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CHILDREN & FAMILIES  
COMMISSION OF ORANGE COUNTY  
BOARD OF SUPERVISORS

**DATE:** February 22, 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 March 3, 2010, will include the following items.

**A. Informational Items (Report)**

Financial Highlights (Attachment 1)

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

There are two updates this month:

*1. Legislative Proposals Impacting County Commissions*

In addition to the Governor's Budget Proposal to redirect 50 percent of Proposition 10 revenues to the General Fund for five years, two bills have been introduced by Senator Dave Cox related to Proposition 10 revenues. Both SB 1109 and SB x8 41 (an identical bill for current special session) would divert all Proposition 10 revenues to the state General Fund, and would require voter approval. We will continue to oppose this legislation and provide regular updates.

*2. State Budget Proposals*

The Governor's proposal to redirect Proposition 10 revenues was not included in the mid-year budget reduction plan recently approved by the State Senate Budget Committee. We will continue to monitor the FY2010/11 Budget process and respond as needed.

There are also ongoing discussions regarding the Governor's decision to cut \$50 million from the Early Start Program administered by the State Department of Developmental Services via Regional Centers. This program provides early support and intervention services for children under age six, but county commissions believe this to be strictly a supplantation of state funding regardless of its merits.

We have an excellent working relationship with our Regional Center and will continue to address the impacts of budget reductions and the economic conditions on young children. However, unlike the First 5 California action to address enrollment growth in the state Healthy Families insurance program, most county commissions have determined that they cannot participate in the state funding request. We have also declined participation and will provide a formal communication following today's Commission meeting.

**C. Quarterly Investment Report (*Report*)**

The Commission Treasurer submitted the Quarterly Investment Report (Attachment 2) as required by California Government Code Section 53646, and the Commission's Investment Policy Statement adopted by the Commission on March 4, 2009. The Investment Report summarizes Commission investments in both the Orange County Investment Pool Money Market Fund and the Specific Long-Term Investment Program, for the period October 1 through December 31, 2009. The Report also contains information on market conditions during the reporting period.

**D. Southern California Commissions Alliance for Learning and Results Project – Change in Fiscal Sponsor (*Action*)**

In January 2010, the Commission authorized \$25,000 in funding as our share to support the Southern California Regional First 5 Commissions (Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura Counties) in developing a regional effort for managing, analyzing, and communicating results and outcomes of First 5 investments. The project, entitled the First 5 Southern California Alliance for Learning and Results (SCALAR), was developed to assist Commission's in accomplishing many of the shared accountability and learning objectives through a cost-sharing approach that reduces the funding requirements compared to independent county efforts.

Your Commission previously authorized payment for Orange County's participation in SCALAR to First 5 Riverside who was serving as the fiscal agent for the regional project. Since that time, the First 5 Association of California has assumed the fiscal lead for the SCALAR project. Approval is requested to reassign the Commission's prior action for payment of the \$25,000 funding contribution for SCALAR from First 5 Riverside to the First 5 Association of California.

**E. Partnership with Angels Baseball Foundation (*Report and Action*)**

The Commission has enjoyed a multi-year partnership with the Angels Baseball Foundation. Initially launched as a joint effort to increase awareness of children's oral health programs, it has expanded to include childhood obesity prevention, literacy and the efforts with HomeAid Orange County (Project Playhouse).

As host of the 2010 Major League Baseball (MLB) All Star Game, the Foundation will also receive additional funds to support local charities. While these funds are allocated through a separate process, the Angels Baseball Foundation is working with local partners, such as the Commission to see how the anticipated \$2 million in one-time funding can be maximized for legacy projects (e.g., capital facilities for children with disabilities). Basically, they are asking if local partners can participate with them in supporting local nonprofit programs, so that they can utilize the MLB funds and their own resources for needed facilities.

Currently, we allocated a share of one-time, federal MAA reimbursement funds for childhood obesity prevention and fitness programs in the community, with the bulk of the funds being utilized for the new Santa Ana YMCA facility. We estimate that between \$25,000 - \$40,000 may be available for a matching fund partnership with Angels Baseball Foundation for eligible projects (e.g., fitness and obesity prevention programs). This may allow for full funding of other

community projects. If the funding contribution of not to exceed \$40,000 is approved, we can handle the contribution through administrative authority; a separate Commission action would not be required. Any funding contributions would be to the Angels Baseball Foundation or an existing Commission grantee. However, we will provide a follow-up report on the partnership effort.

