



Children & Families
Commission of Orange County

2008 AUG 27 AM 11:37

OFFICE OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

**Executive Officers Report
September 3, 2008 Meeting**

DATE: August 25, 2008
TO: Children and Families Commission of Orange County
FROM: Michael M. Ruane, Executive Director *Michael M. Ruane*
SUBJECT: **Executive Officer Report**

The Executive Officers Report for September 3, 2008 will include the following items.

A. Informational Items (Report)

1. Financial Highlights (Included in Attachment 1)
2. State Association and State Commission Meetings
3. Strategic Assessment Follow-up Actions

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

The September Commission meeting will include a status report and related recommended actions in response to recent state budget and legislative developments.

C. Update on Annual Financial Audit (Report)

An initial status report on the progress of the FY 2007-08 Annual Financial Audit was presented at the July Commission meeting. During July and August, Vavrinek, Trine & Day (VTD) has completed the majority of their field work at the Commission offices, including testing of various accounting transactions; verifying compliance with federal grant award requirements for the Single Audit Report; and validating AB 109 / SB 35 compliance audit requirements. Basic financial statements will be issued and scheduled for review by the Administrative Sub-Committee in September, and will then be presented to the Commission for final approval at the October Commission meeting. At this point in the process, VTD has made no findings of material weaknesses, significant deficiencies or other audit recommendations. To keep the Commission fully informed, any new information received since transmittal of this report will be presented at the September Commission meeting.

D. Quarterly Investment Report (Report)

As required by California Government Code Section 53646, and the Commission's Investment Policy Statement adopted by the Commission on May 7, 2008, the Commission Treasurer submits the Quarterly Investment Report to the Commission (Exhibit A). The Investment Report

summarizes Commission investments in both the OCIP and the SIP, for the period April 1 through June 30, 2008. The Report also contains information on market conditions during the reporting period.

E. Automobile Club of Southern California- Child Passenger Safety Seat Partnership
(Report and Action)

The Commission approved a partnership with the Automobile Club of Southern California in November of 2007. The goals for that partnership included increasing the number of certified passenger safety seat technicians in the County of Orange and to use the newly trained technicians to conduct education and installation services throughout the county. In addition to the community events and the technician training the Commission also had the opportunity to provide information for an article on child passenger safety seats that will be published in the September Westways magazine.

The partnership has trained 20 additional certified passenger safety seat technicians (12 of which were from Commission funded agencies) and is preparing the community events. Specifically, the Commission and Automobile Club would host passenger seat inspections throughout the county, targeting areas of greatest need for this information. During these events families could have their passenger safety seats inspected. These events will also be used as opportunities to promote additional Commission funded services and programs.

A media event is planned for September 23rd at the Delhi Center. The event will be kicked off in the morning with a press conference highlighting the success of the partnership in doubling the number of certified passenger safety seat technicians in the county, celebrating the anniversary of the federal legislation requiring child passenger safety seats, and kicking off the year of community passenger safety seat events. Throughout the day, technicians will be assisting families with car seat installations and education materials about child safety in and around cars. Porter Novelli, part of the Commission media team, has been working with the Automobile Club of Southern California to plan this event and provide outreach to the local newspaper and television reporters.

The original terms of the partnership agreement had the Commission providing one time funding to the Automobile Club of Southern California in an amount not to exceed \$35,000. Automobile Club of Southern California would prefer that the Commission use a fiscal intermediary to disperse the funds to support the community events and other partnership activities. Staff is recommending that the Commission approve the use of the existing Commission contractor, Public Health Foundation Enterprises, Inc. (PHFE) as the fiscal intermediary for this partnership.

F. Matching Grant with the California Endowment *(Report)*

The Commission's matching grant program with the California Endowment has provided opportunities for several Commission grantees to leverage the Commission's grant to access additional funding from the California Endowment. This has proven to be an effective way to increase funding to safety net health programs. The Children's Health Initiative of Orange County was able to leverage the Commission investment of \$200,000 annually to garner a \$400,000 matching grant from the California Endowment for each of the last two years. The

California Endowment, after reviewing the work the Children's Health Initiative, has lifted the requirement that their funds are matching Commission funds. As of January 2008, there is no longer a strict match requirement. The Children's Health Initiative will now be able to use the Commission's grant award as a match to leverage other state and federal dollars.

