



City of Oakland, Human Services Department
Oakland Fund for Children and Youth

**PLANNING AND OVERSIGHT COMMITTEE
(POC)**

WEDNESDAY, December 3, 2025

Please see agenda to participate in this meeting.



City of Oakland, Human Services Department
Oakland Fund for Children and Youth

City of Oakland Planning and Oversight Committee (POC)
Children and Youth Services Division | Human Services Department
150 Frank H. Ogawa Plaza, Suite 4216 | Oakland, CA 94612 (510) 238-3088

December 3, 2025 | 6:00pm-9:00pm

PUBLIC PARTICIPATION:

The public may observe and/or participate in this meeting, in person, at Oakland City Hall, Hearing Room 4, 1 Frank Ogawa Plaza, Oakland, CA 94612.

For your safety, we strongly recommend you wear a mask.

OBSERVE:

To observe the meeting by video conference, please click this link:
<https://us06web.zoom.us/j/82311405823> at the noticed meeting time.

Instructions on how to join a meeting by video conference is available at:
<https://support.zoom.us/hc/en-us/articles/201362193-joining-a-Meeting>

PUBLIC COMMENT:

Join us at Oakland City Hall, Hearing Room 4, 1 Frank Ogawa Plaza, Oakland, CA 94612.

In-person comments from members of the public must submit a separate speaker card for each item on the agenda to the commission clerk before the item is called.

All public comments that are not submitted by email by the deadline must be made in person.

Email Written Comments to OFCY@oaklandca.gov. Written comments must be submitted at least 24 hours prior to the meeting time to be delivered to the Commissioners.

If you have any questions, please email Robin Love at rlove@oaklandca.gov.



City of Oakland, Human Services Department
Oakland Fund for Children and Youth

December 3, 2025 | 6:00pm-9:00pm

Issues that the public wishes to address that are not published on the agenda will be heard during the Public Forum section. You will have 2 minutes to comment on the item.

AGENDA

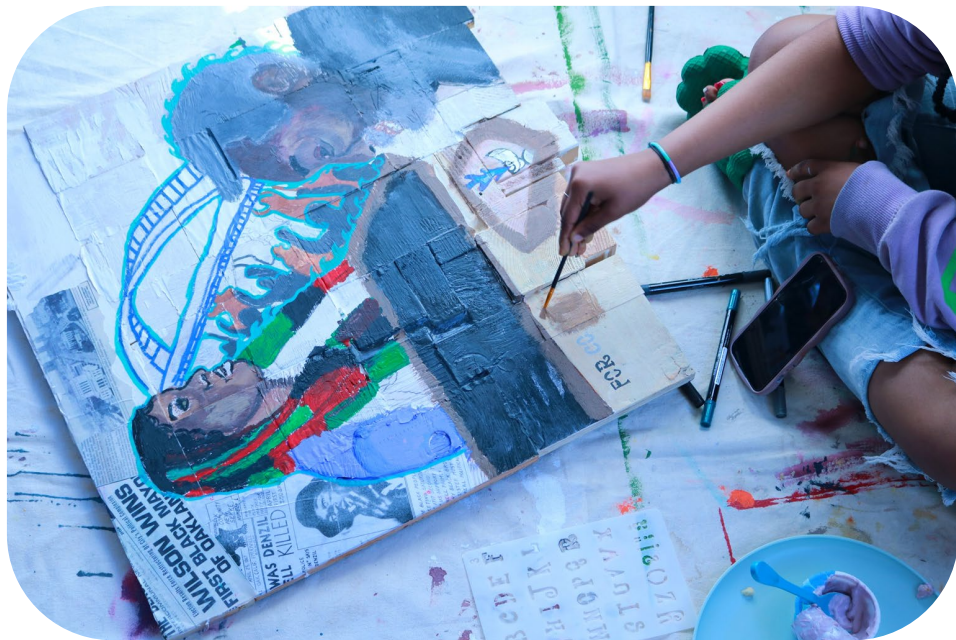
1. **Call to Order**
2. **Roll Call**
3. **Adoption of Agenda (Action)**
4. **Approval of Minutes (Action)**
 - November 5, 2025
 - November 19, 2025 (CANCELED)
5. **Public Forum (Limit to 2 minutes)**
6. **Office of the City Auditor, Audit of the Kids First! Oakland Children's Fund for Fiscal Year (FY) 2018-19 through FY 2023-24 presentation:**
 - View the [Audit of the Kids First! Oakland Children's Fund for Fiscal Year \(FY\) 2018-19 through FY 2023-24](#)
7. **OFCY Grantee Spotlight Presentation:**
 - Bay Area Outreach & Recreation Program
8. **Administrative Items & Announcements**
 - Human Services Department Fiscal and Budget (FAB) team budget overview
 - Children and Youth Services Division Expenditure Report
 - RFP Updates
 - RFQ Updates
9. **Closing Remarks & Adjourn**

11.4.2025 – Meeting Minutes

- Timestamp 6:11 PM – AJ calls the meeting to order. Five members of the committee are present, making quorum. Attendance is as follows:
 - Jessica Arline – D1, Adult
 - Ashlee Jemmott – D2, Adult
 - Madison Jackson – D4, Youth
 - Emma Hiza – D5, Adult
 - Meg Evans – At Large, Adult
 - Eve Delfin – D7, Adult, Late
 - Natalie Sadoskoy – D6, Adult, Late
 - Letitia Henderson – Mayor’s Seat, Adult, Remote, Late
 - Six members of the public are also present, representing two current OFCY grantees.
- Timestamp 6:13 PM – AJ asks MJ, the youth representative from D4 to introduce herself. AJ then introduces the minutes from September 3, 2025 for review and approval. JA motions, ME seconds. The motion passes with none opposed and none abstaining. ED arrives.
- Timestamp 6:14 PM – AJ introduces the agenda for approval. ME motions to approve the agenda after review. EH seconds the motion. The agenda is approved without objection or abstention. AJ asks ED to introduce herself.
- Timestamp 6:17 PM – AJ introduces agenda item 7 (Bright Research Group Professional Services Agreement) before technical difficulties occur. AJ then introduces grantee spotlight presentation for Center for Art Esteem.
- Timestamp 6:20 PM – Staff and participants from Center for Art Esteem begin their presentation and share examples of the created art from their programming. Slides are attached to the end of these minutes.
- Timestamp 6:25 PM – NS arrives.
- Timestamp 6:45 PM – RLL and AJ reintroduce Agenda Item 7. Brightstar Ohlsen introduces herself to the POC. ME asks for additional context, as the RFP has been released. RLL notes that significant shifts have occurred since the Strategic Investment Plan 2025-2028 and CNA for the same time period were released. The work with BRG will allow these changes to be incorporated to better understand the current climate. EH asks about the timeline. RLL explains that it is constrained by the need to release an updated RFQ for strategic planning work. LH asks about the inclusion of racial equity in the planning process. BO notes that language was included due to the current Federal landscape, in an effort to ensure funds can be used equitably while ensuring organizations continue to be able to serve their target populations. ME motions to approve the PSA extension. NS seconds the motion. The motion passes with no opposed and no abstentions.
- Timestamp 7:07 PM – AJ introduces the second Grantee Spotlight, BANANAS. Slides are attached to the end of these minutes.
- Timestamp 7:36 PM – AJ opens to public forum. David Hunt, of Prescott Circus, comments that the RFP does not contain a specified “Summer Program” Strategy, and shares some of the highlights of Prescott Circus over their partnership with OFCY. RLL notes that while we cannot respond directly to this question, a response will be shared in the forthcoming Question & Answer document, but cannot speak further.

- Timestamp 7:42 PM – RLL and RML share program updates regarding the RFP, POC recruitment, and Grantee Convenings.
- Timestamp 8:00 PM – ME requests an update regarding the City Auditor’s report that was pulled post publication for re-review. AJ motions that the POC and Staff reach out to the City Auditor’s office for an update on the report. ME seconds the motion and the motion passes with no abstentions or opposed. RLL notes she will plan to share at least a cursory fiscal update at the next POC meeting.
- Timestamp 8:04 PM – AJ adjourns the meeting.

The Center for ArtEsteem est. 1989



Our Mission

The Center for ArtEsteem's mission is to empower individuals to be self-aware and inspired through art, creativity, and education, making positive choices to break the cycle of violence for themselves and their communities.

We envision a world where everyone is whole, safe, loved, educated and valued. In all our work, ArtEsteem promotes the understanding that we can choose peace over conflict and love over fear.

Our Founders





ArtEsteem Programs

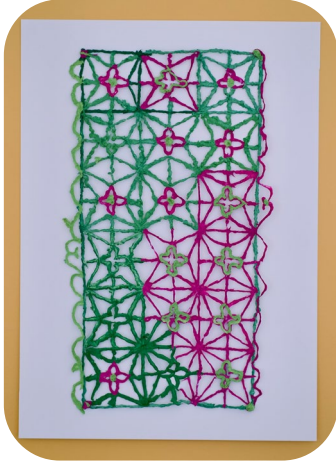
- Arts Integration
- After School Programming
- ArtMobile Events

Thanks to OFCY funding, we were able to deepen our partnerships and relationships with school communities by offering comprehensive support that spans both academic and after-school programming across the majority of our sites.

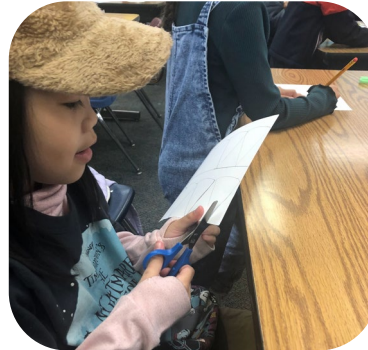
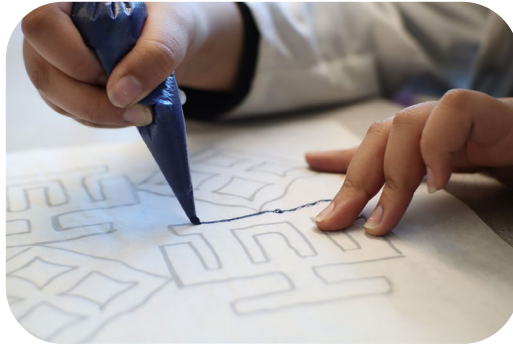
ArtEsteem Reach Metrics

PROGRAM PARTICIPATION	11 Sites 45 Classes	SERVED: 762
ARTMOBILE TABLETOP	37 Events	SERVED: 1,172 EXPOSED: 23,320
		TOTAL SERVED: 1934

Arts Integration Hoover, West Oakland MS,



By incorporating arts integration into our program curriculum, we create a dynamic learning environment where creativity supports academic achievement.



After School Programming

The Legacy Project

Leadership Development

- Financial Literacy
- Designers on Deck
- Advocacy Fair



Oakland Cultural Engagement

- Dia de Los Muertos

Environmentalism

- WOEIP on Pollution
- Summer Camp



Artistic Exploration

After School Programming

Community School for Creative Education (CSCE)

Visual Arts & Fashion Education

- Year End Exhibition Showcasing Artwork

Some Field Trips were...

