

Children's Services Council

# Finance Committee Meeting

Thursday, March 19, 2020, 3:30 p.m.

## **AGENDA / MINUTES**

### **Welcome and introductions**

#### **Finance Committee Members:**

Thomas Bean, CSC and CSC Finance Committee Chair  
Tom Weber, CSC Finance Committee Vice-chair  
Paul Dumars, Director Financial Services, Solid Waste Authority  
John Marino, Volunteer

#### **CSC Staff:**

Lisa Williams-Taylor, Ph.D., Chief Executive Officer  
Debra Heim, Chief Financial Officer  
Debra Gotlib, General Counsel and Chief of Legislative Affairs  
Elsa Sanchez, Senior Executive Assistant

#### **Guests:**

Michele Schneider, Audit Manager, Caler, Donten, Levine, Cohen, Porter & Veil, P.A.

#### **Agenda Items:**

1. Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2019, presented by Caler, Donten, Levine, Cohen, Porter & Veil, P.A.
2. Minutes – February 27, 2020
3. Monthly Investment Report - January 31, 2020
4. Financial Statements – January 31, 2020
5. Budget/Forecast – Fiscal year 2020-2021 through Fiscal Year 2024-2025
6. Auditing Services RFP Recommendation – This will be a Walk-In Item

#### **Discussion Item:**

1. Investment Policy regarding Intergovernmental Pools/Local Government Investment Pools (LGIPs) **(time permitting)**

Adjournment

Next Meeting: April 23, 2020, 2:45p.m.

**AGENDA ITEM: 1**

**TITLE: Review of the Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2019**

**STAFF: Debra Heim, Chief Financial Officer, Children's Services Council of Palm Beach County**

**AUDITORS: Michele Schneider, Caler, Donten, Levine, Cohen, Porter & Veil, P.A.**

**SUMMARY:**

The Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2019 is presented for review and discussion.

The CAFR will be presented by Caler, Donten, Levine, Cohen, Porter & Veil, P.A. at the Finance Committee meeting.

**RECOMMENDATION:**

**I recommend the Finance Committee propose that the Council accept the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019.**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
CHILDREN'S SERVICES COUNCIL  
OF PALM BEACH COUNTY  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2019**



**Issued By:  
Lisa Williams-Taylor, Ph.D., Chief Executive Officer**

**Prepared By:  
Debra Heim, Chief Financial Officer**

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

SEPTEMBER 30, 2019

**INTRODUCTORY SECTION**

Letter of Transmittal ..... i  
List of Principal Officials ..... v  
Organizational Chart ..... vi  
Certificate of Achievement for Excellence in Financial Reporting ..... vii

**FINANCIAL SECTION**

Independent Auditor's Report ..... 1  
Management's Discussion and Analysis ..... 4  
Basic Financial Statements  
    Government-wide Financial Statements  
        Statement of Net Position ..... 9  
        Statement of Activities ..... 10  
    Fund Financial Statements  
        Balance Sheet - Governmental Funds ..... 11  
        Reconciliation of the Governmental Funds Balance Sheet  
            to the Statement of Net Position ..... 12  
        Statement of Revenues, Expenditures and Changes in Fund Balance -  
            Governmental Funds ..... 13  
        Reconciliation of the Statement of Revenues, Expenditures and Changes in  
            Fund Balance of Governmental Funds to the Statement of Activities ..... 14  
        Statement of Revenues, Expenditures and Changes in Fund Balance -  
            Budget to Actual - General Fund ..... 15  
        Statement of Revenues, Expenditures and Changes in Fund Balance -  
            Budget to Actual - Special Revenue Fund - Prevention Partnerships ..... 16  
    Notes to Financial Statements ..... 17  
Supplementary Financial Information  
    Required Supplementary Information  
        Schedule of Changes in the Total Other Postemployment Benefits (OPEB)  
            Liability and Related Ratios ..... 39  
    Other Supplementary Information  
        Supplemental Schedules of Children's Programs Expenditures -  
            Budget to Actual - General Fund ..... 40  
        Supplemental Schedules of Administrative Expenditures -  
            Budget to Actual - General Fund ..... 43  
        Supplemental Schedules of Other Expenditures and Capital Outlay -  
            Budget to Actual - General Fund ..... 44  
        Supplemental Schedule of Children's Programs Expenditures -  
            Budget to Actual - Special Revenue Fund ..... 45

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

SEPTEMBER 30, 2019

**STATISTICAL SECTION**

Financial Trends

Net Position by Component .....	47
Changes in Net Position.....	49
Fund Balance of Governmental Funds .....	51
Changes in Fund Balance of Governmental Funds.....	52

Revenue Capacity

Assessed Value and Actual Value of Taxable Property .....	54
Direct and Overlapping Property Tax Rates.....	56
Principal Property Taxpayers.....	57
Property Tax Levies and Collections.....	58

Demographic and Economic Information

Demographic and Economic Statistics.....	59
Principal Employers .....	60

Operating Information

Full-time Equivalent Employees by Function.....	61
Operating Indicators .....	62
Operating Budget Trends .....	63
Capital Asset Statistics by Function/Program .....	65

**COMPLIANCE SECTION**

Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial

Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	66
Schedule of Expenditures of Federal Awards .....	68
Notes to Schedule of Expenditures of Federal Awards .....	69
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	71
Schedule of Findings and Questioned Costs .....	73
Management Letter Required by the Rules of the Auditor General for the State of Florida .....	75
Independent Accountant's Report on Investment Compliance.....	77

## **INTRODUCTORY SECTION**

February 21, 2020

To the Honorable Chairman and Council Members  
Children's Services Council of Palm Beach County  
2300 High Ridge Road  
Boynton Beach, Florida

Dear Council Members:

The Comprehensive Annual Financial Report ("CAFR") of the Children's Services Council of Palm Beach County (the "Council"), as of and for the year ended September 30, 2019, is submitted here within. Florida Statutes require that we prepare our financial statements in conformance with United States Generally Accepted Accounting Principles ("GAAP") and that an external audit be performed by an independent certified public accounting firm in accordance with generally accepted auditing standards.

The financial statements included in this report conform to GAAP as prescribed by the Governmental Accounting Standards Board ("GASB"). The Council is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. The financial statements have been audited by Caler, Donten, Levine, Cohen, Porter & Veil, P.A. The independent auditors have issued an unmodified opinion that this report fairly presents the financial position of the Council and complies with all reporting standards noted above.

The contents of this report are aimed at compliance with GASB pronouncements, including Statement No. 34, requiring the preparation of government-wide financial statements on a full accrual basis of accounting for all funds and including Management's Discussion and Analysis. Also included are additional and enhanced Statistical Tables required by GASB Statement No. 44.

### *The Reporting Entity and Its Services*

Children's Services Council of Palm Beach County, a special district created by Palm Beach County voters in 1986, provides leadership, funding, services and research on behalf of the County's children so they grow up healthy, safe and strong. To make the biggest impact possible, we focus on prenatal care and early childhood development so more Palm Beach County children are born healthy, remain free from abuse and neglect, are ready for kindergarten and have access to quality afterschool and summer programming. To reach these goals, we fund local nonprofit and other agencies, which provide proven, high-quality services to our County's children and their families.

The ten member Council is comprised of five (5) individuals appointed by the Governor to four year terms and five (5) members appointed by virtue of the office or position they hold within the community. The Council members are responsible for setting policies and prioritizing programs affecting children. The Council has authority to levy taxes up to 1 mill of the assessed property tax value.

The Council is not a component unit of any other governmental unit nor does it meet the criteria to include any governmental organization as a component unit.

### ***Management's Assertion***

Responsibility for the integrity, objectivity, accuracy and completeness and fairness of presentation of these financial statements rests with management. The financial statements were prepared in conformity with U.S. GAAP for governmental entities. The financial information is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and operating results for the Council, on a Government-wide and Fund level basis. This report includes all disclosures necessary to enable the reader to gain an understanding of the financial affairs of the Council.

In developing the Council's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

- The safeguarding of assets against loss from unauthorized use or disposition; and
- The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgment by management.

### ***Financial Information:***

#### ***Internal Controls***

All internal control evaluations occur within the above framework. We believe the Council's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

#### ***Budgetary Control***

An annual appropriated budget is adopted for all governmental funds. In accordance with the Council's policy, the level of control at which expenditures may not legally exceed the budget is at the function level. Encumbrance accounting, under which purchase orders and other commitments for the expenditure of funds are recorded in the accounting records, is utilized throughout the fiscal year.

#### ***Fund Balances/Net Position***

Fund balances classified as restricted are those with externally enforceable limitations on use. Fund balances classified as committed can only be used for specific purposes determined by formal action of the Council Members through a resolution. Commitments can only be changed or lifted by the Council Members through formal action. Assigned fund balances are amounts that the Council intends to use for a specific purpose but are neither restricted nor committed. The authority to establish assigned fund balance may be delegated to the Chief Executive Officer or the Finance Committee, by Council Members through resolution. Unassigned fund balance can be viewed as the net resources available at the end of the year.

Net position represents the difference between assets and liabilities in the government-wide financial statements. Investment in capital assets consists of capital assets net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

## ***Retirement Programs***

The Council contributes to a defined contribution pension plan created in accordance with Internal Revenue Code regulations. The plan currently covers all regular full-time and regular part-time employees of the Council. Under the plan, the Council contributes between 13% and 19% depending on the employee's length of service, for employees hired prior to January 1, 2012. For employees hired on or after January 1, 2012, the Council contributes 5% of the covered employee's regular salary and matches employee contributions 100% up to an additional 5% of their regular salary. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions. Forfeitures offset the monthly billings but are not reallocated to other participants accounts.

In order to encourage employees to supplement the defined contribution plan, a deferred compensation program, IRC Section 457, is also available to all regular full-time and regular part-time employees. Under this program, employees may voluntarily elect to defer a portion of their salary to the Section 457 plan.

Both programs are administered by Alerus Financial, N.A. under a trust agreement. The plan assets are separate and the Council does not exercise any control or fiduciary responsibility over the assets. Therefore, the assets, liabilities and transactions are not included in the Council's financial statements.

## ***Long Term Financial Planning***

Palm Beach County voters gave overwhelming support for the county's children in November, 2014 by reauthorizing the Children's Services Council. As a result of the reauthorization, the Council has been empowered to continue the work into the future for the children and the community. The economy in Palm Beach County has been growing and thriving and property values in the county have continued to rise. Budget forecasting will determine the future millage in order to provide the same or increased levels of service to the children.

## ***Independent Auditor***

The Council's financial statements have been audited by Caler, Donten, Levine, Cohen, Porter & Veil, P.A. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Children's Services Council for the fiscal year ended September 30, 2019, are free of material misstatement. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements, evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that the Council's financial statements for the fiscal year ended September 30, 2019, are fairly presented in accordance with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

Section 11.45, Florida Statutes, requires the audit be performed under *Government Auditing Standards*, issued by the Comptroller General of the United States. *Government Auditing Standards* require the independent auditors to report not only on the fair presentation of the financial statements, but also on the Council's internal controls and compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. These reports are presented in the Compliance Section of this report.

U.S. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter is designed to complement the MD&A and should be read in conjunction with it. The Council's MD&A can be found immediately following the report of the independent auditors.

### *Certificate of Achievement*

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Children's Services Council of Palm Beach County for its comprehensive annual financial report for the fiscal year ended September 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### *Acknowledgements*

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire Finance Division. We express our appreciation to all members of the Department who assisted and contributed to its preparation. We also wish to thank the Council Members for their dedicated service and support.

Respectfully submitted,



Lisa Williams-Taylor, Ph.D.  
Chief Executive Officer



Debra Heim  
Chief Financial Officer

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

**SEPTEMBER 30, 2019**

**LIST OF PRINCIPAL OFFICIALS**

**COUNCIL MEMBERS**

Thomas P. Weber, Chairperson

Thomas Bean, Vice Chairperson

Vincent Goodman, Secretary

Jose Luis Rodriguez

Donald E. Fennoy II, Ed.D.

Judge Kathleen J. Kroll

Dennis Miles

Debra Robinson, M.D.

Melissa McKinlay

---

**EXECUTIVE STAFF**

Lisa Williams-Taylor, Ph.D., Chief Executive Officer

Debra Heim, Chief Financial Officer

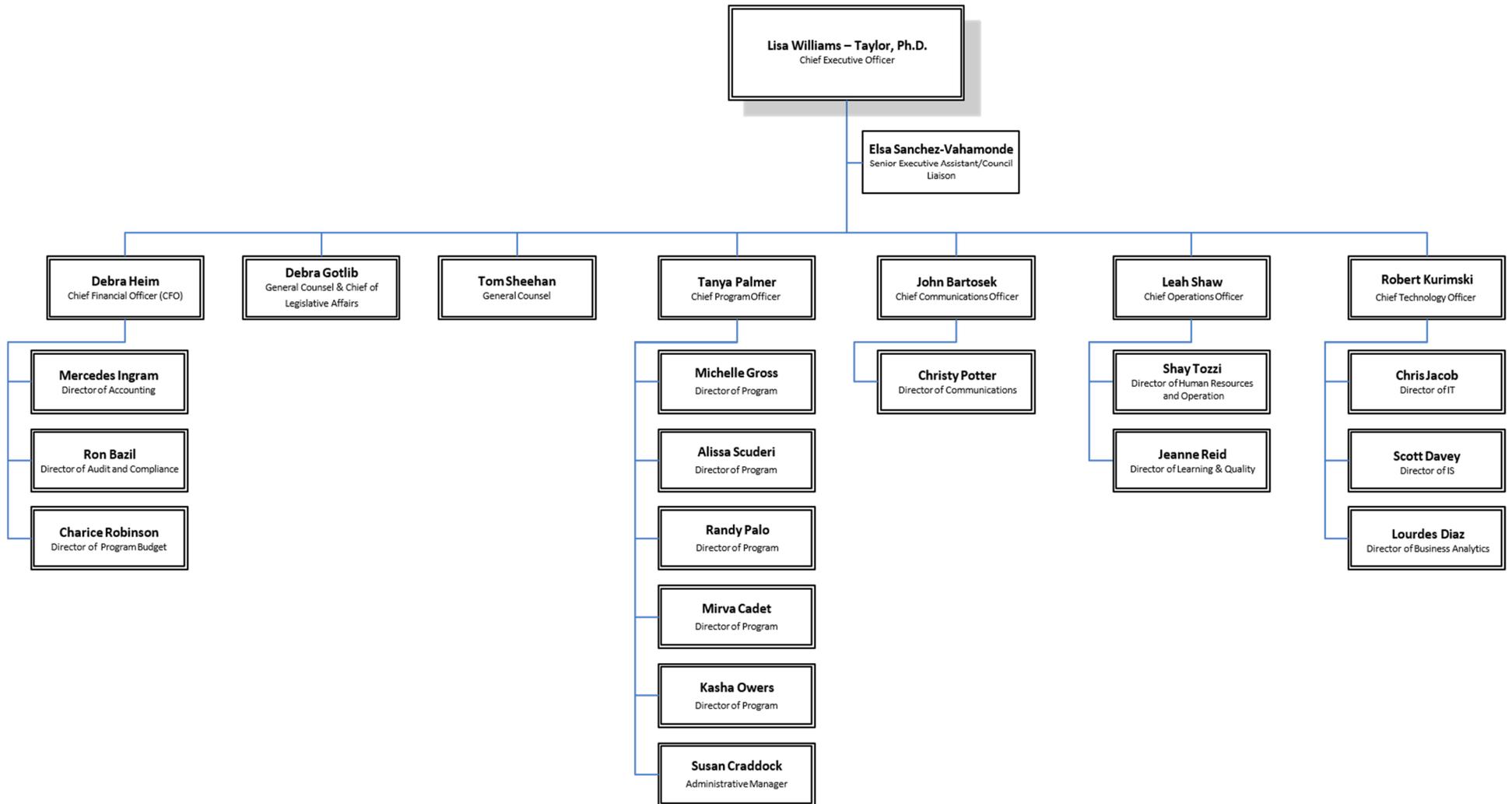
Tanya Palmer, Chief Program Officer

John Bartosek, Chief Communications Officer

Leah Shaw, Chief Operations Officer

Robert Kurimski, Chief Technology Officer

Thomas A. Sheehan, III, General Counsel





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Children's Services Council  
of Palm Beach County  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

## **FINANCIAL SECTION**



# CALER, DONTEN, LEVINE, COHEN, PORTER & VEIL, P.A.

WILLIAM K. CALER, JR., CPA  
LAURA E. CLARK, CPA  
LOUIS M. COHEN, CPA  
JOHN C. COURTNEY, CPA, JD  
DAVID S. DONTEN, CPA  
JAMES B. HUTCHISON, CPA  
JOEL H. LEVINE, CPA  
JAMES F. MULLEN, IV, CPA  
MICHAEL J. NALEZYTY, CPA  
THOMAS A. PENCE, JR., CPA  
SCOTT L. PORTER, CPA  
MARK D. VEIL, CPA  
MARTIN R. WOODS, CPA

## CERTIFIED PUBLIC ACCOUNTANTS

505 SOUTH FLAGLER DRIVE, SUITE 900  
WEST PALM BEACH, FL 33401  
TELEPHONE: (561) 832-9292

759 SW FEDERAL HIGHWAY, SUITE 301  
STUART, FL 34994  
TELEPHONE: (772) 872-2123

info@cdlcpa.com

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditor's Report

To the Honorable Chair  
and Council Members  
Children's Services Council of Palm Beach County  
Boynton Beach, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Children's Services Council of Palm Beach County (the "Council"), Florida, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Council, as of September 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the major Special Revenue Fund – Prevention Partnerships for the year then ended in accordance with U.S. generally accepted accounting principles.

## ***Other Matters***

### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management’s discussion and analysis on pages 4 through 8 and the other postemployment benefits information on page 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council’s basic financial statements. The introductory section, the other supplementary information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2020, on our consideration of the Council’s internal control over financial reporting and on our tests of its

compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

*Cale, Dutton, Levine,  
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida  
February 21, 2020

# *Management's Discussion and Analysis*

Our discussion and analysis of the Children's Services Council of Palm Beach County's (the "Council" or "CSC") financial performance provides an overview of the Council's financial activities for the fiscal years ended September 30, 2019 and 2018. Please read it in conjunction with the transmittal letter on page i and the Council's financial statements, which begin on page 9.

## **Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. Fund financial statements begin on page 11. Fund financial statements report the Council's operations in more detail than the government-wide statements by providing information about the Council's most significant funds. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. The notes to the financial statements (on pages 17-38) provide additional information that is essential to a full understanding of data provided in the government-wide and fund financial statements, and are required by U.S. generally accepted accounting principles. This report also contains required supplementary information on page 39, other supplemental information on pages 40-45, statistical tables on pages 46-65, and internal control and compliance reports beginning on page 66.

## **Overview of the Financial Statements**

### *Government-wide Financial Statements*

The government-wide financial statements are designed to provide readers with a broad overview of the Council's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The *Statement of Net Position* presents information on all of the Council's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as *net position*.

The *Statement of Activities* presents information showing how the Council's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation and sick leave and other postemployment obligations).

These two statements report the Council's net position and changes in net position. You can think of the Council's net position—the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources—as one way to measure the Council's financial health, or financial position. Over time, increases or decreases in the Council's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, such as changes in the Council's property tax base, will also, over time, help to assess the overall financial health of the Council.

### *Fund Financial Statements*

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds* – All of the Council’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Council’s general government operations and the basic services it provides.

Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council’s programs. The relationship (or difference) between governmental activities and governmental funds is described in a reconciliation at the end of the related fund financial statement.

While some funds are required to be established by State law, currently the Council uses the General Fund and the Special Revenue Fund, as defined by the Governmental Accounting Standards Board (“GASB”). There are classifications for fund balances to enhance the usefulness and make its categories more easily understood. Additionally, all governments are required to present consistent fund balance classification/information which improves financial reporting. More information on the fund balance categories and the respective amounts can be found in the Notes to the Financial Statements on pages 21 and 22.

The General Fund is used to account for all financial resources except those required to be reported in another fund. The Special Revenue Fund is used to account for the activities of Prevention Partnerships for Children, Inc.

The Council’s not-for-profit “arm”, Prevention Partnerships for Children, Inc. (“Prevention Partnerships”), was created in 2004 to allow certain entities to conduct business with a not-for-profit agency (such as foundations or government funders). The purposes for which Prevention Partnerships is organized are exclusively charitable, cultural, scientific and educational, within the meaning of Section 501(c)(3) of the Internal Revenue Code, principally to support system coordination in Palm Beach County by building capacity of individuals and organizations, and creating opportunities for system integration.

The Council adopts an annual appropriated budget for both of its governmental funds. Budgetary comparison schedules have been provided for the General Fund and for Prevention Partnerships and can be found on pages 15 and 16 of the report.

### ***Notes to the Financial Statements***

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 17 to 38 of this report.

### ***Government-wide Financial Analysis***

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Children’s Services Council of Palm Beach County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$59,284,333 at the close of the most recent year. This is a decrease of \$3,507,598 from the prior year.

**Statements of Net Position – Governmental Activities  
September 30, 2019 and 2018**

	2019	2018
<b>ASSETS</b>		
Current and other assets	\$ 53,193,649	\$ 58,458,122
Capital assets, net	16,451,202	17,098,171
Total Assets	69,644,851	75,556,293
 <b>DEFERRED OUTFLOWS</b>		
Deferred outflows related to OPEB	4,042	4,463
 <b>LIABILITIES</b>		
Noncurrent liabilities	996,191	933,490
Other liabilities	9,127,155	11,575,004
Total Liabilities	10,123,346	12,508,494
 <b>DEFERRED INFLOWS</b>		
Deferred inflows related to OPEB	241,214	260,331
 <b>NET POSITION</b>		
Investment in capital assets	16,451,202	17,098,171
Unrestricted	42,833,131	45,693,760
Total Net Position	\$ 59,284,333	\$ 62,791,931

Total assets decreased in 2019 by \$5,911,442 mainly due to the net effect of a decrease in cash and investments of \$3,338,920, a decrease in due from other governmental units and other receivables of \$2,089,112 and a decrease in net capital assets of \$646,969. The decrease in cash and investments is due to the increase in expenses over revenue for 2019. The decrease in due from other governmental units and other receivables is due to timing and monies due to the Council for program expenditures. Capital assets decreased due to depreciation expense for the period. Total liabilities decreased by \$2,385,148 primarily due to a decrease in due to program service providers of \$2,406,670 and a decrease of \$48,322 in accounts payable and accrued expenses, net of an increase in compensated absences of \$63,239. Net deferred outflows and inflows decreased \$18,696 related to OPEB amounts recognized in the current year.

Revenues for general governmental functions totaled \$122,240,515 in 2019, an increase of 3.5% from 2018. Property taxes are the main source of revenue for the Council. Property taxes produced 95.0% of the revenues in 2019 compared to 95.2% in 2018.

	2019	2018	Percent of Total	
			2019	2018
Revenue source:				
Ad valorem property taxes	\$ 116,172,110	\$ 112,434,398	95.04%	95.19%
Operating contributions and grants	3,084,099	4,218,387	2.52%	3.57%
Investment income	2,731,230	1,193,296	2.23%	1.01%
Miscellaneous	253,076	268,646	0.21%	0.23%
Total	\$ 122,240,515	\$ 118,114,727	100.00%	100.00%

The assessed property valuation of \$188,255,604,329 for fiscal year 2019 represented a 6.2% increase over \$177,260,171,007 for fiscal year 2018. This increase was due to an increase of gross taxable property values throughout the County. Current tax collections were 96.2% of the total tax levy for both 2019 and

2018. The Council's maximum tax rate is \$ 1.00 per \$ 1,000 of assessed tax value. Expenses for general governmental purposes totaled \$125,748,113 as compared to \$122,735,589 in the previous year. Changes in levels of expenses for major functions of the Council are shown in the following table:

Expenses			Percent of Total	
	2019	2018	2019	2018
Program services				
Children's programs	\$ 108,485,981	\$ 105,869,659	86.27%	86.26%
Administrative support	11,011,891	10,715,687	8.76%	8.73%
Administrative and general	<u>6,250,241</u>	<u>6,150,243</u>	<u>4.97%</u>	<u>5.01%</u>
Total	<u>\$ 125,748,113</u>	<u>\$ 122,735,589</u>	<u>100.00%</u>	<u>100.00%</u>

Funding for Children's Programs increased \$2,616,322 from the previous year. Administrative Support and Administrative and General Expenses for 2019 totaled \$17,262,132 as compared to \$16,865,930 for 2018 resulting in a \$396,202 increase.