Attachments:

1. Financial Highlights
Exhibit A - Quarterly Investment Report

FINANCIAL HIGHLIGHTS

June 30, 2008

Investment Update

The Children and Families Commission of Orange County investment portfolio consisting of U.S. Treasury bills is **\$40,146,590** with laddered maturities extending through October 2009. 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 **\$49,096,869** in total revenues year to date. The detail of all revenues received is included in Attachment 1B.

- \$35,527,837 – Tobacco Tax Revenues for July 2007 through June 2008. As reported by the state, Prop 10 revenues for July 2007 through June 2008 were approximately (\$472,163) or 1.3% lower than the year to date estimated budget plan of \$36,000,000.
- \$7,819,355 – Interest Revenues received for July 2007 through June 2008 are approximately \$819,355 or 11.7% higher than the year to date estimated budget plan of \$7,000,000. 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 **\$66,765,788**. Overall budgeted expenditures and encumbrances were approximately \$6,315,202 or 8.6% lower than the year to date current operating budget plan of \$73,080,990. This variance is due to timely contract executions resulting in encumbrance reservations against the fiscal year 2007-2008 budget.

The following is an overview of the actual operating expenditures and encumbrances for the year to date ended June 30, 2008:

- \$66,765,788 – Total Year To Date Actual Operating Expenditures and Encumbrances
 - \$61,256,134 for Children's Programs
 - \$33,309,983 – Healthy Children Programs
 - \$5,404,612 – Strong Families Programs
 - \$17,010,169 – Ready to Learn (School Readiness) Programs
 - \$5,531,370 – Quality Services including Capacity Grants, AmeriCorps/VISTA, POMS (Evaluation costs of \$2,302,093)
 - \$5,509,655 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 \$5,509,655 were 5.1% of the year to date ended June 30, 2008 Operating Budget of \$107,708,288.

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
Comparison of FY 2007-08 Budget vs. Actuals - Unaudited
Period Ended 6/30/08**

High Level Summary

	FY 2007-08 (budget + carry forward for prior year commitments)	FY 2007-08 YTD Total Actual Expend. & Encumb. Thru 6/30/08	Budget vs. Actuals	Actuals % of Final Budget Amount
FINANCING				
<u>General Purpose Revenues</u>				
Tobacco Tax Revenue	36,000,000	35,527,837	-472,163	99%
All Other General Purpose Revenues	8,070,000	8,439,891	369,891	105%
General Purpose Revenues Subtotal	44,070,000	43,967,728	-102,272	100%
Special Purpose Revenues	5,649,564	5,129,141	-520,423	91%
TOTAL REVENUES	49,719,564	49,096,869	-622,695	99%
Multi-Year Commitments - Operating Budget	0	0		
Fund Balance Available	46,500,000	43,587,439		
PY Carry forward Encumbrances	11,488,724	14,087,217		
TOTAL FINANCING	107,708,288	106,771,525	-622,695	99%
REQUIREMENTS				
<u>PROGRAM SERVICES</u>				
Healthy Children	33,059,512	33,309,983	250,470	101%
Strong Families	7,632,423	5,404,612	-2,227,812	71%
Ready to Learn	16,643,485	17,010,169	366,685	102%
Capacity Building	8,395,398	5,531,370	-2,864,029	66%
TOTAL PROGRAM SERVICES	65,730,819	61,256,134	-4,474,685	93%
Administrative Functions	6,850,172	5,509,655	-1,340,517	80%
Contingency Funding	500,000	0	-500,000	0%
TOTAL OPERATING EXPENSES	73,080,990	66,765,788	-6,315,202	91%
Transfer to Long Term Commitments Account	10,000,000	0	-10,000,000	0%
Undesignated/Unreserved	24,627,298			
TOTAL REQUIREMENTS	107,708,288	66,765,788	-16,315,202	62%
FINANCES LESS EXPENSES	0	40,005,736	40,005,737	

