

Children's Services Council

Finance Committee Meeting

Thursday, February 22, 2018, 4:15 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

Tom Lynch, CSC Finance Committee Chair
Thomas Bean, CSC and CSC Finance Committee Vice-chair
Tom Weber, CSC Chair
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 January 25, 2018 Minutes
- 2 Budget Assumptions 2018-2019
- 3 December 31, 2017 Financial Statements
- 4 January 31, 2018 Financial Statements
- 5 Adjournment

Discussion Items:

- 1 PFM next steps

Next Meeting: March 29, 2018 4:00 PM

Finance Committee Meeting

Thursday, January 25, 2018, 3:30 p.m.

AGENDA / MINUTES

Welcome and introductions

Finance Committee Members:

Tom Lynch, CSC Finance Committee Chair, **Present**

Thomas Bean, CSC and CSC Finance Committee Vice-chair, **Present**

Tom Weber, CSC Chair, **Present**

Paul Dumars, Director Financial Services, Solid Waste Authority, **Not 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 Cash Flow Analysis, PFM Presentation – analysis attached, **PFM stated that an estimated fee to assist CSC in future investments that could potentially increase investment revenues by approximately \$800k would not exceed \$80k. Tom Lynch suggested CSC management proceed with due diligence to ensure the fee was reasonable and if so CSC will recommend moving forward with an agreement with PFM.**
- 2 December 7, 2017 Minutes, **Recommends Council to approve**
- 3 October 31, 2017 Financial Statements, **Recommends Council to approve**
- 4 November 30, 2017 Financial Statements, **Recommends Council to approve**
- 5 Adjournment

Next Meeting: February 22, 2018

AGENDA ITEM: 2

TITLE: CSC BUDGET ASSUMPTIONS 2018-2019

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

Revenues

The millage rate may decrease in 2018-2019.

The tax base will increase 8%.

Grant income will remain the same.

Head Start Revenue will decrease as the match from the County has ended.

Interest income and Other income will remain the same.

Expenditures

The under expenditure rate is projected at 5%.

Health insurance is expected to increase by 10%.

Merit and Promotional increases of 3.5% are budgeted.

Building space expenditures are expected to increase by 3%.

Children’s programs expenditures are budgeted to increase for provider staff salaries and health insurance.

No increase in number of budgeted CSC positions.

Fund Balance

The targeted fund balance is 27.5% of the total budget.

AGENDA ITEM: 3

**TITLE: Financial Statements – December 31, 2017
(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, 2017. The audit of the Council for the fiscal year ended September 30, 2017 is in progress and the applicable figures represent unaudited numbers.

Balance Sheet:

As of December 31, 2017 the Council had \$118,299,888 in cash and investments. Of this balance, \$30,000,000, net of unamortized discounts and premiums, was held in federal government bonds, \$85,108,285 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 \$18,952,794 represent the costs associated with furniture and fixtures, equipment, and building costs.

Statement of Revenue and Expenses:

The budgeted expenditure rate at December 31, 2017 is 25%. The estimated expenditure rate for Children’s Programs at December 31, 2017 is 21%.

RECOMMENDATION:

I recommend the Finance Committee propose that the Council accept the December 31, 2017 Financial Statements as submitted.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

BALANCE SHEET (Unaudited)

December 31, 2017

	<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	\$ 118,279,462	\$ 20,426	\$ 118,299,888
Accounts Receivable	1,102,210	-	1,102,210
Advances to Agencies	4,777,623	-	4,777,623
Prepaid Expenses	544,769	-	544,769
Due From - General Fund	-	58,019	58,019
Capital Assets	18,952,794	-	18,952,794
	<hr/>	<hr/>	<hr/>
Total Assets	<u>143,656,858</u>	<u>78,445</u>	<u>143,735,303</u>
<u>Liabilities & Fund Balance</u>			
<u>Liabilities</u>			
Allocations to Children's Services Programs	8,267,180	68,533	8,335,713
Deferred Revenue	251,749	-	251,749
Accounts Payable	2,651,036	9,912	2,660,948
Due to - Special Revenue Fund	58,019	-	58,019
Total Liabilities	<u>11,227,984</u>	<u>78,445</u>	<u>11,306,429</u>
Fund Balance			
Nonspendable:			
Prepaid Expenses	544,769	-	544,769
Assigned:			
Reserved in accordance with fund balance policy	35,606,480	-	35,606,480
Unassigned:	77,324,831	-	77,324,831
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>113,476,080</u>	<u>-</u>	<u>113,476,080</u>
Investment in Capital Assets	18,952,794	-	18,952,794
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ <u>143,656,858</u>	\$ <u>78,445</u>	\$ <u>143,735,303</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, 2017**