**ATTACHMENTS:**

1. Financial Highlights
2. Quarterly Investment Report

# FINANCIAL HIGHLIGHTS

## January 31, 2010

### Investment Update

The Children and Families Commission of Orange County investment portfolio consisting of U.S. Treasury bills is **\$30,223,437** 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 **\$16,036,862** in total revenues year to date. The detail of all revenues received is included in Attachment 1B.

- The Commission's total Tobacco Tax Revenues for the period of July 2009 through December 2009 as reported by First 5 California is \$14,681,698. Prop 10 revenues for July 2009 through December 2009 are approximately \$592,374 or 3.8% lower than the year to date estimated budget plan of \$15,274,072. As of January 31, \$10,888,129 has been received for July 2009 through October 2009.
- \$967,532 – Interest Revenues received for July 2009 through December 2009 are approximately \$282,468 or 22.6% lower than the year to date estimated budget plan of \$1,250,000.

### Expenditure Update

The total actual operating expenditures and encumbrances year to date are **\$84,668,582**. Overall budgeted expenditures and encumbrances were approximately \$47,946,529 higher than the year to date current operating budget plan of \$36,722,054. 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 January 31, 2010:

- \$84,668,582 – Total Year To Date Actual Operating Expenditures and Encumbrances
  - \$80,948,726 for Children's Programs
    - \$42,680,819 – Healthy Children Programs
    - \$15,299,961 – Strong Families Programs
    - \$17,424,868 – Ready to Learn (School Readiness) Programs
    - \$5,543,079 – Quality Services including Capacity Grants, AmeriCorps/VISTA, POMS (Evaluation costs of \$1,110,922)
  - \$3,719,856 for Administrative Functions

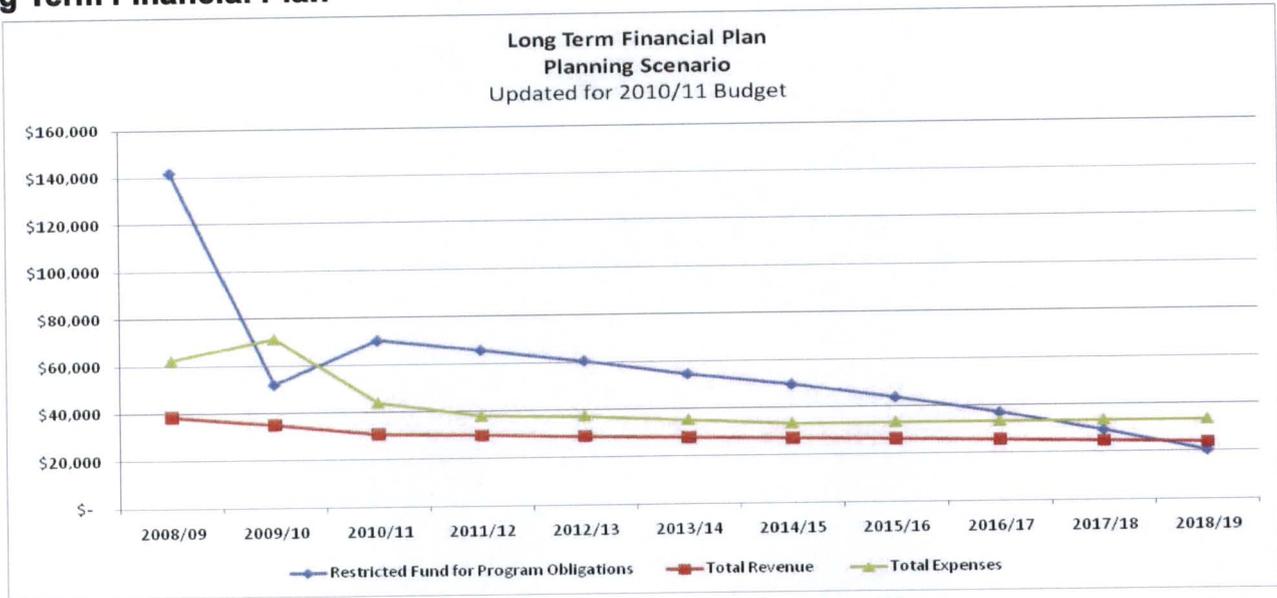
Administrative costs and functions are defined by State Commission guidelines (Fiscal Memorandum No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual Administrative expenditures and encumbrances of \$3,719,856 were 5.7% of the year to date ended January 31, 2010 Operating Budget of \$65,335,144.

