

## First 5 Tehama County Children and Families Commission

### Narrative Financial Plan

Updated: October 30, 2009

First 5 Tehama County Children and Families Commission's funding will reflect the objectives and funding priorities/service areas documented in the Strategic Plan. The Commission supports projects that:

- Build the capacity of community agencies serving young children and families,
- Promote integration of services for children prenatal through age 5 and their families,
- Use School Readiness Program as the Hub for First 5 Services

#### Financial Plan Objectives:

- Sustain Priority Strategies and Initiatives to Make an Impact
- Leverage Proposition 10 Program Dollars With Other Revenues
- Continue to Emphasize Collaboration and Integration
- Promote Efficiency and Sustainability in Projects and Grantee Organizations

#### Assumptions used:

- State projections of Annual Tobacco Tax Revenue
- Small County Augmentation Revenue applied to Administration costs
- Interest earnings averaged at 3%
- Inflation rate of 4% applied to Administration ~~and Evaluation~~ only
- Annual Evaluation cost of \$40,500.
- Annual Local Grant funding cost of \$510,000 (combination of funding for grants and community strengthening).
- Annual Local School Readiness Initiative match cost of \$100,000 (state funded match ends June 2011).
- Reserve Fund Allocation is increased \$100,000. per year plus accrued interest added to principle

#### Planning for Sustainability

Proposition 10 funds are expected to decline over time due to a projected decline in tobacco sales in California. In order to sustain Commission operations, priority strategies, and initiatives in the presence of declining revenue each year a portion of non-obligated funds will be set aside and annual interest will be added to the accumulated principle. This reserve fund will serve to support program, administrative, and evaluation expenses at the discretion of the Commission.

The Commission will seek to leverage its financial resources with as many other sources of available revenue to maximize the impact of its Prop 10 revenue to achieve outcomes designated in its Strategic Plan.

#### Fund Allocation Guidelines:

- The Commission will fund fewer, but larger grants that can make a substantial impact;
- The Commission may fund strategic programs and services utilizing contracts for services;
- The Commission may also make grant funds available for one time capital improvements and/or short term capacity enhancements in qualifying community organizations.

- The Commission expects grantees to utilize local Prop 10 funds to offer new and enhanced services and expand the capacity of community organizations to serve the health, social, developmental, and educational needs of children prenatal through age 5 and their families.
- The Commission and Grantees are expected to identify and develop other sources of funding, in-kind, and cash leveraging resources to match local Prop10 program/service funds to support and sustain project efforts.
- The Commission may choose to increase or decrease available grant funds based on changes in the Strategic Plan, Financial Plan, and/or Annual Revenues.

#### **Financial Management**

Quarterly and annual financial reports for the Commission assist members and staff in evaluating the effective use of Prop 10 dollars. Quarterly and annual financial reports document Commission revenue, expenses; grant funds expended, obligated and un-obligated fund balances. Commission staff will manage assets consistent with fiscal accounting control policies and procedures of the Tehama County Auditor's Office.