



AGENDA ITEM: 13

DATE OF MEETING: October 23, 2014

ACTION: _____

INFORMATION: X

FINANCIAL UPDATE

SUMMARY

Staff will provide the Commission fiscal briefings in three areas: First 5 California's (F5CA) year-end revenue and expenditures for Fiscal Year (FY) 2013–14, revenue and expenditure projections through FY 2016–17, and the Fund Condition beginning FY 2014–15.

BACKGROUND

In accordance with Health and Safety Code (HSC) section 130105, the California Children and Families Trust Fund (hereinafter referred to as "Fund") was created in the State Treasury and receives tobacco tax revenue collected pursuant to section 30131.2 of the Revenue and Taxation Code.

The California State Board of Equalization (BOE) collects Proposition 10 revenue and administers the Fund. BOE first determines the amount for adjustments to the Fund prior to the transfer of moneys to the designated F5CA accounts and County Fund. These adjustments include the annual backfill to the Proposition 99 Fund and Breast Cancer Fund ("backfill"), as well as the monthly BOE operational costs for tax collection and enforcement programs.

After these adjustments, BOE determines the amounts to be allocated to the State and county commissions pursuant to the percentages outlined in HSC section 130105. Eighty percent of the revenue is allocated to the county commissions and deposited in individual local Children and Families Trust Funds administered by each county commission. The remaining twenty percent is allocated and transferred to the following six Proposition 10 accounts for use by F5CA: Mass Media Communications, Education, Child Care, Research and Development, Administration, and Unallocated, all of which are interest-bearing accounts.

Attachment A provides an overview of how the funds are transferred to the individual Proposition 10 county commission funds and F5CA accounts. Per HSC sections 130100 through 130155, F5CA disburses 80 percent of Proposition 10 tobacco tax revenue to county commissions monthly if they have met statutory requirements. County commissions receive a portion of the total moneys available to all county commissions equal to the percentage of the number of births recorded in the relevant county in

proportion to the total number of births recorded in California. Interest that accumulates in the County Fund also is disbursed annually to the county commissions using this same formula.

F5CA's Administrative Services Division (ASD) disburses funds from the six State Commission accounts consistent with the directives of the State Commission and the Bylaws for F5CA. ASD also maintains financial records of disbursements.

The annual financial statement audit of the Fund and related F5CA accounts will be available on First 5 California's website once the audit is completed. The audit report for FY 2013–14 will be available in December 2014.

FY 2013–14 Revenue Collection, Fund Administration, and Adjustments

The total Proposition 10 tobacco tax revenue collected by the BOE in FY 2012–13 (prior to BOE adjustments) was \$481 million. The total revenue received in FY 2013–14 was \$461 million, representing a 4.2 percent decrease in revenue from FY 2012–13.

In FY 2013–14, \$430,519,536 was transferred to the County Fund and six F5CA accounts. This amount consists of tax revenue transferred by the BOE in the amount of \$430,445,962 and \$73,574 of interest earned in the Fund.

The amount of monthly revenue received varies each month of each year. During the first and fourth quarters of each year, revenues received are consistently higher than during the second and third quarters. The BOE-calculated backfill typically occurs during the second quarter.

As represented in Attachment B, the BOE adjustments to the tax revenue are as follows:

- The FY 2013–14 backfill totaled \$13.6 million, a decrease of 9.3 percent from FY 2012–13 (\$15 million).
- Adjustments for BOE operational costs for tax collection and enforcement activities totaled \$16.6 million, an increase of 4.8 percent from FY 2012–13 (\$15.8 million).
- BOE was authorized to charge the Fund up to \$17.8 million for administration costs incurred during FY 2013–14. The actual costs ended up to be \$16.6 million; \$1.2 million lower than budgeted due to reduced program costs.
- BOE currently has budget authority to charge F5CA \$17.6 million for FY 2014–15 and \$17.5 million for FY 2015–16 to cover administrative costs. The small decrease between these two years is the net of increased employee compensation adjustments and a reduction associated with the expiration of BOE's Centralized Revenue Opportunity System project.

Attachment C displays F5CA's share of the FY 2013–14 tobacco tax revenue available (after backfill and BOE adjustments occur), which totaled \$86.1 million, and represents a 4.4 percent decrease from FY 2012–13 revenue (\$90.1 million). The counties' share, or eighty percent of the total amount available after adjustments, totaled \$344.4 million. The attachment also shows the projected revenues through FY 2017–18. The Department of Finance (DOF) projects the tobacco tax revenue annually using a conservative methodology that is within 5 percent most fiscal years.

FY 2013–14 Surplus Money Investment Fund Earnings

F5CA investments consist of cash in excess of current needs on deposit in the State Surplus Money Investment Fund (SMIF). The Fund and related F5CA accounts participate in the State of California's Pooled Money Investment Program, whereby cash on deposit in the State Treasury determined to be in excess of immediate needs is transferred to the SMIF for investment purposes. All earnings derived from investment of the SMIF are apportioned to the contributing fund as provided in the Government Code.

The rate of interest earned on investment changes regularly and is posted to F5CA's accounts quarterly. As of March 31, 2014, the interest rate was 0.222 percent, as reflected in the Yield Rate Charts developed by the State Controllers' Office located at <http://www.sco.ca.gov/Files-ARD/smifrate.pdf>.

Table 1 on the following page provides a summary of SMIF revenue by account beginning with FY 2009–10 through FY 2013–14.

TABLE 1
SMIF Revenue by Account

	FY 2009–10	FY 2010–11	FY 2011–12	FY 2012–13	FY 2013–14
Media	\$592,458	\$184,025	\$121,192	\$67,787	\$61,309
Education	\$653,916	\$353,841	\$138,253	\$113,365	\$98,976
Child Care	\$343,215	\$173,764	\$100,460	\$83,929	\$75,134
Research	\$455,931	\$227,359	\$73,942	\$47,689	\$53,193
Administration	\$157,822	\$115,721	\$87,788	\$66,620	\$52,749
Unallocated	\$176,966	\$149,310	\$23,001	\$35,882	\$60,417

F5CA received a total of \$401,778 in interest earnings during FY 2013–14 for all State F5CA accounts, representing a decrease of 3.3 percent from FY 2012–13 interest earnings (\$415,272). The interest earned on F5CA accounts varies depending on fund balances and interest yield rates. Attachment D displays the decrease in SMIF interest earned by F5CA accounts over the previous five years.

