



To: First 5 Alameda County Executive Committee

From: Rebecca Gebhart, Finance and Administration Director

Date: March 20, 2009

Subject: Financial Report for July 1 – February 28, 2009

REQUESTED ACTION

To review and give direction for changes or clarifications in preparation for presentation to the Commission at their meeting on March 26, 2009

BACKGROUND

The following is a narrative report of Revenue and Expenses for the period of July 1 – February 28, 2009. Spreadsheets with Revenue and Expense information are attached. If all expenses and revenue were equally received and spent throughout the year, the revenue and expenses would be at 66% of the budget projection.

Revenue

As of February 28, revenue was \$10,883,551, or 50.8% of the revenue projection, for the reasons outlined below. Being below the budget projection at this time of year is not unusual; at the end of the third quarter last year (March 31, 2008), the revenue was 46% received rather than 75%.

- First, as usual, the receipt of the monthly tobacco tax allocation is two months in arrears. \$7,886,197 was received for the first six months of the year, representing 50% of the budget projection. The January revenue was received but posted after February 28.
- With regard to Income from Alameda County agencies, \$74,700 is budgeted for the Public Health Department's share of ECChange hosting and maintenance fees, and \$927,141 is budgeted from the Alameda County Child Care Planning Council for AB212 funding for professional development and stipends for school-age providers, and for training ECE providers on accessing the SART

(Screening, Assessment, Referral and Treatment) system. It is anticipated that these funds will be received in the final quarter of the fiscal year.

- With regard to Grants, as of February 28, we had not received any of the federal grant for Early Care and Education, budgeted at \$268,318. The first reports have been submitted and we are establishing payment processes with the federal government's Department of Payment Management. We received the first payment of the First 5 California School Readiness grant, in the amount of \$917,177, and a payment from the state CARES program in the amount of \$222,944.
- Fiscal Leveraging Funds are at \$275,579 which was received for Targeted Case Management (TCM). Of that \$50,579 will be forward to Children's Hospital per our revenue sharing agreement. With regard to Medi-Cal Administrative Activities (MAA), an invoice for all four quarters of 2007-08 was just submitted totaling \$472,786, which is expected to be received in the final quarter of the fiscal year.
- Investment revenue is \$917,273 or 56% of the budget projection. This projection tends to run behind all year due to the reversal of the year-end accrual, and then will catch up at year-end.
- The primary Miscellaneous income includes conference center rental fees, unspent grant reimbursement, and a State Fund Workers Compensation reimbursement.
- Sustainability funds are used at year-end to close the gap between revenue and expenses and are from the First 5 Alameda County Sustainability Fund reserve. The amount authorized by the Commission for use in 2008-09 is \$6,592,043. In past years, the full allocation of sustainability funds has not been needed due to budget savings.

Expenses

Total Expenses are \$13,088,554, which is 46.68% of the budget amount of \$28,037,554. This amount is consistent with spending patterns from prior years; at the end of the third quarter last year (March 31, 2008), the budget was 59% spent rather than 75% spent.

In most line items, the percentage spent is under 66%. Those that are not are explained below.

- Grant funds are 78.2% spent, due to the fourth payment of the 2007-09 Community Grants Initiative, payable after progress reports are received and reviewed in January 2008. This payment is 25% of each grantee's total two-year allocation, and no more payments are scheduled for 2009-10 in Community

Grants. In addition, in Early Care and Education, the Child Development Corps had expenses for stipends for members of the AA Degree Corps which appear in the Grants line item.

It is important to note that General Expenses that are allocated to all programs are posted throughout the year to the Administration budget (which then appears to be going “over budget”.) However, costs are allocated across programs at year-end.

- General Expenses, Membership and Dues are 72.69% spent primarily due to the payment of the annual First 5 Association dues (\$12,541).

Summary

The Revenue and Expenses are appropriate for this time in the fiscal year.

Fiscal Impact

The Revenue and Expenses are appropriate for this time of year; there is no additional fiscal impact.

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Submitted by:

Reviewed by:

 Rebecca Gebhart, Finance and
 Administration Director

 Mark Friedman, Chief Executive Officer