The increase in Children's Programs is due primarily to an increase in the salaries and benefits of the funded agencies, funding for new programs and expansions of existing programs, and transferring under-expended monies to Summer Camp Slots and by funding the Great Ideas Initiative.

The table below presents a summary of the changes in net position for governmental activities for the years ended September 30, 2019 and 2018, as derived from the government-wide statement of activities:

**Statements of Activities - Governmental Activities  
Years Ended September 30, 2019 and 2018**

	2019	2018
<b>REVENUES</b>		
Program revenues:		
Operating grants and contributions	\$ 3,084,099	\$ 4,218,387
General revenues:		
Ad valorem taxes	116,172,110	112,434,398
Investment income	2,731,230	1,193,296
Miscellaneous	<u>253,076</u>	<u>268,646</u>
Total Revenues	122,240,515	118,114,727
<b>EXPENSES</b>		
Children's programs	108,485,981	105,869,659
Program administrative support	11,011,891	10,715,687
Administrative and general	<u>6,250,241</u>	<u>6,150,243</u>
Total Expenses	<u>125,748,113</u>	<u>122,735,589</u>
Change in net position	(3,507,598)	(4,620,862)
Net position at beginning of year, as originally reported	62,791,931	67,570,782
Restatement for implementation of GASB 75	<u>-</u>	<u>(157,989)</u>
Net position at beginning of year, as restated	<u>62,791,931</u>	<u>67,412,793</u>
Net position at end of year	<u>\$ 59,284,333</u>	<u>\$ 62,791,931</u>

## **Financial Analysis of the Government Funds**

### **General Fund**

Ad valorem taxes collected were greater than budgeted when the budgeted reserve for uncollectible taxes is included. Children's programs expenditures were under budget by \$4,438,354. This was a result of reimbursement based providers having expenditures less than the contracted amounts.

Total fund balance of the General Fund is \$44,055,282 which decreased by \$2,805,927 from the prior year. An amount of \$12,210,846 was budgeted as a decrease in fund balance for the current year. The budget for the next fiscal year includes \$8,187,008 assigned from fund balance for program expenditures.

### **Special Revenue Fund (Prevention Partnerships for Children, Inc.)**

There is no fund balance associated with the Special Revenue Fund at September 30, 2019, since all expenditures incurred are reimbursable through transfers from the General Fund.

### **Capital Assets and Long-Term Liabilities**

Capital assets of governmental activities at September 30, 2019, had a net book value of \$16,451,202, which represented a \$646,969 decrease, net of depreciation, from September 30, 2018. The decrease was a result of \$5,800 of purchases, net of \$652,769 of depreciation expense for 2019. Additional information on the Council's capital assets can be found in Note G on pages 31 to 32 of this report.

As presented in Notes H and I to the Financial Statements, the Council's long-term liabilities consist of compensated absences (vacation and sick leave) and an OPEB obligation. The Council is prohibited by Florida Statutes, from issuing any type of debt instrument, including the issuance of bonds of any nature.

### **Prospects for the Future**

The Council has approved a budget combined for both the General and Special Revenue Fund for the fiscal year ending September 30, 2020, totaling \$136,299,600 of which \$124,416,394 is supported by ad-valorem taxes based on a millage rate of 0.6497. Of the total \$136,299,600 budgeted, \$126,477,180 is allocated to Children's programs, of which \$115,967,553 is for contracted services and special funds and initiatives and the remaining \$10,509,627 will be used to provide training, technical support, and evaluation services to providers of children's services in Palm Beach County.

The Council is continuing its efforts to expand revenues coming into Palm Beach County by seeking reimbursement for program funding through other Federal, State and local grant funding sources.

### **Request for Information**

This financial report has been designed to provide Palm Beach County's citizens, taxpayers, customers, and creditors with a general overview of CSC's finances and to show CSC's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Chief Financial Officer at 2300 High Ridge Road, Boynton Beach, Florida 33426.

## **BASIC FINANCIAL STATEMENTS**

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

STATEMENT OF NET POSITION

September 30, 2019

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,317,538
Investments	44,253,822
Due from other governmental units	1,528,760
Other receivables	1,525,749
Prepaid expenses	556,568
Investment in joint venture	11,212
Capital assets	
Capital assets not being depreciated	2,781,948
Capital assets being depreciated, net of accumulated depreciation and amortization	13,669,254
Total Assets	<u>69,644,851</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts related to other postemployment benefits	4,042
<b>LIABILITIES</b>	
Due to program service providers	8,697,868
Accounts payable and accrued expenses	422,144
Unearned revenue	7,143
Noncurrent liabilities	
Compensated absences due within one year	81,912
Compensated absences due in more than one year	796,618
Other post employment benefits liability	117,661
Total Liabilities	<u>10,123,346</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred amounts related to other postemployment benefits	241,214
<b>NET POSITION</b>	
Investment in capital assets	16,451,202
Unrestricted	<u>42,833,131</u>
Total Net Position	<u>\$ 59,284,333</u>

See notes to financial statements.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

STATEMENT OF ACTIVITIES

Year Ended September 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Operating Contributions and Grants</u>	<u>Governmental Activities</u>
<b>Governmental Activities</b>			
Children's programs	\$ 108,485,981	\$ 3,084,099	\$ (105,401,882)
Program administrative support	11,011,891	-	(11,011,891)
Administrative and general	<u>6,250,241</u>	<u>-</u>	<u>(6,250,241)</u>
Total Governmental Activities	<u>\$ 125,748,113</u>	<u>\$ 3,084,099</u>	(122,664,014)
<b>General revenues</b>			
Ad valorem taxes			116,172,110
Investment income			2,731,230
Miscellaneous			253,076
Total General Revenues			<u>119,156,416</u>
Change in net position			(3,507,598)
Net position, October 1, 2018			<u>62,791,931</u>
<b>Net position, September 30, 2019</b>			<u>\$ 59,284,333</u>

See notes to financial statements.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2019

	General Fund	Special Revenue Fund Prevention Partnerships	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,313,223	\$ 4,315	\$ 5,317,538
Investments	44,253,822	-	44,253,822
Due from other governmental units	1,528,760	-	1,528,760
Other receivables	1,523,418	2,331	1,525,749
Due from other funds	-	353,150	353,150
Prepaid items	556,568	-	556,568
	<u>556,568</u>	<u>-</u>	<u>556,568</u>
TOTAL ASSETS	<u>\$ 53,175,791</u>	<u>\$ 359,796</u>	<u>\$ 53,535,587</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Due to program service providers	\$ 8,338,072	\$ 359,796	\$ 8,697,868
Accounts payable and accrued liabilities	422,144	-	422,144
Unearned revenue	7,143	-	7,143
Due to other funds	353,150	-	353,150
	<u>353,150</u>	<u>-</u>	<u>353,150</u>
TOTAL LIABILITIES	9,120,509	359,796	9,480,305
<b>FUND BALANCE</b>			
Nonspendable:			
Prepaid items	556,568	-	556,568
Assigned for:			
Subsequent year expenditures	8,187,008	-	8,187,008
Unassigned	35,311,706	-	35,311,706
	<u>35,311,706</u>	<u>-</u>	<u>35,311,706</u>
TOTAL FUND BALANCE	44,055,282	-	44,055,282
	<u>44,055,282</u>	<u>-</u>	<u>44,055,282</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 53,175,791</u>	<u>\$ 359,796</u>	<u>\$ 53,535,587</u>

See notes to financial statements.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

September 30, 2019

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 44,055,282

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$ 27,362,602	
Less accumulated depreciation and amortization	<u>(10,911,400)</u>	16,451,202

Investment in joint venture is not a financial resource and therefore is not reported in the governmental funds. 11,212

Deferred outflows/inflows of resources related to OPEB are reported in the statement of net position but are not reported in the governmental funds.

Deferred outflows of resources related to OPEB	\$ 4,042	
Deferred inflows of resources related to OPEB	<u>(241,214)</u>	(237,172)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Compensated absences		(878,530)
OPEB obligation		<u>(117,661)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 59,284,333

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUNDS

September 30, 2019

	General Fund	Special Revenue Fund Prevention Partnerships	Total Governmental Funds
<b>REVENUES</b>			
Ad valorem taxes	\$ 116,172,110	\$ -	\$ 116,172,110
Grant income	3,084,099	-	3,084,099
Income from tenants	69,978	-	69,978
Interest income	2,047,741	143	2,047,884
Appreciation in fair value of investments	683,346	-	683,346
Sponsorship fees and other income	183,098	-	183,098
Total revenues	122,240,372	143	122,240,515
<b>EXPENDITURES</b>			
Program services and support			
Children's programs	106,096,678	2,389,303	108,485,981
Program administrative support	10,499,277	239	10,499,516
General administration			
Administrative and general	4,463,881	-	4,463,881
Other	1,591,264	-	1,591,264
Capital outlay	5,800	-	5,800
Total expenditures	122,656,900	2,389,542	125,046,442
Revenues over (under) expenditures	(416,528)	(2,389,399)	(2,805,927)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	2,389,399	2,389,399
Transfers out	(2,389,399)	-	(2,389,399)
Net change in fund balance	(2,805,927)	-	(2,805,927)
FUND BALANCE, October 1, 2018	46,861,209	-	46,861,209
FUND BALANCE, September 30, 2019	\$ 44,055,282	\$ -	\$ 44,055,282

See notes to financial statements.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended September 30, 2019

NET CHANGE IN FUND BALANCE - TOTAL  
GOVERNMENTAL FUNDS \$ (2,805,927)

Amounts reported for governmental activities in the  
statement of activities are different because:

Governmental funds report capital outlay as  
expenditures. However, in the statement of  
activities, the cost of those assets is capitalized and  
depreciated or amortized over their estimated useful lives.

Expenditures for capital assets	5,800
Current year depreciation and amortization	(652,769)

Revenue in the statement of activities that does not  
provide current financial resources is not reported  
as revenue in the governmental funds.

Change in investment in joint venture	(10,697)
---------------------------------------	----------

Some expenses reported in the statement of activities  
do not require the use of current financial resources  
and therefore are not reported as expenditures in  
the governmental funds.

Change in compensated absences	(63,239)
Change in OPEB liability and related deferred outflows and inflows	19,234

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (3,507,598)</u>
---	-----------------------

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL - GENERAL FUND

Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Ad valorem taxes	\$ 120,540,063	\$ 120,540,063	\$ 116,172,110	\$ (4,367,953)
Grant income	3,355,246	3,355,246	3,084,099	(271,147)
Income from tenants	77,013	77,013	69,978	(7,035)
Interest income	1,400,000	1,400,000	2,047,741	647,741
Appreciation in fair value of investments	-	-	683,346	683,346
Sponsorship fees and other income	98,824	98,824	183,098	84,274
Total revenues	125,471,146	125,471,146	122,240,372	(3,230,774)
<b>EXPENDITURES</b>				
Program services and support				
Children's programs	110,535,032	110,535,032	106,096,678	4,438,354
Program administrative support	10,220,687	11,035,573	10,499,277	536,296
General administration				
Administrative and general	5,591,996	4,777,110	4,463,881	313,229
Other	3,251,241	3,251,241	1,591,264	1,659,977
Reserves for uncollectibles	4,821,603	4,821,603	-	4,821,603
Contingency	500,000	500,000	-	500,000
Capital outlay	100,000	100,000	5,800	94,200
Total expenditures	135,020,559	135,020,559	122,656,900	12,363,659
Revenues over (under) expenditures	(9,549,413)	(9,549,413)	(416,528)	9,132,885
<b>OTHER FINANCING USES</b>				
Transfers out	(2,661,433)	(2,661,433)	(2,389,399)	272,034
Net change in fund balance	<u>\$ (12,210,846)</u>	<u>\$ (12,210,846)</u>	(2,805,927)	<u>\$ 9,404,919</u>
FUND BALANCE, October 1, 2018			46,861,209	
FUND BALANCE, September 30, 2019			<u>\$ 44,055,282</u>	

See notes to financial statements.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL - SPECIAL REVENUE FUND - PREVENTION PARTNERSHIPS

Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ 143	\$ 143
<b>EXPENDITURES</b>				
Program services and support				
Children's programs	2,661,433	2,661,433	2,389,303	272,130
Program administrative support	-	-	239	(239)
Total expenditures	<u>2,661,433</u>	<u>2,661,433</u>	<u>2,389,542</u>	<u>271,891</u>
Revenues over (under) expenditures	(2,661,433)	(2,661,433)	(2,389,399)	272,034
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>2,661,433</u>	<u>2,661,433</u>	<u>2,389,399</u>	<u>(272,034)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, October 1, 2018			<u>-</u>	
FUND BALANCE, September 30, 2019			<u>\$ -</u>	

See notes to financial statements.

## CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

### NOTES TO FINANCIAL STATEMENTS

September 30, 2019

#### NOTE A - ORGANIZATION

The Children's Services Council of Palm Beach County (the "Council"), is an independent special district authorized under the Laws of Florida Statutes Chapter 86-196. The Council, which was created by Palm Beach County voters in 1986, provides leadership, funding, services and research on behalf of the County's children so they grow up healthy, safe and strong. To make the biggest impact possible, the Council focuses on prenatal care and early childhood development so that more Palm Beach County children are born healthy, safe from abuse and neglect, ready to learn when they enter school, and have access to quality afterschool and summer programs. To reach these goals, the Council funds local not-for-profit organizations and other agencies, which provide proven, high-quality services to our County's children and their families.

The Council's not-for-profit "arm", Prevention Partnerships for Children, Inc. ("Prevention Partnerships"), was created in 2004 to allow certain entities to conduct business with a not-for-profit agency (such as foundations or government funders). The purposes for which Prevention Partnerships is organized are exclusively charitable, cultural, scientific and educational, within the meaning of Section 501(c)(3) of the Internal Revenue Code, principally to support system coordination in Palm Beach County by building capacity of individuals and organizations, and creating opportunities for system integration.

Prevention Partnerships is a blended component unit of the Council for accounting purposes and is included as a "special revenue fund" in the Council's comprehensive annual financial report. Council members are also members of the Board of Directors of Prevention Partnerships, for the same period of time they are Council members. The Officers for Prevention Partnerships are the same as the Council's Officers, with the addition of a Treasurer. The Officers are typically elected in February of each year at the Annual Meeting. In addition, there is a financial burden imposed on the Council to finance deficits and provide financial support to Prevention Partnerships. The financial burden is evidenced by the annual budgeted transfers – other financing sources (uses). Therefore, management has determined that the component unit, Prevention Partnerships, functions as an integral part of the Council. Separate financial statements are not issued by Prevention Partnerships.

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements conform to U.S. generally accepted accounting principles ("U.S. GAAP") for governmental entities as prescribed by the Governmental Accounting Standards Board ("GASB") and other recognized authoritative sources. The significant accounting policies are summarized in the following paragraphs.

Financial Reporting Entity: As required by U.S. generally accepted accounting principles, the accompanying financial statements present the primary government, the Council, and its blended component unit (entity for which the Council is considered financially accountable). Blended component units, while legally separate entities, are, in substance, part of the primary government's operations. Thus, blended component units are appropriately presented as funds of the primary government. There is one blended component unit, as described in Note A, included in the Council's reporting entity, and thus it is appropriately presented as a special revenue fund of the primary government.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The "Governing Board" of the Council is composed of ten members, five of whom are designated by Florida Statute and five of whom are appointed by the Governor of Florida. The Council has complete authority to hire management and all other employees and to delegate those responsibilities. The Council is empowered by Florida Statute to levy ad valorem taxes against property owners in Palm Beach County (the "County"). The Council's property tax levy is independent of the levies of the County. The County has no claim to Council surpluses and has no budgetary authority. Based upon application of these criteria, the Children's Services Council of Palm Beach County has determined that the Council is a primary government and, accordingly, is not a component unit of the County.

While the Council provides funding for various agencies, each agency is financially independent of the Council. The Council has no authority to appoint or hire management of the agencies nor does it have responsibility for routine operations of the agencies. Accordingly, these various funded agencies are excluded from the reporting entity.

Government-wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the primary government. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely significantly on fees and charges for support. Eliminations have been made to reduce the effect of interfund activities. The Council has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation: The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenue is recognized in the period in which it becomes both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers property taxes to be available if they are collected within sixty days of the end of the current fiscal year. A six-month availability period is used for all other

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

governmental fund revenues. Expenditures are generally recognized in the accounting period in which the fund liability is incurred. However, expenditures related to compensated absences and other postemployment benefits are recorded only when a payment is due.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided; and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The Council reports the following major governmental funds:

- The General Fund is the Council's primary operating fund. It accounts for all financial resources of the Council.
- The Prevention Partnerships Special Revenue Fund presents the operations of Prevention Partnerships for Children, Inc., which is a blended component unit as discussed previously. The revenue sources are comprised of grant income and other financing sources, including transfers from the General Fund, to pay for children's programs. The Council has designated Prevention Partnerships as a major fund.

Budgets and Budgetary Accounting: Budgets are adopted on a basis consistent with U.S. generally accepted account principles. The reported budgetary data represents the original and the final amended budgets as approved by the Governing Board. Budgets are adopted for all funds. The level of control at which expenditures may not legally exceed the budget is at the function level (i.e. children's programs, administrative support, administrative and general, other, reserves for uncollectibles, contingency and capital outlay).

Encumbrances: Encumbrance accounting is employed as an extension of the formal budgetary process to reflect the estimated amount of future expenditures arising from the issuance of purchase orders, contracts or other forms of legal commitments existing at year-end which will be paid in the future. Encumbrances do not constitute expenditures or liabilities since goods and services have not been received. Encumbrances lapse at year-end and there were no outstanding encumbrances at September 30, 2019.

Property Taxes: The Council is permitted by Florida Statutes to levy taxes up to 1 mill (\$1.00 per \$ 1,000) of assessed valuation. The rate levied for the Council for fiscal year 2019 was 0.6403 mills. Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for real and personal property located within Palm Beach County. The assessed value at January 1, 2018, upon which the fiscal year 2019 levy was based, was approximately \$188.3 billion.

A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter, until March which is without discount. Taxes become delinquent April 1 of each year. Delinquent property tax certificates are sold to the public beginning June 1, at which time a lien is attached to the property. By fiscal year end, virtually all property taxes are collected either directly or through tax certificate sales. All property taxes are collected by the Palm

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Beach County Tax Collector and remitted to the Council. Property tax revenues are recognized by the Council at the time monies are received from the County Tax Collector.

Cash and Cash Equivalents: Cash and cash equivalents consist of petty cash, checking accounts, money market accounts and money market mutual funds.

Investments: The Council has an investment strategy to maximize the rate of return on its available cash balances and provide for its operating cash needs. The investment strategy provides for longer term investments in U.S. Government obligations and other fixed income securities, which provide for interest at a fixed rate. Earnings from such investments are recorded as investment/interest income. All investments are stated at fair value.

Prepaid Expenses/Items: Payments made to vendors for services or products that will benefit future periods subsequent to September 30, 2019, are recorded as prepaid expenses/items in the government-wide and fund statements. The Council uses the consumption method to account for these costs.

Capital Assets: Capital assets are defined by the Council as assets with an estimated useful life in excess of one year and an initial, individual cost of more than \$5,000. Capital assets are recorded at cost or, if donated, acquisition value at the date of the donation. Expenditures that materially extend useful lives of existing assets are capitalized. Maintenance, repairs and minor renovations are expensed when incurred.

Depreciation is computed using the straight-line method over the estimated useful life of all reported capital assets except land. Estimated useful lives assigned to categories of assets are as follows:

Buildings	40 years
Improvements	7-15 years
Furniture and equipment	5-10 years
Intangible assets – software and database	7 years

Compensated Absences: The cost of vacation and sick leave benefits (compensated absences) is budgeted and expended in the General Fund when payments are made to employees. The Council records expenditures at employment termination in the applicable fiscal year. The estimated liability for all accrued and vested vacation and sick leave benefits is recorded in the government-wide financial statements.

Postemployment Benefits: As required by Florida Statutes, the Council offers retired employees the option of participating in the health insurance plan provided to Council employees. Premiums for insurance coverage of retirees are paid by the retirees.

Deferred Outflows/Inflows of Resources: In addition to assets and liabilities, the government-wide Statement of Net Position and the governmental funds balance sheet may report a separate section for deferred outflows or deferred inflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Council reports

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a deferred outflow of resources on the government-wide Statement of Net Position related to its other postemployment benefits (OPEB) obligation. The deferred outflow of resources related to OPEB results from differences between expected and actual experience. The amounts are deferred and amortized to OPEB expense in a systematic and rational manner over a period equal to the average expected remaining service lives of employees that are eligible for benefits through the OPEB plan.

The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Council's deferred inflows reported on the government-wide Statement of Net Position are related to its OPEB obligation. The deferred inflow of resources related to OPEB results from changes in assumptions. These amounts are deferred and amortized to OPEB expense in the same manner as deferred outflows related to OPEB.

Fund Balance: In the fund financial statements, governmental funds report fund equity classifications that comprise a hierarchy based primarily on the extent to which the Council is legally bound to honor the specific purposes for which amounts in the funds can be spent. The classifications used in the governmental fund financial statements are as follows:

*Nonspendable* - Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

*Restricted* - Restricted fund balance includes amounts that have been restricted to specific purposes either by (a) constraints placed on the use of the resources by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Council has no restricted fund balance at September 30, 2019.

*Committed* - Committed fund balance includes amounts that can be used only for specific purposes as determined by formal action of the Governing Board itself, using its highest level of decision making authority (i.e., a Council resolution). These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. The Council has no committed fund balance at September 30, 2019.

*Assigned* - Assigned fund balance includes amounts that are constrained by the Council's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the governing body, or by an official (Chief Executive Officer), or body (Finance Committee), to which the Governing Board delegated authority. The Governing Board has delegated this authority and responsibility through a fund balance policy, approved via resolution. Council management makes recommendations concerning the assignment of fund balance to the Finance Committee. In general, the Finance Committee either approves the recommendations as presented or modifies them and presents the final recommendation to the full Governing Board for their approval. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

in the subsequent year's appropriated budget. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund, as applicable. Normally, no additional action needs to be taken for the removal of an assignment. The Council has assigned fund balance of \$8,187,008 at September 30, 2019, for subsequent year's expenditures.

*Unassigned* - Unassigned fund balance includes amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes.

*Fund Balance Flow Assumption* - When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the Council considers restricted funds to have been spent first unless there are legal documents/contracts that prohibit doing this, such as grant agreements requiring dollar for dollar spending. When expenditures are incurred for which committed, assigned or unassigned fund balance is available, the Council considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Governing Board, or delegated official, or body has provided otherwise.

*Minimum Fund Balance Policy* - The Council's policy is to maintain a minimum General Fund fund balance to meet seasonal shortfalls in cash flow and reduce susceptibility to emergency and unanticipated expenditures and/or revenue shortfalls. The Governing Board has adopted a financial standard to maintain a minimum fund balance of 27.5% of the subsequent year's total budget. If the fund balance falls below the minimum 27.5% of the proposed annual operating budget for the subsequent year, in each year of a three year period, a specific amount will be allocated in the Council's annual budget to be used to replenish the fund to the 27.5% floor. The minimum fund balance requirement as of September 30, 2019 was approximately \$36.7 million.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

*Investment in Capital Assets* - This component of net position consists of capital assets net of accumulated depreciation and if applicable, reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvement of those assets.