**Children and Families Commission of Orange County
Investment Portfolio Report
As of June 30, 2008**

<u>Issuer</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Days to Maturity</u>	<u>Yield (%)</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>	<u>Book Value</u>	<u>Accrued Earnings</u>	
									<u>For Month</u>	<u>To Date</u>
<u>Treasury Bill (issued at a discount)</u>										
U.S. Treasury Security	1/31/2008	7/31/2008	182	2.0100	\$ 4,949,191.67	\$ 4,992,680.00	\$ 43,488.33	\$ 4,949,191.67	\$ 8,375.00	\$ 42,433.33
Subtotal for: Treasury Bill										
<u>Treasury Bond (semi-annual coupons)</u>										
U.S. Treasury Security	9/15/2006	10/15/2008	761	4.7986	4,835,937.50	5,019,530.00	42,382.33	4,977,147.67	19,275.02	174,082.44
U.S. Treasury Security	9/26/2006	1/15/2009	842	4.5856	4,855,468.75	5,032,810.00	66,797.16	4,966,012.84	18,542.43	185,544.09
U.S. Treasury Security	10/2/2006	4/15/2009	926	4.6332	4,821,484.40	5,030,470.00	85,991.05	4,944,478.95	18,590.82	155,866.82
U.S. Treasury Security	10/11/2006	7/15/2009	1008	4.7447	4,856,445.30	5,067,190.00	121,165.43	4,946,024.57	19,210.65	173,233.12
U.S. Treasury Security	10/16/2006	10/15/2009	1095	4.8011	4,803,125.00	5,067,190.00	151,873.22	4,915,316.78	19,225.80	147,693.83
U.S. Treasury Security	4/30/2008	1/31/2010	641	2.3023	4,984,779.15	4,974,220.00	(12,031.37)	4,986,251.37	9,469.23	19,569.75
U.S. Treasury Security	4/30/2008	4/30/2010	730	2.3462	4,978,515.65	4,962,500.00	(17,840.35)	4,980,340.35	9,591.93	19,823.33
Subtotal for: Treasury Bond										
Grand Total										
					\$ 34,135,755.75	\$ 35,153,910.00	\$ 438,337.47	\$ 34,715,572.53	\$ 113,905.88	\$ 875,813.38
					\$ 39,084,947.42	\$ 40,146,590.00	\$ 481,825.80	\$ 39,664,764.20	\$ 122,280.88	\$ 918,246.71

All of the above investments and any investment decisions made for the month June 30, 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

Quarterly Investment Report



Children & Families
Commission of Orange County

For the Period April – June, 2008

**Quarterly Investment Report
April 1, 2008 through June 30, 2008**

OVERVIEW

Pursuant to California Government Code Section 53646, and the Commission's Investment Policy Statement adopted on May 7, 2008, 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 April 1 through June 30, 2008.

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 ("SLP"). 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 investment 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 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 on June 30, 2008 totaled \$108,315,041.

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 SLP was \$40,146,590 on June 30, 2008, with an average yield of 3.8%. As the individual Treasuries mature, the proceeds are reinvested by the Orange County Treasurer. Two of the Treasury Notes matured on April 30, 2008, and two

Treasury Notes were purchased: one with a maturity date of January 1, 2010, yielding 2.3%, and the second with a maturity date of April 30 2010, yielding 2.35%, consistent with the laddered investment strategy. Another Treasury security will mature on July 31, 2008.

MARKET CONDITIONS

U.S Treasury Yields: Due in large part to the continuing concern over subprime mortgage securities, the second quarter continued to see volatile rates for U.S. Treasury securities. The yield on 10-year Treasury Notes began the quarter at 3.57%, peaked at 4.27% on June 13, and closed at 3.99%.

Yield Curve: The U.S. Treasury yield curve reflected uncertainty at the end of the second quarter of 2008. On June 30, three-month U.S. Treasury Bills yielded 1.99%, the 10-year U.S. Treasury Note yielded 3.99%, and the 30-year U.S. Treasury Bond yielded 4.53%. On June 30, 2008, all Treasury yields were higher than the closing yields for the same maturities on March 31, 2008.

