

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	Audited FS 2019/20	Forecast 2020/21	Extension Period		Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
						Proposed Budget 2021/22	Forecast 2022/23			
<b>BEGINNING FUND BALANCE</b>	\$7,479,143	\$7,778,482	\$8,957,750	\$11,393,638	\$12,513,323	\$13,986,270	\$13,728,670	\$13,158,410	\$12,139,210	\$10,609,377
<b>REVENUES</b>										
Prop 10 Distribution	\$6,723,254	\$5,848,545	\$5,926,261	\$6,229,249	\$5,980,080	\$5,740,875	\$5,511,240	\$5,290,790	\$5,079,160	\$4,875,990
First 5 CA IMPACT	\$717,514	\$881,231	\$295,836	-\$150	\$580,858	\$50,000	\$50,000			
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	\$68,216	\$6,784					
Center for Study of Social Policy (CSSP)	\$38,472	\$8,968	\$33,311							
Foundation & Other Grants		\$1,919	\$22,597	\$49,406	\$87,823	13,585				
Donations	\$1,000	\$850	\$575	\$150	\$150					
Other Revenues				\$665	\$0					
<b>Subtotal Revenues</b>	<b>\$7,512,235</b>	<b>\$6,892,456</b>	<b>\$6,537,654</b>	<b>\$6,474,077</b>	<b>\$6,655,695</b>	<b>\$5,804,460</b>	<b>\$5,561,240</b>	<b>\$5,290,790</b>	<b>\$5,079,160</b>	<b>\$4,875,990</b>
SMIF	\$5,476	\$8,525	\$16,218	\$21,599						
Interest Earnings (@0.45%)	\$69,855	\$127,915	\$213,336	\$217,443	\$72,442	\$62,940	\$61,780	\$59,210	\$54,627	\$47,743
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	\$9,810	\$0	\$1,720	\$5,800	\$6,380	\$13,940
<b>TOTAL REVENUES</b>	<b>\$10,755,051</b>	<b>\$11,917,523</b>	<b>\$13,153,378</b>	<b>\$6,729,105</b>	<b>\$6,737,947</b>	<b>\$5,867,400</b>	<b>\$5,624,740</b>	<b>\$5,355,800</b>	<b>\$5,140,167</b>	<b>\$4,937,673</b>
<b>EXPENDITURES</b>										
Neighborhoods for Learning (NfLs)	\$5,843,826	\$5,951,706	\$6,339,386	\$2,931,139	\$2,745,000	\$3,190,000	\$3,200,000	\$3,360,000	\$3,530,000	\$3,710,000
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 & Scholarships				\$229,775	\$330,000	\$55,000				
Countywide Linkage to Resources & Early Intervention				\$385,053	\$300,000	\$375,000	\$390,000	\$405,000	\$420,000	\$440,000
Challenge Grants	\$0	\$0	\$0	\$0	\$0	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Program & Systems Integration				\$1,303,980	\$970,000	\$1,415,000	\$1,480,000	\$1,450,000	\$1,525,000	\$1,600,000
<b>Subtotal - Program Initiatives</b>	<b>\$9,765,099</b>	<b>\$9,921,217</b>	<b>\$9,858,189</b>	<b>\$4,849,947</b>	<b>\$4,345,000</b>	<b>\$5,435,000</b>	<b>\$5,470,000</b>	<b>\$5,615,000</b>	<b>\$5,875,000</b>	<b>\$6,150,000</b>
Results-Based Accountability	\$257,839	\$231,434	\$280,409	\$170,831	\$290,000	\$300,000	\$315,000	\$330,000	\$345,000	\$365,000
Administration	\$425,601	\$576,859	\$575,691	\$578,625	\$625,000	\$390,000	\$410,000	\$430,000	\$450,000	\$475,000
Equipment Replacement	\$7,173	\$8,745	\$3,201	\$10,017	\$5,000					
<b>TOTAL EXPENDITURES</b>	<b>\$10,455,712</b>	<b>\$10,738,255</b>	<b>\$10,717,490</b>	<b>\$5,609,420</b>	<b>\$5,265,000</b>	<b>\$6,125,000</b>	<b>\$6,195,000</b>	<b>\$6,375,000</b>	<b>\$6,670,000</b>	<b>\$6,990,000</b>
				5-year total	\$42,785,877					
Percent increase/decrease compared to prior year	-11.02%	2.70%	-0.19%	-47.66%	-6.14%	16.33%	1.14%	2.91%	4.63%	4.80%
Projected Administrative Rate	4.0%	5.2%	5.4%	10.3%	11.8%					
<b>ENDING FUND BALANCE*</b>	<b>\$7,778,482</b>	<b>\$8,957,750</b>	<b>\$11,393,638</b>	<b>\$12,513,323</b>	<b>\$13,986,270</b>	<b>\$13,728,670</b>	<b>\$13,158,410</b>	<b>\$12,139,210</b>	<b>\$10,609,377</b>	<b>\$8,557,050</b>