*Restricted* - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The Council has no restricted net position at September 30, 2019.

*Unrestricted* - This component of net position consists of net position that does not meet the definition of *Investment in Capital Assets* or *Restricted*.

Interfund Transactions: Transactions between funds during the year consisted of loans and transfers. Loans are reported as *Due from Other Funds* and *Due to Other Funds* as appropriate and are eliminated in the government-wide financial statements. Transfers are a result of transferring monies from one fund to another. Transfers are eliminated in the government-wide financial statements.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants: Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the Council for the return of those funds. As of September 30, 2019, management does not believe that there are any disallowed expenditures that would require a return of grant funds.

Risk Management: The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council purchases commercial insurance for the risk of losses to which it is exposed. Retention of risks is limited to the excess of those risks that are insured, those risks that are uninsurable, and deductibles ranging from \$1,000 (damage) to \$1,000,000 (natural disaster) per occurrence. Policy limits and deductibles are reviewed annually by management and established at amounts to provide reasonable protection from significant financial loss. There were no significant reductions in insurance coverage for 2019. Review of the past three years reveals settled claims have not exceeded insurance coverage. In addition, under Florida law, the Council is covered by the constitutional doctrine of Sovereign Immunity for general liability claims. Sovereign Immunity generally limits liability to \$200,000 per person/\$300,000 per incident unless a claims bill is approved by the Florida Legislature awarding damages in excess of that amount.

Use of Estimates: The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Implementation of GASB Statements: GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs) and was effective for the Council for the year ended September 30, 2019. Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. Statement No. 83 also requires disclosure of information about the government's AROs, including the methods and assumptions used for estimating liabilities and the estimated remaining useful life of the associated tangible capital assets. This Statement had no effect on the Council's financial statements since management determined that the Council has no AROs.

Recent Accounting Pronouncements: The Governmental Accounting Standards Board has issued the following Statements effective in future years that may impact the Council. Management has not completed its analysis of the effects, if any, of these GASB statements on the financial statements of the Council.

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefits arrangements that are fiduciary activities. The requirements of this statement will be effective for the Council for the fiscal year ending September 30, 2020.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 87, *Leases*, addresses accounting and financial reporting for leases by governments. The statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement will be effective for the Council for the fiscal year ending September 30, 2021.

GASB Statement No. 90, *Majority Equity Interests - an Amendment of GASB Statements No. 14 and No. 61*, defines a majority equity interest and specifies the basis for measurement of a majority equity interest in a legally separate organization. The requirements of this Statement will be effective for the Council for the fiscal year ending September 30, 2020.

GASB Statement No. 92, *Omnibus 2020*, addresses certain practice issues identified during implementation and application of certain GASB Statements, including 1) the effective date of GASB Statement No. 87 and Implementation Guide 2019-3 related to *Leases* for interim reports; 2) reporting of intra-entity transfers between a primary government employer and component unit defined benefit pension plan; 3) the applicability of GASB Statement No. 73 to reporting assets accumulated for OPEB; 4) applicability of GASB Statement No. 84 to postemployment benefit arrangements; 5) measurement of assets and liabilities related to asset retirement obligations; 6) reporting for amounts recoverable by public entity risk pools from reinsurers or excess insurers; and, 7) certain terminology references. The requirements of this Statement related to items 1) and 7) are effective for the fiscal year ending September 30, 2020 and the remaining requirements will be effective for the Council for the fiscal year ending September 30, 2021.

NOTE C - DEPOSITS AND INVESTMENTS

Deposits: As of September 30, 2019, the Council's cash and cash equivalents consisted of deposits with financial institutions with a carrying value of \$5,317,513 and a bank balance of \$6,135,649, and petty cash of \$25.

The deposits with financial institutions were entirely covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirements of Florida Statutes and have been designated as a qualified public depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Accordingly, all deposits with financial institutions are considered fully insured in accordance with pronouncements of the Governmental Accounting Standards Board.

Investments: In accordance with Florida Statutes Section 218.415 and the Council's investment policy, the Council is authorized to invest in U.S. Treasury and U.S. Government guaranteed securities, U.S.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

Government agency and instrumentality debt obligations, Supranationals, corporate and municipal debt obligations, Federal agency mortgage-backed securities, collateralized mortgage obligations and mortgage-backed securities, asset-backed securities, non-negotiable certificates of deposit, bank savings accounts, overnight bank deposit accounts, commercial paper, repurchase agreements, money market mutual funds and local government investment pools. The Council may also invest in certain other investment products if authorized by statute and approved in advance by the governing body.

As of September 30, 2019, the Council had the following investments:

<u>Investments</u>	<u>Fair Value</u>
Money market mutual fund	\$ 45,151
Florida Public Assets for Liquidity Management	10,007,190
U.S. Treasury notes/bonds	11,817,969
U.S. Government agency securities	694,526
Federal agency mortgage-backed securities	888,553
Collateralized mortgage obligations	113,325
Collateralized mortgage-backed securities	2,783,215
Consumer asset-backed securities	5,357,255
Commercial asset-backed securities	791,555
Corporate debt obligations	11,581,734
Non-corporate debt obligations	<u>173,349</u>
	<u>\$ 44,253,822</u>

The money market mutual fund consists of an investment in an open end, institutional, money market fund complying with Securities and Exchange Commission (SEC) Rule 2a-7 and investing in liquid, high-quality debt securities issued by the U.S. government. Rule 2a-7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net assets used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, and requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount.

The Florida Public Assets for Liquidity Management (FL PALM) is organized under Florida Statutes Section 163.01, the Florida Interlocal Cooperation Act, by Florida public agencies for the purpose of operating an independent investment pool for local governments in Florida and is administered by a Board of Trustees elected by the participants in the pool. The Council invests in the FL PALM Fund, a 2a-7 like pool valued at amortized cost. Audited financial statements for FL PALM may be obtained at [www.fl-palm.com](http://www.fl-palm.com).

Fair Value of Investments: The Council follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a framework for measuring the fair value of investments

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

in a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Council has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology include the following:

- Quoted prices for similar assets in active markets.
- Quoted prices for identical or similar assets in inactive markets.
- Inputs other than quoted prices that are observable for the assets.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the entity's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques would typically include discounted cash flow models and similar techniques, but may also include the use of market prices of assets that are not directly comparable to the subject asset.

The fair value measurement of an asset within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The categorization of an investment within the fair value hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Council's perceived risk of that investment.

*Valuation Methodologies:* The following valuation methods and assumptions were used by the Council in estimating the fair value of financial instruments that are measured at fair value on a recurring basis under GASB Statement No. 72.

*U.S. Treasury notes/bonds, U.S. Government agency securities, mortgage and asset-backed securities, collateralized mortgage obligations, and corporate and non-corporate debt obligations:* Valued at the closing price reported on the active exchange on which the individual securities are actively traded. Securities that are not actively traded are valued by the investment manager or broker using a matrix-pricing technique based on the securities' relationship to quoted benchmark prices.

The methods and assumptions described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Council

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methods and assumptions used for the year ended September 30, 2019.

*Fair Value of Investments:* The financial assets measured at fair value on a recurring basis included the Council's investments. There were no liabilities measured at fair value on a recurring basis at September 30, 2019. The fair value of the Council's investments at September 30, 2019 is summarized as follows:

	<b>Fair Value at September 30, 2019</b>			
	Level 1	Level 2	Level 3	Total
U.S. Treasury notes/bonds	\$ -	\$ 11,817,969	\$ -	\$ 11,817,969
U.S. Government agency securities	-	694,526	-	694,526
Federal agency mortgage-backed securities	-	888,553	-	888,553
Collateralized mortgage obligations	-	113,325	-	113,325
Collateralized mortgage-backed securities	-	2,783,215	-	2,783,215
Asset-backed securities	-	5,186,292	962,518	6,148,810
Corporate and non-corporate debt obligations	-	11,755,083	-	11,755,083
Total debt securities	<u>\$ -</u>	<u>\$ 33,238,963</u>	<u>\$ 962,518</u>	34,201,481
Investments at amortized cost				
Money market mutual fund				45,151
FL PALM				<u>10,007,190</u>
Total Investments				<u>\$ 44,253,822</u>

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The Council's investment policy states that: (a) investments of current operating funds shall have maturities of no longer than twelve months and (b) investments of reserves, project funds and other non-operating funds shall have a term not to exceed five and one-half years. The Council's money market mutual fund and FL PALM have weighted average maturities of less than 90 days. The Council also had Federal agency mortgage-backed securities, not included in the table below, with a fair value of \$888,553 that had weighted average lives of 2.9 to 3.8 years, and collateralized mortgage obligation securities, not included in the table below, with a fair value of \$113,325, that had a weighted average life of 2.4 years. At September 30, 2019, the Council's investments in debt securities had the following maturities:

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

<u>Investment Type</u>	<u>Fair Value of Investment Maturities</u>		
	<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>
U.S. Treasury notes/bonds	\$ -	\$ 11,817,969	\$ -
U.S. Government agency securities	-	694,526	-
Collateralized mortgage-backed securities	205,373	2,577,842	-
Asset backed securities	-	6,148,810	-
Corporate and non-corporate debt obligations	<u>1,845,905</u>	<u>9,909,178</u>	<u>-</u>
	<u>\$ 2,051,278</u>	<u>\$ 31,148,325</u>	<u>\$ -</u>

Credit Risk: Credit risk is the risk that a debt issuer will not fulfill its obligations. Management's intent is to limit the Council's investment to the highest credit quality ratings from a nationally recognized rating agency in order to control credit risk. The Council's investment policy limits its investments to certain minimum Nationally Recognized Statistical Rating Organization (NRSRO) ratings which are generally the highest short term or the three highest long term rating categories. The NRSRO ratings for the Council's fixed income investments at September 30, 2019 are summarized as follows.

	<u>NRSRO Rating</u>	<u>Fair Value</u>
Money market mutual fund	AAAm	\$ 45,151
FL PALM	AAAm	10,007,190
U.S. Treasury notes/bonds	AAA - AA	11,817,969
U.S. Government agency securities	AA	694,526
Federal agency mortgage-backed securities	AA	888,553
Collateralized mortgage obligations	Aaa	113,325
Collateralized mortgage-backed securities	Aaa	2,783,215
Asset-backed securities	AAA	6,148,810
Corporate and non-corporate debt obligations	AAA	11,755,083

Custodial Credit Risk: Custodial credit risk is defined as the risk that the Council may not recover cash and investments held by another party in the event of a financial failure. At September 30, 2019, all investment securities were held in an independent custodial safekeeping account. The money market mutual fund and FL PALM are considered *unclassified* pursuant to GASB Statements, because they are not evidenced by securities that exist in physical or book-entry form. Coverage for cash and securities in protected counterparty client accounts is provided from two sources. The Securities Investor Protection Corporation ("SIPC") protects up to \$500,000, of which \$250,000 may be cash. The counterparty has obtained additional private insurance protection for the remaining balance, if any, of the cash and securities in the investment account. These coverages do not insure the quality of the investments or protect against losses from fluctuating market value.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributable to the magnitude of an investment in a single issuer. The Council's investment policy requires diversification of investments to minimize potential losses on individual securities. Investments in securities of a single issuer are generally limited to 5% to 25% (depending on the security) of the fair value of the investment portfolio, with certain Federal agency security maximums of 40% and no maximum for U.S. Treasury securities.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. There was no exposure to foreign currency risk in the Council's investments at September 30, 2019.

Risks and Uncertainties: Due to the various risks associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements. The value, liquidity, and related income of certain securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations, and commercial mortgage-backed securities, or pooled funds investing in these securities, are particularly sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

NOTE D - RECEIVABLES

Governmental activities and General Fund receivables consist of the following at September 30, 2019:

<b>Due from Other Governmental Units:</b>	
Palm Beach County	<u>\$ 1,528,760</u>
<b>Other Receivables:</b>	
Healthy Start Coalition of Palm Beach County	\$ 1,343,307
Contract providers	7,773
Investment interest receivable	155,688
Other	<u>18,981</u>
	<u>\$ 1,525,749</u>

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE E - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables consist of the following at September 30, 2019:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 353,150
Special Revenue Fund	<u>353,150</u>	<u>-</u>
Total	<u>\$ 353,150</u>	<u>\$ 353,150</u>

During the year ended September 30, 2019, the General Fund transferred \$ 2,389,399 to the Special Revenue Fund for the purpose of providing annual support to the Special Revenue Fund for quality childcare and healthy beginnings programs administered by Prevention Partnerships.

NOTE F - INVESTMENT IN JOINT VENTURE

The Council participates in the Services and Activity Management Information System ("SAMIS") Collaborative which is a joint venture with six other children's services organizations in Florida: (1) The Children's Services Council of Broward County, (2) The Kids Hope Alliance, (3) Children's Services Council of Martin County, (4) The Children's Trust (Miami-Dade County), (5) Palm Beach Community Services, and (6) United Way of Broward County. SAMIS is a web based, funder information, data collection system designed and developed to measure client level services and performance measures, and to be a tool for tracking funds distributed through contracts for the purposes of determining the effectiveness of programs funded by Children's Services Councils and related human services agencies in the State of Florida.

The Children's Services Council of Florida, Inc. has been designated as the operating agent and is the sole owner of the SAMIS program. The joint venture is governed by a management committee consisting of one staff member from each of the seven joint venture members. Each member has one vote. The management committee approves the annual budget of the joint venture and makes all management decisions for the operation of the joint venture.

Each of the joint venture members contributed an initial membership fee of \$50,000 and then pay an annual operating cost allocation determined by the "Assessment Formula" set forth in the operating agreement. The Council's current operating cost allocation percentage (equity interest) is 15.4%. A joint venture member may terminate their agreement without cause or further liability to the other parties. Upon termination, the joint venture member has the option of either (a) obtaining a perpetual, nonexclusive license to internally use SAMIS in its existing form as of the date of termination or (b) obtaining its portion of the annual fund balance allocation based on its percentage of operating cost allocation for the year of termination.

In accordance with U.S. GAAP, the Council is required to account for this joint venture using the equity method of accounting. Accordingly, the Council recorded its initial investment at cost and records its proportionate share of the joint venture's income or loss, as well as contributions made or distributions received. At September 30, 2019, the Council's 12.24% equity interest in the joint venture totaled \$11,212. This investment is reported in the Statement of Net Position as Investment in Joint Venture.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE F - INVESTMENT IN JOINT VENTURE (Continued)

The joint venture does not issue separate audited financial statements. Summarized financial information relating to the joint venture as of and for the year ended September 30, 2019, is as follows:

**Net Position**

Total assets	\$	135,045
Total liabilities		<u>43,444</u>
Net position	\$	<u><u>91,601</u></u>

**Change in Net Position**

Charges for services	\$	320,206
Operating expenses		<u>347,451</u>
Change in net position		(27,245)
Net position at October 1, 2018		<u>118,846</u>
Net position at September 30, 2019	\$	<u><u>91,601</u></u>

NOTE G - CAPITAL ASSETS

The Council's capital asset activity for the year ended September 30, 2019, was as follows:

<u>Governmental Activities</u>	<u>Balance at Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at End of Year</u>
Capital assets not being depreciated				
Land	\$ 2,781,948	\$ -	\$ -	\$ 2,781,948
Total non-depreciable capital assets	2,781,948	-	-	2,781,948
Depreciable capital assets				
Buildings and improvements	19,667,498	-	-	19,667,498
Furniture and equipment	2,455,153	5,800	-	2,460,953
Intangibles - software and database	<u>2,452,203</u>	<u>-</u>	<u>-</u>	<u>2,452,203</u>
Total depreciable capital assets	24,574,854	5,800	-	24,580,654
Less accumulated depreciation				
Buildings and improvements	(5,665,116)	(538,377)	-	(6,203,493)
Furniture and equipment	(2,141,312)	(114,392)	-	(2,255,704)
Intangibles - software and database	<u>(2,452,203)</u>	<u>-</u>	<u>-</u>	<u>(2,452,203)</u>
Total accumulated depreciation	<u>(10,258,631)</u>	<u>(652,769)</u>	<u>-</u>	<u>(10,911,400)</u>
Depreciable capital assets, net of accumulated depreciation	<u>14,316,223</u>	<u>(646,969)</u>	<u>-</u>	<u>13,669,254</u>
Governmental activities - capital assets, net	\$ <u>17,098,171</u>	\$ <u>(646,969)</u>	\$ <u>-</u>	\$ <u>16,451,202</u>

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE G - CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to the following functions during the year:

<u>Governmental activities</u>	
Program administrative support	\$ 469,994
Administrative and general	<u>182,775</u>
	<u>\$ 652,769</u>

NOTE H - COMPENSATED ABSENCES

The following is a summary of compensated absences for the fiscal year ended September 30, 2019:

	<u>Balance at Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at End of Year</u>	<u>Amounts Due Within One Year</u>
Compensated absences					
Vacation accrual	\$ 625,155	\$ 562,910	\$ 501,356	\$ 686,709	\$ 72,086
Sick leave accrual	<u>190,136</u>	<u>386,665</u>	<u>384,980</u>	<u>191,821</u>	<u>9,826</u>
	<u>\$ 815,291</u>	<u>\$ 949,575</u>	<u>\$ 886,336</u>	<u>\$ 878,530</u>	<u>\$ 81,912</u>

Compensated absences are generally liquidated by the General Fund.

NOTE I - OTHER POSTEMPLOYMENT BENEFITS

**Plan Description**

The Council offers a single-employer defined benefit health care plan (the "Plan") that provides optional health care coverage (medical, prescription, vision and dental) to eligible retired employees and their dependents. Retirees have a one-time option to continue coverage upon retirement and premiums for coverage are paid 100% by the retiree. The Council has the authority to establish and amend the premiums for and the benefit provisions of the Plan. Life insurance benefits are portable and the retiree must pay premiums to the carrier directly. The Plan is financed on a "pay-as-you-go" basis and is not administered as a formal qualifying trust. The Plan does not issue a separate, publicly available, audited financial report.

**Funding Policy**

The Council is required by Florida Statute 112.0801 to allow retirees to buy healthcare coverage at the same *group insurance rates* that current employees are charged resulting in an *implicit* healthcare benefit. The State of Florida prohibits the Plan from separately rating retirees and active employees. The Plan therefore charges both groups an equal, blended rate premium. Although both groups are charged the same blended rate premium, U.S. GAAP requires the actuarial figures to be calculated using age adjusted

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. Plan members receiving benefits contribute 100% of the monthly premium ranging from a minimum of \$717 to a maximum of \$1,671.

**Plan Membership**

Membership in the Plan was comprised of the following at October 1, 2019:

Active employees	98
Retirees and beneficiaries receiving benefits	1
Inactive employees, not yet receiving benefits	<u>0</u>
Total	<u><u>99</u></u>

**Total OPEB Liability**

The Council's total OPEB liability of \$117,661 was measured as of September 30, 2018, and was determined by an actuarial valuation as of October 1, 2017, and rolled forward to September 30, 2019.

Actuarial Methods and Significant Assumptions: The actuarial methods and significant assumptions used to determine the Council's total OPEB liability for the current year are summarized as follows:

Valuation date	October 1, 2017
Actuarial cost method	Entry Age Normal
Post-retirement benefit increases	None
Health care cost trend rates	7.5% per year initially, reduced annually to an ultimate rate of 4.5% in fiscal 2039
Amortization method	Average of expected remaining service lives of all participants - Closed
Remaining amortization period	9.6 years
Asset valuation method	N/A <sup>(1)</sup>
Actuarial assumptions:	
Discount rate - September 30, 2019	4.18% <sup>(2)</sup>
Projected salary increases*	3.0%
* Includes inflation rate	2.5%
Mortality rates	RP-2014 Combined Mortality Table backed off to 2006 and projected generationally with Scale MP-2018

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

- (1) The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of September 30, 2019.
- (2) Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the discount rate is the long-term expected rate of return on tax-exempt, high quality municipal bonds based on the S&P municipal bond 20 year high grade rate index as of the measurement date.

**Changes in the Total OPEB Liability**

The changes in the total OPEB liability were as follows for the year ended September 30, 2019:

<b>Total OPEB liability at October 1, 2018</b>		\$ 118,199
<b>Changes for the Current Year</b>		
Service cost		10,172
Interest		4,166
Changes in assumptions		(6,804)
Benefit payments		(8,072)
	<b>Net Changes</b>	<u>(538)</u>
<b>Total OPEB liability at September 30, 2019</b>		<u>\$ 117,661</u>

Changes in assumptions and other inputs reflect: (1) a change in the discount rate from 3.35% to 4.18%, (2) a change in the healthcare trend rate from 6.7% decreasing to 4.0%, to 7.5% decreasing to 4.5%, and (3) the impact of the ACA Excise Tax was measured and updated.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following table presents the total OPEB liability of the Council calculated using the current discount rate of 4.18%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.18%) or one percentage point higher (5.18%) than the current rate:

1.0% Decrease (3.18%)	Current Discount Rate (4.18%)	1.0% Increase (5.18%)
<u>\$ 130,245</u>	<u>\$ 117,661</u>	<u>\$ 106,458</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following table presents the total OPEB liability of the Council calculated using the current healthcare cost trend rate of 7.5% decreasing to 4.5%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (6.5% decreasing to 3.5%) or one percentage point higher (8.5% decreasing to 5.5%) than the current rate:

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1.0% Decrease <u>(6.5% decreasing to 3.5%)</u>	Healthcare Cost Trend Rate <u>(7.5% decreasing to 4.5%)</u>	1.0% Increase <u>(8.5% decreasing to 5.5%)</u>
\$ <u>102,810</u>	\$ <u>117,661</u>	\$ <u>135,165</u>

**OPEB Expense and Deferred Inflows/Outflows of Resources Related to OPEB**

For the year ended September 30, 2019, the Council recognized revenue from OPEB of \$19,234. At September 30, 2019, the Council reported deferred inflows/outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 4,042	\$ -
Changes in assumptions	<u>-</u>	<u>241,214</u>
	<u>\$ 4,042</u>	<u>\$ 241,214</u>

Amounts reported as deferred inflows/outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2020	\$ (25,500)
2021	(25,500)
2022	(25,500)
2023	(25,499)
2024	(24,139)
Thereafter	(111,034)

NOTE J - DUE TO PROGRAM SERVICE PROVIDERS

The balance of \$8,697,868 in due to program service providers represents reimbursement for expenditures by funded agencies and other contracted programmatic consulting services substantially performed in August and September 2019.

NOTE K - COMMISSIONS OF PROPERTY APPRAISER AND TAX COLLECTOR

The budget of the Property Appraiser's office, as approved by the Department of Revenue, is the basis upon which taxing authorities of the County (except municipalities and the district school board) are billed by the Property Appraiser for services rendered. Each taxing authority is billed an amount that

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE K - COMMISSIONS OF PROPERTY APPRAISER AND TAX COLLECTOR (Continued)

bears the same proportion to the total amount of the budget as its share of ad valorem taxes bear to the total levied for the preceding year. The Council paid fees of approximately \$775,000 to the Property Appraiser for the year ended September 30, 2019 which are recorded as general and administrative expenses/expenditures.

The Tax Collector's actual costs of collection must not exceed 2% of the tax revenues collected. The Council's fees and charges for the year amounted to approximately \$816,000 or 0.7% of tax revenues collected and are recorded as general and administrative expenses/expenditures.

NOTE L - PENSION PLAN AND DEFERRED COMPENSATION PLAN

Pension Plan: The Council sponsors a defined contribution pension plan administered by an independent company. The Governing Board may amend benefits and other plan provisions. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investment of those contributions. Forfeitures offset the Council's contributions and are not reallocated to other participants' accounts. Forfeitures for the year ended September 30, 2019 totaled approximately \$59,000.

