



**To:** First 5 Alameda County Executive Committee  
**From:** Patricia Zapanta, Finance and Administration Director  
**Date:** May 21, 2010  
**Subject:** Financial Report for July 1, 2009 – March 31, 2010

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#### REQUESTED ACTION

To review the Financial Report for the first nine months of FY 2009-10 and to give feedback regarding any clarifications in preparation for presentation to the Commission on May 27<sup>th</sup>.

#### BACKGROUND

The following is a narrative report of Revenue and Expenses for the period of July 1, 2009 – March 31, 2010. 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 75% of the budget projection.

#### Revenue

As of March 31, revenue was \$12,078,990, or 58.6% of the revenue projection, for the reasons outlined below. Being below the budget projection at this time of year is not unusual; last year the revenue at this point was at 63.7% of the budget.

- First, the receipt of the monthly tobacco tax allocation is two months in arrears. \$8,444,582 was received for the first seven months of the year, representing 60.3% of the budget projection. If the trend of the first seven months of tobacco tax revenue continues, the tobacco tax allocation at year end will be \$14,148,308. The tobacco tax revenue projection has been adjusted conservatively to \$14,000,000 in the last Budget Modification to align with actual revenue received.
- With regard to Income from Alameda County agencies, currently \$2,225,983 is budgeted which consists of \$986,320 from Alameda County Child Care Planning Council for AB212 funding for professional development and stipends for school-age providers. It also includes a \$725,510 projected revenue from Alameda County Public Health Department for the implementation of the Substance Abuse Mental Health

Services Administration (SAMHSA) Project LAUNCH, ECChange maintenance fees and 50% reimbursement of costs for a SART (Screening, Assessment, Referral and Treatment) child developmental specialist position and \$514,153 from Alameda County Behavioral Health Care Services for the SAMHSA Early Connections project that creates an infrastructure for a system of care, the SART Pathways system and reimbursement for hiring an Early Connections Strategic Plan Coordinator. Only \$124,805 has been received so far.

- As of March 31, \$67,984 has been received for the Early Care and Education higher education federal appropriation for the development of a cohort model at a community college. The Federal Grants budget also consists of a \$476,000 appropriation for the Children’s SART program.
- For State Grants, we received payments from First 5 California for the School Readiness grant in the amount of \$1,931,663, the last payment for the CARES program in the amount of \$232,360 and a \$15,663 reimbursement for Health Care for All program.
- There is a timing issue with regards to Fiscal Leveraging revenues. The revenue for Medi-Cal Administrative Activities (MAA) reported as of March 31 reflects income budgeted for FY 2008-09 which was not received at the time of fiscal closing. The \$350,000 budget is for 2009-10. Invoices were prepared and submitted for MAA in February 2010. It is quite challenging to project the timing of the MAA revenues which mainly depends on the situation at the State Department of Health Care Services which administers the MAA program for the State of California. Title IV-E revenues are reimbursements for child worker welfare training activities in the SART program.
- Investment revenue is \$791,907 or 70.4% 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.
- Other Sources of revenue reported for \$60,032 is revenue from First 5 Contra Costa for reimbursement of Hospital Outreach Coordinator expenses.
- 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 2009-10 is \$6,947,507.

## Expenses

Total Expenses are \$15,200,644, which is 55.11% of the budget amount of \$27,581,298. This amount is consistent with spending patterns from prior years; at this point last year Expenses were \$15,452,026 on a total budget of \$28,037,554, or 55.11% spent.

In most line items, the percentage spent is under 75% except for one line item which is Grants. Grant funds are slightly over spent at 76.44% primarily due to the timing of the

payment schedules of the 2007-09 and 2009-11 grant cycles of the Community Grants Initiative program.

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.

**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.

**REQUESTED ACTION**

To review the Financial Report for the first nine months of FY 2009-10 and to give feedback regarding any clarifications in preparation for presentation to the Commission on May 27<sup>th</sup>.

Submitted by:

Reviewed by:

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Patricia Zapanta, Finance and  
Administration Director

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Mark Friedman, Chief Executive Officer

**First 5 Alameda County  
Revenue and Available Funds  
For the Period July 1, 2009 - March 31, 2010**

Revenues	Budget	Actual	Variance	Percentage Received
<b>Prop 10 Tobacco Tax</b>	14,000,000	8,444,582	(5,555,418)	60.3% <b>A</b>
<b>Income from Alameda Co. Agencies</b>	2,225,983	124,805	(2,101,178)	5.6% <b>B</b>
<b>Grants</b>				
Federal	597,554	67,984	(529,570)	11.4% <b>C</b>
State	2,179,686	2,179,686	0	100.0% <b>D</b>
	2,777,240	2,247,670	(529,570)	80.9%
<b>Fiscal Leveraging</b>				
Medi-Cal Administrative Activities (MAA)	350,000	384,491	34,491	109.9%
Title IV-E Child Welfare Education	0	14,299	14,299	-100.0%
	350,000	398,791	48,791	113.9% <b>E</b>
<b>Investment Revenue</b>	1,125,000	791,907	(333,093)	70.4%
<b>Other Sources</b>	120,568	60,032	(60,536)	49.8% <b>F</b>
<b>Miscellaneous Income</b>	0	11,203	11,203	-100.0%
<b>Total Revenues</b>	<b>20,598,791</b>	<b>12,078,990</b>	<b>(8,519,801)</b>	<b>58.6%</b>

