ 139,860,363</u>	<u>\$ 133,815,700</u>	<u>\$ -</u>	<u>\$ 273,676,063</u>

**Fair Value Measurements**

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Commission’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments' fair value measurements are as follows as of June 30, 2024:

Investment Type	Level 1	Level 2	Level 3	Fair Value
Investments with County Treasurer				
3 Year Specific Investment				
Federal Agencies	\$ -	\$ 133,815,700	\$ -	\$ 133,815,700
Investments not Leveled				
Investments with County Treasurer				
Pooled Cash and Investments				139,860,363
Total investments				<u>\$ 273,676,063</u>

Deposits and withdrawals are made on the basis of \$1 and not fair value. Accordingly, the Commission’s proportionate share of investments in the Los Angeles County Investment Pool and investments in money market mutual funds at June 30, 2024 are uncategorized and not defined as a Level 1, Level 2, or Level 3 input.

Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements  
For the Year Ended June 30, 2024

**Authorized Investments**

The Commission has adopted an investment policy that identifies the authorized investment types consistent with the California Government Code, where more restrictive. The investments authorized in the policy include Certificates of Deposits (CD’s), Commercial Paper (CP), Corporate Notes, Federal Agencies, U.S. Treasuries, Los Angeles County Investment Pool, and Money Market Mutual Funds.

The County Treasurer's Investment Policy diversifies investments among issues and issuers with a minimum credit rating to mitigate credit risk. For an issuer of short-term debt, the rating must be no less than P-1/A (Moody's) or A-1/A (S&P) while an issuer of long-term debt shall be rated no less than A. The Commission’s investment in Federal Agencies is rated Aaa (Moody’s) and AA+ (S&P).

**Concentration Credit Risk**

Investments in any one issuer (other than Money Market Mutual Funds, U.S. Treasury Securities, or external investment pools) that represent 5% or more of the total investments of the Commission are as follows:

Issuer	Investment Type	Fair Value	Percent of Portfolio
The Federal Home Loan Bank (FHLB)	Federal Agencies	\$83,962,200	31%
The Federal Home Loan Mortgage Corporation (FHLMC)	Federal Agencies	49,853,500	18%

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party.

Deposits that potentially subject the Commission to custodial credit risk consist of demand deposits. The Commission had no deposits at June 30, 2024, which were not covered by the FDIC insurance. However, these amounts are secured in accordance with the California Government Code, which requires that financial institutions secure deposits made by state and local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Collateral is considered held in the Commission's name.

Los Angeles County Children and Families First – Proposition 10 Commission  
 Notes to Financial Statements  
 For the Year Ended June 30, 2024

**Note 3 - Capital Assets**

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets, not depreciated				
Land	\$ 2,039,000	\$ -	\$ -	\$ 2,039,000
Capital assets, depreciable				
Building and improvements	15,822,441	148,358	-	15,970,799
Computer software and accessories	2,262,881	96,668	-	2,359,549
Office equipment	346,046	-	-	346,046
Furniture and fixtures	627,670	-	-	627,670
Total depreciable capital assets	19,059,038	245,026	-	19,304,064
Less accumulated depreciation				
Building and improvements	(4,570,809)	(358,145)	-	(4,928,954)
Computer software and accessories	(2,102,392)	(76,048)	-	(2,178,440)
Office equipment	(332,533)	(3,002)	-	(335,535)
Furniture and fixtures	(627,669)	-	-	(627,669)
Total accumulated depreciation	(7,633,403)	(437,195)	-	(8,070,598)
Total capital assets, depreciable (Net)	11,425,635	(192,169)	-	11,233,466
Capital assets, net	<u>\$ 13,464,635</u>	<u>\$ (192,169)</u>	<u>\$ -</u>	<u>\$ 13,272,466</u>

**Note 4 - Changes in Compensated Absences**

Compensated absences liability activities for the year ended June 30, 2024 is as follows:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024	Due Within One Year
Compensated absences	<u>\$ 1,004,492</u>	<u>\$ 684,382</u>	<u>\$ (714,815)</u>	<u>\$ 974,059</u>	<u>\$ 147,848</u>

Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements

For the Year Ended June 30, 2024

**Note 5 - Fund Balance**

Fund balance is classified using a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance at June 30, 2024 consists of the following:

Initiative/Program Allocation

	Nonspendable
Advances	
Para Los Ninos	\$ 143,812
The Nonprofit Partnership	43,295
El Nido Family Centers	37,912
Community Health Councils	82,087
Martin Luther King	58,867
Total nonspendable	<u>365,973</u>
	Committed
Annual Reporting	63,000
Capital Project Fund	2,231,277
Center Support	390,000
Children's Data Network (CDN)	706,000
Communities	12,502,000
Data Agenda	250,000
Data Requests	5,000
Early Care & Education	5,585,940
Early Childhood Policy and Advocacy Fund	3,600,000
Emerging Opportunities Fund	150,000
Family Supports	36,597,160
Health Systems	2,383,000
Impact Framework	153,000
Little by Little/One Step Ahead	2,579,000
Organizational Memberships	160,000
Organization-Wide Partnerships	160,000
Organization-Wide Sponsorships	275,000
Policy Advocacy Fund Technical Assistance Provider	535,000
Policy Advocacy Stakeholder Engagement	160,000
State Policy and Sustainability Advocate	300,000
Strategic Communications	1,417,825
Strategic Communications Partnerships	200,000
Strategic Marketing	1,100,000
Strategic Plan Advocacy Strategies	590,000
WIC Data Mining Research Partnership	323,000
Total committed	<u>72,416,202</u>

Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements  
For the Year Ended June 30, 2024

Initiative/Program Allocation

	Assigned
Strategic Plan	<u>\$ 128,490,922</u>
Total assigned	<u>128,490,922</u>
	Unassigned
Total unassigned	<u>67,397,163</u>
Total fund balance	<u><u>\$ 268,670,260</u></u>

**Note 6 - Program Evaluation**

In accordance with the *Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program*, issued by the California State Controller, the Commission is required to disclose the amounts expended during the fiscal year on program evaluation. Program evaluation costs pertain to those activities undertaken to support the collection, production, analysis, and presentation of evaluation information for Commission management, Commissioners, and other interested parties.

The Commission spent \$2,090,695 on program evaluation during the year ended June 30, 2024.

**Note 7 - Deferred Compensation Plans**

All regular and limited-term employees of the Commission participate in the 403(b) Savings and Investment Plan, a defined contribution plan administered by The Standard. Benefit provisions under the plan are established by the California Government Code Section 31694(a) and other applicable statutes. The 403(b) Savings and Investment Plan provides for service retirement, death, and disability benefits to plan members. The plan can be amended by executive management of the Commission.

Regular and limited-term employees are eligible to receive both an elective and a non-elective contribution based on years of completed service with the organization. The elective contribution requires employee participation in order to receive the employer match and is between 1% and 3% depending on the employee’s contribution and the years of service the employee has completed with the organization: 1% for less than one year, 2% after one year and 3% for after two years or more of completed service. The Commission also makes a separate, non-elective contribution into the retirement plan regardless of employee participation. This non-elective employer contribution is between 3% and 7.5% based on years of completed service with the organization: 3% for less than 5 years, 4.5% for 5 to 9 years, 6% for 10 to 14 years, and 7.5% after 15 years or more of completed service. Employer contributions are not 100% vested until an employee has completed three years of service with the organization, with a graded vesting schedule for employees who complete at least one year of service. The Commission contributed a total of \$753,478, comprised of \$275,842 in elective contribution and \$477,636 in non-elective contribution for the fiscal year ended June 30, 2024.

Los Angeles County Children and Families First – Proposition 10 Commission  
 Notes to Financial Statements  
 For the Year Ended June 30, 2024

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**Note 8 - Unavailable Revenue**

The general fund reports unavailable revenue on the governmental fund balance sheet in connection with resources that have been earned but are not yet available to finance expenditures of the current fiscal period. This type of deferred inflow of resources occurs only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the general fund balance sheet. At the end of the current fiscal year, the components of unavailable revenue resulting from funds not received within the 60-day period of availability were as follows:

Unavailable Revenue		
Tobacco Taxes	\$	3,277,628
CA Electronic Cigarette Excise Tax		240,000
LACOE IMPACT		1,081,372
Home Visiting Coordination Program		1,574,265
Investment Income		581,083
Total unavailable revenue	\$	6,754,348

**Note 9 - Risk Management**

The Commission is exposed to various risks of loss related to general liability, property liability, health benefits, workers’ compensation and auto. These risks are addressed through commercial insurance policies.

The Commission’s property and liability insurance is provided by insurance companies that are “non-Admitted” insurance companies in the State of California. If such a company becomes insolvent, the California Insurance Guarantee Association will not settle unpaid claims.

No claims or suits are pending against the Commission arising out of proposed claim settlements covered by insurance. No settlements exceeded insurance coverage during the last three years.

**Note 10 - Related Party Transactions**

The Commission incurred expenditures totaling \$11,919 for County of Los Angeles services provided during the year ended June 30, 2024.

In the fiscal year, the Commission incurred \$48,680,505 of expenditures for provider grants, operating services, consultant services, and professional services to organizations which are represented by 12 members of the Board of Commissioners. As of June 30, 2024, amounts of \$7,738,712 are included in accounts payable to these organizations.

**Note 11 - First 5 California Signature Programs**

**Improve and Maximize Programs so All Children Thrive (IMPACT) Regional Coordination and Training and Technical Assistance Hubs (Hubs) Program**

The purpose of IMPACT is to support a network of local quality improvement systems to better coordinate, assesses, and improve the quality of early learning settings to achieve the goal of helping children ages 0 to 5 and their families thrive by increasing the number of high-quality early learning settings, including supporting and engaging families in the early learning process. Funding is to center around continuous quality improvement, including a network of local Quality Rating and Improving System (QRIS). All IMPACT funds require a local match based on county size. For the Commission, a one-to-one match ratio or a dollar of local funding match with a dollar of IMPACT fund is required. The Commission claimed \$1,983,793 in IMPACT Regional Coordination and Training reimbursable expenditures for the year ended June 30, 2024.

For IMPACT Hubs, the primary focus is to provide coordination and specialized support to consortia within a region or with similar technical assistance needs to create economies of scale while building a local early learning system. The Commission claimed \$667,449 in IMPACT Technical Assistance Hubs reimbursable expenditures for the year ended June 30, 2024.

Required Supplementary Information  
June 30, 2024

**Los Angeles County Children and  
Families First – Proposition 10  
Commission**

**Los Angeles County Children and Families First – Proposition 10 Commission**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund**  
**For the Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance Increase (Decrease)
<b>Revenues</b>				
Tobacco Taxes	\$ 58,806,335	\$ 56,668,557	\$ 36,053,911	\$ (20,614,646)
Proposition 56	-	-	15,382,483	15,382,483
CA Electronic Cigarette Excise Tax	-	-	906,273	906,273
State Commission Program Funds	-	-	4,550,388	4,550,388
Local Entity Program Funding	-	-	5,718,128	5,718,128
Investment Income	3,944,358	4,330,413	13,204,033	8,873,620
Net Increase in Fair Value of Investments	-	-	3,805,000	3,805,000
Other General Income	8,288,000	10,288,000	75	(10,287,925)
Total revenues	<u>71,038,693</u>	<u>71,286,970</u>	<u>79,620,291</u>	<u>8,333,321</u>
<b>Expenditures</b>				
<b>Program Costs</b>				
Provider Grants and Other Allocations	78,370,282	80,370,282	69,291,109	11,079,173
<b>Operations &amp; Administration</b>				
<b>Salaries and Benefits</b>				
Salaries and Wages	12,274,806	12,274,806	10,706,322	1,568,484
Fringe Benefits	3,996,716	3,996,716	3,452,873	543,843
Total salaries and benefits	<u>16,271,522</u>	<u>16,271,522</u>	<u>14,159,195</u>	<u>2,112,327</u>
<b>Operating Services</b>				
ADP Payroll Charges	42,000	42,000	35,734	6,266
Workers' Compensation Insurance	45,000	45,000	60,404	(15,404)
Utilities	170,000	170,000	194,022	(24,022)
Corporate Insurance	113,300	113,300	128,006	(14,706)
Mileage and Parking	28,825	28,825	9,625	19,200
Telephones and Modems	71,600	71,600	63,023	8,577
Cell Phones and Mobile Devices	122,000	122,000	100,700	21,300
Outside Printing	1,450	1,450	193	1,257
Other Supplies	6,250	6,250	9,698	(3,448)
Postage and Delivery	6,000	6,000	1,514	4,486
Educational Supplies	3,850	3,850	285	3,565
Office Supplies	63,655	63,655	16,687	46,968
Subscriptions and Publications	28,325	28,325	26,221	2,104
Equipment Rental	13,000	13,000	21,812	(8,812)
Building Repairs and Maintenance	185,000	185,000	167,522	17,478
Equipment Repairs and Maintenance	7,500	7,500	-	7,500
Offsite Storage	5,500	5,500	10,849	(5,349)
Hardware and Software Maintenance	394,000	406,500	283,263	123,237
Miscellaneous/Contingency	60,000	60,000	29,026	30,974
Stipend/Honorarium	2,500	2,500	-	2,500
Internal Meetings	99,240	100,740	57,192	43,548
Division Capacity Building	20,000	20,000	11,760	8,240
Total operating services	<u>1,488,995</u>	<u>1,502,995</u>	<u>1,227,536</u>	<u>275,459</u>

Los Angeles County Children and Families First – Proposition 10 Commission  
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund  
 For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Increase (Decrease)
Consultant Services				
Consultant Fees	\$ 1,462,500	\$ 1,458,500	\$ 936,939	\$ 521,561
Other Professional Fees	291,000	291,000	294,811	(3,811)
Total consultant services	<u>1,753,500</u>	<u>1,749,500</u>	<u>1,231,750</u>	<u>517,750</u>
Professional Services				
Audit	72,000	72,000	81,908	(9,908)
Legal	225,000	225,000	151,615	73,385
Professional Dues	55,370	55,370	48,106	7,264
Staff Recruitment	15,000	15,000	2,089	12,911
Commission Stipends	20,000	20,000	11,700	8,300
Web-Based Services	88,000	88,000	22,065	65,935
Bank & Other Service Charges	11,000	11,000	11,919	(919)
Total professional services	<u>486,370</u>	<u>486,370</u>	<u>329,402</u>	<u>156,968</u>
Travel				
Airfare	107,562	109,562	29,478	80,084
Lodging	104,354	106,354	28,820	77,534
Per Diem	47,602	49,602	11,430	38,172
Other Travel Expense	12,158	14,158	4,990	9,168
Total travel and meetings	<u>271,676</u>	<u>279,676</u>	<u>74,718</u>	<u>204,958</u>
Professional Development				
Training Materials & Supplies	15,780	15,780	-	15,780
In-house Training	77,200	57,200	-	57,200
Leadership Programs	81,500	83,500	26,490	57,010
Conference Registrations	112,300	114,300	51,099	63,201
Outside Education	57,700	55,700	2,164	53,536
Total professional development	<u>344,480</u>	<u>326,480</u>	<u>79,753</u>	<u>246,727</u>
Capital Outlay	<u>130,000</u>	<u>130,000</u>	<u>245,026</u>	<u>(115,026)</u>
Total operating expenditures	<u>20,746,543</u>	<u>20,746,543</u>	<u>17,347,380</u>	<u>3,399,163</u>
Total program costs and operating expenditures	<u>99,116,825</u>	<u>101,116,825</u>	<u>86,638,489</u>	<u>14,478,336</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (28,078,132)</u>	<u>\$ (29,829,855)</u>	(7,018,198)	<u>\$ 22,811,657</u>
Fund balance - Beginning of year			<u>275,688,458</u>	
Fund balance - End of year			<u>\$ 268,670,260</u>	

Los Angeles County Children and Families First – Proposition 10 Commission  
Note to the Required Supplementary Information  
For the Year Ended June 30, 2024

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**Note 1 – Budget Adoption**

The Commission adopts a budget annually in accordance with generally accepted accounting principles based on estimates of revenue and anticipated expenditures. The Board of Commissioners has given the Executive Director authority to make budget adjustments between line items in the Commission’s annual budget for Operating and Administrative costs in an amount not to exceed \$25,000. Any budget adjustment between line items in excess of \$25,000 requires approval of the Board of Commissioners.

The accompanying Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund includes the budgeted expenditures for the year, along with management’s estimate of revenues for the year. The legal level of budgetary control is at the total fund level. The total final budget for fiscal year 2023-24 was \$101 million, which included \$80 million for Program costs and \$21 million for Operating and Administrative costs.

Other Supplementary Information  
June 30, 2024

**Los Angeles County Children and  
Families First – Proposition 10  
Commission**

Los Angeles County Children and Families First – Proposition 10 Commission  
Schedule of First 5 California Funding  
For the Year Ended June 30, 2024

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<u>Program</u>	<u>Source</u>	<u>Revenue Funds</u>	<u>Expenditures</u>
IMPACT Regional Coordination and Training	First 5 California	\$ 1,983,793	\$ 1,983,793
Technical Assistance Hubs (Hubs)	First 5 California	667,449	667,449

Los Angeles County Children and Families First – Proposition 10 Commission

Statistical Section  
(Unaudited)

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

	Page
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.	37-40
<b>Revenue Capacity</b>	
These schedules contain trend information to help the reader assess the Commission's most significant revenue base.	41-43
<b>Demographic Information</b>	
These schedules offer economic and demographic indicators to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.	44-46
<b>Operating Information</b>	
This schedule contains infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission performs.	47-48

Sources:

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years.

Los Angeles County Children and Families First – Proposition 10 Commission  
 Net Position by Component  
 Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Unrestricted	\$ 274,450,549	\$ 278,642,272	\$ 287,686,543	\$ 315,694,716	\$ 338,630,916	\$ 364,338,314	\$ 379,018,838	\$ 422,015,244	\$ 461,512,770	\$ 543,521,742
Investment in capital asset	13,272,466	13,464,635	12,880,231	10,394,423	10,628,033	10,841,379	11,046,294	11,310,273	11,593,026	11,885,041
<b>Total net position</b>	<b>\$ 287,723,015</b>	<b>\$ 292,106,907</b>	<b>\$ 300,566,774</b>	<b>\$ 326,089,139</b>	<b>\$ 349,258,949</b>	<b>\$ 375,179,693</b>	<b>\$ 390,065,132</b>	<b>\$ 433,325,517</b>	<b>\$ 473,105,796</b>	<b>\$ 555,406,783</b>

Los Angeles County Children and Families First – Proposition 10 Commission  
 Changes in Net Position  
 Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018*	2017	2016	2015
<b>Revenues</b>										
Tobacco taxes*	\$ 39,331,539	\$ 47,253,504	\$ 55,265,755	\$ 60,590,413	\$ 60,022,841	\$ 68,580,443	\$ 72,330,836	\$ 83,567,141	\$ 87,942,700	\$ 89,475,135
Prop. 56	15,382,483	16,236,701	18,534,434	18,215,617	18,068,329	7,482,310	-	-	-	-
CA Electronic Cigarette Excise Tax	900,231	1,114,427	-	-	-	-	-	-	-	-
State Commission Program Funds	3,083,396	5,109,088	3,574,885	2,469,410	922,472	13,986,085	896,040	556,665	5,796,252	10,283,414
Medi-Cal Administrative Activities	-	132,945	189,125	80,319	133,955	350,924	181,859	137,599	159,549	80,799
Partnership for Families Fund**	-	-	-	-	-	-	-	4,334,967	9,001,152	4,615,313
California Department of Education	-	-	-	32,830	328,658	376,551	298,700	-	-	-
Local Entity Program Funding	6,948,184	550,017	811,368	522,406	584,118	123,793	1,016,683	401,956	115,000	-
Investment income	12,965,425	9,440,982	1,629,048	1,987,840	6,938,051	8,183,532	6,830,856	4,003,489	3,759,751	3,903,275
Net increase (decrease) in FMV of investments	3,805,000	3,649,787	(11,173,321)	(2,861,364)	1,354,275	4,898,141	(2,742,856)	(3,026,254)	1,064,007	2,152,879
Other revenues	75	2,500	18,000	121,894	110,899	133,321	148,135	122,208	119,100	104,072
Total revenues:	<u>\$ 82,416,333</u>	<u>\$ 83,489,951</u>	<u>\$ 68,849,294</u>	<u>\$ 81,159,365</u>	<u>\$ 88,463,598</u>	<u>\$ 104,115,100</u>	<u>\$ 78,960,253</u>	<u>\$ 90,097,771</u>	<u>\$ 107,957,511</u>	<u>\$ 110,614,887</u>
<b>Expenses</b>										
Provider grants and other allocations	\$ 69,291,109	\$ 73,000,450	\$ 75,838,658	\$ 84,700,927	\$ 93,379,930	\$ 97,979,838	\$ 101,364,209	\$ 106,777,128	\$ 159,337,913	\$ 182,991,937
Pass-through grants	-	-	-	-	65,042	273,294	136,877	4,150,975	13,519,735	N/A
Salaries and benefits	14,128,762	15,672,576	15,131,025	16,838,090	17,393,319	17,532,230	17,382,747	15,763,620	14,357,480	13,423,832
Operating services	1,227,536	1,136,076	1,217,057	1,087,787	1,212,116	1,122,911	1,232,687	1,172,319	1,157,290	1,346,532
Consultant services	1,231,750	1,274,116	1,343,030	905,278	1,308,527	881,090	850,154	999,806	990,724	1,216,609
Professional services	329,402	293,063	327,245	426,218	323,816	382,450	500,050	346,529	323,336	404,560
Professional development	79,753	68,743	113,106	61,235	176,217	186,902	166,975	-	-	-
Other expenses	74,718	66,365	2,087	86	224,934	339,524	273,951	358,346	255,453	264,892
Depreciation	437,195	438,429	399,451	309,554	300,441	302,300	312,988	309,327	316,567	322,346
Total expenses:	<u>\$ 86,800,225</u>	<u>\$ 91,949,818</u>	<u>\$ 94,371,659</u>	<u>\$ 104,329,175</u>	<u>\$ 114,384,342</u>	<u>\$ 119,000,539</u>	<u>\$ 122,220,638</u>	<u>\$ 129,878,050</u>	<u>\$ 190,258,498</u>	<u>\$ 199,970,708</u>
<b>Change in net position</b>	<u>\$ (4,383,892)</u>	<u>\$ (8,459,867)</u>	<u>\$ (25,522,365)</u>	<u>\$ (23,169,810)</u>	<u>\$ (25,920,744)</u>	<u>\$ (14,885,439)</u>	<u>\$ (43,260,385)</u>	<u>\$ (39,780,279)</u>	<u>\$ (82,300,987)</u>	<u>\$ (89,355,821)</u>

\* For FY 2018, tobacco taxes include \$3,212,942 of Prop. 56 backfill.

