

Children's Services Council

Finance Committee Meeting

Thursday, January 26, 2017, 3:15 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

Tom Lynch, CSC Finance Committee Chair
Thomas Bean, CSC Finance Committee Vice-chair
Greg Langowski, Chair Children's Services Council
Tom Weber, Vice Chair Children's Services Council
Paul Dumars, Director Financial Services, Solid Waste Authority
John Marino, Volunteer

CSC Staff:

Lisa Williams-Taylor, Ph.D., CEO
Jennifer Diehl, CFO
Tom Sheehan, General Counsel
Elsa Sanchez, Senior Executive Assistant

Agenda Items:

- 1 December 8, 2016 Minutes
- 2 November 30, 2016 Financial Statements
- 3 December 31, 2016 Financial Statements
- 4 Report to Council summary
- 5 Adjournment

Discussion Items:

- 1 Investment Policy

Next Meeting: February 23, 2017

Children's Services Council

Finance Committee Meeting

Thursday, December 8, 2016, 4:00 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

Tom Lynch, CSC Finance Committee Chair, **Present**
Thomas Bean, CSC Finance Committee Vice-chair, **Present via telephone**
Greg Langowski, Chair Children's Services Council, **Present**
Tom Weber, Vice Chair Children's Services Council, **Present**
Paul Dumars, Director Financial Services, Solid Waste Authority, **Present**
John Marino, Volunteer, **Present**

CSC Staff:

Lisa Williams-Taylor, Ph.D., CEO, **Present**
Jennifer Diehl, CFO, **Present**
Tom Sheehan, General Counsel, **Present**
Elsa Sanchez, Senior Executive Assistant, **Present**

Agenda Items:

- 1 October 27, 2016 Minutes, **Approved unanimously**
- 2 September 30, 2016 Financial Statements, **Approved unanimously**
- 3 October 31, 2016 Financial Statements, **Approved unanimously**
- 4 Report to Council summary
- 5 Adjournment

Discussion Items:

- 1 2017 Meeting Schedule

Next Meeting: January 26, 2017

AGENDA ITEM: 2

**TITLE: Financial Statements – November 30, 2016
(Unaudited)**

STAFF: Jennifer Diehl, CFO, Children’s Services Council of Palm Beach County

SUMMARY:

The financial statements are presented reflecting the estimated operating results of the General Fund and Special Revenue Fund (Prevention Partnerships for Children, Inc.) for the two months ended November 30, 2016. The audit of the Council for the fiscal year ended September 30, 2016 has not been completed and the applicable figures represent unaudited numbers.

Balance Sheet:

As of November 30, 2016 the Council had \$57,442,860 in cash and investments. Of this balance, \$30,000,000, net of unamortized discounts and premiums, was held in federal government bonds, \$14,511,050 was held in a public funds money market account, and \$300,000 was held in the Morgan Stanley Institutional Government Advisory Fund #8342. The remainder of the funds were on deposit in the Council’s operating accounts.

The Capital Assets and the Investment in Capital Assets for \$19,554,398 represent the costs associated with furniture and fixtures, equipment, and building costs and have not been updated for fiscal year 16-17 pending completion of the audit.

Statement of Revenue and Expenses:

The budgeted expenditure rate at November 30, 2016 is 16.67%. The estimated expenditure rate for Children’s Programs at November 30, 2016 is 10.34%

RECOMMENDATION:

I recommend the Finance Committee propose that the Council accept the November 30, 2016 Financial Statements as submitted.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

BALANCE SHEET (Unaudited)

November 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total All Funds</u>
		<i>Prevention Partnership for Children, Inc.</i>	
<u>Assets</u>			
Cash & Investments	\$ 57,430,883	\$ 11,977	\$ 57,442,860
Accounts Receivable	1,963,468	-	1,963,468
Advances to Agencies	4,320,869	-	4,320,869
Prepaid Expenses	384,263	-	384,263
Due From - General Fund	-	181,259	181,259
Capital Assets	19,554,398	-	19,554,398
	<hr/>	<hr/>	<hr/>
Total Assets	<u>83,653,881</u>	<u>193,236</u>	<u>83,847,117</u>
<u>Liabilities & Fund Balance</u>			
<u>Liabilities</u>			
Allocations to Children's Services Programs	7,026,539	176,234	7,202,773
Deferred Revenue	370,756	-	370,756
Accounts Payable	775,589	17,002	792,591
Due to - Special Revenue Fund	181,259	-	181,259
Total Liabilities	<u>8,354,143</u>	<u>193,236</u>	<u>8,547,379</u>
Fund Balance			
Nonspendable:			
Prepaid Expenses	384,263	-	384,263
Assigned:			
Reserved in accordance with fund balance policy	34,496,527	-	34,496,527
Unassigned:	20,864,550	-	20,864,550
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>55,745,340</u>	<u>-</u>	<u>55,745,340</u>
Investment in Capital Assets	19,554,398	-	19,554,398
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ <u>83,653,881</u>	\$ <u>193,236</u>	\$ <u>83,847,117</u>

