

First 5 Ventura County - Financial Plan

See page 3 for assumptions

Operating Fund	Strategic Plan Extension Period		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Audited	Budgeted/Forecasted							
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
<b>BEGINNING FUND BALANCE</b>	\$15,231,971	\$17,753,350	\$16,735,980	\$16,047,580	\$14,710,580	\$12,939,580	\$11,609,580	\$9,799,580	\$7,499,580
<b>REVENUES</b>		-12.4%	-11.3%	-7.5%	-2.4%	-2.5%	-4.0%	-4.0%	-4.0%
Prop 10 Distribution	\$6,090,290	\$5,336,511	\$4,734,224	\$4,380,530	\$4,275,649	\$4,170,769	\$4,003,940	\$3,843,780	\$3,690,030
County of Ventura - ARPA/Recovery Funds		\$340,000	\$995,000	\$1,055,000	\$1,110,000				
Foundation & Other Grants	\$57,658	\$76,550							
Donations									
Other Revenues	\$125								
<b>Subtotal Revenues</b>	<b>\$6,148,073</b>	<b>\$5,753,061</b>	<b>\$5,729,224</b>	<b>\$5,435,530</b>	<b>\$5,385,649</b>	<b>\$4,170,769</b>	<b>\$4,003,940</b>	<b>\$3,843,780</b>	<b>\$3,690,030</b>
SMIF	\$2,900								
Interest Earnings (@ 2.0%)	\$59,097	\$256,939	\$335,776	\$319,470	\$294,351	\$259,231	\$231,060	\$196,220	\$149,970
Transfer of Funds from Loan Fund									
<b>TOTAL REVENUES</b>	<b>\$6,210,070</b>	<b>\$6,010,000</b>	<b>\$6,065,000</b>	<b>\$5,755,000</b>	<b>\$5,680,000</b>	<b>\$4,430,000</b>	<b>\$4,235,000</b>	<b>\$4,040,000</b>	<b>\$3,840,000</b>
<b>EXPENDITURES</b>									
Neighborhoods for Learning (NfLs)	\$2,009,026	\$4,068,570	\$4,318,400	\$4,542,000	\$4,771,000	\$3,365,000	\$3,535,000	\$3,710,000	\$3,895,000
Preschool Spaces & Scholarships	\$383								
Help Me Grow			\$330,000	\$345,000	\$365,000	\$340,000	\$355,000	\$370,000	\$390,000
Countywide Linkage to Resources & Early Intervention (Help Me Grow & 2-1-1 VC)	\$237,303	\$390,000							
Challenge Grants	\$63,724	\$400,000							
Program & Systems Integration	\$875,134	\$1,466,800	\$1,365,000	\$1,430,000	\$1,500,000	\$1,335,000	\$1,400,000	\$1,470,000	\$1,545,000
<b>Subtotal - Program Initiatives</b>	<b>\$3,185,570</b>	<b>\$6,325,370</b>	<b>\$6,013,400</b>	<b>\$6,317,000</b>	<b>\$6,636,000</b>	<b>\$5,040,000</b>	<b>\$5,290,000</b>	<b>\$5,550,000</b>	<b>\$5,830,000</b>
Results-Based Accountability	\$223,703	\$295,000	\$310,000	\$325,000	\$340,000	\$300,000	\$315,000	\$330,000	\$345,000
Administration	\$279,417	\$407,000	\$430,000	\$450,000	\$475,000	\$420,000	\$440,000	\$460,000	\$485,000
<b>TOTAL EXPENDITURES</b>	<b>\$3,688,690</b>	<b>\$7,027,370</b>	<b>\$6,753,400</b>	<b>\$7,092,000</b>	<b>\$7,451,000</b>	<b>\$5,760,000</b>	<b>\$6,045,000</b>	<b>\$6,340,000</b>	<b>\$6,660,000</b>
	2-year total	\$10,716,060						7-year total	\$46,101,400
Percent inc./dec. compared to prior year	-18%	91%	-4%	5%	5%	-23%	5%	5%	5%
Actual/Projected Administrative Rate	7.5%	5.3%							
<b>ENDING FUND BALANCE</b>	<b>\$17,753,350</b>	<b>\$16,735,980</b>	<b>\$16,047,580</b>	<b>\$14,710,580</b>	<b>\$12,939,580</b>	<b>\$11,609,580</b>	<b>\$9,799,580</b>	<b>\$7,499,580</b>	<b>\$4,679,580</b>

