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First 5 Ventura County Financial Plan

Operating Fund	Audited FS 2015/16	Proposed FORECAST Budget					Forecast				
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>BEGINNING FUND BALANCE</b>	\$6,432,770	\$7,479,143	\$7,275,281	\$6,660,000	\$6,380,000	\$6,335,750	\$4,777,885	\$4,772,193	\$4,752,771	\$4,708,092	\$4,662,109
<b>REVENUES</b>											
Prop 10 Distribution	\$7,304,482	\$6,924,765	\$6,647,775	\$6,381,865	\$6,126,590	\$5,881,525	\$5,646,265	\$5,420,415	\$5,203,600	\$4,995,455	\$4,795,635
First 5 CA IMPACT		\$787,344	\$1,008,445	\$1,008,945	\$1,008,946						
First 5 CA Child Signature Program (CSP)	\$315,275										
First 5 CA - CARES	\$131,086										
Race to the Top	\$749,690										
Pay for Success - Feasibility Study Grant	\$1,738	\$10,000	\$150,000	\$150,830							
VCPH - Kaiser HEAL Grant		\$38,472									
Center for Study of Social Policy (CSSP)	\$3,390	\$1,000									
Donations	\$2,297										
Other Revenues	\$8,507,958	\$7,761,581	\$7,806,220	\$7,541,640	\$7,135,536	\$5,881,525	\$5,646,265	\$5,420,415	\$5,203,600	\$4,995,455	\$4,795,635
<b>Subtotal Revenues</b>											
SMIF	\$3,476										
Interest Earnings (@0.75%)	\$41,675	\$61,550	\$54,565	\$49,948	\$47,852	\$47,517	\$35,834	\$35,791	\$35,646	\$35,311	\$34,966
Transfer of Funds from Sustainability Fund	\$4,240,170	\$3,167,485	\$4,781,259	\$4,811,507	\$1,607,763	\$13,093	\$12,208	\$24,371	\$16,074	\$23,250	\$16,291
Transfer of Funds from Loan Fund	\$4,361	\$0	\$7,675	\$23,870	\$18,155						
<b>TOTAL REVENUES</b>	\$12,797,640	\$10,990,616	\$12,649,719	\$12,426,965	\$8,809,306	\$5,942,135	\$5,694,308	\$5,480,578	\$5,255,321	\$5,054,017	\$4,846,893
<b>EXPENDITURES</b>											
<i>(Initiatives - New Strategic Plan)</i>											
Neighborhoods for Learning (NfLs)	\$6,622,645	\$6,343,365	\$7,217,245	\$6,780,305							
Countywide Specialized Program Strategies	\$1,714,949	\$1,680,800	\$1,750,800	\$1,675,800							
Countywide Preschool Efforts	\$2,000,122	\$1,798,013	\$2,266,955	\$2,250,860							
Challenge Grants		\$0	\$200,000	\$200,000							
Communications, Education & Development**	\$273,631										
<b>Subtotal - Program expenditures</b>	\$10,611,347	\$9,822,178	\$11,435,000	\$10,906,965							
Results Accountability	\$203,858	\$280,000	\$305,000								
Program Management & Community Initiatives	\$330,693	\$630,000	\$890,000	\$1,800,000							
Administration	\$599,322	\$455,000	\$625,000								
Equipment Replacement	\$6,047	\$7,300	\$10,000								
<b>TOTAL EXPENDITURES</b>	\$11,751,267	\$11,194,478	\$13,265,000	\$12,706,965	\$8,853,556	\$7,500,000	\$5,700,000	\$5,500,000	\$5,300,000	\$5,100,000	\$4,900,000
Percent increase/decrease compared to prior year	-3.82%	-4.74%	18.50%	-4.21%	5-year total	\$53,520,000					
Projected Administrative Percent	5.09%	3.85%	4.61%								
<b>ENDING FUND BALANCE***</b>	\$7,479,143	\$7,275,281	\$6,660,000	\$6,380,000	\$6,335,750	\$4,777,885	\$4,772,193	\$4,752,771	\$4,708,092	\$4,662,109	\$4,609,002
Amount of Fund Balance Used	\$3,193,797	\$3,371,347	\$5,396,540	\$5,091,507	\$1,652,013	\$1,557,865	\$5,692	\$19,422	\$44,679	\$45,983	\$53,107

\*\*Beginning in FY16/17, Communications, Education & Development renamed Community Initiatives and reported under Program Management.