Available Funds	Budget	Actual	Variance	Percentage Received
<b>Sustainability Fund</b>	6,947,507	0	(6,947,507)	0.0%
<b>Carry Over Restricted Funds</b>				
Washington Mutual	35,000	0	35,000	0.0%
Total Carry Over Restricted Funds	35,000	0	35,000	0.0%
<b>Total Available Funds</b>	<b>6,982,507</b>	<b>0</b>	<b>(6,912,507)</b>	<b>0.0%</b>

<b>TOTAL REVENUES &amp; AVAILABLE FUNDS</b>	<b>27,581,298</b>	<b>12,078,990</b>	<b>(15,432,308)</b>	<b>43.8%</b>
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**Notes:**

- A - Tobacco tax revenues received include allocations up to January 2010.  
Tobacco tax revenues from the State are 2 months in arrears.
- B - A major portion of the budget is for AB212 funds from Alameda Co. General Services Agency Childcare Planning Council. This revenue is typically received at the end of the fiscal year.  
Other portions of the revenue include income from Alameda Co. PHD and BHCS.
- C - The budget consists of federal earmarks for SART and ECE higher education.
- D - Actual revenues consist of receipts from State First 5 for School Readiness, CARES and Health Care for All (please refer to details in the narrative).
- E - MAA revenues are reimbursements for invoices submitted in FY 2008-09. Title IV-E revenues are reimbursements for child welfare worker training activities.
- F - Indicates revenue from First 5 Contra Costa for Hospital Outreach Coordinator services