### Consistent with 10-Year Financial Plan

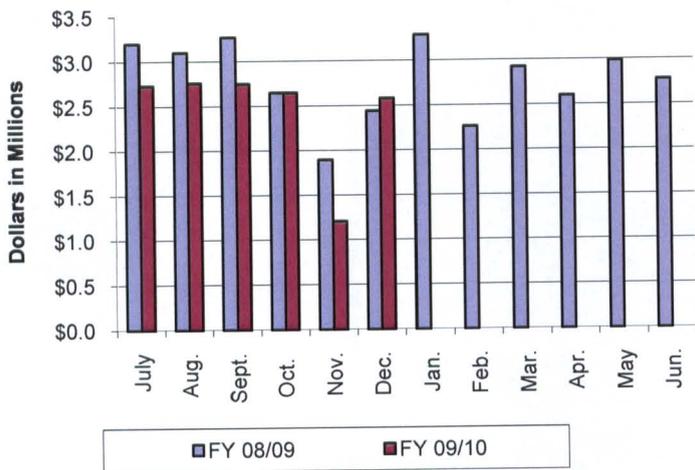
The Commission has dedicated funding for long-term support of programs consistent with the current Ten-Year Financial Plan.

# Children and Families Commission of Orange County Snapshot Period Ended January 31, 2010

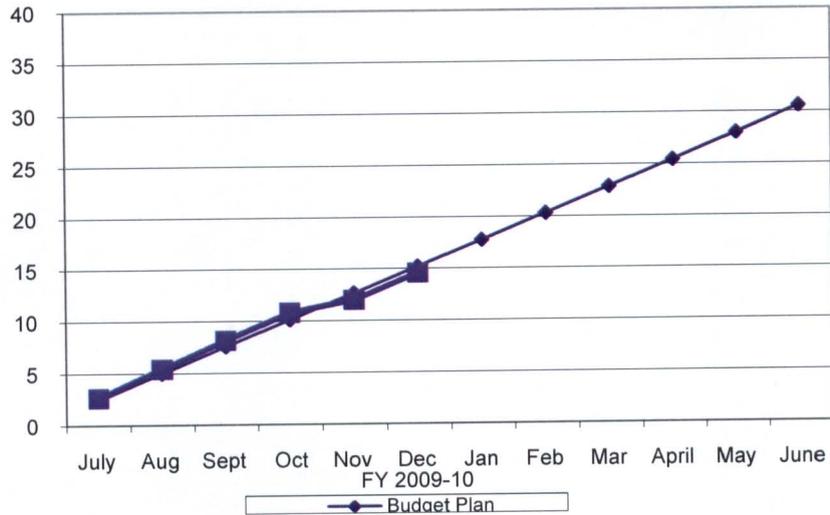
## 1) Long Term Financial Plan



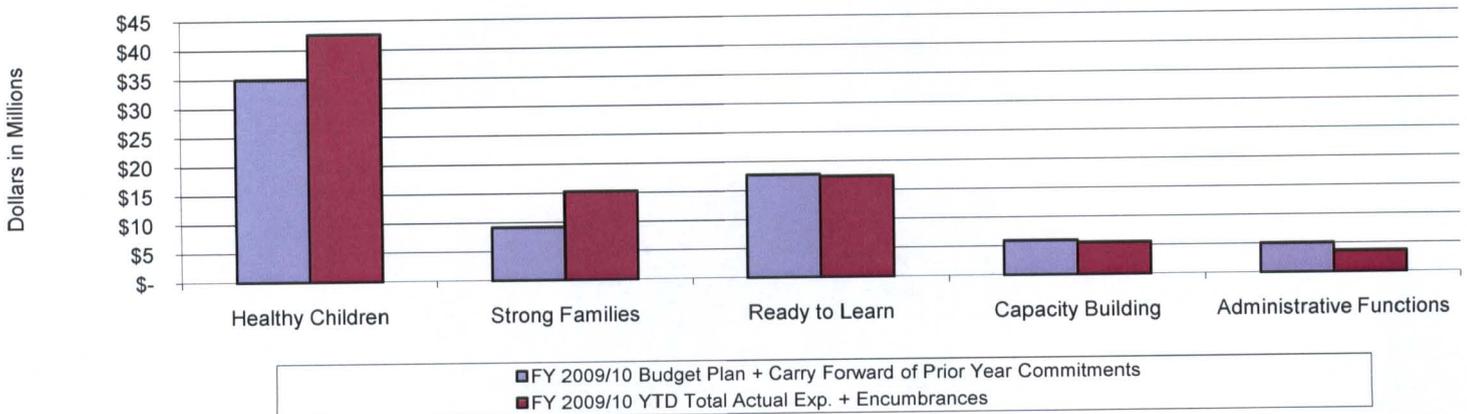
## 2) FYS 08/09 & 09/10 Tobacco Monthly Revenues \*



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



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



\* 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 1/31/10**

**High Level Summary**

	FY 2009-10 Operating Budget	FY 2009-10 YTD Total Actual Expend. & Encumb. Thru 1/31/10	Budget vs. Actuals	Actuals % of Final Budget Amount
<b>FINANCING</b>				
<u>General Purpose Revenues</u>				
Tobacco Tax Revenue	30,548,143	10,888,129	-19,660,014	36%
All Other General Purpose Revenues	2,967,000	890,417	-2,076,583	30%