\*\*Partnership for Families initiative was funded by the LA County Department of Children and Family Services (DCFS), with First 5 LA acted as a pass-through entity and received reimbursement from DCFS. This initiative ended December 2016.

Los Angeles County Children and Families First – Proposition 10 Commission  
 Fund Balances – General Fund  
 Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Fund Balance</b>										
Nonspendable	\$ 365,973	\$ 484,581	\$ 884,546	\$ 2,239,303	\$ 2,193,116	\$ 50,000	\$ 1,044,000	\$ 19,760,505	\$ 34,279,475	\$ 39,411,636
Committed	72,416,202	80,749,917	91,366,959	175,100,818	138,338,530	154,580,859	195,282,039	216,214,576	249,515,814	340,879,636
Assigned	128,490,922	124,149,006	120,353,448	59,941,864	113,226,421	141,221,211	125,245,775	128,331,556	114,665,689	78,113,279
Unassigned	67,397,163	70,304,954	75,241,629	79,140,252	84,925,739	56,257,698	57,847,860	57,832,380	61,615,198	78,223,453
<b>Total Fund Balance</b>	<u>\$ 268,670,260</u>	<u>\$ 275,688,458</u>	<u>\$ 287,846,582</u>	<u>\$ 316,422,237</u>	<u>\$ 338,683,806</u>	<u>\$ 352,109,768</u>	<u>\$ 379,419,674</u>	<u>\$ 422,139,017</u>	<u>\$ 460,076,176</u>	<u>\$ 536,628,004</u>

Los Angeles County Children and Families First – Proposition 10 Commission  
 Changes in Fund Balances – General Fund  
 Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues</b>										
Tobacco taxes*	\$ 36,053,911	\$ 47,253,504	\$ 55,265,755	\$ 60,590,413	\$ 71,477,179	\$ 68,580,443	\$ 72,330,836	\$ 83,567,141	\$ 87,942,700	\$ 89,475,135
Prop. 56	15,382,483	16,236,701	18,534,434	18,215,617	18,068,329	7,482,310	-	-	-	-
State School Readiness	-	-	-	-	-	-	-	-	-	-
CA Electronic Cigarette Excise Tax	906,273	868,385	-	-	-	-	-	-	-	-
State Commission Program Funds	4,550,388	2,510,249	2,901,648	2,952,210	1,450,823	13,986,085	896,040	556,665	5,796,252	11,050,327
Medi-Cal Administrative Activities	-	132,945	189,125	80,319	133,955	350,924	181,859	137,599	159,549	80,799
Partnership for Families Funds**	-	-	-	-	-	-	-	4,334,967	9,001,152	3,701,993
California Department of Education	-	-	-	32,830	328,658	376,551	298,700	-	-	-
Local Entity Program Funding	5,718,128	1,153,255	861,659	531,868	320,982	123,793	1,016,683	401,956	115,000	-
Investment income	13,204,033	8,621,291	1,629,048	1,987,840	6,938,051	8,183,532	6,830,856	4,003,489	3,759,751	3,903,275
Net increase (decrease) in FMV of investments	3,805,000	3,649,787	(11,173,321)	(2,861,364)	1,354,275	4,898,141	(2,742,856)	(3,026,254)	1,064,007	2,152,879
Other income	75	2,500	18,000	105,414	110,899	133,321	148,135	122,208	119,100	104,072
<b>Total revenues:</b>	<b>\$ 79,620,291</b>	<b>\$ 80,428,617</b>	<b>\$ 68,226,348</b>	<b>\$ 81,635,147</b>	<b>\$ 100,183,151</b>	<b>\$ 104,115,100</b>	<b>\$ 78,960,253</b>	<b>\$ 90,097,771</b>	<b>\$ 107,957,511</b>	<b>\$ 110,468,480</b>
<b>Expenditures:</b>										
Provider grants and other allocations	\$ 69,291,109	\$ 73,000,450	\$ 75,838,658	\$ 84,700,927	\$ 93,379,930	\$ 97,979,838	\$ 101,364,209	\$ 106,777,128	\$ 159,337,913	\$ 182,991,937
Pass-through grants	-	-	-	-	65,042	273,294	136,877	4,150,975	13,519,735	N/A
AB 99	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
First 5 California (SRI)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Salaries and benefits	14,159,195	15,725,095	15,075,561	16,639,241	17,281,687	17,532,230	17,382,747	15,763,620	14,357,480	13,414,357
Operating services	1,227,536	1,136,076	1,217,057	1,087,787	1,212,116	1,122,911	1,232,687	1,172,319	1,157,290	1,346,532
Consultant services	1,231,750	1,274,116	1,343,030	905,278	1,308,527	881,090	850,154	999,806	990,724	1,216,609
Professional services	329,402	293,063	327,245	426,218	323,816	382,450	500,050	346,529	323,336	404,560
Professional development	79,753	68,743	113,106	61,235	176,217	186,902	166,975	-	-	-
Other expenses	74,718	66,365	2,087	86	224,934	339,524	273,951	358,346	255,453	264,892
Capital outlay	245,026	1,022,833	2,885,259	75,944	87,095	302,300	312,988	309,327	316,567	124,949
<b>Total expenditures:</b>	<b>\$ 86,638,489</b>	<b>\$ 92,586,741</b>	<b>\$ 96,802,003</b>	<b>\$ 103,896,716</b>	<b>\$ 114,059,364</b>	<b>\$ 119,000,539</b>	<b>\$ 122,220,638</b>	<b>\$ 129,878,050</b>	<b>\$ 190,258,498</b>	<b>\$ 199,763,836</b>
<b>Excess of revenues over expenditures</b>	<b>\$ (7,018,198)</b>	<b>\$ (12,158,124)</b>	<b>\$ (28,575,655)</b>	<b>\$ (22,261,569)</b>	<b>\$ (13,876,213)</b>	<b>\$ (14,885,439)</b>	<b>\$ (43,260,385)</b>	<b>\$ (39,780,279)</b>	<b>\$ (82,300,987)</b>	<b>\$ (89,295,356)</b>

\*For FY 2018, tobacco taxes include \$3,212,942 of Prop. 56 backfill.

\*\*Partnership for Families initiative was funded by the LA County Department of Children and Family Services (DCFS), with First 5 LA acted as a pass-through entity and received reimbursement from DCFS. This initiative ended December 2016.

Los Angeles County Children and Families First – Proposition 10 Commission  
 First 5 California County Tax Revenue Projections  
 for FY 2023-2024 – FY 2027-2028

2022* Projected Births	2022* Projected Birthrate	2023-2024* Tax Revenue Projection	2022 Projected Births	2022 Projected Birthrate	2024-2025 Tax Revenue Projection	2023 Projected Births	2023 Projected Birthrate	2025-2026 Tax Revenue Projection	2024 Projected Births	2024 Projected Birthrate	2026-2027 Tax Revenue Projection	2025 Projected Births	2025 Projected Birthrate	2027-2028 Tax Revenue Projection
95,478	22.744%	\$ 56,668,557	95,478	22.744%	\$ 54,553,223	93,528	22.971%	\$ 53,494,485	94,338	23.092%	\$ 52,209,117	94,040	23.002%	\$ 50,547,962

Source:  
 "First 5 California County Tax Revenue Projections for FY 2023-24 through 2027-28"  
 \*(Last Updated 3/08/24 Utilizing DOF May 2024 Updated Tobacco Tax Revenue Projections and DOF Birth Projections for California State and Counties 2020-2060)

Los Angeles County Children and Families First – Proposition 10 Commission  
Cigarette Taxes and Other Tobacco Products Surtax Revenue  
by Fiscal Year, 1959-60 to 2022-2023  
(In thousands of dollars)

Fiscal year	Cigarette tax			Other tobacco products surtax		
	Revenue a/	Distributors' discounts b/	Gross value of tax indicia c/	Refunds	Revenue	Rate
2022-23	1,332,672,000	3,959,000	1,336,630,000	1,796,000	267,494,000	61.74%
2021-22	1,552,563,789	4,611,767	1,557,175,556	847,881	288,966,313	63.49%
2020-21	1,700,943,000	5,053,000	1,705,996,000	335,000	266,694,000	56.93%
2019-20	1,708,597,000	5,075,000	1,713,672,000	1,191,000	258,560,000	59.27%
2018-19	1,786,074,000	5,305,000	1,791,379,000	3,659,000	271,772,000	62.78%
2017-18	1,852,854,000	15,884,000	1,868,738,000	1,033,000	169,244,000	65.08%
2016-17	948,636,000 d/	8,133,000 d/	956,769,000 d/	1,185,000	95,330,000	27.30%
2015-16	741,937,000	6,360,000	748,297,000	1,262,000	101,427,000	28.13%
2014-15	748,022,000	6,413,000	754,434,000	837,000	86,949,000	28.95%
2013-14	751,513,000	6,443,000	757,956,000	600,000	86,424,000	29.82%
2012-13	782,115,000	6,705,000	788,820,000	498,000	82,548,000	30.68%
2011-12	820,322,000	7,032,000	827,355,000	1,017,000	80,424,000	31.73%
2010-11	828,831,000	7,105,000	835,937,000	1,308,000	77,016,000	33.02%
2009-10	838,709,000	7,187,000	845,896,000	1,583,000	84,617,000	41.11%
2008-09	912,724,000	7,819,000	920,543,000	626,000	85,506,000	45.13%
2007-08	955,030,000	8,185,000	963,215,000	727,000	85,929,000	45.13%
2006-07	998,723,000	8,558,000	1,007,281,000	1,330,000	79,946,000	46.76%
2005-06	1,026,497,000	8,795,000	1,035,293,000	1,707,000	67,348,000	46.76%
2004-05	1,024,272,000	8,778,000	1,033,051,000	1,653,000	58,441,000	46.76%
2003-04	1,021,366,000	8,755,000	1,030,121,000	4,721,000	44,166,000	46.76%
2002-03	1,031,772,000	8,845,000	1,040,617,000	13,248,000	40,996,000	48.89%
2001-02	1,067,004,000	9,146,000	1,076,150,000	10,774,000	50,037,000	52.65% e/
2000-01	1,110,692,000	9,503,000	1,120,195,000	8,741,000	52,834,000	54.89%
1999-00	1,166,880,000	9,980,000	1,176,859,000	9,413,000	66,884,000	66.50%
1998-99	841,911,000 f/	7,206,000	849,117,000	6,808,000	42,137,000 g/	61.53% g/
1997-98	612,066,000	5,244,000	617,309,000	5,448,000	39,617,000	29.37%
1996-97	629,579,000	5,394,000	634,973,000	5,060,000	41,590,000	30.38%
1995-96	639,030,000	5,469,000	644,499,000	6,193,000	32,788,000	31.20%
1994-95	656,923,000	5,628,000	662,551,000	11,159,000	28,460,000	31.20%
1993-94	647,993,000 h/	5,553,000	653,546,000	8,353,000	19,773,000	23.03%
1992-93	667,479,000	5,715,000	673,195,000	9,138,000	21,480,000	26.82%
1991-92	711,275,000	6,086,000	717,362,000	7,791,000	22,016,000	29.35%
1990-91	729,612,000	6,242,000	735,854,000	7,904,000	24,064,000	34.17%
1989-90	770,042,000 i/	6,581,000	776,623,000	11,615,000	24,956,000 h/	37.47%
1988-89	499,712,000 i/	4,273,000	503,984,000	4,968,000	9,994,000 h/	41.67%
1987-88	254,869,000	2,180,000	257,049,000	2,970,000		
1986-87	257,337,000	2,202,000	259,539,000	2,661,000		
1985-86	260,960,000	2,231,000	263,190,000	2,834,000		
1984-85	265,070,000	2,267,000	267,337,000	2,390,000		
1983-84	265,265,000	2,267,000	267,532,000	2,756,000		
1982-83	273,748,000	2,336,000	276,084,000	2,060,000		
1981-82	278,667,000	2,383,000	281,050,000	1,843,000		
1980-81	280,087,000	2,395,000	282,482,000	1,567,000		
1979-80	272,119,000	2,327,000	274,446,000	1,645,000		
1978-79	270,658,000	2,315,000	272,973,000	1,408,000		

Los Angeles County Children and Families First – Proposition 10 Commission  
Cigarette Taxes and Other Tobacco Products Surtax Revenue  
by Fiscal Year, 1959-60 to 2022-2023  
(In thousands of dollars)

Fiscal year	Cigarette tax				Other tobacco products surtax	
	Revenue a/	Distributors' discounts b/	Gross value of tax indicia c/	Refunds	Revenue	Rate
1977-78	275,042,000	2,352,000	277,394,000	1,239,000		
1976-77	270,502,000	2,315,000	272,817,000	832,000		
1975-76	269,852,000	2,309,000	272,161,000	927,000		
1974-75	264,182,000	2,262,000	266,444,000	745,000		
1973-74	259,738,000	2,222,000	261,960,000	632,000		
1972-73	253,089,000	2,167,000	255,256,000	626,000		
1971-72	248,398,000	2,127,000	250,525,000	677,000		
1970-71	240,372,000	2,058,000	242,430,000	552,000		
1969-70	237,220,000	2,032,000	239,253,000	455,000		
1968-69	238,836,000	2,046,000	240,882,000	492,000		
1967-68	208,125,000 <sup>j/</sup>	1,862,000	209,987,000	328,000		
1966-67	75,659,000	1,543,000	77,202,000	129,000		
1965-66	74,880,000	1,528,000	76,407,000	88,000		
1964-65	74,487,000	1,520,000	76,007,000	61,000		
1963-64	71,530,000	1,459,000	72,989,000	71,000		
1962-63	70,829,000	1,445,000	72,274,000	79,000		
1961-62	68,203,000	1,390,000	69,593,000	47,000		
1960-61	66,051,000 <sup>k/</sup>	1,675,000 <sup>l/</sup>	67,726,000	76,000		
1959-60	61,791,000 <sup>m/</sup>	767,000 <sup>m/</sup>	62,558,000	67,000		

Note: Detail may not compute to total due to rounding.

#### Footnotes

- a. Net of refunds for tax indicia on cigarettes that become unfit for use (See Refunds).
- b. A discount of .85 percent of gross value of tax indicia is granted to distributors for affixing the stamps. From July 1, 1960, until August 1, 1967, the discount rate was 2 percent.
- c. Includes sales of indicia purchased on credit. Effective July 16, 1961, distributors have been able to purchase tax indicia on credit.
- d. Effective April 1, 2017, the overall tax rate on cigarettes was increased from 87 cents to \$2.87 per pack.
- e. From July 1, 2001, through September 9, 2001, the surtax rate on smokeless tobacco ranged from 131 percent for moist snuff to 490 percent for chewing tobacco. Effective September 10, 2001, the surtax rate on smokeless tobacco was lowered to 52.65 percent.
- f. Effective January 1, 1999, the overall tax rate on cigarettes was increased from 37 cents to 87 cents per pack under voter-approved Proposition 10. The additional 50-cent-per-pack tax was imposed to raise funds for early childhood development programs. Excludes \$87,978,766 in 1998-99 from the floor stocks taxes for both cigarettes and other tobacco products levied on January 1, 1999.
- g. From July 1, 1998, through December 31, 1998, the surtax rate was 26.17 percent for other tobacco products. Effective January 1, 1999, the new surtax imposed under Proposition 10 raised the combined surtax rate to 61.53 percent for other tobacco products. The new surtax is equivalent (in terms of the wholesale costs of other tobacco products) to a 50-cent-per-pack tax on cigarettes.
- h. Effective January 1, 1994, the overall tax rate on cigarettes was increased from 35 cents to 37 cents per pack. The additional 2-cent-per-pack tax was imposed to raise funds for breast cancer research and education.
- i. Effective January 1, 1989, an additional 25-cent-per-pack surtax was imposed on cigarettes and a new 41.67 percent surtax was imposed on other tobacco products. Excludes \$57,927,856 in 1988-89 and \$595,000 in 1989-90 from the floor stocks tax levied on January 1, 1989.
- j. Effective August 1, 1967, the tax rate was increased from 3 cents to 7 cents per pack. On October 1, 1967, the rate was further increased to 10 cents per pack, with the stipulation that 30 percent of the tax be allocated to cities and counties. Includes \$6,515,209 from the 4-cent-per-pack floor stocks tax levied on August 1, 1967; and \$4,889,485 from the 3-cent-per-pack floor stocks tax imposed October 1, 1967.
- k. Refunds made for distributors' discounts in the 1960-61 fiscal year on purchases made in the 1959-60 fiscal year have been deducted. These refunds amounted to \$324,000.
- l. Effective July 1, 1960, a discount was allowed at the time tax indicia were purchased.
- m. Includes \$2,673,048 from the 3-cent-per-pack floor stocks tax imposed July 1, 1959; and also includes the amount of distributors' discounts which were refunded after purchase of indicia. During July and August of 1959, the tax was collected by invoice and no discount was allowed on these collections of \$8,123,700, nor on the \$2,673,048 tax on floor stocks.

Los Angeles County Children and Families First – Proposition 10 Commission  
Demographic Data and Economic Statistic

Demographic Data

	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018 (1)	2019 (1)	2020 (1)*	2021 (1)	2022 (1)	2023 (1)
Total Population	10,126,977	10,181,066	10,215,207	10,261,736	10,278,836	10,324,698	10,013,543	9,905,214	9,792,167	9,750,065
White	2,745,389	2,742,057	2,734,611	2,732,047	2,722,365	2,724,168	2,550,540	2,522,938	2,494,151	2,483,423
Black	834,117	833,564	831,614	831,069	828,565	832,355	795,612	786,999	778,033	774,678
American Indian	19,959	20,027	20,093	20,175	20,229	20,410	18,784	18,587	18,372	18,288
Asian	1,372,821	1,381,892	1,385,913	1,393,055	1,395,155	1,395,377	1,505,832	1,489,534	1,472,534	1,466,206
Native Hawaiian & Other Pacific Islander	24,085	24,189	24,289	24,403	24,476	24,597	22,043	21,810	21,565	21,481
Hispanic or Latino	4,934,442	4,979,470	5,015,652	5,054,516	5,078,483	5,114,541	4,893,290	4,840,349	4,785,108	4,764,535
Multi-race	196,164	199,867	203,035	206,471	209,563	209,563	227,442	224,997	222,404	221,454
Female	5,127,633	5,155,652	5,175,095	5,201,009	5,210,549	5,232,284	5,059,515	5,005,021	4,948,330	4,922,159
Male	4,999,344	5,025,414	5,040,112	5,060,727	5,068,287	5,092,414	4,954,028	4,900,193	4,843,837	4,827,906
Under 5 years	646,206	645,034	634,158	624,988	607,092	587,690	556,519	524,909	497,458	478,251
5-9 years	644,459	643,497	644,771	640,576	636,547	637,200	643,568	625,597	611,410	587,750
10-14 years	637,498	632,422	629,523	634,291	637,463	638,667	648,435	645,660	636,085	629,368
15-19 years	742,241	727,556	713,861	697,383	692,400	691,590	643,929	631,074	619,013	616,541
20-24 years	797,897	807,553	810,493	802,622	786,678	773,665	780,841	756,783	732,494	758,465
25-29 years	681,244	668,489	666,490	676,732	691,365	706,231	767,833	769,883	764,486	740,388
30-39 years	1,450,724	1,447,331	1,440,568	1,431,051	1,413,067	1,397,968	1,311,512	1,301,748	1,294,719	1,307,866
40-49 years	1,423,090	1,419,677	1,414,860	1,413,542	1,406,380	1,400,493	1,234,888	1,216,875	1,200,619	1,189,077
50-59 years	1,330,539	1,343,517	1,348,247	1,354,647	1,355,259	1,362,848	1,212,053	1,196,497	1,177,315	1,159,178
60-69 years	935,625	979,320	1,016,812	1,048,181	1,075,050	1,104,938	1,118,867	1,116,402	1,106,062	1,096,186
70-79 years	504,232	525,638	546,827	579,910	611,339	643,520	681,698	702,462	725,234	748,560
80+ years	333,222	341,032	348,597	357,813	366,196	379,888	413,400	417,324	427,272	438,435

Source:

(1) State of California, Department of Finance, Population Projections for California and Its Counties 2020-2060. Sacramento, CA, March 2024.

