



Children & Families  
Commission of Orange County

2009 DEC 29 PM 12:25

**Executive Officer's Report  
January 6, 2010 Meeting**

2009 DEC 29 PM 12:25  
ORANGE COUNTY  
BOARD OF SUPERVISORS

**DATE:** December 21, 2010

**TO:** Children and Families Commission of Orange County

**FROM:** Michael M. Ruane, Executive Director

**SUBJECT:** Executive Officer's Report

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The Executive Officer's Report for January 6, 2010, will include the following items.

**A. Informational Items (Report)**

1. Financial Highlights (included in Attachment 1)
2. Upcoming Community Events

**B. State Budget and Legislative Update (Report)**

The new state budget is scheduled for release on January 8, 2010 and is likely to include both mid-year and proposed budget reductions for FY 2010/11. While no specific proposal to redirect county Prop 10 revenues has been announced, we anticipate that there will be budget proposals to have Prop 10 funding address programs impacted by budget reductions. There is already a pending request by the State Department of Developmental Services to address the funding shortfall in the Early Start Program (early intervention for children under age 5 with developmental delays).

We will provide an update on any new developments and a response plan as necessary at the January 6<sup>th</sup> Commission meeting.

**C. Update on Prior Funding Action to Support New Facility for Cambodian Family Programs (Report)**

On May 6, 2009, your Commission approved a funding renewal and one-time funding for Cambodian Family to support their relocation to new facility that can accommodate on-site licensed child care along with other services to become more sustainable. The prior Commission action was one-time funding and was also contingent on a grant award from the Santa Ana Empowerment Zone and obtaining additional funding, anticipated to be through Orange County Head Start. Head Start funding was not allocated to Cambodian Family, however they have received private foundation (e.g., United Way, Chase Foundation donations) to satisfy our requirements. We will provide another update this summer on this project.

**ATTACHMENTS:**

1. Financial Highlights

# FINANCIAL HIGHLIGHTS

## November 30, 2009

### Investment Update

The Children and Families Commission of Orange County investment portfolio consisting of U.S. Treasury bills is **\$35,296,094** with laddered maturities extending through February 2011. The Commission's investment portfolio report is included in Attachment 1C. Unrealized gains and losses that are noted have not become actual. They become realized gains and losses when the security in which there is a gain or loss is actually sold. The U.S. Treasuries in the Commission's investment portfolio are held until maturity.

### Revenue Update

The Children and Families Commission of Orange County received and recorded **\$10,959,049** in total revenues year to date. The detail of all revenues received is included in Attachment 1B.

- \$8,318,994 – Tobacco Tax Revenues for July 2009 through October 2009. As reported by the state, Prop 10 revenues for July 2009 through October 2009 are approximately \$1,863,720 or 18.3% lower than the year to date estimated budget plan of \$10,182,714.
- \$690,878 – Interest Revenues received for July 2009 through November 2009 are approximately \$350,789 or 33.7% lower than the year to date estimated budget plan of \$1,041,667.

### Expenditure Update

The total actual operating expenditures and encumbrances year to date are **\$81,299,212**. Overall budgeted expenditures and encumbrances were approximately \$50,697,501 higher than the year to date current operating budget plan of \$30,601,711. The variance is due to multi-year encumbrances.

The following is an overview of the actual operating expenditures and encumbrances for the year to date ended November 30, 2009:

- \$81,299,212 – Total Year To Date Actual Operating Expenditures and Encumbrances
  - \$77,911,784 for Children's Programs
    - \$42,467,725 – Healthy Children Programs
    - \$13,512,122 – Strong Families Programs
    - \$17,605,563 – Ready to Learn (School Readiness) Programs
    - \$4,326,374 – Quality Services including Capacity Grants, AmeriCorps/VISTA, POMS (Evaluation costs of \$1,110,922)
  - \$3,387,428 for Administrative Functions