General Purpose Revenues Subtotal	33,515,143	11,778,546	-21,736,597	35%
Special Purpose Revenues	4,599,027	4,258,316	-340,711	93%
TOTAL REVENUES	38,114,170	16,036,862	-22,077,308	42%
Multi-Year Commitments - Operating Budget	0			
Fund Balance Available	33,404,762			
PY Carry forward Encumbrances	4,560,000			
TOTAL FINANCING	76,078,932	16,036,862	-22,077,308	21%
<b>REQUIREMENTS</b>				
<u>PROGRAM SERVICES</u>				
Healthy Children	35,001,763	42,680,819	7,679,056	122%
Strong Families	9,174,834	15,299,961	6,125,127	167%
Ready to Learn	17,787,422	17,424,868	-362,555	98%
Capacity Building	5,921,125	5,543,079	-378,046	94%
TOTAL PROGRAM SERVICES	67,885,144	80,948,726	13,063,582	119%
Administrative Functions	5,058,963	3,719,856	-1,339,107	74%
Contingency Funding	500,000	0	-500,000	0%
TOTAL OPERATING EXPENSES	73,444,107	84,668,582	11,224,475	115%
Transfer to Long Term Commitments Account	0	0	0	
Undesignated/Unreserved	2,634,825	0	0	
TOTAL REQUIREMENTS	76,078,932	84,668,582	11,224,475	111%
FINANCES LESS EXPENSES	0	-68,631,720	-68,631,720	