Economic Data

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023*
LA County Personal Income	514,516,564	549,073,019	563,907,868	593,741,110	628,808,732	653,482,910	678,829,092	728,772,915	720,740,528	-
LA County Per Capita Personal Income	51,111	54,298	55,624	58,419	62,224	65,094	68,272	74,141	74,142	-
California Personal Income	1,986,025,976	2,133,664,158	2,212,691,221	2,303,870,496	2,475,727,500	2,632,279,800	2,814,010,800	2,997,205,600	3,018,471,000	3,133,678,900
California Per Capita Personal Income	51,317	54,664	56,374	58,272	62,586	66,745	71,480	76,386	77,339	80,423

Los Angeles County Children and Families First – Proposition 10 Commission  
Unemployment Rate  
2014 - 2023

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<b>Area</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
United States	3.6%	3.6%	5.3%	8.1%	3.7%	3.7%	4.4%	4.3%	5.3%	6.2%
California	4.8%	4.2%	7.3%	10.1%	4.0%	4.2%	4.8%	4.7%	6.2%	7.5%
Los Angeles County	5.0%	4.5%	8.2%	12.8%	4.0%	4.6%	4.7%	4.6%	6.7%	8.3%

Source:  
Bureau of Labor Statistics (<http://www.bls.gov/>; annual averages)

Los Angeles County Children and Families First – Proposition 10 Commission  
 Ten Largest Industries  
 2023 and 2014

Industry	June 30, 2023			June 30, 2014		
	Number of Employees	Rank	Percentage of Total	Number of Employees	Rank	Percentage of Total
Educational & Health Services	916,300	1	19.74%	712,300	2	17.00%
Trade, Transportation & Utilities	839,700	2	18.09%	796,600	1	19.01%
Professional & Business Services	677,100	3	14.59%	587,800	3	14.03%
Government	583,200	4	12.56%	564,500	4	13.47%
Leisure & Hospitality	554,300	5	11.94%	469,500	5	11.20%
Manufacturing	320,000	6	6.89%	373,500	6	8.91%
Information	220,600	7	4.75%	195,300	8	4.66%
Financial Activities	215,700	8	4.65%	211,300	7	5.04%
Other Services	158,000	9	3.40%	152,100	9	3.63%
Construction	150,100	10	3.23%	119,000	10	2.84%
Sub-total Ten Largest Industries	4,635,000		99.85%	4,181,900		99.80%
All Other Industries	6,900		0.15%	8,500		0.20%
<b>Total Industries</b>	<b>4,641,900</b>		<b>100.00%</b>	<b>4,190,400</b>		<b>100.00%</b>

Note:

(1) Employment by industry is presented because employment data for individual employers was unavailable.

Source:

County of Los Angeles Annual Comprehensive Financial Report for the year ended June 30, 2023:  
[Annual-Comprehensive-Financial-Report-FY-2022-2023.pdf \(lacounty.gov\)](#)

Los Angeles County Children and Families First – Proposition 10 Commission  
Capital Assets Statistics

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Capital Assets (Land, Building, Furniture & Equipment, and Software) are used by the Commission for general operating and administrative function. The Commission has only one (1) centrally located building supported by other capital assets.

Los Angeles County Children and Families First – Proposition 10 Commission  
 Authorized Positions by Function  
 2015 - 2024

Functional Area	Fiscal Year									
	2024 (10)	2023 (9)	2022 (8)	2021 (7)	2020 (6)	2019 (5)	2018 (4)	2017 (3)	2016 (2)	2015 (1)
Executive	6	6	7	6	8	8	7	8	5	4.5
Administration	33	34	34	34	32	32	30	38	37.5	34.5
Programs	78	79	79	80	108	108	111	107	106	101.5
<b>Total</b>	<b>117</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>148</b>	<b>148</b>	<b>148</b>	<b>153</b>	<b>148.5</b>	<b>140.5</b>

Source:  
 (1) First 5 LA Approved FY 2014-15 Operating Budget  
 (2) First 5 LA Approved FY 2015-16 Operating Budget  
 (3) First 5 LA Approved FY 2016-17 Operating Budget  
 (4) First 5 LA Approved FY 2017-18 Operating Budget  
 (5) First 5 LA Approved FY 2018-19 Operating Budget  
 (6) First 5 LA Approved FY 2019-20 Operating Budget  
 (7) First 5 LA Approved FY 2020-21 Operating Budget  
 (8) First 5 LA Approved FY 2021-22 Operating Budget  
 (9) First 5 LA Approved FY 2022-23 Operating Budget  
 (10) First 5 LA Approved FY 2023-24 Operating Budget

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

Board of Commissioners  
Los Angeles County Children and Families  
First – Proposition 10 Commission  
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and the general fund of the Los Angeles County Children and Families First – Proposition 10 Commission (Commission), a component unit of the County of Los Angeles, California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements and have issued our report thereon dated [report date].

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2024-001 that we consider to be a significant deficiency.

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

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

### **Commission's Response to Findings**

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

### **Purpose of this Report**

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

Rancho Cucamonga, California

[report date]

## Independent Auditor's Report on State Compliance

To the Board of Commissioners  
Los Angeles County Children and Families  
First – Proposition 10 Commission  
Los Angeles, California

### Report on Compliance Opinion

We have audited the Los Angeles County Children and Families First – Proposition 10 Commission's (Commission), a component unit of the County of Los Angeles, California, compliance with the requirements specified in the *State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2024.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 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, and the *State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### Responsibilities of Management for Compliance

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

**Auditor’s Responsibilities for the Audit of Compliance**

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

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

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

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

Rancho Cucamonga, California

[report date]

Los Angeles County Children and Families First – Proposition 10 Commission  
Schedule of Findings and Responses  
Year Ended June 30, 2024

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2024-001

**Bank Reconciliations and Fair Value Adjustment**

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

*Criteria:*

Management is responsible for the preparation and fair presentation of the financial statements. Management is responsible for ensuring that all financial records and related information is reliable and properly recorded in accordance with the Generally Accepted Accounting Principles (GAAP).

*Condition:*

During our audit, we noted that the Commission did not accurately reconcile its investment balance. An adjustment in the amount of \$306,418 was needed to properly reflect the investment balance at June 30, 2024.

*Cause:*

During our test of the Commission's Pooled Cash and Investments with the County June 2024 reconciliation, we noted the reconciliation did not properly reconcile to the Commissions general ledger. As a result, the Commission did not properly adjust for the unrecognized fair value loss on their pooled cash and investments with the County resulting in the adjustment of \$306,418 to investments.

*Effect:*

The June 2024 pooled cash and investments account was not properly reconciled and the reconciliation had to be reperformed to correctly reconcile cash and investments. Additionally, an adjustment was necessary to correct the investment balance.

*Recommendation:*

The current format of the pooled cash and investments bank reconciliation makes reconciliation of the general ledger balance and the bank (County) balance difficult. We recommend that the pooled cash and investments bank reconciliation format be changed to make reconciliation of these items easier. This would ensure that the bank statement is agreed to the general ledger on a monthly basis and enable a visible monthly summary of activity.

*Views of Responsible Officials and Planned Corrective Action:*

During our year end process, our accounting team will review the journal entry and computation of the fair value adjustment with the county bank statements before processing in our accounting system. The approval process will be as follows: Journal entry and computation by a Staff Accountant. Review by the Accounting Manager. Final approval by the Director of Finance.

[Date]

To the Board of Commissioners  
Los Angeles County Children and Families First – Proposition 10 Commission  
Los Angeles, California

We have audited the financial statements of the governmental activities and general fund of the Los Angeles County Children and Families First – Proposition 10 Commission (Commission), a component unit of the County of Los Angeles, California, as of and for the year ended June 30, 2024 and have issued our report thereon dated [Date]. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards***

As communicated in our discussion on May 2, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding a significant control deficiency during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated [date].

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Significant Risks Identified**

As stated in our auditor’s report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as “significant risks.” We have identified the following as significant risks:

- Management override of internal controls
- Revenue recognition related to grant revenue

## **Qualitative Aspects of the Entity’s Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year ended June 30, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. No such sensitive accounting estimates were identified.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There were no financial statement disclosures that we consider to be particularly sensitive or involve significant judgment.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

The attached schedule of corrected misstatements summarizes misstatements that we identified as a result of our audit procedures and were brought to the attention of, and corrected by, management.

The attached schedule of uncorrected misstatements summarizes financial statement misstatements whose effects in the current period, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The effect of these uncorrected misstatements, as of and for the year ended June 30, 2024, is summarized in the attached schedule of uncorrected misstatements.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Commission's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

**Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

**Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated "[date of management representation letter]".

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Commission's auditors.

**Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Commission’s annual reports, does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

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

Rancho Cucamonga, California

Los Angeles County Children and Families First – Proposition 10 Commission  
Schedule of Corrected Misstatements  
June 30, 2024

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Number	Opinion Unit(s)	Account	Debit	Credit
1	General Fund, Governmental Activities	Cash and investments Investment income	\$ 306,418	\$ 306,418

*(To adjust for the overstatement of unrealized loss related to the pooled cash and investments with the County as of June 30, 2024.)*

Los Angeles County Children and Families First – Proposition 10 Commission  
Schedule of Uncorrected Misstatements  
June 30, 2024

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Number	Opinion Unit(s)	Account	Debit	Credit
1	General Fund	Unavailable revenue	\$ 226,238	
		State receivable		\$ 226,238
	Governmental Activities	Tobacco taxes	226,238	
		State receivable		226,238

*(To adjust for the difference between the estimated June 2024 Proposition 10 allocation and actual allocation caused by the timing of the availability of information from the State of California.)*



**Item 8 - Los Angeles County  
Proposition 10 Commission  
Annual Comprehensive  
Financial Report for the Year  
Ended June 30, 2024**

**Special Program and  
Planning Committee Meeting**

Presented by: Raoul Ortega  
September 26, 2024

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# Presentation Overview

- Fiscal Year 2022-23 GFOA Award
- Annual Comprehensive Financial Report Overview
- Independent Auditor's Report
- Fiscal Year 2023-24 highlights
- 3 Year Comparisons
- Next steps

# Government Finance Officers Association Award

- Our annual report for fiscal year 2022-23 was awarded a Certificate of Achievement for Excellence in Financial Reporting
- 16th Consecutive Year for this award

# Annual Financial Report Overview

- Annual Comprehensive Financial Report
  - Detailed view of the Commission's financial position at a moment in time (June 30, 2024)
  - Activities and results of operations for the fiscal year 23-24
  - Presentation of the Commission's overall financial condition

# Annual Financial Report Timeline

- Audit process: May 2024 through October 2024
  - Entrance interview/planning May – 2024
  - Fieldwork – June through August 2024
  - Reporting – August through October 2024
- Meetings:
  - Special Program and Planning Committee meeting – 9/26
  - Board of Commission meeting – 10/10

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## FY 2023-24 Budget Highlights


**June 2023: Board approved FY 2023-24 total budget of \$99.1 million:**

- Program Budget = \$78.4 million
- Operating Budget = \$20.7 million

**March 2024: Board approved a revised budget of \$101.1 million:**

- Program Budget = \$80.4 million
- Operating Budget = \$20.7 million

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## FY 2023-24 Revenue Highlights

### June 2024: Total revenues of \$82.4 million (Statement of Activities):

- Tobacco Taxes = \$39.3 million
- Prop 56 backfill = \$15.4 million
- CA Electronic Cigarette = \$900 thousand
- Other Revenues = \$23.0 million
- Fair Value Adjustment  
Unrealized Loss = 3.8 million

(Other revenues includes State Commission Program funds (F5CA), Local Entity Program funds, and Other General Income)

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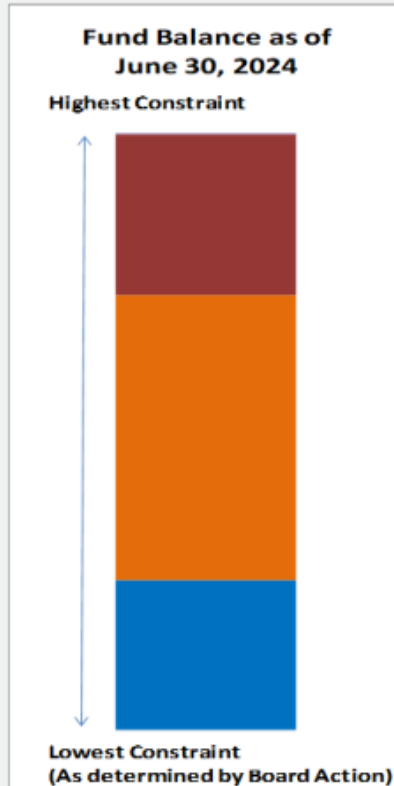


## Expenditures Highlights

### June 2024: Total expenditures of \$86.8 (Statement of Activities)

- Program Expenditures = \$69.3 M
- Program Operating Expenditures = \$6.2 million
- Administrative Expenditures = \$11.3 million

# F5LA Fund Balance Constraints:



## First 5 LA Fund Balances are 100% Dedicated through Board Action with the following Constraints:

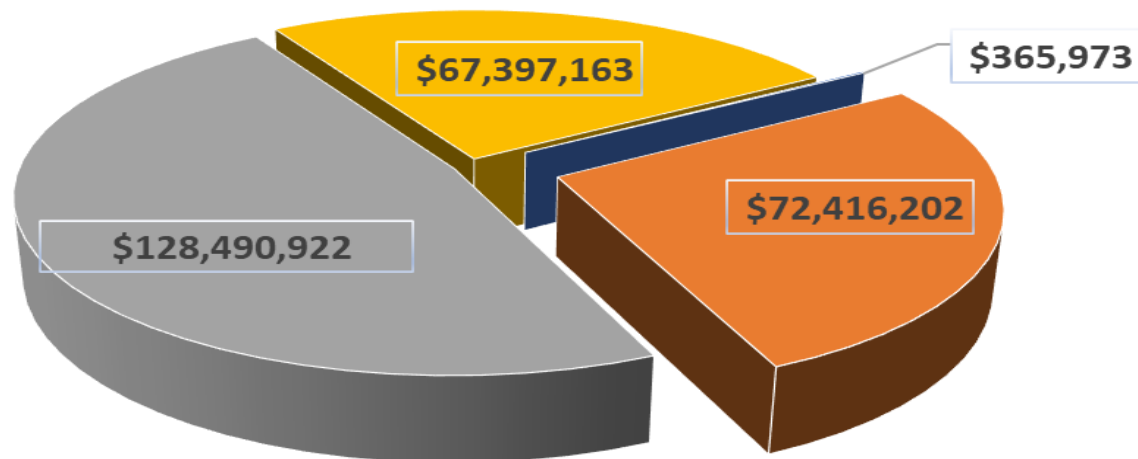
### Level of Constraints:

- Nonspendable (\$365,973)**: Includes all levels of constraints below Funds that have been advanced to a contractor or grantee for services to be provided in the future and are considered to be an asset of the Commission. **Board Action through Contract Consent & Audit (Fund Balance)**
- Committed (\$72,416,202)**: Includes all levels of constraints below Funds allocated for a specified purpose and directed by the Commission via Resolution. The Commission must adopt another Resolution to reappropriate these funds for other purposes. **Board Action through the Budget & Audit (Fund Balance)**
- Assigned (\$128,490,922)**: Includes the constraint below. Funds are reserved for Commission use consistent with the 2020-2028 Strategic Plan. **Board Approved through Audit (Fund Balance)**
- Unassigned (\$67,397,163)**: Funds designated for the Operating Budget and Reserve. **Board Approved through Audit (Fund Balance)**

**Total Fund Balance as of June 30, 2024 = \$268,670,260**

## F5LA Fund Balance:

Total Fund Balance: \$268,670,260



■ Nonspendable   ■ Committed   ■ Assigned   ■ Unassigned

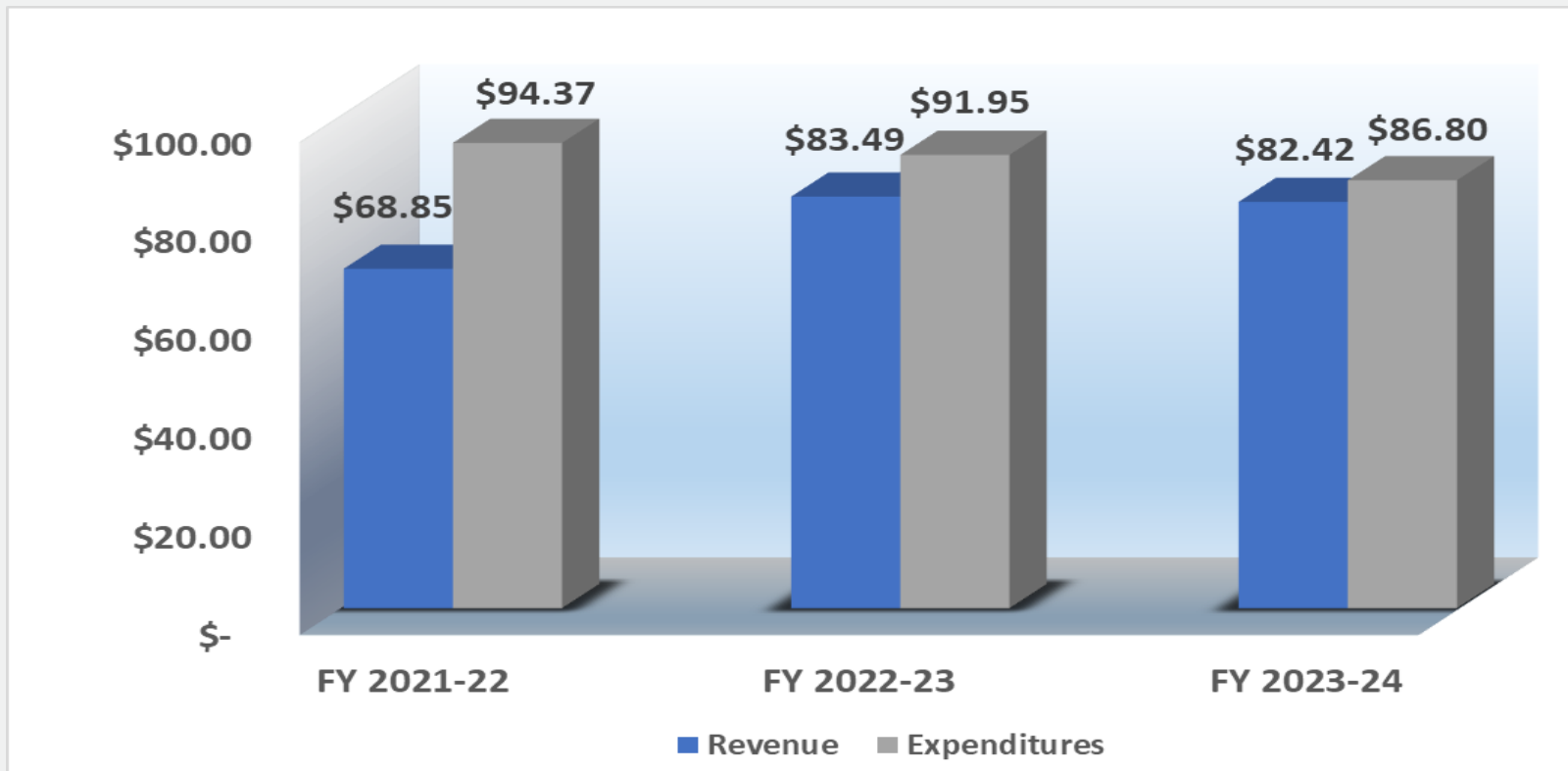
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## 3 Year Comparison: Fund Balance