	<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>2017/2018</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>	<u>2017/2018</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>	<u>2017/2018</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>
	<u>Budget</u>	<u>12/31/2017</u>	<u>12/31/2017</u>			<u>Budget</u>	<u>12/31/2017</u>	<u>12/31/2017</u>			<u>Budget</u>	<u>12/31/2017</u>	<u>12/31/2017</u>		
Revenues															
Ad Valorem Property Taxes	\$ 116,814,453	\$ 90,461,173	\$ 90,461,173	\$ -	77.44%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 116,814,453	\$ 90,461,173	\$ 90,461,173	\$ -	77.44%
Interest Income	500,000	125,000	217,610	92,610	43.52%	-	-	-	-	0.00%	500,000	125,000	217,610	92,610	43.52%
Unrealized Gain or Loss	-	-	(104,642)	(104,642)	100.00%	-	-	-	-	0.00%	-	-	(104,642)	(104,642)	100.00%
Department of Health/Agency for Health Care Administration	3,355,246	838,812	1,319,598	480,787	39.33%	-	-	-	-	0.00%	3,355,246	838,812	1,319,598	480,787	39.33%
Palm Beach County Head Start Match	1,100,000	275,000	-	(275,000)	0.00%	-	-	-	-	0.00%	1,100,000	275,000	-	(275,000)	0.00%
Income from Tenants	75,000	18,750	16,757	(1,993)	22.34%	-	-	-	-	0.00%	75,000	18,750	16,757	(1,993)	22.34%
Other Income	125,000	31,250	14,797	(16,453)	11.84%	-	-	-	-	0.00%	125,000	31,250	14,797	(16,453)	11.84%
Cash Carryforward	10,281,153	-	-	-	0.00%	-	-	-	-	0.00%	10,281,153	-	-	-	0.00%
Total Revenues	132,250,852	91,749,985	91,925,293	175,309	69.51%	-	-	-	-	0.00%	132,250,852	91,749,985	91,925,293	175,309	69.51%
Expenditures															
Administrative Expenditures	5,441,364	1,360,341	1,235,245	125,096	22.70%	-	-	-	-	100.00%	5,441,364	1,360,341	1,235,245	125,096	22.70%
Capital Expenditures	262,500	65,625	2,400	63,225	0.91%	-	-	-	-	0.00%	262,500	65,625	2,400	63,225	0.91%
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%
Non-Operating Expenses	3,184,838	2,265,234	2,265,234	-	71.13%	-	-	-	-	0.00%	3,184,838	2,265,234	2,265,234	-	71.13%
Reserve for Uncollectible Taxes	4,673,206	-	-	-	0.00%	-	-	-	-	0.00%	4,673,206	-	-	-	0.00%
Children's Services Programs:															
Direct Services:															
Funded Programs & Initiatives	105,588,722	26,397,181	22,142,238	4,254,943	20.97%	2,772,743	462,124	516,978	(54,854)	18.65%	108,361,465	26,859,304	22,659,216	4,200,088	20.91%
Support Services:															
Programmatic Support	9,827,479	2,456,870	2,054,985	401,885	20.91%	-	-	-	-	0.00%	9,827,479	2,456,870	2,054,985	401,885	20.91%
Total Children's Programs	115,416,201	28,854,050	24,197,223	4,656,827	20.97%	2,772,743	462,124	516,978	(54,854)	18.65%	118,188,944	29,316,174	24,714,201	4,601,973	20.91%
Total Expenses	129,478,109	32,545,250	27,700,102	4,845,148	21.39%	2,772,743	462,124	516,978	(54,854)	18.65%	132,250,852	33,007,374	28,217,080	4,790,294	21.34%
Excess Revenues over Expenses			64,225,191					(516,978)					63,708,213		
Other Financing Sources (Uses)															
Transfers in (out)	(2,772,743)	(693,186)	(516,978)	(176,208)	18.65%	2,772,743	462,124	516,978	(54,854)	18.65%	-	-	-	-	0.00%
Net Changes in Fund Balances			63,708,213					-					63,708,213		
Fund Balances															
October 1, 2017			49,767,867					-					49,767,867		
December 31, 2017			<u>\$ 113,476,080</u>					<u>\$ -</u>					<u>\$ 113,476,080</u>		

