

**Children's Services Council of Leon County (CSC Leon)**  
Finance and Budget Committee Meeting  
Monday, June 12, 2023, 5:00 p.m.  
CSC Leon Training Room  
2002 Old St. Augustine Rd., Ste. A-50, Tallahassee, FL 32301

*Members of the public can view the meeting via live stream, when available, on this YouTube channel:*  
<https://www.youtube.com/channel/UCc74A9evhLxbHlrH63-clbQ>.

**AGENDA**

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. General Public Comment
- V. Audited Financial Reports (FY 2020-21, page 2; FY 2021-22, page 34)
  - A. Presentation of Audited Financial Reports for FY 2020-21 and 2021-22 by Purvis Gray
  - B. Questions and Answers/Discussion
  - C. Public Comment
  - D. Formulation of Recommendation to Full Council to Approve Audited Financial Reports
- VI. Intergovernmental Investment Pool (page 78)
  - A. Presentation of FLCLASS Intergovernmental Investment Pool by Matt Tight, Senior Director, Investment Services – Team Lead
  - B. Questions and Answers/Discussion
  - C. Public Comment
  - D. Formulation of Recommendation to Full Council to Invest in FLCLASS
- VII. Truth in Millage (TRIM)
  - A. Review of FY 2023-24 Millage Chart (page 94)
  - B. Review of Tentative Millage Rate and TRIM timeline (page 96)
- VIII. FY 2023-24 Draft Budget
  - A. Presentation of Draft Budget and Discussion (Handout)
- IX. Next Meeting Date
  - A. Monday, July 10, 2023, at 5:00 p.m.
- X. Next Meeting Agenda
- XI. Committee Member Comments
- XII. Adjournment

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

We have audited the financial statements of the governmental activities and the major fund information of the Children's Services Council of Leon County (the Council) for the year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, *Rules of the Auditor General*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Council are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Council during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no such estimates.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following adjustments were identified during the course of the audit and were posted to the accounting records:

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Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

- Accrual of various payables in the amount of \$41,308 incurred during the audit period but not paid until the subsequent year.
- Prepayment of \$12,000 in dues relevant to the subsequent year but paid during the audit period.

There were no uncorrected (passed) misstatements.

***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated April 26, 2023.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Council's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Council's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The following accounting pronouncements will be applicable in subsequent fiscal years:

- **Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*** — The GASB has issued GASB Statement No. 87, *Leases*, with an effective date for reporting periods beginning after June 15, 2021. This new standard, with certain exceptions, will now require that all long-term, non-cancelable agreements involving the right-to-use of a non-financial asset be recorded as long-term lease liabilities on the balance sheet with a corresponding "right-to-use" intangible asset, both of which will be reduced over the life of the lease agreement.

The Council has agreements which may meet the definition of a lease under the new standard. We recommend that the Council begin preparations to implement the new standard by making a list of all applicable agreements involving the right-to-use of a non-financial asset with their key terms, such as duration, renewal options, payment amounts and escalation clauses, cancellability, etc. for evaluation.

Board of Directors  
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Tallahassee, Florida

- **GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*** — The GASB has issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending September 30, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, *Leases*, as amended.

#### **Other Matters**

We applied certain limited procedures to management's discussion and analysis and the budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

#### **Restriction on Use**

This information is intended solely for the information and use of the Board of Directors and management of the Council, and is not intended to be, and should not be, used by anyone other than these specified parties.



April 26, 2023  
Tallahassee, Florida

# 2021

Children's Services Council of Leon County

Financial Statements and  
Independent Auditor's Report

September 30, 2021

**PURVIS GRAY**  
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR’S REPORT**

**CHILDREN’S SERVICES COUNCIL OF LEON COUNTY**

**SEPTEMBER 30, 2021**

**TABLE OF CONTENTS**

<b>Independent Auditor’s Report .....</b>	<b>1-2</b>
<b>Management’s Discussion and Analysis .....</b>	<b>3-6</b>
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	7
Statement of Activities .....	8
Fund Financial Statements:	
Balance Sheet - General Fund .....	9
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	10
Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund .....	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities .....	12
Notes to Financial Statements .....	13-16
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund .....	17
<b>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> .....</b>	<b>18-19</b>
<b>Management Letter .....</b>	<b>20-22</b>
<b>Independent Accountant’s Report on Compliance with Section 218.415, Florida Statutes .....</b>	<b>23</b>

## INDEPENDENT AUDITOR'S REPORT

To Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

We have audited the accompanying financial statements of the governmental activities and the major fund of the Children's Services Council of Leon County (the Council) as of and for the five months ended September 30, 2021, and the related notes to 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; 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 the financial statements based on our audit. We conducted our audit 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. 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.