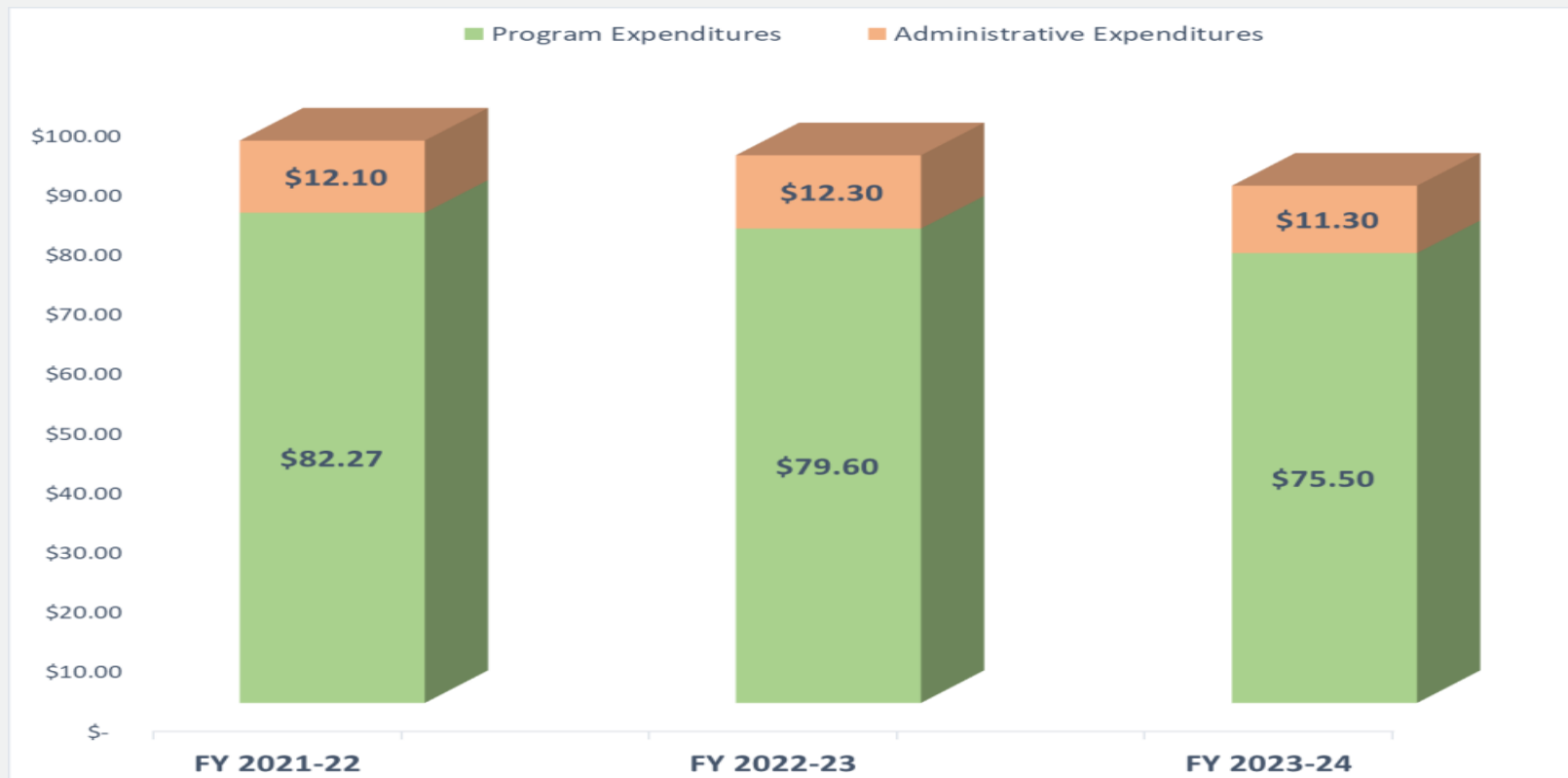
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## 3 Year Comparison: Revenues vs. Expenditures



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# 3 Year Comparison: Program and Administrative Expenditures



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# Audit Partner Overview

Kinnaly Soukhaseum, Partner, Eide Bailly, LLP

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## Next Steps

- Board of Commission Meeting October 10th – Action
- Submit Final Draft Annual Comprehensive Annual Report by November 1st:
  - State Controller's Office
  - First 5 California
  - Los Angeles County Auditor-Controller Office

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# Memo

**To:** Board of Commissioners

**From:** Karla Pleitéz Howell, President & CEO

**Date:** October 10, 2024

**Subject:** **PRESIDENT & CEO’S REPORT**

## I. PRESIDENT & CEO’S HIGHLIGHTS

Welcome back from summer hiatus to Commissioners, community members, residents and First 5 LA colleagues. Before we usher in the fall season, I would like to take a moment to share an update and reflections on the tremendous efforts made over the summer by the First 5 LA team and our partners.

Since we last convened in July, the First 5 LA team has continued momentum on the development of tactics – concrete actions and initiatives – that will operationalize the 2024-29 Strategic Plan, aiming to create the greatest possible impact for L.A. County’s youngest children, their families, and our communities.

As part of First 5 LA’s collaborative approach, we ground our work in family and community engagement, input, and feedback. Since the passage of our strategic plan in November 2023, First 5 LA has engaged diverse community, systems, and policy leaders to gather their best ideas on what would be the most effective preferred tactics to achieve the condition envisioned for young children. Ongoing engagement with community members with lived experience has led to essential shared insights to better understand opportunities and barriers.

Over the summer, First 5 LA engaged parents and residents, agency and county partners, and local policymakers, as well as system leaders and First 5 LA board of commissioners to garner their insights and expertise to identify and help prioritize the most effective actions to take as we implement our 2024-2029 Strategic Plan. These conversations provided important insights into the most effective roles First 5 LA might take to reach our objectives, surfaced areas of alignment and yielded important insights to avoid redundancies. The conversations also underscored the need to further narrow our list of tactics to deepen our impact.

**COMMISSIONERS**

Los Angeles County Supervisor	Robert Byrd, Psy.D	Abigail Marquez
Holly J. Mitchell	Alma Cortes	Maricela Ramirez
<i>Chair</i>	Barbara Ferrer, Ph.D., M.P.H., M.Ed.	Carol Sigala
Summer McBride	Astrid Heger, M.D.	
Vice Chair		

**EX OFFICIO MEMBERS**

Deanne Tilton Durfee  
 Jacquelyn McCroskey, DSW  
 Alejandra Albarran Moses  
 Brandon Nichols

**PRESIDENT & CEO**

Karla Pleitéz Howell

**EXECUTIVE VICE PRESIDENT**

John A. Wagner

I look forward to continuing these conversations during today's meeting on the potential impact of working collaboratively with diverse partners to ensure our systems truly work for and support every child and their family.

It is with immense gratitude that I express my appreciation for the shared commitment of our partners and community members throughout this process. This is not the work of one organization, it is the power of partnership that enables us to set a strong foundation for children's lifelong well-being and build the path toward a future where every child is born healthy and thrives in nurturing, safe, and love communities.

## **II. UPDATES FROM THE TEAM – WHAT HAS FIRST 5 LA BEEN UP TO?**

### **Launch of Home Visiting Stakeholder Workgroup**

Led by First 5 LA's value of partnership and collaboration, a time-limited, Home Visiting Stakeholder Workgroup will be launched to gather key partners, including County representatives and home visiting providers, to provide critical input on criteria that will inform First 5 LA's approach in FY 25-26 to further align the home visiting portfolio to the fiscal reality. The Workgroup will be led in partnership with Health Management Associates and conclude in late Fall.

### **Advancing First 5 LA's policy priorities and building relationship with policymakers**

Governor Newsom signed the 2024-2025 California state budget into law on June 29, 2024. The \$297.9 billion budget includes \$211.5 billion in general funds, which went into effect on July 1, 2024. The budget reallocates monies, including \$17 billion in early action cutbacks agreed upon by the Governor and Legislature earlier this year, to offset the state's projected \$46.8 billion shortfall. The state's reserves will be used to fund \$5 billion of the spending plan, with an additional \$7 billion to be used the following year, in 2025–2026. The final deal preserved safety net initiatives that were essential to First 5 LA's policy agenda priorities. These included the reinstatement of continuous Medi-Cal eligibility for young children, the restoration of funding for child care spaces, and home visiting supports. The 2024 State Legislative session ended on August 31, 2024, and the Governor has until September 30, 2024, to sign or veto any bills passed by the legislature. AB 2319 (Wilson) related to requiring implicit bias training for medical staff, is a First 5 LA supported bill that passed the legislature this year. First 5 LA has sent a letter to Governor Newsom asking for his signature of the legislation. (see list of 2024 First 5 LA support positions). Locally, First 5 LA coordinated a child care site visit for Assemblymember Blanca Pacheco (AD-Downey) in partnership with the Mexican American Opportunity Foundation (MAOF), to demonstrate the importance and need for child care in LA County. In addition, First 5 LA hosted a briefing for the Early Learning Coalition of Miami-Dade/ Monroe during their learning exchange visit to Los Angeles. During the learning exchange, First 5 LA shared highlights of our investments and advocacy efforts, including: Dual Language Learning, the provider advisory group, and the formation of the annual policy agenda. First 5 LA also sponsored and participated in UNITE-LA's webinar "Cradle-Through-Career Education in California" which included a panel with Assembly Budget Sub 2 Chair, Assemblymember Corey Jackson, discussing California's current and future fiscal outlook. On the federal level, First 5 LA has joined national partners in advocating for \$16 billion in supplemental funding to extend the child care investments, and prioritizing critical programs supporting young children such as increasing funding for Head Start and Early Head Start, the Child Care Development Block Grant (CCDBG), and the Individuals with Disabilities Education Act (IDEA) Part B and C. Finally, First 5 LA received Year 1 reports from each of the eleven Early Childhood Policy and Advocacy Fund (EC PAF) Reimagining Systems Fund (RSF) Grantees, including their proposed budgets and goals for Year 2. These reports were used to create a Year 1 Summary Report developed by Ersoylu Consulting.

### **New report highlights learnings on how to strengthen early child development referral networks and increase access to services**

A comprehensive report now details the work and impact of the first five Help Me Grow LA Pathways grantees, covering the North LA, Metro, Westside, Eastern LA, and South Central regions. Written by VIVA Social Impact Partners, the report details the strategies each region chose to implement, key learnings and early impacts. By adopting web-based referral portals, building robust partner networks, increasing data capacity, and other interventions, Pathways grantees were able to build more connected referral networks in their regions, enabling them to better serve families of children with developmental delays and prevent children from falling through the cracks. Disaggregating data by home language, gender and race/ethnicity also provided a valuable tool for grantees to identify and reduce gaps in access. A final Pathways report will be completed in September 2025, following project completion by the final two grantees.

### **First 5 LA's summer and fall celebrations of L.A. County's rich cultures and diversity**

This summer and fall, First 5 LA continued its practice of uplifting celebrations of culture highlighting the rich diversity of L.A. County. This past June, First 5 LA recognized and honored the origins of Pride Month and on June 19 the legacy of Juneteenth. The organization commemorated the historical and present-day importance of the annual events as another way to enjoy the rich cultures that make our county unique. More recently we have commemorated Hispanic Heritage Month from September 15 to October 15, and Filipino American History Month throughout October and utilized our social, website and internal communications channels to amplify activities and events that offer meaningful ways for children and families to learn and grow.

Juneteenth 2024 – Day of Freedom June 19 on LinkedIn  
<https://www.linkedin.com/feed/update/urn:li:activity:7209279783753453568/>

Pride Month 2024: Empowering Change in Los Angeles <https://www.first5la.org/article/pride-month-2024-empowering-change-in-los-angeles/>

National Hispanic Heritage Month 2024: Pioneers of Change <https://www.first5la.org/article/national-hispanic-heritage-month-2024-pioneers-of-change/>

### **Grantees (RNGs) to Strengthen Connections to the L.A. Care/Blue Shield Promise Community Resource Centers (CRCs).**

These centers cover 14 communities in LA County and are organized into 3 regions (North, South, East) which overlap with the geographies of the five Best Start regions. The level of RNG engagement with CRCs varies and where there is no interaction comes from the RNGs lack of awareness on the CRCs or not having anyone to help make this introduction. After the May Board meeting, Commissioner Heger reached out to the RNG in Region 3, El Nido Family Services, to offer her help to expand on the existing relationship between El Nido and the CRC in Panorama City, a relationship that had mainly focused on sharing updates and coordinating meetings. This connection through Commissioner Heger catalyzed a meeting with LA Care to build on past or start new opportunities for collaboration between RNG networks and CRCs across the Best Start regions. Some next steps are to share engagement work within both efforts to identify where connections can happen between RNG and CRC staff, leverage leadership development of community members to cross pollinate work across the two initiatives, and explore how the CRCs can serve as a resource for RNGs to obtain meeting space at centers located in the Best Start geographies, sponsorships and mini grants for the some of the community priorities elevated in the Best Start networks.

### **III. CONTRACTS EXECUTED LEVERAGING PRESIDENT & CEO DELEGATION AUTHORITY**

Pursuant to the Procurement Policy adopted on September 9, 2021, "The Executive Director (or designee) may approve any contract or amendment up to and including \$150,000 in the aggregate and will establish appropriate internal policies and controls for those awards. Contracts that are executed under the Executive Director (or designee) between \$10,000-\$150,000 will be presented as information at the next Board of Commissioners meeting."

The following agreements and amendments were executed between March 17, 2024, and September 10, 2024, by President & CEO Karla Pleitéz Howell and her designees.

**#10083 Blackbaud, Inc. – Contract Amount: \$118,799**

**Contract Period: 3/17/2024 – 3/16/2026**

The Contractor will provide Blackbaud Grantmaking licenses, First 5 LA's online grant-making system. Blackbaud Grantmaking serves as the organization's contract management software that supports the life-cycle management and contract monitoring processes.

**#10433 SHI International Corp. – Contract Amount: \$20,907**

**Contract Period: 4/4/2024 – 4/3/2027**

The Vendor will provide a three (3) year subscription to Envoy software. The software enables the Human Resources and Talent Management Department to identify and notify people who have been exposed to someone with COVID-19. Envoy also offers tools that can streamline emergency evacuation. The visitor log can assist with evacuation tracking which can help emergency responders.

**#10444 ADP, Inc. – Contract Amount: \$45,624**

**Contract Period: 6/1/2024 – 6/1/2027**

The Contractor will provide human resources software and services. These human capital management solutions are used by both HR and Finance to unite HR, payroll, talent, time, tax and benefits administration.

**#09176 American Institutes for Research in the Behavioral Sciences – Contract Amount: \$115,753**

**Contract Period: 7/1/2024 – 10/31/2024**

The Contractor will conduct an impact evaluation on Welcome Baby. The primary goals of the evaluation are to address questions in the Home Visit Learning Agenda, specifically: 1) Determine the impact of Welcome Baby on maternal and child outcomes, 2) Determine whether the impact of the Welcome Baby program varies across maternal risk levels (as assessed by the Modified Bridges for Newborns Screening Tool), 3) Identify variation in the impact of the Welcome Baby program across demographic subgroups, 4) Understand the outcomes of women who participated prenatally in Welcome Baby. The Contractor will continue developing a report based on findings, which will include a technical memo, report, and dissemination product. The outline of a memo of findings will also be provided for the 18-month interviews conducted on focus groups for the implementation study completed for participants in the Special Supplemental Nutrition Program for Women, Infants Children (WIC).

**#10238 Community Partners – Contract Amount: \$100,000**

**Contract Period: 7/1/2024 – 6/30/2025**

The Contractor is a fiscal sponsor of the Mayor's Fund for Long Beach. The Mayor's Fund will be utilizing its unique position as intermediary between civic, education, and community-based partners, and will support the development of a more resilient and cohesive Long Beach-area early care and education (ECE) ecosystem. The Mayor's Fund will leverage relationships with local stakeholders and policy makers to facilitate discourse and network building to strengthen crucial ECE infrastructure. Additionally, the Mayor's Fund will leverage the development of its innovative new Early Learning Hub (a centralized resource connector for local families) to increase connectivity to inform county-wide child/family service provision. Through its multi-pronged approach and family-serving programs, the Mayor's Fund is in direct alignment with First 5 LA's new Strategic Priorities and uplifts our collective effort to strengthen public and community systems.

**#10287 Julia Ann Justus DBA Justus McGinity Executive Search – Contract Amount: \$75,000**

**Contract Period: 7/1/2024 – 6/30/2025**

The Contractor is to conduct Executive Recruitment services on behalf of First 5 LA on an as needed basis throughout the 2020-2028 Strategic Plan. The Contractor will complete the following for each recruitment: develop the position description, develop a marketing strategy, conduct research and

create a prospect and source contact list, develop prospective candidates, administer written or oral assessments, if needed recommend finalist candidates, manage candidate selection process, provide recommendations on negotiations and onboarding.

**#10272 Advantage ColorGraphics – Contract Amount: \$50,000**

**Contract Period: 7/1/2024 – 6/30/2025**

The Contractor supports as-needed print and mass mailing jobs for First 5 LA. Print work has internal and external purposes that serve marketing (branded promotional items, flyers, building signage, posters) and business communication needs (stationery and business cards). The contractor will support a to-be-determined one-time direct mail campaign with an emphasis on households with families that include children age 5 and younger, in hard-to-reach technology-desert zip codes with minimal computer and online access. The focus of the direct mail piece will be informed by tactics with the greatest potential to impact our goals and objectives and meet a need among the residents we seek to reach.

**#10297 Duane C. Dennis – Contract Amount: \$50,000**

**Contract Period: 7/1/2024 – 6/30/2025**

The Contractor will serve as an expert consultant for Home-Based Care, specifically Family, Friend, and Neighbor (FFN) and Family Child Care (FCC) in Los Angeles County. The Contractor will provide thought partnership on developing the Home-Based Child Care (“HBCC”) Strategy, which will also include facilitation, planning, development, and the launch of the second phase of the Home Based Child Care Strategy, which will be informed by the HBCC landscape analysis.

**#10303 Portford Solutions Group, Inc. – Contract Amount: \$30,324**

**Contract Period: 8/1/2024 – 7/31/2027**

The Contractor will provide ApplicationEnhancer (AE) to First 5 LA. AE is an enterprise content management solution that First 5 LA uses to manage records securely. The Contractor plays a vital role in maintaining our system and helping the IT Team with upgrades and modifications.

**#10364 Accredited Rehabilitation Consultants – Contract Amount: \$11,000**

**Contract Period: 7/1/2024 – 6/30/2025**

The Contractor will provide ergonomic assessments and follow-ups for First 5 LA Employees .

**#10386 Crown Facility Solutions – Contract Amount: \$135,707**

**Contract Period: 7/1/2024 – 6/30/2025**

The Contractor will perform janitorial services at the First 5 LA office building located at 750 N. Alameda Street, 90012 to maintain a clean, healthy, safe, and orderly workspace for First 5 LA employees and visitors.

**#10394 Laura Valles & Associates, Inc. – Contract Amount: \$75,000**

**Contract Period: 7/1/2024 – 6/30/2025**

The Provider Advisory Group (“PAG”) establishes a body of experienced home-based childcare providers (FFN and FCC) who serve as thought partners for the Early Care and Education (ECE) Team in interpreting the home-based child care landscape analysis results and in informing effective programmatic strategy development. The Contractor will primarily serve to design, support, and facilitate the regular convening of the PAG. The Contractor will also provide guidance for the ECE Team in effectively incorporating provider feedback into its approach to foster capacity-building for the home based childcare landscape.

**#10401 TLC Interpreting & Translation Services, INC – Contract Amount: \$50,000 Contract Period: 7/1/2024 – 6/30/2025**

The Contractor will provide written translation and/or oral interpretation with cultural nuance services in one or more of the following languages: American Sign Language, Spanish, Chinese (e.g., Mandarin

and/or Cantonese for oral; Simplified and/or Traditional for written), Arabic, Hindi, Japanese, Russian, Thai, Tagalog, Korean, Armenian, Vietnamese, Farsi, Khmer/Cambodian and English.

**#10425 Carlos De Alba DBA De Alba Consulting, Inc. – Contract Amount: \$29,925 Contract Period: 7/1/2024 – 6/30/2025**

The Contractor will develop and implement a comprehensive paid advertising media plan for the Dual Language Learner Communication Campaign. The goal of the Quality Start Los Angeles (QSLA) Dual Language Learner (DLL) Initiative is to promote multilingualism among young children in Los Angeles County. This initiative aims to create an inclusive environment where multilingual children feel secure and appreciated by establishing connections with families and early educators. The primary aim of the Communications Campaign is to reach target communities or populations to generate awareness and understanding of the advantages of multilingualism and the importance of using a child's home language. It seeks to encourage families, programs, and communities to prioritize children's bilingual development.

