

Children's Services Council

Finance Committee Meeting

Thursday, June 25, 2015

4:15 – 4:45 pm

CSC – Executive Conference Room

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 of Financial Services, Solid Waste Authority
John Marino, Volunteer, Finance Committee

CSC Staff:

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

Agenda Items:

- 1 Minutes May 28, 2015
- 2 May 31, 2015 Financial Statements
- 3 Options – Millage Rate
- 4 Proposed 2015-2016 CSC Budget
- 5 Other
- 6 Adjournment

Next Meeting: August 6th, 2015 - 4:00 p.m. to 4:15 p.m.

Children's Services Council

Finance Committee Meeting

Thursday, May 28, 2015

4:00 – 4:30 pm

CSC – Executive Conference Room

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, **Not Present**
Tom Weber, Vice-Chair Children's Services Council, **Present**
Paul Dumar, Director of Financial Services, Solid Waste Authority, **Not Present**
John Marino, Volunteer, Finance Committee, **Present**

CSC Staff:

Lisa Williams-Taylor Ph.D, CEO, **Present**
Bill Cosgrove, CFO, **Present**
Jen Diehl, Controller, **Not Present**
Tom Sheehan, General Counsel, **Present**
Elsa Sanchez, Senior Executive Assistant, **Present**

Agenda Items:

- 1 Minutes April 15, 2015, **Approved unanimously**
- 2 April 30, 2015 Financial Statements, **Approved unanimously**
- 3 Investment update, **Davidson Fixed Income Management (DFIM) is sending a plan shortly regarding the movement of funds for investment purposes.**
- 4 Selection of Independent Auditing Firm, **Caler, Donten, Levine, Cohen, Porter & Veil P.A. were selected as the Independent Audit Firm and a 5 year contract with a flat fee was negotiated.**
- 5 Other, **Received notification from the Property Appraiser that taxable values will be increasing by 8.6% as compared to the originally forecasted 8%. Program is looking at one time opportunities to spend in the community. A list of opportunities will be brought back for further discussion. Other options in how to accommodate for the additional .6% in revenue will be discussed at the June 18th meeting.**
- 6 Adjournment

Next Meeting: June 18th 4:00-5:00

AGENDA ITEM: 2

TITLE: Financial Statements – May 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 eight months ended May 31, 2015. The audit of the Council for the fiscal year ended September 30, 2014 has been completed and the applicable figures represent audited numbers.

Balance Sheet:

As of May 31, 2015 the Council had \$87,297,275 held in cash and investments. Of this balance, the investments in federal government bonds total \$82,500,000 net of the amortized discount.

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 May 31, 2015 is 66.67%. The estimated expenditure rate for Children’s Programs at May 31, 2015 is 57.48%.

RECOMMENDATION:

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

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

BALANCE SHEET (Unaudited)

May 31, 2015

	<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	\$ 87,283,996	\$ 13,279	\$ 87,297,275
Accounts Receivable	1,649,379	-	1,649,379
Advances to Agencies	4,042,701	-	4,042,701
Prepaid Expenses	390,788	-	390,788
Due From - General Fund	-	218,705	218,705
Capital Assets	20,832,932	-	20,832,932
	<hr/>	<hr/>	<hr/>
Total Assets	<u>114,199,796</u>	<u>231,984</u>	<u>114,431,780</u>
<u>Liabilities & Fund Balance</u>			
<u>Liabilities</u>			
Allocations to Children's Services Programs	5,584,933	231,984	5,816,917
Deferred Revenue	816,830	-	816,830
Accounts Payable	245,030	-	245,030
Due to - Special Revenue Fund	218,705	-	218,705
Total Liabilities	<u>6,865,498</u>	<u>231,984</u>	<u>7,097,482</u>
Fund Balance			
Nonspendable:			
Prepaid Expenses	390,788	-	390,788
Assigned:			
Reserved in accordance with fund balance policy	36,058,774	-	36,058,774
Unassigned:	50,051,804	-	50,051,804
	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>86,501,366</u>	<u>-</u>	<u>86,501,366</u>
Investment in Capital Assets	20,832,932	-	20,832,932
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ <u>114,199,796</u>	\$ <u>231,984</u>	\$ <u>114,431,780</u>