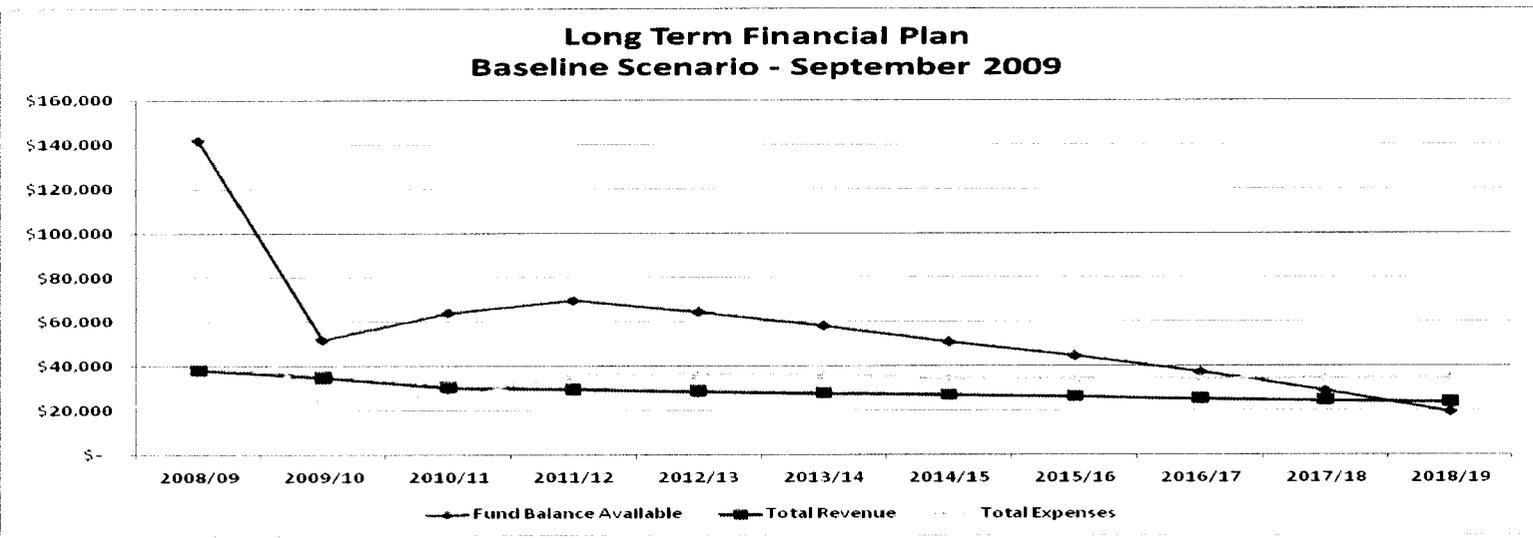
Administrative costs and functions are defined by State Commission guidelines (Fiscal Memorandum No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual Administrative expenditures and encumbrances of \$3,387,428 were 4.6% of the year to date ended November 30, 2009 Operating Budget of \$73,444,107.

### Consistent with 10-Year Financial Plan

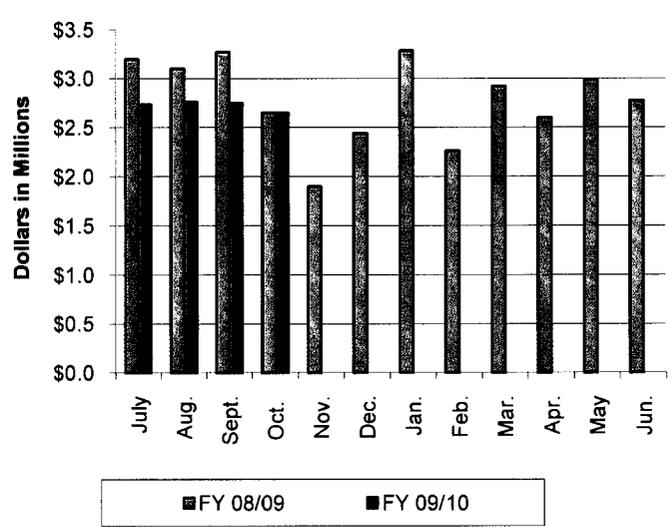
The Commission has dedicated funding for long-term support of programs consistent with the current Ten-Year Financial Plan.