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

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Community Investment Loan Fund	Audited FS			Proposed Budget			Forecast					
	2015/16	2016/17	FORECAST	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>BEGINNING FUND BALANCE</b>	\$745,141	\$793,725		\$273,800	\$137,670	\$277,235	\$150,758	\$316,083	\$143,246	\$299,949	\$172,125	\$330,166
<b>REVENUES/LOAN REPAYMENTS</b>												
Interest Earnings (@0.75%)	\$4,219	\$6,500		\$2,053	\$1,035	\$2,078	\$1,128	\$2,371	\$1,074	\$2,250	\$1,291	\$2,476
Interest Earnings on Loans (@4.25%)	\$20,800	\$17,945		\$45,817	\$47,120	\$35,015	\$41,080	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Loan Origination Fees	\$0	\$11,800		\$6,000	\$0	\$6,000	\$0	\$7,000	\$0	\$6,000	\$0	\$7,000
Loan Repayments (Principal)	\$55,251	\$62,400		\$97,675	\$145,280	\$178,585	\$166,210	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000
<b>TOTAL REVENUES/LOAN REPAYMENTS</b>	<b>\$80,270</b>	<b>\$98,645</b>		<b>\$151,545</b>	<b>\$193,435</b>	<b>\$221,678</b>	<b>\$208,418</b>	<b>\$219,371</b>	<b>\$211,074</b>	<b>\$218,250</b>	<b>\$211,291</b>	<b>\$219,476</b>
<b>EXPENDITURES/DISBURSEMENTS</b>												
Loan Implementation	\$27,325	\$28,570		\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Loan Disbursements (revolving \$1,300,000 fund)	\$0	\$590,000		\$250,000	\$0	\$300,000	\$0	\$350,000	\$0	\$300,000	\$0	\$350,000
<b>TOTAL EXPENDITURES/DISBURSEMENTS</b>	<b>\$27,325</b>	<b>\$618,570</b>		<b>\$280,000</b>	<b>\$30,000</b>	<b>\$330,000</b>	<b>\$30,000</b>	<b>\$380,000</b>	<b>\$30,000</b>	<b>\$330,000</b>	<b>\$30,000</b>	<b>\$380,000</b>
Transfer of Funds to Operating Fund	<b>-\$4,361</b>	<b>\$0</b>		<b>-\$7,675</b>	<b>-\$23,870</b>	<b>-\$18,155</b>	<b>-\$13,093</b>	<b>-\$12,208</b>	<b>-\$24,371</b>	<b>-\$16,074</b>	<b>-\$23,250</b>	<b>-\$16,291</b>
<b>ENDING FUND BALANCE</b>	<b>\$793,725</b>	<b>\$273,800</b>		<b>\$137,670</b>	<b>\$277,235</b>	<b>\$150,758</b>	<b>\$316,083</b>	<b>\$143,246</b>	<b>\$299,949</b>	<b>\$172,125</b>	<b>\$330,166</b>	<b>\$153,351</b>

Sustainability Fund (\$13m)	Audited FS			Proposed Budget			Forecast					
	2015/16	2016/17	FORECAST	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>BEGINNING FUND BALANCE</b>	\$18,285,497	\$14,134,721		\$11,057,930	\$6,359,605	\$1,595,795	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earnings (@0.75%)	\$89,394	\$90,694		\$82,934	\$47,697	\$11,968	\$0	\$0	\$0	\$0	\$0	\$0
Transfer of Funds to Operating Fund	<b>-\$4,240,170</b>	<b>-\$3,167,485</b>		<b>-\$4,781,259</b>	<b>-\$4,811,507</b>	<b>-\$1,607,763</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$14,134,721</b>	<b>\$11,057,930</b>		<b>\$6,359,605</b>	<b>\$1,595,795</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			Proposed Budget			Forecast					
	2015/16	2016/17	FORECAST	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>BEGINNING FUND BALANCE</b>	\$13,572	\$13,628		\$12,152	\$7,968	\$10,546	\$13,488	\$15,840	\$13,400	\$15,330	\$16,660	\$15,470
<b>REVENUES</b>												
Annual depreciation of equipment	\$6,103	\$5,824		\$5,816	\$7,578	\$7,942	\$7,352	\$7,560	\$6,930	\$6,330	\$3,810	\$3,810
<b>EXPENDITURES</b>												
Equipment	(\$6,047)	(\$7,300)		(\$10,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$10,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$10,000)
<b>AMOUNT RESERVED FOR EQUIP. REPLACEMENT</b>	<b>\$13,628</b>	<b>\$12,152</b>		<b>\$7,968</b>	<b>\$10,546</b>	<b>\$13,488</b>	<b>\$15,840</b>	<b>\$13,400</b>	<b>\$15,330</b>	<b>\$16,660</b>	<b>\$15,470</b>	<b>\$9,280</b>