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To Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

## INDEPENDENT AUDITOR'S REPORT

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Council as of September 30, 2021, and the respective changes in financial position for the five months then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2023, 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.



April 26, 2023  
Tallahassee, Florida



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Children's Services Council of Leon County's (the Council) management's discussion and analysis presents an overview of the Council's financial activities for the fiscal year ended September 30, 2021. The Council's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### ***Financial Highlights***

#### **Government-Wide Statements**

- The Council's liabilities exceeded its assets at September 30, 2021, by \$83,788 (net position). Of this amount, (\$83,788) represents unrestricted net position.
- This is the first year of operations for the Council, so the beginning net position was zero. The Council decreased net position by \$83,788 during the fiscal year.

#### **Fund Statements**

- At September 30, 2021, the Council's governmental funds reported combined ending fund balance of (\$23,788).
- At September 30, 2021, the total fund balance for the General Fund was (\$23,788).

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic 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, in a manner similar to a private sector business.

- The Statement of Net Position presents financial information on all of the Council's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is strengthening or weakening.
- The Statement of Activities shows how the Council's net position changed during fiscal year 2021. All changes in net position are reported as soon as the event giving rise to the change occurs, regardless of the timing of 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., accrued expenses).

The government-wide financial statements can be found on pages 7-8 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fund Financial Statements

A fund is a grouping of related accounts 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. All Council funds are governmental funds.

### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The council maintains one individual governmental fund, the General Fund.

The Council adopts an annual budget for its General Fund. Budgetary comparison schedules have been provided for the General Fund to demonstrate budgetary compliance which is in the Required Supplementary Information starting on page 17 of this report.

### Notes to the Financial Statements

The notes 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 13-16 of this report.

### Government-Wide Financial Analysis

Changes in net position over time may serve as a useful indicator of a government's financial position. In the case of the Council, liabilities exceeded assets by \$83,788 at the end of the fiscal year ended September 30, 2021.

#### Children's Services Council of Leon County Net Position

	2021
	<b>Governmental Activities</b>
Current and Other Assets	\$ 23,545
<b>Total Assets</b>	<b>23,545</b>
Other Liabilities	107,333
<b>Total Liabilities</b>	<b>107,333</b>
<b>Net Position</b>	
Unrestricted	(83,788)
<b>Total Net Position</b>	<b>\$ (83,788)</b>

## MANAGEMENT’S DISCUSSION AND ANALYSIS

Fiscal year 2021 is the first year of operations for the Council so there is no year over year comparison to show the percent change in net position from 2020 to 2021. At the end of the year, the Council’s net position is (\$83,788).

### Children's Services Council of Leon County Changes in Net Position

	<u>2021</u>
	<u>Governmental</u>
	<u>Activities</u>
<b>Revenues</b>	
General Revenues:	
Interest Income	\$ 2
<b>Total Revenues</b>	<u>2</u>
<b>Expenses</b>	
Administration	83,790
<b>Total Expenses</b>	<u>83,790</u>
<b>Change in Net Position</b>	(83,788)
<b>Net Position - Beginning</b>	-
<b>Net Position - Ending</b>	<u><u>\$ (83,788)</u></u>

### Governmental Activities

*General Revenues* – The Council’s primary operating revenue source is property taxes. However, the Council did not collect property taxes for the year ended September 30, 2021. The Council earned \$2 in interest earnings on investment of surplus funds.

*Net Position* – The Council’s total ending net position is (\$83,788).

### Fund Financial Analysis

The Council uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements.

