

First 5 Ventura County Financial Plan

End of Strategic Plan

See page 3 for assumptions

Operating Fund	Audited FS 2016/17	Audited FS 2017/18	Audited FS 2018/19	Forecast 2019/20	Proposed Budget 2020/21	Extension Period		Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
						Forecast 2021/22	Forecast 2022/23			
<b>BEGINNING FUND BALANCE</b>	\$7,479,143	\$7,778,482	\$8,957,750	\$11,393,638	\$11,932,542	\$10,317,842	\$9,605,497	\$8,390,681	\$7,950,511	\$7,299,880
<b>REVENUES</b>										
Prop 10 Distribution	\$6,723,254	\$5,848,545	\$5,926,261	\$5,452,160	\$5,234,075	\$5,024,710	\$4,823,720	\$4,630,772	\$4,445,540	\$4,267,713
First 5 CA IMPACT	\$717,514	\$881,231	\$295,836	\$608,277	\$363,570	\$56,000	\$56,000			
Pay for Success - Feasibility Study Grant	\$9,716	\$67,527	\$110,919	\$102,135						
CDE - QRIS Certification Grant	\$22,279	\$83,416	\$73,155	\$24,406						
Pritzker Children's Initiative Grant			\$75,000	\$68,200	\$6,800					
Center for Study of Social Policy (CSSP)	\$38,472	\$8,968	\$33,311							
Foundation Grants		\$1,919	\$22,597	\$21,830	\$16,670					
Donations	\$1,000	\$850	\$575	\$600						
Other Revenues					\$32,500					
<b>Subtotal Revenues</b>	<b>\$7,512,235</b>	<b>\$6,892,456</b>	<b>\$6,537,654</b>	<b>\$6,277,608</b>	<b>\$5,653,615</b>	<b>\$5,080,710</b>	<b>\$4,879,720</b>	<b>\$4,630,772</b>	<b>\$4,445,540</b>	<b>\$4,267,713</b>
SMIF	\$5,476	\$8,525	\$16,218							
Interest Earnings (@1.70%)	\$69,855	\$127,915	\$213,336	\$216,810	\$202,855	\$175,405	\$163,294	\$201,378	\$190,809	\$175,196
Transfer of Funds from Sustainability Fund	\$3,167,485	\$4,887,308	\$6,370,476							
Transfer of Funds from Loan Fund	\$0	\$1,319	\$15,694	\$15,986	\$8,445	\$19,690	\$3,480	\$27,680	\$13,020	\$22,900
<b>TOTAL REVENUES</b>	<b>\$10,755,051</b>	<b>\$11,917,523</b>	<b>\$13,153,378</b>	<b>\$6,510,404</b>	<b>\$5,864,915</b>	<b>\$5,275,805</b>	<b>\$5,046,494</b>	<b>\$4,859,830</b>	<b>\$4,649,369</b>	<b>\$4,465,809</b>
<b>EXPENDITURES</b>										
Neighborhoods for Learning (NfLs)	\$5,843,826	\$5,951,706	\$6,339,386	\$3,190,000	\$2,900,000	\$3,045,000	\$3,197,250	\$2,900,000	\$2,900,000	\$2,900,000
Countywide Specialized Program Strategies	\$1,647,231	\$1,458,604	\$1,592,592							
Countywide Preschool Efforts	\$1,709,772	\$1,945,914	\$1,319,675							
Program Management & Community Initiatives	\$564,270	\$564,993	\$606,536							
Preschool Spaces				\$215,000	\$1,440,000					
Countywide Linkage to Resources & Early Intervention				\$340,000	\$365,000	\$374,250	\$389,210	\$325,000	\$325,000	\$325,000
Challenge Grants	\$0	\$0	\$0	\$0	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Program & Systems Integration				\$1,405,000	\$1,467,615	\$1,216,550	\$1,274,880	\$875,000	\$875,000	\$875,000
<b>Subtotal - Program Initiatives</b>	<b>\$9,765,099</b>	<b>\$9,921,217</b>	<b>\$9,858,189</b>	<b>\$5,150,000</b>	<b>\$6,572,615</b>	<b>\$5,035,800</b>	<b>\$5,261,340</b>	<b>\$4,500,000</b>	<b>\$4,500,000</b>	<b>\$4,500,000</b>
Results-Based Accountability	\$257,839	\$231,434	\$280,409	\$210,000	\$257,000					
Administration	\$425,601	\$576,859	\$575,691	\$600,000	\$645,000	\$952,350	\$999,970	\$800,000	\$800,000	\$800,000
Equipment Replacement	\$7,173	\$8,745	\$3,201	\$11,500	\$5,000					
<b>TOTAL EXPENDITURES</b>	<b>\$10,455,712</b>	<b>\$10,738,255</b>	<b>\$10,717,490</b>	<b>\$5,971,500</b>	<b>\$7,479,615</b>	<b>\$5,988,150</b>	<b>\$6,261,310</b>	<b>\$5,300,000</b>	<b>\$5,300,000</b>	<b>\$5,300,000</b>
				5-year total	\$45,362,572					
Percent increase/decrease compared to prior year	-11.02%	2.70%	-0.19%	-44.28%	25.26%	-19.94%	4.56%	-15.35%	0.00%	0.00%
Projected Administrative Rate	4.0%	5.2%	5.4%	10.0%	8.0%					
<b>ENDING FUND BALANCE*</b>	<b>\$7,778,482</b>	<b>\$8,957,750</b>	<b>\$11,393,638</b>	<b>\$11,932,542</b>	<b>\$10,317,842</b>	<b>\$9,605,497</b>	<b>\$8,390,681</b>	<b>\$7,950,511</b>	<b>\$7,299,880</b>	<b>\$6,465,689</b>