FY 2013–14 Fund Condition

The Fund and related accounts are classified as “Other Governmental Cost Funds” for State of California financial reporting purposes, and defined as special revenue funds used to account for revenues restricted by law for specified purposes. Table 2 below provides a summary of F5CA’s Fund Condition as of June 30, 2014.

TABLE 2
FY 2013–14 Fund Condition Overview

FY 2013–14 Fund Condition (Dollars in Millions)	
	Actual FY 2013–14
Prior Year Fund Balance	\$138
Revenues and Transfers	\$87
Total Resources Available	\$225
Expenditures ¹	\$71
Ending Fund Balance	\$154

¹Includes prior year adjustments, accruals, and fund-related transactions

Table 3 shows F5CA's adjusted beginning balance, FY 2013–14 year-end revenue and expenditure results, and FY 2013–14 year-end balances by account. Each of the following F5CA accounts ended FY 2013–14 in a positive position.

TABLE 3
Summary of FY 2013–14 Revenue/Expenditures by Account

Fund	FY 2013–14 Beginning Balance ²	FY 2013–14 Revenue	FY 2013–14 Expenditures	FY 2013–14 Ending Balance
Mass Media Communications	\$20,704,750	\$26,753,883	\$26,960,609	\$20,498,024
Education	\$35,392,915	\$21,624,953	\$14,552,995	\$42,464,873
Child Care	\$28,156,902	\$12,990,721	\$11,362,033	\$29,785,590
Research and Development	\$17,982,756	\$12,968,779	\$5,050,071	\$25,901,464
Administration	\$22,861,056	\$4,357,944	\$5,778,437	\$21,440,563
Unallocated	\$13,340,764	\$8,670,808	\$7,649,513	\$14,362,059
Totals	\$138,439,143	\$87,367,088	\$71,353,658	\$154,452,573

² Includes prior year adjustments

The Administration Account can expend only those funds related to personnel and other operating costs to administer the Act. For FY 2013–14, personnel expenditures totaled \$4,302,258, and general operating expenses and equipment totaled \$1,257,965. Pro Rata and other State fees for FY 2013–14 totaled \$218,214.

Revenue and Expenditure Projections

Attachment E shows the distribution of FY 2014–15 projected revenue for each F5CA account.

Attachment F compares revenue and expenditures with two years of actual data from FYs 2012–13 and 2013–14, along with three years of projected data through FY 2016–17. The projected expenditures displayed in FYs 2015–16 and 2016–17 are significantly less than previous years due to the expiration of the Child Signature Program in June 2015 and CARES Plus in June 2016. Attachment F also illustrates expenditures exceed revenue in FY 2014–15 when programs are fully operational, resulting in a reduction of fund balances.

Financial Plan for FYs 2013–14 through 2016–17

The F5CA Financial Plan, Attachment G, is based on actual cash balances for FY 2013–14, along with projected cash balances, estimated revenue, and expenditures for the current fiscal year and two budget years.

The Financial Plan is organized by fiscal year and shows the beginning “cash” balances available on July 1 of each fiscal year, the obligated full-year expenditures by project, the amount of projected current year revenue needed to meet current year obligations for each F5CA account, and the projected year-end balance. A negative number showing in the subtotal of any account does not represent an obligation or funding deficit, but the amount of funds needed from the current year revenue to meet current year obligations.