### Governmental Funds

The primary purpose of the Council’s governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

### Children's Services Council of Leon County Classifications of Fund Balance

Total Fund Balance	\$ (23,788)
Less Classified Fund Balance:	
Non-Spendable	12,000
Unassigned Fund Balance	<u><u>\$ (35,788)</u></u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Council reports one major fund, the General Fund, for the year ended September 30, 2021. The General Fund is the chief operating fund of the Council. As of the end of fiscal year 2021, the Council's General Fund reported an ending fund balance of (\$23,788).

### **General Fund Budgetary Highlights**

The General Fund's total original budget (see schedule on page 17) remained unchanged for the fiscal year.

Overall actual revenues varied from final budgeted revenues positively by \$2. Overall actual financing from other sources varied from final budgeted financing from other sources negatively by \$340,000. This variance is due to receiving less funding than anticipated in the first year of operations. Actual expenditures were less than final budgeted expenditures by \$39,542 (positive variance). The variance between actual results compared to final budget was positive because it took time to hire staffing and ramp up services.

The ad valorem tax rate for the General Fund for the upcoming 2022 fiscal year budget is .375 mills, which is less than the allowed maximum of .50 mills.

### **Requests for Information**

This financial report is designed to present users with a general overview of the Council's finances. If you have questions concerning any of the information provided in this report or need additional financial information, please contact the Children's Services Council of Leon County, 2002 Old St. Augustine Rd, Suite A-50, Tallahassee, Florida 32301. Additional financial information can be found on the Council's web site: <https://cscleon.org/>.

## **BASIC FINANCIAL STATEMENTS**

**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2021**

**Assets**

Current Assets:

Cash and Cash Equivalents	\$ 11,545
Prepaid Expenses	12,000

<b>Total Assets</b>	<u>23,545</u>
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**Liabilities**

Current Liabilities:

Accounts Payable and Accrued Liabilities	47,333
Short-Term Loan Payable	60,000

Total Current Liabilities	<u>107,333</u>
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<b>Total Liabilities</b>	<u>107,333</u>
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**Net Position**

Unrestricted	<u>(83,788)</u>
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<b>Total Net Position</b>	<u><u>\$ (83,788)</u></u>
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See accompanying notes.

**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE FIVE MONTHS ENDED SEPTEMBER 30, 2021**

<b>Governmental Activities</b>	
Administrative Expenses	\$ 83,790
<b>Total Governmental Activities</b>	<u>83,790</u>
 <b>Net Governmental Activities Expense</b>	 <u>(83,790)</u>
 <b>General Revenues</b>	
Interest Income	<u>2</u>
<b>Total General Revenues</b>	<u>2</u>
 Change in Net Position	 (83,788)
 <b>Net Position, Beginning of Year</b>	 <u>-</u>
 <b>Net Position, End of Year</b>	 <u><u>\$ (83,788)</u></u>

See accompanying notes.



**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY**  
**BALANCE SHEET - GENERAL FUND**  
**SEPTEMBER 30, 2021**

**ASSETS**

	<b>General Fund</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 11,545
Prepaid Expenses	12,000
<b>Total Assets</b>	<u>23,545</u>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities</b>	
Accounts Payable and Accrued Liabilities	47,333
<b>Total Liabilities</b>	<u>47,333</u>
<b>Fund Balances</b>	
Non-Spendable:	
Prepaid Expenses	12,000
Unassigned	(35,788)
<b>Total Fund Balances</b>	<u>(23,788)</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 23,545</u>

See accompanying notes.

**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
SEPTEMBER 30, 2021**

Total Fund Balances - Governmental Funds	\$ (23,788)
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Short-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(60,000)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ (83,788)</u></u>

See accompanying notes.

**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE FIVE MONTHS ENDED SEPTEMBER 30, 2021**

	<b>General Fund</b>
<b>Revenues</b>	
Interest Income	\$ 2
<b>Total Revenues</b>	<u>2</u>
<b>Expenditures</b>	
Program - Children's Services:	
Operating	<u>-</u>
Total Program - Children's Services	<u>-</u>
Administration:	
Operating	<u>83,790</u>
Total Administration	<u>83,790</u>
<b>Total Expenditures</b>	<u>83,790</u>
<b>Other Financing Sources</b>	
Loan Proceeds from Leon County	<u>60,000</u>
<b>Total Other Financing Sources</b>	<u>60,000</u>
Net Change in Fund Balance	(23,788)
<b>Fund Balances, Beginning of Year</b>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ (23,788)</u></u>

See accompanying notes.