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
STATEMENT OF REVENUE AND EXPENSES CHANGES IN FUND BALANCE
FOR THE EIGHT MONTHS ENDED MAY 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>2014/2015</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>	<u>2014/2015</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>	<u>2014/2015</u>	<u>Through</u>	<u>Through</u>	<u>YTD</u>	<u>YTD</u>
	<u>Budget</u>	<u>5/31/2015</u>	<u>5/31/2015</u>			<u>Budget</u>	<u>5/31/2015</u>	<u>5/31/2015</u>			<u>Budget</u>	<u>4/30/2015</u>	<u>4/30/2015</u>		
Revenues															
Ad Valorem Property Taxes	\$ 94,363,181	\$ 88,390,500	\$ 88,390,500	\$ -	93.67%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 94,363,181	\$ 88,390,500	\$ 88,390,500	\$ -	93.67%
Interest Income	150,000	100,000	73,139	(26,861)	48.76%	-	-	-	-	0.00%	150,000	100,000	73,139	(26,861)	48.76%
Department of Health/Agency for Health Care Administration	3,053,295	2,035,530	2,664,388	628,858	87.26%	-	-	-	-	0.00%	3,053,295	2,035,530	2,664,388	628,858	87.26%
Palm Beach County Head Start Match	4,100,000	2,733,333	2,458,000	(275,333)	59.95%	-	-	-	-	0.00%	4,100,000	2,733,333	2,458,000	(275,333)	59.95%
Income from Tenants	70,000	46,667	49,692	3,025	70.99%	-	-	-	-	0.00%	70,000	46,667	49,692	3,025	70.99%
Other Income	100,000	66,667	102,987	36,320	102.99%	-	-	-	-	0.00%	100,000	66,667	102,987	36,320	102.99%
Cash Carryforward	20,307,835	-	-	-	0.00%	-	-	-	-	0.00%	20,307,835	-	-	-	0.00%
Total Revenues	122,144,311	93,372,697	93,738,706	366,009	76.74%	-	-	-	-	0.00%	122,144,311	93,372,697	93,738,706	366,009	76.74%
Expenditures															
Administrative Expenditures	5,236,854	3,491,236	3,167,280	323,956	60.48%	-	-	867	(867)	100.00%	5,236,854	3,491,236	3,168,147	323,089	60.50%
Capital Expenditures	400,000	266,667	44,600	222,067	11.15%	-	-	-	-	0.00%	400,000	266,667	44,600	222,067	11.15%
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%
Non-Operating Expenses	2,653,643	2,356,731	2,356,731	-	88.81%	-	-	-	-	0.00%	2,653,643	2,356,731	2,356,731	-	88.81%
Reserve for Uncollectible Taxes	4,819,391	-	-	-	0.00%	-	-	-	-	0.00%	4,819,391	-	-	-	0.00%
Children's Services Programs:															
Direct Services:															
Funded Programs & Initiatives	96,953,606	64,635,737	55,342,908	9,292,829	57.08%	1,948,398	1,298,932	1,212,884	86,048	62.25%	98,902,004	65,934,669	56,555,792	9,378,877	57.18%
Support Services:															
Programmatic Support	9,632,419	6,421,613	5,834,100	587,513	60.57%	-	-	-	-	0.00%	9,632,419	6,421,613	5,834,100	587,513	60.57%
Total Children's Programs	106,586,025	71,057,350	61,177,008	9,880,342	57.40%	1,948,398	1,298,932	1,212,884	86,048	62.25%	108,534,423	72,356,282	62,389,892	9,966,390	57.48%
Total Expenses	120,195,913	77,171,984	66,745,619	10,426,365	55.53%	1,948,398	1,298,932	1,213,751	85,181	62.29%	122,144,311	78,470,916	67,959,370	10,511,546	55.64%
Excess Revenues over Expenses			26,993,087					(1,213,751)					25,779,336		
Other Financing Sources (Uses)															
Transfers in (out)	(1,948,398)	(1,136,566)	(1,213,751)	77,186	62.29%	1,948,398	1,136,566	1,213,751	(77,186)	62.29%	-	-	-	-	0.00%
Net Changes in Fund Balances			25,779,336										25,779,336		
Fund Balances															
October 1, 2014			60,722,030										60,722,030		
May 31, 2015			<u>\$ 86,501,366</u>					<u>\$ -</u>					<u>\$ 86,501,366</u>		

CHILDREN'S SERVICES COUNCIL – FINANCE COMMITTEE

AGENDA ITEM

June 25, 2015

AGENDA ITEM: 3
TITLE: Options-Millage Rate
CSC STAFF: Bill Cosgrove, Chief Financial Officer

SUMMARY:

At the May 28, 2015 Finance Committee meeting a preliminary discussion was begun concerning the 8.6% increase in Palm Beach County property values. The 8.6% was .6% more than the forecasted 8.0% that had been used in creating the five year forecast that was presented to the Council at the April Planning Session and was also the basis for the tax revenue shown in the April submission of the proposed 2015/16 budget. The additional .6% increase in property values would generate approximately \$570,000 in tax revenue based on maintaining the millage rate at .6745, which is the same as the 2014/15 rate.

The additional tax revenue presents the Committee with at least four options regarding the increased tax base and the proposed 2015/2016 budget and the associated millage rate:

1. Leave the proposed millage rate at .6745 resulting in an increase in tax revenue offset by a corresponding decrease in the use of fund balance. The total budget would remain the same with minor adjustments.
2. Leave the tax revenue the same as it was in the April submission of the proposed budget and reduce the proposed millage rate to .6705 which reflects the increased tax base. The total budget would remain the same with minor adjustments.
3. Leave the proposed millage rate at .6745 and increase the proposed budget by \$570,000. The additional \$570,000 would be used to increase the proposed budget for Direct Services.
4. Use a portion of the .6% increase to fund an increase in Strong Minds funding to the extent that it will likely be spent. This option will result in a decrease in the proposed millage rate to .6725 which is midway between the current millage rate .6745 and the millage rate, .6705, in option 2 above. The impact of this option is shown in the Scenario included with this agenda item.