General Discussion

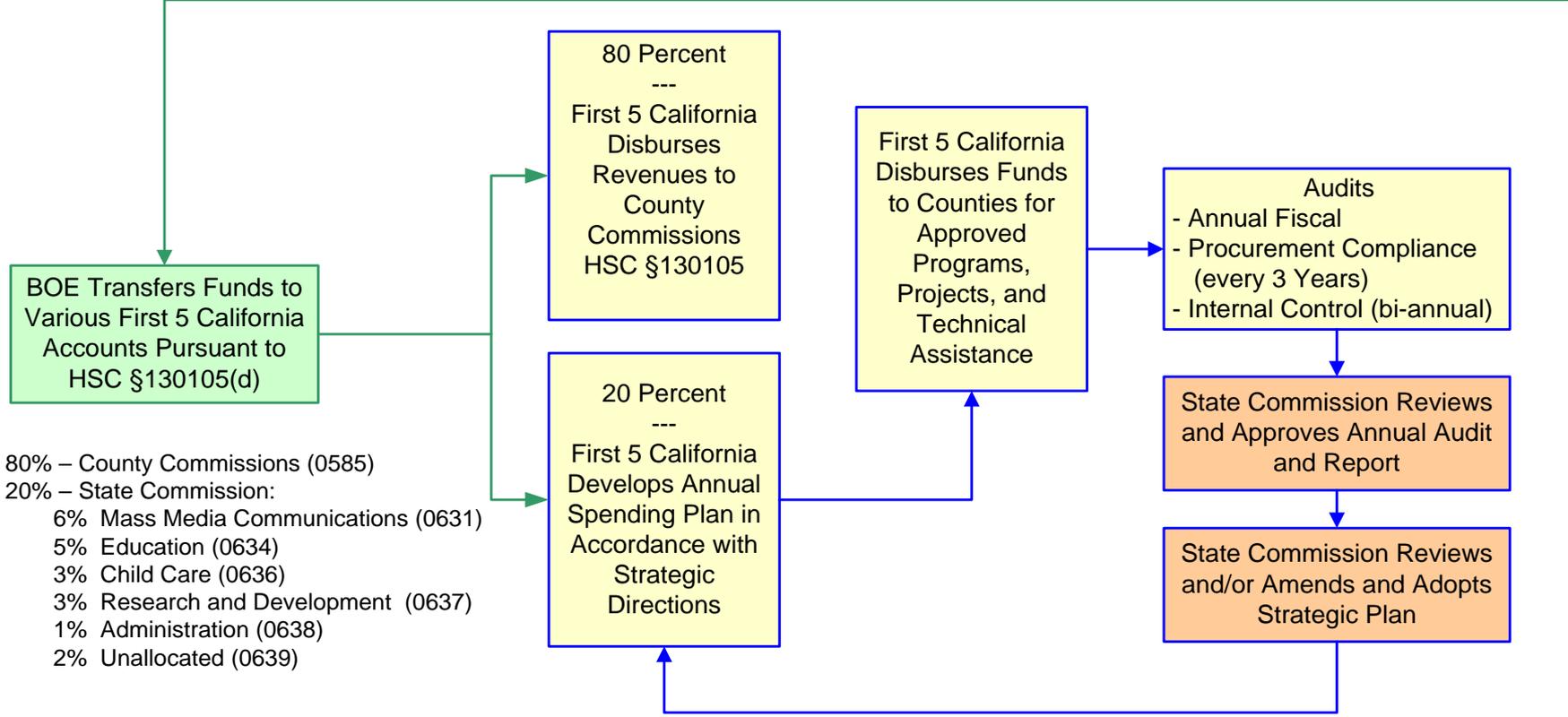
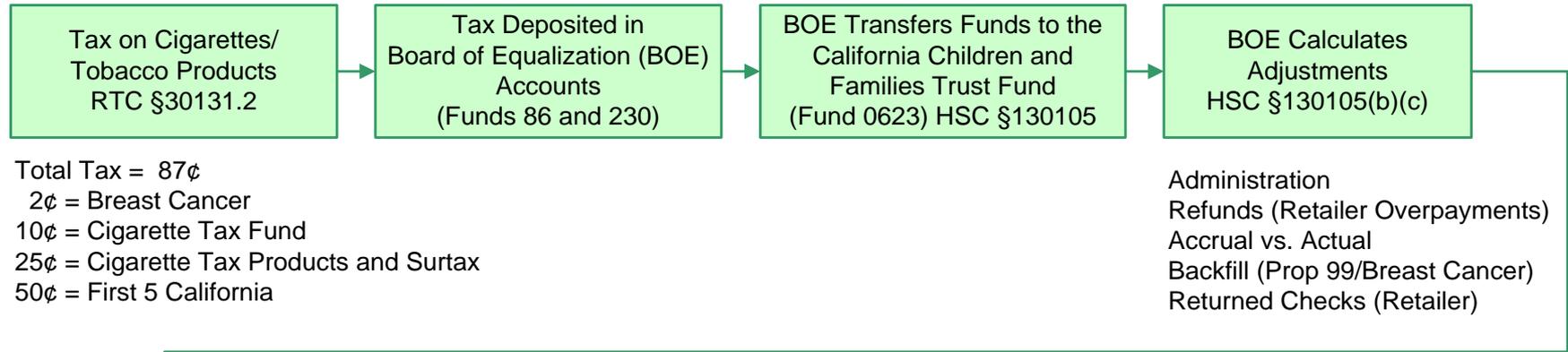
Revenue is received throughout the year, so F5CA does not realize the full fiscal year total until August or September of the subsequent fiscal year.

F5CA operates on a cash basis. In order to encumber funds (set-aside funds for current commitments and obligations of the State Commission), there must be either a carryover cash balance sufficient to cover these costs or projected current year revenue that would ensure sufficient cash in the given fiscal year to cover the fiscal year obligations.

ATTACHMENTS

- A. Funding Structure
- B. Board of Equalization Adjustments
- C. Actual and Projected State Revenue by Fiscal Year
- D. Surplus Money Investment Fund
- E. Fiscal Year 2014–15 Projected First 5 California Revenue by Account
- F. State Revenue and Expenditures by Fiscal Year
- G. Child Signature Report (CSP) Status Report
- H. CARES Plus, Round 2 Status Report
- I. First 5 California Financial Plan FYs 2013–14 through 2016–17

Funding Structure



Board of Equalization (BOE) adjustments to total Proposition 10 tax revenue collected are deducted before disbursements to First 5 California accounts are made. The two primary deductions include administrative costs incurred by BOE tax collection, licensing, and enforcement activities; and Proposition 99 backfill amounts. A summary of these costs over the past decade are listed below.

