

First 5 Ventura County Financial Plan

Operating Fund	Audited FS 2016/17	Audited FS 2017/18	Audited FS 2018/19	Forecast 2019/20	Forecast 2020/21	Extension Period		Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
						Forecast 2021/22	Forecast 2022/23			
BEGINNING FUND BALANCE	\$7,479,143	\$7,778,482	\$8,957,750	\$11,393,638	\$9,704,958	\$8,249,228	\$8,177,141	\$7,885,928	\$7,422,984	\$6,780,193
REVENUES										
Prop 10 Distribution	\$6,723,254	\$5,848,545	\$5,926,261	\$5,452,161	\$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	\$75,000	\$75,000	\$75,000			
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	\$75,000						
Center for Study of Social Policy (CSSP)	\$38,472	\$8,968	\$33,311							
VCCF Grants		\$1,919	\$22,597	\$13,500						
Donations	\$1,000	\$850	\$575	\$600						
Other Revenues										
Subtotal Revenues	\$7,512,235	\$6,892,456	\$6,537,654	\$6,276,079	\$5,309,075	\$5,099,710	\$4,898,720	\$4,630,772	\$4,445,540	\$4,267,713
SMIF	\$5,476	\$8,525	\$16,218							
Interest Earnings (@2.40%)	\$69,855	\$127,915	\$213,336	\$273,445	\$232,919	\$197,982	\$196,248	\$189,264	\$178,149	\$162,724
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	\$12,276	\$30,221	\$13,819	\$17,020	\$33,520	\$20,020
TOTAL REVENUES	\$10,755,051	\$11,917,523	\$13,153,378	\$6,565,510	\$5,554,270	\$5,327,913	\$5,108,787	\$4,837,056	\$4,657,209	\$4,450,457
EXPENDITURES										
Neighborhoods for Learning (NfLs)	\$5,843,826	\$5,951,706	\$6,339,386	\$3,528,320	\$3,005,000	\$3,000,000	\$3,000,000	\$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				\$1,440,000	\$1,440,000					
Countywide Linkage to Resources & Early Intervention				\$365,000	\$365,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000
Challenge Grants	\$0	\$0	\$0	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Systems Change Efforts & Program Management				\$1,630,870	\$900,000	\$875,000	\$875,000	\$875,000	\$875,000	\$875,000
Subtotal - Program Initiatives	\$9,765,099	\$9,921,217	\$9,858,189	\$7,364,190	\$6,110,000	\$4,600,000	\$4,600,000	\$4,500,000	\$4,500,000	\$4,500,000
Results-Based Accountability	\$257,839	\$231,434	\$280,409	\$240,000						
Administration	\$425,601	\$576,859	\$575,691	\$645,000	\$900,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
Equipment Replacement	\$7,173	\$8,745	\$3,201	\$5,000						
TOTAL EXPENDITURES	\$10,455,712	\$10,738,255	\$10,717,490	\$8,254,190	\$7,010,000	\$5,400,000	\$5,400,000	\$5,300,000	\$5,300,000	\$5,300,000
				5-year total	\$47,175,647					
Percent increase/decrease compared to prior year	-11.02%	2.70%	-0.19%	-22.98%	-15.07%	-22.97%	0.00%	-1.85%	0.00%	0.00%
Projected Administrative Rate	4.0%	5.2%	5.4%	7.5%						
ENDING FUND BALANCE*	\$7,778,482	\$8,957,750	\$11,393,638	\$9,704,958	\$8,249,228	\$8,177,141	\$7,885,928	\$7,422,984	\$6,780,193	\$5,930,650