- Acta Non Verba
- Chabot Space & Science Center

Literacy Programs like...

- Drop Everything and Read (D.E.A.R)
- America Scores

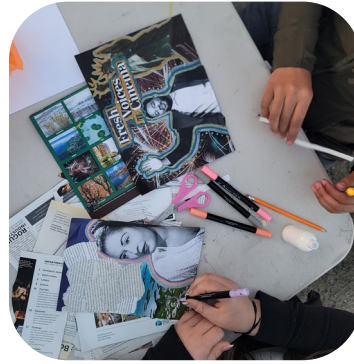
Cultural Arts offered through...

- Hip Hop Dance & Local Dance History



ArtMobile + Events

People Impacted: **16,380**
People Served: **2,031**



Annual ArtEsteem Exhibition

Teachers

11

Students

193

Art Collections

24

Art Works

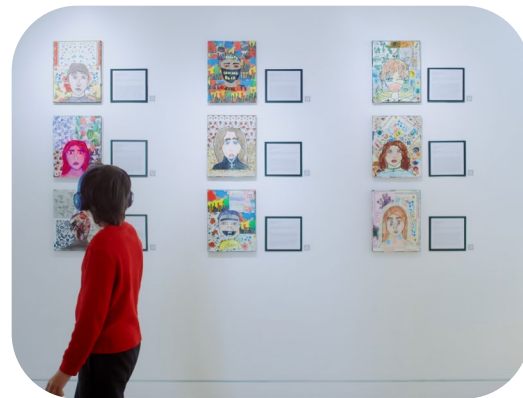
170

Artwork Sold

41

Programs or
Classes

14



Thank you! OFCY truly understands the power of investing in our youth and makes it possible for us to continue building a community of lifelong learners and bold dreamers here in Oakland. 🌈





EAST BAY ASIAN LOCAL
DEVELOPMENT CORPORATION

BUILDING HEALTHY, VIBRANT AND SAFE NEIGHBORHOODS



Healthy Havenscourt Cubhouse Collaborative

2024 - 2025 Overview

Cubhouse Program Review 2024 - 2025



1. Healthy Havenscourt
Cubhouse Introduction
2. Program Goals
3. Programs Review
4. Participant
Demographics



Healthy Havenscourt Cubhouse



Healthy Havenscourt Cubhouse
is a collaborative that brings
together residents, community-
based organizations, and public
agencies to provide critical
services for families with young
children in East Oakland.

Healthy Havenscourt Cubhouse Collaborative Partners



Partners meet monthly to discuss upcoming collaboration opportunities, access community needs, and support internal referrals and partnerships.

- **BANANAS Playgroups and Navigation**
- **East Bay Asian Local Development Corporation (EBALDC) Family Resource Center**
- **Sparkpoint Financial Literacy**
- **Oakland Public Library**
- **Tandem, Partners in Early Learning**
- **Village Connect**
- **Oakland Parents Together**

Community Programs are aligned with OFCY Program Strategies



- Free educational playgroups for families and caregivers to encourage early literacy, early math and science, movement and play
- Access to child care, housing and resource navigation through the Family Resource Center
- Parent Education and peer support groups for access to essential social-emotional tools and community development
- Community resource events for families
- Financial coaching and free tax services
- All partners offer linguistically and culturally relevant support



**Programs are woven together to
ensure no wrong door.**

**Families have access to all services
through warm connections,
collaboration and referrals.**

BANANAS Playgroups



Playgroups take place at the Lions Creek Crossing on Tuesdays and Thursdays from 10:30 am- 12:00 pm.

5 - 15 families come each week to play, learn and discover together during free play art, literacy, early math, motor development and sensory stations.

BANANAS Playgroups Circle Time Activities



Families participate in circle time with a story, activity, song and lesson to prepare children for Kindergarten and encourage reading, singing and playing together with parents and caregivers at home.

BANANAS partners with Tandem, Partners in Early Learning



Tandem partners with BANANAS to offer Early Literacy and Early Math lessons and activities for young children. All children receive books to add to their library and continue the learning at home!

Playgroup Collaboration with Oakland Public Libraries



Oscar Bernal from Oakland Public Libraries attended playgroups to assist families in registering for a Library Card. He brought a mobile library to increase to quality children's books to families at the Lions Creek Crossing Housing Development in East Oakland.



Quote from a Playgroup Participant



“Ha sido una herramienta valiosa, fuente de mucho conocimiento y direccion para apoyar los ninos; en mi caso mi hija y los niños que he tenido a mi cuidado, ha sido excelente y muy motivador!”

“It (playgroups) has been a valuable tool, a source of much knowledge and guidance for supporting children; in my case, my daughter and the children I've cared for, it has been excellent and very motivating!”

BANANAS Playgroups, Parent Navigation, and the Lions Creek Crossing Family Resource Center



Families with children birth - 5 years old have access to the wide range of services in the Havencourt Collaborative and at BANANAS including:

- Family navigation, child care referral and child care subsidy (if eligible)
- Workshops and coaching for parent education, wellness, child development and financial literacy
- Brilliant Baby College Saving accounts
- Financial support to pay one-time utility bills
- Housing navigation and financial coaching
- Diapers, wipes and concrete support

Family Resource Navigation Resources at Lions Creek Crossing Job Fair



BANANAS Cubhouse
Navigator, Fernanda,
partnering with
Griselda and Kendra
from the Lions Creek
Crossing Family
Resource Navigators.



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Family Resource Center, BANANAS Navigation and Community Members at Cops, Coffee and Bingo



Client Story from Family accessing services from the Family Resource Center



A single mom contacted BANANAS for assistance with her overdue PG&E bill and child care. As a mom of three kids who works late hours and also pays rent, she was finding it tough to manage all her expenses.

The navigator was able to assist her by paying \$500 of her bill using BANANAS Aid so her electricity wasn't disconnected. We also let the parent know about our BANANAS eligibility list and assisted her with the application process. She was provided with the BANANAS Subsidized Handout which provides information about all subsidized child care options.

The navigator sent referrals for licensed providers from BANANAS Child Care Resource and Referral team.

She also inquired about agencies where she could apply for public benefits. The navigator referred her to Kendra from Lion Creek Crossings Family Resource to help her apply for WIC and MediCal.

The client mentioned "I'm really grateful for the help, and I'll recommend you to others who can use your services."

A few weeks later, we checked in with the parent to see how she was doing and if she needed any further assistance. She mentioned that she had received help with her MediCal and WIC applications and was just waiting for a response. She expressed her gratitude again for the help with her bill, saying it allowed her to get back on track with her other expenses.

This is one of the many examples of families accessing multiple services in order to stabilize, be empowered, and thrive.



**Village Connect
facilitates
We Empower cohorts
for parents and Simba
Boys groups for young
boys of color.**



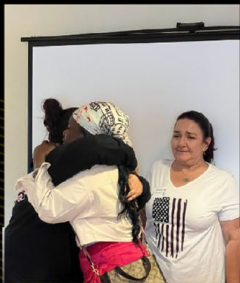
CONGRATULATIONS!

WE-EMPOWER FAMILY AND SIMBA BOYS PLAYGROUP



FAMILY EXCELLENCE

2024 SUMMER/FALL CLOSING CEREMONY | 10.26.2024



We Empower Family
and Simba Boys
Playgroup empowers
parents and children
with social-emotional
tools and create
intentional moments
for reflection to lead
their families.







PARENT UNIVERSITY

FOR PARENTS OF 0-5 YEAR OLDS

Connect with Other Parents and Learn How
to Support Your Child's Future!

January 28- March 4, 2025

Tuesdays, 6-8pm

Workshops Include:

- Assessing Your Child's Speech and Language Level
- Time Management: Finding Time in Your Kid's Schedule
- Autism: The Myths and Facts
- And More!

Receive a \$100 stipend!

Spanish and Arabic Translation provided!

Motivate your child to be
prepared for Kindergarten

Support your child's school
attendance

Gain peer support from
other parents

Receive free financial
coaching

Advocate for your child's
success

Parent University
offers 2 10-week
sessions per year for
parents to develop a
range of valuable skills.



For More Information or to Register:
English/Arabic: Bilquis (510) 375-7918
English/Spanish: Alexia (510) 316-2675
ParentsTogetherOPT@gmail.com,
Subject Line: "Parent University"



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Parent University Quotes



“My name is Lizeth Lorenzo, and I wanted to express how much I've gained from workshops like Parent University. They really help us understand our children better, while also providing valuable lessons on improving our financial well-being and securing a brighter future. I truly wish these sessions could happen more frequently. Thank you for organizing such beneficial workshops!”

“My name is Maria Vargas, and I found it incredibly exciting to gain a deeper understanding of my grandbabies. At the same time, these workshops have helped me become more responsible with my finances. Sometimes, we all need a little support, and these sessions truly empower us to improve ourselves. Thank you!”

Sparkpoint Financial Coaching



Sparkpoint Oakland provides free financial coaching to families to hundreds of families each year to support parents develop their financial goals on their journey to financial freedom.

Many families are able to develop a savings, pay off debt and complete their taxes with the support from Sparkpoint Oakland.

Sparkpoint Financial Coaching



Volunteer Income Tax Assistance (VITA)



Welcome To EBALDC's VITA Program!

Every year, the East Bay Asian Local Development Corporation (EBALDC) hosts VITA, a program of the IRS that trains volunteers to provide free tax preparation for low-income individuals and families. VITA is an important and highly impactful poverty-alleviation tool that we pair with a Savings Initiative that encourages clients to save part of their refund. In 2023, our volunteers prepared over 1,300 returns and secured over \$1.9 million in refunds for the community.

2024-2025 Tax Season

At this time, our VITA sites are now closed. Please complete our [2025 Back Tax Event Waitlist](#) to be contacted for more information in summer 2025.

Please refer to [United Way Bay Area's Free Tax Help site](#) to locate an available free tax site or free filing service.

For additional questions or concerns, please email sparkpoint@ebaldc.org.



Who do we serve?

Cubhouse clients reside in resource deserts in East Oakland, have young children.

95% of the parents and children identify as individuals of color.