**#10436 LA Plant Company – Contract Amount: \$17,521 Contract Period: 7/1/2024 – 6/30/2029**

The Contractor will provide indoor plants, planters, and plant maintenance services to plants located at 750 N. Alameda Street, Los Angeles, CA 90012.

**#10439 Limor Consulting Inc (DBA Datalink Partners) – Contract Amount: \$39,900 Contract Period: 7/1/2024 – 6/30/2025**

The Contractor will support data collection, analysis, and reporting goals for the Annual Reporting Project: 1) provide transparency on First 5 LA investments to increase public awareness about how funds are being utilized in Los Angeles County; and 2) utilize Annual Reporting data to gain deeper understanding of First 5 LA's investments and grantees and contractors. Contractor activities may include: data collection, analysis, and reporting related to Annual Reporting.

**#10443 Universal Protection Services, LP dba Allied Universal Security Services – Contract Amount: \$116,441 Contract Period: 7/1/2024 – 6/30/2025**

The Contractor will provide unarmed, uniformed security guards who shall promote the safety of First 5 LA's employees, contractors, and guests and protect First 5 LA's real and personal property at 750 N. Alameda Street, Los Angeles, CA 90012, including the adjacent surface parking.

**#10446 HyperTexted, LLC – Contract Amount: \$75,000 Contract Period: 7/1/2024 – 6/30/2025**

The Contractor will provide the following services on an as-needed basis: content writing; copyediting; proofreading services for articles, blogs, broadcast emails, electronic newsletters, and research-based content aligned to intended audiences; follow First 5 LA and AP Style style guides and attend meetings; support the Communications Department's goal of demonstrating First 5 LA's 2024-2029 Strategic Plan, and knowledge and expertise on issues that affect early childhood development.

**#10441 Cushman & Wakefield U.S., Inc. – Contract Amount: \$76,946 Contract Period: 8/5/2024 – 6/30/2025**

The Contractor will provide project management services for Phase 2 of the Capital Improvement Project (CIP) at First 5 LA, located at 750 N. Alameda Street, Los Angeles, CA. The project management services will cover pre-construction through completion and acceptance of the construction work, including oversight and coordination of the project schedule, budget, and contractors' work.

**#10411 SHI International Corp. – Contract Amount: \$27,194.61 Contract Period: 9/2/2024 – 9/2/2027**

The Vendor will provide licenses for three (3) years of Freshservice, a cloud-based IT service management (ITSM) software that offers comprehensive tools for organizations to streamline and optimize their IT operations. Freshservice is used by the entire organization to submit helpdesk tickets

for IT and by Facilities services such as break-fix issues, onboarding and separation of staff, meeting room setup, etc. Freshservice allows staff to submit, monitor, and update their tickets, and lets IT and Facilities track tickets, analyze trends, run reports, and manage inventory.

**#10447 Maria Cabildo – Contract Amount: \$42,000  
Contract Period: 8/1/2024 – 10/31/2024**

The Contractor will inform First 5 LA staff on the housing landscape and assist in navigating through organizations and funders to increase housing security in finalizing tactics for the 2024-2029 Strategic Plan.

**# 10096 Health Management Associates, Inc. – Amendment Amount: \$120,000 Amendment Period: 07/1/2024- 06/0/2025**

This amendment adds additional funds in the amount of \$120,000 for a total contract amount of \$720,000 to allow the Contractor to provide health system-related technical assistance, research, and county partnership development support and fund leveraging and sustainability support to First 5 LA and Medi-Cal Managed Care Plan strategy to support the Southern California First 5 Commissions.

**# 08877 Salesforce, Inc. – Amendment Amount: \$39,038.64  
Amendment Period: 07/30/2024- 07/29/2025**

This amendment adds additional funds in the amount of \$39,038.64 for a total contract amount of \$319,892.64 to allow the Vendor to provide 109 Tableau Explorer licenses, 8 Tableau Viewer licenses, and 1 Tableau Creator license to enable Welcome Baby and Select Home Visitation sites to continue to fulfill reporting requirements to First 5 LA or other funders as applicable with Tableau Explorer licenses.

#### **IV. RECENT AND UPCOMING EVENTS SPONSORED BY FIRST 5 LA**

##### **Sponsorships**

**Name: The Learning Center at Fairplex (TLC) Cheers at the Farm**

**Date: 06/22/2024**

**Amount: \$500**

The Learning Center at Fairplex (TLC) Cheers at the Farm event supported early childhood education and other important programming the Learning Center at Fairplex offers to the community.

**Name: 5th Annual Immigration Summit**

**Date: 07/11/2024 - 07/12/2024**

**Amount: \$5,000**

California Community Foundation's 5th Annual Immigration Summit engaged attendees in collaborative discussions, sharing knowledge on innovative approaches and best practices that promote immigrant inclusion and justice. The summit honored immigrants for their pivotal role in driving economic growth and shaping the cultural, economic, and social fabric of our nation through their invaluable contributions.

**Name: Breastfeeding Awareness Month Baby Expo & Resource Fair**

**Date: 08/01/2024**

**Amount: \$5,000**

Breastfeeding Awareness Month Baby Expo & Resource Fair provided resources to the community and raise awareness during August, in recognition of Breastfeeding Awareness Month, highlighting our support for breastfeeding advocacy, early education, and maternal-child health.

**Name: Noche de las Luminarias**

**Date: 09/12/2024**

**Amount: \$2,500**

Active San Gabriel Valley's (SGV) Noche de las Luminarias recognized community advocates, stakeholders, elected officials, businesses, and volunteers who have contributed to advancing San Gabriel Valley's mission of creating a more sustainable, equitable, and livable community.

**Name: 23rd Annual Dancing Under the Stars Gala**

**Date: 09/20/2024**

**Amount: \$2,500**

Esperanza Community Housing's 23rd Annual Dancing Under the Stars Gala celebrated 35 years of achieving comprehensive community development in South Los Angeles. Esperanza Community Housing advocates for healthy and affordable housing, access to care, environmental justice and policies protecting human rights.

**Name: UNITE-LA's Education Means Business Webinar "Cradle-Through-Career Education in California"**

**Date: 9/25/2024**

**Amount: \$5,000**

UNITE-LA's Education Means Business Webinar Series to support early childhood discussions within the business community, that featured Assembly Budget Sub 2 Chair, Assemblymember Corey Jackosn.

**Name: Sunset Social**

**Date: 09/26/2024**

**Amount: \$2,500**

Eisner Health's Sunset Social honored Eisner's commitment to the community and its focus on creating a healthier Los Angeles. The event highlighted Eisner's mission and ongoing efforts to improve the health and well-being of the people and communities we serve together. Staff from the Health Systems, Family Supports and Communities Department attended the event.

**Name: 49th Annual Crystal Eagle Awards Gala**

**Date: 09/26/2024**

**Amount: \$2,500**

The Coro Southern California's 49th Annual Crystal Eagle Awards Gala celebrated outstanding leaders who exemplify excellence in leadership and dynamic community involvement. The honorees' achievements demonstrated that, whether as individuals or on behalf of an organization, they can make a difference for the public good – a principle at the heart of Coro's mission.

**Name: SoCal Grantmakers 2024 Annual Conference**

**Date: 09/26/2024**

**Amount: \$ 5,000**

The 2024 Southern California Grantmakers (SCG) Conference, Better Together: Creating a Collective Legacy, presented opportunities to explore how the philanthropic sector can leverage LA's upcoming large-scale events, build partnerships and collaboration, and start conversations on finding solutions on how these events can have long-term benefits for the communities.

**Name: Annual Latina/o Heritage Celebration**

**Date: 09/26/2024**

**Amount: \$2,500**

Alliance for a Better Community (ABC)'s 2nd Annual Latina/o Heritage Celebration, not only celebrated the rich cultural heritage of Latino communities, but also honored civic leaders who have made significant contributions toward advancing equity and justice.

**Name: 100 Centennial Celebration**

**Date: 09/27/2024**

**Amount: \$3,500**

Wellnest LA's 100 Centennial Celebration celebrated a century of hope, healing, and commitment to fulfill critical community needs. Funds raised from the Wellnest Centennial Celebration will benefit The Nest at Jefferson Community Wellness Center. The Community Wellness Center will fulfill a critical community need, by providing housing and expanded access to behavioral health and health services in the City of Los Angeles.

**Name: Family Child Care Nutrition, Health, and Wellness Summit**

**Date: 10/06/2024**

**Amount: \$7,500**

The Child and Adult Care Food Program (CACFP) Roundtable's second Family Child Care Nutrition, Health, & Wellness Summit provided a full day of learning, inspiration, and celebration for attendees. The Summit aimed to support Family Child Care providers across California in building their knowledge of how to navigate the existing federal food program to sustainably feed the children in their care, maximize their reimbursements to increase their sustainability, and be empowered to prioritize their own health and wellness.

FIRST 5 LA

**SUBJECT:**  
2023-2024 Annual Report to First 5 California (State Commission)

**RECOMMENDATION:**  
Approve the First 5 LA Annual Report to First 5 California (State Commission)

**BACKGROUND:**

Each year First 5 LA staff prepares a report to the State Commission that provides fiscal and programmatic information following a State Commission-designated template. Staff are seeking approval of the First 5 LA Annual Report for Fiscal Year 2023-2024 (July 1, 2023 – June 30, 2024), which is due to First 5 California by October 31, 2024. First 5 LA will submit the entire report via the web-based platform provided by the State Commission. This request was presented as information at the September 26, 2024, Special Meeting of the Board of Commissioners, Program & Planning Committee, Budget and Finance and Executive Committees (per the Bylaws).

**DISCUSSION:**

As part of the submission, staff must categorize First 5 LA programmatic efforts into the following four Result Areas defined by First 5 California:

- **Improved Child Health:** includes general health education and promotion programs, perinatal and early childhood home visiting services, prenatal and infant/toddler pediatric supports, and early intervention services.
- **Improved Child Development:** includes quality early learning supports and early learning program direct costs.
- **Improved Family Functioning:** includes short-term non-intensive general family support programs, targeted intensive family support services, and family literacy and book programs.
- **Improved Systems of Care:** includes policy and public advocacy as well as program and systems improvement efforts.

Although First 5 LA' programmatic efforts can be organized into First 5 CA's result areas our strategies and desired outcomes are not aligned to these Result Areas.

Following are descriptions and a summary of each section of the First 5 LA Annual Report for Fiscal Year 2023-2024. Please refer to "Attachment 1, First 5 LA's FY23-24 Annual Report" for the full report.

**Section 1: Revenue and Expenditure Summary**

This section includes information on First 5 LA's revenues and expenditures aligned with the financial audit data, including programmatic expenditures across First 5 California's four Result Areas.

- **Revenue and Expenditures:**
  - **Revenue:** The total revenue was \$79,620,291
  - **Expenditures:** The total expenditures were \$86,638,489, resulting in a net decrease to our fund balance of \$7,018,198.
  - **Fund Balance:** The fund balance at the end of FY 23-24 was \$268,670,260.
- **Programmatic Expenditures by Result Area:** Investments in Child Health and Systems of Care accounted for more than 90% of programmatic expenditures. The following is a breakdown of expenditures by Result Area:
  - **Improved Child Health:** \$32,281,342 (48% of programmatic expenditures)
  - **Improved Systems of Care:** \$31,046,230 (46% of programmatic expenditures)
  - **Improved Child Development:** \$2,338,815 (4% of programmatic expenditures)
  - **Improved Family Functioning:** \$1,534,027 (2% of programmatic expenditures)

## Section 2: Demographic Worksheet

This section includes information on the populations reached through First 5 LA's direct service investments in total and by demographics such as age and race and ethnicity. Please refer to Attachment 1 for a more detailed breakdown of the data.

- *Populations Reached:* In FY 23-24, First 5 LA investments reached a total of 68,903 children; 84,471 caregivers; 19,832 unique families; and 449 providers.
- *Demographics:*
  - *Age:* More than 3 out of 4 children (78%) reached through First 5 LA investments were between birth and 3 years of age, which is a critical development period.
  - *Race/Ethnicity:* Over 90% of children reached by First 5 LA investments are children of color. Consistent with previous years', the majority were of Latino/ Hispanic background (77%).
  - *Language:* Of the 68,903 children reached, 65% came from households that spoke primarily English, 34% from households that spoke primarily Spanish, and 1% from households that primarily speak another language, such as Tagalog and Khmer.

## Section 3: Evaluation Summary/County Highlights

This section provides a summary of First 5 LA's evaluations. This section also includes county highlights that describe accomplishments. Please refer to Attachment 1 for more comprehensive information.

- *County Highlights:*

The county highlights were organized by the three goals in First 5 LA's 2024-2029 Strategic Plan:

  - *Goal 1 - Basic Needs Met:* The African American Infant and Maternal Mortality (AAIMM) Initiative continued their Village Fund Community Grantmaking to fund innovative, community-led strategies to support the well-being of Black birthing families and address inequities related to infant and maternal health outcomes.
  - *Goal 2 – Nurturing Relationships and Environments:* First 5 LA focused on sustainability strategies for Home Visitation (HV) programs. Successful advocacy and systems change efforts resulted in diversified funding sources for HV services by partnering with systems like LA County Department of Public Health and Department of Mental health
  - *Goal 3 – Foundation for Well-Being and Lifelong Success:* The Dual Language Learning (DLL) communications campaign successfully disseminated messages about the benefits and value of bilingualism in 7 different languages across Los Angeles County.
- *Evaluation Summary*
  - *The Welcome Baby (WB) Study* found that families participating in WB were more likely to have a medical home (i.e., having both a personal doctor or nurse and a usual source for sick care) for themselves and their babies than families in the comparison group.
  - *Help Me Grow LA Pathways Technical Assistance Provider* evaluation reported an increase in use of the online referral system for early identification and intervention (EII) services for participating partners.
  - *Early Identification and Intervention (EII) Listening Sessions* elevated a concern among Black families that they do not feel heard, seen or respected because of their race, ethnicity, and social status and that families find value in building community with other families to share experiences and support one another when accessing early intervention resources. Findings were used to inform the 2024-2029 Strategic Plan process and also used by Help Me Grow LA to inform strategies, including practice and policy changes, to better serve Black families and reduce systemic inequities.
  - *2023 California Workforce Study* found that more child care centers and family child care providers struggled to maintain enrollment in 2023 (49%) compared to 2020 (21%).

**NEXT STEPS:**

- After receiving Board Approval, First 5 LA will submit the final State Annual Report to First 5 California (State Commission) by October 31, 2024.



**Annual Report AR-1**  
**Los Angeles Revenue and Expenditure Summary**  
**July 1, 2023 - June 30, 2024**

## Revenue Detail

Category	Amount
<b>Tobacco Tax Funds</b>	\$51,436,394
<b>IMPACT Legacy</b>	\$4,069,112
<b>Small Population County Augmentation Funds</b>	\$0
<b>Home Visiting Coordination Funds</b>	\$326,682
<b>Refugee Family Support Funds</b>	\$154,594
<b>Other First 5 California Funds</b>	\$0
<b>Other First 5 California Funds Description</b>	
<b>Other Public Funds</b>	\$6,624,401
<b>Other Public Funds Description</b> LA County DMH - to support home visiting services in SPAs 1 & 2 with enhanced referral pathways and licensed clinicians (\$3,419,943); LACOE - to co-lead QSLA Consortium (\$1,990,380) and to support the CA ECE Workforce Study (\$17,803); State of CA - CA Electronic Cigarette Excise Tax (\$906,273); LA County DPH - to support strategic communication efforts for AAIMM (\$290,001);	
<b>Donations</b>	\$0
<b>Revenue From Interest Earned</b>	\$13,204,033
<b>Grants</b>	\$0
<b>Grants Description</b>	
<b>Other Funds</b>	\$3,805,075
<b>Other Funds</b> Net Increase in Fair Value of Investments - unrealized gain on F5LA's County Investment Pool (\$3,805,000); Other Funds (\$75)	
<b>Total Revenue</b>	<b>\$79,620,291</b>

## Improved Family Functioning

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Family Support	CBO/Non-Profit	<ul style="list-style-type: none"> <li>Not Applicable (Other)</li> </ul>	58	212	0	\$106,792
Family Literacy and Book Programs	CBO/Non-Profit	<ul style="list-style-type: none"> <li>Little by Little</li> </ul>	50281	50281	0	\$1,427,235
					<b>Total</b>	<b>\$1,534,027</b>

## Improved Child Development

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
Quality Early Learning and Care Supports	County Office of Education/School District	<ul style="list-style-type: none"> <li>Quality Counts California</li> </ul>	0	0	284	\$2,129,729
<b>Reason for no population served:</b> Contracts served providers only						
Quality Early Learning and Care Supports	Resource and Referral Agency (COE or Non-Profit)	<ul style="list-style-type: none"> <li>Not Applicable (Other)</li> </ul>	0	0	145	\$209,086
<b>Reason for no population served:</b> Contracts served providers only						
					<b>Total</b>	<b>\$2,338,815</b>

# Improved Child Health

Service	Grantee	Program(s)	Children	Caregivers	Providers	Unique Families	Amount
Early Intervention	Research/Consulting Firm	<ul style="list-style-type: none"> <li>Not Applicable (Other)</li> </ul>	0	0	20	0	\$21,010
<b>Reason for no population served:</b> Contract served providers only							
Perinatal and Early Childhood Home Visiting	CBO/Non-Profit	<ul style="list-style-type: none"> <li>Healthy Families America</li> </ul>	468	1113	0	452	\$5,479,032
Perinatal and Early Childhood Home Visiting	CBO/Non-Profit	<ul style="list-style-type: none"> <li>Parents as Teachers</li> </ul>	399	804	0	385	\$2,810,344
Perinatal and Early Childhood Home Visiting	CBO/Non-Profit	<ul style="list-style-type: none"> <li>Welcome Baby</li> </ul>	4508	7170	0	5384	\$7,398,084
Perinatal and Early Childhood Home Visiting	Hospital/Health Plan	<ul style="list-style-type: none"> <li>Welcome Baby</li> </ul>	12908	24209	0	13329	\$14,255,832
Perinatal and Early Childhood Home Visiting	Resource and Referral Agency (COE or Non-Profit)	<ul style="list-style-type: none"> <li>Parents as Teachers</li> </ul>	281	682	0	282	\$2,291,368
Perinatal and Early Childhood Home Visiting	Research/Consulting Firm	<ul style="list-style-type: none"> <li>Welcome Baby</li> </ul>	0	0	0	0	\$25,672
<b>Reason for no population served:</b> This contract was new in FY 23-24 and had not yet started providing direct services.							
						<b>Total</b>	<b>\$32,281,342</b>

## Improved Systems Of Care

<b>Service</b>	<b>Grantee</b>	<b>Program(s)</b>	<b>Amount</b>
Policy and Public Advocacy	CBO/Non-Profit	<ul style="list-style-type: none"> <li>Resilient Families and Communities</li> </ul>	\$15,596,664
Policy and Public Advocacy	CBO/Non-Profit	<ul style="list-style-type: none"> <li>Not Applicable (Other)</li> </ul>	\$4,396,283
Policy and Public Advocacy	Research/Consulting Firm	<ul style="list-style-type: none"> <li>Child Health</li> </ul>	\$557,444
Policy and Public Advocacy	Research/Consulting Firm	<ul style="list-style-type: none"> <li>Early Learning</li> </ul>	\$169,960
Policy and Public Advocacy	Research/Consulting Firm	<ul style="list-style-type: none"> <li>Resilient Families and Communities</li> </ul>	\$655,870
Policy and Public Advocacy	Research/Consulting Firm	<ul style="list-style-type: none"> <li>Not Applicable (Other)</li> </ul>	\$1,109,071
Systems Building	CBO/Non-Profit	<ul style="list-style-type: none"> <li>Early Identification and Intervention</li> </ul>	\$362,432
Systems Building	CBO/Non-Profit	<ul style="list-style-type: none"> <li>Health Systems</li> </ul>	\$582,200
Systems Building	CBO/Non-Profit	<ul style="list-style-type: none"> <li>Not Applicable (Other)</li> </ul>	\$128,958
Systems Building	County Health & Human Services	<ul style="list-style-type: none"> <li>Early Identification and Intervention</li> </ul>	\$440,414
Systems Building	Family Resource Center	<ul style="list-style-type: none"> <li>Early Identification and Intervention</li> </ul>	\$110,467
Systems Building	Higher Education	<ul style="list-style-type: none"> <li>Not Applicable (Other)</li> </ul>	\$1,127,446
Systems Building	Hospital/Health Plan	<ul style="list-style-type: none"> <li>Early Identification and Intervention</li> </ul>	\$418,363
Systems Building	Hospital/Health Plan	<ul style="list-style-type: none"> <li>Health Systems</li> </ul>	\$3,540,840
<b>Total</b>			<b>\$31,046,230</b>

<b>Service</b>	<b>Grantee</b>	<b>Program(s)</b>	<b>Amount</b>
Systems Building	Hospital/Health Plan	<ul style="list-style-type: none"> <li>Trauma-Informed Care/ACES</li> </ul>	\$7,234
Systems Building	Other Public	<ul style="list-style-type: none"> <li>Early Identification and Intervention</li> </ul>	\$182,406
Systems Building	Other Public	<ul style="list-style-type: none"> <li>Not Applicable (Other)</li> </ul>	\$72,902
Systems Building	Research/Consulting Firm	<ul style="list-style-type: none"> <li>Early Identification and Intervention</li> </ul>	\$66,037
Systems Building	Research/Consulting Firm	<ul style="list-style-type: none"> <li>Health Systems</li> </ul>	\$101,252
Systems Building	Research/Consulting Firm	<ul style="list-style-type: none"> <li>Place-Based</li> </ul>	\$214,534
Systems Building	Research/Consulting Firm	<ul style="list-style-type: none"> <li>Not Applicable (Other)</li> </ul>	\$906,505
Systems Building	Research/Consulting Firm	<ul style="list-style-type: none"> <li>Early Identification and Intervention</li> </ul>	\$298,948
<b>Total</b>			<b>\$31,046,230</b>

## Expenditure Details

<b>Category</b>	<b>Amount</b>
Program Expenditures	\$67,200,414
Administrative Expenditures	\$17,347,380
Evaluation Expenditures	\$2,090,695
Total Expenditures	\$86,638,489
Excess (Deficiency) Of Revenues Over (Under) Expenses	(\$7,018,198)

## Other Financing Details

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

## Net Change in Fund Balance

<b>Category</b>	<b>Amount</b>
Fund Balance - Beginning	\$275,688,458
Fund Balance - Ending	\$268,670,260
Net Change In Fund Balance	(\$7,018,198)

## Fiscal Year Fund Balance

<b>Category</b>	<b>Amount</b>
Nonspendable	\$365,973
Restricted	\$0
Committed	\$72,416,202
Assigned	\$128,490,922
Unassigned	\$67,397,163
Total Fund Balance	\$268,670,260

## Expenditure Note

No data entered for this section as of 9/26/2024 10:51:06 AM.