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
STATEMENT OF REVENUE AND EXPENSES CHANGES IN FUND BALANCE
FOR THE TWO MONTHS ENDED NOVEMBER 30, 2016**

	General Fund					Special Revenue Fund					Total				
						<i>Prevention Partnership for Children, Inc.</i>									
	Revised Approved 2016/2017 Budget	Budget Through 11/30/2016	Actual Through 11/30/2016	Variance YTD	% YTD	Approved 2016/2017 Budget	Budget Through 11/30/2016	Actual Through 11/30/2016	Variance YTD	% YTD	Revised Approved 2016/2017 Budget	Budget Through 11/30/2016	Actual Through 11/30/2016	Variance YTD	% YTD
Revenues															
Ad Valorem Property Taxes	\$ 113,092,475	\$ 20,205,725	\$ 20,205,725	\$ -	17.87%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 113,092,475	\$ 20,205,725	\$ 20,205,725	\$ -	17.87%
Interest Income	400,000	66,667	9,533	(57,134)	2.38%	-	-	-	-	0.00%	400,000	66,667	9,533	(57,134)	2.38%
Unrealized Gain or Loss	-	-	(140,280)	(140,280)	100.00%	-	-	-	-	0.00%	-	-	(140,280)	(140,280)	100.00%
Department of Health/Agency for Health Care Administration	3,094,966	515,828	811,854	296,026	26.23%	-	-	-	-	0.00%	3,094,966	515,828	811,854	296,026	26.23%
Palm Beach County Head Start Match	2,100,000	350,000	341,166	(8,834)	16.25%	-	-	-	-	0.00%	2,100,000	350,000	341,166	(8,834)	16.25%
JPB Foundation	250,000	41,667	38,526	(3,141)	15.41%	-	-	-	-	0.00%	250,000	41,667	38,526	(3,141)	15.41%
Income from Tenants	70,000	11,667	12,555	888	17.94%	-	-	-	-	0.00%	70,000	11,667	12,555	888	17.94%
Other Income	100,000	16,667	4,441	(12,226)	4.44%	-	-	-	-	0.00%	100,000	16,667	4,441	(12,226)	4.44%
Cash Carryforward	9,076,761	-	-	-	0.00%	-	-	-	-	0.00%	9,076,761	-	-	-	0.00%
Total Revenues	128,184,202	21,208,219	21,283,520	75,301	16.60%	-	-	-	-	0.00%	128,184,202	21,208,219	21,283,520	75,301	16.60%
Expenditures															
Administrative Expenditures	5,218,109	869,685	950,915	(81,230)	18.22%	-	-	248	(248)	100.00%	5,218,109	869,685	951,163	(81,478)	18.23%
Capital Expenditures	350,000	58,333	184,187	(125,854)	52.62%	-	-	-	-	0.00%	350,000	58,333	184,187	(125,854)	52.62%
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%
Non-Operating Expenses	3,046,003	600,294	600,294	-	19.71%	-	-	-	-	0.00%	3,046,003	600,294	600,294	-	19.71%
Reserve for Uncollectible Taxes	5,654,624	-	-	-	0.00%	-	-	-	-	0.00%	5,654,624	-	-	-	0.00%
Children's Services Programs:															
Direct Services:															
Funded Programs & Initiatives	101,259,343	16,876,557	9,800,595	7,075,962	9.68%	2,742,285	457,048	555,045	(97,998)	20.24%	104,001,628	17,333,605	10,355,640	6,977,965	9.96%
Support Services:															
Programmatic Support	9,413,838	1,568,973	1,372,057	196,916	14.57%	-	-	-	-	0.00%	9,413,838	1,568,973	1,372,057	196,916	14.57%
Total Children's Programs	110,673,181	18,445,530	11,172,652	7,272,878	10.10%	2,742,285	457,048	555,045	(97,998)	20.24%	113,415,466	18,902,578	11,727,697	7,174,881	10.34%
Total Expenses	125,441,917	19,973,842	12,908,048	7,065,794	10.29%	2,742,285	457,048	555,293	(98,246)	20.25%	128,184,202	20,430,890	13,463,341	6,967,549	10.50%
Excess Revenues over Expenses			8,375,472					(555,293)					7,820,179		
Other Financing Sources (Uses)															
Transfers in (out)	(2,742,285)	(457,048)	(555,293)	98,246	20.25%	2,742,285	457,048	555,293	(98,246)	20.25%	-	-	-	-	0.00%
Net Changes in Fund Balances			7,820,179					-					7,820,179		
Fund Balances															
October 1, 2016			47,925,161					-					47,925,161		
November 30, 2016			<u>\$ 55,745,340</u>					<u>\$ -</u>					<u>\$ 55,745,340</u>		