**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FIVE MONTHS ENDED SEPTEMBER 30, 2021**

Net Change in Fund Balance of Governmental Funds	\$ (23,788)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
The issuance of short-term debt provides current financial resources to governmental funds, while it has no effect on the statement of activities.	<u>(60,000)</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ (83,788)</u></u>

See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS**  
**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY**  
**TALLAHASSEE, FLORIDA**

**Note 1 - Summary of Significant Accounting Policies**

**Reporting Entity**

The Children's Services Council of Leon County (the Council) is an independent special district established under County Ordinance 18-13 and approved by the electors of Leon County (the County) voting in the November 2020 general election. The Council is governed by a board of directors which consists of ten members, including the Superintendent of Schools, a local school board member, the District III Administrator from the Florida Department of Children and Families or their designee, one member of the Board of County Commissioners, and a judge assigned to juvenile cases. The remaining five members are appointed by the governor for four-year terms. The Council operates in accordance with Section 125.901, Florida Statutes.

The Council funds and supports a coordinated system of community services that allows all youth and their families to thrive. The Council's vision statement is to facilitate equitable access and opportunities for all children and families in Leon County to ensure every child reaches their maximum potential.

The Council follows the standards promulgated by Governmental Accounting Standards Board (GASB) Codification Section 2100, *Defining the Financial Reporting Entity*. The accompanying financial statements include all operations over which the Council is financially accountable.

The Council provides funding to various agencies; however, each agency is financially independent. The Council has no authority to appoint or hire management of the agencies, nor does it have responsibility for operations of the agencies. Because of this, the financial statements of the various entities are excluded from the reporting entity. The Council has not identified any component units and is not a participant in any joint ventures.

**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 of all activities of the Council.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Separate fund financial statements are provided for governmental funds.

**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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the

**NOTES TO FINANCIAL STATEMENTS**  
**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY**  
**TALLAHASSEE, FLORIDA**

current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The Council reports the following major governmental fund:

- General Fund – The government's primary operating fund. It accounts for all financial resources of the general government.

**Budgets and Budgetary Accounting**

The budget is prepared and adopted after public hearings, pursuant to Section 200.065 of the Florida Statutes. The budget was adopted by the Council for the General Fund for the period of May 1, 2021 through September 30, 2021, utilizing generally accepted accounting principles. Throughout the year, there were no budget amendments.

**Capital Assets**

Capital assets are defined by the Council as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Property and equipment of the Council is depreciated using the straight-line method over the estimated useful lives. There were no capital assets purchased by the Council during the fiscal year.

**Property Taxes**

Property taxes for each calendar year are recognized in the fiscal year ending September 30 of the subsequent calendar year. Property taxes are assessed as of January 1 each year and are first billed (levied) and due the following November 1. Under Florida law, the assessment of all properties and the collection of all county, municipal, school board, and special district property taxes are consolidated in the offices of the Leon County Property Appraiser and Leon County Tax Collector. The laws for the state regulating tax assessments are also designed to ensure a consistent property valuation method statewide. State statutes permit the Council to levy property taxes at a rate of up to .5 mills (\$.5 per \$1,000 of assessed taxable valuation). There were no assessments recognized by the Council as revenue for the year ended September 30, 2021.

The taxes levied are established by the Council prior to October 1 of each year, and the Leon County Property Appraiser incorporates the millage into the tax levy for the County. All property is reassessed according to its fair market value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of state statutes.

All real and tangible personal property taxes are due and payable on November 1 each year, or as soon as practicable thereafter as the assessment roll is certified by the Leon County Property Appraiser. The Leon County Property Appraiser mails to each property owner on the assessment roll a notice of the taxes due and the Leon County Tax Collector collects the taxes on behalf of the Council. Taxes may be paid upon

**NOTES TO FINANCIAL STATEMENTS**  
**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY**  
**TALLAHASSEE, FLORIDA**

receipt of such notice, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the following year in which the taxes were assessed. Procedures for the collection of delinquent taxes by the County are provided for in the laws of Florida. There were no property taxes collected during the fiscal year ended September 30, 2021, attributable to the Council's millage.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash held in banks with maturities of less than three months.