**Children and Families Commission of Orange County  
Investment Portfolio Report  
As of January 31, 2010**

<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	4/30/2010	730	2.3462	912828HX1	4,978,515.65	5,025,000.00	27,589.89	9,961.12	46,332.65
U.S. Treasury Security	7/31/2008	7/31/2010	730	2.641	912828JF8	5,010,546.90	5,064,843.75	62,243.14	11,141.19	(7,566.46)
U.S. Treasury Security	7/16/2009	10/31/2010	472	0.6626	912828JP6	5,053,710.94	5,047,656.25	16,704.18	2,895.04	(3,490.91)
U.S. Treasury Security	7/9/2009	12/31/2010	540	0.6831	912828JV3	5,014,062.50	5,027,343.75	18,671.88	2,939.24	(1,523.23)
U.S. Treasury Security	7/24/2009	1/31/2011	556	0.8205	912828JY7	5,004,101.56	5,028,125.00	25,439.81	3,458.75	(1,295.51)
U.S. Treasury Security	7/30/2009	2/28/2011	578	0.9047	912828KE9	4,997,656.25	5,030,468.75	32,058.28	3,872.26	19,366.10
<b>Subtotal for: Treasury Bond</b>						<u>30,058,593.80</u>	<u>30,223,437.50</u>	<u>182,707.18</u>	<u>34,267.60</u>	<u>51,822.64</u>
<b>Grand Total</b>						<u>\$ 30,058,593.80</u>	<u>\$ 30,223,437.50</u>	<u>\$ 182,707.18</u>	<u>\$ 34,267.60</u>	<u>\$ 51,822.64</u>

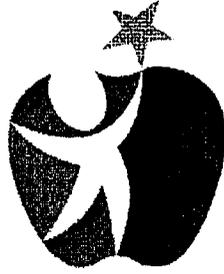
All of the above investments and any investment decisions made for the month January 31, 2010 were in full compliance with the Commission's investment policy as adopted on March 4, 2009.

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

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

# Quarterly Investment Report

Attachment 2



Children & Families  
Commission of Orange County

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*For the Period October 1 – December 31, 2009*

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**Quarterly Investment Report**  
**October 1, 2009 through December 31, 2009**

**OVERVIEW**

Pursuant to California Government Code Section 53646, and the Commission's Investment Policy Statement adopted on March 4, 2009, the Treasurer submits the Quarterly Investment Report to the Commission. The Investment Report summarizes investment activities for the Commission for the three-month period from October 1 through December 31, 2009.

Currently the Commission invests solely in 1) the Orange County Investment Pool's Money Market Fund ("Money Market Fund"), and 2) the Sustainability Fund is invested in a Specific Long-Term Investment Program ("SLTIP"). All funds are managed by the Orange County Treasurer's Office.

The funds in the Money Market Fund are invested for liquidity. The Sustainability Fund is invested in specific U.S. Treasury Securities, with maturities not to exceed three years. The U.S. Treasury Notes and Bills are invested in a "laddered" maturities approach.

The on-going monitoring of the Commission's investment program by staff and Sperry Capital Inc., the Commission's independent financial advisor, indicates that the investments are in compliance with the Commission's adopted Investment Policy Statement as well as with the California Government Code.

The overall performance of the Orange County Investment Pool's Money Market Fund for the quarter has tracked with money market benchmark indices. In addition, the Commission appears to have sufficient liquidity together with anticipated revenues to meet the Commission's budgeted expenditures over the next six months.

**MONEY MARKET FUND**

The Commission's investment in the Orange County Money Market Fund as of December 31, 2009 totaled \$92,111,234.

**SPECIFIC LONG-TERM INVESTMENT PROGRAM**

The market value (i.e. the price of each security at the close of the market on the last trading day of the month) of the U.S. Treasury Securities in the SLTIP was \$35,207,813 on December 31, 2009, with an average yield of 1.48%.

## MARKET CONDITIONS

**U.S Treasury Yields:** Due in large part to the continuing credit and liquidity crisis over subprime mortgage securities, the fourth quarter of 2009 continued to see volatile rates for U.S. Treasury securities. The yield on 3-month Treasury Bills began the quarter on October 1 at 0.10%, dropped to 0.2% on November 19, and closed at 0.06% on December 31. The yield on 10-year Treasury bonds began the quarter at 3.21% and peaked for the quarter at 3.85% on December 31.

**U.S Treasury Yield Curve:** The yield curve steepened a bit during the quarter, with long-term rates moving up as short rates held steady. The difference between these rates, the slope of the yield curve, is considered by some to be a simple forecaster of future economic growth. Many observers equate a steeping yield curve with the markets expectations of improving economic conditions.