AGENDA ITEM: 3

**TITLE: Financial Statements – December 31, 2016
(Unaudited)**

STAFF: Jennifer Diehl, CFO, Children’s Services Council of Palm Beach County

SUMMARY:

The financial statements are presented reflecting the estimated operating results of the General Fund and Special Revenue Fund (Prevention Partnerships for Children, Inc.) for the three months ended December 31, 2016. The audit of the Council for the fiscal year ended September 30, 2016 has not been completed and the applicable figures represent unaudited numbers.

Balance Sheet:

As of December 31, 2016 the Council had \$116,650,848 in cash and investments. Of this balance, \$30,000,000, net of unamortized discounts and premiums, was held in federal government bonds, \$76,958,913 was held in a public funds money market account, and \$300,000 was held in the Morgan Stanley Institutional Government Advisory Fund #8342. The remainder of the funds were on deposit in the Council’s operating accounts.

The Capital Assets and the Investment in Capital Assets for \$19,554,398 represent the costs associated with furniture and fixtures, equipment, and building costs and have not been updated for fiscal year 16-17 pending completion of the audit.

Statement of Revenue and Expenses:

The budgeted expenditure rate at December 31, 2016 is 25%. The estimated expenditure rate for Children’s Programs at December 31, 2016 is 19.52%

RECOMMENDATION:

I recommend the Finance Committee propose that the Council accept the December 31, 2016 Financial Statements as submitted.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

BALANCE SHEET (Unaudited)

December 31, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total All Funds</u>
		<i>Prevention Partnership for Children, Inc.</i>	
<u>Assets</u>			
Cash & Investments	\$ 116,638,994	\$ 11,854	\$ 116,650,848
Accounts Receivable	1,951,813	-	1,951,813
Advances to Agencies	4,475,816	-	4,475,816
Prepaid Expenses	384,482	-	384,482
Due From - General Fund	-	172,274	172,274
Capital Assets	19,554,398	-	19,554,398
	<hr/>	<hr/>	<hr/>
Total Assets	<u>143,005,503</u>	<u>184,128</u>	<u>143,189,631</u>
<u>Liabilities & Fund Balance</u>			
<u>Liabilities</u>			
Allocations to Children's Services Programs	9,760,612	176,137	9,936,749
Deferred Revenue	391,493	-	391,493
Accounts Payable	206,867	7,991	214,858
Due to - Special Revenue Fund	172,274	-	172,274
Total Liabilities	<u>10,531,246</u>	<u>184,128</u>	<u>10,715,374</u>
Fund Balance			
Nonspendable:			
Prepaid Expenses	384,482	-	384,482
Assigned:			
Reserved in accordance with fund balance policy	34,496,527	-	34,496,527
Unassigned:	78,038,850	-	78,038,850
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>112,919,859</u>	<u>-</u>	<u>112,919,859</u>
Investment in Capital Assets	<u>19,554,398</u>	<u>-</u>	<u>19,554,398</u>
Total Liabilities and Fund Balance	\$ <u>143,005,503</u>	\$ <u>184,128</u>	\$ <u>143,189,631</u>

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
STATEMENT OF REVENUE AND EXPENSES CHANGES IN FUND BALANCE
FOR THE THREE MONTHS ENDED DECEMBER 31, 2016**