**Prepaid Expenses**

The Council prepays expenses for its membership to the Florida Alliance of Children's Councils and Trusts. This group promotes public policies, best practices, and professional standards related to the health, well-being, and education of Florida's children, youth, and families.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

**Governmental Fund Balance**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

- Non-Spendable Fund Balance – Amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
- Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed Fund Balance – Amounts that can only be used for specific purposes pursuant to the constraints imposed by a formal action of the government's highest level of decision-making authority. Only the governing ten-member council may modify or rescind a fund balance commitment, by resolution.
- Assigned Fund Balance – Amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The authority to assign fund balance lies with the Council, the budget committee, or an official who has been given the authority to assign funds.
- Unassigned Fund Balance – The residual classification for the General Fund resources. This classification represents fund balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for a governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

**NOTES TO FINANCIAL STATEMENTS  
CHILDREN'S SERVICES COUNCIL OF LEON COUNTY  
TALLAHASSEE, FLORIDA**

- Fund Balance Spending Hierarchy – When restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from a restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

**Note 2 - Deposits**

Banks qualified as public depositories under Florida law hold cash deposits of the Council. In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the State Treasurer or banking institution eligible collateral. As of September 30, 2021, the Council's bank balance was \$11,545 and the carrying value was \$11,545.

**Note 3 - Risk Management**

The Council is exposed to various risks of loss and purchases commercial insurance coverage to cover the various risks. There were no settled claims which exceeded insurance coverage in the last year.

**Note 4 - Short-Term Debt**

On June 30, 2021, the Council entered into a loan agreement with the County for up to \$400,000 to fund the Council's operating expenses until the Council collected property tax revenue (see Note 5). As of September 30, 2021, the Council received \$60,000 in loan funds from the County.

A summary of the changes in short-term liabilities is as follows:

	Balance October 1, 2020	Additions	(Deletions)	Balance September 30, 2021
Short-Term Loan from Leon County	\$ -	\$ 60,000	\$ -	\$ 60,000

**Note 5 - Subsequent Events**

In November 2021, the Council received another \$90,000 in financing pursuant to the loan agreement with the County. On January 21, 2022, the Council paid in full its \$150,000 loan from the County, including \$338 in accrued interest. No additional financing was needed, as property tax revenues were collected by the Council beginning in November 2021 from assessments attributable to calendar year 2021.

Effective October 1, 2022, the Council entered into a lease agreement for office space at 2022 Old St. Augustine Road, Suite A-50. The Council officially moved into the space on December 16, 2022. The term of the agreement is for seven years with six one-year renewal options after the initial term expires. Rent payments of \$6,223 per month began on January 1, 2023, and are scheduled to increase annually.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FIVE MONTHS ENDED SEPTEMBER 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>With Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Interest Income	\$ -	\$ -	\$ 2	\$ 2
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<b>Expenditures</b>				
Program - Children's Services:				
Operating	50,000	50,000	-	50,000
Total Program - Children's Services	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Administration:				
Operating	81,582	81,582	83,790	(2,208)
Total Administration	<u>81,582</u>	<u>81,582</u>	<u>83,790</u>	<u>(2,208)</u>
<b>Total Expenditures</b>	<u>131,582</u>	<u>131,582</u>	<u>83,790</u>	<u>47,792</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,582)	(131,582)	(83,788)	47,794
<b>Other Financing Sources (Uses)</b>				
Loan Proceeds from Leon County	400,000	400,000	60,000	(340,000)
<b>Fund Balances, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 268,418</u>	<u>\$ 268,418</u>	<u>\$ (23,788)</u>	<u>\$ (292,206)</u>

See accompanying notes.

**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 Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

We have audited, in accordance with the 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 financial statements of the governmental activities and the major fund of the Children's Services Council of Leon County (the Council) as of and for the five months ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated April 26, 2023.

**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) as a basis for designing 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Council'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.