	<u>Quarter Ending December 31, 2009</u>	<u>Quarter Ending September 30, 2009</u>
3 Month	0.06%	0.14%
5 Year	2.69%	2.31%
10 Year	3.85%	3.31%
<u>30 Year</u>	4.63%	4.03%

Source: Federal Reserve Statistical Release H.15

**Economic Highlights:** Economic data suggests that activity has continued to pick up and that the deterioration in the labor market is abating. The housing sector has shown some signs of improvement over recent months. Household spending appears to be expanding at a moderate rate, though it remains constrained by a weak labor market, modest income growth, lower housing wealth, and tight credit. Businesses are still cutting back on fixed investment, although at a slower pace, and remain reluctant to add to payrolls.

In December, the Federal Open Market Committee voted to maintain its target range for the Federal funds rate at 0% to 0.25percent, and continues to anticipate that economic conditions, including low rates of resource utilization, subdued inflation trends, and stable inflation expectations, are likely to warrant exceptionally low levels of the federal funds rate for an extended period.

Despite the busy holiday shopping season, national unemployment remained at 10% in December, which is exactly what it was in November 2009. The California unemployment rate was 12.4% in December 2009.

## COMPLIANCE MONITORING

During the reporting period, funds in the Commission's SLTIP were invested in compliance with applicable statements of investment policy and were free of non-compliance incidents. The Orange County Treasurer reported that a commercial paper purchase in the Orange County Money Market Fund on December 18, 2009 increased the holdings of commercial paper to 45.48% of the market value of the portfolio, which exceeded the 45% maximum, by less than one-half of one percent. The overage, which occurred due to the existence of open orders (executed trades for settlement on a future date), was cleared on the next business day, December 21, 2009.

## PORTFOLIO PERFORMANCE SUMMARY

The following table presents an overview of the Orange County Investment Pool's Money Market Fund for the months ending October 31, November 30, and December 31, 2009.

Orange County Pool – Money Market Fund					
Period Ending	Pool Market Value	Monthly Average Yields			CNTY MMF AVG
		CNTY MMF	OCIP Net	MMF Bench	Days to Mat
December 31	\$2,463,159,678	0.24	0.58	0.14	54 Days
November 30	\$2,213,498,431	0.29	1.31	0.16	57 Days
October 31	\$2,129,243,138	0.33	0.81	0.20	53 Days

## SUMMARY STATEMENTS

Attached for further information and reference are three statements from the September 30, 2009 Orange County Treasurer's Investment Management Report.

- A. **Investment Balances Statement:** The balances for all funds managed by the Treasurer are reported on this Statement. The December 31, 2009 balance of the Commission's SLP \$35,043,373, expressed as book value (i.e. cost of the investment), can be found under "Non-Pooled Investments" on page two of the Statement.
- B. **Statement of Activity:** This Statement reports the beginning and ending balances of the Commission's funds invested in the Money Market Fund. All deposits, withdrawals, investment earnings, and administrative fees for the reporting period are also posted. The Commission's December 31, 2009 ending balance was \$92,111,234.
- C. **Investment Portfolio Report:** This Report presents detailed information for each of the U.S. Treasury Securities that comprise the Commission's SLP. The December 31, 2009 book value was \$35,043,373 and the market value was \$35,207,813.

## **APPORTIONMENT OF INTEREST EARNINGS**

The Orange County Treasurer apportions interest earnings in the commingled pools to all investors each month. Apportionment of the Commission's interest earnings for the months of October and November were posted to the Commission's cash account in the County general ledger by December 31, 2009.

### **Attachments:**

- A. Investment Balances Statement
- B. Statement of Activity
- C. Investment Portfolio Report

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT POOL STATISTICS  
FOR THE MONTH and QUARTER ENDED DECEMBER 31, 2009**