RECOMMENDATION:

Staff is recommending option number 4 since it provides additional funding necessary for funding programs at a level that it is anticipated will actually be spent. In addition, option 4 results in a reduction in the millage rate which is in keeping the trend among other taxing authorities.

Children's Services of Palm Beach County
Budget Forecast 2015/2016-2019/2020

- * Millage reduced 15/16, maintained 16/17, increased 3% 17/18, increased 1.5% in 18/19 and maintained thereafter
- * Tax base increased 8.6% in 15/16, 5% in 16/17 and 17/18 and 4% every year after
- * Under expenditure rate is projected at 5%
- * Targeted fund balance is 30% of the total budget
- * No decrease of expenditures

Fiscal Year	Total PBC Tax Base	Millage Rate	CSC Ad Valorem Revenue	Other Funders/Income	Revenue from Fund Balance	Total CSC Budget	Balance in Fund Balance	30% of budget
2013/14	130,321,498,152	0.7025	88,197,559	6,018,306	8,373,634	102,589,499	69,095,664	
2014/15	139,900,935,028	0.6745	94,363,181	7,473,295	20,307,835	122,144,311	55,895,044	36,643,293
2015/16	151,935,008,184	0.6725	102,176,293	7,471,829	14,822,924	124,471,046	48,295,673	37,341,314
2016/17	159,531,758,593	0.6725	107,285,108	6,471,829	13,470,199	127,227,136	42,186,830	38,168,141
2017/18	167,508,346,523	0.6927	116,028,844	5,471,829	10,112,965	131,613,638	39,654,547	39,484,091
2018/19	174,208,680,384	0.7031	122,480,048	4,121,829	6,902,714	133,504,590	40,427,063	40,051,377
2019/20	181,177,027,599	0.7031	127,379,250	4,121,829	3,395,901	134,896,980	44,776,011	40,469,094

	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020
REVENUES							
Ad valorem Taxes	88,197,559	94,363,181	102,176,293	107,285,108	116,028,844	122,480,048	127,379,250
Grant Income	4,548,544	3,053,295	3,651,829	3,651,829	3,651,829	3,651,829	3,651,829
JPB Foundation	-	-	250,000	250,000	250,000	-	-
Head Start Revenue	1,025,000	4,100,000	3,100,000	2,100,000	1,100,000	-	-
Interest Income	138,674	150,000	300,000	300,000	300,000	300,000	300,000
Income from Tenants	-	70,000	70,000	70,000	70,000	70,000	70,000
Other Income	306,088	100,000	100,000	100,000	100,000	100,000	100,000
Cash Balances Brought Forward	8,373,634	20,307,835	14,822,924	13,470,199	10,112,965	6,902,714	3,395,901
Total	102,589,499	122,144,311	124,471,046	127,227,136	131,613,638	133,504,590	134,896,980
EXPENDITURES							
Personnel	10,977,746	11,744,467	12,141,170	12,705,721	13,270,273	13,834,824	14,399,376
Travel	242,087	234,400	244,550	244,550	244,550	244,550	244,550
Building Space	725,923	719,501	724,000	745,720	768,092	791,134	814,868
Communications	84,484	94,601	74,600	74,600	74,600	74,600	74,600
Printing & Supplies	344,389	218,400	229,000	229,000	229,000	229,000	229,000
Other Expenses	1,674,911	1,857,904	1,664,340	1,664,340	1,664,340	1,664,340	1,664,340
Capital Expenses	396,881	400,000	250,000	510,000	250,000	250,000	250,000
Non-Operating Expenses	1,456,604	2,653,643	2,822,586	2,822,586	2,822,586	2,822,586	2,822,586
Allocations Children's Programs and Special Services	86,686,474	98,902,004	100,696,792	102,366,363	105,988,755	106,969,553	107,528,697
Decrease in expenditures needed to maintain fund balance	-	-	-	-	-	-	-
Contingency	-	500,000	500,000	500,000	500,000	500,000	500,000
Reserve for uncollectable Tax	-	4,819,391	5,124,008	5,364,255	5,801,442	6,124,002	6,368,962
Total	102,589,499	122,144,311	124,471,046	127,227,136	131,613,638	133,504,590	134,896,980

Items included in projection:

- added 15% health increase
- Merit increases in salaries (3%)
- Promotional increases in salaries (.5%)
- capital - new computers 16-17
- added 3% increase in building space

Programs based on allocations provided plus forecast for a few allocations not yet determined as of 6/9/2015

CHILDREN’S SERVICES COUNCIL – FINANCE COMMITTEE
AGENDA ITEM
June 25, 2015

AGENDA ITEM: 4

TITLE: Proposed 2015/2016 Annual Budget

CSC STAFF: Bill Cosgrove, Chief Financial Officer
Jennifer Diehl, Controller

SUMMARY:

In addition to the notes to the budget, this budget incorporates the goals, strategies and outcomes that were presented at the Annual Council Planning Session on April 23, 2015.

Ad valorem tax revenue to support the proposed budget amounts to \$102,176,293 which is based on a projected increase in the total tax base within Palm Beach County offset by a reduction in the proposed millage rate. The proposed millage rate will be reduced to .6725.

