

Children's Services Council

Finance Committee Meeting

Thursday, January 28, 2016, 4:00 p.m.

AGENDA

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 Dumar, Director Financial Services, Solid Waste Authority
John Marino, Volunteer

CSC Staff:

Lisa Williams-Taylor, CEO
Bill Cosgrove, CFO
Jen Diehl, Controller
Tom Sheehan, General Counsel
Elsa Sanchez, Senior Executive Assistant

Agenda Items:

- 1 Minutes December 3, 2015
- 2 December 31, 2015 Financial Statements
- 3 Under Expenditure Plan
- 4 Other
- 5 Adjournment

Finance Committee Meeting

Thursday, December 3, 2015, 4:00 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members in Attendance:

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

CSC Staff:

Lisa Williams-Taylor, Ph.D., CEO, **present**
Bill Cosgrove, CFO, **present**
Jen Diehl, Controller, **present**
Tom Sheehan, General Counsel, **present**
Elsa Sanchez, Senior Executive Assistant, **present**

Agenda Items:

- 1 Minutes of September 24, 2015 Meeting, **Approved unanimously**
- 2 September 30, 2015 Financial Statements, **Approved unanimously; Tom Lynch asked how much the cash carryforward or use of fund balance was for 15-16 compared to the 14-15 budgeted amount of \$20.3 million, it was approximately \$14 million.**
- 3 Investments Update, **The final \$6 million of an initial \$24 million transfer to the custody bank was invested in a FNMA note in October. There remains \$12 million of core funding to be invested based on the advice of Davidson Fixed Income Management. There was a discussion about the investments being all public funds so there is no FDIC limit and is not risky.**
- 4 Other
- 5 Adjournment

AGENDA ITEM: 2

**TITLE: Financial Statements – December 31, 2015
(Unaudited)**

STAFF: Jennifer Diehl, Controller, 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, 2015. The audit of the Council for the fiscal year ended September 30, 2015 has not been completed and the applicable figures represent unaudited numbers.

Balance Sheet:

As of December 31, 2015 the Council had \$104,064,230 in cash and investments. Of this balance, \$30,000,000, net of unamortized discounts and premiums, was held in federal government bonds, \$69,948,031 was held in a public funds money market account, and \$69,736 was held in the Morgan Stanley Institutional Liquidity Prime Advisory Fund #8341. The remainder of the funds was on deposit in the Council’s operating accounts.

The Capital Assets and the Investment in Capital Assets for \$20,832,932 represent the costs associated with furniture and fixtures, equipment, and building costs.

Statement of Revenue and Expenses:

The budgeted expenditure rate at December 31, 2015 is 25%. The estimated expenditure rate for Children’s Programs at December 31, 2015 is 22.2%.

RECOMMENDATION:

I recommend the Finance Committee propose that the Council accept the December 31, 2015 Financial Statements as submitted.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

BALANCE SHEET (Unaudited)

December 31, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total All Funds</u>
		<i><u>Prevention Partnership for Children, Inc.</u></i>	
<u>Assets</u>			
Cash & Investments	\$ 104,050,928	\$ 13,302	\$ 104,064,230
Accounts Receivable	2,754,631	4,987	2,759,618
Interest Receivable	61,755	-	61,755
Advances to Agencies	5,088,310	-	5,088,310
Prepaid Expenses	360,845	-	360,845
Due From - General Fund	-	176,442	176,442
Capital Assets	20,832,932	-	20,832,932
	<hr/>	<hr/>	<hr/>
Total Assets	<u>133,149,401</u>	<u>194,731</u>	<u>133,344,132</u>
<u>Liabilities & Fund Balance</u>			
<u>Liabilities</u>			
Allocations to Children's Services Programs	7,484,527	186,875	7,671,402
Deferred Revenue	1,075,604	-	1,075,604
Accounts Payable	289,755	7,856	297,611
Due to - Special Revenue Fund	176,442	-	176,442
Total Liabilities	<hr/> <u>9,026,328</u>	<hr/> <u>194,731</u>	<hr/> <u>9,221,059</u>
 Fund Balance			
Nonspendable:			
Prepaid Expenses	360,845	-	360,845
Assigned:			
Reserved in accordance with fund balance policy	36,536,504	-	36,536,504
Unassigned:	66,392,793	-	66,392,793
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>103,290,141</u>	<u>-</u>	<u>103,290,141</u>
	<hr/>	<hr/>	<hr/>
Investment in Capital Assets	20,832,932	-	20,832,932
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	<u>\$ 133,149,401</u>	<u>\$ 194,731</u>	<u>\$ 133,344,132</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, 2015**