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

Required \$4,330,000  
Excess (shortfall) \$349,580



Community Investment Loan Fund	Extension Period		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Audited	Budgeted/ Forecasted							
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
<b>BEGINNING FUND BALANCE</b>	\$689,357	\$763,619	\$468,207	\$599,657	\$954,879	\$452,219	\$578,262	\$930,824	\$427,434
<b>REVENUES/LOAN REPAYMENTS</b>									
Interest Earnings (@ 2.0%)	\$2,671	\$17,775	\$9,360	\$11,995	\$19,097	\$9,043	\$11,562	\$18,610	\$8,553
Interest Earnings on Loans (@4.25%)	\$21,860	\$7,895	\$32,090	\$28,227	\$25,243	\$27,000	\$26,000	\$25,000	\$27,000
Loan Fees	\$0	\$13,000	\$0	\$0	\$13,000	\$0	\$0	\$13,000	\$0
Loan Repayments (Principal)	\$81,408	\$350,918	\$125,000	\$350,000	\$125,000	\$125,000	\$350,000	\$125,000	\$125,000
<b>TOTAL REVENUES/LOAN REPAYMENTS</b>	<b>\$105,939</b>	<b>\$389,588</b>	<b>\$166,450</b>	<b>\$390,222</b>	<b>\$182,340</b>	<b>\$161,043</b>	<b>\$387,562</b>	<b>\$181,610</b>	<b>\$160,553</b>
<b>EXPENDITURES/DISBURSEMENTS</b>									
Loan Implementation	\$31,676	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Loan Disbursements (revolving \$1,300,000)	\$0	\$650,000	\$0	\$0	\$650,000	\$0	\$0	\$650,000	\$0
<b>TOTAL EXPENDITURES/DISBURSEMENT:</b>	<b>\$31,676</b>	<b>\$685,000</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>\$685,000</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>\$685,000</b>	<b>\$35,000</b>
Transfer of Funds to Operating Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>ENDING FUND BALANCE</b>	<b>\$763,619</b>	<b>\$468,207</b>	<b>\$599,657</b>	<b>\$954,879</b>	<b>\$452,219</b>	<b>\$578,262</b>	<b>\$930,824</b>	<b>\$427,434</b>	<b>\$552,987</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 revenues and expenditures for FY21-22 based on audited amounts.
- Updates amounts for FY22-23 based on forecasted revenues and new grants.
- Extends plan for one additional year through June 30, 2030.
- Forecasts Prop 10 distributions using the Department of Finance (DOF) projections for FYs 22-23 to 25-26, which consider the potential impact of the flavor ban on cigarettes. Resumes a projected annual decline rate of 4% thereafter.
- Projects interest earnings at 2.0%, based on current yield rate for the Ventura County Investment Pool.
- Suspends 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.
- For FY22-23, reflects approved budget of \$6.2 million along with additional resources to expand Neighborhoods for Learning initiative, including up to \$500,000 in unspent funds and \$303,570 in estimated expenditures from the County of Ventura for ARPA/pandemic recovery. In addition to resource allocations for core initiatives and functions, expenditures include:
  - \$66,800 for year two of 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 approximately \$88,000.
- Beginning July 1, 2023, continues core investments in Neighborhoods for Learning (NfL), Help Me Grow, Program and Systems Integration, along with resources for Results-Based Accountability and Administration. Assumes funding for 2-1-1 and Challenge Grants sunsets on June 30, 2023 (at the end of the 2-year strategic plan extension period).
  - Maintains projected expenditures as planned for FY23-24 through FY25-26, to align with grant period for ARPA/pandemic recovery since these resources for NfL expansion (to address the negative impact of the pandemic) are based upon the current infrastructure of the NfL initiative. Planned levels for FY23-26 include an overall 5% increase year over year increase to mitigate the potential loss of capacity due to costs rising over time.
    - Reduces \$100,000 allocation to \$50,000 for community capacity building under the Program & Systems Integration cost center.
  - Beginning FY26-27, forecasts a reduced spending level of \$5.76M - an 11% reduction applied to all cost centers. Thereafter, includes an overall 5% year over year increase through FY29-30 to mitigate the potential loss of capacity due to costs rising over time.
- 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 needed.

## First 5 Ventura County Financial Plan Assumptions

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

- Updates figures for FY21-22 based on audited amounts.
- Updates figures for FY22-23 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 FY22-23 and forecasts an average of 2 new loans made every two years.
- Projects interest earnings on funds that are held by the Commission at 2.0%, based on current yield rate for the Ventura County Investment Pool. Projects earned income on loan funds at an estimated 4.25%.
- In order to replenish Loan Fund for costs that have exceeded revenues, suspends transfers for Loan Fund interest earnings that exceed amount needed to operate the fund to the Operating Fund, to help sustain program funding levels.

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

- Discontinues fund of \$10,000 for Infrastructure Budget Policy due to lack of need/utilization. Fund was designed for current and/or future purchases of “infrastructure” types of investments (e.g., large software program, organizational development, etc.). Instead, as needs arise, funds would be budgeted.