The proposed 2015-2016 CSC Annual Budget is submitted reflecting the budget of the Children’s Services Council including its special revenue fund, which is also known as Prevention Partnerships for Children, Inc. The total proposed expenditures are \$124,471,142.

Of the total proposed \$124,471,046, Children’s Programs Direct Services are budgeted for \$100,696,792 or 80.90% and Program Administrative Support is budgeted for \$9,701,548 or 7.79% for a combined total of \$110,398,340 or 88.69% of the total budget. The Children’s Programs Direct Services budget reflects a 1.81% or \$1,794,788 increase from 2014/2015. This increase is attributed to additional services for the children including a complete first year of the new Child First program, the redesigned Strong Minds system as well as the expansion of other existing programs. The Program Administrative Support budget reflects a .72% or \$69,129 increase which relates to an annually evaluated and revised general and administrative allocation and increased costs related to support personnel such as merit increases and health insurance.

The budget being proposed contains a projected 15% increase over the 2014/2015 health insurance premiums, a 3% total merit pool in correlation with staff performance evaluations and .5% total pool in relation to promotional increases.

The proposed budget for the administrative costs of the Council is \$5,376,112, representing a 2.66% or \$139,258 increase over the 2014/2015 budget. This increase reflects the annually evaluated and revised general and administrative allocation as well as personnel increases mentioned previously. The proposed budget for capital expenses is \$250,000, representing a decrease from the prior year.

RECOMMENDATION: The Finance Committee and Council approve the proposed 2015/2016 Annual Budget and authorize staff to provide to the Property Appraiser the tentative millage rate contained in the budget (with staff having the authority to adjust the millage rate to provide the same amount of budgeted tax revenue in the event the final figures from the Property Appraiser are different than these preliminary figures used to calculate the tax revenues).

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
 PROPOSED ANNUAL BUDGET
 OCTOBER 1, 2015 - SEPTEMBER 30, 2016

	<u>2014/15 APPROVED BUDGET</u>	<u>2015/16 PROPOSED BUDGET</u>	<u>INCREASE (DECREASE) DIFFERENCE</u>	<u>% INCREASE (DECREASE)</u>
REVENUES				
AD VALOREM TAXES	\$ 94,363,181	\$ 102,176,293	\$ 7,813,112	8.28%
GRANT INCOME				
Palm Beach County Head Start Match	4,100,000	3,100,000	(1,000,000)	-24.39%
JPB Foundation	-	250,000	250,000	100.00%
Department of Health/Agency for Health Care Administration	<u>3,053,295</u>	<u>3,651,829</u>	<u>598,534</u>	<u>19.60%</u>
Sub-Total Grant Income	<u>7,153,295</u>	<u>7,001,829</u>	<u>(151,466)</u>	<u>-2.12%</u>
INTEREST INCOME	150,000	300,000	150,000	100.00%
INCOME FROM TENANTS	70,000	70,000	-	0.00%
OTHER INCOME	100,000	100,000	-	0.00%
CASH BALANCES BROUGHT FORWARD	<u>20,307,835</u>	<u>14,822,924</u>	<u>(5,484,911)</u>	<u>-27.01%</u>
TOTAL	\$ 122,144,311	\$ 124,471,046	\$ 2,326,735	1.90%
EXPENDITURES				
CHILDREN'S PROGRAMS				
Direct Services	\$ 98,902,004	\$ 100,696,792	\$ 1,794,788	1.81%
Support Services	<u>9,632,419</u>	<u>9,701,548</u>	<u>69,129</u>	<u>0.72%</u>
Sub-Total Children's Programs	<u>108,534,423</u>	<u>110,398,340</u>	<u>1,863,917</u>	<u>1.72%</u>
ADMINISTRATIVE EXPENSES	5,236,854	5,376,112	139,258	2.66%
CAPITAL EXPENDITURES	400,000	250,000	(150,000)	-37.50%
NON OPERATING EXPENSES				
Palm Beach County Property				
Appraiser Fees	786,779	772,645	(14,134)	-1.80%
Palm Beach County Tax Collector Fees	<u>1,866,864</u>	<u>2,049,941</u>	<u>183,077</u>	<u>9.81%</u>
Sub-Total	<u>2,653,643</u>	<u>2,822,586</u>	<u>168,943</u>	<u>6.37%</u>
CONTINGENCY	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>0.00%</u>
SUB-TOTAL EXPENDITURES	117,324,920	119,347,038	2,022,118	1.72%
RESERVE FOR UNCOLLECTABLE TAX	<u>4,819,391</u>	<u>5,124,008</u>	<u>304,617</u>	<u>6.32%</u>
TOTAL	\$ 122,144,311	\$ 124,471,046	\$ 2,326,735	1.90%

PROPOSED MILLAGE RATE:

0.6725

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
PROPOSED ANNUAL BUDGET
OCTOBER 1, 2015 - SEPTEMBER 30, 2016

	<u>GENERAL FUND</u>		<u>SPECIAL REVENUE FUND</u>		<u>2015 - 2016</u>	<u>TOTAL BUDGET</u>
			<u>PREVENTION PARTNERSHIPS</u>			
			<u>FOR CHILDREN, INC.</u>			
REVENUES						
AD VALOREM TAXES	\$ 102,176,293	83.83%	-	0.00%	\$ 102,176,293	82.09%
GRANT INCOME						
Palm Beach County Head Start Match	3,100,000	2.54%	-	0.00%	3,100,000	2.49%
JPB Foundation	250,000	0.21%	-	0.00%	250,000	0.20%
Department of Health/Agency for Health Care Administration	<u>3,651,829</u>	3.00%	-	0.00%	<u>3,651,829</u>	2.93%
Sub-Total Grant Income	<u>7,001,829</u>	5.74%	-	0.00%	<u>7,001,829</u>	5.63%
INTEREST INCOME	300,000	0.25%	-	0.00%	300,000	0.24%
INCOME FROM TENANTS	70,000	0.06%	-	0.00%	70,000	0.06%
OTHER INCOME	100,000	0.08%	-	0.00%	100,000	0.08%
TRANSFER IN (OUT)	<u>(2,587,381)</u>	-2.12%	<u>2,587,381</u>	100.00%	-	0.00%
CASH BALANCES BROUGHT FORWARD	<u>14,822,924</u>	12.16%	-	0.00%	<u>14,822,924</u>	11.91%
TOTAL	<u>\$ 121,883,665</u>	99.94%	<u>\$ 2,587,381</u>	100.00%	<u>\$ 124,471,046</u>	100.00%
EXPENDITURES						
CHILDREN'S PROGRAMS						
Direct Services						
Program Services	\$ 96,079,411	78.83%	\$ 2,587,381	100.00%	\$ 98,666,792	79.27%
Special Funds and Other	95,000	0.08%	-	0.00%	95,000	0.08%
Public Awareness	1,935,000	1.59%	-	0.00%	1,935,000	1.55%
Sub-total Direct Services	98,109,411	80.49%	2,587,381	100.00%	100,696,792	80.90%
Support Services						
Programmatic Support Expenses	9,701,548	7.96%	-	0.00%	9,701,548	7.79%
Sub-total Support Services	<u>9,701,548</u>	7.96%	-	0.00%	<u>9,701,548</u>	7.79%
Sub-Total Children's Programs	107,810,959	88.45%	2,587,381	100.00%	110,398,340	88.69%
ADMINISTRATIVE EXPENSES	5,376,112	4.41%	-	0.00%	5,376,112	4.32%
CAPITAL EXPENDITURES	250,000	0.21%	-	0.00%	250,000	0.20%
NON OPERATING EXPENSES						
Palm Beach County Property Appraiser Fees	772,645	0.63%	-	0.00%	772,645	0.62%
Palm Beach County Tax Collector Fees	<u>2,049,941</u>	1.68%	-	0.00%	<u>2,049,941</u>	1.65%
Sub-Total Non Operating Expenses	2,822,586	2.32%	-	0.00%	2,822,586	2.27%
CONTINGENCY	<u>500,000</u>	0.41%	-	0.00%	<u>500,000</u>	0.40%
SUB-TOTAL EXPENDITURES	116,759,657	95.80%	2,587,381	100.00%	119,347,038	95.88%
RESERVE FOR UNCOLLECTABLE TAX	<u>5,124,008</u>	4.20%	-	0.00%	<u>5,124,008</u>	4.12%
TOTAL	<u>\$ 121,883,665</u>	100.00%	<u>\$ 2,587,381</u>	100.00%	<u>\$ 124,471,046</u>	100.00%
MILLAGE RATE:	0.6725					

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
PROPOSED ANNUAL BUDGET
OCTOBER 1, 2015 - SEPTEMBER 30, 2016

Allocations to Children's Programs:

Quality Childcare Programs

Research Specialist	100,000
Technical Assistance Specialists	1,670,381
Tier Payments	742,000
Bridges Liaison	<u>75,000</u>

