

**Executive Officer's Report  
February 4, 2009 Meeting**

**DATE:** January 28, 2008  
**TO:** Children and Families Commission of Orange County  
**FROM:** Michael M. Ruane, Executive Director *Michael M. Ruane*  
**SUBJECT:** Executive Officer's Report

RECEIVED  
2009 JAN 29 AM 11:27  
CLERK OF THE BOARD  
ORANGE COUNTY  
BOARD OF SUPERVISORS

The Executive Officer's Report for February 4, 2009 will include the following items.

**A. Informational Items (Report)**

1. Financial Highlights (included in Attachment 1)
2. January State Association and State Commission meetings.

**B. The California Endowment's Healthy Community Funding Initiative – Santa Ana Site (Report and Action)**

In December, The California Endowment selected Santa Ana as one of its sites for a 10-year community investment program. The Commission is anticipated to take a lead or active role in the planning effort for the project. At the meeting, we will provide a report and any recommended actions required to move forward on this important effort.

**C. Partnerships with National Foundations (Report)**

In addition to the local funder efforts carried out with Orange County and statewide foundations described in Agenda Item No. 2 and above, there is also significant interest or opportunities to work in partnership with national foundations on programs sponsored by your Commission:

	National Foundations <u>(Local Partner)</u>
Health and Fitness	Robert Wood Johnson Foundation (Samueli Foundation)
Early Math Literacy	Gates Foundation (Samueli Foundation)
Early Developmental Index	Kellogg Foundation (UCLA Center)
Eliminating Nurse Training bottleneck	Robert Wood Johnson Foundation (Irvine Health Foundation)

In some cases, Commission technical assistance is provided in the development of a grant proposal or providing local match or in-kind support for the grant. We will continue to pursue these opportunities and utilize the Bridgespan Strategic Assessment and consultant resources for these efforts.

**ATTACHMENTS:**

1. Financial Highlights

# FINANCIAL HIGHLIGHTS

## December 31, 2008

### Investment Update

The Children and Families Commission of Orange County investment portfolio consisting of U.S. Treasury bills is **\$35,643,755** with laddered maturities extending through July 2010. 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 **\$16,850,037** in total revenues year to date. The detail of all revenues received is included in Attachment 1B.

- \$14,120,195 – Tobacco Tax Revenues for July 2008 through November 2008. As reported by the state, Prop 10 revenues for July 2008 through November 2008 are approximately \$279,805 or 1.9% lower than the year to date estimated budget plan of \$14,400,000.
- \$1,912,111 – Interest Revenues received for July 2008 through November 2008 are approximately \$287,111 or 17.7% higher than the year to date estimated budget plan of \$1,625,000. The increase in rate of return earned by the Commission's funds on deposit at the County Treasurer has contributed to the higher than expected interest earnings.

### Expenditure Update

The total actual operating expenditures and encumbrances year to date are **\$76,543,268**. Overall budgeted expenditures and encumbrances were approximately \$40,002,773 higher than the year to date current operating budget plan of \$36,540,495. The variance is due to the reconciliation of provisional payments issued in June 2008 and the implementation of multi-year encumbrances within the general ledger.

The following is an overview of the actual operating expenditures and encumbrances for the year to date ended December 31, 2008:

- \$76,543,268 – Total Year To Date Actual Operating Expenditures and Encumbrances
  - \$72,296,123 for Children's Programs
    - \$38,504,879 – Healthy Children Programs
    - \$4,468,893 – Strong Families Programs
    - \$20,964,381 – Ready to Learn (School Readiness) Programs
    - \$8,357,970 – Quality Services including Capacity Grants, AmeriCorps/VISTA, POMS (Evaluation costs of \$1,946,826)
  - \$4,247,145 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 \$4,247,145 were 4.25% of the year to date ended December 31, 2008 Operating Budget of \$99,879,723.