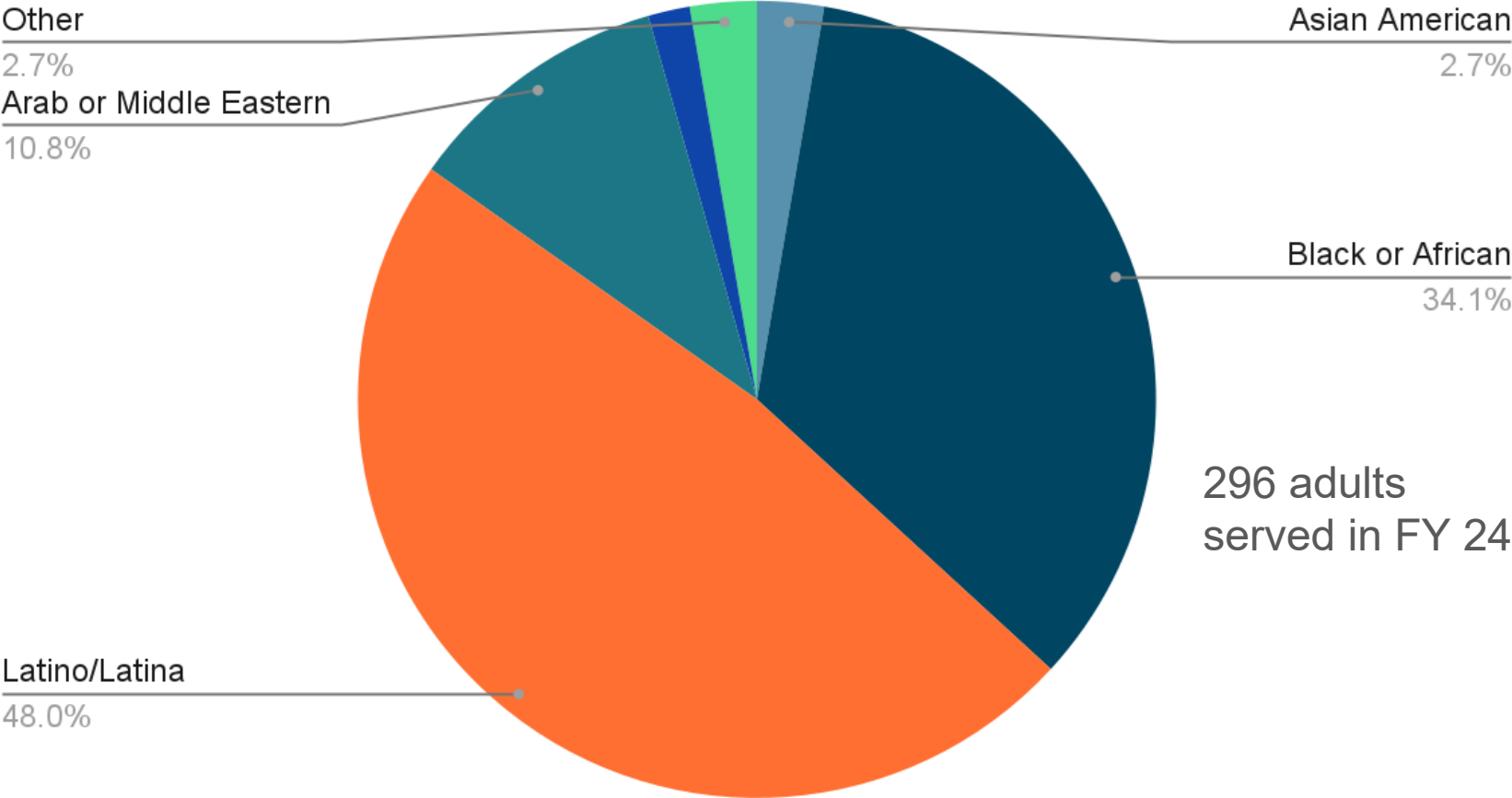
Cubhouse Healthy Havenscourt Collaborative



Who do we serve?

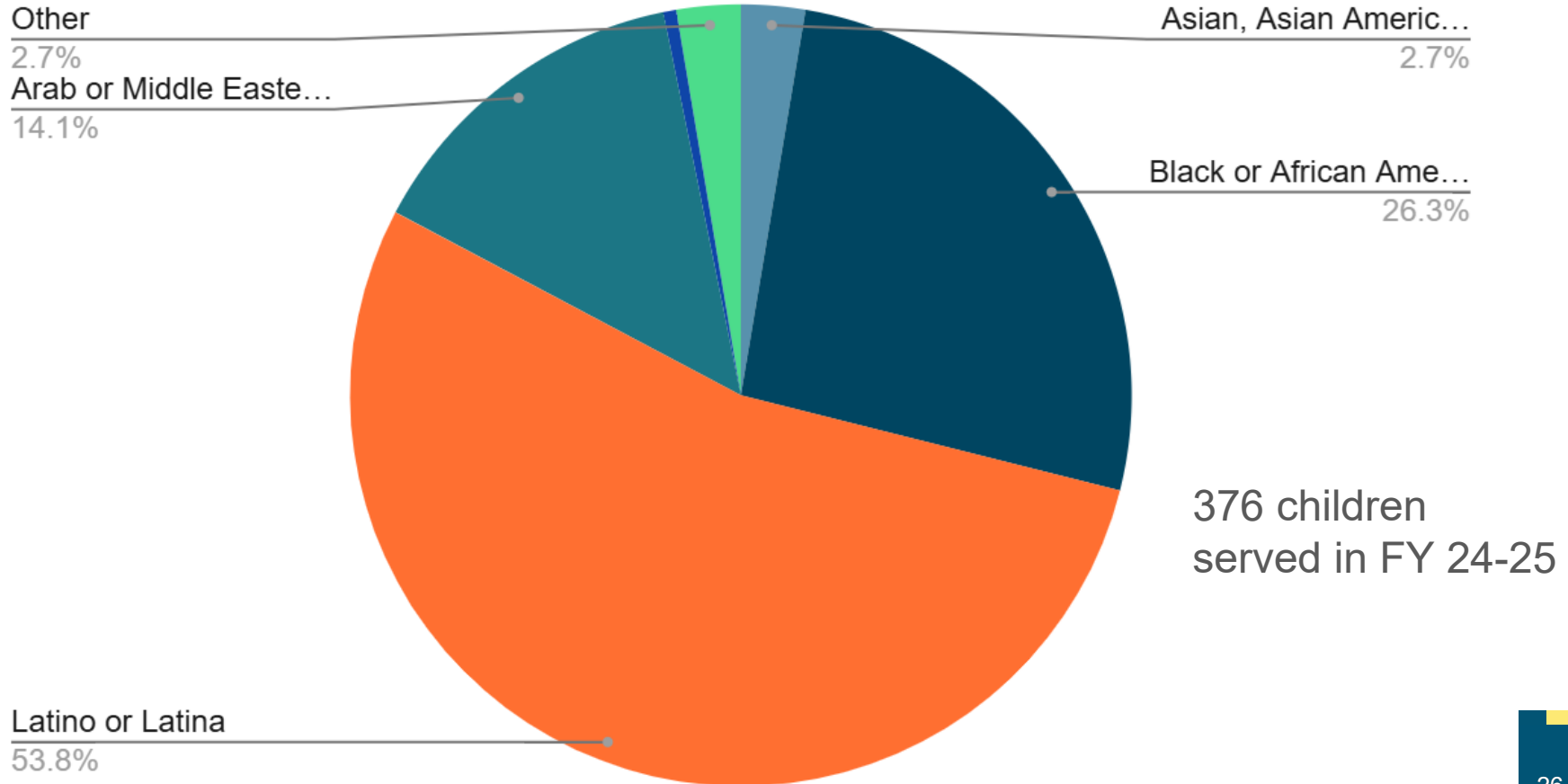
**Demographic Data
2024 - 2025**

Demographic of Adults Served FY 24-25



296 adults served in FY 24-25

Demographics of Children Served FY 24-25





**The Cub House Collaborative partner were
able to collect demographic data from**

612 youth and children

**served by the Cub House collaborative
during the 2024 - 2025 program year.**



The attendance data demonstrates a need for more quality services connecting families to the resource they need to prepare their children for Kinder-readiness.

We look forward to the opportunity to provide continuity of services to the Healthy Havenscourt Community this year and for years to come.

Thank you for all you do to support the community!



EAST BAY ASIAN LOCAL
DEVELOPMENT CORPORATION

BUILDING HEALTHY, VIBRANT AND SAFE NEIGHBORHOODS



Thank you!

Sarah Silva - Director of Community Service at BANANAS
Questions? Contact sarah@bananasbunch.org

AUDIT REPORT



CITY OF OAKLAND
Office of the City Auditor

DATE: November 6, 2025

TO: Oakland Residents, Mayor Lee, Members of the City Council, City Attorney Richardson, City Administrator Johnson, and Kids First! OFCY Planning and Oversight Committee Members

FROM: City Auditor Michael C. Houston, MPP, CIA

SUBJECT: **Audit of the Kids First! Oakland Children's Fund for Fiscal Year (FY) 2018-19 through FY 2023-24**

INTRODUCTION

Our Office has completed an audit of the Kids First! Oakland Children's Fund (Fund). We based the audit objectives on requirements of City Charter sections 1300 and 1306, which require the City of Oakland (City) to allocate a portion of its annual actual unrestricted General Purpose Fund revenues and expenditures to fund services and programs benefiting children and youth. The City Charter requires the City Auditor to annually calculate and publish the actual amount of City spending for children and youth services exclusive of expenditures mandated by state or federal law. To bring the City current on the audit requirements, this report covers Fiscal Years (FY) 2018-19 through 2023-24.¹

BACKGROUND

The Kids First! Fund was established by the Kids First! Oakland Fund for Children and Youth Act (Act), which voters first passed as Measure K in 1996.² The City Council most recently reauthorized and extended the Act for an additional 12 years in 2020, effective July 1, 2021, through June 30, 2033, the end of FY 2032-33.³ As

¹ Past audits may be found on our website at <https://www.oaklandauditor.com/reports/all-reports/>.

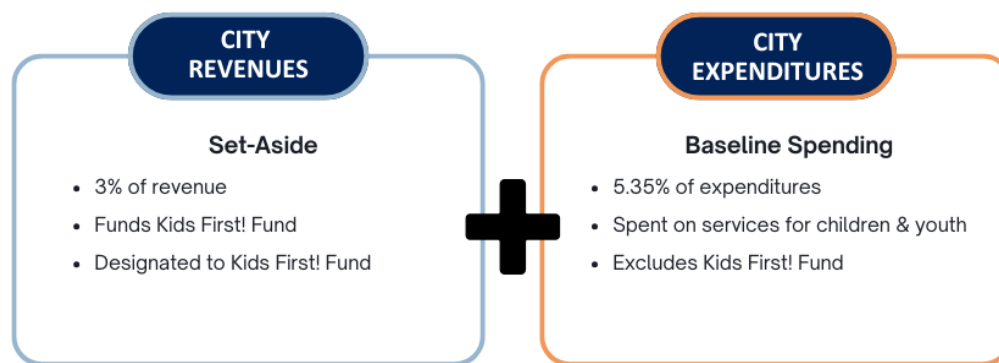
² Article XIII of the City Charter (sections 1300 to 1307) was added by the 1996 Kids First! Oakland Fund for Children and Youth Act; Article XIII of the City Charter and the Act may be referred to interchangeably.

³ Section 1307 of the City Charter sets out the process by which the law may be reauthorized. Every 12 years, the City Council can extend the law or place the question of whether to extend it to the voters through a ballot measure. Voters have previously amended the law. In 2008, Oakland voters repealed and replaced the Act from Measure K with Measure OO, and amended it

shown in Exhibit 1, the Act requires the City to set aside a portion of General Purpose Fund revenues and spend a minimum amount of money to support direct services for children and youth:

- **Set-Aside Requirement:** Each year, the City must set aside 3 percent of its actual unrestricted General Purpose Fund revenues and designate it to the Kids First! Fund.⁴ This is a restricted fund for the sole purpose of supporting children and youth services, for the purposes outlined in Section 1301 of the Charter. Money cannot be used for services that only incidentally benefit youth. The Human Services Department manages the Kids First! Fund by awarding grants to nonprofits, the Oakland Unified School District, or other agencies that provide programs for children and youth.⁵
- **Baseline Spending Requirement:** In addition, the City must also spend an amount at least equal to 5.35 percent of the City’s actual General Purpose Fund expenditures on services for children and youth.⁶ Specifically, this minimum expenditure requirement is for sources outside of the Kids First! Fund. Expenditures that can be counted toward the baseline spending requirement include programs such as Head Start, internships, mentoring, and after-school recreational activities.