Total Quality Childcare Programs **2,587,381**

Total Allocations to Children's Programs **2,587,381**

Total Budget **\$ 2,587,381**

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
PROPOSED ANNUAL BUDGET
OCTOBER 1, 2015 - SEPTEMBER 30, 2016

Expenses	Executive Administration	Talent & Operations	Finance	Program Services	Communications	Information Management	TOTALS
SALARIES	386,940	1,021,385	1,136,894	3,644,458	704,609	967,506	7,861,791
TEMPORARY PERSONNEL	-	-	-	15,000	-	-	15,000
FRINGE BENEFITS							
A. FICA	19,196	62,735	66,960	224,202	42,353	58,381	473,827
B. FICA MED	5,611	14,809	16,485	52,845	10,217	14,029	113,996
C. FL Unemployment	5,340	14,095	15,689	50,294	9,724	13,352	108,494
D. Workers' Comp	624	2,704	3,120	11,024	1,872	2,288	21,632
E. Health Plan	90,105	246,007	286,423	1,083,604	217,867	273,302	2,197,308
F. Retirement	52,081	141,037	164,852	438,574	79,376	114,131	990,052
G. Long Term Disability	844	3,659	4,221	14,915	2,533	3,096	29,268
H. Tuition Reimbursement		50,000	-	-	-	-	50,000
I. Deferred Compensation	-	-	-	-	-	-	-
J. Retirement Health Savings	3,745	16,227	18,724	66,157	11,234	13,731	129,817
K. Short Term Disability	727	3,148	3,633	12,835	2,180	2,664	25,186
L. Other Fringe Benefits	3,600	15,600	18,000	63,600	10,800	13,200	124,800
Total Fringe Benefits	181,872	570,020	598,107	2,018,051	388,156	508,174	4,264,380
TOTAL PERSONNEL	568,812	1,591,405	1,735,000	5,677,508	1,092,765	1,475,679	12,141,170
TRAVEL							
A. Local Mileage	1,500	750	3,200	5,000	2,500	500	13,450
B. Staff Development / CSC Business-Related Travel	12,000	44,100	25,000	106,000	18,000	20,000	225,100
C. Council Member Travel	3,000	-	-	-	-	-	3,000
D. Business Expense	3,000	-	-	-	-	-	3,000
TOTAL TRAVEL	19,500	44,850	28,200	111,000	20,500	20,500	244,550
BUILDING SPACE							
A. Maintenance & Security	11,538	49,999	57,692	203,848	34,615	42,308	400,000
B. Offsite Storage	-	-	-	2,000	-	-	2,000
C. Utilities	5,769	25,001	28,846	101,922	17,308	21,154	200,000
D. Emergency Maintenance Fund	1,442	6,250	7,212	25,481	4,327	5,288	50,000
E. Quantum Park Fees and Assessments	346	1,499	1,730	6,118	1,038	1,269	12,000
F. Real Estate Taxes Quantum Park	1,731	7,501	8,654	30,576	5,192	6,346	60,000
TOTAL BUILDING SPACE	20,826	90,250	104,134	369,945	62,480	76,365	724,000
COMMUNICATIONS							
A. Telecommunications	1,442	6,252	7,212	25,479	4,327	5,288	50,000
B. Postage	-	-	17,000	-	-	-	17,000
2015 Tax Notices			7,600	-	-	-	7,600
Total Postage	-	-	24,600	-	-	-	24,600
TOTAL COMMUNICATIONS	1,442	6,252	31,812	25,479	4,327	5,288	74,600
PRINTING & SUPPLIES							
A. Supplies	1,240	5,374	6,201	21,916	3,721	4,548	43,000
B. Meeting Supplies	1,400	5,200	500	5,000	500	400	13,000
C. Computer Supplies		-	-	-	-	20,000	20,000
D. Printing	200	500	300	400	100,000	1,600	103,000
E. Photography/Video		-	-	-	50,000	-	50,000

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
PROPOSED ANNUAL BUDGET
OCTOBER 1, 2015 - SEPTEMBER 30, 2016

Expenses	Executive Administration	Talent & Operations	Finance	Program Services	Communications	Information Management	TOTALS
TOTAL PRINTING & SUPPLIES	2,840	11,074	7,001	27,316	154,221	26,548	229,000
OTHER EXPENSES							
A. Purchase of Service							
1. Legal	43,000	-	-	-	-	-	43,000
2. Audit		-	60,400	-	-	-	60,400
3. Consulting	100,000	74,000	-	200,000	25,000	50,000	449,000
4. Inspector General Fee		78,302	78,302	-	-	-	156,604
B. Insurance	200,000	-	-	-	-	-	200,000
C. Staff Development - In House		64,000	-	-	-	-	64,000
D. Dues	130,000	6,800	2,500	5,000	2,000	500	146,800
E. Background Checks/Fingerprinting		2,000	-	-	-	-	2,000
F. Subscrip/Publications	1,000	14,700	1,500	3,000	500	2,000	22,700
G. Public Notices & Employment Ads		12,000	-	-	-	-	12,000
H. Copier Equipment	2,019	8,750	10,096	35,673	6,058	7,404	70,000
I. Computer Maint & Support		-	-	-	-	334,336	334,336
J. Planning & Policy Issues	75,000	-	-	-	-	-	75,000
K. Banking Services	-	-	25,000	-	-	-	25,000
L. Service Awards & Recognition		3,500	-	-	-	-	3,500
TOTAL OTHER EXPENSES	551,019	264,052	177,798	243,673	33,558	394,240	1,664,340
TOTAL ADMINISTRATIVE EXPENSES	1,164,439	2,007,883	2,083,945	6,454,921	1,367,851	1,998,620	15,077,660
CAPITAL EXPENSES							
A. Furniture & Equipment	-	31,250	-	-	-	-	31,250
B. Computer Hardware	-	-	-	-	-	125,000	125,000
C. Computer Software	-	-	-	-	-	62,500	62,500
D. Building Improvements	-	31,250	-	-	-	-	31,250
TOTAL CAPITAL EXPENSES		62,500	-	-	-	187,500	250,000
NON OPERATING EXPENSES							
A. Property Appraiser Fee	772,645	-	-	-	-	-	772,645
B. Tax Collector Fee	2,049,941	-	-	-	-	-	2,049,941
TOTAL NON-OPERATING EXPENSES	2,822,586						2,822,586
ALLOCATIONS CHILDREN'S PROGRAMS AND SPECIAL SERVICES							
A. Direct Funded Programs and Initiatives	-	-	-	96,079,411	-	-	96,079,411
B. Healthy Safe & Strong Fund	-	-	-	-	50,000	-	50,000
C. Lobbying/Legislative Issues	-	-	-	-	45,000	-	45,000
D. Public Education	-	-	-	575,000	1,360,000	-	1,935,000
TOTAL ALLOCATIONS CHILDREN'S PROGRAMS AND SPECIAL SERVICES	-	-	-	96,654,411	1,455,000	-	98,109,411
CONTINGENCY	500,000						500,000
RESERVE FOR UNCOLLECTABLE TAX	5,124,008						5,124,008
TOTAL BUDGET	9,611,033	2,070,383	2,083,945	103,109,332	2,822,851	2,186,120	121,883,665
Budget: Administrative Expenses	1,164,439	1,832,630	852,862	318,387	564,570	643,225	5,376,112
Budget: Capital Expenses		62,500	-	-	-	187,500	250,000

