

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

### **Discussion Items:**

- 1 2017 Meeting Schedule

Next Meeting: January 26, 2017

Children's Services Council

# Finance Committee Meeting

Thursday, October 27, 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**  
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 via telephone**

#### 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 September 8, 2016 Minutes, **Approved Unanimously**
- 2 August 31, 2016 Financial Statements, **Approved Unanimously**
- 3 Investment Advisor Update and Recommendation, **Motion to allow termination of CSC's current agreement with CSC's investment advisor due to the advisor's ending of investment advising services effective October 31, 2016; Motion to have PFM do an evaluation of CSC's investment policy**
- 4 Report to Council summary
- 5 Adjournment

Next Meeting: December 8, 2016

**AGENDA ITEM: 2**

**TITLE: Financial Statements – September 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 year ended September 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 September 30, 2016 the Council had \$53,768,740 in cash and investments. Of this balance, \$30,000,000, net of unamortized discounts and premiums, was held in federal government bonds, \$16,673,722 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 asset inventory and the audit.

**Statement of Revenue and Expenses:**

The budgeted expenditure rate at September 30, 2016 is 100%. The estimated expenditure rate for Children’s Programs at September 30, 2016 is 96.12%

**RECOMMENDATION:**

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

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY**

**BALANCE SHEET (Unaudited)**

**September 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total All Funds</u>
		<i>Prevention Partnership for Children, Inc.</i>	
<b><u>Assets</u></b>			
Cash & Investments	\$ 53,756,515	\$ 12,225	\$ 53,768,740
Accounts Receivable	2,489,424	-	2,489,424
Advances to Agencies	207,322	-	207,322
Prepaid Expenses	359,528	-	359,528
Due From - General Fund	-	170,022	170,022
Capital Assets	19,554,398	-	19,554,398
	<hr/>	<hr/>	<hr/>
Total Assets	<u>76,367,187</u>	<u>182,247</u>	<u>76,549,434</u>
<b><u>Liabilities &amp; Fund Balance</u></b>			
<u>Liabilities</u>			
Allocations to Children's Services Programs	5,850,995	166,535	6,017,530
Deferred Revenue	225,448	-	225,448
Accounts Payable	3,254,438	15,712	3,270,150
Due to - Special Revenue Fund	170,022	-	170,022
Total Liabilities	<u>9,500,903</u>	<u>182,247</u>	<u>9,683,150</u>
<u>Fund Balance</u>			
Nonspendable:			
Prepaid Expenses	359,528	-	359,528
Assigned:			
Reserved in accordance with fund balance policy	33,491,795	-	33,491,795
Unassigned:	13,460,563	-	13,460,563
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>47,311,886</u>	<u>-</u>	<u>47,311,886</u>
Investment in Capital Assets	19,554,398	-	19,554,398
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ <u>76,367,187</u>	\$ <u>182,247</u>	\$ <u>76,549,434</u>