**Annual Report AR-2**  
**Los Angeles Demographic Worksheet**  
**July 1, 2023 - June 30, 2024**

**Population Served**

<b>Category</b>	<b>Number</b>
Children Less than 3 Years Old	53,429
Children from 3rd to 6th Birthday	15,473
Children – Ages Unknown (birth to 6th Birthday)	1
Primary Caregivers	84,471
Providers	449
<b>Total Population Served</b>	<b>153,823</b>

## Primary Languages Spoken in the Home

Category	Number of Children	Number of Primary Caregivers
English	44,913	52,624
Spanish	23,267	26,416
Cantonese	6	10
Mandarin	15	28
Vietnamese	11	16
Korean	1	1
Other - Specify with text box Armenian	4	11
Other - Specify with text box American Sign Language	1	1
Other - Specify with text box Bengali	5	5
Other - Specify with text box Bosnian	1	1
Other - Specify with text box Creolo	1	1
Other - Specify with text box Dari	29	146
Other - Specify with text box French	1	1
Other - Specify with text box Hindi	3	3
Other - Specify with text box Hmong	1	2
Other - Specify with text box Khmer	30	38
Other - Specify with text box Pashto	6	22
Other - Specify with text box Portuguese	1	1
	148	
<b>Totals</b>	<b>68,903</b>	<b>84,471</b>

Category	Number of Children	Number of Primary Caregivers
Other - Specify with text box Punjabi	1	1
Other - Specify with text box Russian	1	1
Other - Specify with text box Tagalog	35	47
Other - Specify with text box Thai	1	1
Other - Specify with text box Ukrainian	18	30
Unknown	551	5,064
<b>Totals</b>	<b>68,903</b>	<b>84,471</b>

## Race/Ethnicity of Population Served

Category	Number of Children	Number of Primary Caregivers
Alaska Native/American Indian	11	27
Asian	3,721	4,501
Black/African-American	4,232	5,160
Hispanic/Latino	53,656	62,399
Middle Eastern or North African	8	1
Native Hawaiian or Other Pacific Islander	37	88
Two or more races	2,101	952
White	2,469	3,564
Other – Specify with text box Afghanistan	35	167
Other – Specify with text box African	2	2
Other – Specify with text box Algerian	1	0
Other – Specify with text box Armenia	4	10
Other – Specify with text box Belizean	0	2
Other – Specify with text box Bosnian	0	1
Other – Specify with text box Caribbean	0	1
Other – Specify with text box Columbian	1	1
Other – Specify with text box Creole	0	1
Other – Specify with text box Egyptian	3	0
<b>Totals</b>	<b>68,903</b>	<b>84,471</b>

<b>Category</b>	<b>Number of Children</b>	<b>Number of Primary Caregivers</b>
Other – Specify with text box Indian	0	1
Other – Specify with text box Italian	2	1
Other – Specify with text box Ivory Coast	0	1
Other – Specify with text box Kazakh	2	1
Other – Specify with text box Nigerian	1	0
Other – Specify with text box Punjabi	1	0
Other – Specify with text box Romanian	1	0
Other – Specify with text box Russian	0	1
Other – Specify with text box Ukrainian	18	30
Unknown	2,597	7,559
<b>Totals</b>	<b>68,903</b>	<b>84,471</b>

## Duplication Assessment

Category	Data
Degree of Duplication	15%
Confidence in Data	Somewhat confident
Additional Details (Optional)	We can see unduplicated counts within each grant, but we are not as confident across all grants. It is possible that some individuals were served by more than one grantee.



## Annual Report AR-3

### Los Angeles County Evaluation Summary and Highlights

July 1, 2023 - June 30, 2024

## County Evaluation Summary

### Evaluation Activities Completed, Findings, and Policy Impact

\*The Welcome Baby (WB) Study evaluated the virtual implementation of WB and its effects on families. Study compared pre-virtual/in-person (Jul 2018 to Dec 2020) and virtual (Apr 2020 to Dec 2022) home visiting (HV) services as well as WB and comparison families 10 months postpartum. After switching to virtual visits, WB program enrolled over 1,000 families per month—34% more than enrolled per month pre-virtual. Program completion rates increased from 42% (pre-virtual) to 53% when virtual visits were an option. Completion rates for Black /African American (Black) participants increased even more dramatically (from 29% to 46%) but were still lower than overall completion rates. Findings suggest that virtual services may make HV more accessible in terms of enrollment and completion, especially for Black families. At 10 months postpartum, WB participants were more likely to have a medical home (i.e., having both a doctor/nurse and a usual source for sick care) for themselves and their babies than comparison group. Findings will be used to inform improvements to WB virtual visits and support development and expansion of a universal system of voluntary HV that builds upon existing infrastructure. \*The HMG LA Pathways (HMG-LAP) Technical Assistance Provider evaluation assessed the HMG-LAP 3-year initiative's strategies to strengthen and expand the early identification and intervention (EII) system in LA County (LAC) through referral pathways. Seven community collaboratives were formed, each with a Unifying Agency (UA) that supported implementation of strategies. Findings show that UAs created a connected EII referral network—all grantees adopted electronic referral/intake portals and the number of referring partners increased from 40 to 124. Communication and tracking improved, with increases in the percentages of partners who regularly use the online referral system (up from 30% to 38%) and who find submitting and tracking referrals is easy (up from 67% to 76%). All UAs reported feeling prepared to sustain key strategies, including the use of online referral system, nurturing cross-sector partnerships, collecting and using data, and conducting outreach and education. Findings will be shared with CA Department of Developmental Services to advocate for and highlight the value of more streamlined referral systems and pathways. \*The EII Equity Listening Sessions and Strategy Development aimed to better understand the unique experiences of Black families when accessing EII services in LAC. Themes include: 1) access to EII services are affected by limited awareness and information sharing regarding these services; 2) Black families do not feel heard, seen or respected and attribute that to bias based on their race and social status; and 3) families find value in building community with other families to share experiences and support one another when accessing early intervention resources. Findings will be used by HMG LA to inform strategies, including practice and policy changes, to better serve Black families and reduce systemic inequities. \*The 2023 California Workforce Study explored the state of child care centers and family child care (FCC) providers. Surveys were conducted in 2020 and 2023 to measure individual- and site-level factors. The study found that there are challenges to finding and hiring staff with desired qualifications and offering higher compensation. Also, 48% of centers struggled to maintain enrollment in 2023, compared to 21% in 2020. In 2023, 69% of center teachers and assistants and 49% of FCC providers had high levels of stress on the Perceived Stress Scale. Among Black FCC providers, 60% reported high levels of stress. Educators described dealing with challenging behaviors, child/family well-being, difficulty with parents, and inadequate resources and/or staffing. Findings were used to inform LAC's Office for Advancement of ECC Infant Toddler Blueprint.

# County Highlights

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## County Highlight

The following accomplishments highlight First 5 LA's (F5LA) collaborative work with our partners to ensure that every child is born healthy and thrives in a nurturing, safe and loving community. Accomplishments are organized by the three goals in F5LA's 2024-2029 Strategic Plan. \*Goal 1 - Basic Needs Met: African American Infant and Maternal Mortality (AAIMM) Initiative continued their Village Fund Community Grantmaking to fund innovative, community-led strategies to support the well-being of Black birthing families. Examples of funded projects include new parent support groups, lactation & breastfeeding support, and community care circles. The four AAIMM Community Action Teams—regional collaboratives that engage their community to implement equity strategies—developed local action plans and continued to build organizational infrastructure. \*Goal 2 - Nurturing Relationships and Environments: F5LA focused on sustainability strategies for Home Visitation (HV) programs. Successful advocacy and systems change efforts resulted in diversified funding sources for HV services by partnering with systems like LA County (LAC) Department of Public Health and Department of Mental Health. HV providers strengthened collaborations with agencies to provide resources for LAC communities and families. \*Goal 3 - Foundation for Well-Being and Lifelong Success: The Dual Language Learner (DLL) communications campaign successfully disseminated messages about the benefits and value of bilingualism. In partnership with over 400 community partners, ~45,000 culturally and linguistically appropriate brochures were distributed in 7 languages. Families were reached through multilingual videos to empower caregivers raising DLL children, and through a mix of outdoor media (bus benches, billboards), print publications, radio and tv stations.



# First 5 LA Annual Report to the State, FY 23-24 Results

October 10, 2024

HaRi Kim Han, Impact and Accountability Department

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# Objectives

1. Share overview of Annual Report
2. Review sections from First 5 LA's Annual Report
  - Revenue and Expenditure Summary
  - County Highlights & Evaluation Summary
3. Provide an overview of next steps



# Background on the Annual Report

**Section 1**  
Revenue and Expenditure  
Summary

**Section 2**  
Demographic Worksheet

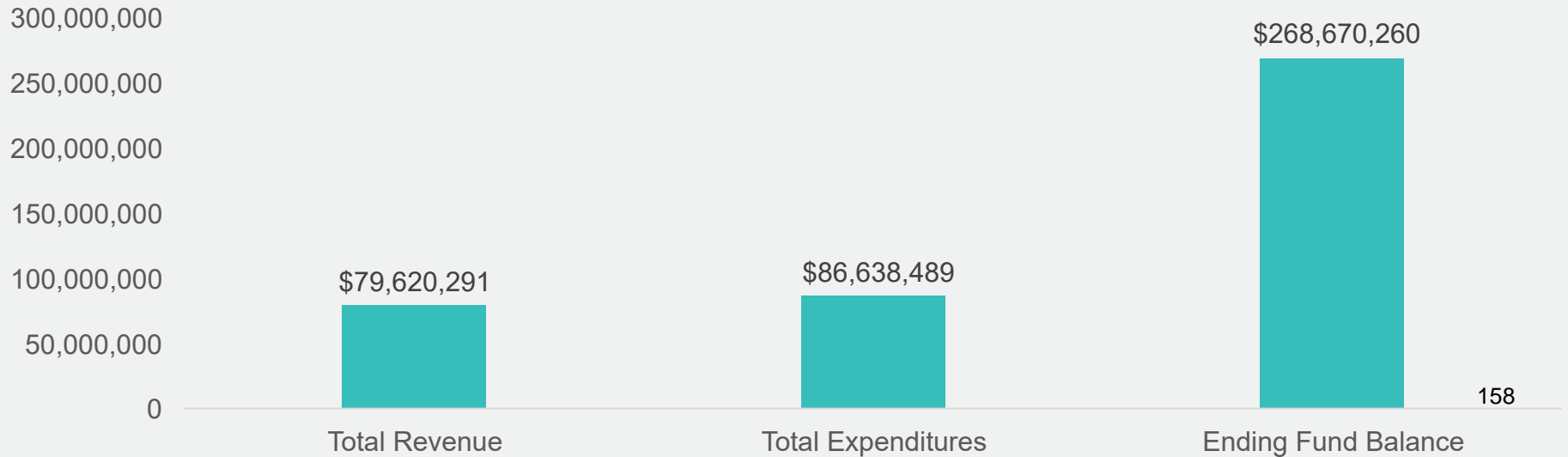
**Section 3**  
County Highlights &  
Evaluation Summary

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In FY 23-24, there was a difference of over \$7 million between expenditures and revenues, resulting in an ending fund balance of around \$268 million.

### First 5 LA Revenue, Expenditures, and Ending Fund Balance

■ FY 23-24





## County Highlights & Evaluation Summary

### County Highlights:

- African American Infant and Maternal Mortality (AAIMM)
- Home Visitation Sustainability Efforts

### Evaluation Summary:

- Welcome Baby Study
- Early Identification & Intervention Listening Sessions

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## Next Steps

### Receive Board Approval

October 10th

### Submit Annual Report to First 5 CA

By October 31st

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# Questions?



Item 8 October 10th, 2024  
Special Program and Planning Committee Meeting

## Recommendations on Long-term Financial Plan to align with the new FY 2024/29 Strategic Plan

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# Agenda

- Sustainability Framework
- Background & Guiding Principles
- Recap & Recommended Long-Term Financial Plan (LTFP) Options
- LTFP Implementation
- Next Steps
- Questions

# Sustainability Framework

## First 5 LA Sustainability Efforts toward Our Mission

### Maximize First 5 LA Assets

#### Operations

- Leasing portion of building
- Maximizing staff capabilities and current technology
- Cost efficiency
- Optimizing use of Fund Balance and Maximizing its investments

#### Investment Strategy

- Maximizing current investments with a return-on-investment approach integrated with exit strategies or leveraging external funding streams (programs)

### Alternative Revenue Strategies

#### Policy Advocacy

- Lead and support monitoring of local, state, and federal policies

#### Business Models

- Assessing use of different business models (e.g., fiscal intermediary, etc.)

#### Collective Impact

- Partnering with other organizations to pool funding

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# Background

## Adopted LTFP:

- Adopted in FY 2019/20 to support FY 2020/28 Strategic Plan.
- Established declining annual spending limits.
- Original plan did not account for the passage of Prop 31.

# Guiding Principles

Revise LTFP to:

- Plan F5LA's resources for the greatest impact on our youngest children and their families.
- Provide much needed consistency, stability and longer-term contracts for our partners' work in our communities with our youngest children and their families.
- Ensure alignment and adequate resources to implement the new FY 2024/29 Strategic Plan.

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## Recap - Direction for the LTFP

For Strategic Long -Term Impact

A. \$50 Million B. \$55 Million C. \$60 Million D. \$65 Million

For Partners & Community Stability – Available Fund Balance by FY2034/35

A. \$100 + Million B. \$100 Million C. \$50 Million D. Zero

## Recap - Direction for the LTFP (continued)

For Strategic Long-Term Impact - Timing (by when)

A. FY 2025/26 B. FY 2026/27 C. FY 2027/28 D. FY 2028/29

For Partners & Community Funding Stability - Size of Reserve (% of budget)

✓ A. 50% (6 months) B. 25% (3 months)

# Updated LTFP Recommendations

For Strategic Long -Term Impact (Estimated demand on F5LA's resources)

A. \$55 Million   B. \$60 Million

For Partners & Community Stability – Available Fund Balance by FY2034/35

A. \$80 + Million   B. \$30 + Million

For Strategic Long-Term Impact – Timing (by when)

✓ A. FY 2027/28

For Partners & Community Funding Stability – Size of Reserve (% of budget)

✓ A. 50% (6 months)

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# LTFP Recommended Option - Aligning to \$55 Million

Long Term Financial Plan - Multi-Year Detail												
Beginning Fund Balance as of July 1	\$ 299,627,941	\$ 267,068,772	\$ 242,174,969	\$ 219,069,167	\$ 205,480,796	\$ 200,617,554	\$ 193,668,807	\$ 184,695,682	\$ 173,756,380	\$ 160,906,292	\$ 146,198,119	\$ 129,681,978
Annual Projected Revenue	PROPOSED BUDGET FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35
Proposition 10 Tax Allocations	\$ 53,998,409	\$ 54,553,223	\$ 52,234,711	\$ 50,014,736	\$ 47,889,110	\$ 45,853,822	\$ 43,905,035	\$ 42,039,071	\$ 40,252,410	\$ 38,541,683	\$ 36,903,661	\$ 35,335,256
Adjustment in Response to Proposition 56 Trend		(545,532)	(522,347)	(500,147)	(478,891)	(458,538)	(439,050)	(420,391)	(402,524)	(385,417)	(369,037)	(353,353)
Other Revenue	8,288,000	9,275,000										
Interest Earnings	4,271,246	3,544,900	3,181,834	2,897,040	2,726,539	2,655,969	2,560,891	2,442,018	2,300,026	2,135,561	1,949,234	1,741,630
<b>Total Projected Revenue</b>	<b>\$ 66,557,655</b>	<b>\$ 66,827,590</b>	<b>\$ 54,894,198</b>	<b>\$ 52,411,629</b>	<b>\$ 50,136,758</b>	<b>\$ 48,051,253</b>	<b>\$ 46,026,875</b>	<b>\$ 44,060,698</b>	<b>\$ 42,149,912</b>	<b>\$ 40,291,827</b>	<b>\$ 38,483,859</b>	<b>\$ 36,723,534</b>
<b>TOTAL ESTIMATED DEMAND ON FSLA'S RESOURCES</b>	<b>\$ 99,116,824</b>	<b>\$ 91,721,393</b>	<b>\$ 78,000,000</b>	<b>\$ 66,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>
			-15%	-15%	-17%	0%						
<b>TOTAL ESTIMATED SPENDING IN EXCESS OF REVENUES</b>	<b>\$ 32,559,169</b>	<b>\$ 24,893,803</b>	<b>\$ 23,105,802</b>	<b>\$ 13,588,371</b>	<b>\$ 4,863,242</b>	<b>\$ 6,948,747</b>	<b>\$ 8,973,125</b>	<b>\$ 10,939,302</b>	<b>\$ 12,850,088</b>	<b>\$ 14,708,173</b>	<b>\$ 16,516,141</b>	<b>\$ 18,276,466</b>
<b>PROJECTED ENDING FUND BALANCE</b>	<b>\$ 267,068,772</b>	<b>\$ 242,174,969</b>	<b>\$ 219,069,167</b>	<b>\$ 205,480,796</b>	<b>\$ 200,617,554</b>	<b>\$ 193,668,807</b>	<b>\$ 184,695,682</b>	<b>\$ 173,756,380</b>	<b>\$ 160,906,292</b>	<b>\$ 146,198,119</b>	<b>\$ 129,681,978</b>	<b>\$ 111,405,512</b>
<b>Reserve - Organizations Approved Budget</b>	<b>\$ 49,558,412</b>	<b>\$ 45,860,697</b>	<b>\$ 39,000,000</b>	<b>\$ 33,000,000</b>	<b>\$ 27,500,000</b>	<b>\$ 27,500,000</b>	<b>\$ 27,500,000</b>	<b>\$ 27,500,000</b>	<b>\$ 27,500,000</b>	<b>\$ 27,500,000</b>	<b>\$ 27,500,000</b>	<b>\$ 27,500,000</b>
<b>PROJECTED AVAILABLE ENDING FUND BALANCE</b>	<b>\$ 217,510,360</b>	<b>\$ 196,314,273</b>	<b>\$ 180,069,167</b>	<b>\$ 172,480,796</b>	<b>\$ 173,117,554</b>	<b>\$ 166,168,807</b>	<b>\$ 157,195,682</b>	<b>\$ 146,256,380</b>	<b>\$ 133,406,292</b>	<b>\$ 118,698,119</b>	<b>\$ 102,181,978</b>	<b>\$ 83,905,512</b>

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# LTFP Recommended Option - Aligning to \$60 Million