Markets & Rates: Annualized growth of real gross domestic product (GDP) has been running well below trend since late last year, not in typical recession territory but slow enough to result in systematic deterioration of the labor market. First-quarter GDP growth stands at 1.0%, according to the "final" estimate released from the U.S. Department of Commerce, and capital market observers are estimating a similar performance in the second quarter of this year. The Department of Commerce is expected to issue its "final" estimate for the second quarter of this year on September 26, 2008.

According to the Bureau of Labor Statistics, the second quarter average unemployment rate rose to 5.3% from the first quarter average unemployment rate of 4.9%.

Maintenance of positive GDP growth in recent quarters actually is remarkable, in view of the strong headwinds that are buffeting the U.S. economy. These include the deepening housing contraction, the unprecedented turmoil in national and global credit markets and the virtual explosion of global oil prices since late last year.

The U.S. economy will continue to face formidable difficulties as the year proceeds, although both monetary and fiscal policy most likely will be providing crucial support to the system.

The Federal Reserve held monetary policy steady at the June 24 and 25 meeting of the Federal Open Market Committee (FOMC), keeping the federal funds rate target at 2.0% and the discount rate at 2.25%. It's fair to say that the Fed's view of the balance of risk to the U.S. economy has shifted toward the inflation side, but the FOMC statement still was technically neutral; consistent with a stable policy stance for now.

STRUCTURED INVESTMENT VEHICLES ("SIVs")

The SIVs that were scheduled to mature during the first half of 2008 have been paid in full for principal and interest. The total principal pay down amounted to \$252 million of the initial \$837 million outstanding. Most of the SIVs that remain in the County's Extended Fund continue to

reduce leverage and shrink their portfolios through maturities and asset sales. The high-quality assets underlying the SIVs are performing well and continue to support the value of these structures. Staff will continue to monitor OCIP investments and provide updates to the Commission on further developments.

COMPLIANCE MONITORING

During April, May and June, funds in the OCIP and the Commission's SLP were invested in compliance with applicable statements of investment policy and were free of non-compliance incidents.

PORTFOLIO PERFORMANCE SUMMARY

The following table presents an overview of the Orange County Investment Pool's Money Market Fund for the months ending April, May, and June 2008.

Orange County Pool - Money Market Fund					
Period Ending	Total Pool Market Value	Average Yields			AVG Days to MAT
		Month	Net	MMF AVG	
April 30, 2008	\$2,313,762,854	2.66%	3.04%	4.60%	33 Days
May 31, 2008	\$2,052,055,391	2.42%	2.80%	4.39%	29 Days
June 30, 2008	\$1,922,691,656	2.44%	2.91%	4.16%	33 Days

SUMMARY STATEMENTS

Attached for further information and reference are three statements from the June, 2008 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 June 30, 2008 balance of the Commission's SLP (\$39,084,947), 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 in the Money Market Fund. All deposits, withdrawals, investment earnings, and administrative fees for the reporting period are also posted. The Commission's June 30, 2008 ending balance was \$108,315,041.
- C. Investment Portfolio Report: This Report presents detailed information for each of the U.S. Treasury Securities that comprise the Commission's SLP. The June 30, 2008 book value was \$39,084,947 and the market value was \$40,146,590.

APPORTIONMENT OF INTEREST EARNINGS

The Orange County Treasurer apportions interest earnings in the commingled pools to all investors each month. According to the Treasurer's forecast, apportionment of the Commission's interest earnings for the month ended May, 2008 will be posted to the Commission's cash account in the County general ledger by approximately July 30, 2008.

Attachments:

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

ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POOL STATISTICS
FOR THE MONTH, QUARTER AND FISCAL YEAR ENDED: JUNE 30, 2008