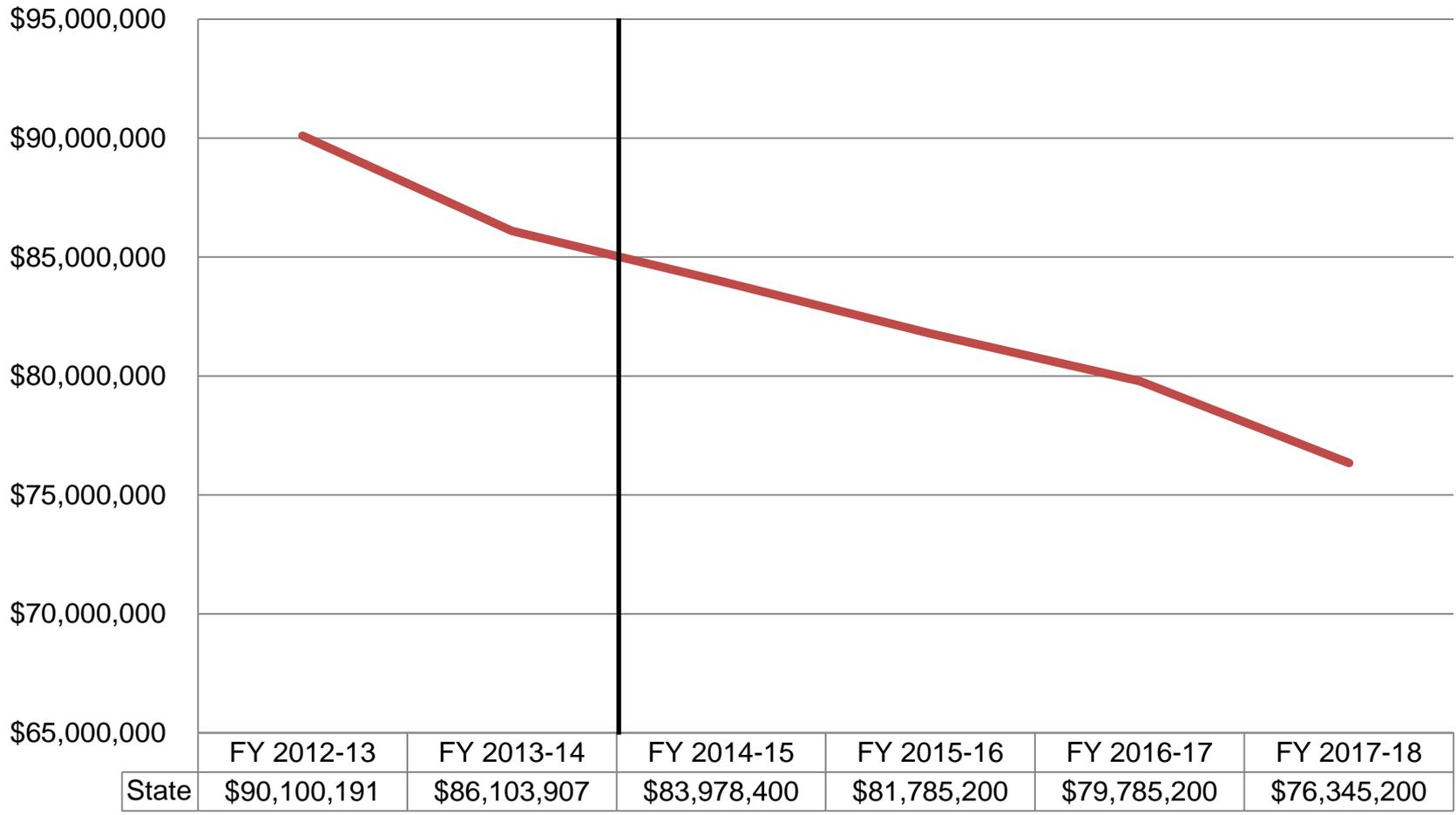
BOE ADMINISTRATION		BACKFILL	
FY 2004–05	\$3,527,000	FY 2004–05	\$21,300,000
FY 2005–06	\$4,958,000	FY 2005–06	\$20,300,000
FY 2006–07	\$7,237,393	FY 2006–07	\$18,500,000
FY 2007–08	\$10,508,495	FY 2007–08	\$19,600,000
FY 2008–09	\$11,721,382	FY 2008–09	\$21,200,000
FY 2009–10	\$11,738,182	FY 2009–10	\$21,800,000
FY 2010–11	\$14,229,862	FY 2010–11	\$20,200,000
FY 2011–12	\$15,711,540	FY 2011–12	\$16,500,000
FY 2012–13	\$15,830,475	FY 2012–13	\$15,000,000
FY 2013–14	\$16,588,489	FY 2013–14	\$13,600,000
FY 2014–15	\$17,578,000		
FY 2015–16	\$17,544,000		

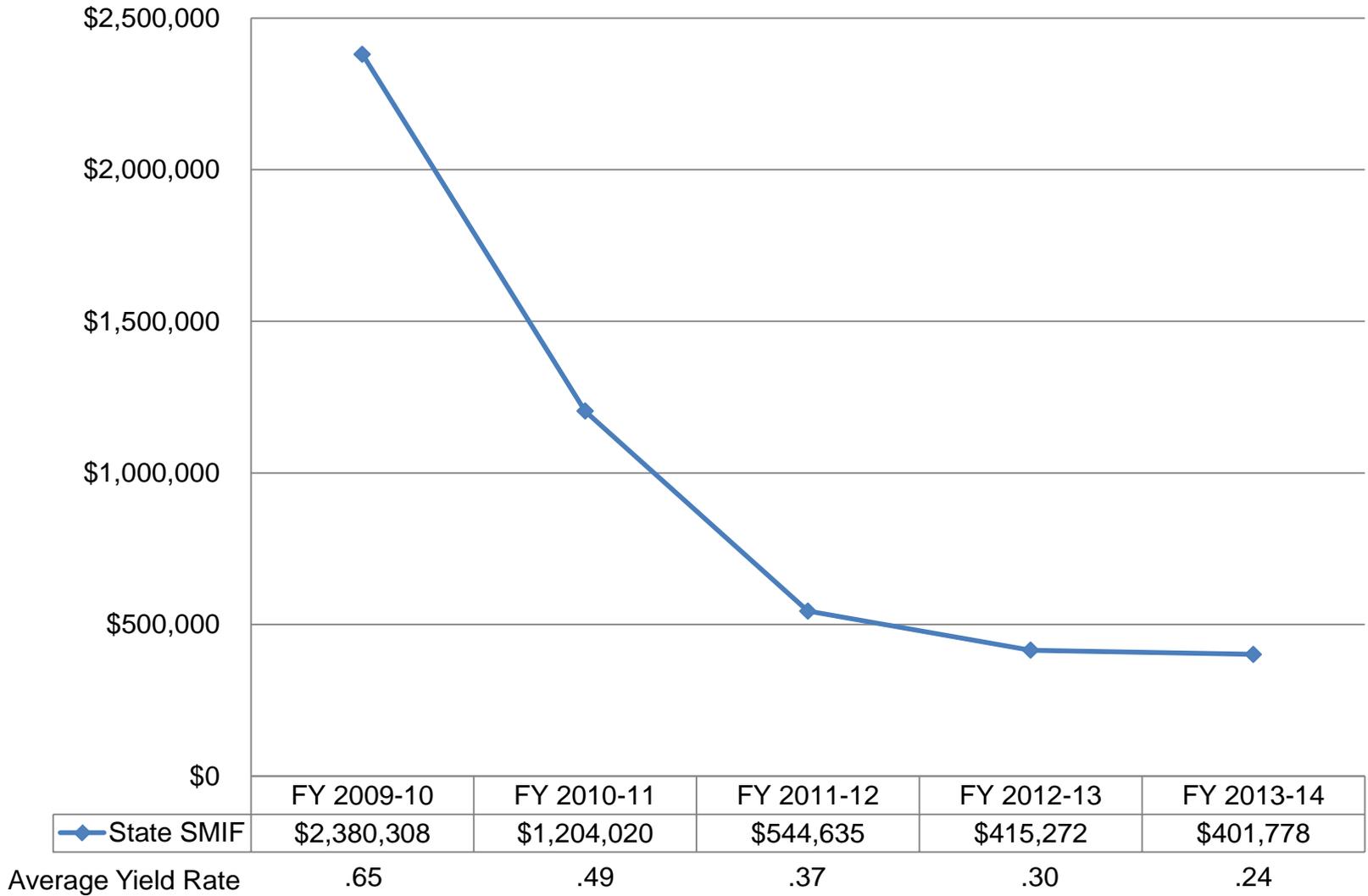


Actual and Projected State Revenue by Fiscal Year

Actual

Projected







Fiscal Year 2014–15 Projected First 5 California Revenue by Account

- Includes projected tax revenue disbursements to First 5 California (20 percent)
- First 5 California disbursements are distributed according to Health and Safety Code Section 130105