<b>INVESTMENT STATISTICS - By Investment Fund*</b>						
<b>DESCRIPTION</b>	<b>CURRENT BALANCES</b>	<b>Average Days to Maturity</b>	<b>Current Yield</b>	<b>MONTH Average Yield</b>	<b>Quarter Average Yield</b>	<b>Current NAV</b>
<u>O.C. Money Market Fund</u>	MARKET Value \$ 2,463,159,678 COST (Capital) \$ 2,464,369,065 MONTHLY AVG Balance \$ 2,880,722,619 QUARTERLY AVG Balance \$ 2,374,288,211 BOOK Value \$ 2,462,733,354	57	0.23%	0.24%	0.29%	1.00
<u>O.C. Educational Money Market Fund</u>	MARKET Value \$ 2,071,614,454 COST (Capital) \$ 2,071,899,665 MONTHLY AVG Balance \$ 1,207,719,184 QUARTERLY AVG Balance \$ 1,136,012,066 BOOK Value \$ 2,071,787,209	43	0.21%	0.37%	0.41%	1.00
<u>Extended Fund</u>	MARKET Value \$ 2,582,000,368 COST (Capital) \$ 2,585,445,367 MONTHLY AVG Balance \$ 2,633,001,665 QUARTERLY AVG Balance \$ 2,624,267,070 BOOK Value \$ 2,581,861,534	408	1.45%	1.35%	1.92%	1.00
<u>OC Extended Fund B (Serpentine Holdings)</u>	MARKET Value \$ 37,405,659 COST (Capital) \$ 49,589,108	156	NA	NA	NA	0.75
<b>ALLOCATION OF EXTENDED FUNDS</b>						
<u>Extended Fund (X Fund) County's Share of X Fund</u>	MARKET Value \$ 1,261,288,206 COST (Capital) \$ 1,258,098,490 MONTHLY AVG Balance \$ 1,283,001,665 BOOK Value \$ 1,256,359,517	408	1.45%	1.35%	1.92%	1.00
<u>Educational Share of X Fund</u>	MARKET Value \$ 1,330,712,162 COST (Capital) \$ 1,327,346,877 MONTHLY AVG Balance \$ 1,350,000,000 BOOK Value \$ 1,326,807,017	408	1.45%	1.36%	1.92%	1.00
<u>OC Extended Fund B County's Share</u>	MARKET Value \$ 20,318,137 COST (Capital) \$ 26,935,985	156	NA	NA	NA	0.75
<u>Educational Share</u>	MARKET Value \$ 17,087,523 COST (Capital) \$ 22,653,123	156	NA	NA	NA	0.75

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT POOL STATISTICS  
FOR THE MONTH and QUARTER ENDED DECEMBER 31, 2009**

**INVESTMENT STATISTICS - By Investment Pool\*\*\***

DESCRIPTION	CURRENT BALANCES	Average Days to Maturity	Current Yield	MONTH Average Yield	Quarter Average Yield	Current NAV
<b>COMBINED POOL BALANCES</b>						
<i>County Pool</i>	MARKET Value \$	3,744,766,021	175	0.60%	0.58%	1.00
	COST (Capital) \$	3,749,403,539				
	MONTHLY AVG Balance \$	4,263,724,284				
	QUARTERLY AVG Balance \$	3,648,555,281				
	BOOK Value \$	3,746,023,986				
<i>Educational Pool</i>	MARKET Value \$	3,419,414,138	185	0.86%	1.23%	1.00
	COST (Capital) \$	3,421,899,665				
	MONTHLY AVG Balance \$	2,657,719,184				
	QUARTERLY AVG Balance \$	2,488,012,066				
	BOOK Value \$	3,419,347,349				

**INVESTMENT STATISTICS - Non-Pooled Investments**

DESCRIPTION	CURRENT BALANCE	BOOK BALANCE BY INVESTMENT TYPE
<b>Specific Investment Funds:</b> 112, 225, 283, 480, 482, 483, 494, 497 505, 510, 514, 546, 15B	MARKET Value \$ 102,332,213 COST (Capital) \$ 102,191,139 MONTHLY AVG Balance \$ 102,181,216	Money Market Funds \$ 16,452,899 Repurchase Agreement 1,081,500 John Wayne Airport Investment Pool 49,482,427 CFCOC Investment Pool 35,043,373 GNMA Mortgage-Backed Security 130,940 \$ 102,191,139

**MONTH-END TOTALS**

INVESTMENTS & CASH		FUND ACCOUNTING & SPECIFIC INVESTMENTS
County Money Market Fund	\$ 2,464,369,065	County Funds \$ 3,737,257,780 School Funds 3,421,900,839 Specific Investments 102,191,139
County Cash	(12,145,760)	
Educational Money Market Fund	2,071,899,665	
Extended Fund	2,685,445,367	
OC Extended Fund B	49,589,108	
School Cash	1,174	
Non Pooled Investments @ Cost	102,191,139	
	\$ 7,261,349,758	\$ 7,261,349,758

\* Book Value is computed as Cost reduced by amortization of premium and increased by the accretion of discount of the Investment Portfolio. Net Asset Value (NAV) is equal to Market Value divided by Book Value.