Eligible employees must have completed one year of service or at least 1,000 hours, and be at least 18 years old. Any employment in the non-profit health or social services field during the three year period immediately preceding employment with the Council will count as service for purposes of active participation. The plan's vesting schedule is as follows: 25% after two years of service, 50% after three years of service, 75% after four years of service and 100% after five years of service. In addition, a plan participant who is an employee of the Council on or after the normal retirement age of 65 or who meets the early retirement age of 55 shall be 100% vested. Finally, if an employee of the Council becomes totally or permanently disabled or dies, they become fully vested.

The Council is required to contribute a percentage of the covered employee's regular salary based on the date of hire and employee elections. For employees hired prior to January 1, 2012, the Council contributes 13% of the covered employee's regular salary for employees employed less than ten years, 15% for employees employed ten to fourteen years, 17% for employees employed fifteen to nineteen years, and 19% for employees with twenty or more years of employment. For employees hired on or after January 1, 2012 the Council contributes 5% of the covered employee's regular salary and matches employee contributions 100% up to an additional 5% of their regular salary.

During the year, the Council's required contributions amounted to approximately \$1,056,000 which was 12.9% of the current year's covered payroll. Contributions to the pension plan are made monthly. For the year ended September 30, 2019, the Council's total payroll (not including accrued benefits) for all employees was approximately \$8,502,000 and the Council's contributions to the plan were based on a payroll of approximately \$8,206,000.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE L - PENSION PLAN AND DEFERRED COMPENSATION PLAN (Continued)

The plan is administered by Alerus Financial, N.A. and all assets and income of the plan are held in trust for the exclusive benefit of participants and the Council has no fiduciary responsibility for the plan. Accordingly, the assets and liabilities of the plan are not included in the Council's financial statements.

Deferred Compensation Plan: Employees of the Council may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The Governing Board may amend benefits and other plan provisions. The deferred compensation plan is available to all employees of the Council.

Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. In general, the deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The plan provisions provide that all assets of the plan be held in trust, or under one or more appropriate annuity contracts or custodial accounts, for the exclusive benefit of plan participants and their beneficiaries. The deferred compensation plan is administered by Alerus Financial, N.A. and all assets and income of the plan are held in trust for the exclusive benefit of participants and the Council has no fiduciary responsibility for the plan. Accordingly, the assets and liabilities of the plan are not included in the Council's financial statements. Council contributions to the plan for the year ended September 30, 2019 were \$0.

NOTE M - RETIREMENT HEALTH SAVINGS PLAN

The Council adopted a Retirement Health Savings Plan ("RHS") administered by ICMA Retirement Corporation effective January 1, 2006. The Governing Board may amend benefits and other plan provisions. The RHS is to be used for qualified health expenses during retirement. All assets and income of the plan are held in trust for the exclusive benefit of participants and the Council has no fiduciary responsibility for the plan. Under the terms of the plan, there will be no forfeitures.

Participation in the plan is mandatory for all full time employees and part-time employees who work an average of 21 hours per week (90 day minimum period of service and over 18 years of age). The plan is a defined contribution OPEB plan and is funded based on the amount of the employees' accrued sick leave. All contributions to the plan are on a pre-tax basis and withdrawals are tax-free if used by the participant, spouse or dependent for qualified expenses. Annual mandatory employee sick leave contributions are as follows: 0% if less than 100 hours accrued, 20% if 100-199 hours accrued, 25% if 200-299 hours accrued, 30% if 300-399 hours accrued, and 35% if 400 or more hours accrued. Council contributions to the plan for the year ended September 30, 2019 were approximately \$165,000.

NOTE N - COMMITMENTS AND CONTINGENCY

Operating Leases: The Council leases equipment under various operating lease agreements expiring through September 2020. Total rent expense in connection with these agreements amounted to approximately \$29,000 for the year ended September 30, 2019.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE N - COMMITMENTS AND CONTINGENCY (Continued)

Approximate future minimum lease payments applicable to these leases for the year ending September 30, 2020 are \$13,800.

Contract: In October 2018, the Council entered into a collaboration agreement with The University of Chicago for the TMW Center for Early Learning and Public Health at the University of Chicago Community Wide Demonstration Project. Total project costs will not exceed \$10,000,000 over the course of five years and the Council's support will not exceed \$2,500,000 over the term of the agreement. The term of the agreement was through September 30, 2019. Thereafter the agreement will automatically renew for successive one-year terms, subject to CSC's TRIM budget and millage process, and can be cancelled by either party with ninety days notice. As of September 30, 2019, \$7,001 had been expended under the program.

Litigation: From time to time, the Council is involved in certain litigation which arises in the normal course of operations. Management believes the ultimate outcome of such litigation, if any, would not have any material adverse effect on the financial condition of the Council.

NOTE O - EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2019, expenditures exceeded budgeted appropriations in the program administrative support cost center of the Special Revenue Fund by \$239.

## **SUPPLEMENTAL INFORMATION**

**REQUIRED SUPPLEMENTARY INFORMATION**

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS

	Measurement Date	
	2019	2018
<b>Total OPEB Liability</b>		
Service cost	\$ 10,172	\$ 33,540
Interest	4,166	10,243
Differences between expected and actual experience	-	4,884
Changes of assumptions	(6,804)	(284,891)
Benefit payments	(8,072)	-
<b>Net change in total OPEB liability</b>	<u>(538)</u>	<u>(236,224)</u>
Total OPEB liability, beginning of fiscal year	<u>118,199</u>	<u>354,423</u>
<b>Total OPEB liability, end of fiscal year</b>	<u>\$ 117,661</u>	<u>\$ 118,199</u>
<b>Covered Employee Payroll</b>	<u>\$ 7,991,700</u>	<u>\$ 7,232,000</u>
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	<u>1.5%</u>	<u>1.6%</u>

**Notes to Schedule:**

Information prior to adoption of GASB Statement No. 75 in fiscal year 2018 is not available.

The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation. Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the discount rate is the long-term expected rate of return on tax-exempt, high quality municipal bonds based on the S&P municipal bond 20 year high grade rate index as of the measurement date.

**Changes in actuarial assumptions:**

Changes in assumptions and other inputs include: (1) a change in the discount rate from 3.35% in 2018 to 4.18% in 2019, (2) a change in the healthcare trend rate from 6.7% decreasing to 4.0% in 2018 to 7.5% decreasing to 4.5% in 2019, and (3) the impact of the ACA Excise Tax was measured and updated.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

SUPPLEMENTAL SCHEDULES OF CHILDREN'S PROGRAMS EXPENDITURES -  
BUDGET TO ACTUAL - GENERAL FUND

Year Ended September 30, 2019

	Final Budget	Actual	Variance
<b>QUALITY CHILDCARE PROGRAMS</b>			
Afterschool Program Development	\$ 3,537,060	\$ 3,496,013	\$ 41,047
CSC Scholarship Initiative	29,153,974	29,153,975	(1)
Early Education Specialist (Pre-K Collaborative)	65,300	43,859	21,441
Early Headstart Admin/Technical Assist Specialists/Gold	673,438	549,597	123,841
Early Headstart Match	315,705	314,844	861
Enhancements	3,097,696	3,078,728	18,968
Head Start Match	5,248,131	5,248,131	-
Match Funding	133,576	133,576	-
Professional Development System	2,443,792	2,310,177	133,615
SEEK Scholarship	1,250,000	1,225,242	24,758
Summer Camp Scholarships	3,900,000	3,899,900	100
Tier Reimbursement Supplements	3,968,800	3,937,666	31,134
Training Registry Management	197,761	182,910	14,851
<b>TOTAL QUALITY CHILDCARE PROGRAMS</b>	<b>53,985,233</b>	<b>53,574,618</b>	<b>410,615</b>
<b>HEALTHY BEGINNINGS PROGRAMS</b>			
Centering Program	443,824	408,108	35,716
Child First	2,997,456	2,685,180	312,276
Community Voice	719,157	696,927	22,230
Counseling for Parents and Young Children	1,300,000	943,838	356,162
Dental Services for Women and Children	57,000	42,300	14,700
Early Literacy Book Distribution Program	154,685	154,685	-
Early Intervention Assessment Team	560,262	543,604	16,658
Early Steps	1,814,082	1,814,082	-
Entry Agency (Birth-5)	3,379,889	2,990,580	389,309
Entry Agency (Prenatal)	3,901,041	3,656,287	244,754
Environmental Opioid and Marijuana Prevention	50,000	50,000	-
Fetal Infant Mortality Review	199,998	194,496	5,502
First Step to Success	1,730,713	1,629,941	100,772
Forward Leaps	184,941	112,706	72,235
Growing Smart	448,923	405,365	43,558
HB Nurses	3,160,517	3,071,296	89,221
Healthy Families	1,534,682	1,488,526	46,156
Healthy Steps	1,109,569	963,590	145,979
Help Me Grow	209,192	189,717	19,475
Light Touch for Success	246,626	179,079	67,547
Mental Health Services	569,638	517,988	51,650
Nurse Family Partnership	1,453,733	1,420,986	32,747
Parent Child +	2,915,775	2,826,430	89,345
Prenatal Plus Nutrition Services	183,688	178,765	4,923

(continued)

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

SUPPLEMENTAL SCHEDULES OF CHILDREN'S PROGRAMS EXPENDITURES -  
BUDGET TO ACTUAL - GENERAL FUND (Continued)

Year Ended September 30, 2019

	Final Budget	Actual	Variance
<b>HEALTHY BEGINNINGS PROGRAMS (Continued)</b>			
Primary Project	\$ 628,311	\$ 614,671	\$ 13,640
Project Dulce	333,857	316,955	16,902
Reach Out and Read	293,464	286,100	7,364
Teen Triple P	850,094	769,493	80,601
Transportation Consultant	252,580	239,471	13,109
Triple P	1,516,646	1,467,208	49,438
WHIN Nurses	508,376	467,373	41,003
Wyman's Teen Outreach Program	1,044,794	975,625	69,169
	<hr/>	<hr/>	<hr/>
TOTAL HEALTHY BEGINNINGS PROGRAMS	34,753,513	32,301,372	2,452,141
<b>BRIDGES PROGRAM</b>			
Bridges Program	6,032,884	5,814,897	217,987
	<hr/>	<hr/>	<hr/>
TOTAL BRIDGES PROGRAM	6,032,884	5,814,897	217,987
<b>INITIATIVES</b>			
Access for Success	154,743	146,257	8,486
Access Positions	100,000	86,400	13,600
Afterschool Network	15,000	15,000	-
Birth to 22	100,000	62,589	37,411
Drowning Prevention	100,000	100,000	-
Funding for Robotics	25,000	25,000	-
Glades Family Education	70,018	66,632	3,386
Great Ideas Initiative	489,009	489,009	-
Great Ideas Initiative Pipeline	294,095	294,095	-
HB Workforce Scholarships	150,000	72,742	77,258
Hunger Relief Infrastructure and Program Support	60,000	60,000	-
Information and Crisis Hotline (211)	206,422	206,422	-
Juvenile and Foster Children's Project	3,691,454	3,655,773	35,681
Mental Health Assistance Program	560,000	392,000	168,000
Mentoring	1,300,316	1,296,759	3,557
Nurse Family Partnership Fees	2,750	975	1,775
Other Program Services	472,617	-	472,617
Palm Beach County Circle Campaign	122,476	122,476	-
Palm Beach County Food Bank	389,825	389,825	-
Public Education/Awareness	1,795,000	1,752,108	42,892
Resource Depot	150,000	150,000	-
Safe Kids	292,789	281,526	11,263
Special Needs	1,223,875	1,223,835	40
Special Projects	193,621	189,409	4,212
	<hr/>	<hr/>	<hr/>
TOTAL INITIATIVES	11,959,010	11,078,832	880,178

(continued)

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

SUPPLEMENTAL SCHEDULES OF CHILDREN'S PROGRAMS EXPENDITURES -  
BUDGET TO ACTUAL - GENERAL FUND (Continued)

Year Ended September 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>TRAINING AND ACCOUNTABILITY</b>			
Agency Certification and Management Services	\$ 1,095,094	\$ 1,024,622	\$ 70,472
Child First RCT Evaluation	171,084	171,084	-
Computer Inventory Replacement	200,000	161,336	38,664
Continuous Improvement Initiative	225,000	224,574	426
Data Entry	523,124	508,322	14,802
Data Systems	683,000	599,945	83,055
Early Childhood Learning and Innovation Network	37,500	37,448	52
Issue Trak	4,800	4,400	400
Legal Aid Society Non Profit Legal Assistance	60,000	60,000	-
Metrics that Matter	14,884	14,884	-
Program Evaluations	125,000	56,111	68,889
SAMIS	52,000	35,761	16,239
Server Hosting	40,000	35,640	4,360
SmartSoft Address Verification	1,112	1,112	-
System Training and Materials	154,066	104,716	49,350
Thirty Million Words	50,000	7,001	42,999
Touchpoints & IMH	140,000	94,032	45,968
Training Registry - Application Hosting	105,728	105,728	-
Triple P	115,000	87,405	27,595
Wyman's Fees	7,000	7,000	-
	<u>3,804,392</u>	<u>3,341,121</u>	<u>463,271</u>
Prior year contracted programs refunds	<u>-</u>	<u>(14,162)</u>	<u>14,162</u>
<b>TOTAL PROGRAM SERVICES EXPENDITURES - CHILDREN'S PROGRAMS</b>	<u><u>\$ 110,535,032</u></u>	<u><u>\$ 106,096,678</u></u>	<u><u>\$ 4,438,354</u></u>

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

SUPPLEMENTAL SCHEDULES OF ADMINISTRATIVE EXPENDITURES -  
BUDGET TO ACTUAL - GENERAL FUND

Year Ended September 30, 2019

	Program Administrative Support			Administrative and General		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
<b>ADMINISTRATIVE EXPENDITURES</b>						
<b>PERSONAL SERVICES</b>						
Salaries	\$ 6,105,439	\$ 6,121,662	\$ (16,223)	\$ 2,374,337	\$ 2,380,646	\$ (6,309)
FICA	453,402	451,444	1,958	176,323	175,561	762
Retirement	874,171	836,235	37,936	339,956	325,202	14,754
Florida unemployment	9,159	6,170	2,989	3,562	2,399	1,163
Worker's compensation	16,758	12,010	4,748	6,517	4,671	1,846
Health/life/ AD&D	1,911,054	1,638,396	272,658	743,187	637,154	106,033
Temporary personnel	-	-	-	15,000	20,622	(5,622)
Tuition reimbursement	-	-	-	65,000	15,530	49,470
Other fringe benefits	89,856	73,412	16,444	34,944	28,549	6,395
TOTAL PERSONAL SERVICES	9,459,839	9,139,329	320,510	3,758,826	3,590,334	168,492
<b>TRAVEL</b>						
Travel in-area	14,497	14,396	101	5,638	6,124	(486)
Conferences/staff development	196,560	133,161	63,399	76,440	51,785	24,655
Council member travel	-	-	-	2,000	645	1,355
TOTAL TRAVEL	211,057	147,557	63,500	84,078	58,554	25,524
<b>BUILDING</b>	495,127	452,011	43,116	192,549	175,781	16,768
<b>COMMUNICATIONS</b>						
Telephones	42,192	37,449	4,743	16,408	14,564	1,844
Postage	-	-	-	14,000	13,660	340
TOTAL COMMUNICATIONS	42,192	37,449	4,743	30,408	28,224	2,184
<b>PRINTING AND SUPPLIES</b>						
Printing	77,616	87,228	(9,612)	784	1,264	(480)
Supplies	86,005	64,113	21,892	33,446	22,866	10,580
TOTAL PRINTING AND SUPPLIES	163,621	151,341	12,280	34,230	24,130	10,100
<b>CONTRACTUAL SERVICES</b>						
Professional	278,330	211,154	67,176	283,639	219,230	64,409
<b>OTHER</b>						
Insurance	-	-	-	210,000	195,765	14,235
Dues and subscriptions	130,119	125,830	4,289	50,602	48,934	1,668
Rewards and recognition	3,600	5,265	(1,665)	1,400	2,048	(648)
Public notices, employment, advertising and background checks	-	-	-	27,000	8,518	18,482
Copier equipment	32,401	29,665	2,736	12,600	11,536	1,064
Computer maintenance	219,287	199,676	19,611	85,278	77,652	7,626
Banking services	-	-	-	6,500	7,557	(1,057)
Non-depreciable furniture and equipment	-	-	-	-	15,618	(15,618)
TOTAL OTHER	385,407	360,436	24,971	393,380	367,628	25,752
<b>TOTAL ADMINISTRATIVE EXPENDITURES</b>	<u>\$ 11,035,573</u>	<u>\$ 10,499,277</u>	<u>\$ 536,296</u>	<u>\$ 4,777,110</u>	<u>\$ 4,463,881</u>	<u>\$ 313,229</u>

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

SUPPLEMENTAL SCHEDULES OF OTHER EXPENDITURES AND CAPITAL OUTLAY -  
BUDGET TO ACTUAL - GENERAL FUND

Year Ended September 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OTHER EXPENDITURES</b>			
Property Appraiser fee	\$ 840,440	\$ 774,776	\$ 65,664
Tax Collector fee	<u>2,410,801</u>	<u>816,488</u>	<u>1,594,313</u>
TOTAL OTHER EXPENDITURES	<u>\$ 3,251,241</u>	<u>\$ 1,591,264</u>	<u>\$ 1,659,977</u>
 <b>CAPITAL OUTLAY</b>			
Furniture, fixtures and equipment	<u>\$ 100,000</u>	<u>\$ 5,800</u>	<u>\$ 94,200</u>
TOTAL CAPITAL OUTLAY	<u>\$ 100,000</u>	<u>\$ 5,800</u>	<u>\$ 94,200</u>

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

SUPPLEMENTAL SCHEDULE OF CHILDREN'S PROGRAMS EXPENDITURES -  
BUDGET TO ACTUAL - SPECIAL REVENUE FUND

Year Ended September 30, 2019

	Final Budget	Actual	Variance
<b>QUALITY CHILDCARE PROGRAMS</b>			
Bridges Liaison	\$ 55,083	\$ 52,380	\$ 2,703
Research Specialist	107,000	101,719	5,281
Technical Assistance Specialists	1,529,350	1,397,522	131,828
Tier Reimbursement Supplements	970,000	837,682	132,318
	<u>2,661,433</u>	<u>2,389,303</u>	<u>272,130</u>
<b>TOTAL QUALITY CHILDCARE PROGRAMS</b>			
	<u>2,661,433</u>	<u>2,389,303</u>	<u>272,130</u>
<b>TOTAL CHILDREN'S PROGRAMS EXPENDITURES</b>	<u>\$ 2,661,433</u>	<u>\$ 2,389,303</u>	<u>\$ 272,130</u>

## **STATISTICAL SECTION**

# STATISTICAL SECTION

## Contents

### Financial Trends

*These schedules contain trend information to help the reader understand how the Council's financial performance and well-being have changed over time.*

Net Position by Component .....	47
Changes in Net Position.....	49
Fund Balance of Governmental Funds.....	51
Changes in Fund Balance of Governmental Funds.....	52

### Revenue Capacity

*These schedules contain information to help the reader assess the Council's most significant local revenue source, the property tax.*

Assessed Value and Actual Value of Taxable Property.....	54
Direct and Overlapping Property Tax Rates .....	56
Principal Property Taxpayers.....	57
Property Tax Levies and Collections.....	58

### Demographics and Economic Information

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the Council's financial activities take place.*

Demographic and Economic Statistics .....	59
Principal Employers.....	60

### Operating Information

*These schedules contain service and infrastructure data to help the reader understand how the information in the Council's financial report relates to the services the Council provides and the activities it performs.*

Full-Time Equivalent Employees by Function.....	61
Operating Indicators.....	62
Operating Budget Trends.....	63
Capital Asset Statistics by Function/Program.....	65

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Net Position by Component  
 Last Ten Fiscal Years  
 Accrual Basis of Accounting

	Fiscal Year			
	2010	2011	2012	2013
<b>Governmental activities</b>				
Investment in capital assets	\$ 22,155,685	\$ 23,008,213	\$ 22,738,445	\$ 21,672,402
Unrestricted	72,976,586	73,498,807	71,279,420	68,309,881
<b>Total governmental activities net position</b>	<b>\$ 95,132,271</b>	<b>\$ 96,507,020</b>	<b>\$ 94,017,865</b>	<b>\$ 89,982,283</b>

<b>Fiscal Year</b>					
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ 20,832,932	\$ 19,554,398	\$ 18,952,794	\$ 18,124,662	\$ 17,098,171	\$ 16,451,202
59,971,908	52,177,351	46,929,507	49,446,120	45,693,760	42,833,131
<u>\$ 80,804,840</u>	<u>\$ 71,731,749</u>	<u>\$ 65,882,301</u>	<u>\$ 67,570,782</u>	<u>\$ 62,791,931</u>	<u>\$ 59,284,333</u>

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Changes in Net Position  
Last Ten Fiscal Years  
Accrual Basis of Accounting

	Fiscal Year			
	2010	2011	2012	2013
<b>Expenses</b>				
Governmental activities:				
Program services:				
Children's programs	\$ 80,240,730	\$ 81,159,984	\$ 82,465,027	\$ 83,045,576
Program administrative support	8,273,620	8,717,262	7,811,151	8,626,141
	<u>88,514,350</u>	<u>89,877,246</u>	<u>90,276,178</u>	<u>91,671,717</u>
General administration:				
Administrative and general	7,739,713	7,881,601	8,336,842	6,490,256
	<u>7,739,713</u>	<u>7,881,601</u>	<u>8,336,842</u>	<u>6,490,256</u>
<b>Total governmental activities expenses</b>	<u>\$ 96,254,063</u>	<u>\$ 97,758,847</u>	<u>\$ 98,613,020</u>	<u>\$ 98,161,973</u>
<b>Program Revenues</b>				
Governmental activities:				
Children's programs				
Operating grants and contributions	\$ 5,859,504	\$ 6,322,044	\$ 5,687,606	\$ 5,419,242
<b>Total governmental activities program revenues</b>	<u>\$ 5,859,504</u>	<u>\$ 6,322,044</u>	<u>\$ 5,687,606</u>	<u>\$ 5,419,242</u>
<b>Net (expense)/revenue</b>				
Governmental activities	<u>\$ (90,394,559)</u>	<u>\$ (91,436,803)</u>	<u>\$ (92,925,414)</u>	<u>\$ (92,742,731)</u>
<b>General revenues:</b>				
Governmental activities:				
Ad valorem taxes	\$ 93,356,416	\$ 92,252,865	\$ 90,165,733	\$ 88,250,774
Investment income	193,081	508,218	221,018	242,572
Miscellaneous	72,163	50,469	49,508	213,803
	<u>93,621,660</u>	<u>92,811,552</u>	<u>90,436,259</u>	<u>88,707,149</u>
<b>Total governmental activities</b>	<u>\$ 93,621,660</u>	<u>\$ 92,811,552</u>	<u>\$ 90,436,259</u>	<u>\$ 88,707,149</u>
<b>Change in net position</b>				
Governmental activities	<u>\$ 3,227,101</u>	<u>\$ 1,374,749</u>	<u>\$ (2,489,155)</u>	<u>\$ (4,035,582)</u>

**Fiscal Year**

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 86,686,474	\$ 91,703,086	\$ 96,768,722	\$ 98,148,862	\$ 105,869,659	\$ 108,485,981
9,611,044	9,497,225	10,599,901	10,379,993	10,715,687	11,011,891
<u>96,297,518</u>	<u>101,200,311</u>	<u>107,368,623</u>	<u>108,528,855</u>	<u>116,585,346</u>	<u>119,497,872</u>
7,095,790	6,842,174	6,051,019	6,178,127	6,150,243	6,250,241
<u>\$ 103,393,308</u>	<u>\$ 108,042,485</u>	<u>\$ 113,419,642</u>	<u>\$ 114,706,982</u>	<u>\$ 122,735,589</u>	<u>\$ 125,748,113</u>
\$ 5,640,202	\$ 7,599,170	\$ 7,493,464	\$ 6,445,350	\$ 4,218,387	\$ 3,084,099
<u>\$ 5,640,202</u>	<u>\$ 7,599,170</u>	<u>\$ 7,493,464</u>	<u>\$ 6,445,350</u>	<u>\$ 4,218,387</u>	<u>\$ 3,084,099</u>
<u>\$ (97,753,106)</u>	<u>\$ (100,443,315)</u>	<u>\$ (105,926,178)</u>	<u>\$ (108,261,632)</u>	<u>\$ (118,517,202)</u>	<u>\$ (122,664,014)</u>
\$ 88,197,559	\$ 90,722,502	\$ 99,018,241	\$ 108,983,420	\$ 112,434,398	\$ 116,172,110
138,674	245,095	663,892	562,469	1,193,296	2,731,230
239,430	345,084	394,597	404,224	268,646	253,076
<u>\$ 88,575,663</u>	<u>\$ 91,312,681</u>	<u>\$ 100,076,730</u>	<u>\$ 109,950,113</u>	<u>\$ 113,896,340</u>	<u>\$ 119,156,416</u>
<u>\$ (9,177,443)</u>	<u>\$ (9,130,634)</u>	<u>\$ (5,849,448)</u>	<u>\$ 1,688,481</u>	<u>\$ (4,620,862)</u>	<u>\$ (3,507,598)</u>

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Fund Balance of Governmental Funds  
 Last Ten Fiscal Years  
 Modified Accrual Basis of Accounting

Fiscal Year	Reserved	Unreserved	Nonspendable	Assigned	Unassigned	Total General Fund
2010	* \$ 3,138,476	\$ 70,760,085	\$ -	\$ -	\$ -	\$ 73,898,561
2011	-	-	188,904	14,695,257	59,466,983	74,351,144
2012	-	-	219,257	12,403,801	59,427,714	72,050,772
2013	-	-	262,539	43,647,017	25,186,108	69,095,664
2014	-	-	203,056	20,907,835	39,611,139	60,722,030
2015	-	-	363,852	14,843,281	37,636,510	52,843,643
2016	-	-	356,262	9,076,761	38,301,542	47,734,565
2017	-	-	381,695	10,281,153	39,699,676	50,362,524
2018	-	-	382,312	12,210,846	34,268,051	46,861,209
2019	-	-	556,568	8,187,008	35,311,706	44,055,282

Note: The above table consists of the General Fund only,  
 since the Special Revenue Fund fund balance is zero for all years.