Exhibit 1: The Kids First! Act Requires the City to Set Aside 3 Percent of Unrestricted General Purpose Fund Revenues for Children and Youth and Spend an Additional Amount Equivalent to 5.35 Percent of Unrestricted General Purpose Fund Expenditures on Children and Youth



Source: Auditor summary of City Charter Article XIII and Finance Department guidelines.

again in 2009 as Measure D. The 2009 amendment changed the basis for the Fund’s set-aside in response to the City’s budget deficit following the Great Recession.

⁴ The Act specifies that the Fund receives “an amount equal to three percent (3.0%) of the City of Oakland’s annual actual unrestricted General Purpose Fund (Fund 1010) revenues.” It further states that errors in the calculation shall be corrected by an adjustment in the set-aside depending on whether the actual revenue is greater or less than the estimate. The City must correct for any payment over or under the 3 percent requirement.

⁵ Per City Charter Section 1300, no less than 90 percent of the monies in the Fund shall be used to pay for eligible services for children and youth. No more than 10 percent of the monies in the Fund may be used for independent third-party evaluation, strategic planning, grant-making, grants management, training and technical assistance, and communications and outreach to ensure effective public participation.

⁶ The baseline amount (5.35%) represents the level of funding spent on children and youth services in FY 1995-96, when the Act was initially passed.

Because set-aside and baseline spending requirements are to be based on actual revenues and expenditures, Finance Department staff make initial estimates each budget cycle and then make adjustments following the close of the fiscal year, when the City has information about actual amounts, as confirmed by the City's audited financial statements.⁷ Adjustments then appear in the following year's budget, or two years after the initial estimate.

RESULTS

We found the City met the baseline spending requirements for all years, but did not always meet the set-aside requirement, which must be equivalent to exactly 3 percent, no more or less.⁸ (See Appendix A for auditor set-aside calculations.)

Between the set-aside and baseline spending, the City spent approximately \$401 million on children and youth programs over Fiscal Years 2018-19 through 2023-24, or an average of approximately \$67 million per year.

In the Period Reviewed, the City Did Not Always Meet the 3 Percent Set-Aside Requirement

Over a period of six years, from FY 2018-19 to 2023-24, the City overpaid the Fund in three years and underpaid the Fund in three years, as shown in Appendix B. The adjustments made did not match the amounts owed, based on our calculations.⁹

Based on requirements of the Act, City staff must first estimate the set-aside based on the budgeted unrestricted General Purpose Fund revenues, and then, when the audited financials are complete, staff finalize the set-aside and adjust the total to "true up" the amount based on actual unrestricted General Purpose Fund revenue (these are shown in the 'adjustment year' rows of Appendix B). If the initial estimated set-aside was too low or too high, the Finance Department reports that they aim to correct the underpayment or overpayment into the Kids First! Fund two fiscal years later by making adjustments equal to the difference into the Fund for underpayments, or into the General Purpose Fund for overpayments.¹⁰ As shown in Appendix B, the adjustments for FY 2013-14 and 2014-15 were made in FY 2018-19, beyond the two-year goal.

The Budget Bureau's corrections were not always accurate. To correct for cumulative errors, we recommend that the Budget Bureau make a one-time adjustment from the Kids First! Fund back into the General Purpose

⁷ The City's financial statements are reviewed by an independent external auditor to provide reasonable assurance that the statements are free from material misstatement, complete and reliable in all material respects. The City's Annual Comprehensive Financial Reports are generally issued the December following the close of the fiscal year, and may be found at <https://www.oaklandca.gov/documents/financial-reporting>.

⁸ Article XIII Section 1300 of the City Charter states, "Errors in calculation for a fiscal year shall be corrected by an adjustment in the set aside depending upon whether the actual, unrestricted General Purpose Fund (Fund 1010) revenues are greater or less than the estimate."

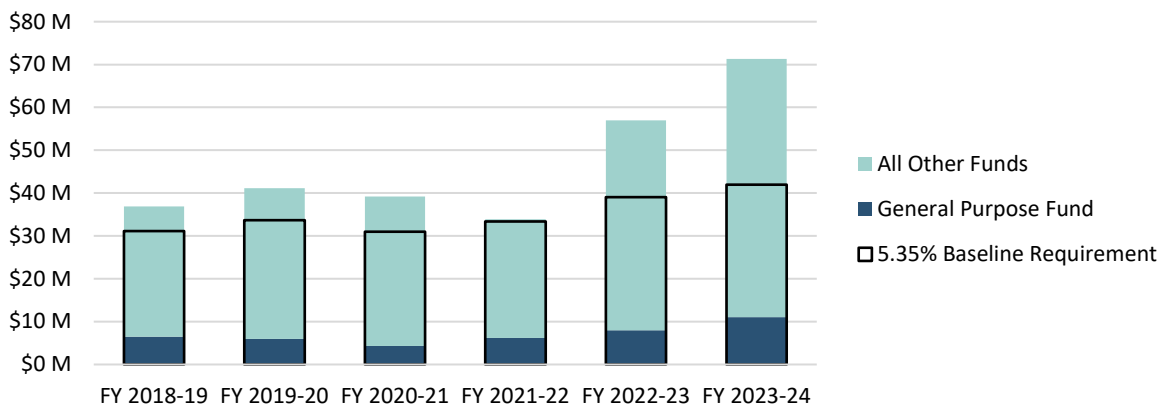
⁹ The Budget Bureau provided us with partial documentation of their adjustments and initial set-aside estimates. The Budget Administrator agreed to use auditor-calculated values for the purposes of presenting actual set-aside values for the remaining fiscal years. These values, shown in Appendix A, are based on actual revenues as audited by the City's external financial auditor and recorded in Oracle. Importantly, these set-aside calculations assume, based on the Controller's Bureau interpretation of Governmental Accounting Standards Board (GASB) guidance, that service charges are generally considered restricted revenues and that lease revenues are generally considered unrestricted, though specific sources may have contractual or legal restrictions.

Fund (see Recommendations at the end of this report). This adjustment should be documented for future reference.

The City Met the Baseline Spending Requirement for the Period Reviewed

As described in the Background, the City is required by the Act to spend an amount equivalent to 5.35 percent of actual unrestricted General Purpose Fund expenditures on programs for children and youth. The City met or exceeded the baseline 5.35 percent spending requirement for FY 2018-19 through FY 2023-24, as shown in Exhibit 2.

Exhibit 2: The City Met or Exceeded the 5.35 Percent Baseline Spending Requirement in Each Year Analyzed



Source: Auditor analysis of expenditure data from Oracle, the City of Oakland’s financial management system.

Note: In the last two fiscal years, the inclusion of Oakland Promise funding, which started in FY 2022-23, increased overall expenses substantially.

Expenditures above the required level ranged from a low of about \$571,000 in FY 2021-22 to highs of \$17.8 million in FY 2022-23 and \$29.3 million in FY 2023-24, due to the infusion of funds from the Oakland Children’s Initiative (Measure AA, passed in 2018) for operational uses starting in FY 2022-23.¹¹ Overall, these expenses included programs and services like: year-round lunch, youth adult sports, child care, coaching, support for at-risk youth, and programs for supporting the healthy development of young children.

City Attorney Review of Finance Department Guidance Will Help Ensure Consistency

The Act is complex insofar as it applies to multiple funds, requires estimates and adjustments based on actuals, and timing necessarily results in adjustments in subsequent years to ensure compliance. It also requires

¹¹ The following five voter-approved measures contribute to services directly serving children and youth: The Oakland Children’s Initiative of 2018 (Measure AA) provides funding for early education and Oakland Promise; the 2024 Oakland Public Safety and Services Violence Prevention Act (Measure NN); the 2018 Oakland Public Library Preservation Act (Measure D) and the 2022 Library Services Retention and Enhancement Act (Measure C) for children’s room, children’s services, and teen services; and the 2016 Tax on Sugar-Sweetened Beverages (Measure HH) for youth adult sports and youth services.

ongoing legal interpretation, as described in a past audit.¹² As noted above, there were fiscal years where the adjustment was higher or lower than required.

Over the course of the audit, relevant City staff expressed some uncertainty relating to the Kids First! requirements in terms of both revenue set-asides and eligible baseline expenses. We also have an open audit recommendation to the Finance Department to establish guidance and methodologies for eligibility of expenses that meet and do not meet baseline spending requirement as required by the Act.¹³ Past audits have also recommended formalizing policies and procedures for calculating the Kids First set-aside, including identifying which revenue sources are restricted and unrestricted, and clarifying when the City should reconcile its Kids First Fund set-aside.¹⁴

To ensure consistency of interpretation and promote compliance, the Finance Department should consult with the City Attorney's Office to finalize and adopt formal guidance and document the methodology for future reference.

RECOMMENDATIONS

1. To ensure consistency of interpretation and to promote compliance with Article XIII of the Oakland City Charter, the Finance Department should consult with the City Attorney's Office to finalize and adopt formal guidance and document the methodology of its process for: (a) adjusting set-asides based on actual revenues rather than appropriations, (b) calculating baseline spending on eligible expenses, for example, within defined org codes and program codes, (c) defining the timing of true-ups and adjustments for the two-year adjustment cycle, and (d) validating interpretations of 'restricted' General Purpose Fund revenues.
2. In accordance with Kids First! The Oakland Fund for Children and Youth Act, the Finance Department should, in consultation with the City Attorney's Office, correct for the over-and under-payments between FY 2018-19 and FY 2023-24, and document this one-time correction for future reference.

¹² *Measure D Children and Youth Services Baseline Spending and Set Aside Requirements for the Kids First Fund Audit FY 2009-10 through FY 2011-12.*

¹³ The recommendation from the [2020 Audit of Measure D: Kids First Oakland Fund for Children and Youth Act Fiscal Years 2016-17 and 2017-18](#) is partially implemented as of June 30, 2025.

¹⁴ [Measure D Children and Youth Services Baseline Spending and Set Aside Requirements for the Kids First Fund Audit FY 2009-10 through FY 2011-12](#). The same audit also noted that the Act requires continuous legal interpretation, and recommended convening a working group with members of the Planning and Oversight Committee, Controller's Bureau, and City Attorney's Office to clarify the Act and bring a revised ballot measure to the voters.

CITY ADMINISTRATION'S RESPONSE

We presented the audit's findings, conclusions, and recommendations to the City Administration, including staff from the Finance Department, Human Services Department, and City Attorney's Office. The Administration agreed with the findings and recommendations, and their response is attached at the end of this report.

ACKNOWLEDGMENTS

I want to express our appreciation to the Finance Department, the Human Services Department, and the City Attorney's Office for their cooperation and collaboration during this audit. I also want to acknowledge the staff who contributed to this audit, Senior Performance Auditor Mark Carnes, Performance Audit Manager Stephanie Noble, and Assistant City Auditor Eduardo Luna.