\*\* Specific non pooled investments are reported in compliance with Government Code Section 53646 (b)(1). Detailed descriptions are included in the inventory listing in Section VII of this report.

\*\*\*The Combined Pool Balances include the County and Educational Money Market Funds and their respective portions of the Extended Fund and Extended Fund B



**COUNTY OF ORANGE  
OFFICE OF THE TREASURER-TAX COLLECTOR**

HALL OF FINANCE & RECORDS  
12 CIVIC CENTER PLAZA, ROOM G76  
P. O. BOX 4515  
SANTA ANA, CA 92701

February 8, 2010

**STATEMENT OF ACTIVITY**  
**For the Month Ended December 31, 2009**

Orange County Children and Families Commission  
c/o Michael Ruane, Executive Director  
17320 Redhill Ave #200  
Irvine, CA 92614

**Cash in Treasury - Fund 225**

<u>Date / Description</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Investment Income</u>	<u>Treasury Admin Fee</u>	<u>Ending Balance</u>
12/01/09, November Admin Fee	\$94,178,259.60	\$2,707,562.45	(\$4,835,815.87)		(7,934.56)	
12/09/09, October Interest				69,161.98		
	<u>\$94,178,259.60</u>	<u>\$2,707,562.45</u>	<u>(\$4,835,815.87)</u>	<u>\$69,161.98</u>	<u>(\$7,934.56)</u>	<u>\$92,111,233.60</u>

**Accrued Investment Income - Fund 225**

<u>Date / Description</u>	<u>Beginning Balance</u>	<u>Accrual</u>	<u>Payment</u>	<u>Ending Balance</u>	<u>Apportionment Annualized Yield (Gross)</u>
12/09/09, October Interest	\$165,789.71		(69,161.98)		
01/04/10, December Interest		47,334.05			
	<u>\$165,789.71</u>	<u>\$47,334.05</u>	<u>(\$69,161.98)</u>	<u>\$143,961.78</u>	0.586%, December

**Children and Families Commission of Orange County  
Investment Portfolio Report  
As of December 31, 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	5,007,812.50	8,524.86	9,686.52	58,971.81
U.S. Treasury Security	4/30/2008	4/30/2010	730	2.3462	912828HX1	4,978,515.65	5,032,812.50	36,314.74	9,961.11	36,371.53
U.S. Treasury Security	7/31/2008	7/31/2010	730	2.641	912828JF8	5,010,546.90	5,072,656.25	69,607.76	11,135.00	50,042.35
U.S. Treasury Security	7/18/2009	10/31/2010	472	0.6626	912828JP6	5,053,710.94	5,045,312.50	10,832.81	2,895.02	(6,385.95)
U.S. Treasury Security	7/9/2009	12/31/2010	540	0.6831	912828JV3	5,014,062.50	5,019,531.25	10,052.08	2,880.15	(4,462.47)
U.S. Treasury Security	7/24/2009	1/31/2011	556	0.8205	912828JY7	5,004,101.56	5,016,406.25	13,492.37	3,456.78	17,120.74
U.S. Treasury Security	7/30/2009	2/28/2011	578	0.9047	912828KE9	4,997,656.25	5,013,281.25	14,996.49	3,872.25	15,493.84
<b>Subtotal for: Treasury Bond</b>						<b>35,043,372.95</b>	<b>35,207,812.50</b>	<b>163,821.11</b>	<b>43,886.83</b>	<b>167,151.85</b>
<b>Grand Total</b>						<b>\$ 35,043,372.95</b>	<b>\$ 35,207,812.50</b>	<b>\$ 163,821.11</b>	<b>\$ 43,886.83</b>	<b>\$ 167,151.85</b>

All of the above investments and any investment decisions made for the month December 31, 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