\* Amounts have not been restated for the implementation of GASB Statement No. 54.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Changes in Fund Balance of Governmental Funds  
Last Ten Fiscal Years  
Modified Accrual Basis of Accounting

	Fiscal Year			
	2010	2011	2012	2013
<b>Revenues</b>				
Ad valorem taxes	\$ 93,356,416	\$ 92,252,865	\$ 90,165,733	\$ 88,250,774
Grant income	5,859,504	6,322,044	5,687,606	5,419,242
Income from tenants	-	-	-	-
Interest income	193,081	508,218	221,018	242,572
Appreciation (depreciation) in fair value of investments	-	-	-	-
Sponsorship fees and other income	72,163	50,469	49,508	213,803
<b>Total revenues</b>	<u>99,481,164</u>	<u>99,133,596</u>	<u>96,123,865</u>	<u>94,126,391</u>
<b>Expenditures</b>				
Program services - children's programs	80,593,035	82,650,202	83,074,706	83,045,576
Program services - administrative support	7,785,367	8,292,430	7,143,582	7,897,886
Administrative and general	6,058,367	6,177,061	6,204,297	4,293,928
Other administration	1,314,366	1,364,658	1,649,040	1,671,844
Capital outlay	165,328	196,662	352,612	172,265
<b>Total expenditures</b>	<u>95,916,463</u>	<u>98,681,013</u>	<u>98,424,237</u>	<u>97,081,499</u>
Revenues over (under) expenditures	3,564,701	452,583	(2,300,372)	(2,955,108)
<b>Other financing sources (uses)</b>				
Transfers in	3,546,779	3,452,179	3,199,184	3,003,778
Transfers out	(3,546,779)	(3,452,179)	(3,199,184)	(3,003,778)
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ 3,564,701</u>	<u>\$ 452,583</u>	<u>\$ (2,300,372)</u>	<u>\$ (2,955,108)</u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 88,197,559	\$ 90,722,502	\$ 99,018,241	\$ 108,983,420	\$ 112,434,398	\$ 116,172,110
5,640,202	7,599,170	7,493,464	6,445,350	4,218,387	3,084,099
-	74,938	75,267	76,220	71,479	69,978
138,674	210,550	615,075	701,549	1,114,625	2,047,884
-	34,545	48,817	(139,080)	78,671	683,346
239,430	261,230	347,883	341,604	199,564	183,098
<u>94,215,865</u>	<u>98,902,935</u>	<u>107,598,747</u>	<u>116,409,063</u>	<u>118,117,124</u>	<u>122,240,515</u>
86,686,474	91,703,086	96,768,722	98,148,862	105,869,659	108,485,981
8,768,331	8,644,106	9,752,600	9,553,792	9,911,338	10,499,516
5,281,209	4,731,723	4,167,502	4,325,147	4,208,879	4,463,881
1,456,604	1,670,966	1,554,011	1,531,680	1,628,563	1,591,264
296,881	31,438	464,993	221,623	-	5,800
<u>102,489,499</u>	<u>106,781,319</u>	<u>112,707,828</u>	<u>113,781,104</u>	<u>121,618,439</u>	<u>125,046,442</u>
(8,273,634)	(7,878,384)	(5,109,081)	2,627,959	(3,501,315)	(2,805,927)
2,154,113	2,187,492	2,434,322	2,321,507	2,402,932	2,389,399
<u>(2,154,113)</u>	<u>(2,187,492)</u>	<u>(2,434,322)</u>	<u>(2,321,507)</u>	<u>(2,402,932)</u>	<u>(2,389,399)</u>
-	-	-	-	-	-
<u>\$ (8,273,634)</u>	<u>\$ (7,878,384)</u>	<u>\$ (5,109,081)</u>	<u>\$ 2,627,959</u>	<u>\$ (3,501,315)</u>	<u>\$ (2,805,927)</u>

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years

<b>Fiscal Year Ended September 30,</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Other (1)</b>
<b>2010</b>	\$ 146,107,103,906	\$ 18,754,638,949	\$ 5,578,717,390	\$ 16,529,398,078
<b>2011</b>	120,380,754,238	17,029,669,349	4,667,628,664	12,275,867,558
<b>2012</b>	118,500,040,513	16,094,242,947	4,520,036,102	12,006,985,316
<b>2013</b>	118,762,130,930	16,080,951,616	4,252,615,724	12,107,122,102
<b>2014</b>	133,838,509,211	18,192,107,879	3,538,728,868	2,816,124,507
<b>2015</b>	131,648,730,012	21,696,599,907	4,639,356,160	9,717,953,437
<b>2016</b>	133,814,975,922	27,834,485,582	3,863,326,594	14,562,044,405
<b>2017</b>	148,666,146,189	24,863,246,181	4,785,621,547	17,195,822,292
<b>2018</b>	158,815,174,719	26,298,973,436	5,218,098,747	18,350,304,182
<b>2019</b>	167,919,886,180	27,513,330,447	5,720,723,948	19,443,932,202

Source: Palm Beach County Property Appraiser.

(1) Amount includes agricultural property, institutional, government, leasehold interests, non-agricultural acreage and other miscellaneous items.

(2) The Council's maximum tax rate is \$1.00 per \$1,000 of assessed taxable value.

Note: The basis of assessed value is approximately one hundred percent (100%) of actual value. Property in Palm Beach County is reassessed annually.

	<b>Less: Tax Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Council Tax Rate (2)</b>
\$	46,569,871,602	\$ 140,399,986,721	0.6898
	27,162,638,861	127,191,280,948	0.7513
	26,451,338,216	124,669,966,662	0.7475
	25,758,906,056	125,443,914,316	0.7300
	28,063,972,313	130,321,498,152	0.7025
	28,145,414,755	139,557,224,761	0.6745
	27,380,431,109	152,694,401,394	0.6677
	30,001,580,138	165,509,256,071	0.6833
	31,422,380,077	177,260,171,007	0.6590
	32,342,268,448	188,255,604,329	0.6403

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 Rate per \$1,000 of Assessed Value

Fiscal Year	Council			Overlapping Rates (a)				
	Basic Direct Rate	Debt Service Rate	Total Rate	Palm Beach County (a)	Palm Beach County School Board (b)	South Florida Water Management District (c)	Florida Inland Navigation District	Health Care District of Palm Beach County
2010	0.6898	-	0.6898	4.5614	7.9830	0.6240	0.0345	1.1451
2011	0.7513	-	0.7513	4.9960	8.1540	0.6240	0.0345	1.1451
2012	0.7475	-	0.7475	4.7815	7.7780	0.4363	0.0345	1.1250
2013	0.7300	-	0.7300	4.7815	7.5860	0.4289	0.0345	1.0800
2014	0.7025	-	0.7025	4.9729	7.5940	0.4110	0.0345	1.0800
2015	0.6745	-	0.6745	4.9729	7.5940	0.3842	0.0345	1.0800
2016	0.6677	-	0.6677	4.9277	7.5120	0.3551	0.0320	1.0426
2017	0.6833	-	0.6833	4.9142	7.0700	0.3307	0.0320	0.8993
2018	0.6590	-	0.6590	4.9023	6.7690	0.3100	0.0320	0.7808
2019	0.6403	-	0.6403	4.8980	6.5720	0.2936	0.0302	0.7261

Source: Palm Beach County, Palm Beach County School Board, South Florida Water Management District, Florida Inland Navigation District and Health Care District of Palm Beach County.

(a) Includes levies for operating and debt service costs.

(b) Includes local and state.

(c) Includes District-at-Large, Okeechobee Basin and Everglades Construction Project.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2010			2019		
	Taxes Levied	Rank	Percent to Aggregate Taxes Levied	Taxes Levied	Rank	Percent to Aggregate Taxes Levied
Florida Power & Light	\$ 1,942,107	1	2.01%	\$ 3,471,339	1	2.88%
Town Center at Boca Raton Trust	239,337	3	0.25%	382,220	2	0.32%
Breakers Palm Beach, Inc.	105,826	10	0.11%	267,605	3	0.22%
BOCA Owner LLC				247,865	4	0.21%
Gardens Venture LLC				237,240	5	0.20%
CPT Phillips Point LLC				128,732	6	0.11%
Palm Beach Outlets				117,483	7	0.10%
U.S. Sugar Corporation	183,856	4	0.19%	72,278	8	0.06%
Okeelanta Corporation	114,154	7	0.12%	57,185	9	0.05%
KH Alton LLC				49,441	10	0.04%
Panthers BRHC, LTD	110,341	8	0.11%			
Bellsouth Telecommunications	264,594	2	0.27%			
Landry Lawrence L	157,814	5	0.16%			
Comcast	116,987	6	0.12%			
TJ Palm Beach Assoc. LTD Partners	108,703	9	0.11%			
Total principal taxpayers	<u>\$ 3,343,719</u>		<u>3.45%</u>	<u>\$ 5,031,388</u>		<u>4.19%</u>

Source: Palm Beach County Property Appraiser's Office.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 96,847,911	\$ 92,543,817	95.6%	\$ 533,051	\$ 93,076,868	96.1%
2011	95,558,809	91,732,153	96.0%	790,845	92,522,998	96.8%
2012	93,190,800	89,390,885	95.9%	545,252	89,936,137	96.5%
2013	91,574,057	87,810,006	95.9%	263,472	88,073,478	96.2%
2014	91,550,852	87,982,941	96.1%	525,256	88,508,197	96.7%
2015	94,131,348	90,722,502	96.4%	499,861	91,222,363	96.9%
2016	101,954,052	99,018,241	97.1%	115,277	99,133,518	97.2%
2017	113,092,475	108,567,916	96.0%	3,098	108,571,014	96.0%
2018	116,814,453	112,369,084	96.2%	-	112,369,084	96.2%
2019	120,540,063	115,991,509	96.2%	-	115,991,509	96.2%

Source: Children's Services Council - Finance Division

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Demographic and Economic Statistics  
Last Ten Calendar Years

Year	Population (1)	Personal Income (thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	Public School Enrollment (2)	Unemployment Rate (3)(4)
2010	1,320,134	\$ 69,488,201	\$ 52,526	43.50	174,341	12.40%
2011	1,325,758	72,053,531	53,871	43.70	174,818	10.90%
2012	1,335,415	75,461,490	55,628	43.80	174,594	9.20%
2013	1,345,652	79,564,774	57,985	43.90	177,797	7.10%
2014	1,360,238	93,526,272	66,914	44.20	180,172	6.00%
2015	1,378,417	97,806,900	68,743	44.30	183,447	5.20%
2016	1,391,741	103,876,015	71,946	44.00	186,291	5.10%
2017	1,414,144	109,973,732	74,754	44.40	189,320	3.60%
2018	1,433,417	118,519,249	79,760	44.40	190,021	3.10%
2019	1,447,857	N/A	N/A	N/A	190,146	3.20%

Source:

- (1) Florida Legislature Office of Economic and Demographic Research at website:  
<http://edr.state.fl.us/Content/area-profiles/county/palmbeach.pdf>
  - (2) The School District of Palm Beach County Comprehensive Annual Financial Report at website:  
[https://www.palmbeachschools.org/UserFiles/Servers/Server\\_270532/File/CAFR\\_2019.pdf](https://www.palmbeachschools.org/UserFiles/Servers/Server_270532/File/CAFR_2019.pdf)
  - (3) Palm Beach County Comprehensive Annual Financial Report at website:  
<https://www.mypalmbeachclerk.com/Home/ShowDocument?id=1524>
  - (4) Business Development Board - Palm Beach County  
at website: <https://www.bdb.org/facts-figures/palm-beach-county-labor-trends/>
- N/A Not Available

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Principal Employers  
Current Year and Nine Years Ago

	2010			2019		
	Number of Employees (1)	Rank	Percentage of Total County Employment (1)	Number of Employees (2)	Rank	Percentage of Total County Employment (2)
Palm Beach County School District	21,718	1	3.47%	22,049	1	2.97%
Tenet Healthcare Corp	5,127	5	0.82%	6,505	2	0.87%
Palm Beach County Government	11,381	2	1.82%	5,438	3	0.73%
NextEra Energy, Inc.				4,807	4	0.65%
Florida Atlantic University	2,776	9	0.44%	2,898	5	0.39%
HCA Healthcare				2,806	6	0.38%
Boca Raton Regional Hospital				2,800	7	0.38%
Veterans Health Administration				2,700	8	0.36%
The Breakers				2,300	9	0.31%
Bethesda Hospital East/Bethesda Hospital West				2,282	10	0.31%
State Government	9,300	3	1.48%			
Federal Government	6,300	4	1.01%			
Hospital Corporation of America (HCA)	4,150	6	0.66%			
Florida Power & Light Company	3,658	7	0.58%			
Wackenhut Corporation	3,000	8	0.48%			
Bethesda Memorial Hospital	2,300	10	0.37%			
TOTAL	<u>69,710</u>		<u>11.13%</u>	<u>54,585</u>		<u>7.35%</u>

Source:

- (1) Palm Beach County Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2010.
- (2) Business Development Board.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Full-time Equivalent Employees by Function  
Last Ten Fiscal Years

Full-Time Equivalent Employees as of September 30,	Executive Administration	Talent and Operations	Finance	Program Services	Communications	Information Management	Grand Total
2010	4	13	16	51	22	-	106
2011	4	11	14	43	18	-	90
2012	3	12	15	46	16	-	92
2013	3	13	14	49	16	-	95
2014	3	13	13	47	18	-	94
2015	3	14	15	48	7	11	98
2016	3	12	15	50	6	11	97
2017	3	13	15	48	8	13	100
2018	3	13	14	48	8	15	101
2019	3	12	15	50	8	15	103

Source: Children's Services Council of Palm Beach County, Finance Administration.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Operating Indicators  
Last Ten Fiscal Years

**Utilization**

Contract/Direct Services:

<u>Fiscal Year</u>	<u>Amount Under Contract (a)</u>	<u>Actual Expenditures (b)</u>	<u>Underutilized (c)</u>
2010	100%	88%	12%
2011	100%	93%	7%
2012	100%	93%	7%
2013	100%	94%	6%
2014	100%	97%	3%
2015	100%	93%	7%
2016	100%	95%	5%
2017	100%	93%	7%
2018	100%	96%	4%
2019	100%	96%	4%

(a) Percentage of contract/direct services budget under contract.

(b) Percentage of contract/direct services budget spent.

(c) Percentage of contract/direct services budget contracted but not spent.

**General Fund Total Expenditures & Transfers Out as a Percentage of Revenues**

<u>Fiscal Year</u>	<u>Budget (d)</u>	<u>Actual (e)</u>
2010	113%	96%
2011	111%	100%
2012	113%	102%
2013	113%	103%
2014	114%	109%
2015	120%	108%
2016	114%	105%
2017	108%	98%
2018	110%	103%
2019	110%	102%

(d) Final budgeted expenditures and transfers out as a percent of final budgeted revenue.

(e) Actual expenditures and transfers out as a percent of actual revenue.

Source: Children's Services Council - Finance Division.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Operating Budget Trends  
Last Ten Fiscal Years

	Fiscal Year			
	2010 Budget	2011 Budget	2012 Budget	2013 Budget
Quality Childcare Programs	\$ 34,212,889	\$ 38,377,431	\$ 41,362,211	\$ 46,707,039
Healthy Beginnings Programs	34,437,911	30,752,083	31,009,733	24,841,747
Bridges Program	7,634,217	4,593,923	4,856,295	5,420,763
Initiatives	15,688,049	15,105,509	11,852,756	11,038,370
Training and Accountability Administration	- 16,309,195	- 15,578,777	- 13,832,217	- 13,904,622
<b>TOTAL</b>	<b>\$ 108,282,261</b>	<b>\$ 104,407,723</b>	<b>\$ 102,913,212</b>	<b>\$ 101,912,541</b>

Source: Children's Services Council - Finance Division

Amounts include the General Fund and the Special Revenue Fund final budget, excluding general administrative - other, reserves, contingency and capital outlay.

**Fiscal Year**

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
\$ 48,211,355	\$ 53,676,049	\$ 53,299,633	\$ 54,183,328	\$ 57,533,215	\$ 56,646,666
25,346,575	27,206,284	29,405,411	29,570,527	32,826,063	34,753,513
5,367,319	5,558,334	5,815,484	5,673,797	5,952,934	6,032,884
10,270,255	12,461,337	12,176,334	10,062,994	10,809,643	11,959,010
-	-	-	4,510,982	3,539,610	3,804,392
14,363,086	14,869,273	14,906,468	14,760,324	15,279,336	15,812,683
\$ 103,558,590	\$ 113,771,277	\$ 115,603,330	\$ 118,761,952	\$ 125,940,801	\$ 129,009,148

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Administrative</b>										
Headquarters	1	1	1	1	1	1	1	1	1	1

Children's Services Council of Palm Beach County provides all of its services from one main facility in Boynton Beach, Florida.

Sources: Finance department

## **COMPLIANCE SECTION**



CALER, DONTEN, LEVINE,  
COHEN, PORTER & VEIL, P.A.

WILLIAM K. CALER, JR., CPA  
LAURA E. CLARK, CPA  
LOUIS M. COHEN, CPA  
JOHN C. COURTNEY, CPA, JD  
DAVID S. DONTEN, CPA  
JAMES B. HUTCHISON, CPA  
JOEL H. LEVINE, CPA  
JAMES F. MULLEN, IV, CPA  
MICHAEL J. NALEZYTY, CPA  
THOMAS A. PENCE, JR., CPA  
SCOTT L. PORTER, CPA  
MARK D. VEIL, CPA  
MARTIN R. WOODS, CPA

CERTIFIED PUBLIC ACCOUNTANTS

505 SOUTH FLAGLER DRIVE, SUITE 900  
WEST PALM BEACH, FL 33401  
TELEPHONE: (561) 832-9292

759 SW FEDERAL HIGHWAY, SUITE 301  
STUART, FL 34994  
TELEPHONE: (772) 872-2123

info@cdlcpa.com

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With Government Auditing Standards

To the Honorable Chair  
and Council Members  
Children's Services Council of Palm Beach County  
Boynton Beach, Florida

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Children's Services Council of Palm Beach County (the "Council"), Florida, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated February 21, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Calder, Dauter, Levine,  
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida  
February 21, 2020

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2019

Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number/ Pass-through Entity Identifying Number	Total Federal Expenditures	State Matching Expenditures	Total Expenditures	Passed Through to Subrecipients
<b>FEDERAL AWARDS</b>						
<b>U.S. Department of Health and Human Services</b>						
Passed through from Healthy Start Coalition of Palm Beach County, Inc. d/b/a Healthy Beginnings of Palm Beach County						
Medical Assistance Program (Medicaid; Title XIX)	93.778	MED 165	\$ 531,148	\$ 338,161	\$ 869,309	\$ 869,309
Medical Assistance Program (Medicaid; Title XIX)	93.778	FP076-28	461,873	294,058	755,931	754,877
Maternal and Child Health Services Block Grant to the States	93.994	COSGS	384,915	1,073,944	1,458,859	1,425,994
<b>Total U.S. Department of Health and Human Services</b>			<u>1,377,936</u>	<u>1,706,163</u>	<u>3,084,099</u>	<u>3,050,180</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,377,936</u>	<u>\$ 1,706,163</u>	<u>\$ 3,084,099</u>	<u>\$ 3,050,180</u>

See notes to schedule of expenditures of federal awards.

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2019

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the Federal grant activity of Children's Services Council of Palm Beach County (the "Council"), under programs of the Federal government for the year ended September 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position or changes in net position of the Council. Expenditures of State financial assistance for the year ended September 30, 2019 did not exceed the \$750,000 threshold for a State Single Audit.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

The Council has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The Council made subrecipient payments to local non-profit organizations totaling approximately \$3,050,000 from Federal Awards for Children's Programs for the year ended September 30, 2019.

NOTE E - MATCHING REQUIREMENTS

The grants from Healthy Start Coalition of Palm Beach County, Inc. d/b/a Healthy Beginnings Coalition of Palm Beach County include matching funds and maintenance of effort funding requirements. The Medical Assistance Program (CFDA #93.778) under Contract MED 165 and contract FP076-28 and the Maternal and Child Health Services Block Grant to the States (CFDA #93.994) under Contract COSGS include State matching and maintenance of effort funding from the State of Florida, Department of Health ("DOH") which is not considered Federal awards and not reported as Federal award expenditures in the Schedule. The State Matching Expenditures are not considered State Financial Assistance subject to Section 215.97, Florida Statutes, *Florida Single Audit Act*. The amounts designated as matching funds for Federal Award programs are summarized as follows:

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2019

NOTE E - MATCHING REQUIREMENTS (Continued)

<u>Federal Award</u>	<u>CFDA Number</u>	<u>Amount</u>
Medical Assistance Program	93.778	\$ 632,219
Maternal and Child Health Services Block Grant to the States	93.994	<u>1,073,944</u>
	Total	<u>\$ 1,706,163</u>

Based on the contract with the grant recipient (Healthy Start Coalition of Palm Beach County, Inc. d/b/a Healthy Beginnings of Palm Beach County), the Maternal and Child Health Services Block Grant to the States has matching funds of \$1,073,944. The Medical Assistance Program has State matching funds of \$632,219. These amounts were utilized as a general revenue match for Federal awards.

NOTE F - CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Council. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable Federal and State laws and regulations.



CALER, DONTEN, LEVINE,  
COHEN, PORTER & VEIL, P.A.