**First 5 Alameda County  
Budget vs. Actual Expenditures  
July 1,2009 - March 31, 2010**

	Family Support Services		Early Care & Education		Community Grants		Support Strategies		Evaluation & Technology		Administration		T o t a l		Variance	Percentage Spent
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual		
<b>Personnel</b>																
Personnel	378,514	253,457	853,735	492,505	352,061	246,798	718,705	394,887	631,534	426,429	958,772	577,798	3,893,320	2,391,873	1,501,447	61.44%
Service Delivery Personnel	1,267,200	826,028	0	0	0	0	0	0	0	0	0	0	1,267,200	826,028	441,172	65.19%
Benefits	822,857	531,200	404,712	232,481	176,030	90,442	335,703	140,019	315,767	187,617	472,386	248,814	2,527,455	1,430,574	1,096,880	56.60%
<b>Sub-total Personnel</b>	<b>2,468,572</b>	<b>1,610,686</b>	<b>1,258,447</b>	<b>724,986</b>	<b>528,091</b>	<b>337,240</b>	<b>1,054,408</b>	<b>534,906</b>	<b>947,300</b>	<b>614,046</b>	<b>1,431,157</b>	<b>826,612</b>	<b>7,687,975</b>	<b>4,648,476</b>	<b>3,039,499</b>	<b>60.46%</b>
<b>Program Contracts/Grants/MOUs</b>																
Contracts	5,584,738	3,398,605	3,976,636	1,670,188	114,718	86,170	3,375,022	1,039,926	294,388	117,196	33,400	19,858	13,378,902	6,331,942	7,046,960	47.33%
Grants		185	1,470,740	893,981	2,600,000	2,217,451	0	0	0	0	0	0	4,070,740	3,111,617	959,123	76.44%
Professional Services Contracts	28,664	(2,625)	65,854	0	100,000	39,039	228,090	28,352	5,000	0	7,000	0	434,608	64,766	369,842	14.90%
<b>Sub-total Program Contracts/ Grants/MOUs</b>	<b>5,613,402</b>	<b>3,396,165</b>	<b>5,513,230</b>	<b>2,564,168</b>	<b>2,814,718</b>	<b>2,342,660</b>	<b>3,603,112</b>	<b>1,068,278</b>	<b>299,388</b>	<b>117,196</b>	<b>40,400</b>	<b>19,858</b>	<b>17,884,250</b>	<b>9,508,325</b>	<b>8,375,925</b>	<b>53.17%</b>
<b>Training Expenses</b>																
Copying/Printing	40,400	17,857	17,300	0	1,500	185	26,000	5,531	1,500	0	2,000	0	88,700	23,572	65,128	26.58%
Equipment Rental	1,000	0	0	0	500	0	3,400	276	400	0	250	0	5,550	276	5,274	4.98%
Food/Hospitality	17,500	12,606	8,150	3,528	7,000	4,240	72,250	9,757	1,500	1,039	8,500	1,952	114,900	33,123	81,777	28.83%
Honoraria	7,500	2,550	4,000	1,226	1,000	0	43,480	15,913	500	0	0	0	56,480	19,688	36,792	34.86%
Postage	2,850	654	6,550	2,317	1,000	878	4,030	355	2,900	357	3,300	1,092	20,630	5,652	14,978	27.40%
Professional Services	43,500	350	0	0	500	800	53,500	8,148	1,500	450	11,000	4,000	110,000	13,748	96,252	12.50%
Space Rental	1,000	(200)	3,700	0	1,000	500	2,250	716	0	0	1,000	148	8,950	1,164	7,786	13.01%
Supplies	56,000	21,558	58,600	27,702	5,000	9,856	188,650	52,572	12,600	8,855	58,700	30,502	379,550	151,046	228,504	39.80%
Travel	23,700	12,812	9,000	4,554	3,000	281	34,900	6,096	9,500	302	1,500	373	81,600	24,420	57,180	29.93%
Staff Development/Training	12,775	5,990	6,500	3,895	2,000	1,899	4,000	807	4,500	2,100	6,000	5,094	35,775	19,784	15,991	55.30%
<b>Sub-total Training Expenses</b>	<b>206,225</b>	<b>74,177</b>	<b>113,800</b>	<b>43,222</b>	<b>22,500</b>	<b>18,639</b>	<b>432,460</b>	<b>100,171</b>	<b>34,900</b>	<b>13,102</b>	<b>92,250</b>	<b>43,162</b>	<b>902,135</b>	<b>292,473</b>	<b>609,662</b>	<b>32.42%</b>
<b>General Expenses</b>																
Communications	17,894	5,935	9,880	1,598	3,272	187	5,818	2,025	2,836	534	3,782	12,944	43,482	23,224	20,258	53.41%
Copying/Printing	2,051	0	1,524	0	802	0	1,024	0	311	0	415	0	6,127	0	6,127	0.00%
Equipment Leases/Rentals/Maint.	13,118	1,716	10,261	0	5,397	0	6,904	0	2,093	0	2,794	26,009	40,567	26,009	14,558	64.11%
Equipment Purchase	8,187	0	6,351	0	3,340	0	24,274	1,272	1,296	0	11,728	4,096	55,176	5,368	49,808	9.73%
Insurance	26,069	0	20,320	0	10,688	0	13,672	0	4,144	0	5,528	52,348	80,421	52,348	28,073	65.09%
Membership and Dues	8,083	0	6,351	0	3,340	0	4,274	0	1,296	0	1,728	13,431	25,072	13,431	11,641	53.57%
Postage	505	7	381	0	200	15	256	28	78	6	103	160	1,523	216	1,307	14.15%
Professional Services	65,638	867	51,816	83	27,254	604	34,865	0	10,567	0	14,096	149,209	204,236	150,763	53,473	73.82%
Space Rental	94,402	78,420	60,139	47,592	25,030	19,808	300,818	234,921	42,120	33,744	113,521	65,982	636,030	480,466	155,563	75.54%
Travel	0	0	0	0	0	0	0	0	0	0	4,000	2,400	4,000	2,400	1,600	60.00%
Depreciation	3,239	0	2,540	0	1,336	0	1,709	0	518	0	963	0	10,305	0	10,305	0.00%
Short term gain or loss	0	0	0	0	0	0	0	0	0	0	0	(4,571)	0	(4,571)	4,571	-100.00%
<b>Sub-total General Expenses</b>	<b>239,186</b>	<b>86,945</b>	<b>169,563</b>	<b>49,273</b>	<b>80,659</b>	<b>20,614</b>	<b>393,614</b>	<b>238,246</b>	<b>65,259</b>	<b>34,284</b>	<b>158,658</b>	<b>322,008</b>	<b>1,106,939</b>	<b>749,654</b>	<b>357,285</b>	<b>67.72%</b>
<b>TOTAL</b>	<b>8,527,385</b>	<b>5,167,973</b>	<b>7,055,040</b>	<b>3,381,649</b>	<b>3,445,968</b>	<b>2,719,153</b>	<b>5,483,593</b>	<b>1,941,601</b>	<b>1,346,847</b>	<b>778,629</b>	<b>1,722,465</b>	<b>1,211,640</b>	<b>27,581,298</b>	<b>15,200,644</b>	<b>12,380,654</b>	<b>55.11%</b>