# Children and Families Commission of Orange County Snapshot Period Ended November 30, 2009

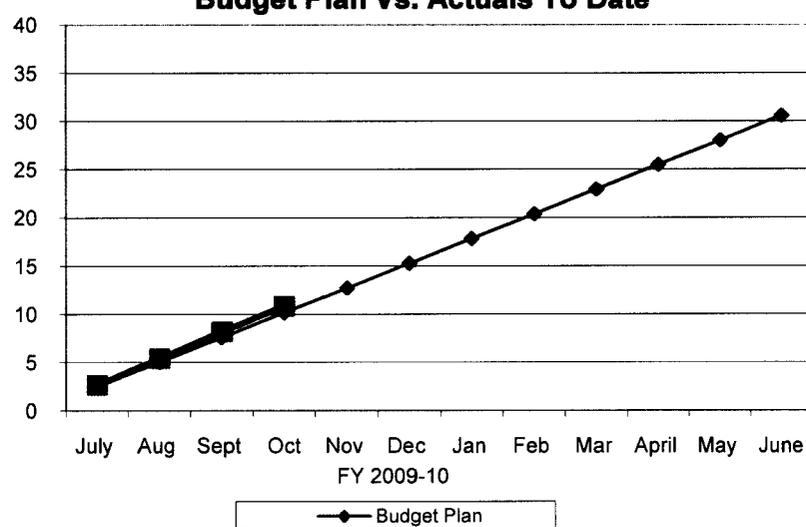
## 1) Long Term Financial Plan



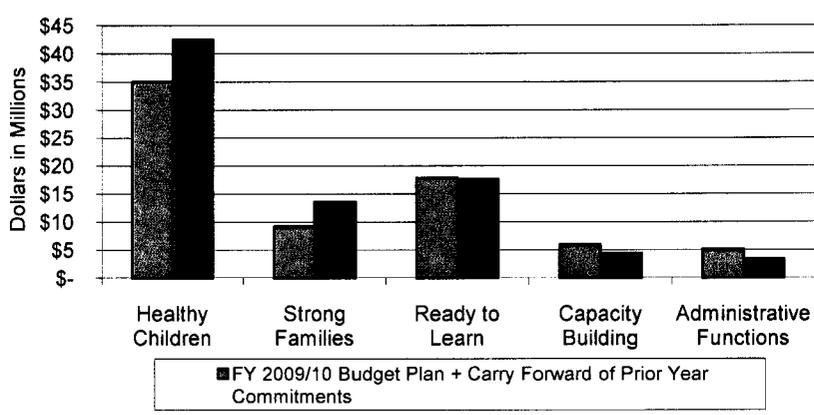
## 2) FYS 08/09 & 09/10 Tobacco Monthly Revenues \*



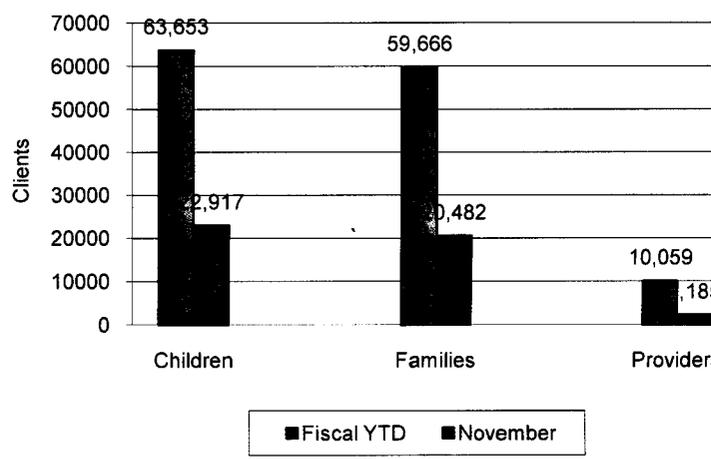
## 3) FY 2009-10 Cumulative Tobacco Tax Revenue Budget Plan Vs. Actuals To Date \*



## 4) FY 2009-10 Budget Plan Vs. YTD Total Actuals



## 5) Clients served in November and Fiscal YTD



\* SOURCE: County Funds Distribution Report (08) First 5 California

**Children and Families Commission of Orange County**  
**Comparison of FY 2009-10 Budget vs. Actuals - Unaudited**  
**Period Ended 11/30/09**

