

First 5 Ventura County - Financial Plan

See page 3 for assumptions

End of Strategic Plan

Operating Fund	Audited	Forecasted	Proposed						
	2021/22	2022/23	Budget 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30
BEGINNING FUND BALANCE	\$15,231,971	\$17,753,350	\$18,806,350	\$18,501,350	\$17,561,350	\$16,196,350	\$15,176,350	\$13,681,350	\$11,686,350
REVENUES		-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		\$250,000	\$1,025,000	\$1,086,500	\$1,138,500				
Foundation & Other Grants	\$57,658	\$76,550							
Donations									
Other Revenues	\$125								
Subtotal Revenues	\$6,148,073	\$5,663,061	\$5,759,224	\$5,467,030	\$5,414,149	\$4,170,769	\$4,003,940	\$3,843,780	\$3,690,030
SMIF	\$2,900								
Interest Earnings (@ 3.0%)	\$59,097	\$376,939	\$560,776	\$552,970	\$520,851	\$484,231	\$451,060	\$406,220	\$349,970
Transfer of Funds from Loan Fund									
TOTAL REVENUES	\$6,210,070	\$6,040,000	\$6,320,000	\$6,020,000	\$5,935,000	\$4,655,000	\$4,455,000	\$4,250,000	\$4,040,000
EXPENDITURES									
Neighborhoods for Learning (NfLs)	\$2,009,026	\$2,940,000	\$4,380,000	\$4,610,000	\$4,835,000	\$3,440,000	\$3,610,000	\$3,790,000	\$3,980,000
Preschool Spaces & Scholarships	\$383								
Help Me Grow			\$330,000	\$345,000	\$365,000	\$330,000	\$345,000	\$365,000	\$385,000
Countywide Linkage to Resources & Early Intervention (Help Me Grow & 2-1-1 VC)	\$237,303	\$305,000							
Challenge Grants	\$63,724	\$42,000							
Program & Systems Integration	\$875,134	\$1,100,000	\$1,285,000	\$1,345,000	\$1,410,000	\$1,275,000	\$1,335,000	\$1,400,000	\$1,470,000
Subtotal - Program Initiatives	\$3,185,570	\$4,387,000	\$5,995,000	\$6,300,000	\$6,610,000	\$5,045,000	\$5,290,000	\$5,555,000	\$5,835,000
Results-Based Accountability Administration	\$223,703	\$250,000	\$315,000	\$330,000	\$345,000	\$315,000	\$330,000	\$345,000	\$365,000
	\$279,417	\$350,000	\$315,000	\$330,000	\$345,000	\$315,000	\$330,000	\$345,000	\$365,000
TOTAL EXPENDITURES	\$3,688,690	\$4,987,000	\$6,625,000	\$6,960,000	\$7,300,000	\$5,675,000	\$5,950,000	\$6,245,000	\$6,565,000
	2-year total	\$8,675,690						7-year total	\$45,320,000
Percent inc./dec. compared to prior year	-18%	35%	33%	5%	5%	-22%	5%	5%	5%
Actual/Projected Administrative Rate	7.5%	7.0%	4.5%						
ENDING FUND BALANCE	\$17,753,350	\$18,806,350	\$18,501,350	\$17,561,350	\$16,196,350	\$15,176,350	\$13,681,350	\$11,686,350	\$9,161,350

Required \$4,280,000
 Excess (shortfall) \$4,881,350

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

Community Investment Loan Fund	Audited	Forecasted	Proposed Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
BEGINNING FUND BALANCE	\$689,357	\$763,620	\$1,113,680	\$885,480	\$960,380	\$1,303,680	\$775,780	\$849,080	\$1,224,580
REVENUES/LOAN REPAYMENTS									
Interest Earnings (@ 3.0%)	\$2,671	\$23,026	\$24,200	\$26,560	\$28,810	\$39,100	\$23,300	\$25,500	\$36,700
Interest Earnings on Loans (@4.25%)	\$21,860	\$7,895	\$10,563	\$15,035	\$6,754	\$18,500	\$25,000	\$25,000	\$18,500
Loan Fees	\$0	\$0	\$6,000	\$0	\$0	\$12,000	\$0	\$0	\$12,000
Loan Repayments (Principal)	\$81,408	\$350,918	\$51,037	\$53,305	\$327,736	\$22,500	\$45,000	\$345,000	\$45,000
TOTAL REVENUES/LOAN REPAYMENTS	\$105,939	\$381,839	\$91,800	\$94,900	\$363,300	\$92,100	\$93,300	\$395,500	\$112,200
EXPENDITURES/DISBURSEMENTS									
Loan Implementation	\$31,676	\$31,779	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Loan Disbursements (revolving \$1,300,000)	\$0	\$0	\$300,000	\$0	\$0	\$600,000	\$0	\$0	\$600,000
TOTAL EXPENDITURES/DISBURSEMENTS	\$31,676	\$31,779	\$320,000	\$20,000	\$20,000	\$620,000	\$20,000	\$20,000	\$620,000
Transfer of Funds to Operating Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ENDING FUND BALANCE	\$763,620	\$1,113,680	\$885,480	\$960,380	\$1,303,680	\$775,780	\$849,080	\$1,224,580	\$716,780

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:

- Reflects revenues and expenditures for FY21-22 based on audited amounts.
- Updates amounts for FY22-23 based on forecasted revenues and expenditures.
- Forecasts Prop 10 distributions using the Department of Finance (DOF) projections for FYs 22-23 to 26-27, which consider the potential impact of the flavor ban on cigarettes. Resumes a projected annual decline rate of 4% thereafter.
- Beginning FY23-24, projects interest earnings at 3.0% based on estimated 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.
- Sunsets funding for 2-1-1 and Challenge Grants on June 30, 2023 and beginning July 1, 2023, reduces \$100,000 allocation to \$50,000 for community capacity building under the Program & Systems Integration cost center.
- Reflects proposed budget for FY23-34, of \$6.6 million, which includes:
 - \$5.7 million for core investments in Neighborhoods for Learning (NfL), Help Me Grow, Program and Systems Integration, along with resources for Results-Based Accountability and Administration; and
 - \$915,000 in estimated grant expenditures to expand the Neighborhoods for Learning initiative with funds from the County of Ventura for ARPA/pandemic recovery.
- Maintains projected expenditures as planned for FY24-25 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 FY24-26 include an overall 5% increase year over year increase to mitigate the potential loss of capacity due to costs rising over time.
- Beginning FY26-27, forecasts a reduced spending level of \$5.7 million - a 10% 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.

ASSUMPTIONS FOR COMMUNITY INVESTMENT LOAN FUND:

- Reflects figures for FY21-22 based on audited amounts.
- Updates amounts 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 while a needs assessment is conducted.

First 5 Ventura County Financial Plan Assumptions

- Budgets \$300,000 distributed in FY23-24 and forecasts an average of 2 new loans made every two years.
- Beginning FY23-24, projects interest earnings on funds that are held by the Commission at 3.0% based on estimated 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.