AGENDA ITEM: 4

**TITLE: Financial Statements – January 31, 2018
(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 four months ended January 31, 2018. The audit of the Council for the fiscal year ended September 30, 2017 is in progress and the applicable figures represent unaudited numbers.

Balance Sheet:

As of January 31, 2018 the Council had \$114,136,543 in cash and investments. Of this balance, \$30,000,000, net of unamortized discounts and premiums, was held in federal government bonds, \$82,580,478 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 \$18,952,794 represent the costs associated with furniture and fixtures, equipment, and building costs.

Statement of Revenue and Expenses:

The budgeted expenditure rate at January 31, 2018 is 33%. The estimated expenditure rate for Children’s Programs at January 31, 2017 is 26%.

RECOMMENDATION:

I recommend the Finance Committee propose that the Council accept the January 31, 2018 Financial Statements as submitted.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

BALANCE SHEET (Unaudited)

January 31, 2018

	<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	\$ 114,124,433	\$ 12,110	\$ 114,136,543
Accounts Receivable	1,102,210	-	1,102,210
Advances to Agencies	4,771,960	-	4,771,960
Prepaid Expenses	550,376	-	550,376
Due From - General Fund	-	104,557	104,557
Capital Assets	18,952,794	-	18,952,794
	<hr/>	<hr/>	<hr/>
Total Assets	<u>139,501,773</u>	<u>116,667</u>	<u>139,618,440</u>
<u>Liabilities & Fund Balance</u>			
<u>Liabilities</u>			
Allocations to Children's Services Programs	7,707,927	108,454	7,816,381
Deferred Revenue	310,804	-	310,804
Accounts Payable	1,072,986	8,213	1,081,199
Due to - Special Revenue Fund	104,557	-	104,557
Total Liabilities	<u>9,196,274</u>	<u>116,667</u>	<u>9,312,941</u>
Fund Balance			
Nonspendable:			
Prepaid Expenses	550,376	-	550,376
Assigned:			
Reserved in accordance with fund balance policy	35,606,480	-	35,606,480
Unassigned:	75,195,849	-	75,195,849
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>111,352,705</u>	<u>-</u>	<u>111,352,705</u>
Investment in Capital Assets	18,952,794	-	18,952,794
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Total Liabilities and Fund Balance	\$ <u>139,501,773</u>	\$ <u>116,667</u>	\$ <u>139,618,440</u>

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
STATEMENT OF REVENUE AND EXPENSES CHANGES IN FUND BALANCE
FOR THE FOUR MONTHS ENDED JANUARY 31, 2018**