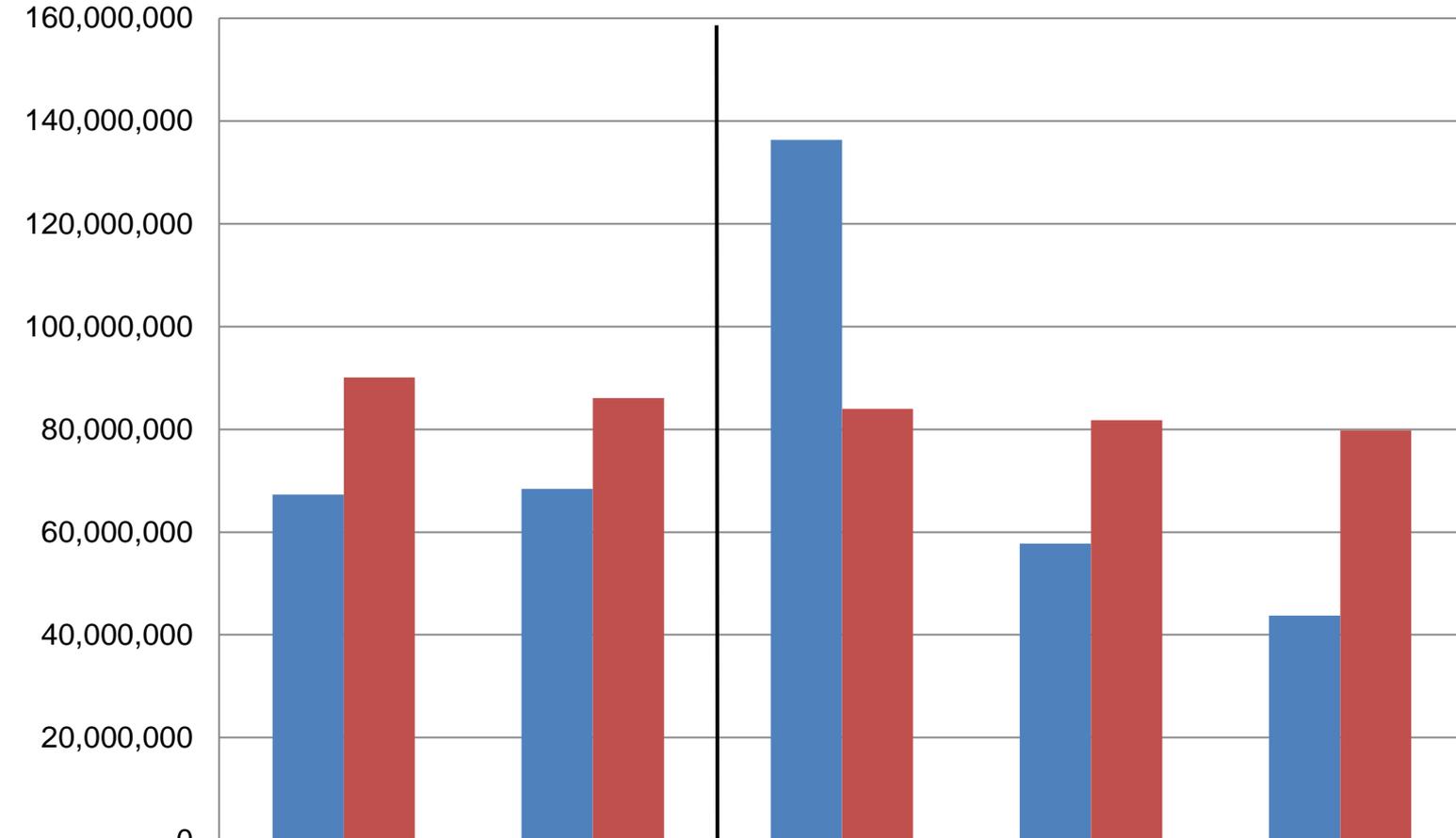
Account Type	Statutory Distribution	% to Total Conversion	Projected Revenue (Excluding Interest)
Media	6%	30%	\$ 25,193,520
Education	5%	25%	\$ 20,994,600
Child Care	3%	15%	\$ 12,596,760
Research	3%	15%	\$ 12,596,760
Unallocated	2%	10%	\$ 8,397,840
Administration	<u>1%</u>	<u>5%</u>	<u>\$ 4,198,920</u>
	20%	100%	\$ 83,978,400



State Revenue and Expenditures by Fiscal Year

Actual

Projected



	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Expenditures	67,300,240	68,423,761	136,331,724	57,750,178	43,776,911
Revenue	90,100,191	86,103,907	83,978,400	81,785,200	79,785,200



Child Signature Program (CSP) Status Report

	FY 2012-13	FY 2013-14	FY 2014-15	Total
Maximum Authorization	\$45,000,000	\$45,000,000	\$45,000,000	\$135,000,000

	Actual Expenditures	Actual Expenditures	Projected Expenditures*	Total Expenditures
Grant Allocations				
CSP 1, Program Budgets	\$18,867,858	\$23,293,737	\$23,834,754	\$65,996,348
CSP 1, Coordination Budgets	\$729,449	\$733,150	\$937,399	\$2,399,997
CSP 2, Program Budgets	\$1,993,850	\$2,403,084	\$3,340,524	\$7,737,458
CSP 3, Program Budgets	\$0	\$3,116,735	\$5,830,596	\$8,947,331
Total Grant Allocations	\$21,591,156	\$29,546,707	\$33,943,272	\$85,081,135
Operation Contracts				
West Ed - E4 Learning Academy		\$3,028,820	\$4,424,325	\$7,453,145
Metro Media - Taping of E4 Solicitations	\$650			\$650
West Ed - Annual Conference Travel	\$1,005			\$1,005
Angus Hammer - SAS Licenses		\$4,460		\$4,460
Angus Hammer - SAS Maintenance		\$7,227	\$8,133	\$15,360
Branagh Information Group - Online Training		\$17,579	\$914,046	\$931,625
Total Operation Contracts	\$1,655	\$3,058,086	\$5,346,504	\$8,406,245
Total Expenditures by FY	\$21,592,811	\$32,604,793	\$39,289,776	\$93,487,380

*Includes unspent carryover from previous fiscal years.