WILLIAM K. CALER, JR., CPA  
LAURA E. CLARK, CPA  
LOUIS M. COHEN, CPA  
JOHN C. COURTNEY, CPA, JD  
DAVID S. DONTEN, CPA  
JAMES B. HUTCHISON, CPA  
JOEL H. LEVINE, CPA  
JAMES F. MULLEN, IV, CPA  
MICHAEL J. NALEZYTY, CPA  
THOMAS A. PENCE, JR., CPA  
SCOTT L. PORTER, CPA  
MARK D. VEIL, CPA  
MARTIN R. WOODS, CPA

CERTIFIED PUBLIC ACCOUNTANTS

505 SOUTH FLAGLER DRIVE, SUITE 900  
WEST PALM BEACH, FL 33401  
TELEPHONE: (561) 832-9292

759 SW FEDERAL HIGHWAY, SUITE 301  
STUART, FL 34994  
TELEPHONE: (772) 872-2123

info@cdlcpa.com

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report on Compliance For Each Major Program  
and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Honorable Chair  
and Council Members  
Children's Services Council of Palm Beach County  
Boynton Beach, Florida

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of the Children's Services Council of Palm Beach County (the "Council"), Florida, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Council's major Federal programs for the year ended September 30, 2019. The Council's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Council's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the Council's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2019.

### **Report on Internal Control over Compliance**

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Cale, Dutton, Levine,  
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida  
February 21, 2020

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
FEDERAL AWARD PROGRAMS

Year Ended September 30, 2019

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	<i>Unmodified Opinion</i>
Internal control over financial reporting:	
Material weakness(es) identified?	___ Yes <u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ Yes <u> X </u> None reported
Noncompliance material to financial statements noted?	___ Yes <u> X </u> No

**Federal Award Programs**

Internal control over major Federal Award Programs:	
Material weakness(es) identified?	___ Yes <u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ Yes <u> X </u> None reported

Type of auditor's report issued on compliance for major Federal Award Programs:	<i>Unmodified Opinion</i>
---	---------------------------

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes <u> X </u> No
--	-----------------------

**Identification of Major Programs:**

<b><u>Major Federal Award Programs</u></b>	<b><u>CFDA No.</u></b>
U.S. Department of Health and Human Services Passed through from Healthy Start Coalition of Palm Beach County, Inc. d/b/a Healthy Beginnings of Palm Beach County Medical Assistance Program (Medicaid; Title XIX)	93.778
Maternal and Child Health Services Block Grant to the States	93.994

Dollar threshold used to distinguish between Type A and Type B programs:	<u> \$ 750,000 </u>
--	---------------------

Auditee qualified as low-risk auditee?	<u> X </u> Yes ___ No
--	-----------------------

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
FEDERAL AWARD PROGRAMS (Continued)

Year Ended September 30, 2019

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None

**SECTION III - FEDERAL AWARD PROGRAMS FINDINGS AND QUESTIONED COSTS**

None

**SECTION IV - OTHER MATTERS**

- a) No Corrective Action Plan is required because there were no findings required to be reported in accordance with the Uniform Guidance.
- b) No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings reported.



CALER, DONTEN, LEVINE,  
COHEN, PORTER & VEIL, P.A.

WILLIAM K. CALER, JR., CPA  
LAURA E. CLARK, CPA  
LOUIS M. COHEN, CPA  
JOHN C. COURTNEY, CPA, JD  
DAVID S. DONTEN, CPA  
JAMES B. HUTCHISON, CPA  
JOEL H. LEVINE, CPA  
JAMES F. MULLEN, IV, CPA  
MICHAEL J. NALEZYTY, CPA  
THOMAS A. PENCE, JR., CPA  
SCOTT L. PORTER, CPA  
MARK D. VEIL, CPA  
MARTIN R. WOODS, CPA

CERTIFIED PUBLIC ACCOUNTANTS

505 SOUTH FLAGLER DRIVE, SUITE 900  
WEST PALM BEACH, FL 33401  
TELEPHONE: (561) 832-9292

759 SW FEDERAL HIGHWAY, SUITE 301  
STUART, FL 34994  
TELEPHONE: (772) 872-2123

info@cdlcpa.com

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Management Letter

To the Honorable Chair  
and Council Members  
Children's Services Council of Palm Beach County  
Boynton Beach, Florida

**Report on the Financial Statements**

We have audited the financial statements of Children's Services Council of Palm Beach County (the "Council"), Florida, as of and for the year ended September 30, 2019, and have issued our report thereon dated February 21, 2020.

**Auditor's Responsibility**

We conducted our audit in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and, Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and, Independent Accountant's Report on Investment Compliance on our examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 21, 2020, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior audit findings.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note A to the financial statements. Also, as discussed in Note A, the Council included Prevention Partnerships for Children, Inc., a not-for-profit 501(c)(3) corporation, as a blended component unit of the Council.

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Council has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Council did not meet any of the conditions described in Section 218.503(1), Florida Statutes, as of and for the year ended September 30, 2019.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Council. It is management's responsibility to monitor the Council's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. The results of our procedures disclosed no matters that are required to be reported.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and pass-through entities, and the Council Members, management and others within the Council, and is not intended to be and should not be used by anyone other than these specified parties.

*Caler, Dauter, Levine,  
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida  
February 21, 2020



CALER, DONTEN, LEVINE,  
COHEN, PORTER & VEIL, P.A.

WILLIAM K. CALER, JR., CPA  
LAURA E. CLARK, CPA  
LOUIS M. COHEN, CPA  
JOHN C. COURTNEY, CPA, JD  
DAVID S. DONTEN, CPA  
JAMES B. HUTCHISON, CPA  
JOEL H. LEVINE, CPA  
JAMES F. MULLEN, IV, CPA  
MICHAEL J. NALEZYTY, CPA  
THOMAS A. PENCE, JR., CPA  
SCOTT L. PORTER, CPA  
MARK D. VEIL, CPA  
MARTIN R. WOODS, CPA

CERTIFIED PUBLIC ACCOUNTANTS

505 SOUTH FLAGLER DRIVE, SUITE 900  
WEST PALM BEACH, FL 33401  
TELEPHONE: (561) 832-9292

759 SW FEDERAL HIGHWAY, SUITE 301  
STUART, FL 34994  
TELEPHONE: (772) 872-2123

info@cdlcpa.com

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report on Investment Compliance

To the Honorable Chair  
and Council Members  
Children's Services Council of Palm Beach County  
Boynton Beach, Florida

We have examined Children's Services Council of Palm Beach County's (the "Council") compliance with Section 218.415, Florida Statutes, during the year ended September 30, 2019. Management of the Council is responsible for the Council's compliance with the specified requirements. Our responsibility is to express an opinion on the Council's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Council complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Council complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Council's compliance with the specified requirements.

In our opinion, the Council complied, in all material respects, with Section 218.415, Florida Statutes, during the year ended September 30, 2019.

This report is intended to describe our testing of compliance with Section 218.415, Florida Statutes, and is not suitable for any other purpose.

*Caler, Donten, Levine,  
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida  
February 21, 2020

Children's Services Council

# Finance Committee Meeting

Thursday, February 27, 2020, 3:30 p.m.

## AGENDA / MINUTES

### Welcome and introductions

#### Finance Committee Members:

Thomas Bean, CSC and CSC Finance Committee Chair, **Not Present**  
Tom Weber, CSC Chair and CSC Finance Committee Vice-chair, **Present**  
Paul Dumars, Director Financial Services, Solid Waste Authority, **Present**  
John Marino, Volunteer, **Not Present**

#### CSC Staff:

Lisa Williams-Taylor, Ph.D., Chief Executive Officer, **Present**  
Debra Heim, Chief Financial Officer, **Present**  
Debra Gotlib, General Counsel and Chief of Legislative Affairs, **Present**  
Elsa Sanchez, Senior Executive Assistant, **Present**

#### Other:

Richard Pengelly and Sean Gannon, PFM Asset Management LLC, **Present via telephone**

#### Agenda Items:

1. Quarterly Investment Report - December 31, 2019, **Reviewed, no action required**
2. Investment Policy regarding Intergovernmental Pools/Local Government Investment Pools (LGIPs), **Not discussed. Delayed until next meeting.**
3. Minutes – January 30, 2020 **Consensus – Recommends Council to Approve**
4. Financial Statements – December 31, 2019 **Consensus – Recommends Council to Approve**
5. Budget Assumptions FY 2020-2021, **Reviewed, no action required**

Adjournment

Next Meeting: March 19, 2020, 3:30p.m.

**AGENDA ITEM: 3**

**TITLE:** Monthly Investment Report – January 31, 2020

**STAFF:** Debra Heim, Chief Financial Officer

**SUMMARY:**

On a monthly basis, CSC’s investment policy requires a listing of holdings in the portfolio at market value be provided to the CEO, Finance Committee, and the Council. See attached investment holdings reports from:

Custodian Bank (Regions Bank)	\$ 39,771,280
Less: Cash & cash equivalents	\$ (5,799,670)
Less: Accrued income	<u>\$ (128,720)</u>
Subtotal at Regions Bank	\$ 33,842,890
Florida Public Assets for Liquidity Management (FL PALM) (Previously Florida Investment Insurance Trust Fund (FEITF))	<u>\$ 26,028,184</u>
Total Investments	\$ 59,871,074

**RECOMMENDATION:**

For informational purposes only, no action required.

**Portfolio Holdings on January 31, 2020**

	Number of Shares	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS</b>							
<i>Cash</i>							
<i>Cash</i>							
US Dollar Spot Currency:USD	-139,313.47 1.00		-139,313.47	0.00	-139,313.47 0.00	0.00	0.00%
<b>Total Cash</b>			<b>-\$139,313.47</b>	<b>\$0.00</b>	<b>-\$139,313.47 \$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
<b>Total Cash</b>			<b>-\$139,313.47</b>	<b>\$0.00</b>	<b>-\$139,313.47 \$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
<i>Cash Equivalents</i>							
<i>Cash Equivalents</i>							
Morgan Stanley Institutional Liquidity Funds - Government Portfolio CUSIP:61747C608	5,938,983.37 1.00		5,938,983.37	6,278.47	5,938,983.37 0.00	79,879.33 1.35	14.88%
<b>Total Cash Equivalents</b>			<b>\$5,938,983.37</b>	<b>\$6,278.47</b>	<b>\$5,938,983.37 \$0.00</b>	<b>\$79,879.33 1.35%</b>	<b>14.88%</b>
<b>Total Cash Equivalents</b>			<b>\$5,938,983.37</b>	<b>\$6,278.47</b>	<b>\$5,938,983.37 \$0.00</b>	<b>\$79,879.33 1.35%</b>	<b>14.88%</b>
<i>Accrued Income</i>							
<i>Accrued Income</i>							
Ending Accrual	0.00 1.00		128,720.39	0.00	128,720.39 0.00	0.00	0.32%
<b>Total Accrued Income</b>			<b>\$128,720.39</b>	<b>\$0.00</b>	<b>\$128,720.39 \$0.00</b>	<b>\$0.00</b>	<b>0.32%</b>
<b>Total Accrued Income</b>			<b>\$128,720.39</b>	<b>\$0.00</b>	<b>\$128,720.39 \$0.00</b>	<b>\$0.00</b>	<b>0.32%</b>

**Portfolio Holdings on January 31, 2020 (continued)**

	Number of Shares	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<i>US Government</i>							
<i>US Treasury</i>							
United States Treasury Note/Bond 1.125% 31 Jul 2021 CUSIP:912828S76	835,000.00 99.5703	N/A Aaa	831,412.11	25.80	802,630.87 28,781.24	9,393.75 1.13	2.08%
United States Treasury Note/Bond 1.625% 31 Aug 2022 CUSIP:9128282S8	340,000.00 100.7656	N/A Aaa	342,603.14	2,337.50	338,419.53 4,183.61	5,525.00 1.61	0.86%
United States Treasury Note/Bond 1.75% 30 Nov 2021 CUSIP:912828U65	970,000.00 100.6875	N/A Aaa	976,668.75	2,921.93	970,019.46 6,649.29	16,975.00 1.74	2.45%
United States Treasury Note/Bond 1.75% 30 Sep 2022 CUSIP:912828L57	780,000.00 101.125	N/A Aaa	788,775.00	4,624.62	789,181.92 -406.92	13,650.00 1.73	1.98%
United States Treasury Note/Bond 1.75% 31 Jan 2023 CUSIP:912828P38	550,000.00 101.2969	N/A Aaa	557,132.84	26.46	552,856.72 4,276.12	9,625.00 1.73	1.40%
United States Treasury Note/Bond 1.75% 31 Mar 2022 CUSIP:912828J76	470,000.00 100.8906	N/A Aaa	474,185.96	2,786.63	459,186.33 14,999.63	8,225.00 1.73	1.19%
United States Treasury Note/Bond 1.875% 28 Feb 2022 CUSIP:912828W55	155,000.00 101.0781	N/A Aaa	156,671.10	1,229.57	155,805.27 865.83	2,906.25 1.86	0.39%
United States Treasury Note/Bond 1.875% 30 Apr 2022 CUSIP:912828X47	685,000.00 101.1953	N/A Aaa	693,187.87	3,281.49	676,544.53 16,643.34	12,843.75 1.85	1.74%
United States Treasury Note/Bond 1.875% 31 Jan 2022 CUSIP:912828V72	720,000.00 101.0234	N/A Aaa	727,368.77	37.08	707,875.42 19,493.35	13,500.00 1.86	1.82%

**Portfolio Holdings on January 31, 2020 (continued)**

	Number of Shares Share Price	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<i>US Government (continued)</i>							
<i>US Treasury (continued)</i>							
United States Treasury Note/Bond 1.875% 31 Jul 2022 CUSIP:9128282P4	460,000.00 101.3438	N/A Aaa	466,181.25	23.69	461,530.86 4,650.39	8,625.00 1.85	1.17%
United States Treasury Note/Bond 2.125% 30 Jun 2022 CUSIP:912828XG0	675,000.00 101.9141	N/A Aaa	687,919.91	1,260.97	679,648.38 8,271.53	14,343.75 2.09	1.72%
United States Treasury Note/Bond 2% 30 Nov 2022 CUSIP:912828M80	620,000.00 101.8906	N/A Aaa	631,721.91	2,134.41	626,466.41 5,255.50	12,400.00 1.96	1.58%
United States Treasury Note/Bond 2% 31 May 2021 CUSIP:912828WN6	190,000.00 100.7109	N/A Aaa	191,350.79	654.09	186,548.82 4,801.97	3,800.00 1.99	0.48%
United States Treasury Note/Bond 2% 31 Oct 2021 CUSIP:912828F96	1,365,000.00 101.0469	N/A Aaa	1,379,289.91	6,975.01	1,333,754.29 45,535.62	27,300.00 1.98	3.45%
<b>Total US Treasury</b>			<b>\$8,904,469.31</b>	<b>\$28,319.25</b>	<b>\$8,740,468.81</b> <b>\$164,000.50</b>	<b>\$159,112.50</b> <b>1.79%</b>	<b>22.31%</b>
<b>Total US Government</b>			<b>\$8,904,469.31</b>	<b>\$28,319.25</b>	<b>\$8,740,468.81</b> <b>\$164,000.50</b>	<b>\$159,112.50</b> <b>1.79%</b>	<b>22.31%</b>
<i>Agency MBS</i>							
<i>15-year Fixed</i>							
Fannie Mae Pool FN AL2306 3.5% 01 Jun 2027 CUSIP:3138EJR42	126,089.48 104.335	N/A N/A	131,555.46	367.77	127,156.19 4,399.27	4,413.13 3.35	0.33%
Fannie Mae Pool FN AL8774 3% 01 Mar 2029 CUSIP:3138ETXC5	132,335.10 103.165	N/A N/A	136,523.51	330.84	132,633.76 3,889.75	3,970.05 2.91	0.34%
Fannie Mae Pool FN CA2261 4% 01 Aug 2033 CUSIP:3140Q9QP1	128,623.25 105.616	N/A N/A	135,846.73	428.74	132,265.13 3,581.60	5,144.93 3.79	0.34%

**Portfolio Holdings on January 31, 2020 (continued)**

	Number of Shares Share Price	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<i>Agency MBS (continued)</i>							
<i>15-year Fixed (continued)</i>							
Fannie Mae Pool FN FM1456 2.5% 01 Sep 2028 CUSIP:3140X4TN6	119,496.93 102.009	N/A N/A	121,897.62	248.95	120,691.90 1,205.72	2,987.42 2.45	0.31%
Freddie Mac Gold Pool FG G16545 3.5% 01 Sep 2032 CUSIP:3128MFP69	129,588.05 104.46	N/A N/A	135,367.68	377.97	130,834.28 4,533.40	4,535.58 3.35	0.34%
Freddie Mac Gold Pool FG G16640 3% 01 Feb 2032 CUSIP:3128MFS58	133,620.58 103.215	N/A N/A	137,916.48	334.05	134,012.77 3,903.71	4,008.62 2.91	0.34%
<b>Total 15-year Fixed</b>			<b>\$799,107.48</b>	<b>\$2,088.32</b>	<b>\$777,594.03</b> <b>\$21,513.45</b>	<b>\$25,059.73</b> <b>3.14%</b>	<b>2.00%</b>
<i>10-year Fixed</i>							
Fannie Mae Pool FN MA3623 3.5% 01 Mar 2029 CUSIP:31418DAZ5	124,435.10 104.289	N/A N/A	129,772.12	362.94	126,639.07 3,133.05	4,355.23 3.36	0.33%
<b>Total 10-year Fixed</b>			<b>\$129,772.12</b>	<b>\$362.94</b>	<b>\$126,639.07</b> <b>\$3,133.05</b>	<b>\$4,355.23</b> <b>3.36%</b>	<b>0.33%</b>
<b>Total Agency MBS</b>			<b>\$928,879.60</b>	<b>\$2,451.26</b>	<b>\$904,233.10</b> <b>\$24,646.50</b>	<b>\$29,414.96</b> <b>3.17%</b>	<b>2.33%</b>
<i>CMO</i>							
<i>Agency</i>							
Freddie Mac REMICS FHR 3745 NP 4% 15 Jun 2039 CUSIP:3137A24V0	99,317.70 104.5064	N/A N/A	103,793.39	331.06	102,867.54 925.85	3,972.71 3.83	0.26%
<b>Total Agency</b>			<b>\$103,793.39</b>	<b>\$331.06</b>	<b>\$102,867.54</b> <b>\$925.85</b>	<b>\$3,972.71</b> <b>3.83%</b>	<b>0.26%</b>
<b>Total CMO</b>			<b>\$103,793.39</b>	<b>\$331.06</b>	<b>\$102,867.54</b> <b>\$925.85</b>	<b>\$3,972.71</b> <b>3.83%</b>	<b>0.26%</b>

## Portfolio Holdings on January 31, 2020 (continued)

	Number of Shares	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<b>CMBS</b>							
<b>CMBS</b>							
Fannie Mae-Aces FNA 2013-M7 A2 2.28% 27 Dec 2022 CUSIP:3136AEGQ4	259,412.09 101.5262	N/A N/A	263,371.11	492.88	261,737.79 1,633.32	5,914.60 2.25	0.66%
Freddie Mac Multifamily Structured Pass Through Certificates FHMS K006 A2 4.251% 25 Jan 2020 CUSIP:31398VJ98	0.00 0.00	N/A N/A	0.00	0.00	0.00 0.00	0.00	0.00%
Freddie Mac Multifamily Structured Pass Through Certificates FHMS K019 A2 2.272% 25 Mar 2022 CUSIP:3137ASNJ9	169,004.69 101.1701	N/A N/A	170,982.18	319.98	166,773.31 4,208.87	3,839.79 2.25	0.43%
Freddie Mac Multifamily Structured Pass Through Certificates FHMS K023 A2 2.307% 25 Aug 2022 CUSIP:3137AWQH1	155,000.00 101.498	N/A N/A	157,321.92	297.99	156,992.39 329.53	3,575.85 2.27	0.39%
Freddie Mac Multifamily Structured Pass Through Certificates FHMS K032 A1 3.016% 25 Feb 2023 CUSIP:3137B4GX8	85,842.24 102.0602	N/A N/A	87,610.76	215.75	85,944.41 1,666.35	2,589.00 2.96	0.22%
Freddie Mac Multifamily Structured Pass Through Certificates FHMS K034 A1 2.669% 25 Feb 2023 CUSIP:3137B5JL8	89,034.02 101.3954	N/A N/A	90,276.37	198.03	88,578.41 1,697.96	2,376.32 2.63	0.23%
Freddie Mac Multifamily Structured Pass Through Certificates FHMS K047 A1 2.827% 25 Dec 2024 CUSIP:3137BKRH5	322,666.63 102.8619	N/A N/A	331,900.99	760.14	327,237.27 4,663.72	9,121.78 2.75	0.82%

**Portfolio Holdings on January 31, 2020 (continued)**

	Number of Shares	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<i>CMBS (continued)</i>							
<i>CMBS (continued)</i>							
Freddie Mac Multifamily Structured Pass Through Certificates FHMS K052 A1 2.598% 25 Jan 2025 CUSIP:3137BMTW6	154,978.48 102.386	N/A N/A	158,676.19	335.53	156,303.51 2,372.68	4,026.34 2.54	0.40%
Freddie Mac Multifamily Structured Pass Through Certificates FHMS K718 A1 2.375% 25 Sep 2021 CUSIP:3137BHXX0	85,534.79 100.6065	N/A Aaa	86,053.58	169.29	84,505.70 1,547.88	2,031.45 2.36	0.22%
Freddie Mac Multifamily Structured Pass Through Certificates FHMS K720 A2 2.716% 25 Jun 2022 CUSIP:3137BLUR7	325,000.00 101.8772	N/A Aaa	331,100.80	735.57	324,573.63 6,527.17	8,827.00 2.67	0.83%
Freddie Mac Multifamily Structured Pass Through Certificates FHMS K728 A1 2.741% 25 Oct 2023 CUSIP:3137FBT97	324,685.87 101.8568	N/A N/A	330,714.64	741.65	325,320.86 5,393.78	8,899.64 2.69	0.83%
Freddie Mac Multifamily Structured Pass Through Certificates FHMS KJ23 A1 3.174% 25 Mar 2022 CUSIP:3137FKK70	94,662.10 101.3703	N/A N/A	95,959.26	250.38	94,661.35 1,297.91	3,004.57 3.13	0.24%
Freddie Mac Multifamily Structured Pass Through Certificates FHMS KP05 A 3.203% 25 Jul 2023 CUSIP:3137FKK39	99,755.62 102.3819	N/A N/A	102,131.73	266.27	99,755.32 2,376.41	3,195.17 3.13	0.26%
<b>Total CMBS</b>			<b>\$2,206,099.53</b>	<b>\$4,783.46</b>	<b>\$2,172,383.95</b> <b>\$33,715.58</b>	<b>\$57,401.51</b> <b>2.60%</b>	<b>5.53%</b>
<b>Total CMBS</b>			<b>\$2,206,099.53</b>	<b>\$4,783.46</b>	<b>\$2,172,383.95</b> <b>\$33,715.58</b>	<b>\$57,401.51</b> <b>2.60%</b>	<b>5.53%</b>