	<u>General Fund</u>					<u>Special Revenue Fund</u>					<u>Total</u>				
						<u>Prevention Partnership for Children, Inc.</u>									
	<u>Approved 2017/2018 Budget</u>	<u>Budget Through 1/31/2018</u>	<u>Actual Through 1/31/2018</u>	<u>Variance YTD</u>	<u>% YTD</u>	<u>Approved 2017/2018 Budget</u>	<u>Budget Through 1/31/2018</u>	<u>Actual Through 1/31/2018</u>	<u>Variance YTD</u>	<u>% YTD</u>	<u>Approved 2017/2018 Budget</u>	<u>Budget Through 1/31/2018</u>	<u>Actual Through 1/31/2018</u>	<u>Variance YTD</u>	<u>% YTD</u>
Revenues															
Ad Valorem Property Taxes	\$ 116,814,453	\$ 94,821,715	\$ 94,821,715	\$ -	81.17%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 116,814,453	\$ 94,821,715	\$ 94,821,715	\$ -	81.17%
Interest Income	500,000	166,667	227,787	61,120	45.56%	-	-	-	-	0.00%	500,000	166,667	227,787	61,120	45.56%
Unrealized Gain or Loss	-	-	(104,642)	(104,642)	100.00%	-	-	-	-	0.00%	-	-	(104,642)	(104,642)	100.00%
Department of Health/Agency for Health Care Administration	3,355,246	1,118,415	1,591,615	473,200	47.44%	-	-	-	-	0.00%	3,355,246	1,118,415	1,591,615	473,200	47.44%
Palm Beach County Head Start Match	1,100,000	366,667	-	(366,667)	0.00%	-	-	-	-	0.00%	1,100,000	366,667	-	(366,667)	0.00%
Income from Tenants	75,000	25,000	17,817	(7,183)	23.76%	-	-	-	-	0.00%	75,000	25,000	17,817	(7,183)	23.76%
Other Income	125,000	41,667	19,828	(21,839)	15.86%	-	-	-	-	0.00%	125,000	41,667	19,828	(21,839)	15.86%
Cash Carryforward	10,281,153	-	-	-	0.00%	-	-	-	-	0.00%	10,281,153	-	-	-	0.00%
Total Revenues	132,250,852	96,540,130	96,574,120	33,990	73.02%	-	-	-	-	0.00%	132,250,852	96,540,130	96,574,120	33,990	73.02%
Expenditures															
Administrative Expenditures	5,441,364	1,813,788	1,755,649	58,139	32.26%	-	-	-	-	100.00%	5,441,364	1,813,788	1,755,649	58,139	32.26%
Capital Expenditures	262,500	87,500	2,400	85,100	0.91%	-	-	-	-	0.00%	262,500	87,500	2,400	85,100	0.91%
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%
Non-Operating Expenses	3,184,838	2,353,252	2,353,252	-	73.89%	-	-	-	-	0.00%	3,184,838	2,353,252	2,353,252	-	73.89%
Reserve for Uncollectible Taxes	4,673,206	-	-	-	0.00%	-	-	-	-	0.00%	4,673,206	-	-	-	0.00%
Children's Services Programs:															
Direct Services:															
Funded Programs & Initiatives	105,588,722	35,196,241	27,275,623	7,920,618	25.83%	2,772,743	924,248	622,096	302,152	22.44%	108,361,465	36,120,488	27,897,719	8,222,769	25.75%
Support Services:															
Programmatic Support	9,827,479	3,275,826	2,980,262	295,565	30.33%	-	-	-	-	0.00%	9,827,479	3,275,826	2,980,262	295,565	30.33%
Total Children's Programs	115,416,201	38,472,067	30,255,885	8,216,182	26.21%	2,772,743	924,248	622,096	302,152	22.44%	118,188,944	39,396,315	30,877,981	8,518,334	26.13%
Total Expenses	129,478,109	42,726,607	34,367,186	8,359,421	26.54%	2,772,743	924,248	622,096	302,152	22.44%	132,250,852	43,650,855	34,989,282	8,661,573	26.46%
Excess Revenues over Expenses			62,206,934					(622,096)					61,584,838		
Other Financing Sources (Uses)															
Transfers in (out)	(2,772,743)	(693,186)	(622,096)	(71,090)	22.44%	2,772,743	462,124	622,096	(159,972)	22.44%	-	-	-	-	0.00%
Net Changes in Fund Balances			61,584,838					-					61,584,838		
Fund Balances															
October 1, 2017			49,767,867					-					49,767,867		
January 31, 2018			<u>\$ 111,352,705</u>					<u>\$ -</u>					<u>\$ 111,352,705</u>		