Allocation Balance	\$23,407,189	\$12,395,208	\$5,710,224	\$41,512,620
				(\$8,879,993)
			Projected Unallocated Authority	\$32,632,627



CARES Plus, Round 2 Status Report

	FY 2013-14	FY 2014-15	FY 2015-16	Total
Maximum Authorization	\$14,000,000	\$14,000,000	\$14,000,000	\$42,000,000

County Grants				
Authorized Grant Allocations	\$7,000,000	\$7,000,000	\$7,000,000	\$21,000,000
Actual/Projected Grant Expenditures	\$3,962,869	\$4,715,377	\$4,338,744	\$13,016,990
County Grant Unallocated Authority	\$3,037,131	\$2,284,623	\$2,661,256	\$7,983,010

Operation Contracts				
Contract Authority	\$7,000,000	\$7,000,000	\$7,000,000	\$21,000,000
Teachstone - CLASS Training/Support	\$847,638	\$1,193,695	\$1,201,070	\$3,242,403
Yosemite - Contract Manager for Coach/Observers	\$2,790,679	\$4,023,716	\$4,037,880	\$10,852,275
Language World Services - Translation Services	\$1,676	\$1,164	\$0	\$2,840
Infiniti - CARES Plus Database	\$387,700	\$258,700	\$0	\$646,400
Infiniti - Business Planning	\$179,020	\$70,980	\$0	\$250,000
Teachstone - CLASS Guides	\$105,955	\$0	\$0	\$105,955
Teachstone - Annual Coach/Observer Training	\$16,800	\$0	\$0	\$16,800
Ablegov, Inc. - SD Cards	\$11,718	\$21,027	\$0	\$32,745
Business Advantage Consulting - IT Consulting	\$2,640	\$0	\$0	\$2,640
Branough Information Group - Online Training	\$16,621	\$864,254	\$0	\$880,875
Actual/Projected Contract Expenditures	\$4,360,447	\$6,433,536	\$5,238,950	\$16,032,933
Contract Carryover and Placeholder	\$0	\$566,464	\$1,761,050	\$2,327,514
Actual/Projected Contract Expenditures	\$4,360,447	\$7,000,000	\$7,000,000	\$18,360,447

Total Expenditures by FY	\$8,323,316	\$11,715,377	\$11,338,744	\$31,377,437
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FY 2013-14 Contract Carryover **\$2,639,553**

Projected Unallocated Authority **\$10,622,563**

**First 5 California
Financial Plan
FYs 2013-14 through 2016-17**

Account/Project	ACTUAL FY 13-14	FY 14-15	FY 15-16	FY 16-17
Mass Media Communications (0631)				
Beginning Balance	\$20,220,080	\$20,498,024	\$8,042,463	\$5,327,484
Projected Expenditures and Obligations	26,475,939	38,210,575	27,774,667	27,774,667
Projected Revenue	25,831,172	25,193,520	24,535,560	23,935,560
Projected Interest	61,309	61,494	24,127	15,982
Federal Reimbursement for Kit	661,401	500,000	500,000	500,000
Other Revenue	200,000			
Year-end Balance	\$20,498,024	\$8,042,463	\$5,327,484	\$2,004,360
Education (0634)				
Beginning Balance	\$33,949,000	\$42,464,873	\$24,286,904	\$41,898,065
Projected Expenditures and Obligations	13,109,080	39,299,963	2,908,000	2,108,000
Projected Revenue	21,525,977	20,994,600	20,446,300	19,946,300
Projected Interest	98,976	127,395	72,861	125,694
Year-end Balance	\$42,464,873	\$24,286,904	\$41,898,065	\$59,862,059
Child Care (0636)				
Beginning Balance	\$27,787,536	\$29,785,590	\$15,639,707	\$15,226,406
Projected Expenditures and Obligations	10,992,666	26,832,000	12,728,000	8,000
Projected Revenue	12,915,586	12,596,760	12,267,780	11,967,780
Projected Interest	75,134	89,357	46,919	45,679
Year End Balance	\$29,785,590	\$15,639,707	\$15,226,406	\$27,231,866
Research and Development (0637)				
Beginning Balance	\$17,371,913	\$25,901,464	\$27,337,062	\$37,723,853
Projected Expenditures and Obligations	4,439,228	11,238,866	1,963,000	1,013,000
Projected Revenue	12,915,586	12,596,760	12,267,780	11,967,780
Projected Interest	53,193	77,704	82,011	113,172
Year End Balance	\$25,901,464	\$27,337,063	\$37,723,853	\$48,791,805
Unallocated (0639)				
Beginning Balance	\$13,341,338	\$14,362,059	\$8,294,937	\$10,860,425
Projected Expenditures and Obligations	7,650,087	14,508,047	5,637,917	5,809,143
Projected Revenue	8,610,391	8,397,840	8,178,520	7,978,520
Projected Interest	60,417	43,086	24,885	32,581
Year-end Balance	\$14,362,059	\$8,294,937	\$10,860,425	\$13,062,384
Program Accounts 0631, 0634, 0636, 0637, 0639 Totals:				
Total Cigarette and Tobacco Tax Revenue	\$81,798,712	\$79,779,480	\$77,695,940	\$75,795,940
Total Resources Per Year	\$195,679,009	\$213,690,525	\$162,047,817	\$187,665,283
Total Expenditures Per Year	\$62,666,999	\$130,089,451	\$51,011,584	\$36,712,810
Total Over/Under	\$133,012,010	\$83,601,074	\$111,036,233	\$150,952,474
Administration (0638)				
Beginning Balance	\$22,839,381	\$21,440,563	\$19,461,532	\$16,870,582
Projected Expenditures and Obligations	5,756,762	6,242,273	6,738,594	7,064,102
Projected Revenue	4,305,195	4,198,920	4,089,260	3,989,260
Projected Interest	52,749	64,322	58,385	50,612
Year End Balance	\$21,440,563	\$19,461,532	\$16,870,582	\$13,846,352
ALL FIRST 5 CALIFORNIA FUNDS				
Total Cigarette and Tobacco Tax Revenue	\$86,103,907	\$83,978,400	\$81,785,200	\$79,785,200
Total Resources Per Year	\$222,876,334	\$239,394,331	\$185,656,994	\$208,575,737
Total Expenditures Per Year	\$68,423,761	\$136,331,724	\$57,750,178	\$43,776,911
Total Over/Under	\$154,452,573	\$103,062,606	\$127,906,816	\$164,798,826
Total 15% Reserve	\$12,915,586	\$12,596,760	\$12,267,780	\$11,967,780
Net After Reserve	\$141,536,987	\$90,465,846	\$115,639,036	\$152,831,046