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

	General Fund					Special Revenue Fund					Total				
						<i>Prevention Partnership for Children, Inc.</i>									
	Revised Approved 2015/2016 Budget	Budget Through 9/30/2016	Actual Through 9/30/2016	Variance YTD	% YTD	Approved 2015/2016 Budget	Budget Through 9/30/2016	Actual Through 9/30/2016	Variance YTD	% YTD	Revised Approved 2015/2016 Budget	Budget Through 9/30/2016	Actual Through 9/30/2016	Variance YTD	% YTD
<b>Revenues</b>															
Ad Valorem Property Taxes	\$ 102,176,959	\$ 99,018,241	\$ 99,018,241	\$ -	96.91%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 102,176,959	\$ 99,018,241	\$ 99,018,241	\$ -	96.91%
Interest Income	300,000	300,000	615,075	315,075	205.03%	-	-	-	-	0.00%	300,000	300,000	615,075	315,075	205.03%
Unrealized Gain or Loss	-	-	48,818	48,818	100.00%	-	-	-	-	0.00%	-	-	48,818	48,818	100.00%
Department of Health/Agency for Health Care Administration	3,630,806	3,630,806	3,853,547	222,741	106.13%	-	-	-	-	0.00%	3,630,806	3,630,806	3,853,547	222,741	106.13%
Palm Beach County Head Start Match	3,100,000	3,100,000	3,100,000	-	100.00%	-	-	-	-	0.00%	3,100,000	3,100,000	3,100,000	-	100.00%
JPB Foundation	250,000	250,000	-	(250,000)	0.00%	-	-	-	-	0.00%	250,000	250,000	-	(250,000)	0.00%
Income from Tenants	70,000	70,000	75,267	5,267	107.52%	-	-	-	-	0.00%	70,000	70,000	75,267	5,267	107.52%
Other Income	100,000	100,000	347,927	247,927	347.93%	-	-	-	-	0.00%	100,000	100,000	347,927	247,927	347.93%
Cash Carryforward	14,843,281	-	-	-	0.00%	-	-	-	-	0.00%	14,843,281	-	-	-	0.00%
<b>Total Revenues</b>	<b>124,471,046</b>	<b>106,469,047</b>	<b>107,058,875</b>	<b>589,828</b>	<b>86.01%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>124,471,046</b>	<b>106,469,047</b>	<b>107,058,875</b>	<b>589,828</b>	<b>86.01%</b>
<b>Expenditures</b>															
Administrative Expenditures	5,268,971	5,268,971	4,484,385	784,587	85.11%	-	-	1,460	(1,460)	100.00%	5,268,971	5,268,971	4,485,845	783,127	85.14%
Capital Expenditures	457,019	457,019	498,443	(41,424)	109.06%	-	-	-	-	0.00%	457,019	457,019	498,443	(41,424)	109.06%
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%
Non-Operating Expenses	2,801,919	1,554,006	1,554,006	-	55.46%	-	-	-	-	0.00%	2,801,919	1,554,006	1,554,006	-	55.46%
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	98,014,091	94,229,264	3,784,827	96.14%	2,682,701	2,682,701	2,365,746	316,955	88.19%	100,696,792	100,696,792	96,595,010	4,101,782	95.93%
Support Services:															
Programmatic Support	9,637,497	9,637,497	9,457,332	180,166	98.13%	-	-	-	-	0.00%	9,637,497	9,637,497	9,457,332	180,166	98.13%
Total Children's Programs	107,651,588	107,651,588	103,686,596	3,964,993	96.32%	2,682,701	2,682,701	2,365,746	316,955	88.19%	110,334,289	110,334,289	106,052,342	4,281,948	96.12%
<b>Total Expenses</b>	<b>121,788,345</b>	<b>114,931,584</b>	<b>110,223,429</b>	<b>4,708,155</b>	<b>90.50%</b>	<b>2,682,701</b>	<b>2,682,701</b>	<b>2,367,206</b>	<b>315,495</b>	<b>88.24%</b>	<b>124,471,046</b>	<b>117,614,285</b>	<b>112,590,635</b>	<b>5,023,650</b>	<b>90.46%</b>
<b>Excess Revenues over Expenses</b>			(3,164,554)					(2,367,206)					(5,531,760)		
<b>Other Financing Sources (Uses)</b>															
Transfers in (out)	(2,682,701)	(2,682,701)	(2,367,206)	(315,495)	88.24%	2,682,701	2,682,701	2,367,206	315,495	88.24%	-	-	-	-	0.00%
<b>Net Changes in Fund Balances</b>			(5,531,760)					-					(5,531,760)		
<b>Fund Balances</b>															
October 1, 2015			52,843,646					-					52,843,646		
September 30, 2016			<u>\$ 47,311,886</u>					<u>\$ -</u>					<u>\$ 47,311,886</u>		

**AGENDA ITEM: 3**

**TITLE: Financial Statements – October 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 one month ended October 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 October 31, 2016 the Council had \$43,282,051 in cash and investments. Of this balance, \$30,000,000, net of unamortized discounts and premiums, was held in federal government bonds, \$5,426,513 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 asset inventory and the audit.

**Statement of Revenue and Expenses:**

The budgeted expenditure rate at October 31, 2016 is 8.33%. The estimated expenditure rate for Children’s Programs at September 30, 2016 is 5.87%

**RECOMMENDATION:**

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

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY**

**BALANCE SHEET (Unaudited)**

**October 31, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total All Funds</u>
		<i>Prevention Partnership for Children, Inc.</i>	
<b><u>Assets</u></b>			
Cash & Investments	\$ 43,269,952	\$ 12,099	\$ 43,282,051
Accounts Receivable	3,245,011	-	3,245,011
Advances to Agencies	4,458,659	-	4,458,659
Prepaid Expenses	379,617	-	379,617
Due From - General Fund	-	172,809	172,809
Capital Assets	19,554,398	-	19,554,398
	<hr/>	<hr/>	<hr/>
Total Assets	<u>70,907,637</u>	<u>184,908</u>	<u>71,092,545</u>
<b><u>Liabilities &amp; Fund Balance</u></b>			
<u>Liabilities</u>			
Allocations to Children's Services Programs	9,324,608	177,052	9,501,660
Deferred Revenue	387,605	-	387,605
Accounts Payable	556,078	7,856	563,934
Due to - Special Revenue Fund	172,809	-	172,809
Total Liabilities	<u>10,441,100</u>	<u>184,908</u>	<u>10,626,008</u>
Fund Balance			
Nonspendable:			
Prepaid Expenses	379,617	-	379,617
Assigned:			
Reserved in accordance with fund balance policy	34,496,527	-	34,496,527
Unassigned:	6,035,995	-	6,035,995
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>40,912,139</u>	<u>-</u>	<u>40,912,139</u>
Investment in Capital Assets	19,554,398	-	19,554,398
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ <u>70,907,637</u>	\$ <u>184,908</u>	\$ <u>71,092,545</u>