OBJECTIVE AND SCOPE

The objectives of the audit were to verify that the City correctly calculated and set aside the appropriate amount to the Kids First! Fund and that the City met the baseline spending requirements from FY 2018-19 through FY 2023-24.

METHODOLOGY

The objective of this audit was to review the City's compliance with the Kids First! Oakland Fund for Children and Youth Act, as described above. To this end, we reviewed management controls relevant to the objectives and:

- Reviewed the requirements of the Act.
- Reviewed previous City Auditor reports on Measure D titled:
 - *Measure K 2.5% Set-Aside Performance Audit: City of Oakland's Calculation of the Set-Aside for the Kids First! Oakland Children's Fund* published in July 2009,
 - *Measure D Children and Youth Services Baseline Spending and Set Aside Requirements for the Kids First Fund Audit FY 2009-10 through FY 2011-12* published in October 2014,
 - *Measure D Kids First! Oakland Fund for Children and Youth Act FY 2012-13 through FY 2015-16* published in August 2018, and
 - *Performance Audit of Measure D: Kids First! Oakland Fund for Children and Youth Act Fiscal Years 2016-17 and 2017-18* published in November 2020.
- Verified if calculated amounts due to the Kids First! Fund met requirements.
- Verified the transfer of set-aside monies into the Kids First! Fund (Fund 1780).
- Calculated expenditures for the baseline spending to verify requirements were met.
- Interviewed Budget and Controller's Office staff on interpretation and application of the Act.

STATEMENT OF COMPLIANCE WITH AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

ERRATA

We initially released this report on April 3, 2025. We announced the removal of the report on April 8, pending additional audit work. After the initial release of the report, we identified a potential error stemming from the scope of the report. In expanding the scope of the period reviewed, we were able to confirm and correct for that error, and make subsequent changes based on that review. This report has been corrected based on that review. We made the following changes:

- Added Appendix A, which shows the auditor's set-aside calculations.
- Added Appendix B, which shows the true-ups dating back to FY 2012-13.
- Removed Exhibit 2 (replaced with Appendix B).
- Removed language that described a transfer made in error. Upon additional review, these interfund transfers were not in error, but were two late true-ups, made to correct for the period prior to the scope of the report.
- Revised Recommendation #2 to remove reference to the amount in error.
- Added reference to prior audit recommendations.

We made these changes in accordance with Generally Accepted Government Auditing Standards.

APPENDIX A: Set-Aside Calculations

Fund/Object/Account		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
1010	Total General Purpose Fund Revenue	\$ 649,944,457.59	\$ 631,757,260.26	\$ 707,104,467.27	\$ 723,819,867.23	\$ 729,542,371.02	\$ 734,847,240.61	\$ 4,177,015,663.98
41313	Sales and Use Tax: Proposition 172	\$ 3,619,790.33	\$ 3,613,858.67	\$ 3,772,731.90	\$ 4,306,867.53	\$ 4,406,822.59	\$ 4,492,859.99	\$ 24,212,931.01
44200	Land Rental Income	\$ 224,756.26	\$ 186,903.59	\$ 160,739.62	\$ 186,333.72	\$ 166,240.82	\$ 116,642.01	\$ 1,041,616.02
44219	<i>Interest, Rent, and Concession – Real Estate – add back (effectively unrestricted)*</i>	\$ (224,756.26)	\$ (186,903.59)	\$ (160,739.62)	\$ (186,333.72)	\$ (166,240.82)	\$ (116,642.01)	
44300	Facility Rental Income	\$ 180,126.44	\$ 165,674.22	\$ (3,412.39)	\$ 344.78	\$ 55,852.08	\$ 57,789.81	\$ 456,374.94
44319	<i>Facility Rental: Facility Rentals to Profit-Making Groups</i>	\$ -	\$ 341.64	\$ (3,920.34)	\$ (9,308.52)	\$ 145.94	\$ (5,781.43)	
44329	<i>Facility Rentals: Miscellaneous</i>	\$ 180,126.44	\$ 165,332.58	\$ 507.95	\$ 9,653.30	\$ 55,706.14	\$ 63,571.24	
44419	Other Rental Miscellaneous	\$ 572,183.43	\$ 677,673.70	\$ 691,268.97	\$ 543,777.91	\$ 574,999.88	\$ 464,159.72	\$ 3,524,063.61
44419	<i>Interest, Rent, and Concession – Real Estate – add back (effectively unrestricted)*</i>	\$ (571,783.43)	\$ (677,673.70)	\$ (692,661.69)	\$ (548,115.89)	\$ (574,999.88)	\$ (466,424.44)	
44500	Concession Income	\$ 823,846.41	\$ 861,688.07	\$ 590,471.00	\$ 473,292.40	\$ 474,831.00	\$ 480,883.00	\$ 3,705,011.88
45100	Public Works Fee	\$ 259,511.79	\$ 353,953.44	\$ 521,851.89	\$ 2,406.28	\$ (441.00)	\$ -	\$ 1,137,282.40
45200	Park and Recreation Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45300	Parking Fee	\$ 17,035,130.15	\$ 11,738,138.33	\$ 7,994,760.10	\$ 11,345,247.46	\$ 11,346,593.45	\$ 10,238,648.42	\$ 69,698,517.91
45311	<i>Parking Fee: On Street Parking Meters – add back (effectively unrestricted)</i>	\$ (17,035,130.15)	\$ (11,738,138.33)	\$ (7,994,760.10)	\$ (11,345,247.46)	\$ (11,346,593.45)	\$ (10,238,648.42)	\$ (69,698,517.91)
45312	<i>Parking Fee: Off Street Parking (Including OPR Parking)</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45313	<i>Parking Stall Fees</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45400	Other Fees	\$ 6,112,934.05	\$ 8,255,463.90	\$ 6,155,157.64	\$ 1,674,303.24	\$ 1,757,100.10	\$ 1,722,505.79	\$ 25,677,464.72
45500	Sales (service charges restricted due to Prop 26; GASB)*	\$ 52,707.85	\$ 58,934.00	\$ 51,661.00	\$ 29,873.00	\$ 29,145.85	\$ 22,080.00	\$ 244,401.70
45519	<i>Service Charges - Library – add back (effectively unrestricted)</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45600	Port Revenue	\$ 8,987,839.78	\$ 9,677,287.30	\$ 10,426,791.49	\$ 10,029,630.11	\$ 11,358,090.23	\$ 12,054,618.69	\$ 62,534,257.60
45700	Other Service Charges	\$ 12,664,524.41	\$ 7,880,916.68	\$ 7,556,917.77	\$ 8,583,212.91	\$ 8,056,455.57	\$ 8,238,217.21	\$ 52,980,244.55
46000	Grant and Subvention Revenue	\$ 1,983,302.35	\$ 2,217,850.39	\$ 3,508,676.81	\$ 1,839,561.83	\$ 2,420,811.99	\$ 1,774,725.63	\$ 13,744,929.00
48100	Sale of Real/Personal Property	\$ 141,727.68	\$ 560,567.51	\$ 634,304.74	\$ 114,250.30	\$ 4,303.00	\$ 796,246.00	\$ 2,251,399.23
48200	Bond and Loan Revenues	\$ -	\$ 874,460.07	\$ -	\$ -	\$ 961,239.91	\$ -	\$ 1,835,699.98
48400	Insurance Claims and Settlements	\$ 88,009.60	\$ 73,571.75	\$ 503,026.00	\$ 29,844.00	\$ 1,399,124.13	\$ 5,684,850.04	\$ 7,778,425.52
48500	Coliseum Revenue	\$ 171,212.91	\$ 149,612.43	\$ -	\$ -	\$ -	\$ -	\$ 320,825.34
48715	Other Revenue: Receipt of Trust Funds	\$ -	\$ (0.09)	\$ -	\$ 498.70	\$ -	\$ 4,666.00	\$ 5,164.61
48716	Other Revenue: Revolving Loan Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48716	<i>Oak Center & City Center West Garage Loan Repayment</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48721	Other Revenue: Pass Through Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,957.88	\$ 2,957.88
48723	Other Revenue: Port of Oakland (Revenue / Expense Clearing)	\$ -	\$ 2,456.83	\$ -	\$ -	\$ -	\$ -	\$ 2,456.83

Fund/Object/Account	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
49100 Reserve Transfers: Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49200 Operating Transfers In	\$ 3,578,733.87	\$ 4,006,233.00	\$ 17,552,618.00	\$ 3,256,618.19	\$ 2,904,867.00	\$ 13,075,123.00	\$ 44,374,193.06
Total Restricted	\$ 38,664,667.47	\$ 38,752,528.17	\$ 51,269,403.13	\$ 30,336,365.29	\$ 33,828,202.45	\$ 48,405,258.32	\$ 241,256,424.83
Unrestricted GPF Revenue Subject to Kids First! Set-Aside	\$ 611,279,790.12	\$ 593,004,732.09	\$ 655,835,064.14	\$ 693,483,501.94	\$ 695,714,168.57	\$ 686,441,982.29	\$ 3,935,759,239.15
Total Kids First Unrestricted Revenue Allocation (3%)	\$ 18,338,393.70	\$ 17,790,141.96	\$ 19,675,051.92	\$ 20,804,505.06	\$ 20,871,425.06	\$ 20,593,259.47	\$ 118,072,777.17

Source: Auditor analysis of Oracle expenditure data (FM 450 Report) for period 13 of each fiscal year shown.

*Note: Revenues are categorized as ‘restricted’ based on historical calculations for Kids First set-asides and Finance Department guidance. As described within the report, Kids First has required ongoing legal interpretation. As of this report, lease revenues may be treated differently relative to past audits due to the implementation of GASB 87 in December 2019. Lease revenues are generally considered unrestricted, in accordance with Controller’s Bureau interpretations of GASB. While some lease revenues have restrictions on use, based on authorizing legislation or if they are for buildings developed with redevelopment bond funds, the Real Estate Division of the Department of Economic and Workforce Development tracks the leases for which the City is a lessor, and codes revenues to fund sources accordingly. As such, we treated lease revenues within the General Purpose Fund (1010) as unrestricted. Additionally, based on interpretation of Budget Bureau and Controller’s Bureau staff, all service fees are considered restricted for the purposes of calculating the Kids First set aside. This interpretation is based on requirements under California Proposition 26 and GASB.