	General Fund					Special Revenue Fund					Total				
						<i>Prevention Partnership for Children, Inc.</i>									
	Revised Approved 2016/2017 Budget	Budget Through 12/31/2016	Actual Through 12/31/2016	Variance YTD	% YTD	Approved 2016/2017 Budget	Budget Through 12/31/2016	Actual Through 12/31/2016	Variance YTD	% YTD	Revised Approved 2016/2017 Budget	Budget Through 12/31/2016	Actual Through 12/31/2016	Variance YTD	% YTD
Revenues															
Ad Valorem Property Taxes	\$ 113,092,475	\$ 89,893,804	\$ 89,893,804	\$ -	79.49%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 113,092,475	\$ 89,893,804	\$ 89,893,804	\$ -	79.49%
Interest Income	400,000	100,000	9,537	(90,463)	2.38%	-	-	-	-	0.00%	400,000	100,000	9,537	(90,463)	2.38%
Unrealized Gain or Loss	-	-	(140,280)	(140,280)	100.00%	-	-	-	-	0.00%	-	-	(140,280)	(140,280)	100.00%
Department of Health/Agency for Health Care Administration	3,094,966	773,742	811,854	38,113	26.23%	-	-	-	-	0.00%	3,094,966	773,742	811,854	38,113	26.23%
Palm Beach County Head Start Match	2,100,000	525,000	341,166	(183,834)	16.25%	-	-	-	-	0.00%	2,100,000	525,000	341,166	(183,834)	16.25%
JPB Foundation	250,000	62,500	57,789	(4,711)	23.12%	-	-	-	-	0.00%	250,000	62,500	57,789	(4,711)	23.12%
Income from Tenants	70,000	17,500	18,852	1,352	26.93%	-	-	-	-	0.00%	70,000	17,500	18,852	1,352	26.93%
Other Income	100,000	25,000	4,472	(20,528)	4.47%	-	-	-	-	0.00%	100,000	25,000	4,472	(20,528)	4.47%
Cash Carryforward	9,076,761	-	-	-	0.00%	-	-	-	-	0.00%	9,076,761	-	-	-	0.00%
Total Revenues	128,184,202	91,397,546	90,997,194	(400,352)	70.99%	-	-	-	-	0.00%	128,184,202	91,397,546	90,997,194	(400,352)	70.99%
Expenditures															
Administrative Expenditures	5,218,109	1,304,527	1,478,788	(174,261)	28.34%	-	-	371	(371)	100.00%	5,218,109	1,304,527	1,479,159	(174,632)	28.35%
Capital Expenditures	350,000	87,500	193,552	(106,052)	55.30%	-	-	-	-	0.00%	350,000	87,500	193,552	(106,052)	55.30%
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%
Non-Operating Expenses	3,046,003	2,189,884	2,189,884	-	71.89%	-	-	-	-	0.00%	3,046,003	2,189,884	2,189,884	-	71.89%
Reserve for Uncollectible Taxes	5,654,624	-	-	-	0.00%	-	-	-	-	0.00%	5,654,624	-	-	-	0.00%
Children's Services Programs:															
Direct Services:															
Funded Programs & Initiatives	101,259,343	25,314,836	19,545,846	5,768,990	19.30%	2,742,285	685,571	537,680	147,891	19.61%	104,001,628	26,000,407	20,083,526	5,916,881	19.31%
Support Services:															
Programmatic Support	9,413,838	2,353,460	2,056,375	297,085	21.84%	-	-	-	-	0.00%	9,413,838	2,353,460	2,056,375	297,085	21.84%
Total Children's Programs	110,673,181	27,668,296	21,602,221	6,066,074	19.52%	2,742,285	685,571	537,680	147,891	19.61%	113,415,466	28,353,867	22,139,901	6,213,966	19.52%
Total Expenses	125,441,917	31,250,207	25,464,445	5,785,762	20.30%	2,742,285	685,571	538,051	147,520	19.62%	128,184,202	31,935,778	26,002,496	5,933,282	20.29%
Excess Revenues over Expenses			65,532,749					(538,051)					64,994,698		
Other Financing Sources (Uses)															
Transfers in (out)	(2,742,285)	(685,571)	(538,051)	(147,520)	19.62%	2,742,285	457,048	538,051	(81,004)	19.62%	-	-	-	-	0.00%
Net Changes in Fund Balances			64,994,698					-					64,994,698		
Fund Balances															
October 1, 2016			47,925,161					-					47,925,161		
December 31, 2016			<u>\$ 112,919,859</u>					<u>\$ -</u>					<u>\$ 112,919,859</u>		

AGENDA ITEM: 4

TITLE: Summary for Presentation to Council

STAFF: Jennifer Diehl, CFO, Children's Services Council of Palm Beach County

SUMMARY:

- 1** Approved the December 8, 2016 Minutes
- 2** Approved and recommended the Council approve the November 30, 2016 and December 31, 2016 Financial Statements
- 3** Approved and recommended the Council move forward with review of CSC's investment policy