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

	General Fund					Special Revenue Fund					Total				
						<i>Prevention Partnership for Children, Inc.</i>									
	Revised Approved 2016/2017 Budget	Budget Through 10/31/2016	Actual Through 10/31/2016	Variance YTD	% YTD	Approved 2016/2017 Budget	Budget Through 10/31/2016	Actual Through 10/31/2016	Variance YTD	% YTD	Revised Approved 2016/2017 Budget	Budget Through 10/31/2016	Actual Through 10/31/2016	Variance YTD	% YTD
<b>Revenues</b>															
Ad Valorem Property Taxes	\$ 113,092,475	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 113,092,475	\$ -	\$ -	\$ -	0.00%
Interest Income	400,000	33,333.33	6,184	(27,149)	1.55%	-	-	-	-	0.00%	400,000	33,333	6,184	(27,149)	1.55%
Unrealized Gain or Loss	-	-	(43,380)	(43,380)	100.00%	-	-	-	-	0.00%	-	-	(43,380)	(43,380)	100.00%
Department of Health/Agency for Health Care Administration	3,094,966	257,914	407,650	149,736	13.17%	-	-	-	-	0.00%	3,094,966	257,914	407,650	149,736	13.17%
Palm Beach County Head Start Match	2,100,000	175,000	343,580	168,580	16.36%	-	-	-	-	0.00%	2,100,000	175,000	343,580	168,580	16.36%
JPB Foundation	250,000	20,833	19,263	(1,570)	7.71%	-	-	-	-	0.00%	250,000	20,833	19,263	(1,570)	7.71%
Income from Tenants	70,000	5,833	6,275	442	8.96%	-	-	-	-	0.00%	70,000	5,833	6,275	442	8.96%
Other Income	100,000	8,333	4,441	(3,892)	4.44%	-	-	-	-	0.00%	100,000	8,333	4,441	(3,892)	4.44%
Cash Carryforward	9,076,761	-	-	-	0.00%	-	-	-	-	0.00%	9,076,761	-	-	-	0.00%
<b>Total Revenues</b>	<b>128,184,202</b>	<b>501,247</b>	<b>744,013</b>	<b>242,766</b>	<b>0.58%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>128,184,202</b>	<b>501,247</b>	<b>744,013</b>	<b>242,766</b>	<b>0.58%</b>
<b>Expenditures</b>															
Administrative Expenditures	5,218,109	434,842	481,784	(46,941)	9.23%	-	-	125	(125)	100.00%	5,218,109	434,842	481,909	(47,066)	9.24%
Capital Expenditures	350,000	29,167	10,000	19,167	2.86%	-	-	-	-	0.00%	350,000	29,167	10,000	19,167	2.86%
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%
Non-Operating Expenses	3,046,003	-	-	-	0.00%	-	-	-	-	0.00%	3,046,003	-	-	-	0.00%
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	8,438,279	6,307,305	2,130,974	6.23%	2,742,285	228,524	235,423	(6,899)	8.58%	104,001,628	8,666,802	6,542,728	2,124,074	6.29%
Support Services:															
Programmatic Support	9,413,838	784,487	109,123	675,363	1.16%	-	-	-	-	0.00%	9,413,838	784,487	109,123	675,363	1.16%
Total Children's Programs	110,673,181	9,222,765	6,416,428	2,806,337	5.80%	2,742,285	228,524	235,423	(6,899)	8.58%	113,415,466	9,451,289	6,651,851	2,799,438	5.87%
Total Expenses	125,441,917	9,686,774	6,908,212	2,778,562	5.51%	2,742,285	228,524	235,548	(7,024)	8.59%	128,184,202	9,915,298	7,143,760	2,771,538	5.57%
<b>Excess Revenues over Expenses</b>			(6,164,199)					(235,548)					(6,399,747)		
<b>Other Financing Sources (Uses)</b>															
Transfers in (out)	(2,742,285)	(228,524)	(235,548)	7,024	8.59%	2,742,285	2,742,285	235,548	2,506,737	8.59%	-	-	-	-	0.00%
<b>Net Changes in Fund Balances</b>			(6,399,747)					-					(6,399,747)		
<b>Fund Balances</b>															
October 1, 2016			47,311,886					-					47,311,886		
October 31, 2016			<u>\$ 40,912,139</u>					<u>\$ -</u>					<u>\$ 40,912,139</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 October 27, 2016 Minutes
- 2** Approved and recommended the Council approve the September 30, 2016 and October 31, 2016 Financial Statements