APPENDIX B: True-Ups for FY 2012-13 through FY 2023-24

	Applicable Fiscal Year													TOTAL
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	
Initial set-aside	\$10,954,613	\$12,181,625	\$13,031,188	\$14,049,327	\$14,536,156	\$16,178,477	\$16,792,565	\$18,238,542	\$17,802,336	\$18,650,594	\$21,013,357	\$22,336,804	\$23,565,016	\$219,330,600
Required set-aside	\$12,892,327	\$13,115,076	\$14,144,226	\$15,466,991	\$15,665,540	\$16,509,822	\$18,338,394	\$17,790,142	\$19,675,052	\$20,804,505	\$20,871,425	\$20,593,259		\$205,866,759
Difference	\$1,937,714	\$933,451	\$1,113,038	\$1,417,664	\$1,129,384	\$331,345	\$1,545,829	\$(448,400)	\$1,872,716	\$2,153,911	\$(141,932)	\$(1,743,545)		\$10,101,175
Kids First owed	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	FALSE	TRUE	TRUE	FALSE	FALSE		FALSE
Difference owed	\$1,937,714	\$933,451	\$1,113,038	\$1,417,664	\$1,129,384	\$331,345	\$1,545,829	\$(448,400)	\$1,872,716	\$2,153,911	\$(141,932)	\$(1,743,545)		\$10,101,175
FY 2015	\$1,937,714	\$40,823												\$1,978,537
FY 2016		**												\$-
FY 2017			**											\$-
FY 2018				\$1,417,664										\$1,417,664
FY 2019		\$892,628	\$1,113,038		\$1,129,384									\$3,135,050
FY 2020						\$331,345								\$331,345
FY 2021							\$1,515,083							\$1,515,083
FY 2022								\$(810,513)						\$(810,513)
FY 2023									\$308,206					\$308,206
FY 2024										\$2,429,776				\$2,429,776
FY 2025														\$-
FY 2026														\$-
Total adjustment	\$1,937,714	\$933,451	\$1,113,038	\$1,417,664	\$1,129,384	\$331,345	\$1,515,083	\$(810,513)	\$308,206	\$2,429,776	\$-	\$-		\$10,305,148
Remainder	\$-	\$-	\$-	\$-	\$-	\$-	\$30,746	\$362,113	\$1,564,510	\$(275,865)	\$(141,932)	\$(1,743,545)		\$(203,973)

**Late adjustment. As described within the report, transfers to adjust the set-aside based on actual unrestricted General Purpose Fund revenues generally occur two fiscal years later, but in some instances have been later, partial, or combined. These years appeared as a single transfer in FY2019 for \$2,005,666.

Source: Auditor analysis of Oracle data for operating transfers from the General Purpose Fund (Fund 1010) to the Kids First Fund (Fund 1780), 2018 Kids First Audit (FY 2013 through FY 2016), 2020 Kids First Audit (FY 2017 through FY 2018), and auditor set-aside calculations based on Oracle revenue data and Finance Department guidance (FY 2019 through FY 2024), as detailed in Appendix A.

Note: Positive values show a transfer of funds from the General Purpose Fund (Fund 1010) to the Kids First Fund (Fund 1780). FY 2024-25 initial set-aside is shown for informational purposes; the required set-aside will be in a future report, following the external financial audit of the City's FY 2024-25 revenues.

CITY OF OAKLAND



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FINANCE DEPARTMENT
ADMINISTRATION OFFICE

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November 6, 2025

Michael C. Houston
Office of the Oakland City Auditor
1 Frank H. Ogawa Plaza – 4th Floor
Oakland, California 94612

Dear City Auditor Houston,

The City Administration thanks the City Auditor's Office for its audit of the Kids First! Oakland Children's Fund. We appreciate the Auditor's efforts to bring the reporting current and affirm the City's continued investment in services for children and youth, consistent with the intent of the City Charter.

We are pleased that the audit confirms the City met or exceeded the required 5.35% baseline spending on youth services in each fiscal year reviewed. This outcome reflects the City's strong commitment to advancing the goals of the Kids First! Act and the broader priority to support the healthy development of Oakland's children and youth.

Set-Aside Calculation Context

Regarding the 3% set-aside requirement, the audit notes that actual transfers to the Fund were not always precisely equal to the calculated amount based on audited actuals. While we agree that improved alignment warranted, the cumulative difference between the Auditor's calculated required set-aside and the City's actual set-aside over the six-year period totals approximately \$204,000. This amount represents less than 0.2% of the \$118 million total set aside for children and youth programs during that period. We believe this level of variance reflects a high degree of compliance in practice and should not materially detract from the City's overall performance in meeting the set-aside requirement.

Response to Recommendations

Recommendation 1 – *To ensure consistency of interpretation and to promote compliance with Article XIII of the Oakland City Charter, the Finance Department should consult with the City Attorney's Office to finalize and adopt formal guidance and document the methodology of its process for: (a) adjusting set-asides based on actual revenues rather than appropriations, (b) calculating baseline spending on eligible expenses, for example, within defined org codes and program codes, (c) defining the timing of true-ups and adjustments for the two-year adjustment cycle, and (d) validating interpretations of 'restricted' General Purpose Fund revenues.*



The Finance Department agrees with this recommendation. We agree to consult with the City Attorney's Office to confirm and, if needed, clarify the classification of restricted versus unrestricted revenues.

We believe that other components of the recommendation have already been substantially implemented:

- Set-aside adjustments have consistently been based on audited actuals, in alignment with existing budget procedures that incorporate "true-up" entries two years after the initial budget year.
- Eligibility criteria for baseline expenditures have been drafted for internal use to improve consistency across departments and reporting years in response to this audit. Per the audit recommendation please see document attached for this internal guidance.
- The timing and mechanics of the true-up process are well-established and have been consistently applied through the City's biennial budget development process and will be continued to be applied in future cycles.

Recommendation 2 - *In accordance with Kids First! The Oakland Fund for Children and Youth Act, the Finance Department should, in consultation with the City Attorney's Office, correct for the over-and under-payments between Fiscal Year 2018-19 and Fiscal Year 2023-24, and document this one-time correction for future reference.*

Management agrees that a one-time adjustment is necessary to correct slight discrepancies for the true-up adjustment payments from prior fiscal years (2018-19 to 2023-24). This action will be documented in the City's financial system and the published adopted budget book to ensure transparency.

The City remains committed to fulfilling both the letter and spirit of the Kids First! Act. We thank the Auditor's Office for its review and recommendations and look forward to continued collaboration to maintain high standards of stewardship for voter-mandated funds.

Sincerely,

A handwritten signature in blue ink that reads "Bradley Johnson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Bradley Johnson
Director of Finance

Internal Finance Department Guidance

I. Accounting for Children and Youth Services Expenditures

(Measure D Baseline Requirement)

Purpose

This guidance establishes a Citywide process to account for expenditures on children and youth services in compliance with the requirements of Measure D and in response to the Auditor's recommendations. The goal is to provide consistency, transparency, and a defensible methodology for determining whether the City meets its required baseline spending on children and youth services.

1. Eligible and Ineligible Expenditures

Eligible Expenditures may include:

- - Direct program services primarily intended for children and youth (ages 0–20), such as education, recreation, mentoring, and employment.
- Staff salaries, benefits, supplies, contracts, and internal services directly attributable to children and youth programming.

Ineligible Expenditures generally include:

- - Services exclusively for adults or seniors.
- General government costs not targeted to children and youth.

2. Departmental Role in the Budget Process

Departments are responsible for ensuring that programs and expenditures directly serving children and youth are budgeted in the appropriate org codes and funds identified for Measure D baseline tracking.

- Departments should continue to budget direct youth services in the established orgs (see Section 4 below).
- If departments believe that additional programs or budgets should be captured—or if existing orgs should be excluded—they must notify the Budget Bureau during the budget process so that adjustments can be considered.

3. Shared Services and Department Confirmation

Some City programs and costs may serve multiple populations (e.g., families, children and youth, seniors). To ensure consistency and accuracy:

- Finance will provide departments with a Youth Services Budget Confirmation Form during the budget development process.

ATTACHMENT

- The form will list the org codes and funds currently included in the baseline calculation.
- Departments must:
 1. Confirm that the listed budgets are correct,
 2. Propose additions or removals of org codes if needed, and
 3. Identify any programs serving both youth and other populations, applying a reasonable allocation percentage and providing a short justification/description of services.

4. Current Budget Capture Process

As part of the baseline calculation in the Adopted Budget, Finance currently identifies youth services expenditures from the following sources:

- Human Services Department – Org 78231 (Head Start Classroom and Seasonal).
- OPRYD Department – recreation center org codes.
- Library Department – Org 61313 (Children’s Services / Youth).
- Measure AA – Fund 2262 and Fund 2263, capturing contract budgets that directly serve youth.

Departments should notify the Budget Bureau if they believe additional budgets should be included, or if existing codes require updates to more accurately reflect services to children and youth.

Appendix A: Youth Services Budget Confirmation Form

Org Code / Fund	Program Name & Description	Amount Budgeted	Eligible % for Youth Services	Justification / Notes	Confirmed (Y/N)	Dept Requested Change (Add/Remove)
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II. Kids First! Set-Aside

Purpose

To ensure compliance with Article XIII of the City Charter and consistency in interpretation, the City has established the following guidance for the implementation of the Kids First! Oakland Fund for Children and Youth Act:

1. Set-Aside Adjustments Based on Actuals

The Finance Department calculates the 3% set-aside based on actual unrestricted General Purpose Fund (GPF) revenues, consistent with the requirement of the Charter. Because actual revenue is only available after the close of the fiscal year and completion of the

ATTACHMENT

external audit, the adjustment (or “true-up”) is incorporated into the City’s budget two fiscal years following the initial year.

Specifically:

Set-aside true ups are based on audited actuals reflected in Period (P13) of the City’s financial system and are included in the adopted budget of the biennial or midcycle budget that occurs two years after the fiscal year being reconciled.

2. Revenue Classification (TBD)

APPENDIX B: Set-Aside Calculations

Fund/Object/Account

	1010	Total General Purpose Fund Revenue	A
LESS RESTRICTED	41313	Sales and Use Tax: Proposition 172	B
	44200	Land Rental Income	B
	44300	Facility Rental Income	B
	44418	Other Rental: Billboards	B
	44419	Other Rental Miscellaneous	B
		Interest, Rent, and Concession – Real Estate – add back (effectively unrestricted)*	C
	44500	Concession Income	B
	45100	Public Works Fee	B
	45200	Park and Recreation Fee	B
	45300	Parking Fee	B
	45311	Parking Fee: On Street Parking Meters – add back (effectively unrestricted)	B
	45311	Parking Fee: Off Street Parking (Including OPR Parking) add back (effectively unrestricted)*	C
	45313	Parking Stall Fees	B
	45400	Other Fees	B

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APPENDIX B: Set-Aside Calculations

Fund/Object/Account

	45500	Sales (service charges restricted due to Prop 26; GASB)*	B
	45519	Service Charges - Library – add back (effectively unrestricted)	C
	45600	Port Revenue	B
	45700	Other Service Charges	B
	46000	Grant and Subvention Revenue	B
	48100	Sale of Real/Personal Property	B
	48200	Bond and Loan Revenues	B
	48400	Insurance Claims and Settlements	B
	48500	Coliseum Revenue	B
	48715	Other Revenue: Receipt of Trust Funds	B
	48716	Other Revenue: Revolving Loan Repayment	B
	48716	Oak Center & City Center West Garage Loan Repayment	B
	48721	Other Revenue: Pass Through Loans	B
	48723	Other Revenue: Port of Oakland (Revenue / Expense Clearing)	B
	49100	Reserve Transfers: Projects	B
	49200	Operating Transfers In	B
	Total Restricted		(B-C)=D
	Unrestricted GPF Revenue Subject to Kids First! Set-Aside		A-D=E
	Total Kids First Unrestricted Revenue Allocation (3%)		3%*E