INVESTMENT STATISTICS - By Investment Fund*							
DESCRIPTION	CURRENT BALANCES	Average Days to Maturity	Current Yield	MONTH Average Yield	QUARTER Average Yield	ANNUAL Average Yield	Current NAV
<u>O.C. Money Market Fund</u>	MARKET Value \$ 1,922,691,656 COST (Capital) \$ 1,919,480,737 MONTHLY AVG Balance \$ 2,044,306,249 QUARTERLY AVG Balance \$ 2,248,802,411 ANNUAL AVG Balance \$ 1,982,805,796 BOOK Value \$ 1,923,104,567	33	2.45%	2.44%	2.51%	4.14%	\$1.000
<u>O.C. Educational Money Market Fund</u>	MARKET Value \$ 1,707,534,727 COST (Capital) \$ 1,705,379,753 MONTHLY AVG Balance \$ 2,045,220,208 QUARTERLY AVG Balance \$ 2,139,047,071 ANNUAL AVG Balance \$ 1,953,397,745 BOOK Value \$ 1,707,899,583	33	2.38%	2.46%	2.51%	4.17%	\$1.000
<u>Extended Fund</u>	MARKET Value \$ 2,194,238,720 COST (Capital) \$ 2,190,754,493 MONTHLY AVG Balance \$ 2,182,697,933 QUARTERLY AVG Balance \$ 2,221,120,737 ANNUAL AVG Balance \$ 2,315,202,127 BOOK Value \$ 2,191,327,552	503	3.79%	3.92%	3.96%	4.95%	\$1.001
<u>OC Extended Fund B (Whistlejacket Holdings)</u>	MARKET Value \$ 69,117,440 COST (Capital) \$ 80,000,000	209	NA	NA	NA	NA	\$0.864
Allocation of Extended Funds							
<u>Extended Fund (X Fund) County's Share of X Fund</u>	MARKET Value \$ 1,180,452,850 COST (Capital) \$ 1,178,578,411 MONTHLY AVG Balance \$ 1,132,697,933 QUARTERLY AVG Balance \$ 1,171,120,737 ANNUAL AVG Balance \$ 1,265,202,127 BOOK Value \$ 1,178,779,109	503	3.79%	3.92%	3.96%	4.95%	\$1.001
<u>Educational Share of X Fund</u>	MARKET Value \$ 1,013,785,871 COST (Capital) \$ 1,012,176,082 MONTHLY AVG Balance \$ 1,050,000,000 QUARTERLY AVG Balance \$ 1,050,000,000 ANNUAL AVG Balance \$ 1,050,000,000 BOOK Value \$ 1,012,348,444	503	3.79%	3.92%	3.96%	4.95%	\$1.001
<u>OC Extended Fund B County's Share</u>	MARKET Value \$ 36,438,785 COST (Capital) \$ 42,176,082	209	NA	NA	NA	NA	\$0.864
<u>Educational Share</u>	MARKET Value \$ 32,678,655 COST (Capital) \$ 37,823,918	209	NA	NA	NA	NA	\$0.864

ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POOL STATISTICS
FOR THE MONTH, QUARTER AND FISCAL YEAR ENDED: JUNE 30, 2008

INVESTMENT STATISTICS - By Investment Pool

COMBINED POOL						
BALANCES (this balance includes the Extended Fund & Extended Fund B)						
<i>County Pool</i>	MARKET Value	\$ 3,139,583,290	212	2.93%		\$0.999
	COST (Capital)	\$ 3,140,235,229				
	MONTHLY AVG Balance	\$ 3,177,004,182			2.97%	
	QUARTERLY AVG Balance	\$ 3,419,923,148				3.01%
	ANNUAL AVG Balance	\$ 3,228,007,923				4.42%
	BOOK Value	\$ 3,144,059,758				
<i>Educational Pool</i>	MARKET Value	\$ 2,753,999,252	209	2.86%		\$0.999
	COST (Capital)	\$ 2,755,379,753				
	MONTHLY AVG Balance	\$ 3,095,220,208			2.95%	
	QUARTERLY AVG Balance	\$ 3,189,047,071				2.99%
	ANNUAL AVG Balance	\$ 3,003,397,745				4.43%
	BOOK Value	\$ 2,758,071,945				

INVESTMENT STATISTICS - Non Pooled Investments

DESCRIPTION	CURRENT BALANCE	BOOK BALANCE BY INVESTMENT TYPE
Specific Investment Funds:		
100, 112, 161, 225, 283, 480, 482	MARKET Value \$ 147,721,971	Interest Bearing Accounts \$ 32,477
483, 494, 497, 505, 510, 514, 532	COST (Capital) \$ 146,555,824	Money Market Funds 48,972,369
546	MONTHLY AVG Balance \$ 146,433,250	Repurchase Agreements 1,081,500
	QUARTERLY AVG Balance \$ 146,276,641	John Wayne Airport Investment Pool 57,384,530
	ANNUAL AVG Balance \$ 148,284,366	Children & Families Commission Investment Pool 39,084,947
		\$ 146,555,824