Required \$3,673,800  
Excess (shortfall) \$2,791,889

NOTE: Fund balances do not include Fair Market Value (FMV), the unrealized loss/gain on investments

Community Investment Loan Fund	Audited FS 2016/17	Audited FS 2017/18	Audited FS 2018/19	Forecast 2019/20	Proposed Budget 2020/21	Extension Period		Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
						Forecast 2021/22	Forecast 2022/23			
<b>BEGINNING FUND BALANCE</b>	\$793,725	\$619,052	\$377,986	\$512,778	\$596,977	\$231,542	\$628,617	\$177,817	\$288,157	\$198,037
<b>REVENUES/LOAN REPAYMENTS</b>										
Interest Earnings (@1.70%)	\$6,312	\$6,120	\$10,186	\$11,430	\$10,150	\$3,935	\$10,680	\$3,020	\$4,900	\$3,370
Interest Earnings on Loans (@4.25%)	\$17,948	\$31,806	\$34,261	\$28,794	\$34,540	\$34,545	\$40,000	\$45,000	\$45,000	\$45,000
Loan Origination Fees	\$5,000	\$6,800	\$0	\$0	\$10,000	\$0	\$12,000	\$0	\$8,000	\$0
Loan Repayments (Principal)	\$74,008	\$84,559	\$134,500	\$91,740	\$123,320	\$413,285	\$125,000	\$125,000	\$300,000	\$125,000
<b>TOTAL REVENUES/LOAN REPAYMENTS</b>	<b>\$103,268</b>	<b>\$129,285</b>	<b>\$178,947</b>	<b>\$131,964</b>	<b>\$178,010</b>	<b>\$451,765</b>	<b>\$187,680</b>	<b>\$173,020</b>	<b>\$357,900</b>	<b>\$173,370</b>
<b>EXPENDITURES/DISBURSEMENTS</b>										
Loan Implementation	\$27,941	\$29,032	\$28,461	\$31,779	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Loan Disbursements (revolving \$1,300,000 fund)	\$250,000	\$340,000	\$0	\$0	\$500,000	\$0	\$600,000	\$0	\$400,000	\$0
<b>TOTAL EXPENDITURES/DISBURSEMENTS</b>	<b>\$277,941</b>	<b>\$369,032</b>	<b>\$28,461</b>	<b>\$31,779</b>	<b>\$535,000</b>	<b>\$35,000</b>	<b>\$635,000</b>	<b>\$35,000</b>	<b>\$435,000</b>	<b>\$35,000</b>
Transfer of Funds to Operating Fund	\$0	-\$1,319	-\$15,694	-\$15,986	-\$8,445	-\$19,690	-\$3,480	-\$27,680	-\$13,020	-\$22,900
<b>ENDING FUND BALANCE</b>	<b>\$619,052</b>	<b>\$377,986</b>	<b>\$512,778</b>	<b>\$596,977</b>	<b>\$231,542</b>	<b>\$628,617</b>	<b>\$177,817</b>	<b>\$288,157</b>	<b>\$198,037</b>	<b>\$313,507</b>

Sustainability Fund (\$13m)	Audited FS 2016/17	Audited FS 2017/18	Audited FS 2018/19	Forecast 2019/20	Proposed Budget 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
<b>BEGINNING FUND BALANCE</b>	\$14,134,721	\$11,061,084	\$6,267,113	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$93,848	\$93,337	\$103,363	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer of Funds to Operating Fund	-\$3,167,485	-\$4,887,308	-\$6,370,476	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$11,061,084</b>	<b>\$6,267,113</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Note: The following demonstrates the amount to be reserved from the Operating Fund balance for the Equipment Replacement Fund and is based on the depreciation schedule for the useful life of assets.