ATTACHMENT

Prepared by: Rina Stabler, Assistant Budget Administrator
Finance Department – Budget Bureau
August 2025

DRAFT



**CITY OF
OAKLAND**

Office of the City Auditor

**Audit of the Kids First! Oakland Children's Fund for Fiscal
Year (FY) 2018-19 through FY 2023-24**

City Administration's Recommendation Implementation Plan

Rec#	City Auditor's Recommendations	Management Action Plan	Responsible Party	Target Date for Completion
1	To ensure consistency of interpretation and to promote compliance with Article XIII of the Oakland City Charter, the Finance Department should consult with the City Attorney's Office to finalize and adopt formal guidance and document the methodology of its process for: (a) adjusting set-asides based on actual revenues rather than appropriations, (b) calculating baseline spending on eligible expenses, for example, within defined org codes and program codes, (c) defining the timing of true-ups and adjustments for the two-year adjustment cycle, and (d) validating interpretations of 'restricted' General Purpose Fund revenues.	<p>The Finance Department agrees with this recommendation. We agree to consult with the City Attorney's Office to confirm and, if needed, clarify the classification of restricted versus unrestricted revenues. We believe that other components of the recommendation have already been substantially implemented:</p> <ul style="list-style-type: none">• Set-aside adjustments have consistently been based on audited actuals, in alignment with existing budget procedures that incorporate "true-up" entries two years after the initial budget year.• Eligibility criteria for baseline expenditures have been drafted for internal use to improve consistency across departments and reporting years in response to this audit. Per the audit recommendation please see document attached for this internal guidance.• The timing and mechanics of the true-up process are well-established and have been consistently applied through the City's biennial budget development process and will be continued to be applied in future cycles.	Finance Department	January 2026



**CITY OF
OAKLAND**

Office of the City Auditor

**Audit of the Kids First! Oakland Children's Fund for Fiscal
Year (FY) 2018-19 through FY 2023-24**

City Administration's Recommendation Implementation Plan

Rec#	City Auditor's Recommendations	Management Action Plan	Responsible Party	Target Date for Completion
2	In accordance with Kids First! The Oakland Fund for Children and Youth Act, the Finance Department should, in consultation with the City Attorney's Office, correct for the over-and under-payments between FY 2018-19 and FY 2023-24, and document this one-time correction for future reference.	Management agrees that a one-time adjustment is necessary to correct slight discrepancies for the true-up adjustment payments from prior fiscal years (2018-19 to 2023-24). This action will be documented in the City's financial system and the published adopted budget book to ensure transparency.	Finance Department	June 2026

Audit of Kids First! Oakland Fund for Children & Youth

Presentation to OFCY Planning
and Oversight Committee

December 3, 2025



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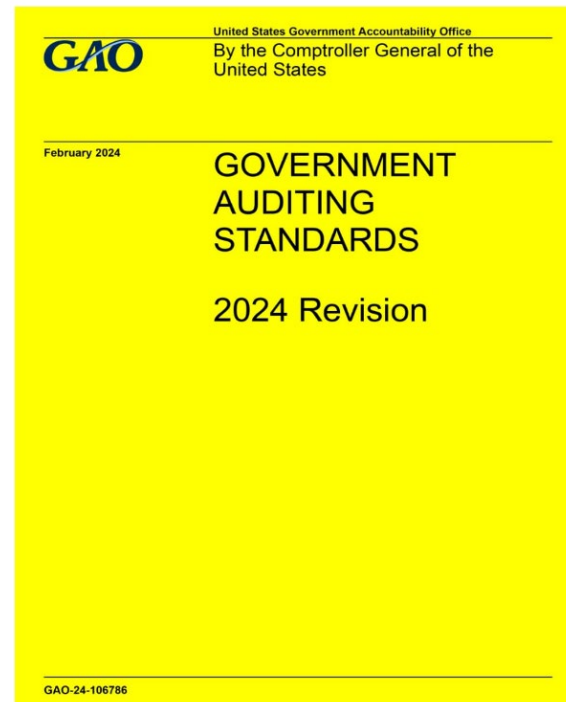
Questions

The Office of the City Auditor

The Office shines a light on City operations and programs, so Oakland residents, businesses, officials, and the general public can see:

- ✓ what their government does,
- ✓ how well their government performs, and
- ✓ how their government can improve.

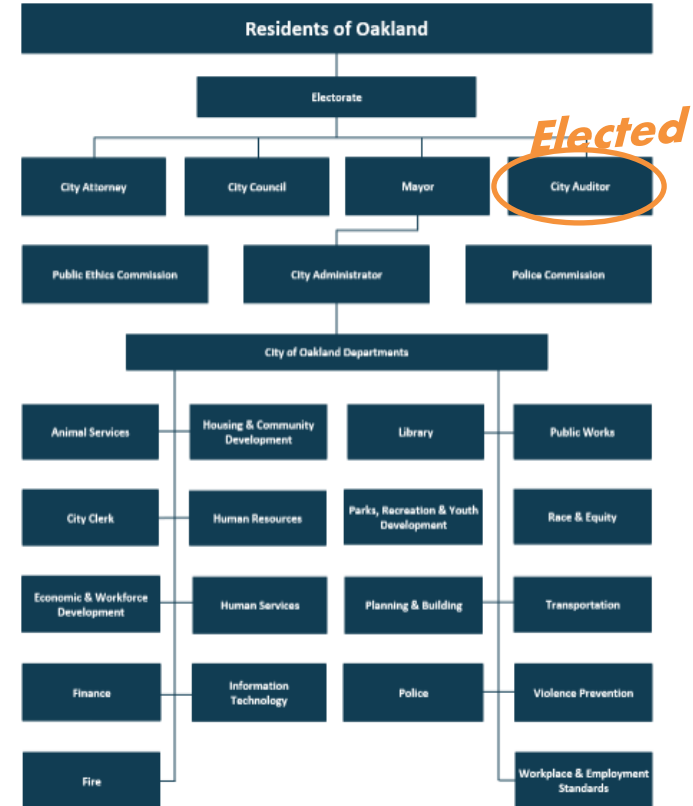
The City Auditor's Office adheres to Government Auditing Standards by the Comptroller General of the United States.



Office of the City Auditor: Authority & Duties

City Charter and municipal code state that, among other things, the independent City Auditor shall have the power **and duty** to:

- ✓ Audit areas in the best interest of the public and other matters the Council and Mayor may request
- ✓ Follow up on audit recommendations
- ✓ Provide voters with independent financial analysis for ballot measures
- ✓ Investigate whistleblower complaints





Audit Team



CITY AUDITOR

Michael C. Houston



ASSISTANT CITY AUDITOR

Eduardo Luna



**PERFORMANCE AUDIT
MANAGER**

Stephanie Noble



**SENIOR PERFORMANCE
AUDITOR**

Mark Carnes



Audit Objective

The objectives of the audit were to verify that the City:

- Correctly calculated and set aside the appropriate amount to the Kids First! Fund
- Met the baseline spending requirements



Audit Scope

Fiscal year (FY) 2018-19 through FY 2023-24

Background

- The Kids First! Fund (Fund) was established by the Kids First! Oakland Fund for Children and Youth Act (Act), which voters first passed as Measure K in 1996.
- The Act was reauthorized and extended for an additional 12 years, effective July 1, 2021, through June 30, 2033.
- The City Charter requires the City Administrator to estimate the actual unrestricted General Purpose Fund revenues and the City Auditor to verify the revenue amount.
- The City Auditor must calculate and publish the actual amount of City expenditures for children and youth services (minus the Fund).

CITY REVENUES

Set-Aside

- 3% of revenue
- Funds Kids First! Fund
- Designated to Kids First! Fund

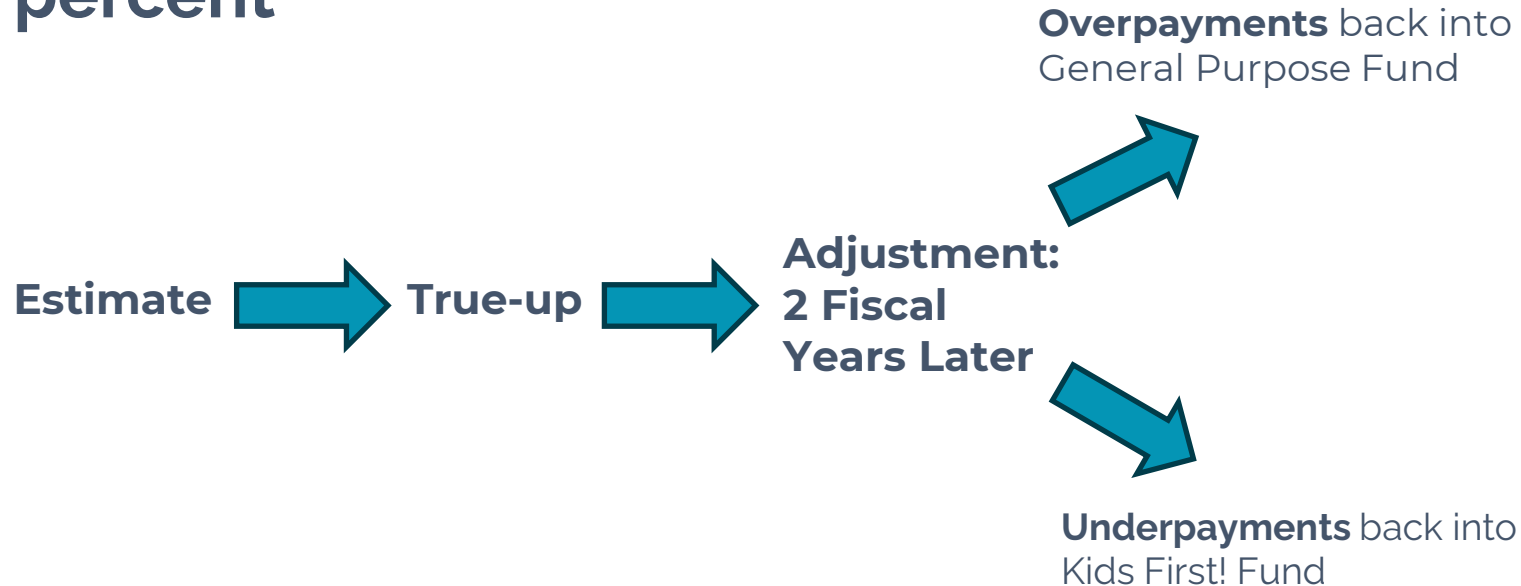


CITY EXPENDITURES

Baseline Spending

- 5.35% of expenditures
- Spent on services for children & youth
- Excludes Kids First! Fund

The Act states the Kids First! Fund “shall receive revenues in an amount equal to three percent”





CITY OF OAKLAND
Office of the City Auditor



RESULTS

In the Period Reviewed, the City Did Not Always Meet the 3 Percent Set-Aside Requirement