\$39,424,539

Required \$4,505,000  
Excess (shortfall) \$4,052,050

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	Audited FS 2019/20	Forecast 2020/21	Extension Period		Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
						Proposed Budget 2021/22	Forecast 2022/23			
<b>BEGINNING FUND BALANCE</b>	\$793,725	\$619,052	\$377,986	\$512,778	\$616,797	\$709,110	\$177,110	\$306,190	\$431,770	\$139,330
<b>REVENUES/LOAN REPAYMENTS</b>										
Interest Earnings (@0.45%)	\$6,312	\$6,120	\$10,186	\$11,351	\$3,770	\$3,180	\$800	\$1,380	\$1,940	\$630
Interest Earnings on Loans (@4.25%)	\$17,948	\$31,806	\$34,261	\$28,833	\$17,892	\$20,540	\$40,000	\$40,000	\$35,000	\$30,000
Loan Fees	\$5,000	\$6,800	\$0	\$1,400	\$0	\$13,000	\$0	\$0	\$12,000	\$0
Loan Repayments (Principal)	\$74,008	\$84,559	\$134,500	\$110,195	\$112,240	\$116,280	\$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>\$151,779</b>	<b>\$133,902</b>	<b>\$153,000</b>	<b>\$165,800</b>	<b>\$166,380</b>	<b>\$348,940</b>	<b>\$155,630</b>
<b>EXPENDITURES/DISBURSEMENTS</b>										
Loan Implementation	\$27,941	\$29,032	\$28,461	\$31,774	\$31,779	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Loan Disbursements (revolving \$1,300,000 fund)	\$250,000	\$340,000	\$0	\$0	\$0	\$650,000	\$0	\$0	\$600,000	\$0
<b>TOTAL EXPENDITURES/DISBURSEMENTS</b>	<b>\$277,941</b>	<b>\$369,032</b>	<b>\$28,461</b>	<b>\$31,774</b>	<b>\$31,779</b>	<b>\$685,000</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>\$635,000</b>	<b>\$35,000</b>
<b>Transfer of Funds to Operating Fund</b>	<b>\$0</b>	<b>-\$1,319</b>	<b>-\$15,694</b>	<b>-\$15,986</b>	<b>-\$9,810</b>	<b>\$0</b>	<b>-\$1,720</b>	<b>-\$5,800</b>	<b>-\$6,380</b>	<b>-\$13,940</b>
<b>ENDING FUND BALANCE</b>	<b>\$619,052</b>	<b>\$377,986</b>	<b>\$512,778</b>	<b>\$616,797</b>	<b>\$709,110</b>	<b>\$177,110</b>	<b>\$306,190</b>	<b>\$431,770</b>	<b>\$139,330</b>	<b>\$246,020</b>

Sustainability Fund (\$13m)	Audited FS 2016/17	Audited FS 2017/18	Audited FS 2018/19	Audited FS 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>	\$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
<b>Transfer of Funds to Operating Fund</b>	<b>-\$3,167,485</b>	<b>-\$4,887,308</b>	<b>-\$6,370,476</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<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	Audited FS 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>	\$13,582	\$12,233	\$9,320	\$13,587	\$10,992	\$0	\$0	\$0	\$0	\$0
<b>REVENUES</b>										
Annual depreciation of equipment	\$5,824	\$5,832	\$7,468	\$7,422	\$8,333	\$0	\$0	\$0	\$0	\$0
<b>EXPENDITURES</b>										
Equipment	(\$7,173)	(\$8,745)	(\$3,201)	(\$10,017)	(\$5,000)	\$0	\$0	\$0	\$0	\$0
<b>AMOUNT RESERVED FOR EQUIP. REPLACEMI</b>	<b>\$12,233</b>	<b>\$9,320</b>	<b>\$13,587</b>	<b>\$10,992</b>	<b>\$14,325</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Infrastructure Fund (\$10k)	Audited FS 2016/17	Audited FS 2017/18	Audited FS 2018/19	Audited FS 2019/20	Forecast 2020/21	Proposed		Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
						Budget 2021/22	Forecast 2022/23			
<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	\$0	\$0	\$5,000	\$0	\$0	\$5,000
<b>EXPENDITURES</b>										
Infrastructure Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	-\$5,000	\$0	\$0	-\$5,000
<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 audited amounts.
- Updates figures for FY20-21 based on forecasted revenues and expenditures.
- Forecasts Prop 10 distributions at an annual decline rate of 4%.
- Projects interest earnings at 0.45%, based on County projection for FY21-22 with a slight adjustment downward based on the February 2021 reports.
- Receives transfers from Loan Fund for interest earnings when there are resources that exceed amount needed to operate the fund to the Operating Fund, to help sustain program funding levels.
- Revises FY21-22 revenues and expenditures based on proposed budget of \$6.125 million. In addition to resource allocations for core initiatives and functions, expenditures include:
  - Up to \$200,000 in approved unspent funds to support the transition and the close-out process that will occur between 7/1/21 and 9/30/21 for programs that sunset 6/30/21.
  - An estimated \$100,000 over two years (FY21-23) for the approved pilot of a business management system for family child care providers
  - Continues to utilize available unspent funds to achieve coaching and technical assistance goals for parent and child together (PACT) through June 30, 2023. Local funds are leveraged with First 5 California's IMPACT initiative, estimated at \$50,000 per year, for a total annual investment of \$85,000.
- Available resources utilized to increase spending levels through June 30, 2026 to mitigate the potential loss of capacity due to costs rising over time, using an overall 5% increase year over year. For the contribution to 2-1-1 and short-term/revolving project-based initiatives, such as Challenge Grants, the previously planned flat allocation stands.
- 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 audited amounts.
- Updates figures for FY20-21 based on forecasted interest revenues, expenditures, and loan disbursements/repayments.
- Maintains a Community Investment Loan Fund at \$1,300,000 for revolving loans.
- Budgets \$650,000 distributed in FY21-22 and forecasts an average of 2 new loans made every two years.

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

- Projects interest earnings on funds that are held by the Commission at 0.45%, based on County projection for FY21-22 with a slight adjustment downward based on the February 2021 reports. 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 EQUIPMENT REPLACEMENT FUND:**

- Discontinues use of an equipment replacement fund reserve for computers, peripherals, and office equipment/furniture. Rather, costs for non-capital equipment are budgeted annually for anticipated replacement under each cost center as minor equipment.

### **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 FY22-23 and FY25-26, forecasts expenditure of \$5,000 and replenishment from Administrative budget savings.