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
 PROPOSED ANNUAL BUDGET
 OCTOBER 1, 2015 - SEPTEMBER 30, 2016

	Executive	Talent &	Finance	Program	Communications	Information	TOTALS
Expenses	Administration	Operations		Services		Management	
Budget: Children's Program: Direct Services		-	-	96,654,411	1,455,000	-	98,109,411
Budget: Children's Program: Support Services		175,253	1,231,084	6,136,535	803,281	1,355,395	9,701,548
Budget: Non-Operating Expenses	8,446,594	-	-	-	-	-	8,446,594
TOTAL BUDGET	9,611,033	2,070,383	2,083,945	103,109,332	2,822,851	2,186,120	121,883,665

Children's Services Council Notes to 2015/16 Fiscal Year Proposed Budget

1. Breakdown of Divisions/Departments

The budget is developed reflecting the functional and program operations within CSC. The functional and program operations as they appear on the detailed budget document are:

- A. Executive Administration** – reflects the costs associated with the CEO function and administration of the Children's Services Council, such as legal fees, insurance, the non-operating expenses for the Property Appraiser and Tax Collector and organizational consultants.
- B. Talent & Operations** – consists of the Operations, Human Resources, Project Management and Talent Management departments.
- C. Finance** – Consists of the Accounting, Budget Oversight and Audit departments.
- D. Program Services** – Reflects the costs associated with the funded programs, initiatives and community partnerships such as the Provider Professional Development, Healthy Beginnings, Quality Early Care and Education, Bridges, Initiatives and Community Partnerships. This division also reflects the costs associated with Knowledge Management. In addition to funding from ad-valorem tax revenue there is financial support for the programs, initiatives and community partnerships. This support comes from the Department of Health and the Agency for Health Care Administration through the Healthy Start Coalition as well as from the Palm Beach County Head Start Match.
- E. Communications**- Reflects the costs associated with the Communications department.
- F. Information Management**- Reflects the costs associated with the Information Management department.

2. Personnel

- The proposed 2015/16 fiscal year budget contains funding for 104 approved positions and a 3% total merit pool in correlation with staff performance evaluations. .5% is also provided for promotional opportunities.
- Fringe benefits are calculated at existing rates for FICA, Medicare and Florida Unemployment.
- Retirement is calculated at 10% of eligible salaries for employees hired on or after January 1, 2012. This percentage is based on the maximum exposure if a match is made depending on the employee's contribution. Prior to a hiring date of January 1, 2012, retirement is calculated at 13% of eligible salaries for employees employed ten years or less, 15% of eligible salaries for employees employed between eleven and fifteen years, 17% for employees employed between sixteen and twenty years, and 19% for employees employed twenty years or more.
- Workers' Compensation is calculated based on the formula supplied by CSC's insurance broker.
- Based on input from CSC's insurance broker and historical trends, health plan premiums have been projected at 15% over 2014/15 fiscal year rates to maintain coverage at existing levels.
- Long Term Disability premiums are projected based on the rate that was provided by the carrier.

Children's Services Council Notes to 2015/16 Fiscal Year Proposed Budget

- Tuition reimbursements have been estimated based on anticipated usage for the 2015/16 fiscal year.
- Retirement Health Savings reflects the estimated amount needed for this benefit.
- Other Fringe Benefits provides for enhancements or additions to the current benefit package offered by CSC and supports health related items.

3. Travel

- The local mileage reimbursement rate is projected at \$0.575 per mile based on the Internal Revenue Service standard mileage rate for 2015. The mileage traveled for each position has been projected based on historical data.
- Staff Development / CSC business-related travel - Staff development reflects the expenses associated with CSC staff achieving their development plans. CSC business-related travel reflects the costs associated with CSC staff and Provider agency staff traveling on CSC related business. An amount has also been budgeted to provide for the costs of staff attendance at business meetings taking place outside of Palm Beach County.
- Council member travel is included to cover the costs relating to travel by Council members on CSC related business.

4. Building Space

- Amounts have been budgeted for Maintenance and Security based on contracts that have been entered into for those services at the 2300 High Ridge Road building as well as actual expenditures incurred through the normal operation of the building. An additional \$50,000 is budgeted to provide for emergency repairs not covered under maintenance agreements. The amount budgeted is allocated by department based on the number of full-time equivalent (FTE) employees.
- Offsite storage costs reflect the expenses related to the storage of historical data at a third party location.
- Utilities are based on projected actual usage and historical data. The amount budgeted is allocated by department based on the number of full-time equivalent (FTE) employees.
- Quantum Park fees cover the costs charged by the Quantum Park Association. The amount budgeted is allocated by department based on the number of full-time equivalent (FTE) employees.