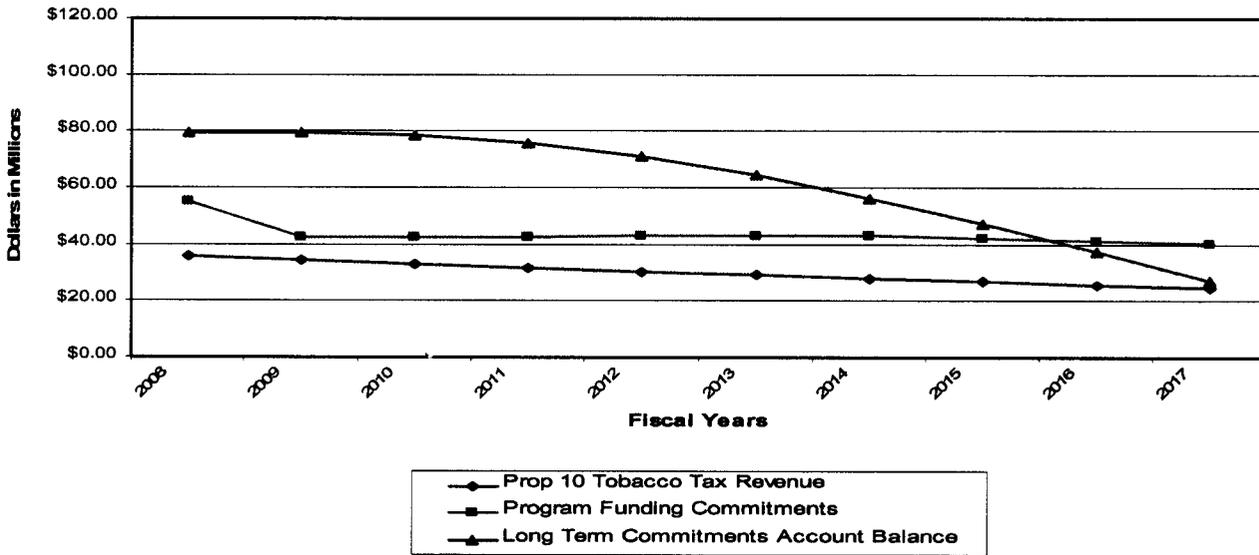
### Consistent with 10-Year Financial Plan