The Charter requires adjustments for over- and underpayments

- Over a period of six years, from FY 2018-19 to 2023-24, the City overpaid the Fund in three years and underpaid the Fund in three years, as shown in Appendix B. The adjustments made did not match the amounts owed, based on our calculations.
- Article XIII Section 1300 of the City Charter states, “Errors in calculation for a fiscal year **shall be corrected by an adjustment** in the set aside depending upon **whether the actual, unrestricted General Purpose Fund (Fund 1010) revenues are greater or less** than the estimate.” [emphasis added]

APPENDIX B: True-Ups for FY 2012-13 through FY 2023-24

	Applicable Fiscal Year													TOTAL
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	
Initial set-aside	\$10,954,613	\$12,181,625	\$13,031,188	\$14,049,327	\$14,536,156	\$16,178,477	\$16,792,565	\$18,238,542	\$17,802,336	\$18,650,594	\$21,013,357	\$22,336,804	\$23,565,016	\$219,330,600
Required set-aside	\$12,892,327	\$13,115,076	\$14,144,226	\$15,466,991	\$15,665,540	\$16,509,822	\$18,338,394	\$17,790,142	\$19,675,052	\$20,804,505	\$20,871,425	\$20,593,259		\$205,866,759
Difference	\$1,937,714	\$933,451	\$1,113,038	\$1,417,664	\$1,129,384	\$331,345	\$1,545,829	\$(448,400)	\$1,872,716	\$2,153,911	\$(141,932)	\$(1,743,545)		\$10,101,175
Kids First owed	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	FALSE	TRUE	TRUE	FALSE	FALSE		FALSE
Difference owed	\$1,937,714	\$933,451	\$1,113,038	\$1,417,664	\$1,129,384	\$331,345	\$1,545,829	\$(448,400)	\$1,872,716	\$2,153,911	\$(141,932)	\$(1,743,545)		\$10,101,175
FY 2015	\$1,937,714	\$40,823												\$1,978,537
FY 2016		**												\$-
FY 2017			**											\$-
FY 2018				\$1,417,664										\$1,417,664
FY 2019		\$892,628	\$1,113,038		\$1,129,384									\$3,135,050
FY 2020						\$331,345								\$331,345
FY 2021							\$1,515,083							\$1,515,083
FY 2022								\$(810,513)						\$(810,513)
FY 2023									\$308,206					\$308,206
FY 2024										\$2,429,776				\$2,429,776
FY 2025														\$-
FY 2026														\$-
Total adjustment	\$1,937,714	\$933,451	\$1,113,038	\$1,417,664	\$1,129,384	\$331,345	\$1,515,083	\$(810,513)	\$308,206	\$2,429,776	\$-	\$-		\$10,305,148
Remainder	\$-	\$-	\$-	\$-	\$-	\$-	\$30,746	\$362,113	\$1,564,510	\$(275,865)	\$(141,932)	\$(1,743,545)		\$(203,973)

**Late adjustment. As described within the report, transfers to adjust the set-aside based on actual unrestricted General Purpose Fund revenues generally occur two fiscal years later, but in some instances have been later, partial, or combined. These years appeared as a single transfer in FY2019 for \$2,005,666.

Source: Auditor analysis of Oracle data for operating transfers from the General Purpose Fund (Fund 1010) to the Kids First Fund (Fund 1780), 2018 Kids First Audit (FY 2013 through FY 2016), 2020 Kids First Audit (FY 2017 through FY 2018), and auditor set-aside calculations based on Oracle revenue data and Finance Department guidance (FY 2019 through FY 2024), as detailed in Appendix A.

Note: Positive values show a transfer of funds from the General Purpose Fund (Fund 1010) to the Kids First Fund (Fund 1780). FY 2024-25 initial set-aside is shown for informational purposes; the required set-aside will be in a future report, following the external financial audit of the City's FY 2024-25 revenues.

City Attorney review of Finance Department Guidance will help ensure consistency

- The Act is complex – it applies to multiple funds, requires estimates and adjustments based on actuals, and timing necessarily results in adjustments in subsequent years to ensure compliance.
- The Act requires ongoing legal interpretation (to determine whether revenues are considered restricted).
- Finance has draft guidance that needs finalizing.
- To ensure consistency of interpretation and promote compliance, the Finance Department should consult with the City Attorney's Office to finalize and adopt formal guidance and document the methodology for future reference.



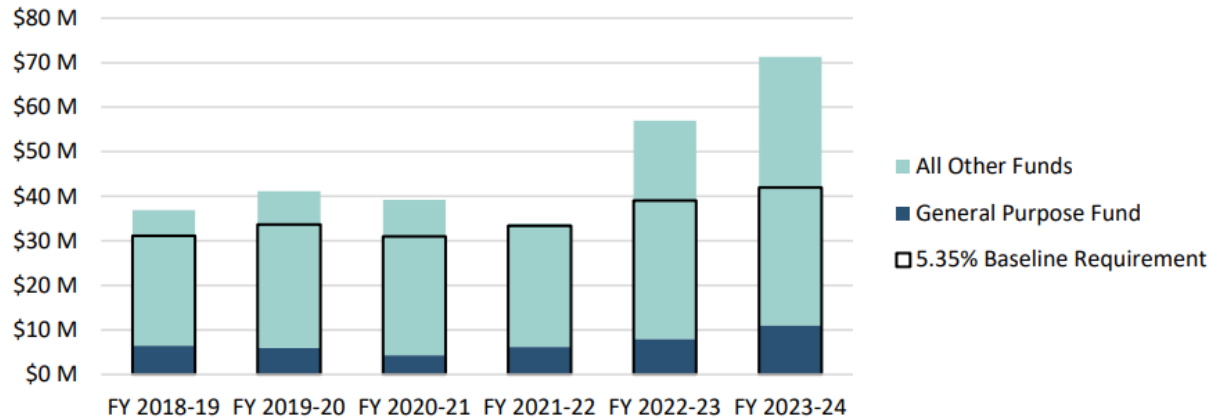
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RESULTS

The City Met or Exceeded the Baseline Spending Requirement for the Period Reviewed

The City Met or Exceeded the 5.35 Percent Baseline Spending Requirement in Each Year Analyzed



Source: Auditor analysis of expenditure data from Oracle, the City of Oakland's financial management system.

Note: In the last two fiscal years, the inclusion of Oakland Promise funding, which started in FY 2022-23, increased overall expenses substantially.



Recommendation 1

To ensure consistency of interpretation and to promote compliance with Article XIII of the Oakland City Charter, the Finance Department should consult with the City Attorney's Office to finalize and adopt formal guidance and document the methodology of its process for: (a) adjusting set-asides based on actual revenues rather than appropriations, (b) calculating baseline spending on eligible expenses, for example, within defined org codes and program codes, (c) defining the timing of true-ups and adjustments for the two-year adjustment cycle, and (d) validating interpretations of 'restricted' General Purpose Fund revenues.



Recommendation 2

In accordance with Kids First! The Oakland Fund for Children and Youth Act, the Finance Department should, in consultation with the City Attorney's Office, correct for the over-and under-payments between FY 2018-19 and FY 2023-24, and document this one-time correction for future reference.



Audit of the Kids First! Oakland Children's Fund for Fiscal Year (FY) 2018-19 through FY 2023-24

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Audit of the Kids First! Oakland Children's Fund for Fiscal Year (FY) 2018-19 through FY 2023-24

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Questions?

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AUDIT REPORT



DATE: November 6, 2025

TO: Oakland Residents, Mayor Lee, Members of the City Council, City Attorney Richardson, City Administrator Johnson, and Kids First! OFCY Planning and Oversight Committee Members

FROM: City Auditor Michael C. Houston, MPP, CIA

SUBJECT: **Audit of the Kids First! Oakland Children's Fund for Fiscal Year (FY) 2018-19 through FY 2023-24**

INTRODUCTION

Our Office has completed an audit of the Kids First! Oakland Children's Fund (Fund). We based the audit objectives on requirements of City Charter sections 1300 and 1306, which require the City of Oakland (City) to allocate a portion of its annual actual unrestricted General Purpose Fund revenues and expenditures to fund services and programs benefiting children and youth. The City Charter requires the City Auditor to annually calculate and publish the actual amount of City spending for children and youth services exclusive of expenditures mandated by state or federal law. To bring the City current on the audit requirements, this report covers Fiscal Years (FY) 2018-19 through 2023-24.¹

BACKGROUND

The Kids First! Fund was established by the Kids First! Oakland Fund for Children and Youth Act (Act), which voters first passed as Measure K in 1996.² The City Council most recently reauthorized and extended the Act for an additional 12 years in 2020, effective July 1, 2021, through June 30, 2033, the end of FY 2032-33.³ As

¹ Past audits may be found on our website at <https://www.oaklandauditor.com/reports/all-reports/>.

² Article XIII of the City Charter (sections 1300 to 1307) was added by the 1996 Kids First! Oakland Fund for Children and Youth Act; Article XIII of the City Charter and the Act may be referred to interchangeably.

³ Section 1307 of the City Charter sets out the process by which the law may be reauthorized. Every 12 years, the City Council can extend the law or place the question of whether to extend it to the voters through a ballot measure. Voters have previously amended the law. In 2008, Oakland voters repealed and replaced the Act from Measure K with Measure OO, and amended it

Errata

- Errata is shown on p. 7 of the re-issued report.
- We identified a potential error stemming from the scope of the report. In expanding the scope of the period reviewed, we were able to confirm and correct for that error, and make subsequent changes based on that review.
- We made these changes in accordance with Generally Accepted Government Auditing Standards (9.68), which require us to communicate in the same manner as used to originally distribute the report, remove the report and post a public notice the report was removed, then determine additional audit work necessary to reissue the report.
- Our Office strives to report results accurately. We publicly acknowledge and correct our errors when the circumstances warrant it.



BCRP

ADAPTIVE SPORTS AND RECREATION

- <https://6abc.com/post/borp-nonprofit-brings-adaptive-sports-recreation-disability-community/17354787/>

How OFCY
helps provide
necessary
programming:

Youth Wheelchair Basketball and
Team Sports

Youth Cycling

Outings and Adventures

Transportation

Youth Sports



1st Annual Ronald Craven Youth Wheelchair Basketball Tournament
November 1, 2025, Berkeley Ca. © Scot Goodman



BORP hosting Wheelchair Basketball Tournament: April 2025

1st Annual Ronald Craven Youth Wheelchair Basketball Tournament
November 1, 2025. Berkeley Ca. © Scot Goodman



1st Annual Ronald Craven Youth Wheelchair Basketball Tournament
November 1, 2025. Berkeley Ca. © Scot Goodman



1st Annual Ronald Craven Youth Wheelchair Basketball Tournament
November 1, 2025, Berkeley Ca. © Scot Goodman

Cycling at Emerson Elementary



Therapeutic Trikes



Inclusive Cycling

- Three wheeled bikes allow students to better share and activity. They are traveling at about the same speed on the same course.



Coliseum
College Prep
Academy:
Grades 6th-12th
OUSD







Side By Side Tandem



Adult size Therapeutic Trike



Orientation and
Mobility
Visual Impairment
Program
Oakland Unified
School District





Outings and
Adventures

Great America

Rock Climbing



Transportation





Thank you



A large orange circle is positioned on the left side of the slide, partially cut off by the edge.

Contact

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949-205-9058

