

**First 5 Commission of San Diego: 10-Year Financial Plan
Updated for FY2009 / 10 Budget**

ITEM 7-2

- * Latest revenue forecasts from the State
- * Program and Administration expenses adjusted for inflation by 3.5% per year starting in FY 2011 / 12
- * Investment return at 4.15%

With Actuals for the year ended June 30, 2008

| <i>Dollars in Thousands</i> | | | | | | | | | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|------------------------------|--------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2005/06 Actual per Oracle | 2006/07 Actual per Oracle | 2007/08 Actual per Oracle | (1) 2008/09 | (2) 2009/10 | (3) 2010/11 | (4) 2011/12 | (5) 2012/13 | (6) 2013/14 | (7) 2014/15 | (8) 2015/16 | (9) 2016/17 | (10) 2017/18 |
| Beginning Fund Balance | 177,965.1 | 185,428.9 | 188,634.8 | 164,142.9 | 102,985.7 | 135,997.7 | 127,688.9 | 119,572.3 | 112,639.1 | 105,934.8 | 96,437.7 | 84,062.5 | 68,717.3 |
| adj to beginning fund balance 7/1/05 | 56.0 | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | | |
| Annual Projected Allocations | 37,626.4 | 38,322.2 | 37,203.2 | 37,176.0 | 35,107.5 | 33,064.5 | 31,174.3 | 29,871.1 | 28,635.3 | 27,486.3 | 26,415.5 | 25,421.9 | 24,522.0 |
| School Readiness | 1,505.3 | 2,253.9 | 3,912.0 | 2,927.0 | 2,927.0 | 2,009.5 | | | | | | | |
| SD CARES | 1,108.9 | 116.8 | 327.9 | 400.0 | 600.0 | | | | | | | | |
| Special Needs Demo Match | 761.9 | 165.2 | 228.9 | 250.0 | 125.0 | | | | | | | | |
| Power of PreSchool | 100.0 | 100.0 | 265.1 | 100.0 | 100.0 | 100.0 | | | | | | | |
| The California Endowment | | | | 640.0 | 360.0 | | | | | | | | |
| Subtotal Revenue | 41,102.5 | 40,958.1 | 41,937.1 | 41,493.0 | 39,219.5 | 35,174.0 | 31,174.3 | 29,871.1 | 28,635.3 | 27,486.3 | 26,415.5 | 25,421.9 | 24,522.0 |
| Contribution from Reserve Fund | 0.0 | 0.0 | 0.0 | 69,612.8 | 0.0 | 14,411.5 | 13,422.6 | 11,895.4 | 11,378.8 | 13,893.3 | 16,377.4 | 18,833.8 | 21,247.6 |
| Total Revenue | 41,102.5 | 40,958.1 | 41,937.1 | 111,105.8 | 39,219.5 | 49,585.5 | 44,596.9 | 41,766.5 | 40,014.1 | 41,379.6 | 42,792.9 | 44,255.7 | 45,769.6 |
| Expenses | | | | | | | | | | | | | |
| Projected Rate of Inflation | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% |
| Administration | 2,052.2 | 2,212.8 | 2,937.9 | 4,018.3 | 3,643.5 | 4,238.5 | 4,386.9 | 4,540.4 | 4,699.3 | 4,863.8 | 5,034.0 | 5,210.2 | 5,392.6 |
| Evaluation | 712.8 | 779.5 | 1,028.9 | 2,721.7 | 34.4 | 1,230.6 | 1,166.5 | 1,000.0 | 1,000.0 | 1,000.0 | 1,000.0 | 1,000.0 | 1,000.0 |
| Programs | 30,263.1 | 34,696.7 | 26,613.4 | 74,983.7 | 8,687.4 | 30,950.0 | 32,033.3 | 33,154.4 | 34,314.8 | 35,515.8 | 36,758.9 | 38,045.5 | 39,377.0 |
| Prior Commission Obligations | | | | | 95.2 | 9,147.5 | 7,010.3 | 3,071.7 | | | | | |
| School Readiness | 3,081.2 | 7,500.2 | 6,095.4 | 11,709.1 | | 4,018.9 | | | | | | | |
| SD CARES | 1,561.7 | 1,684.4 | 1,966.9 | 4,500.0 | | | | | | | | | |
| Special Needs Demo Match | 734.5 | 540.7 | 564.0 | 1,000.0 | | | | | | | | | |
| Power of PreSchool | 0.0 | 3,418.1 | 5,050.3 | 12,173.0 | | | | | | | | | |
| Total Expenses | 38,405.5 | 50,832.4 | 44,256.8 | 111,105.8 | 12,460.5 | 49,585.5 | 44,596.9 | 41,766.5 | 40,014.1 | 41,379.6 | 42,792.9 | 44,255.7 | 45,769.6 |
| | 2005/06 Actual per Oracle | 2006/07 Actual per Oracle | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Contribution to Service Sustainment Fund (SS Fund) | 2,697.0 | -9,874.3 | -2,319.7 | 0.0 | 26,759.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1st Five Fund Balance subtotal | 180,718.1 | 175,554.6 | 186,315.1 | | | | | | | | | | |
| Interest Earnings (actual) | 4,710.8 | 13,080.2 | 8,225.3 | | | | | | | | | | |
| Prior-Yr Adjustment - Audited Financial Statements | 0.0 | 0.0 | 0.0 | | | | | | | | | | |
| First 5 Fund Balance End of FY | 185,428.9 | 188,634.8 | 194,540.4 | | | | | | | | | | |
| Committed (Outside Reg Expenses per yr) | (64,949.2) | (46,387.0) | (30,397.5) | | | | | | | | | | |
| Investible Fund Balance | | | | 164,142.9 | 129,744.7 | 135,997.7 | 127,688.9 | 119,572.3 | 112,639.1 | 105,934.8 | 96,437.7 | 84,062.5 | 68,717.3 |
| Contribution to Operating Fund from Sustainability Fund | | | | (69,612.8) | 0.0 | (14,411.5) | (13,422.6) | (11,895.4) | (11,378.8) | (13,893.3) | (16,377.4) | (18,833.8) | (21,247.6) |
| Interest Earnings (projected) | | | | 6,811.9 | 5,384.4 | 5,643.9 | 5,299.1 | 4,962.2 | 4,674.5 | 4,396.3 | 4,002.2 | 3,488.6 | 2,851.8 |
| Additional interest earned | | | | 1,643.7 | 868.5 | 458.8 | 6.9 | | | | | | |
| Investible Fund Balance | 120,479.7 | 142,247.8 | 164,142.9 | | | | | | | | | | |
| | | | | Based on 4.15% earnings | | | | | | | | | |
| First 5 Commission obligations | | | | 102,985.7 | 135,997.7 | 127,688.9 | 119,572.3 | 112,639.1 | 105,934.8 | 96,437.7 | 84,062.5 | 68,717.3 | 50,321.5 |
| | | | | First 5 Commission obligations | | | | | | | | | |
| | | | | \$28,943,808 Encumbrances 6-30-08 | | | | | | | | | |
| | | | | \$1,453,711 School Readiness Phase 1 Roll over: \$2,907,422 total obligated, County is 50% | | | | | | | | | |
| | | | | \$30,397,519 Total | | | | | | | | | |
| Notes: | | | | | | | | | | | | | |
| FY 08/09 Prop 10 Revenue has been updated, per the assumptions, and does not match budgeted Prop 10 Revenue per the approved Budget | | | | | | | | | | | | | |
| FY 08/09 Program Expenses do not include the \$7.6 million in Prior-Year Obligations that are included in the Budget | | | | | | | | | | | | | |