**High Level Summary**

	<b>FY 2009-10 Operating Budget</b>	<b>FY 2009-10 YTD Total Actual Expend. &amp; Encumb. Thru 11/30/09</b>	<b>Budget vs. Actuals</b>	<b>Actuals % of Final Budget Amount</b>
<b>FINANCING</b>				
<u>General Purpose Revenues</u>				
Tobacco Tax Revenue	30,548,143	8,318,994	-22,229,149	27%
All Other General Purpose Revenues	2,967,000	509,228	-2,457,772	17%
General Purpose Revenues Subtotal	33,515,143	8,828,222	-24,686,921	26%
Special Purpose Revenues	4,599,027	2,130,827	-2,468,200	46%
<b>TOTAL REVENUES</b>	<b>38,114,170</b>	<b>10,959,049</b>	<b>-27,155,121</b>	<b>29%</b>
Multi-Year Commitments - Operating Budget	0			
Fund Balance Available	33,404,762			
PY Carry forward Encumbrances	4,560,000			
<b>TOTAL FINANCING</b>	<b>76,078,932</b>	<b>10,959,049</b>	<b>-27,155,121</b>	<b>14%</b>
<b>REQUIREMENTS</b>				
<u>PROGRAM SERVICES</u>				
Healthy Children	35,001,763	42,467,725	7,465,962	121%
Strong Families	9,174,834	13,512,122	4,337,288	147%
Ready to Learn	17,787,422	17,605,563	-181,859	99%
Capacity Building	5,921,125	4,326,374	-1,594,751	73%
<b>TOTAL PROGRAM SERVICES</b>	<b>67,885,144</b>	<b>77,911,784</b>	<b>10,026,640</b>	<b>115%</b>
Administrative Functions	5,058,963	3,387,428	-1,671,535	67%
Contingency Funding	500,000	0	-500,000	0%
<b>TOTAL OPERATING EXPENSES</b>	<b>73,444,107</b>	<b>81,299,212</b>	<b>7,855,105</b>	<b>111%</b>
Transfer to Long Term Commitments Account	0	0	0	
Undesignated/Unreserved	2,634,825	0	0	
<b>TOTAL REQUIREMENTS</b>	<b>76,078,932</b>	<b>81,299,212</b>	<b>7,855,105</b>	<b>107%</b>
<b>FINANCES LESS EXPENSES</b>	<b>0</b>	<b>-70,340,163</b>	<b>-70,340,163</b>	

**Children and Families Commission of Orange County  
Investment Portfolio Report  
As of November 30, 2009**

<u>Issuer</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Days to Maturity</u>	<u>Yield (%)</u>	<u>CUSIP</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>	<u>Accrued Earnings</u>	
									<u>For Month</u>	<u>To Date</u>
<b>Treasury Bond (semi-annual coupons)</b>										
U.S. Treasury Security	4/30/2008	1/31/2010	641	2.3023	912828HP8	4,984,779.15	5,017,187.50	18,635.97	9,374.06	49,285.29
U.S. Treasury Security	4/30/2008	4/30/2010	730	2.3462	912828HX1	4,978,515.65	5,040,625.00	45,039.59	9,639.79	26,410.42
U.S. Treasury Security	7/31/2008	7/31/2010	730	2.641	912828JF8	5,010,546.90	5,085,156.25	81,659.88	10,775.81	38,907.35
U.S. Treasury Security	7/16/2009	10/31/2010	472	0.6626	912828JP6	5,053,710.94	5,057,031.25	19,023.93	2,801.64	(9,280.97)
U.S. Treasury Security	7/9/2009	12/31/2010	540	0.6831	912828JV3	5,014,062.50	5,031,250.00	20,963.54	2,785.32	13,462.41
U.S. Treasury Security	7/24/2009	1/31/2011	556	0.8205	912828JY7	5,004,101.56	5,032,031.25	28,888.69	3,345.26	13,663.96
U.S. Treasury Security	7/30/2009	2/28/2011	578	0.9047	912828KE9	4,997,656.25	5,032,812.50	34,653.44	3,747.34	11,621.59
<b>Subtotal for: Treasury Bond</b>						<u>35,043,372.95</u>	<u>35,296,093.75</u>	<u>248,865.04</u>	<u>42,469.22</u>	<u>144,070.05</u>
<b>Grand Total</b>						<u>\$ 35,043,372.95</u>	<u>\$ 35,296,093.75</u>	<u>\$ 248,865.04</u>	<u>\$ 42,469.22</u>	<u>\$ 144,070.05</u>

All of the above investments and any investment decisions made for the month November 30, 2009 were in full compliance with the Commission's investment policy as adopted on March 4, 2009.

The Commission had adequate cash flows for six months of operations.

Signed by: \_\_\_\_\_  
Director of Finance