Infrastructure Fund (\$10k)	Audited FS			Proposed Budget			Forecast					
	2015/16	2016/17	FORECAST	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	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	\$10,000
<b>REVENUES</b>												
Administration Budget Savings	\$0	\$0		\$5,000	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0
<b>EXPENDITURES</b>												
Infrastructure Expenditures	\$0	\$0		-\$5,000	\$0	\$0	\$0	-\$5,000	\$0	\$0	\$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>	<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 FY15/16 based on audited amounts.
- Updates figures for FY16/17 based on forecasted revenues and expenditures (9 months of actuals, 3 months of forecast).
- Revises FY17/18 revenues and expenditures based on proposed budget.
  - Includes estimated funded program unspent funds from FY16/17 for use in FY17/18.
- Forecasts Prop 10 distributions at a 5.25% rate of decline for FY16/17 and a 4% rate of decline per year for FY17/18 through FY25/26.
- Projects interest earnings at 0.75%, based on County projection for FY17/18.
- Utilizes the Sustainability Fund as planned to sustain program funding levels, until fully depleted which is anticipated to be in FY19/20.
- 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.
- Assumes \$53.5 million in total funding dollars for FY16/17 thru FY20/21 (\$49.3 million in local funding & \$4.2 million in leveraged dollars from external funders).
  - Leveraged funding is from First 5 CA Impact and Impact Hub of \$3.8 million for FY16/17 through FY19/20, \$310,830 for federal Pay for Success, and \$38,000 from the Center for Study of Social Policy (CSSP).
  - Utilizes \$1 million from updated forecast of Prop 10 distributions, interest earnings, and available unspent funds from FY15/16 & projected from FY16/17. Proposes available resources be used to:
    - Increase from a \$7 million to a \$7.5 million spending level annually for years four and five whereby the Commission will initiate a shift in strategic investments towards capacity building efforts to support and build the overall early childhood system of services.
    - Maintains previous allocation of 400,000 for Challenge Grants for use in FY17/18 and FY18/19.
  - Maintains amount needed as match for F5CA funding.
- Builds plan out by an additional 5 years whereby expenditures are commensurate with revenues.
- Maintains minimum 6 months of operating dollars in fund balance.

### ASSUMPTIONS FOR COMMUNITY INVESTMENT LOAN FUND:

- Updates figures for FY15/16 based on audited amounts.
- Updates figures for FY16/17 based on forecasted interest revenues, expenditures, and loan disbursements/repayments.
- Maintains a Community Investment Loan Fund at \$1,300,000 for revolving loans.
- Projects interest earnings on funds that are held by the Commission at 0.75%, based on County projection for FY17/18.
- 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.
- Budgets loan fund balance to be distributed in FY17/18 and forecasts an average of 1-2 new loans made every other year thereafter.

## First 5 Ventura County Financial Plan Assumptions

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

- Updates figures for FY15/16 based on audited amounts.
- Updates figures for FY16/17 based on forecasted interest revenues.
- As planned, continues to transfer Sustainability funds to Operating Fund, until depleted in FY19/20, to sustain program funding levels.
- Projects interest earnings on funds that are held by the Commission at 0.75%, based on County projection for FY17/18.

### **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 FY17/18 and FY21/22, forecasts expenditure of \$5,000 and replenishment from Administrative budget savings.