**Portfolio Holdings on January 31, 2020 (continued)**

	Number of Shares Share Price	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<i>Consumer ABS</i>							
<i>Credit Card</i>							
Capital One Multi-Asset Execution Trust COMET 2018-A1 A1 3.01% 15 Feb 2024 CUSIP:14041NFR7	300,000.00 101.6955	AAA NR	305,086.59	401.34	299,916.99 5,169.60	9,030.00 2.96	0.76%
Capital One Multi-Asset Execution Trust COMET 2019-A2 A2 1.72% 15 Aug 2024 CUSIP:14041NFU0	325,000.00 100.5799	AAA N/A	326,884.77	248.43	324,918.17 1,966.60	5,590.00 1.71	0.82%
Citibank Credit Card Issuance Trust CCCIT 2018-A1 A1 2.49% 20 Jan 2023 CUSIP:17305EGK5	400,000.00 100.8738	N/A Aaa	403,495.32	304.32	395,578.13 7,917.19	9,960.00 2.47	1.01%
Discover Card Execution Note Trust DCENT 2019-A1 A1 3.04% 15 Jul 2024 CUSIP:254683CK9	205,000.00 102.959	AAA Aaa	211,065.93	276.98	204,995.65 6,070.28	6,232.00 2.95	0.53%
Discover Card Execution Note Trust DCENT 2019-A3 A 1.89% 15 Oct 2024 CUSIP:254683CM5	170,000.00 101.0391	N/A Aaa	171,766.40	142.80	169,963.48 1,802.92	3,213.00 1.87	0.43%
<b>Total Credit Card</b>			<b>\$1,418,299.01</b>	<b>\$1,373.87</b>	<b>\$1,395,372.42</b> <b>\$22,926.59</b>	<b>\$34,025.00</b> <b>2.40%</b>	<b>3.55%</b>
<i>Auto</i>							
Ally Auto Receivables Trust 2019-1 ALLYA 2019-1 A3 2.91% 15 Sep 2023 CUSIP:02004WAC5	115,000.00 101.7028	N/A Aaa	116,958.25	148.73	114,986.11 1,972.14	3,346.50 2.86	0.29%
BMW Vehicle Lease Trust 2018-1 BMWLT 2018-1 A3 3.26% 20 Jul 2021 CUSIP:05586CAC8	55,000.00 100.992	AAA Aaa	55,545.57	54.79	54,992.36 553.21	1,793.00 3.23	0.14%
CarMax Auto Owner Trust 2018-2 CARMX 2018-2 A2 2.73% 16 Aug 2021 CUSIP:14314XAB5	30,279.28 100.1041	AAA N/A	30,310.81	36.74	30,279.77 31.04	826.62 2.73	0.08%

## Portfolio Holdings on January 31, 2020 (continued)

	Number of Shares Share Price	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<i>Consumer ABS (continued)</i>							
<i>Auto (continued)</i>							
CarMax Auto Owner Trust CARMX 2018-3 A3 3.13% 15 Jun 2023 CUSIP:14313FAD1	185,000.00 101.7411	AAA N/A	188,221.02	257.35	184,974.78 3,246.24	5,790.50 3.08	0.47%
Ford Credit Auto Lease Trust FORDL 2018-B A3 3.19% 15 Dec 2021 CUSIP:34531LAD2	165,000.00 100.7742	N/A Aaa	166,277.41	233.94	164,986.06 1,291.35	5,263.50 3.17	0.42%
GM Automobile Leasing Trust 3.18% 21 Jun 2021 CUSIP:36256GAD1	115,810.32 100.5299	AAA Aaa	116,424.02	112.53	115,801.17 622.85	3,682.77 3.16	0.29%
GM Financial Automobile Leasing Trust 2019-3 GMALT 2019-3 A3 2.03% 20 Jun 2022 CUSIP:38013TAD3	90,000.00 100.4497	AAA N/A	90,404.71	55.83	89,990.07 414.64	1,827.00 2.02	0.23%
GM Financial Consumer Automobile Receivables Trust 2018-3 GMCAR 2018-3 A3 3.02% 16 May 2023 CUSIP:36255JAD6	180,000.00 101.4487	AAA N/A	182,607.62	226.49	179,958.02 2,649.60	5,436.00 2.98	0.46%
GM Financial Consumer Automobile Receivables Trust 2018-4 GMCAR 2018-4 A3 3.21% 16 Oct 2023 CUSIP:38013FAD3	255,000.00 102.0301	AAA Aaa	260,176.73	341.06	254,959.63 5,217.10	8,185.50 3.15	0.65%
GM Financial Consumer Automobile Receivables Trust 2019-1 GMCAR 2019-1 A3 2.97% 16 Nov 2023 CUSIP:36256XAD4	195,000.00 101.7112	N/A Aaa	198,336.76	241.31	194,978.41 3,358.35	5,791.50 2.92	0.50%
Honda Auto Receivables 2018-2 Owner Trust HAROT 2018-2 A3 3.01% 18 May 2022 CUSIP:43814UAG4	180,000.00 101.0541	AAA N/A	181,897.42	195.64	179,996.08 1,901.34	5,418.00 2.98	0.46%

**Portfolio Holdings on January 31, 2020 (continued)**

	Number of Shares Share Price	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<i>Consumer ABS (continued)</i>							
<i>Auto (continued)</i>							
Hyundai Auto Receivables Trust 2018-B HART 2018-B A3 3.2% 15 Dec 2022 CUSIP:44933AAC1	130,000.00 101.5022	AAA Aaa	131,952.83	184.89	129,998.44 1,954.39	4,160.00 3.15	0.33%
Mercedes-Benz Auto Receivables Trust 2018-1 MBART 2018-1 A3 3.03% 17 Jan 2023 CUSIP:58772RAD6	260,000.00 101.2831	AAA Aaa	263,335.96	350.14	259,990.02 3,345.94	7,878.00 2.99	0.66%
Nissan Auto Receivables 2018-B Owner Trust NAROT 2018-B A3 3.06% 15 Mar 2023 CUSIP:65479GAD1	305,000.00 101.638	AAA Aaa	309,995.99	414.80	304,990.12 5,005.87	9,333.00 3.01	0.77%
Toyota Auto Receivables 2018-C Owner Trust TAOT 2018-C A3 3.02% 15 Dec 2022 CUSIP:89231AAD3	225,000.00 101.6169	AAA Aaa	228,637.94	302.00	224,959.97 3,677.97	6,795.00 2.97	0.57%
Toyota Auto Receivables 2019-C Owner Trust TAOT 2019-C A3 1.91% 15 Sep 2023 CUSIP:89238UAD2	165,000.00 100.6397	AAA Aaa	166,055.42	140.07	164,998.65 1,056.77	3,151.50 1.9	0.42%
World Omni Auto Receivables Trust 2018-C WOART 2018-C A3 3.13% 15 Nov 2023 CUSIP:98163EAD8	290,000.00 101.9566	AAA N/A	295,674.00	403.42	289,972.91 5,701.09	9,077.00 3.07	0.74%
World Omni Auto Receivables Trust 2018-D WOART 2018-D A3 3.33% 15 Apr 2024 CUSIP:98162WAD9	230,000.00 102.6208	AAA N/A	236,027.86	340.40	229,952.25 6,075.61	7,659.00 3.24	0.59%
<b>Total Auto</b>			<b>\$3,218,840.32</b>	<b>\$4,040.13</b>	<b>\$3,170,764.82</b> <b>\$48,075.50</b>	<b>\$95,414.39</b> <b>2.96%</b>	<b>8.07%</b>
<b>Total Consumer ABS</b>			<b>\$4,637,139.33</b>	<b>\$5,414.00</b>	<b>\$4,566,137.24</b> <b>\$71,002.09</b>	<b>\$129,439.39</b> <b>2.79%</b>	<b>11.62%</b>

**Portfolio Holdings on January 31, 2020 (continued)**

	Number of Shares	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<i>Commercial ABS</i>							
<i>Business Loans</i>							
CNH Equipment Trust 2018-A CNH 2018-A A3 3.12% 17 Jul 2023 CUSIP:12652VAC1	325,000.00 101.2895	AAA N/A	329,190.84	450.68	324,930.19 4,260.65	10,140.00 3.08	0.82%
CNH Equipment Trust 2018-B CNH 2018-B A3 3.19% 15 Nov 2023 CUSIP:12596EAC8	270,000.00 102.0253	N/A Aaa	275,468.28	382.81	269,963.50 5,504.78	8,613.00 3.13	0.69%
Verizon Owner Trust 2019-C VZOT 2019-C A1A 1.94% 22 Apr 2024 CUSIP:92348AAA3	165,000.00 100.7645	AAA N/A	166,261.38	97.81	164,987.28 1,274.10	3,201.00 1.93	0.42%
<b>Total Business Loans</b>			<b>\$770,920.50</b>	<b>\$931.30</b>	<b>\$759,880.97</b> <b>\$11,039.53</b>	<b>\$21,954.00</b> <b>2.85%</b>	<b>1.93%</b>
<i>CLOs</i>							
Honda Auto Receivables 2018-3 Owner Trust HAROT 2018-3 A3 2.95% 22 Aug 2022 CUSIP:43815HAC1	185,000.00 101.20	N/A Aaa	187,219.94	151.59	184,974.62 2,245.32	5,457.50 2.92	0.47%
<b>Total CLOs</b>			<b>\$187,219.94</b>	<b>\$151.59</b>	<b>\$184,974.62</b> <b>\$2,245.32</b>	<b>\$5,457.50</b> <b>2.92%</b>	<b>0.47%</b>
<b>Total Commercial ABS</b>			<b>\$958,140.44</b>	<b>\$1,082.89</b>	<b>\$944,855.59</b> <b>\$13,284.85</b>	<b>\$27,411.50</b> <b>2.86%</b>	<b>2.40%</b>
<i>US Credit</i>							
<i>Financials</i>							
Bank of New York Mellon Corp/The 1.85% 27 Jan 2023 CUSIP:06406RAM9	100,000.00 100.6538	A A1	100,653.84	15.42	99,930.00 723.84	1,850.00 1.84	0.25%
Bank of New York Mellon Corp/The 1.95% 23 Aug 2022 CUSIP:06406RAK3	50,000.00 100.8234	A A1	50,411.71	427.92	49,984.00 427.71	975.00 1.93	0.13%

**Portfolio Holdings on January 31, 2020 (continued)**

	Number of Shares Share Price	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<i>US Credit (continued)</i>							
<i>Financials (continued)</i>							
Bank of New York Mellon Corp/The 2.5% 15 Apr 2021 CUSIP:06406FAA1	0.00 0.00	A A1	0.00	0.00	0.00 0.00	0.00	0.00%
Citigroup Inc 2.7% 30 Mar 2021 CUSIP:172967KK6	150,000.00 101.1928	BBB+ A3	151,789.26	1,361.25	147,859.50 3,929.76	4,050.00 2.67	0.38%
Citigroup Inc Variable 2.312% 04 Nov 2022 CUSIP:17308CC46	240,000.00 100.678	BBB+ A3	241,627.20	1,340.95	240,000.00 1,627.20	5,548.80 2.3	0.61%
Goldman Sachs Group Inc/The 2.75% 15 Sep 2020 CUSIP:38141GVP6	250,000.00 100.4742	BBB+ A3	251,185.43	2,597.23	247,197.50 3,987.93	6,875.00 2.74	0.63%
IBM Credit LLC 1.8% 20 Jan 2021 CUSIP:44932HAB9	250,000.00 100.1766	A A2	250,441.60	137.50	242,132.50 8,309.10	4,500.00 1.8	0.63%
JPMorgan Chase & Co Variable 3.514% 18 Jun 2022 CUSIP:46647PAS5	250,000.00 102.389	A- A2	255,972.50	1,049.33	250,000.00 5,972.50	8,785.00 3.43	0.64%
Morgan Stanley 2.5% 21 Apr 2021 CUSIP:61746BEA0	250,000.00 100.9708	BBB+ A3	252,426.88	1,736.10	244,182.50 8,244.38	6,250.00 2.48	0.63%
Morgan Stanley 2.8% 16 Jun 2020 CUSIP:61761JB32	0.00 0.00	BBB+ A3	0.00	0.00	0.00 0.00	0.00	0.00%
Northern Trust Corp 2.375% 02 Aug 2022 CUSIP:665859AN4	75,000.00 101.779	A+ A2	76,334.25	885.68	75,910.50 423.75	1,781.25 2.33	0.19%
PNC Financial Services Group Inc/The 3.3% 08 Mar 2022 CUSIP:693476BN2	240,000.00 103.1941	A- A3	247,665.86	3,145.99	246,972.00 693.86	7,920.00 3.2	0.62%
State Street Corp 1.95% 19 May 2021 CUSIP:857477AV5	250,000.00 100.559	A A1	251,397.45	975.00	241,990.00 9,407.45	4,875.00 1.94	0.63%

**Portfolio Holdings on January 31, 2020 (continued)**

	Number of Shares Share Price	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<i>US Credit (continued)</i>							
<i>Financials (continued)</i>							
The Charles Schwab Corporation Snr PIDI Nts 3.25% 21 May 2021 CUSIP:808513AW5	295,000.00 102.038	A A2	301,012.10	1,864.22	294,991.15 6,020.95	9,587.50 3.19	0.76%
Truist Financial Corp 2.15% 01 Feb 2021 CUSIP:05531FAZ6	75,000.00 100.3529	A- A3	75,264.69	806.25	73,064.25 2,200.44	1,612.50 2.14	0.19%
Truist Financial Corp 3.2% 03 Sep 2021 CUSIP:05531FBD4	185,000.00 102.235	A- A3	189,134.75	2,433.79	184,779.85 4,354.90	5,920.00 3.13	0.47%
US Bancorp 3% 15 Mar 2022 CUSIP:91159HHC7	165,000.00 102.7933	A+ A1	169,608.99	1,869.99	168,076.14 1,532.85	4,950.00 2.92	0.42%
Wells Fargo & Co 2.5% 04 Mar 2021 CUSIP:949746RS2	250,000.00 100.8232	A- A2	252,058.08	2,552.08	244,485.00 7,573.08	6,250.00 2.48	0.63%
<b>Total Financials</b>			<b>\$3,116,984.59</b>	<b>\$23,198.70</b>	<b>\$3,051,554.89</b> <b>\$65,429.70</b>	<b>\$81,730.05</b> <b>2.62%</b>	<b>7.81%</b>
<i>Utilities</i>							
National Rural Utilities Cooperative Finance Corp 1.75% 21 Jan 2022 CUSIP:63743HET5	95,000.00 100.3116	A A2	95,296.05	0.00	94,916.40 379.65	1,662.50 1.74	0.24%
<b>Total Utilities</b>			<b>\$95,296.05</b>	<b>\$0.00</b>	<b>\$94,916.40</b> <b>\$379.65</b>	<b>\$1,662.50</b> <b>1.74%</b>	<b>0.24%</b>
<i>Capital Goods</i>							
3M Co 1.75% 14 Feb 2023 CUSIP:88579YBL4	130,000.00 100.4849	AA- A1	130,630.33	979.51	129,504.70 1,125.63	2,275.00 1.74	0.33%
3M Co 3% 14 Sep 2021 CUSIP:88579YBA8	145,000.00 102.0599	AA- A1	147,986.87	1,655.42	144,702.75 3,284.12	4,350.00 2.94	0.37%
American Honda Finance Corp 2.05% 10 Jan 2023 CUSIP:02665WDC2	140,000.00 101.1303	A A2	141,582.36	167.41	139,948.20 1,634.16	2,870.00 2.03	0.35%

**Portfolio Holdings on January 31, 2020 (continued)**

	Number of Shares	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<i>US Credit (continued)</i>							
<i>Capital Goods (continued)</i>							
American Honda Finance Corp 2.2% 27 Jun 2022 CUSIP:02665WCY5	120,000.00 101.0866	A A2	121,303.97	249.34	119,889.60 1,414.37	2,640.00 2.18	0.30%
Boeing Co/The 2.3% 01 Aug 2021 CUSIP:097023CL7	90,000.00 100.6185	A- Baa1	90,556.61	1,040.75	89,996.40 560.21	2,070.00 2.29	0.23%
Boeing Co/The 2.7% 01 May 2022 CUSIP:097023CG8	45,000.00 101.676	A- Baa1	45,754.19	303.75	44,920.35 833.84	1,215.00 2.66	0.11%
Caterpillar Financial Services Corp 1.95% 18 Nov 2022 CUSIP:14913Q3C1	110,000.00 100.8314	A A3	110,914.58	107.25	109,949.40 965.18	2,145.00 1.93	0.28%
Caterpillar Financial Services Corp 3.15% 07 Sep 2021 CUSIP:14913Q2N8	50,000.00 102.4462	A A3	51,223.09	630.00	49,961.50 1,261.59	1,575.00 3.07	0.13%
Honeywell International Inc 2.15% 08 Aug 2022 CUSIP:438516BT2	55,000.00 101.3782	A A2	55,758.02	568.25	54,944.45 813.57	1,182.50 2.12	0.14%
John Deere Capital Corp 2.35% 08 Jan 2021 CUSIP:24422ETZ2	200,000.00 100.6389	A A2	201,277.82	300.28	196,446.00 4,831.82	4,700.00 2.34	0.50%
PACCAR Financial Corp 2.8% 01 Mar 2021 CUSIP:69371RN93	250,000.00 101.313	A+ A1	253,282.50	2,916.68	248,482.50 4,800.00	7,000.00 2.76	0.64%
Toyota Motor Credit Corp 2.6% 11 Jan 2022 CUSIP:89236TDP7	100,000.00 101.8706	AA- Aa3	101,870.57	144.44	98,311.00 3,559.57	2,600.00 2.55	0.26%
Toyota Motor Credit Corp 2.95% 13 Apr 2021 CUSIP:89236TEU5	240,000.00 101.6992	AA- Aa3	244,077.98	2,124.00	239,277.60 4,800.38	7,080.00 2.9	0.61%
<b>Total Capital Goods</b>			<b>\$1,696,218.89</b>	<b>\$11,187.08</b>	<b>\$1,666,334.45</b> <b>\$29,884.44</b>	<b>\$41,702.50</b> <b>2.46%</b>	<b>4.25%</b>

**Portfolio Holdings on January 31, 2020 (continued)**

	Number of Shares Share Price	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<i>US Credit (continued)</i>							
<i>Consumer Non-cyclical</i>							
Pfizer Inc 2.8% 11 Mar 2022 CUSIP:717081ERO	95,000.00 102.617	AA- A1	97,486.18	1,034.45	94,994.30 2,491.88	2,660.00 2.73	0.24%
Unilever Capital Corp 3% 07 Mar 2022 CUSIP:904764BF3	215,000.00 102.7601	A+ A1	220,934.11	2,580.00	213,959.40 6,974.71	6,450.00 2.92	0.56%
<b>Total Consumer Non-cyclical</b>			<b>\$318,420.29</b>	<b>\$3,614.45</b>	<b>\$308,953.70</b> <b>\$9,466.59</b>	<b>\$9,110.00</b> <b>2.86%</b>	<b>0.80%</b>
<i>Energy</i>							
Chevron Corp 2.1% 16 May 2021 CUSIP:166764BG4	390,000.00 100.685	AA Aa2	392,671.62	1,706.25	380,460.60 12,211.02	8,190.00 2.09	0.99%
Exxon Mobil Corp 2.397% 06 Mar 2022 CUSIP:30231GAJ1	300,000.00 101.6615	AA+ Aaa	304,984.53	2,896.38	290,892.00 14,092.53	7,191.00 2.36	0.76%
<b>Total Energy</b>			<b>\$697,656.15</b>	<b>\$4,602.63</b>	<b>\$671,352.60</b> <b>\$26,303.55</b>	<b>\$15,381.00</b> <b>2.20%</b>	<b>1.75%</b>
<i>Technology</i>							
Adobe Inc 1.7% 01 Feb 2023 CUSIP:00724PAA7	65,000.00 100.605	A A2	65,393.25	0.00	64,968.95 424.30	1,105.00 1.69	0.16%
Amazon.com Inc 2.5% 29 Nov 2022 CUSIP:023135AJ5	165,000.00 102.457	AA- A3	169,054.05	710.42	167,212.35 1,841.70	4,125.00 2.44	0.42%
Apple Inc 1.7% 11 Sep 2022 CUSIP:037833DL1	70,000.00 100.445	AA+ Aa1	70,311.50	462.78	69,988.10 323.40	1,190.00 1.69	0.18%
Apple Inc 2.25% 23 Feb 2021 CUSIP:037833BS8	250,000.00 100.597	AA+ Aa1	251,492.50	2,468.75	245,870.00 5,622.50	5,625.00 2.24	0.63%
Cisco Systems Inc 1.85% 20 Sep 2021 CUSIP:17275RBJ0	300,000.00 100.398	AA- A1	301,194.00	2,019.57	290,895.00 10,299.00	5,550.00 1.84	0.76%

**Portfolio Holdings on January 31, 2020 (continued)**

	Number of Shares	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<i>US Credit (continued)</i>							
<i>Technology (continued)</i>							
Oracle Corp 1.9% 15 Sep 2021 CUSIP:68389XBK0	175,000.00 100.4181	A+ A1	175,731.75	1,256.12	171,822.00 3,909.75	3,325.00 1.89	0.44%
<b>Total Technology</b>			<b>\$1,033,177.05</b>	<b>\$6,917.64</b>	<b>\$1,010,756.40</b> <b>\$22,420.65</b>	<b>\$20,920.00</b> <b>2.02%</b>	<b>2.59%</b>
<i>Transportation</i>							
Burlington Northern Santa Fe LLC 3.45% 15 Sep 2021 CUSIP:12189LAF8	55,000.00 102.5462	A+ A3	56,400.39	716.83	56,296.12 104.27	1,897.50 3.36	0.14%
<b>Total Transportation</b>			<b>\$56,400.39</b>	<b>\$716.83</b>	<b>\$56,296.12</b> <b>\$104.27</b>	<b>\$1,897.50</b> <b>3.36%</b>	<b>0.14%</b>
<i>Non-Corporate</i>							
New York City Ny Transitional Txbi-Future Tax Secured-Fiscal 12 Apr 2019 2.52% 01 Nov 2022 CUSIP:64971XHY7	170,000.00 102.38	AAA Aa1	174,046.00	1,071.00	170,000.00 4,046.00	4,284.00 2.46	0.44%
<b>Total Non-Corporate</b>			<b>\$174,046.00</b>	<b>\$1,071.00</b>	<b>\$170,000.00</b> <b>\$4,046.00</b>	<b>\$4,284.00</b> <b>2.46%</b>	<b>0.44%</b>
<i>Commercial Paper</i>							
CREDIT AGRICOLE CRP&IN DCP 15 Jun 2020 CUSIP:22533TFF8	3,000,000.00 99.388		2,972,702.50	8,937.50	2,972,702.50 0.00	0.00	7.43%
MUFG BANK LTD NY BRAN DCP 15 Jun 2020 CUSIP:62479LFF7	3,000,000.00 99.388		2,971,807.50	9,832.50	2,971,807.50 0.00	0.00	7.45%

## Portfolio Holdings on January 31, 2020 (continued)

	Number of Shares	S&P Ratings Moody's Ratings	Market Value	Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc. /Yield at Market	% of Account
<b>3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS (continued)</b>							
<i>US Credit (continued)</i>							
<i>Commercial Paper (continued)</i>							
NATIXIS NY DCP 15 Jun 2020 CUSIP:63873JFF2	3,000,000.00 99.388		2,971,658.33	9,981.67	2,971,658.33 0.00	0.00	7.45%
<b>Total Commercial Paper</b>			<b>\$8,916,168.33</b>	<b>\$28,751.67</b>	<b>\$8,916,168.33</b> <b>\$0.00</b>	<b>\$0.00</b>	<b>22.33%</b>
<b>Total US Credit</b>			<b>\$16,104,367.74</b>	<b>\$80,060.00</b>	<b>\$15,946,332.89</b> <b>\$158,034.85</b>	<b>\$176,687.55</b> <b>1.10%</b>	<b>40.35%</b>
<b>Total for 3346000736 CHILDRENS SVCES OF PALM BEACH 15 CUS</b>			<b>\$39,771,279.63</b>	<b>\$128,720.39</b>	<b>\$39,305,669.41</b> <b>\$465,610.22</b>	<b>\$663,319.45</b> <b>1.67%</b>	<b>100.00%</b>

Less Cash &amp; Cash Equivalents (\$5,799,670)