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

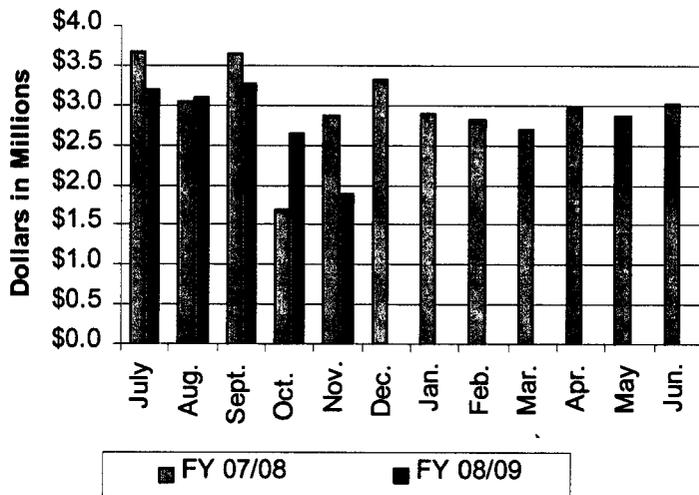


# Children and Families Commission of Orange County Snapshot Period Ended December 31, 2008

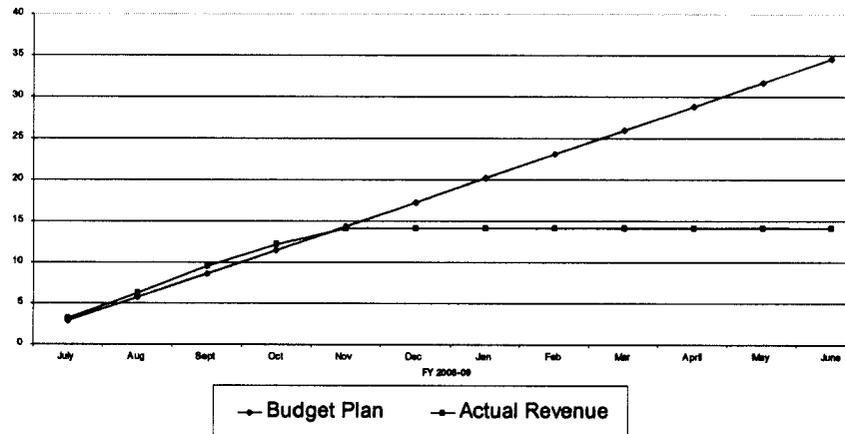
## 1) Ten-Year Financial Plan Projections



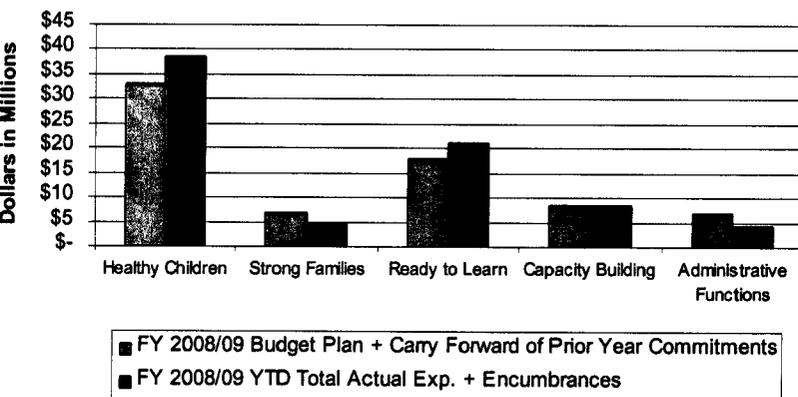
## 2) FYS 07/08 & 08/09 Tobacco Monthly Revenues \*



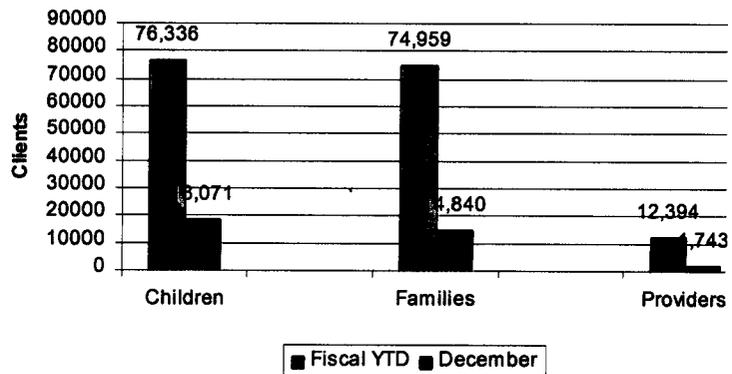
## 3) FY 2008-09 Cumulative Tobacco Tax Revenue Budget Plan Vs. Actuals To Date \*



## 4) FY 2008-09 Budget Plan Vs. YTD Total Actuals



## 5) Clients served in December and Fiscal YTD



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

**Children and Families Commission of Orange County**  
**Comparison of FY 2008-09 Budget vs. Actuals - Unaudited**  
**Period Ended 12/31/08**