5. Communications

- Telecommunication expenses are budgeted based on amounts being billed by various vendors for this item and reflect the costs associated with all telecommunication related expenses. The amount budgeted is allocated by department based on the number of full-time equivalent (FTE) employees.

Children's Services Council Notes to 2015/16 Fiscal Year Proposed Budget

- Postage includes the costs for routine mailings as well as amounts projected for costs associated with the mailing of special reports produced by CSC. The amount budgeted is allocated by department based on the number of full-time equivalent (FTE) employees.
- The cost of mailing the 2015 tax notices has been included as an expenditure in conformity with legislation which requires each taxing authority to reimburse the tax collector for their proportionate share of postage.

6. Printing & Supplies

- The anticipated costs for these items are based on planned expenditures, historical information, and projected price increases. Supplies includes anything related to office supplies, program supplies, meeting supplies, training supplies and/or computer supplies.
- Printing reflects the projected costs of producing various reports and newsletters. Additional amounts have been provided to cover projected costs associated with various documents produced in accordance with the CSC publication plan that has been developed.
- Photography/video costs are expenses associated with the communications department and the public education of program services.

7. Other Expenses

- Legal expenses reflect actual expenses incurred resulting from CSC's various legal issues.
- Audit reflects the projected amounts for the annual audit.
- Consulting has been budgeted under various divisions as follows:
 - Executive Administration – Consultants may be used to provide consulting services related to public policy issues.
 - Talent & Operations - Consultants may be used for leadership and organizational learning services as well as for administrative services related to the facilities.
 - Program Services – Research consultants will be engaged to do research as it relates to cost benefit analysis and special projects. Consultants may be used for evidence-based trainings and the variety of other training programs offered by CSC. Consultants are engaged to provide feedback as to the feasibility of bringing evidence-based programs to Palm Beach County as well as to assist in the evaluation of initiatives.
 - Communications - Consultants may be used to assist Information Management in the maintenance and training of various databases and the equipment necessary to maintain these programs.

The following are descriptions of the other items budgeted under the "Other Expenses" cost category:

- The Inspector General fee is a charge for the Inspector General to review CSC's policies and procedures.
- Insurance is made up of expenses related to non-benefit insurance premiums.
- Staff Development is budgeted to cover the costs associated with training activities designed to enhance CSC staff knowledge and skills to support funded programs.
- Dues reflect the costs of memberships to various organizations to which CSC belongs.

**Children's Services Council
Notes to 2015/16 Fiscal Year Proposed Budget**

- Background checks/fingerprinting are made up of background checks and fingerprinting expenses related to employees.
- Subscriptions & Publications reflect the costs of various "trade" magazines, journals, curriculums, videos, and books.
- Public Notices and Employment Advertising include the cost of required advertising for public meetings and other CSC activities as well as costs associated with recruitment of CSC staff positions.
- Copier equipment reflects the cost of maintaining and leasing CSC's copier equipment. The amount budgeted is allocated by department based on the number of full-time equivalent (FTE) employees.
- Computer maintenance and support is provided to cover the costs of support for various software programs as well as the repair of the system for those items no longer covered by the manufacturer's warranty period.
- Banking services cover the costs of bank and credit card fees.
- Service Awards and Recognition cover the costs associated with awards and recognition to individuals and/or groups for their accomplishments and contributions to the work of the Children's Services Council.

8. Capital Expenditures

Capital Expenditures reflect the costs associated with the purchase or upgrade of furniture and equipment items and the costs of replacing and increasing CSC's information and data processing technology. The costs associated with these items are summarized as follows:

Furniture & Equipment	\$31,250
Computer Hardware	\$125,000
Computer Software	\$62,500
Building Improvements	\$31,250
Total	\$250,000

9. Non-operating expenses

These expenses have been calculated based on the proposed millage rate for the Tax Collector and the estimated fee provided by the Property Appraiser.

10. Allocations

The total proposed allocation to children's programs and initiatives is approximately \$100,696,792.

11. Contingencies

An amount totaling \$500,000 has been budgeted.

**Children's Services Council
Notes to 2015/16 Fiscal Year Proposed Budget**

12. Reserve for Uncollectable Tax

A 5% reserve has been established to provide for the projected difference in the amount of tax levied and the amount actually collected.

13. Ad Valorem Tax

Revenue is calculated based on a projected estimate of taxable value which reflects an estimated 8.3% increase in the taxable value from the previous year. The millage rate is being reduced to .6725 for the 2015/16 fiscal year.

14. Grant Income

Grant income is budgeted to reflect grant income from Federal, State and Local dollars through the Department of Health and Agency of Health Care Administration through the Healthy Start Coalition to support CSC's operation of several Healthy Beginnings programs, Palm Beach County to support the Head Start program and the JPB Foundation to support the evaluation of programs.

15. Other income

Other income reflects miscellaneous revenue.

16. Interest income

Interest income is projected based on current interest rate trends applied to average invested balances.