 Less Accrued Income (128,720)
**Total Investments \$33,842,890**



## Account Statement - Transaction Summary

For the Month Ending **January 31, 2020**

Children's Services Council of Palm Beach County - Children's Services Council of Palm Beach County - 1810055001

FL PALM	
Opening Market Value	28,141.36
Purchases	42.54
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00

**Closing Market Value** **\$28,183.90**

Cash Dividends and Income 42.54

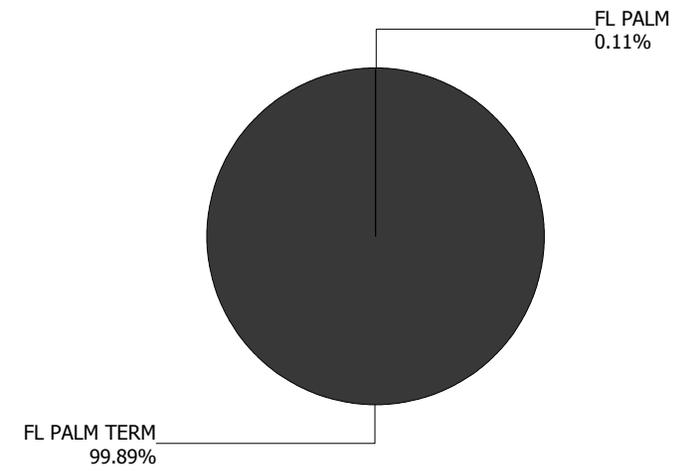
FL PALM TERM	
Opening Market Value	26,000,000.00
Purchases	0.00
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00

**Closing Market Value** **\$26,000,000.00**

Cash Dividends and Income 0.00

Asset Summary		
	January 31, 2020	December 31, 2019
FL PALM	28,183.90	28,141.36
FL PALM TERM	26,000,000.00	26,000,000.00
<b>Total</b>	<b>\$26,028,183.90</b>	<b>\$26,028,141.36</b>

### Asset Allocation





### Investment Holdings

For the Month Ending **January 31, 2020**

Children's Services Council of Palm Beach County - Children's Services Council of Palm Beach County - 1810055001

Trade Date	Settlement Date	Security Description	Maturity Date	Rate	Investment Amount	Estimated Earnings	Est. Value at Maturity
<b>FL PALM TERM</b>							
12/17/19	12/17/19	TERM - FL PALM TERM Jun 21	03/30/20	1.8000	12,000,000.00	27,147.54	12,061,377.05
12/17/19	12/17/19	TERM - FL PALM TERM Jun 21	04/30/20	1.8000	12,000,000.00	27,147.54	12,079,672.13
12/17/19	12/17/19	TERM - FL PALM TERM Jun 21	06/29/20	1.7700	2,000,000.00	4,449.18	2,018,860.66
<b>Total</b>					<b>\$26,000,000.00</b>	<b>\$58,744.26</b>	<b>\$26,159,909.84</b>



**Account Statement**

For the Month Ending **January 31, 2020**

Children's Services Council of Palm Beach County - Children's Services Council of Palm Beach County - 1810055001

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>FL PALM</b>					
<b>Opening Balance</b>					<b>28,141.36</b>
01/31/20	02/03/20	Accrual Income Div Reinvestment - Distributions	1.00	42.54	28,183.90
<b>Closing Balance</b>					<b>28,183.90</b>

	Month of January	Fiscal YTD October-January		
<b>Opening Balance</b>	28,141.36	10,007,189.97	<b>Closing Balance</b>	28,183.90
<b>Purchases</b>	42.54	25,020,993.93	<b>Average Monthly Balance</b>	28,142.73
<b>Redemptions (Excl. Checks)</b>	0.00	(35,000,000.00)	<b>Monthly Distribution Yield</b>	1.80%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>28,183.90</b>	<b>28,183.90</b>		
<b>Cash Dividends and Income</b>	42.54	20,993.93		

**AGENDA ITEM: 4**

**TITLE:** Financial Statements – January 31, 2020  
(Unaudited)

**STAFF:** Debra Heim, Chief Financial Officer

**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, 2020. The audit of the Council has not been completed for the fiscal year ended September 30, 2019 and the financial information provided herein represent unaudited numbers.

**Balance Sheet:**

As of January 31, 2020, the Council had \$113,209,786 in cash and investments. Please see attached rolling 12-month schedule of Cash and Investments by Month.

The Capital Assets and the Investment in Capital Assets for \$16,451,202 represent the costs associated with furniture and fixtures, equipment, and building costs.

**Statement of Revenue and Expenses:**

The budgeted expenditure rate at January 31, 2020 is 33.3%. The estimated expenditure rate for Children’s Programs at January 31, 2020 is 28.94%.

**RECOMMENDATION:**

**I recommend the Finance Committee propose that the Council accept the January 31, 2020 Financial Statements as submitted.**

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY**  
**BALANCE SHEET (Unaudited)**  
**JANUARY 31, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u> <i>Prevention Partnership for Children, Inc.</i>	<u>Total All Funds</u>
<b><u>Assets</u></b>			
Cash & Cash Equivalents	\$ 53,338,712	\$ -	\$ 53,338,712
Investments	59,871,074	-	59,871,074
Other Receivables	1,555,818	-	1,555,818
Advances to Agencies	5,135,580	-	5,135,580
Prepaid Items	427,373	-	427,373
Due from - General Fund	-	157,225	157,225
Capital Assets	16,451,202	-	16,451,202
<b>Total Assets</b>	<b>136,779,759</b>	<b>157,225</b>	<b>136,936,984</b>
<b><u>Liabilities &amp; Fund Balance</u></b>			
<b><u>Liabilities</u></b>			
Allocations to Children's Services Programs	7,700,809	157,225	7,858,034
Accounts Payable and Accrued Liabilities	254,400	-	254,400
Due to - Special Revenue Fund	157,225	-	157,225
<b>Total Liabilities</b>	<b>8,112,434</b>	<b>157,225</b>	<b>8,269,659</b>
<b>Fund Balance</b>			
<b>Nonspendable:</b>			
Prepaid Expenses	427,373	-	427,373
<b>Assigned:</b>			
Reserved in accordance with fund balance policy	36,743,264	-	36,743,264
Unassigned:	75,045,486	-	75,045,486
<b>Total Fund Balance</b>	<b>112,216,123</b>	<b>-</b>	<b>112,216,123</b>
Investment in Capital Assets	16,451,202	-	16,451,202
<b>Total Liabilities and Fund Balance</b>	<b>\$ 136,779,759</b>	<b>\$ 157,225</b>	<b>\$ 136,936,984</b>

**Children's Services Council of Palm Beach County  
Schedule of Cash and Investments by Month  
Rolling 12 months**

Agenda Item: 4 (continued)

	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019	7/31/2019	8/31/2019	9/30/2019	10/31/2019	11/30/2019	12/31/2019	1/31/2020
<b>Cash</b>												
Public Funds Money Market	\$ 5,743,559	\$ 2,054,651	\$ 4,113,514	\$ 2,814,789	\$ 1,895,247	\$ 2,547,122	\$ 4,425,744	\$ 3,925,165	\$ 2,185,786	\$ 4,716,642	\$ 53,366,579	\$ 46,494,672
Operating Account	\$ 2,014,106	\$ 2,942,289	\$ 2,588,493	\$ 2,277,400	\$ 2,352,954	\$ 1,368,589	\$ 1,398,478	\$ 1,392,373	\$ 1,430,620	\$ 2,037,685	\$ 2,301,550	\$ 1,044,370
Custodian Bank	\$ 2,043,015	\$ 2,054,706	\$ 2,288,705	\$ 2,477,333	\$ 13,558,062	\$ 7,794,739	\$ 17,189,918	\$ 45,151	\$ 3,536,823	\$ 4,931,985	\$ 5,410,919	\$ 5,799,670
<b>Subtotal cash</b>	<b>\$ 9,800,680</b>	<b>\$ 7,051,646</b>	<b>\$ 8,990,712</b>	<b>\$ 7,569,522</b>	<b>\$ 17,806,263</b>	<b>\$ 11,710,450</b>	<b>\$ 23,014,140</b>	<b>\$ 5,362,689</b>	<b>\$ 7,153,229</b>	<b>\$ 11,686,312</b>	<b>\$ 61,079,048</b>	<b>\$ 53,338,712</b>
<b>Investments</b>												
Florida Public Assets for Liquidity Management	\$ 28,688,599	\$ 26,807,942	\$ 20,856,543	\$ 12,891,786	\$ 1,912,179	\$ 1,394	\$ 2	\$ 10,007,190	\$ 1,020,723	\$ 1,022,326	\$ 26,028,141	\$ 26,028,184
U.S. Treasury	\$ 30,731,910	\$ 30,800,151	\$ 28,107,858	\$ 31,451,583	\$ 27,355,832	\$ 27,504,391	\$ 11,719,032	\$ 12,512,495	\$ 10,193,101	\$ 7,871,286	\$ 8,775,636	\$ 8,904,470
U.S. Credit	\$ 29,441,795	\$ 28,931,503	\$ 31,305,435	\$ 28,151,872	\$ 21,288,464	\$ 17,793,085	\$ 12,837,386	\$ 11,755,083	\$ 10,784,461	\$ 7,864,348	\$ 16,410,800	\$ 16,104,368
ABS and MBS (asset and mortgage backed securities)	\$ 8,606,537	\$ 9,249,300	\$ 9,545,691	\$ 9,544,649	\$ 9,689,744	\$ 9,869,341	\$ 9,615,492	\$ 9,933,903	\$ 9,874,062	\$ 9,743,711	\$ 8,876,103	\$ 8,834,052
Accrued income (1)	\$ 357,219	\$ 427,375	\$ 368,506	\$ 302,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Regions	\$ 69,137,460	\$ 69,408,328	\$ 69,327,490	\$ 69,450,261	\$ 58,334,040	\$ 55,166,817	\$ 34,171,910	\$ 34,201,482	\$ 30,851,624	\$ 25,479,346	\$ 34,062,539	\$ 33,842,890
<b>Subtotal investments</b>	<b>\$ 97,826,059</b>	<b>\$ 96,216,270</b>	<b>\$ 90,184,033</b>	<b>\$ 82,342,047</b>	<b>\$ 60,246,219</b>	<b>\$ 55,168,211</b>	<b>\$ 34,171,912</b>	<b>\$ 44,208,672</b>	<b>\$ 31,872,347</b>	<b>\$ 26,501,672</b>	<b>\$ 60,090,680</b>	<b>\$ 59,871,074</b>
<b>Total Cash and Investments</b>	<b>\$ 107,626,740</b>	<b>\$ 103,267,916</b>	<b>\$ 99,174,745</b>	<b>\$ 89,911,569</b>	<b>\$ 78,052,482</b>	<b>\$ 66,878,661</b>	<b>\$ 57,186,052</b>	<b>\$ 49,571,361</b>	<b>\$ 39,025,576</b>	<b>\$ 38,187,984</b>	<b>\$ 121,169,728</b>	<b>\$ 113,209,786</b>

**Month over Month Comparison**

	1/31/2019	1/31/2020
<b>Cash</b>		
Public Funds Money Market	\$ 8,262,975	\$ 46,494,672
Operating Account	\$ 3,643,042	\$ 1,044,370
Custodian Bank	\$ 1,553,104	\$ 5,799,670
<b>Subtotal cash</b>	<b>\$ 13,459,121</b>	<b>\$ 53,338,712</b>
<b>Investments</b>		
Florida Public Assets for Liquidity Management	\$ 28,655,196	\$ 26,028,184
U.S. Treasury	\$ 30,844,597	\$ 8,904,470
U.S. Credit	\$ 30,350,401	\$ 16,104,368
ABS and MBS (asset and mortgage backed securities)	\$ 8,017,644	\$ 8,834,052
Accrued income (1)	\$ 259,720	\$ -
Subtotal Regions	\$ 69,472,362	\$ 33,842,890
<b>Subtotal investments</b>	<b>\$ 98,127,558</b>	<b>\$ 59,871,074</b>
<b>Total Cash and Investments</b>	<b>\$ 111,586,679</b>	<b>\$ 113,209,786</b>

(1) Effective June 1, 2019, Accrued income is reported with Other Receivables in the financial statements

**CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY**  
**STATEMENT OF REVENUE AND EXPENSES CHANGES IN FUND BALANCE**  
**FOR THE FOUR MONTHS ENDED JANUARY 31, 2020**

	<u>General Fund</u>					<u>Special Revenue Fund</u>					<u>Total</u>				
						<u>Prevention Partnership for Children, Inc.</u>									
	Approved 2019/2020 <u>Budget</u>	Budget Through <u>1/31/2020</u>	Actual Through <u>1/31/2020</u>	Variance <u>YTD</u>	% <u>YTD</u>	Approved 2018/2019 <u>Budget</u>	Budget Through <u>1/31/2020</u>	Actual Through <u>1/31/2020</u>	Variance <u>YTD</u>	% <u>YTD</u>	Approved 2018/2019 <u>Budget</u>	Budget Through <u>1/31/2020</u>	Actual Through <u>1/31/2020</u>	Variance <u>YTD</u>	% <u>YTD</u>
<b>Revenues</b>															
Ad Valorem Property Taxes	\$ 124,416,394	\$ 107,700,627	\$ 107,700,627	\$ -	86.56%	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 124,416,394	\$ 107,700,627	\$ 107,700,627	\$ -	86.56%
Interest Income	1,476,800	492,267	481,518	(10,749)	32.61%	-	-	-	-	0.00%	1,476,800	492,267	481,518	(10,749)	32.61%
Realized and Unrealized Gain or Loss Department of Health/Agency for Health Care Administration	-	-	63,045	63,045	100.00%	-	-	-	-	0.00%	-	-	63,045	63,045	100.00%
	2,056,966	685,655	1,006,628	320,972	48.94%	-	-	-	-	0.00%	2,056,966	685,655	1,006,628	320,972	48.94%
Income from Tenants	62,432	20,811	23,316	2,505	37.35%	-	-	-	-	0.00%	62,432	20,811	23,316	2,505	37.35%
Other Income	100,000	33,333	68,753	35,420	68.75%	-	-	-	-	0.00%	100,000	33,333	68,753	35,420	68.75%
Cash Carryforward	8,187,008	-	-	-	0.00%	-	-	-	-	0.00%	8,187,008	-	-	-	0.00%
<b>Total Revenues</b>	<b>136,299,600</b>	<b>108,932,693</b>	<b>109,343,887</b>	<b>411,194</b>	<b>80.22%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>136,299,600</b>	<b>108,932,693</b>	<b>109,343,887</b>	<b>411,194</b>	<b>80.22%</b>
<b>Expenditures</b>															
Administrative Expenditures	5,835,861	1,945,287	1,996,851	(51,564)	34.22%	500	167	-	167	0.00%	5,836,361	1,945,454	1,996,851	(51,398)	34.21%
Capital Expenditures	35,000	11,667	-	11,667	0.00%	-	-	-	-	0.00%	35,000	11,667	-	11,667	0.00%
Contingency	500,000	-	-	-	0.00%	-	-	-	-	0.00%	500,000	-	-	-	0.00%
Non-Operating Expenses	3,451,059	2,583,702	2,583,702	-	74.87%	-	-	-	-	0.00%	3,451,059	2,583,702	2,583,702	-	74.87%
Children's Services Programs:															
Direct Services:															
Funded Programs & Initiatives	113,280,319	37,760,106	32,561,078	5,199,028	28.74%	2,687,234	895,745	685,536	210,209	25.51%	115,967,553	38,655,851	33,246,614	5,409,237	28.67%
Support Services:															
Programmatic Support	10,509,627	3,503,209	3,355,879	147,330	31.93%	-	-	-	-	0.00%	10,509,627	3,503,209	3,355,879	147,330	31.93%
Total Children's Programs	123,789,946	41,263,315	35,916,957	5,346,359	29.01%	2,687,234	895,745	685,536	210,209	25.51%	126,477,180	42,159,060	36,602,493	5,556,567	28.94%
<b>Total Expenses</b>	<b>133,611,866</b>	<b>45,803,971</b>	<b>40,497,511</b>	<b>5,306,461</b>	<b>30.31%</b>	<b>2,687,734</b>	<b>895,745</b>	<b>685,536</b>	<b>210,209</b>	<b>25.51%</b>	<b>136,299,600</b>	<b>46,699,883</b>	<b>41,183,047</b>	<b>5,516,836</b>	<b>30.22%</b>
<b>Excess Revenues over (under) Expenses</b>	<b>2,687,734</b>	<b>63,128,722</b>	<b>68,846,376</b>	<b>5,717,655</b>				<b>(685,536)</b>					<b>68,160,840</b>		
<b>Other Financing Sources (Uses)</b>															
Transfers in (out)	(2,687,734)	(895,911)	(685,536)	210,375	25.51%	2,687,734	895,911	685,536	210,375	25.51%	-	-	-	-	0.00%
<b>Net Changes in Fund Balances</b>			<b>68,160,840</b>					<b>-</b>					<b>68,160,840</b>		
<b>Fund Balances</b>															
October 1, 2019 (unaudited)			44,055,282					-					44,055,282		
January 31, 2020			<u>\$ 112,216,123</u>					<u>\$ -</u>					<u>\$ 112,216,123</u>		

**AGENDA ITEM: 5**

**TITLE: CSC FORECAST/BUDGET FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**STAFF:** Debra Heim, Chief Financial Officer

**Revenues**

The millage rate will remain at .6497 in fiscal year 2020-2021.

The tax base will increase 5.2% based on the estimate for Palm Beach County by the Office of Economic and Demographic Research (EDR).

Grant income will increase by \$500,000, related to grants received by the Healthy Start Coalition.

There may be additional grant revenue from the Department of Children and Families (DCF) related to Title IV-E and the funding of our Legal Aid Society contract for foster care. A contract is currently pending and once signed, an estimate will be included in revenue.

Interest income will decrease from fiscal year 19/20 and projections will be provided with assistance by PFM Asset Management LLC.

Other income has increased slightly.

**Expenditures**

The under expenditure rate is projected at 5%.

Health insurance is included with an increase of 10%.

Merit and Promotional increases are included at a 4.5% pool.

No increase in number of CSC budgeted positions.

Children's programs expenditures will be budgeted to increase for cost drivers of 3% salaries and 10% health insurance and for other opportunities.

**Fund Balance**

The targeted fund balance is no less than 27.5% of the subsequent year total budget.

**RECOMMENDATION:**

**No action required.**

**CSC Forecast - No change in millage rate in 20/21 and 21/22, reduced 1% in 22/23, and 2% in 23/24 and 24/25**

Tax base increases 5.2% 20/21, 4.8% in 21/22, 5% in 22/23, 4.8% in 23/24 and 4.6% in 24/25

Under expenditure rate is projected at 5% for FY 2020/21 and beyond

**FY 20-21 Millage Rate: .6497**

Targeted fund balance is no less than 27.5% of the subsequent year total operating budget

**Amount Over/(Under) Fund  
Balance Policy**

	Total PBC Tax Base	Millage Rate	CSC Ad Valorem Revenue	Other Funders/Income	Revenue from Fund Balance	Total CSC Budget	Balance in Fund Balance	27.5% of Subsequent Year Operating Budget	\$	% of Subsequent Year Operating Budget
2016/17 *	165,150,014,583	0.6833	108,983,420	7,425,643	0	116,409,063	50,362,524	33,445,071	16,917,453	41.4%
2017/18 *	177,260,171,007	0.6590	112,434,398	5,682,726	3,501,315	121,618,439	46,861,209	34,387,772	12,473,437	37.5%
2018/19 *	188,255,604,329	0.6403	116,172,110	6,068,406	2,805,928	125,046,444	44,055,281	37,482,390	6,572,891	32.3%
2019/20**	199,477,312,974	0.6497	124,416,394	3,696,198	8,187,008	136,299,600	42,683,253	38,240,691	4,442,562	30.7%
2020/21	209,850,133,249	0.6497	130,886,046	3,426,023	4,744,988	139,057,057	44,891,118	39,860,596	5,030,522	31.0%
2021/22	219,922,939,645	0.6497	137,168,577	3,426,023	4,353,021	144,947,621	47,785,478	41,456,986	6,328,492	31.7%
2022/23	230,919,086,627	0.6432	142,586,735	3,426,023	4,739,917	150,752,675	50,583,195	43,053,308	7,529,887	32.3%
2023/24	242,003,202,785	0.6303	146,442,281	3,426,023	6,689,179	156,557,483	51,721,890	43,053,308	8,668,582	31.8%
2024/25	253,135,350,113	0.6177	150,115,053	3,426,023	8,912,004	162,453,080	50,932,540	44,674,597	6,257,943	31.4%

\* based on actual numbers

\*\*Based on Trim Packet approved by Council

Revenues	FY 2016/2017*	FY 2017/2018 *	FY 2018/2019 *	FY 2019/2020 **	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025
Ad valorem Taxes (net of 4% discount)	108,983,420	112,434,398	116,172,110	124,416,394	130,886,046	137,168,577	142,586,735	146,442,281	150,115,053
Grant Income	4,345,350	3,118,387	3,084,099	2,056,966	2,556,966	2,556,966	2,556,966	2,556,966	2,556,966
Head Start Revenue	2,100,000	1,100,000	-	-	-	-	-	-	-
Interest Income	562,469	1,114,625	2,731,231	1,476,800	700,000	700,000	700,000	700,000	700,000
Unrealized Gain or Loss	-	-	-	-	-	-	-	-	-
Other Income	417,824	349,714	253,076	162,432	169,057	169,057	169,057	169,057	169,057
Cash Balances Brought Forward	-	3,501,315	2,805,928	8,187,008	4,744,988	4,353,021	4,739,917	6,689,179	8,912,004
<b>Total</b>	<b>116,409,063</b>	<b>121,618,439</b>	<b>125,046,444</b>	<b>136,299,600</b>	<b>139,057,057</b>	<b>144,947,621</b>	<b>150,752,675</b>	<b>156,557,483</b>	<b>162,453,080</b>
<b>Expenditures</b>									
Personnel	11,352,280	11,909,364	12,736,663	13,914,285	14,338,044	14,957,184	15,610,088	16,298,718	17,025,156
Travel	212,599	217,790	149,908	202,600	190,470	190,470	190,470	190,470	190,470
Building Space	551,222	578,807	627,793	670,910	661,935	681,793	702,247	723,314	745,014
Communications	67,527	67,620	65,673	79,665	84,784	84,784	84,784	84,784	84,784
Printing & Supplies	116,937	190,663	175,471	73,400	66,342	66,342	66,342	66,342	66,342
Other Expenses	1,578,374	1,155,973	1,192,271	1,405,128	1,403,671	1,417,707	1,431,884	1,446,203	1,460,665
Capital Expenses	221,623	-	21,418	35,000	35,000	180,000	205,000	180,000	165,000
Non-Operating Expenses	1,531,680	1,628,563	1,591,267	3,451,059	3,476,772	3,628,372	3,736,735	3,813,846	3,887,301
Children's Programs and Initiatives	98,148,862	105,869,659	108,485,980	114,638,338	116,901,079	121,800,038	126,740,968	131,725,125	136,753,805
Children's Programs and Initiatives Cost Drivers	-	-	-	1,329,215	1,398,961	1,440,930	1,484,158	1,528,682	1,574,543
Contingency	-	-	-	500,000	500,000	500,000	500,000	500,000	500,000
<b>Total</b>	<b>113,781,104</b>	<b>121,618,439</b>	<b>125,046,444</b>	<b>136,299,600</b>	<b>139,057,057</b>	<b>144,947,620</b>	<b>150,752,675</b>	<b>156,557,483</b>	<b>162,453,080</b>

<b>Items included in projection:</b>	Promotional increases in salaries (0.5%)
Merit increases in salaries (4%)	Programs based on projection plus cost drivers of 3% salary increase and 10% health insurance increase
Added 10% health insurance increase	

\* based on actual numbers

\*\*Based on Trim Packet approved by Council