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To Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

**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**

**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, non-compliance with which could have a direct and material effect on the financial statements. 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 non-compliance 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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



April 26, 2023  
Tallahassee, Florida

## MANAGEMENT LETTER

To Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

### Report on the Financial Statements

We have audited the financial statements of the Children's Services Council of Leon County (the Council) as of and for the year ended September 30, 2021, and have issued our report thereon dated April 26, 2023.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Florida Auditor General*.

### Other Reports and Schedule

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* and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 26, 2023, 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 report. There were no recommendations made in the preceding audit report. This is the first annual financial report that has been issued.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires 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. The name and legal authority for the Council were disclosed in the notes to the financial statements. There were no component units related to the Council.

### Financial Condition

Section 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 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.

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To Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

## MANAGEMENT LETTER

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial conditions 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 the review of financial information provided by the same.

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.

### Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, and to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39 (3)(b), Florida Statutes.

### UNAUDITED

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Council reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year was 0.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year was 4.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$0.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency was \$72,689.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported. There were no construction projects that began on or after October 1 in the fiscal year.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, was \$0. There were no budget amendments during the fiscal year reported.

To Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

## MANAGEMENT LETTER

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the Council reported:

- a. The millage rate imposed by the Council as 0.0.
- b. The total amount of ad valorem taxes collected by or on behalf of the Council as \$0.
- c. The total amount of outstanding bonds issued by the Council and the terms of such bonds, if any, as \$0.

### Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 which 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, the Board of Directors, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



April 26, 2023  
Tallahassee, Florida

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

We have examined the Children's Services Council of Leon County's (the Council) compliance with Section 218.415, Florida Statutes, during the year ended September 30, 2021. Council management is responsible for the Council's compliance with those requirements. Our responsibility is to express an opinion on the Council's compliance 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 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 auditor judgment, including an assessment of the risks of material non-compliance, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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 the aforementioned requirements during the five months ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Florida Auditor General, federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be, and should not be used, by anyone other than these specified parties.



April 26, 2023  
Tallahassee, Florida

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## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

We have audited the financial statements of the governmental activities and the major fund information of the Children's Services Council of Leon County (the Council) for the year ended September 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, *Rules of the Auditor General*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Council are described in Note 1 to the financial statements. New accounting pronouncements adopted by the Council include Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The application of existing policies was not changed during 2022. We noted no transactions entered into by the Council during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- As a participating employer in the Florida Retirement System (FRS), a cost-sharing multiple-employer pension plan, the Council records its share of the FRS net pension liability and deferred outflows and inflows. These amounts are based on an actuarial valuation performed by a qualified actuary retained by the FRS. The net pension liability represents the difference between the value of pension plan assets and the total pension liability, which is measured using various actuarial assumptions. Further, the Council's allocation of the total net pension is based on its contributions for the year as a percentage of total contributions into the plan. If these assumptions were changed, the reported amounts could have a significant impact on the amounts recorded.

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Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

- Management's estimate of compensated absences, which is based on payroll data as of year-end, including the employees' current rate of pay and accrued hours for paid time off.

We evaluated the key factors and assumptions used to develop the estimates described above in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The following material misstatements detected as a result of audit procedures were corrected by management:

- Accrual of legal fees in the amount of \$9,449 incurred during the audit period but not paid until the subsequent year.
- Accrual of the September retirement contribution totaling \$5,391.
- Prepayment of \$18,223 in expenses relevant to the subsequent year but paid during the audit period.

There were no uncorrected (passed) misstatements.

***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated April 26, 2023.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Council's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Council's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The following accounting pronouncement will be applicable in the subsequent fiscal year:

- **GASB Statement No. 96, *Subscription-Based Information Technology Arrangements***—The GASB has issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending September 30, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, *Leases*, as amended.

### **Other Matters**

We applied certain limited procedures to management's discussion and analysis, the budgetary comparison information, and the required pension schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### **Restriction on Use**

This information is intended solely for the use of the Board of Directors and management of the Council, and is not intended to be, and should not be, used by anyone other than these specified parties.