First 5 LA												
Long Term Financial Plan - Multi-Year Detail												
Beginning Fund Balance as of July 1	\$ 299,627,941	\$ 267,066,156	\$ 242,172,323	\$ 217,065,523	\$ 199,451,176	\$ 189,513,163	\$ 177,428,748	\$ 163,258,328	\$ 147,059,363	\$ 128,886,496	\$ 108,791,670	\$ 86,824,237
Annual Projected Revenue	PROPOSED BUDGET FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35
Proposition 10 Tax Allocations	\$ 53,998,409	\$ 54,553,223	\$ 52,234,711	\$ 50,014,736	\$ 47,889,110	\$ 45,853,822	\$ 43,905,035	\$ 42,039,071	\$ 40,252,410	\$ 38,541,683	\$ 36,903,661	\$ 35,335,256
Adjustment in Response to Proposition 56 Trend		(545,532)	(522,347)	(500,147)	(478,891)	(458,538)	(439,050)	(420,391)	(402,524)	(385,417)	(369,037)	(353,353)
Other Revenue	8,288,000	9,275,000										
Interest Earnings	4,268,630	3,544,868	3,180,836	2,871,065	2,651,769	2,520,301	2,363,595	2,182,354	1,977,247	1,748,908	1,497,942	1,224,922
<b>Total Projected Revenue</b>	<b>\$ 66,555,039</b>	<b>\$ 66,827,559</b>	<b>\$ 54,893,200</b>	<b>\$ 52,385,653</b>	<b>\$ 50,061,987</b>	<b>\$ 47,915,585</b>	<b>\$ 45,829,580</b>	<b>\$ 43,801,035</b>	<b>\$ 41,827,133</b>	<b>\$ 39,905,174</b>	<b>\$ 38,032,567</b>	<b>\$ 36,206,826</b>
<b>TOTAL ESTIMATED DEMAND ON FSLA'S RESOURCES</b>	<b>\$ 99,116,824</b>	<b>\$ 91,721,392</b>	<b>\$ 80,000,000</b>	<b>\$ 70,000,000</b>	<b>\$ 60,000,000</b>	<b>\$ 60,000,000</b>	<b>\$ 60,000,000</b>	<b>\$ 60,000,000</b>	<b>\$ 60,000,000</b>	<b>\$ 60,000,000</b>	<b>\$ 60,000,000</b>	<b>\$ 60,000,000</b>
			-13%	-13%	-14%	0%						
<b>TOTAL ESTIMATED SPENDING IN EXCESS OF REVENUES</b>	<b>\$ 32,561,785</b>	<b>\$ 24,893,833</b>	<b>\$ 25,106,800</b>	<b>\$ 17,614,347</b>	<b>\$ 9,938,013</b>	<b>\$ 12,084,415</b>	<b>\$ 14,170,420</b>	<b>\$ 16,198,965</b>	<b>\$ 18,172,867</b>	<b>\$ 20,094,826</b>	<b>\$ 21,967,433</b>	<b>\$ 23,793,174</b>
<b>PROJECTED ENDING FUND BALANCE</b>	<b>\$ 267,066,156</b>	<b>\$ 242,172,323</b>	<b>\$ 217,065,523</b>	<b>\$ 199,451,176</b>	<b>\$ 189,513,163</b>	<b>\$ 177,428,748</b>	<b>\$ 163,258,328</b>	<b>\$ 147,059,363</b>	<b>\$ 128,886,496</b>	<b>\$ 108,791,670</b>	<b>\$ 86,824,237</b>	<b>\$ 63,031,062</b>
<b>Reserve - Organizations Approved Budget</b>	<b>\$ 49,558,412</b>	<b>\$ 45,860,696</b>	<b>\$ 40,000,000</b>	<b>\$ 35,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 30,000,000</b>
<b>PROJECTED AVAILABLE ENDING FUND BALANCE</b>	<b>\$ 217,507,744</b>	<b>\$ 196,311,627</b>	<b>\$ 177,065,523</b>	<b>\$ 164,451,176</b>	<b>\$ 159,513,163</b>	<b>\$ 147,428,748</b>	<b>\$ 133,258,328</b>	<b>\$ 117,059,363</b>	<b>\$ 98,886,496</b>	<b>\$ 78,791,670</b>	<b>\$ 56,824,237</b>	<b>\$ 33,031,062</b>

# LTFP Recommended Options

Options	By _____.	F5LA will become a \$____ organization,	With a projected “Available Fund Balance” of roughly \$____ by FY 34/35.	Average year to year reduction between FY 25/26 through FY 27/28.
1	FY 27/28	\$55 Million	\$84 Million	15.6%
2	FY 27/28	\$60 Million	\$33 Million	13.3%

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## Implementation & Next Steps

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# LTFP Implementation via Annual Budget Development

- Resources will be aligned to final set of tactics under the FY 2024-29 Strategic Plan via the annual budget development process.
- Resources for programs and operations will be adjusted appropriately and proportionately year to year to meet the needs of the organization and our work with partners.
- New adopted LTFP will be grounded in the annual budget process.

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## LTFP Implementation via Annual Budget Development (continued)

- Secured resources from our Sustainability Framework efforts will be reflected through our annual LTFP updates and budget development.
- Management to review and update the board annually to ensure fidelity to the direction of the approved LTFP.

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# Board Discussion & Action

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# Next Steps

- Update LTFP to reflect board action.
- Update LTFP to reflect board approved audited FY 2023/24 actuals (revenues & expenditures) and year end fund balance.

**FIRST 5 LA**

**SUBJECT:**

Consideration of Lease Agreement with the County of Los Angeles on behalf of the Department of Public Health for the Lease of the 2<sup>nd</sup> Floor of the First 5 LA Building located at 750 N. Alameda Street, Los Angeles, CA 90012.

**RECOMMENDATION:**

Approve the proposed Lease Agreement in substantial form with the County of Los Angeles (County) on behalf of the Department of Public Health (DPH) for the lease of the 2<sup>nd</sup> floor of the First 5 LA building located at 750 N. Alameda Street, Los Angeles, CA 90012, and authorize the First 5 LA President & CEO to further negotiate, revise, finalize, and execute the Lease Agreement on behalf of the Board.

**BACKGROUND:**

With the passage of Proposition 31 which bans the sale of certain flavored tobacco products, First 5 LA's fiscal reality of already declining revenue will be accelerated. First 5 LA is diligently taking necessary steps to plan for the future given this fiscal reality. At the September 14, 2023 Board of Commissioners meeting, a Sustainability Framework was presented with the purpose to plan ahead. The Framework encompasses a plan to maximize First 5 LA's assets which includes our building. Leasing the 2<sup>nd</sup> floor would provide additional revenue that would help address the fiscal reality over a multi-year lease term.

First 5 LA has explored leasing opportunities with two potential tenants that are mission aligned. Last September First 5 LA has received a non-binding Letter of Intent and draft Lease Agreement for First 5 LA's 2<sup>nd</sup> floor from the County on behalf of the DPH. The terms are currently in negotiation and are within or above the guidance set by the Board with respect to price and terms of payment. Both parties are estimating a mid to late December completion date for a fully negotiated Lease Agreement. This will allow lead time for the County approvals for a fully executed lease estimated to be in Q1 of calendar year 2025.

In order to meet these estimated timelines, staff is requesting that the Board approve the attached Lease Agreement in substantial form and authorize the President & CEO to further negotiate, revise, finalize, and execute the Lease Agreement on behalf of the Board with the County on behalf of the DPH for the lease of the 2<sup>nd</sup> floor of the First 5 LA building at 750 N. Alameda Street, Los Angeles, CA 90012.

# Sustainability Framework

## First 5 LA Sustainability Efforts toward Our Mission

### Maximize First 5 LA Assets

#### Operations

- Leasing portion of building
- Maximizing staff capabilities and current technology
- Cost efficiency
- Optimizing use of Fund Balance and Maximizing its investments

#### Investment Strategy

- Maximizing current investments with a return-on-investment approach integrated with exit strategies or leveraging external funding streams (programs)

### Alternative Revenue Strategies

#### Policy Advocacy

- Lead and support monitoring of local, state, and federal policies

#### Business Models

- Assessing use of different business models (e.g., fiscal intermediary, etc.)

#### Collective Impact

- Partnering with other organizations to pool funding

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**FIRST 5 LA**

**SUBJECT:**

Policy to delegate authority to the President & CEO of First 5 LA for the administration of human resources, including: (1) organizational structure, (2) personnel (hiring, discipline, termination and evaluation), (3) compensation.

**BACKGROUND:**

With the Board of Commissioner's approval of the new 2024-2029 strategic plan in November of 2023, followed by the organizational restructuring that occurred to align internal staff functions to the goals, objectives and strategies identified in the strategic plan, it's timely to bring forward a policy clarifying the delegation of authority to the President & CEO for general administration of human resources, including: (1) organizational structure, (2) personnel, and (3) compensation.

In addition, in a management letter provided to the organization as part of the FY 2022/23 audit, the auditors recommended a best practice of establishing a Board-approved policy clarifying this delegation of responsibility to the President & CEO to ensure maximum transparency.

In addition to the attached policy being brought forward for Board consideration and eventual action at the November Board meeting, it's also important to point out that any financial impact of decisions made in general human resources administration, personnel, or compensation will continue to be clearly spelled out as part of the annual budget development process.

**NEXT STEPS:**

Given the purview of the Board's Executive Committee in First 5 LA's Bylaws, staff brought this policy to the Executive Committee at its September 12, 2024, meeting for their advice and input. After discussion with the Executive Committee, the policy is being presented to the full Board as an informational item in October and will then be brought back to the Board as an action item at the November meeting.



October 10, 2024  
Board of Commissioners Meeting

# Policy on Compensation & General Human Resources Procedures

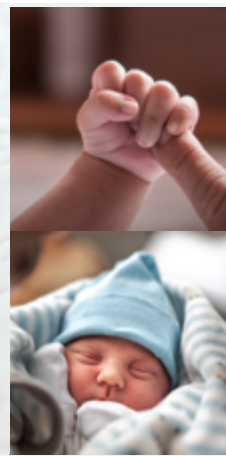
Gala Collins, Director of Human Resources  
John Wagner, Executive Vice President

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Policy on Compensation  
& General Human  
Resources Procedures  
was discussed in the  
Executive Committee on  
September 12, 2024

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# Objectives

1. Introduction of the Policy on Compensation & General Human Resources Procedures
2. Overview of the Board approved 2014 Compensation Study
3. Significance of bringing forth this Policy
4. Continued Board approval
5. Next Steps



# Introduction of the Policy on Compensation & General Human Resources Procedures

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# Introduction of the Policy on Compensation & General Human Resources Procedures

- Policy will clearly delegate authority to the President & CEO for general administration and management of human resources, which includes planning, management, and oversight of the organizational structure, personnel, and compensation.

# Introduction of the Policy on Compensation & General Human Resources Procedures

- Organizational Structure refers to hierarchy of authority (chain of command, span of control), decision making and delegation of authority within the organization, division of work (determination of jobs, departments, functions, and job placement within the organization), job reclassifications, job descriptions, and organizational culture (norms, practices, values, and beliefs of the organization).
- Examples include decisions on how the organization is structured, the naming conventions of the centers, departments and jobs in the organization, what jobs are needed in the organization, and the duties included in the job description.

# Introduction of the Policy on Compensation & General Human Resources Procedures

- Personnel refers to policies, procedures, and practices impacting recruitment and hiring, onboarding and orientation, employment terms, performance management, training and development, employee conduct, health and safety, employee relations, termination and resignation, employee records and privacy, and diversity, equity, and inclusion.
- Examples include decisions on candidate selection, salary offered within the salary range to a candidate, when and how we conduct our employee performance evaluations and what training is provided to employees.

# Introduction of the Policy on Compensation & General Human Resources Procedures

- Compensation includes both salaries and benefits. Compensation refers to salaries and wages, adjustments to salary, updates to salary structure and ranges, promotions, pay for performance (merit), and cost of living adjustments(COLA). Benefits include any form of indirect compensation to employees such as medical, dental and vision insurance, employee assistance program (EAP), life insurance, disability insurance, retirement plans, wellness programs, commuter benefits, general leave (holidays, vacation days, sick leave, bereavement, etc.) health/flexible savings accounts (H/FSA's), relocations benefits.
- Examples include decisions on merit allocation, up to the merit amount approved in the budget, based on different levels of performance, selection of medical, dental, and vision providers, updating commuter benefits based on updated parking rate information.

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# 2014 Compensation Study & Philosophy

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# 2014 Compensation Study

- In 2014, The Hay Group (now Korn Ferry) completed a comprehensive compensation study for First 5 LA.
- Based on the results of the compensation study:
  - The Board approved a compensation philosophy which provides guidelines for how First 5 LA should approach staff compensation and is still relevant today.
  - Aligned with the compensation philosophy, the Board also endorsed a formal salary classification system which, with regular adjustments, is still in use today.

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# First 5 LA's Compensation Philosophy

## External Competitiveness

- Develop a compensation program informed by an understanding of how First 5 LA's base pay practices and benefits compare to other organizations in First 5 LA's market for talent.

## Alignment with Best Practices

- Align existing compensation practices with appropriate levels of base pay upon analysis of internal and external data, taking into account emerging and best practices in the market.

## Internal Equity

- Achieve an appropriate alignment of positions and compensation in an internally fair and equitable manner based on job content and responsibility.

## Reward for Performance

- While recognizing equity-based job content, also reward talented and high-performing employees.

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Why is this  
important now?

## Why is this important now?

- With the Board's approval of the new 2024-2029 Strategic Plan, followed by the organizational restructure to align staff functions to the goals, objectives and strategies in the strategic plan. It's timely to bring forward a policy clarifying the delegation of authority to the President & CEO for general administration of human resources.
- In a management letter, as part of the FY 2022/23 audit, the auditors recommend a best practice of establishing a Board-approved policy clarifying the delegation of authority to the President & CEO to ensure maximum transparency.



# Continued Board Approval

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## Board Approval

- ✓ Per our Bylaws, the President & CEO will continue to engage the Executive Committee for their “advice and consent” on personnel and compensation matters.
- ✓ The Board will continue to approve the annual budget, and any financial impact of decisions made will be clearly stated as part of the annual budget development process.
- ✓ Accountability for public funds will always be taken in consideration.

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# Next Steps

## Next Steps

- November 14, 2024 – Commission Meeting (Action)
  - Action Item: Policy on Compensation and General Human Resources Procedures is presented to the Board for action

# Los Angeles County Children and Families First Proposition 10 Commission

## PURPOSE

In addition to regularly managing the human resources of an organization, it is considered a best practice to periodically review an organization's compensation framework in comparison to the external market. This policy clarifies the delegation of authority to the President & CEO for general administration and management of human resources, including but not limited to areas described within this policy. Except for the President & CEO who reports to the Board of Commissioners, this policy covers all First 5 LA employees, reporting to the President & CEO.

## BACKGROUND

For purposes of this policy, the general administration and management of human resources is delegated to the President & CEO and includes planning, management, and oversight of: (1) the internal organizational structure, (2) personnel, and (3) compensation.

### Internal Organizational Structure:

Internal organizational structure includes but is not limited to hierarchy of authority (chain of command, span of control), decision making and delegation of authority within the organization, division of work (determination of jobs, departments, functions, and job placement within the organization), job reclassifications, job descriptions, organizational culture (norms, practices, values, and beliefs of an organization).

### Personnel

Personnel refers to policies, procedures, and practices impacting recruitment and hiring, onboarding and orientation, employment terms, performance management, training and development, employee conduct, health and safety, employee relations, termination and resignation, employee records and privacy, and diversity, equity, and inclusion.

### Compensation:

Compensation includes both salaries and benefits. Compensation refers to but is not limited to salaries and wages, adjustments to salary, updates to salary structure and ranges, promotions, pay for performance (merit), and cost of living adjustments (COLA). Benefits include but are not limited to any form of indirect compensation to employees, in addition to base salaries and wages, such as medical, dental and vision insurance, employee assistance program (EAP), life insurance, disability insurance, retirement plans, wellness programs, commuter benefits, general leave (holidays, vacation days, sick leave, bereavement, etc.), health/flexible savings accounts (H/FSA's), relocation benefits, etc. \*

In 2014, First 5 LA undertook a comprehensive Compensation Study. On October 9, 2014, the Board of Commissioners approved the organization's Compensation Philosophy, which provides guidelines for how the President & CEO should approach the overall administration of the compensation of staff, taking into account:

1. **External Competitiveness**
2. **Alignment with Best Practices**

3. **Internal Equity**
4. **Reward for Performance**

In addition to approving the Compensation Philosophy, the Board endorsed a formal salary classification system and modified salary and benefits system which, with regular adjustments, continues to this day. Furthermore, First 5 LA's overall administration of Human Resources is regularly updated to comply with all applicable local, state, and federal laws.

When modifying or updating compensation and benefits, accountability for public funds is always taken into consideration.

#### **APPLICATION**

These guidelines apply to all employees of First 5 LA, below the level of the President & CEO. The President & CEO will work with their leadership team to update internal policies and procedures, as needed in the areas of general administration of human resources, personnel and compensation. Any fiscal impacts to the organization's budget will be clearly presented as part of the annual budget development process to the Board.

The Executive Committee will provide advice and feedback to the President & CEO regarding personnel and compensation issues as aligned to the organization's Bylaws.

***\*Any such reference is discretionary on the part of F5LA and no right or expectation shall be inferred or implied from the existence from this policy.***

**First 5 LA**

**SUBJECT:**

Information regarding the development of the 2025-2029 Policy Agenda.

**RECOMMENDATION (FOR INFORMATION):**

This memo is provided as information for the Board's consideration at the October 10, 2024, Board of Commissioner's Meeting. First 5 LA staff recommends the Board approve the 2025-2029 Policy Agenda at the November 14, 2024, Board of Commissioners meeting.

**BACKGROUND:**

In partnership with others, First 5 LA's Public Policy and Early Care & Education (PPECE) department executes policy and advocacy strategies to advance policies that strengthen early childhood systems of support at the local, state, and federal levels of government on behalf of LA County's youngest children and their families. To support this work, the First 5 LA Board of Commissioners has approved First 5 LA's policy agendas to authorize First 5 LA staff to take positions on specific policy proposals (administrative, legislative, budget).

First 5 LA uses the Policy Agenda to inform and prioritize legislative, budget, and administrative advocacy efforts to align with the organization's strategic priorities, and to clarify the local, state, and federal policy proposals in which First 5 LA engages. PPECE also uses the Policy Agenda as the guide for formal analysis of policy proposals and the blueprint to develop recommendations.

**DISCUSSION:**

The purpose of the conversation at the October Board meeting will be to provide an update on the development of a new multi-year, 2025-2029 Policy Agenda aligned with the 2024-2029 Strategic Plan. The creation of the Policy Agenda is directly informed by the work of the organization to implement the 2024-2029 Strategic Plan, and First 5 LA's initiatives and overarching goals to promote the full developmental potential of LA County's young children. The goals include children prenatal to age 5 and their families having their basic needs met, having nurturing relationships and environments, and having a solid foundation for well-being, lifelong learning, and success. Embedded within these goals are specific objectives and tactics, which support the implementation of the goals and directly guide how PPECE identifies legislative, budgetary, and administrative policy opportunities at the beginning of the next legislative and budget cycle, and through 2029. The Policy Agenda reflects First 5 LA's values – striving for *impact*, operationalizing *equity*, informed through *partnership*, and underscored by *integrity* and the effective use of our resources. Moreover, the Policy Agenda recognizes that communities face different opportunities and challenges – as such, a targeted universalism approach will help focus on multiple forms of engagement in all policy areas but also leverage these opportunities to tailor our advocacy efforts to the needs of specific communities, in order to support equitable outcomes for all children and families in LA County.

PPECE will review Commissioner feedback on the draft document and return it to the Board at the November 14, 2024, board meeting to ask for approval and adoption of the 2025-2029 Policy Agenda.



# 2025-2029 Policy Agenda

Ofelia Medina, Senior Policy Strategist  
Jamie Zamora, Senior Government Affairs Strategist  
October 10, 2024

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# Discussion Overview

## Policy Agenda Purpose

- Informs policy & advocacy work

## 2025-2029 Policy Agenda

- 2024-2029 Strategic Plan
- Guided by Values
- Targeted Universalism Approach
- Policy Priorities

## 2025 Advocacy Roadmap

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## Questions

# First 5 LA Policy Agenda: Purpose

## HIGH-LEVEL POLICY GOALS THAT ALIGN WITH AND ADVANCE THE 2024-2029 STRATEGIC PLAN.

Authorizes First 5 LA's policy and advocacy work, informing where First 5 LA leads, supports or does not engage on policy issues.

Recognizes the full range of policy changes necessary to achieve desired outcomes, including budget items, legislation, and administrative change.

Guides First 5 LA public policy analysis and policy proposal development.

Supports efforts to both advance long-term policy change and respond to short-term needs, issues, and opportunities.