**First 5 California
Financial Plan
FYs 2013-14 through 2016-17**

	Account/Project	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
1	Mass Media Communications (0631)				
	Beginning Balance	\$20,220,080	\$20,498,024	\$8,042,463	\$5,327,484
A	School Readiness, Cycle 2	(655,990)	0	0	0
B	Parent Signature Program - Education and Outreach	17,997,911	12,694,942	0	0
C	Parent Signature Program - Education and Outreach	0	11,333,333	22,666,667	22,666,667
D	Parent Signature Program - 1-800 Number	100,000	100,000	100,000	100,000
E	Parent Signature Program - Kit for New Parents	1,615,409	0	0	0
F	Parent Signature Program - Kit for New Parents	0	5,000,000	5,000,000	5,000,000
G	Child Signature Program	7,244,784	8,730,188	0	0
H	Unallocated Authority and Carryover	0	344,111	0	0
I	Miscellaneous Media	200	0	0	0
J	SCO/PRORATA/ADJUSTMENTS	2,305	8,000	8,000	8,000
	Total Budgeted Expenditures	26,304,619	38,210,575	27,774,667	27,774,667
	Prior Year Adjustments	171,320	0	0	0
	Adjusted Fund Balance Expenditures	26,475,939	38,210,575	27,774,667	27,774,667
	Subtotal	(\$6,255,859)	(\$17,712,551)	(\$19,732,204)	(\$22,447,183)
	Projected Revenue	25,831,172	25,193,520	24,535,560	23,935,560
	Projected Interest	61,309	61,494	24,127	15,982
	Federal Reimbursement for Kit	661,401	500,000	500,000	500,000
	Other Revenue	200,000	0	0	0
	Year-end Balance	\$20,498,024	\$8,042,463	\$5,327,484	\$2,004,360
	15% Reserve	3,874,676	3,779,028	3,680,334	3,590,334
	Net Year-end Balance	\$16,623,348	\$4,263,435	\$1,647,150	(\$1,585,974)
2	Education (0634)				
	Beginning Balance	\$33,949,000	\$42,464,873	\$24,286,904	\$41,898,065
A	School Readiness, Cycle 2	(1,457,757)	\$0	\$0	\$0
B	Statewide Conference	0	250,000	250,000	250,000
C	Co-Sponsorship Funding	44,500	150,000	150,000	150,000
D	Child Signature Program - Educare	0	2,000,000	2,000,000	1,700,000
E	Unallocated Authority	0	0	0	0
F	Teacher Signature Program - CARES Plus	16,621	500,000	500,000	0
G	Carryover of Contract Authority	0	483,379	0	0
H	Child Signature Program	14,489,569	17,460,376	0	0
I	Unallocated Authority and Carryover	0	18,448,209	0	0
J	SCO/PRORATA/ADJUSTMENTS	2,305	8,000	8,000	8,000
	Total Budgeted Expenditures	13,095,239	39,299,963	2,908,000	2,108,000
	Prior Year Adjustments	13,841	0	0	0
	Adjusted Fund Balance Expenditures	13,109,080	39,299,963	2,908,000	2,108,000
	Subtotal	\$20,839,920	\$3,164,910	\$21,378,904	\$39,790,065
	Projected Revenue	21,525,977	20,994,600	20,446,300	19,946,300
	Projected Interest	98,976	127,395	72,861	125,694
	Year-end Balance	\$42,464,873	\$24,286,904	\$41,898,065	\$59,862,059
	15% Reserve	3,228,897	3,149,190	3,066,945	2,991,945
	Net Year-end Balance	\$39,235,976	\$21,137,714	\$38,831,120	\$56,870,114
	Purple: Amount pending Commission approval.				
	Royal Blue: Amount projected based on sustained level of effort.				
	Green: Subtotal amounts.				