	<u>General Fund</u>					<u>Special Revenue Fund</u>					<u>Total</u>				
	<u>Approved</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>%</u>	<u>Approved</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>%</u>	<u>Approved</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>%</u>
	<u>2015/2016</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>	<u>2015/2016</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>	<u>2015/2016</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>
	<u>Budget</u>	<u>12/31/2015</u>	<u>12/31/2015</u>			<u>Budget</u>	<u>12/31/2015</u>	<u>12/31/2015</u>			<u>Budget</u>	<u>12/31/2015</u>	<u>12/31/2015</u>		
Revenues															
Ad Valorem Property Taxes	\$ 102,176,959	\$ 76,486,084	\$ 76,486,084	\$ -	74.86%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 102,176,959	\$ 76,486,084	\$ 76,486,084	\$ -	74.86%
Interest Income	300,000	75,000	100,631	25,631	33.54%	-	-	-	-	0.00%	300,000	75,000	100,631	25,631	33.54%
Unrealized Gain or Loss	-	-	(194,183)	(194,183)	100.00%	-	-	-	-	0.00%	-	-	(194,183)	(194,183)	100.00%
Department of Health/Agency for Health Care Administration	3,630,806	907,702	975,978	68,277	26.88%	-	-	-	-	0.00%	3,630,806	907,702	975,978	68,277	26.88%
Palm Beach County Head Start Match	3,100,000	775,000	775,000	-	25.00%	-	-	-	-	0.00%	3,100,000	775,000	775,000	-	25.00%
JPB Foundation	250,000	62,500	-	(62,500)	0.00%	-	-	-	-	0.00%	250,000	62,500	-	(62,500)	0.00%
Income from Tenants	70,000	17,500	18,832	1,332	26.90%	-	-	-	-	0.00%	70,000	17,500	18,832	1,332	26.90%
Other Income	100,000	25,000	56,697	31,697	56.70%	-	-	-	-	0.00%	100,000	25,000	56,697	31,697	56.70%
Cash Carryforward	14,843,281	-	-	-	0.00%	-	-	-	-	0.00%	14,843,281	-	-	-	0.00%
Total Revenues	124,471,046	78,348,786	78,219,039	(129,747)	62.84%	-	-	-	-	0.00%	124,471,046	78,348,786	78,219,039	(129,747)	62.84%
Expenditures															
Administrative Expenditures	5,342,146	1,335,537	1,455,157	(119,620)	27.24%	-	-	382	(382)	100.00%	5,342,146	1,335,537	1,455,157	(120,002)	27.25%
Capital Expenditures	250,000	62,500	119,993	(57,493)	48.00%	-	-	-	-	0.00%	250,000	62,500	119,993	(57,493)	48.00%
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%
Non-Operating Expenses	2,801,919	700,480	1,722,186	(1,021,706)	61.46%	-	-	-	-	0.00%	2,801,919	700,480	1,722,186	(1,021,706)	61.46%
Reserve for Uncollectible Taxes	5,108,848	-	-	-	0.00%	-	-	-	-	0.00%	5,108,848	-	-	-	0.00%
Children's Services Programs:															
Direct Services:															
Funded Programs & Initiatives	98,014,091	24,503,523	21,752,942	2,750,581	22.19%	2,682,701	670,675	576,713	93,962	21.50%	100,696,792	25,174,198	22,329,655	2,844,543	22.18%
Support Services:															
Programmatic Support	9,771,341	2,442,835	2,145,168	297,667	21.95%	-	-	-	-	0.00%	9,771,341	2,442,835	2,145,168	297,667	21.95%
Total Children's Programs	107,785,432	26,946,358	23,898,110	3,048,248	22.17%	2,682,701	670,675	576,713	93,962	21.50%	110,468,133	27,617,033	24,474,823	3,142,210	22.16%
Total Expenses	121,788,345	29,044,874	27,195,446	1,849,428	22.33%	2,682,701	670,675	577,095	93,580	21.51%	124,471,046	29,715,550	27,772,541	1,943,009	22.31%
Excess Revenues over Expenses			51,023,593					(577,095)					50,446,498		
Other Financing Sources (Uses)															
Transfers in (out)	(2,682,701)	(670,675)	(577,095)	(93,580)	21.51%	2,682,701	670,675	577,095	93,580	21.51%	-	-	-	-	0.00%
Net Changes in Fund Balances			50,446,498										50,446,498		
Fund Balances															
October 1, 2015			52,843,643										52,843,643		
December 31, 2015			<u>\$ 103,290,141</u>					<u>\$ -</u>					<u>\$ 103,290,141</u>		