Required \$3,674,940
Excess (shortfall) \$2,255,710

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	Forecast 2020/21	Extension Period		Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
						Forecast 2021/22	Forecast 2022/23			
BEGINNING FUND BALANCE	\$793,725	\$619,052	\$377,986	\$512,778	\$300,778	\$159,223	\$292,821	\$446,022	\$212,522	\$349,022
REVENUES/LOAN REPAYMENTS										
Interest Earnings (@2.40%)	\$6,312	\$6,120	\$10,186	\$3,906	\$7,221	\$3,819	\$7,020	\$10,520	\$5,020	\$8,320
Interest Earnings on Loans (@4.25%)	\$17,948	\$31,806	\$34,261	\$36,370	\$45,000	\$45,000	\$45,000	\$45,000	\$50,000	\$50,000
Loan Origination Fees	\$5,000	\$6,800	\$0	\$7,000	\$13,000	\$0	\$0	\$13,000	\$0	\$6,500
Loan Repayments (Principal)	\$74,008	\$84,559	\$134,500	\$141,710	\$490,500	\$150,000	\$150,000	\$500,000	\$150,000	\$150,000
TOTAL REVENUES/LOAN REPAYMENTS	\$103,268	\$129,285	\$178,947	\$188,986	\$555,721	\$198,819	\$202,020	\$568,520	\$205,020	\$214,820
EXPENDITURES/DISBURSEMENTS										
Loan Implementation	\$27,941	\$29,032	\$28,461	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Loan Disbursements (revolving \$1,300,000 fund)	\$250,000	\$340,000	\$0	\$350,000	\$650,000	\$0	\$0	\$750,000	\$0	\$325,000
TOTAL EXPENDITURES/DISBURSEMENTS	\$277,941	\$369,032	\$28,461	\$385,000	\$685,000	\$35,000	\$35,000	\$785,000	\$35,000	\$360,000
Transfer of Funds to Operating Fund	\$0	-\$1,319	-\$15,694	-\$15,986	-\$12,276	-\$30,221	-\$13,819	-\$17,020	-\$33,520	-\$20,020
ENDING FUND BALANCE	\$619,052	\$377,986	\$512,778	\$300,778	\$159,223	\$292,821	\$446,022	\$212,522	\$349,022	\$183,822

Sustainability Fund (\$13m)	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
BEGINNING FUND BALANCE	\$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
TOTAL	\$11,061,084	\$6,267,113	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

***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	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
BEGINNING FUND BALANCE	\$13,628	\$12,279	\$9,366	\$13,633	\$15,818	\$14,330	\$15,480	\$16,830	\$14,770	\$14,940
REVENUES										
Annual depreciation of equipment	\$5,824	\$5,832	\$7,468	\$7,185	\$6,512	\$6,150	\$6,350	\$5,940	\$5,170	\$3,680
EXPENDITURES										
Equipment	(\$7,173)	(\$8,745)	(\$3,201)	(\$5,000)	(\$8,000)	(\$5,000)	(\$5,000)	(\$8,000)	(\$5,000)	(\$5,000)
AMOUNT RESERVED FOR EQUIP. REPLACEMI	\$12,279	\$9,366	\$13,633	\$15,818	\$14,330	\$15,480	\$16,830	\$14,770	\$14,940	\$13,620

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
BEGINNING FUND BALANCE	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
REVENUES										
Administration Budget Savings	\$0	\$0	\$0	\$5,000	\$0	\$0	\$5,000	\$0	\$0	\$0
EXPENDITURES										
Infrastructure Expenditures	\$0	\$0	\$0	-\$5,000	\$0	\$0	-\$5,000	\$0	\$0	\$0
AMOUNT RESERVED FOR INFRASTRUCTURE	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000

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 FY18-19 based on audited amounts.
- Updates figures for FY19-20 based on forecasted revenues and expenditures.
- Forecasts Prop 10 distributions at an overall 8% rate of decline for FY19-20 based on current trend data (comprised of a month over month decline of 25%, which is the approximate average realized for July – September 2019, offset by actual backfill realized in FY19-20 of \$1.4 million). For FY20-21 through FY25-26, the annual rate of decline is forecasted at 4%.
- Projects interest earnings at 2.40%, based on County projection for 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.
- Revises FY19-20 expenditures to \$8.25 million (from \$8.67 million) based on actual close-out funds processed for programs concluding June 30, 2019.
- Proposes \$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 \$100,000 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 \$75,000 per year.
- Recognizing costs rise over time and the associated potential loss of capacity with level spending amounts, the Administration/Finance Committee recommends adjusting spending levels as a long-term financial planning strategy. While an overall increase of 5% was discussed, additional consideration of the financial impact and relevancy by initiative is needed. In the meantime (and at a minimum), the plan reflects the previously contemplated local spending levels of \$5.3 million for both the two-year extension period (FY21/22 – 21/23) and subsequent three year period (through June 2026) utilizing allocations considered at April 2018 Commission.
- Assumes any available resources to increase spending levels would be determined during budgeting for FY 2020-21 and after closing FY19-20 and assessing the extent of revenue declines for Proposition 10.
- 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 FY18-19 based on audited amounts.
- Updates figures for FY19-20 based on forecasted interest revenues, expenditures, and loan disbursements/repayments.

First 5 Ventura County Financial Plan Assumptions

- 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 2.40%, based on County projection for FY19-20. 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 FY19-20 and forecasts an average of 1-2 new loans made every other year thereafter.

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 FY19-20 and FY22-23, forecasts expenditure of \$5,000 and replenishment from Administrative budget savings.