FISCAL YEAR END TOTALS

INVESTMENTS & CASH		FUND ACCOUNTING & SPECIFIC INVESTMENTS	
County Money Market Fund	\$ 1,919,480,737	County Funds	\$ 3,149,442,262
County Cash	9,207,032	School Funds	2,768,069,107
Educational Money Market Fund	1,705,379,753	Specific Investments	146,555,824
Extended Fund	2,190,754,493		
OC Extended Fund B	80,000,000		
School Cash	12,689,355		
Non Pooled Investments @ Cost	146,555,824		
	\$ 6,064,067,193		\$ 6,064,067,193

* 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.

***The Combined Pool Balances include the County and Educational 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

August 4, 2008

STATEMENT OF ACTIVITY
For the Month Ended June 30, 2008

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>
6/02/08, May Admin Fee	\$113,883,388.15	\$5,456,629.72	(\$11,323,924.05)			
6/11/08, April Interest				309,038.71	(10,091.80)	
	<u>\$113,883,388.15</u>	<u>\$5,456,629.72</u>	<u>(\$11,323,924.05)</u>		<u>(\$10,091.80)</u>	<u>\$108,315,040.73</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>
6/11/08, April Interest	\$596,158.56				
7/01/08, June Interest		274,387.17	(309,038.71)		
	<u>\$596,158.56</u>	<u>\$274,387.17</u>	<u>(\$309,038.71)</u>	<u>\$561,507.02</u>	2.955%, June

(B)

**Children and Families Commission of Orange County
Investment Portfolio Report
As of June 30, 2008**

Issuer	Purchase Date	Maturity Date	Days to Maturity	Yield (%)	CUSIP	Cost	Market Value	Unrealized Gain (Loss)	Accrued Earnings For Month	Accrued Earnings To Date
Treasury Bill (issued at a discount)										
U.S. Treasury Security	1/31/2008	7/31/2008	182	2.0100	912795F74	\$ 4,949,191.67	\$ 4,992,680.00	\$ 43,488.33	\$ 8,375.00	\$ 42,433.33
Subtotal for: Treasury Bill						4,949,191.67	4,992,680.00	43,488.33	8,375.00	42,433.33
Treasury Bond (semi-annual coupons)										
U.S. Treasury Security	9/15/2006	10/15/2009	761	4.7966	912828BM1	4,835,937.50	5,019,530.00	42,392.33	19,275.02	174,082.44
U.S. Treasury Security	9/26/2006	1/15/2008	842	4.5856	912828BV1	4,855,488.75	5,032,810.00	66,797.16	18,542.43	185,544.09
U.S. Treasury Security	10/2/2006	4/15/2009	926	4.6332	912828CEB	4,821,494.40	5,030,470.00	85,991.05	18,590.82	155,866.82
U.S. Treasury Security	10/11/2006	7/15/2009	1008	4.7447	912828CNS	4,856,445.30	5,067,190.00	121,165.43	19,210.65	173,233.12
U.S. Treasury Security	10/16/2006	10/15/2009	1095	4.8011	912828CX8	4,803,125.00	5,067,190.00	151,873.22	19,225.80	147,693.83
U.S. Treasury Security	4/30/2008	1/31/2010	641	2.3023	912828HP8	4,984,779.15	4,874,220.00	(12,031.37)	9,469.23	19,569.75
U.S. Treasury Security	4/30/2008	4/30/2010	730	2.3462	912828HX1	4,978,515.65	4,862,500.00	(17,840.35)	8,581.83	19,823.33
Subtotal for: Treasury Bond						34,135,755.75	35,153,910.00	438,337.47	113,905.88	875,813.38
Grand Total						\$ 39,084,947.42	\$ 40,146,590.00	\$ 481,825.80	\$ 122,280.88	\$ 918,246.71

All of the above investments and any investment decisions made for the month June 30, 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