April 26, 2023  
Tallahassee, Florida

# 2022

Children's Services Council of Leon County

Financial Statements and  
Independent Auditor's Report

September 30, 2022

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY**

**SEPTEMBER 30, 2022**

**TABLE OF CONTENTS**

<b>Independent Auditor's Report</b> .....	1-3
<b>Management's Discussion and Analysis</b> .....	4-8
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	9
Statement of Activities .....	10
Fund Financial Statements:	
Balance Sheet .....	11
Reconciliation of Total Government Fund Balances to Net Position of Governmental Activities .....	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
Notes to Financial Statements .....	15-23
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund .....	24
Schedule of Proportionate Share of Net Pension Liability Last Ten Fiscal Years .....	25
Schedule of Employer Contributions Last Ten Fiscal Years .....	26
<b>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> .....</b>	
<b>Management Letter</b> .....	27-28 29-32
<b>Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes</b> .....	33
<b>Response to Management Letter</b> .....	34-35

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

### Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Children's Services Council of Leon County (the Council) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Council as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Tallahassee, Florida

## INDEPENDENT AUDITOR'S REPORT

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the required pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of



To the Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

## INDEPENDENT AUDITOR'S REPORT

management and, 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 auditing standards generally accepted in the United States of America, 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated April 26, 2023, 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 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.



April 26, 2023  
Tallahassee, Florida

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Children's Services Council of Leon County (the Council) management's discussion and analysis presents an overview of the Council's financial activities for the fiscal year ended September 30, 2022. The Council's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### ***Financial Highlights***

#### **Government-Wide Statements**

- The Council's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2022, by \$4,546,342, the net position. Of this amount, \$4,546,342 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Council increased net position by \$4,631,130 over the prior fiscal year. Net position primarily increased due to its receipt of Ad Valorem Taxes for the first time. The Council is currently working on a strategy to decrease the fund balance in future years via increased program funding.

#### **Fund Statements**

- As of September 30, 2022, the Council's General Fund reported an ending fund balance of \$4,582,826, an increase of \$4,606,614 from the prior fiscal year. The unassigned fund balance totaled \$4,558,381 and the non-spendable portion totaled \$24,445.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic 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, in a manner similar to a private sector business.

- The Statement of Net Position presents financial information on all of the Council's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is strengthening or weakening.
- The Statement of Activities shows how the Council's net position changed during fiscal year 2022. All changes in net position are reported as soon as the event giving rise to the change occurs, regardless of the timing of 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., accrued expenses).

The government-wide financial statements can be found on pages 9-10 of this report.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Fund Financial Statements**

A fund is a grouping of related accounts 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. All Council funds are governmental funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The council maintains one individual governmental fund, the General Fund.

The Council adopts an annual budget for its General Fund. Budgetary comparison schedules have been provided for the General Fund to demonstrate budgetary compliance which is in the Required Supplementary Information starting on page 24 of this report.

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

The notes 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 15-23 of this report.

### **Government-Wide Financial Analysis**

Changes in net position over time may serve as a useful indicator of a government's financial position. In the case of the Council, assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$4,546,342 at the end of the fiscal year ended September 30, 2022.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### CONDENSED FINANCIAL INFORMATION

The following tables present condensed, government-wide comparative data about net position and changes in net position.

#### Children's Services Council of Leon County Net Position

	<u>2022</u>	<u>2021</u>	
	<u>Governmental</u>	<u>Governmental</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Change</u>
<b>Assets</b>			
Non-Capital Assets	\$ 4,621,660	\$ 23,545	\$ 4,598,115
<b>Total Assets</b>	<u>4,621,660</u>	<u>23,545</u>	<u>4,598,115</u>
 <b>Deferred Outflows of Resources</b>	 <u>117,076</u>	 <u>-</u>	 <u>117,076</u>
 <b>Liabilities</b>			
Current Liabilities	41,049	107,333	(66,284)
Long-Term Liabilities	<u>148,064</u>	<u>-</u>	<u>148,064</u>
<b>Total Liabilities</b>	<u>189,113</u>	<u>107,333</u>	<u>81,780</u>
 <b>Deferred Inflows of Resources</b>	 <u>3,281</u>	 <u>-</u>	 <u>3,281</u>
 <b>Net Position</b>			
Unrestricted	4,546,342	(83,788)	4,630,130
<b>Total Net Position</b>	<u><u>\$ 4,546,342</u></u>	<u><u>\$ (83,788)</u></u>	<u><u>\$ 4,630,130</u></u>