**High Level Summary**

	FY 2008-09 (budget + carry forward for prior year commitments)	FY 2008-09 YTD Total Actual Expend. & Encumb. Thru 12/31/08	Budget vs. Actuals	Actuals % of Final Budget Amount
<b>FINANCING</b>				
<u>General Purpose Revenues</u>				
Tobacco Tax Revenue	34,560,000	12,516,448	-22,043,552	36%
All Other General Purpose Revenues	4,370,000	2,067,000	-2,303,000	47%
General Purpose Revenues Subtotal	38,930,000	14,583,448	-24,346,552	37%
Special Purpose Revenues	4,918,955	2,266,589	-2,652,366	46%
<b>TOTAL REVENUES</b>	<b>43,848,955</b>	<b>16,850,037</b>	<b>-26,998,918</b>	<b>38%</b>
Multi-Year Commitments - Operating Budget	0	0		
Fund Balance Available	47,964,762	43,587,439		
PY Carry forward Encumbrances	8,066,006	14,087,217		
<b>TOTAL FINANCING</b>	<b>99,879,723</b>	<b>74,524,693</b>	<b>-26,998,918</b>	<b>75%</b>
<b>REQUIREMENTS</b>				
<u>PROGRAM SERVICES</u>				
Healthy Children	33,120,778	38,504,879	5,384,102	116%
Strong Families	6,884,109	4,468,893	-2,415,216	65%
Ready to Learn	17,808,799	20,964,381	3,155,581	118%
Capacity Building	8,298,116	8,357,970	59,854	101%
<b>TOTAL PROGRAM SERVICES</b>	<b>66,111,802</b>	<b>72,296,123</b>	<b>6,184,321</b>	<b>109%</b>
Administrative Functions	6,737,921	4,247,145	-2,490,776	63%
Contingency Funding	500,000	0	-500,000	0%
<b>TOTAL OPERATING EXPENSES</b>	<b>73,349,723</b>	<b>76,543,268</b>	<b>3,193,544</b>	<b>104%</b>
Transfer to Long Term Commitments Account	10,000,000	0	-10,000,000	0%
Undesignated/Unreserved	16,530,000			
<b>TOTAL REQUIREMENTS</b>	<b>99,879,723</b>	<b>76,543,268</b>	<b>-6,806,456</b>	<b>77%</b>
<b>FINANCES LESS EXPENSES</b>	<b>0</b>	<b>-2,018,574</b>	<b>-2,018,574</b>	

**Children and Families Commission of Orange County  
Investment Portfolio Report  
As of December 31, 2008**

Attachment 1C

Issuer	Purchase Date	Maturity Date	Days to Maturity	Yield (%)	CUSIP	Cost	Market Value	Unrealized Gain (Loss)	Accrued Earnings	
									For Month	To Date
<b>Treasury Bond (semi-annual coupons)</b>										
U.S. Treasury Security	9/26/2006	1/15/2009	842	4.5856	912828BV1	4,855,468.75	5,004,690.00	7,093.13	19,010.07	217,196.05
U.S. Treasury Security	10/2/2006	4/15/2009	926	4.6332	912828CE8	4,821,484.40	5,042,190.00	62,239.27	19,283.22	191,948.47
U.S. Treasury Security	10/11/2006	7/15/2009	1008	4.7447	912828CN8	4,856,445.30	5,089,060.00	116,831.00	19,683.22	199,513.32
U.S. Treasury Security	10/16/2006	10/15/2009	1095	4.8011	912828CX6	4,803,125.00	5,120,310.00	171,911.03	19,945.19	181,434.68
U.S. Treasury Security	4/30/2008	1/31/2010	641	2.3023	912828HP8	4,984,779.15	5,092,190.00	101,569.46	9,686.52	50,304.71
U.S. Treasury Security	4/30/2008	4/30/2010	730	2.3462	912828HX1	4,978,515.65	5,117,970.00	132,214.42	9,961.12	25,337.46
U.S. Treasury Security	7/31/2008	7/31/2010	730	2.6410	912828JF8	5,010,546.90	5,177,345.00	169,023.06	11,135.00	55,315.80
<b>Subtotal for: Treasury Bond</b>						<b>34,310,365.15</b>	<b>35,643,755.00</b>	<b>760,881.37</b>	<b>108,704.34</b>	<b>921,050.49</b>
<b>Grand Total</b>						<b>\$ 34,310,365.15</b>	<b>\$ 35,643,755.00</b>	<b>\$ 760,881.37</b>	<b>\$ 108,704.34</b>	<b>\$ 921,050.49</b>

All of the above investments and any investment decisions made for the month December 31, 2008 were in full compliance with the Commission's investment policy as adopted on May 2, 2007.

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

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