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# Alignment to 2024-2029 Strategic Plan

- Moving from an annual policy agenda to a multi-year Policy Agenda from 2025-2029 to align with the current First 5 LA Strategic Plan.
- Goals will be used to frame the Policy Agenda and Policy Priorities will reflect each objective.
- PPECE will continue to develop an annual Advocacy Agenda that will include budget, legislative, and administrative priorities for the year.
- Advocacy Agenda priorities will be presented to the Board each year to ensure continued alignment to the 2024-2029 Strategic Plan.

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# 2025-2029 Policy Agenda: Guided by Values

Impact

We remain curious, open to new ideas, adaptable to improve and unwavering in our pursuit of lasting results for young children and their families.

Equity

We honor the wisdom of our communities, recognizing that their assets hold the key to dismantling systemic barriers and forging a path to racial justice, as we champion opportunity for all.

Partnership

We inspire collective action built on trusting relationships, diverse perspectives, humility and mutual respect..

Integrity

We are accountable for results, ensure the most effective use of public resources and reflect on our actions.

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# 2025-2029 Policy Agenda: Targeted Universalism

In alignment with F5LA's 2024-2029 Strategic Plan, the 2025-2029 Policy Agenda utilizes a targeted universalism approach.

- Universal policy priorities focused on all children prenatal to age 5 and their families in Los Angeles County.
- Identified targeted advocacy priorities to address disproportionality.

# 2025-2029 Policy Agenda



## Children prenatal to age 5 and their families have their basic needs met.

- Support policies to address the access, sustainability, and accountability of perinatal care systems to reduce maternal and infant mortality and ensure healthy and joyous births.
- Strengthen safety net policies that provide long-term support to reduce poverty and promote economic stability.
- Promote comprehensive housing policies and systems to ensure access to stable homes.

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# 2025-2029 Policy Agenda



## Children prenatal to age 5 have nurturing relationships and environments.

- Ensure policy efforts increase mental health screening, treatment, and accountability to address challenges faced by birthing and postpartum people
- Promote policies and practices that increase access to healthy food options and food insecurity.
- Elevate policies aimed at enhancing and funding access to safe parks and open spaces.

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# 2025-2029 Policy Agenda

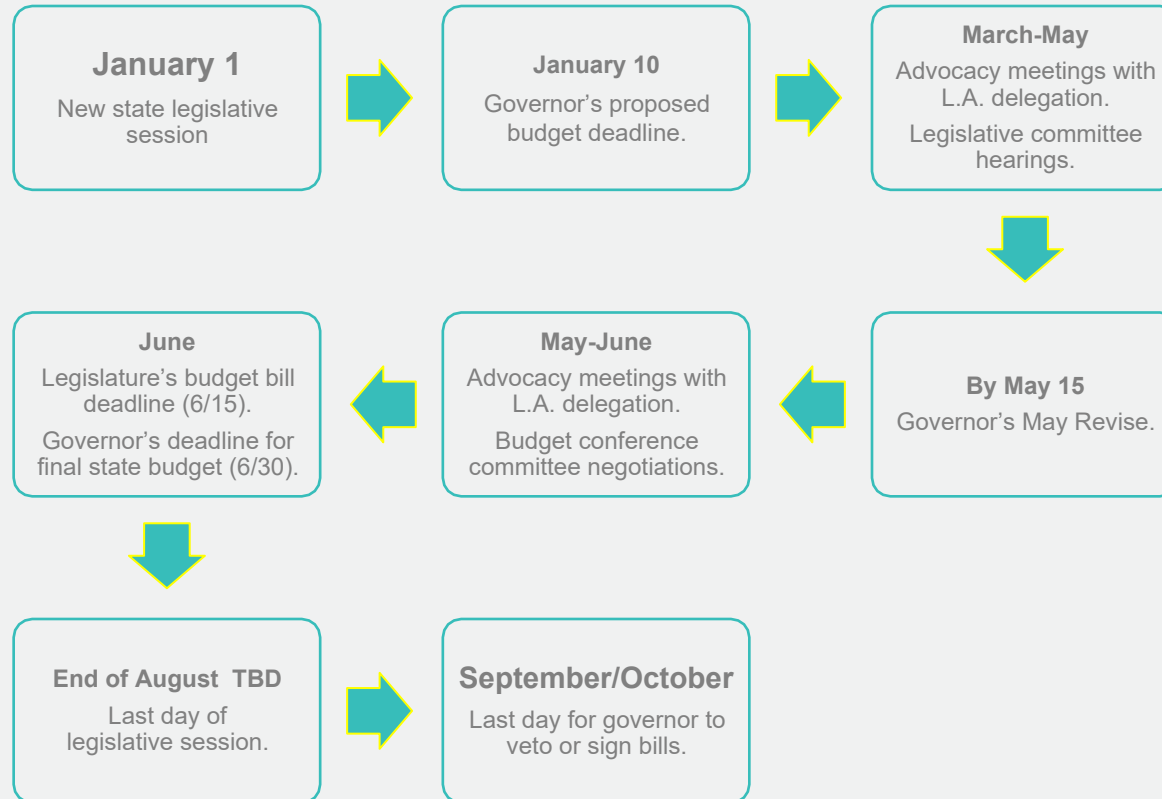


**Children prenatal to age 5 have a solid foundation for well-being, lifelong learning and success.**

- Advance policies, practices, and public investment to strengthen the mixed-delivery system and increase family choice.
- Amplify policies that ensure health systems are robust and coordinated, and accountable for delivering early intervention services.
- Advocate for policies that support culturally affirming care, services, and supports that meet diverse needs.

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# 2025 Advocacy Roadmap





## Question for Discussion

- Does the updated 2025-2029 Policy Agenda have the greatest impact for children and families?

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**First 5 LA**

**SUBJECT:**

Annual Review of the First 5 LA Strategic Plan

**BACKGROUND:**

First 5 LA is funded through the voter-enacted Proposition 10, which was designed to support planning and decision making at the county level to ensure that the investments generated by the revenue address the diverse and unique needs of each county in California. To ensure accountability across the state, Proposition 10 requires certain annual procedures for each county commission as a condition for receiving Proposition 10 tobacco tax funds. Each year, First 5 LA is required to submit an annual report to First 5 California, conduct an annual audit, hold an annual review of First 5 LA's strategic plan, and hold that review as a public hearing if there are any changes to First 5 LA's strategic plan. Given there are no proposed changes in our strategic plan, this item will constitute the required annual review of the strategic plan and will not require a public hearing.

**DISCUSSION:**

The last public hearing of First 5 LA's strategic plan occurred during the September 28, 2023, Board of Commissioners Meeting. This discussion was followed by the Board's adoption of the new 2024-2029 strategic plan in November, 2024. Given we are not recommending any changes to the Board-adopted strategic plan and the identification of goals, objectives and strategies, this discussion in today's Board meeting will provide a brief update on work that has ensued since last November, focusing on the development of tactics. This update will serve as the annual review on First 5 LA's strategic plan, consistent with the Proposition 10 requirements.

**NEXT STEPS:**

During the October 2024 Board of Commissioners Meeting, staff will provide an annual review of work that has been undertaken on the Board-approved 2024-2029 strategic plan. There is no additional action required by the Board to fulfill the requirements of Proposition 10.



October 10, 2024  
Board of Commissioners Meeting

# Annual Review of 2024-29 Strategic Plan

John Wagner, Executive Vice President

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HEALTH AND SAFETY CODE SECTION  
130100-130155

(iii) The county commission shall, on at least an annual basis, be required to periodically review its county strategic plan and to revise the plan as may be necessary or appropriate.

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## Board-Approved Strategic Plan (Res. No. 2023-05)

- Board Approval November 10, 2023
  - Included **G**oals, **O**bjectives, **S**trategies
  - Included parameters for staff development of **T**actics
    1. Alignment to SP and potential impact
    2. Equity-driven planning process
    3. Cost-benefit and sustainability

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# Board Approved Strategic Plan Elements

**Vision:** We envision a future where every child is born healthy and thrives in a nurturing, safe and loving community.

**Mission:** We advocate for children and their families, amplify community voice and partner for collective impact so that every child in Los Angeles County reaches their full developmental potential throughout the critical years of prenatal to age 5.

GOALS	OBJECTIVES	STRATEGIES	TACTICS
<p>Children prenatal to age 5 and their families have their basic needs met.</p>	<p><b>Reduce</b></p> <ul style="list-style-type: none"> <li>- Infant Mortality</li> <li>- Poverty</li> <li>- Housing Insecurity</li> </ul>	<p>Catalyze <b>public policies</b> efforts at the local, state, and federal levels that prioritize the needs of children prenatal to age 5 and their families.</p>	<p>On an ongoing basis, identify and refine the tactics that advance our goals, objectives and strategies.</p>
<p>Children prenatal to age 5 have nurturing relationships and environments.</p>	<p><b>Increase</b></p> <ul style="list-style-type: none"> <li>- Supports for Maternal Depression</li> <li>- Choices for Healthy Foods</li> <li>- Parks &amp; Open Space</li> </ul>	<p>Collaborate with partners to <b>strengthen public systems,</b> services, and supports for children prenatal to age 5 and their families.</p>	<p><b>Universal Parameters:</b></p> <p><b>Alignment and Potential Impact</b></p> <p><b>Equity-Driven Planning Process</b></p>
<p>Children prenatal to age 5 have a solid foundation for well-being, lifelong learning and success.</p>	<p><b>Increase</b></p> <ul style="list-style-type: none"> <li>- Early Care &amp; Education</li> <li>- Early Intervention Services</li> <li>- Culturally Affirming Services</li> </ul>	<p>Partner with <b>communities to collaboratively grow a social movement</b> that elevates the needs of children prenatal to age 5 and their families.</p>	<p><b>Cost-Benefit and Sustainability</b></p>

# Milestone Calendar 2024



PHASE 1: INTERNAL ALIGNMENT				PHASE 2: STAKEHOLDERS				PHASE 3: FINALIZE TACTICS			
JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC

**Engage Organizational Leadership and Staff to Develop a Shared Approach to Developing Tactics**

- ✓ PREPARE INTERNAL DATA (I&A)
- ✓ DEVELOP INTERNAL PLANNING PROCESS

**Engage Community, Systems, & Policy Leaders to Gather Input and Feedback by Goals and Objectives**

- ✓ COMPLETE INTERNAL FACTOR + TACTIC ANALYSIS
- ✓ PLAN AND IMPLEMENT EXTERNAL COMMUNITY ENGAGEMENT
- ✓ INTEGRATE INTERNAL AND EXTERNAL TACTICS

**Finalize Tactics & Transition to Action**

- FINALIZE TACTICS
- BOARD PRESENTATION 217
- PREPARE FOR TACTIC IMPLEMENTATION (BUDGETING, PROCUREMENTS, ETC)

## Next Steps:

- Annual Prop 10 Required Strategic Plan Review: Complete
- Strategic Plan Tactics
  - Informational overview next item
  - Board consideration of directional endorsement November Board meeting



# First 5 LA Board Report

## Strategic Plan Implementation

### October 10, 2024

# PURPOSE

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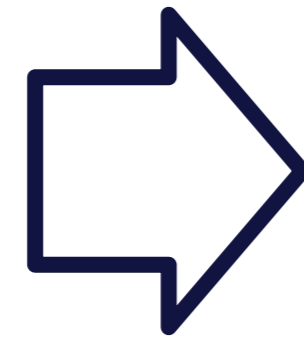
Update the Board on the development of four initiatives to implement tactics for *First 5 LA's Strategic Plan 2024-2029*.

# OBJECTIVES

- 1. REVIEW** the core elements of the *First 5 LA Strategic Plan 2024-2029* approved by the Board on 11/9/23.
- 2. DISCUSS** the engagement process to generate Tactics and how these served as building blocks for four Initiatives to implement the *First 5 LA Strategic Plan 2024-2029*.
- 3. OUTLINE** next steps.

# AGENDA

**STRATEGIC  
PLAN REVIEW**



**ENGAGEMENT  
& INITIATIVES**



**DISCUSSION &  
NEXT STEPS**



Strategic Plan | 2024-2029

Building a future where every child is born healthy and thrives in nurturing, safe and loving communities.



**Vision:** We envision a future where every child is born healthy and thrives in a nurturing, safe and loving community.

**Mission:** We advocate for children and their families, amplify community voice and partner for collective impact so that every child in Los Angeles County reaches their full developmental potential throughout the critical years of prenatal to age 5.

## GOALS

## OBJECTIVES

## STRATEGIES

## TACTICS

Children prenatal to age 5 and their families have their basic needs met.

### Reduce

- Infant Mortality
- Poverty
- Housing Insecurity

Catalyze **public policies** efforts at the local, state, and federal levels that prioritize the needs of children prenatal to age 5 and their families.

On an ongoing basis, identify and refine the tactics that advance our goals, objectives and strategies.

Children prenatal to age 5 have nurturing relationships and environments.

### Increase

- Supports for Maternal Depression
- Choices for Healthy Foods
- Parks & Open Space

Collaborate with partners to **strengthen public systems,** services, and supports for children prenatal to age 5 and their families.

### Universal Parameters:

**Alignment and Potential Impact**

**Equity-Driven Planning Process**

**Cost-Benefit and Sustainability**

Children prenatal to age 5 have a solid foundation for well-being, lifelong learning and success.

### Increase

- Early Care & Education
- Early Intervention Services
- Culturally Affirming Services

Partner with **communities to collaboratively grow a social movement** that elevates the needs of children prenatal to age 5 and their families.

# ENGAGEMENT: 2024

APRIL - JUNE - JULY

AUGUST

SEPTEMBER

## FIRST 5 LA STAFF

- By Goal + Objective
- Factor Analysis & Tactics Identification per Objective
- Targeted Universalism
- Objective Teams + Goal Teams + Leadership Team

## COMMUNITY PARTNERS

- By Goal + Objective
- Factor Analysis & Tactics Identification per Objective
- Targeted Universalism
- Large Group Session (6/21) + Small Group Sessions + One-On-Ones + Large Group Session (8/29)

### SYNTHESIS 1

- Factors & Tactics
- Validated (8/29)

## SYSTEMS LEADERS

- Tactics - Goals + Objectives
- Systems+ Policy Opportunities & Feedback
- SLT

## FIRST 5 LA BOARD

- Tactics - Goals + Objectives
- Systems+ Policy Opportunities & Feedback
- Consultant

### SYNTHESIS 2

- Tactics
- Themes
- Insights

### SYNTHESIS 1



### SYNTHESIS 2

## INITIATIVES

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**PREVENTION FIRST:** *Harnessing Community Strengths to Address Root Causes and Keep Families Thriving Together*

**VIBRANT ENVIRONMENTS:** *Ensuring Access to Healthy Foods and Welcoming Spaces for Play*

**MATERNAL AND CHILD WELL-BEING:** *Ensuring Holistic Care for Mothers and Children Prenatal to Age 5*

**WHOLE CHILD, BRIGHT FUTURES:** *Universal Quality Early Care and Education that Meets Every Family's Needs*

# FIRST 5 LA BOARD FEEDBACK

1. Affirm culture and strengths of diverse communities and families.
2. Emphasize both children's safety and opportunities to thrive.
3. Balance systems change with direct service support, such as Home Visiting.
4. Leverage family resource centers/hubs to access supports.
5. Attend to workforce issues.
6. Use First 5 LA's strengths around advocacy, data, and convenings.
7. Elevate disproportionality so that all work narrows gaps.
8. Specify intersections, capacity, and biggest levers of change.
9. Partner with communities and County agencies.
10. Evaluate annually, with flexibility.

# FEEDBACK – TACTICS & OBJECTIVES

1. An individual tactic, by itself, is insufficient to impact an objective; but a long list of tactics can hamper clear communication and coordination.
2. Some tactics lay the groundwork for others, so sequencing tactics will be crucial.
3. Some tactics impact multiple objectives (e.g., workforce development supports multiple objectives), so creating linkages across the objectives will be important.
4. Some objectives are very closely aligned, so pairing them together should be considered.
5. Some tactics address the needs of all children (i.e., universal) while others focus on specific children to address disparities (i.e., targeted); universal and targeted tactics are both needed to achieve an overall objective and address disparities and obstacles faced by specific groups.

# FIRST 5 LA INITIATIVES

## Prevention First: Harnessing Community Strengths to Address Root Causes to Ensure Family Stability

- **OBJECTIVE 1.2:** Reduce the annual percent of households with children prenatal through age 5 in Los Angeles County living in poverty.
- **OBJECTIVE 1.3:** Reduce the annual percent of households with children prenatal through age 5 in Los Angeles County who experience housing insecurity.

## Vibrant Environments: Ensuring Access to Healthy Foods and Welcoming Spaces for Play

- **OBJECTIVE 2.2:** Increase the annual percent of children prenatal to age 5 in Los Angeles County with access to sufficient choices for healthy foods.
- **OBJECTIVE 2.3:** Increase the annual percent of children prenatal to age 5 in Los Angeles County who have access to parks and open spaces.

## Maternal and Child Well Being: Ensuring Holistic Care for Birthing Parents and Children Prenatal to Age 5

- **OBJECTIVE 1.1:** Reduce the rate of infant mortality per live births.
- **OBJECTIVE 2.1:** Increase access to mental health services for pregnant and postpartum individuals identified as at-risk for maternal depression.
- **OBJECTIVE 3.2:** Ensure more children with developmental delays receive early intervention services.

## Whole Child, Bright Futures: Universal Quality Early Care and Education that Meets Every Family's Needs

- **OBJECTIVE 3.1:** Increase the annual percent of children prenatal to age 5 in Los Angeles County receiving publicly funded early care and education in a mixed-delivery system.
- **OBJECTIVE 3.3:** Increase the annual percent of households with children prenatal to age 5 in Los Angeles County receiving culturally affirming services and supports.

# INITIATIVES: REDUCING DISPARITIES through TARGETED UNIVERSALISM

## UNIVERSAL TACTICS

- All mothers and children prenatal to 5 in Los Angeles County have access to high-quality healthcare, mental health services, and early intervention for developmental challenges.
- Improve healthcare infrastructure, improve home visiting practices, and promote maternal mental health care through public awareness campaigns.

## TARGETED TACTICS

Based on data and centering family and community voices,

- Increase access to culturally responsive maternal healthcare, expand mental health services in under-resourced communities, and increase number of Black and Native American midwives and doulas.
- Enhance outreach and resources for early developmental screenings and intervention services for underserved communities of color.

## OBJECTIVES

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- 1.1** Reduce the rate of infant mortality to 3.5 per 1,000 live births by the end of 2029.
- 2.1** Increase access to mental health services for pregnant and postpartum individuals identified as at-risk for maternal depression.
- 3.2** Ensure more children with developmental delays receive early intervention services by the end of 2029.

## REDUCE DISPARITIES

- Decrease the rate of Black infant mortality.
- Reduce the gap in Black infant mortality.
- Decrease the rate of Native American infant mortality.
- Reduce the gap in Native American infant mortality.

# INITIATIVE 1: PREVENTION FIRST

- Strengths of families and communities.
- Systemic issues of poverty, housing insecurity, and lack of access to critical family resources.
- Access to anti-poverty programs, financial support, affordable housing, and family resource centers to increase family stability and well-being.
- Significant reduction in system involvement for children 0-5.

# INITIATIVE 2: VIBRANT ENVIRONMENTS

- Built environments for healthy food and safe and accessible parks and open spaces.
- Urban farming, food assistance programs, and community awareness.
- Equitable land use policies, maintenance, play areas in underserved neighborhoods, and Olympics.
- Healthy physical, cognitive, and social development of children under age 5, particularly from low-income and historically marginalized communities.

# INITIATIVE 3: MATERNAL & CHILD WELL-BEING

- Infant mortality, maternal mental health, and access to early intervention services for children with developmental delays.
- Comprehensive and culturally affirming health care services for mothers and their children throughout pregnancy and early childhood, mental health support for mothers, and early screenings.
- Healthier pregnancies, positive birth experiences, and timely identification and early intervention for children with developmental needs.
- Lower infant mortality rates in communities experiencing the highest disparities, particularly Black and Native American birthing parents.

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# INITIATIVE 4: WHOLE CHILD, BRIGHT FUTURES

- High-quality early care and education through a mixed-delivery system celebrating family assets and culturally affirming, supportive, and nurturing early learning environments.
- Parental choice for care, parental leave, and family settings; access for low-income and underserved families.
- Equitable access to ECE by addressing structural barriers (e.g., inadequate subsidies, a fragmented system, and low workforce compensation)
- Increased enrollment in publicly funded ECE programs (particularly for infants and toddlers) and reduced disparities accessing care based on race and geography.

# DISCUSSION



Any questions for clarification?

What types of partnerships are essential to advance these initiatives?

How do these initiatives lift up the most important levers for change for children 0-5 and their families?

# NEXT STEPS

- **FINAL INITIATIVES** will be presented at the November First 5 Board of Commissioners meeting, where the board will discuss their role as champions and discuss ways to provide support.