Equipment Replacement Fund (\$25k)*	Audited FS 2016/17	Audited FS 2017/18	Audited FS 2018/19	Forecast 2019/20	Proposed Budget 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
<b>BEGINNING FUND BALANCE</b>	\$13,628	\$12,279	\$9,366	\$13,633	\$9,318	\$12,760	\$11,845	\$15,025	\$15,795	\$13,800
<b>REVENUES</b>										
Annual depreciation of equipment	\$5,824	\$5,832	\$7,468	\$7,185	\$8,442	\$7,085	\$8,180	\$5,770	\$6,005	\$5,245
<b>EXPENDITURES</b>										
Equipment	(\$7,173)	(\$8,745)	(\$3,201)	(\$11,500)	(\$5,000)	(\$8,000)	(\$5,000)	(\$5,000)	(\$8,000)	(\$5,000)
<b>AMOUNT RESERVED FOR EQUIP. REPLACEMI</b>	<b>\$12,279</b>	<b>\$9,366</b>	<b>\$13,633</b>	<b>\$9,318</b>	<b>\$12,760</b>	<b>\$11,845</b>	<b>\$15,025</b>	<b>\$15,795</b>	<b>\$13,800</b>	<b>\$14,045</b>

Infrastructure Fund (\$10k)	Audited FS 2016/17	Audited FS 2017/18	Audited FS 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
<b>BEGINNING FUND BALANCE</b>	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>REVENUES</b>										
Administration Budget Savings	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$5,000	\$0	\$0
<b>EXPENDITURES</b>										
Infrastructure Expenditures	\$0	\$0	\$0	\$0	-\$5,000	\$0	\$0	-\$5,000	\$0	\$0
<b>AMOUNT RESERVED FOR INFRASTRUCTURE</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>

NOTE: Fund balances do not include Fair Market Value (FMV), the unrealized loss/gain on investments

## First 5 Ventura County Financial Plan Assumptions

### **OPERATING FUND ASSUMPTIONS:**

- Updates figures for FY19-20 based on forecasted revenues and expenditures.
- Revises FY20-21 revenues and expenditures based on proposed budget of \$7.5 million. Expenditures include:
  - Extension of F5CA Impact Hub – Region 7 for one more year at \$274,615.
  - Proposal to utilize \$105,000 in available unspent funds from Place-Based Transition Pilot be carried over to FY20-21 through FY22-23 to allow additional time to achieve coaching and technical assistance goals. Annual expenditure of \$85,000 for 3 years would be covered by these unspent funds along with (and subject to approval of) funding from First 5 California’s new IMPACT initiative roughly estimated at \$50,000 per year.
- Forecasts Prop 10 distributions at an overall 8% rate of decline for FY19-20. For FY20-21 through FY25-26, the annual rate of decline is forecasted at 4%.
- Projects interest earnings at 1.70%, based on County projection for FY20-21.
- Receives transfers from Loan Fund for interest earnings that exceed amount needed to operate the fund to the Operating Fund, to help sustain program funding levels.
- Available resources utilized to increase spending levels for the two-year extension period (FY21/22 – 22/23) to mitigate the potential loss of capacity due to costs rising over time.
  - Using FY20-21 as the base year, an overall 5% increase year over year was applied to cost reimbursement contracts and internal cost centers that are primarily comprised of personnel and operating expenses. For the contribution to 2-1-1 and short-term/revolving project-based initiatives, such as Challenge Grants, the previously planned flat allocation stands.
- Assumes any available resources to increase spending levels for the subsequent three year period (through June 2026) would be determined after closing FY19-20 and assessing the extent of revenue declines for Proposition 10. Therefore, this period of the plan reflects the previously contemplated local spending levels of \$5.3 million utilizing allocations considered at April 2018 Commission.
- Maintains minimum 6 months of operating dollars in fund balance.
- Maintains \$1 million (20%), beyond minimum fund balance for operating capital, remain in fund balance as a safety net that could be allocated at a future time, if desired.

### **ASSUMPTIONS FOR COMMUNITY INVESTMENT LOAN FUND:**

- Updates figures for FY19-20 based on forecasted interest revenues, expenditures, and loan disbursements/repayments.
- Maintains a Community Investment Loan Fund at \$1,300,000 for revolving loans.

## **First 5 Ventura County Financial Plan Assumptions**

- Budgets \$500,000 distributed in FY20-21 and forecasts an average of 1-2 new loans made every other year thereafter.
- Projects interest earnings on funds that are held by the Commission at 1.70%, based on County projection for FY20-21. Projects earned income on loan funds at an estimated 4.25%.
- Transfers Loan Fund interest earnings that exceed amount needed to operate the fund to the Operating Fund, to help sustain program funding levels.

### **ASSUMPTIONS FOR SUSTAINABILITY FUND:**

- Updates figures for FY18-19 based on audited amounts.
- As planned, transferred remaining balance in the Sustainability Fund to the Operating Fund to sustain program funding levels through FY18-19.

### **ASSUMPTIONS FOR INFRASTRUCTURE FUND:**

- Maintains \$10,000 for Infrastructure Budget Policy for current and/or future purchases of “infrastructure” types of investments (e.g., large software program, organizational development, etc.).
- The infrastructure budget is funded through annual savings from the Administrative budget. For the initial year, FY12-13, a maximum of \$10,000 in savings was designated from the FY12-13 Administrative budget. For each subsequent year, \$10,000 would be the maximum amount retained in the fund, unless a specific need(s) arises.
- In FY20-21 and FY23-24, forecasts expenditure of \$5,000 and replenishment from Administrative budget savings.