**First 5 California
Financial Plan
FYs 2013-14 through 2016-17**

	Account/Project	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
3	Child Care (0636)				
	Beginning Balance	\$27,787,536	\$29,785,590	\$15,639,707	\$15,226,406
A	School Readiness, Cycle 2	(619,547)	0	0	0
B	Child Signature Program	3,622,392	4,365,094	0	0
C	Unallocated Authority and Carryover	0	4,612,052	0	0
D	Teacher Signature Program - CARES Plus	7,737,335	10,435,377	10,058,744	0
E	Unallocated Grant Authority	0	5,321,754	2,661,256	0
F	Carryover of Contract Authority	0	1,945,534	0	0
G	RTT-ELC	0	144,189	0	0
H	SCO/PRORATA/ADJUSTMENTS	2,305	8,000	8,000	8,000
	Total Budgeted Expenditures	10,742,486	26,832,000	12,728,000	8,000
	Prior Year Adjustments	250,180	0	0	0
	Adjusted Fund Balance Expenditures	10,992,666	26,832,000	12,728,000	8,000
	Subtotal	\$16,794,870	\$2,953,590	\$2,911,707	\$15,218,406
	Projected Revenue	12,915,586	12,596,760	12,267,780	11,967,780
	Projected Interest	75,134	89,357	46,919	45,679
	Year End Balance	\$29,785,590	\$15,639,707	\$15,226,406	\$27,231,866
	15% Reserve	1,937,338	1,889,514	1,840,167	1,795,167
	Net Year-end Balance	\$27,848,252	\$13,750,193	\$13,386,239	\$25,436,699
4	Research and Development (0637)				
	Beginning Balance	\$17,371,913	\$25,901,464	\$27,337,062	\$37,723,853
A	School Readiness, Cycle 2	(911,098)	0	0	0
B	Annual Report	79,189	5,000	5,000	5,000
C	CARES Plus Program Data Collection and Storage	569,360	780,000	780,000	0
D	Carryover of Contract Authority	0	210,640	0	0
E	California Health Interview Survey	750,000	750,000	750,000	750,000
F	Child Signature Program	3,625,654	4,369,023	0	0
G	Unallocated Authority and Carryover	0	4,616,203	0	0
H	Transitional Kindergarten Study	0	500,000	420,000	250,000
I	Miscellaneous Research	23,562	0	0	0
J	SCO/PRORATA/ADJUSTMENTS	2,305	8,000	8,000	8,000
	Total Budgeted Expenditures	4,138,973	11,238,866	1,963,000	1,013,000
	Prior Year Adjustments	300,254	0	0	0
	Adjusted Fund Balance Expenditures	4,439,228	11,238,866	1,963,000	1,013,000
	Subtotal	\$12,932,686	\$14,662,598	\$25,374,062	\$36,710,853
	Projected Revenue	12,915,586	12,596,760	12,267,780	11,967,780
	Projected Interest	53,193	77,704	82,011	113,172
	Year End Balance	\$25,901,464	\$27,337,062	\$37,723,853	\$48,791,805
	15% Reserve	1,937,338	1,889,514	1,840,167	1,795,167
	Net Year-end Balance	\$23,964,126	\$25,447,548	\$35,883,686	\$46,996,638
	Purple: Amount pending Commission approval.				
	Royal Blue: Amount projected based on sustained level of effort.				
	Green: Subtotal amounts.				

**First 5 California
Financial Plan
FYs 2013-14 through 2016-17**

	Account/Project	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	
5	Unallocated (0639)					
	Beginning Balance	\$13,341,338	\$14,362,059	\$8,294,937	\$10,860,425	
	A	Small County Augmentations	2,894,688	4,122,901	4,229,917	4,401,143
	B	California Smoker's Helpline	989,622	1,400,000	1,400,000	1,400,000
	C	Strategic Planning Consultant	95,664	0	0	0
	D	Strategic Planning Consultant Amendment	44,841	0	0	0
	E	Child Signature Program	3,622,392	4,365,094	0	0
	F	Unallocated Authority	0	4,612,052	0	0
	G	SCO/PRORATA/ADJUSTMENTS	2,305	8,000	8,000	8,000
		Total Budgeted Expenditures	7,649,513	14,508,047	5,637,917	5,809,143
		Prior Year Adjustments	574	0	0	0
		Adjusted Fund Balance Expenditures	7,650,087	14,508,047	5,637,917	5,809,143
		Subtotal	\$5,691,251	(\$145,989)	\$2,657,020	\$5,051,282
		Projected Revenue	8,610,391	8,397,840	8,178,520	7,978,520
		Projected Interest	60,417	43,086	24,885	32,581
		Year-end Balance	\$14,362,059	\$8,294,937	\$10,860,425	\$13,062,384
		15% Reserve	1,291,559	1,259,676	1,226,778	1,196,778
		Net Year-end Balance	\$13,070,500	\$7,035,261	\$9,633,647	\$11,865,606
	Program Accounts 0631, 0634, 0636, 0637, 0639 Totals:					
		Total Cigarette and Tobacco Tax Revenue	\$81,798,712	\$79,779,480	\$77,695,940	\$75,795,940
	Total Resources Per Year	\$195,679,009	\$213,690,525	\$162,047,817	\$187,665,283	
	Total Expenditures Per Year	\$62,667,000	\$130,089,452	\$51,011,584	\$36,712,810	
	Total Over/Under	\$133,012,009	\$83,601,074	\$111,036,233	\$150,952,474	
	Total 15% Reserve	\$12,269,807	\$11,966,922	\$11,654,391	\$11,369,391	
		\$120,742,203	\$71,634,152	\$99,381,842	\$139,583,083	
6	Administration (0638)					
	Beginning Balance	\$22,839,381	\$21,440,563	\$19,461,532	\$16,870,582	
	A	Administrative Expense	5,560,223	5,967,980	6,224,080	6,549,102
	B	SCO/PRORATA/ADJUSTMENTS	218,214	274,293	514,514	515,000
		Total Budgeted Expenditures	5,778,437	6,242,273	6,738,594	7,064,102
		Prior Year Adjustments	(21,676)	0	0	0
		Adjusted Fund Balance Expenditures	5,756,762	6,242,273	6,738,594	7,064,102
		Subtotal	\$17,082,619	\$15,198,290	\$12,722,938	\$9,806,480
		Projected Revenue	4,305,195	4,198,920	4,089,260	3,989,260
		Projected Interest	52,749	64,322	58,385	50,612
		Year End Balance	\$21,440,563	\$19,461,532	\$16,870,582	\$13,846,352
		15% Reserve	645,779	629,838	613,389	598,389
		Net Year-end Balance	\$20,794,784	\$18,831,694	\$16,257,193	\$13,247,963
	ALL FIRST 5 CALIFORNIA FUNDS					
	Total Cigarette and Tobacco Tax Revenue	\$86,103,907	\$83,978,400	\$81,785,200	\$79,785,200	
	Total Resources Per Year	\$222,876,334	\$239,394,331	\$185,656,994	\$208,575,737	
	Total Expenditures Per Year	\$68,423,761	\$136,331,725	\$57,750,178	\$43,776,911	
	Total Over/Under	\$154,452,573	\$103,062,606	\$127,906,816	\$164,798,826	
	Total 15% Reserve	\$12,915,586	\$12,596,760	\$12,267,780	\$11,967,780	
	Net After Reserve	\$141,536,987	\$90,465,846	\$115,639,036	\$152,831,046	
	Purple: Amount pending Commission approval.					
	Royal Blue: Amount projected based on sustained level of effort.					
	Green: Subtotal amounts.					