AGENDA ITEM: 3

TITLE: Under Expenditures Plan

CSC STAFF: Bill Cosgrove, Chief Financial Officer

SUMMARY:

CSC, through its own operations as well as the programs it funds, experiences under expenditures within its annual operating budget. Recently the Committee requested that a plan be developed to use under expenditures to expand current or provide additional services in the community during the fiscal year in which the under expenditures are occurring.

In determining the availability of funds resulting from under expenditures that could be spent in the fiscal year in which the under expenditures are occurring, staff is proposing the following plan:

1. The entire CSC budget (program and administration) will be reviewed annually on April 1 to determine where projected under expenditures in the budget are occurring.
2. The first 5% of under expenditures in CSC's annual budget will be used to either fund the CSC subsequent year operating budget, in keeping with CSC's current forecasting assumptions, or to increase the fund balance to maintain the fund balance at 30% of the budget per the Council's current fund balance policy.
3. Funded programs that are 10% or more underspent as of the review date will have their contracts amended to remove the projected unspent dollars.
4. The total of under expenditures in excess of 5% of CSC's annual budget will be identified as of April 1 annually and will be used as follows:
 - a. Expansion of existing programs if appropriate
 - b. Funding of additional child care slots/summer camp scholarships in accordance with the policy previously set by Council. The use of funds in this manner will be dependent upon whether or not the system can absorb additional dollars to provide more service.
 - c. Great Ideas Initiative – This is a new initiative (copy enclosed) that is being proposed and is being presented to the full Council for discussion/approval at the January 28, 2016 Council meeting.

Based on CSC's current operating budget, under expenditures would have to exceed \$6.1 million before the use of funds for the purposes identified in number 4 above would apply.

RECOMMENDATION

Staff recommends the committee approve the plan as presented to address the use of under expenditures.

AGENDA ITEM SUMMARY
January 28, 2016 Council Meeting

AGENDA ITEM: 5A(4)

TITLE: **Consent Agenda - Program**
 Resolution #16-004 Authorizing Revised Usage of Under-Expended
 Funding (Great Ideas Initiative)

CSC STAFF: Kasha Owers, Director of Program Performance

SUMMARY:

The Council had previously approved that under-expenditures can be used to expand the availability of child care or summer camp scholarships. This agenda item seeks to add another category for use of under-expenditures....The Great Ideas Initiative.

A cross-functional workgroup representing staff from CSC's Program, Finance and Communications Divisions has proposed this Initiative to support organizations that are working in our community to help children grow up healthy, safe and strong. There are five proposed categories:

1. Essential Services
 2. Supplies/Equipment
 3. Community Outreach/Engagement
 4. Capacity Building
 5. Capital Improvements (CSC-funded only; match component if greater than \$25,000))
- Organizations eligible to apply must be an IRS-determined nonprofit organization doing business in Palm Beach County for two consecutive years.
 - An organization does not need to be currently funded by CSC to apply (with the exception of Capital Improvements).
 - Grant period is maximum of twelve months. Maximum award is \$25,000 (grants for Capital Improvements in excess of this amount may be considered and will require a match component for any amount in excess of \$25,000.). A Project Completion Report (with supporting documentation) and any submission of unused funds will be required at the close-out of the grant.
 - Awards will be made one-time each calendar year in the summer.
 - Award process will be competitive. Applicants are not guaranteed funding. If awarded funding, it may not be at requested amount.
 - Great Ideas Initiative Guidelines and Application will be made available on CSC website in the Spring of 2016.
 - Depending upon availability of funding, CSC may award 20-25 organizations in the first year.

FISCAL IMPACT: The total cost of funding this item for FY 2015-16 is up to \$500,000; the funds to support this agenda item are budgeted in the Administrative and Strategy Budgets (under-expenditures from both).

RECOMMENDATION:

I recommend the Council approve Resolution #16-004 authorizing revisions to the usage of under-expended funding to include the Great Ideas Initiative and purposes outlined above.