At the end of the year, any of the Council's unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Unrestricted net position increased by \$4,630,130 over the prior fiscal year. Net position primarily increased due to its receipt of Ad Valorem Taxes for the first time. The Council is currently working on a strategy to decrease the fund balance in future years via increased program funding.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Children's Services Council of Leon County Changes in Net Position

	<u>2022</u>	<u>2021</u>
	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
<b>Governmental Activities</b>		
Program - Children's Services	\$ 1,819,217	\$ -
Administration	493,423	83,790
Debt Service	338	-
<b>Total Governmental Activities</b>	<u>2,312,978</u>	<u>83,790</u>
 <b>Net Governmental Activities Expense</b>	 <u>(2,312,978)</u>	 <u>(83,790)</u>
 <b>General Revenues</b>		
Ad Valorem Taxes	6,926,225	-
Interest and Other Income	16,883	2
<b>Total General Revenues</b>	<u>6,943,108</u>	<u>2</u>
 <b>Change in Net Position</b>	 4,630,130	 (83,788)
 <b>Net Position - Beginning of Year</b>	 <u>(83,788)</u>	 <u>-</u>
<b>Net Position - End of Year</b>	<u><u>\$ 4,546,342</u></u>	<u><u>\$ (83,788)</u></u>

#### Governmental Activities

*General Revenues* – The Council's primary operating revenue source is property taxes. For the year ended September 30, 2022, the Council collected \$6,926,225 in taxes. The Council earned \$16,883 in interest earnings on surplus funds.

*Net Position* – The Council's total ending net position is \$4,546,342. The Council increased net position by \$4,630,130 over the prior fiscal year.

#### Fund Financial Analysis

The Council uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements.

#### Governmental Funds

The primary purpose of the Council's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Children's Services Council of Leon County Classifications of Fund Balance

<b>Total Fund Balance</b>	\$ 4,582,826
Less Classified Fund Balance:	
Non-Spendable	24,445
<b>Unassigned Fund Balance</b>	<u>\$ 4,558,381</u>

The Council reports one major fund, the General Fund, for the year ended September 30, 2022. The General Fund is the chief operating fund of the Council. As of the end of fiscal year 2022, the Council's General Fund reported an ending fund balance of \$4,582,826 and increase of \$4,606,614 over prior year. As a measure of the General Fund's liquidity, it is useful to compare total fund balance to total fund revenues. For fiscal year 2022, the ending fund balance represents 66.01% of total General Fund operating revenue.

#### General Fund Budgetary Highlights

The General Fund's total original budget (see schedule on page 24) decreased via one budget amendment during the fiscal year.

Overall actual revenues varied from final budgeted revenues positively by \$538,108. This positive variance is primarily due to tax collections coming in higher than budgeted. Actual expenditures were less than final budgeted expenditures by \$3,978,506 (positive variance). The difference of actual compared to final budget was because this was the first full year of operations and it took time to hire staff and increase program funding.

The ad valorem tax rate for the General Fund for the upcoming 2023 fiscal year budget is .375 mills, which is the same as the current year rate of .375 mills.

#### Requests for Information

This financial report is designed to present users with a general overview of the Council's finances. If you have questions concerning any of the information provided in this report or need additional financial information, please contact the Children's Services Council of Leon County, 2002 Old St. Augustine Rd, Suite A-50, Tallahassee, FL 32301. Additional financial information can be found on the Council's web site: <https://cscleon.org/>.

## **BASIC FINANCIAL STATEMENTS**



**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

**Assets**

Current Assets:

Cash and Cash Equivalents	\$ 4,559,843
Accounts Receivable	37,372
Prepaid Expenses	24,445

<b>Total Assets</b>	<u>4,621,660</u>
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**Deferred Outflows of Resources**

Pension-Related	117,076
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<b>Total Deferred Outflows of Resources</b>	<u>117,076</u>
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**Liabilities**

Current Liabilities:

Accounts Payable and Accrued Liabilities	28,272
Accrued Payroll and Benefits	10,562
Current Portion of Long-Term Debt:	
Accrued Compensated Absences Due Within One Year	2,215

Total Current Liabilities	<u>41,049</u>
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Non-Current Liabilities:

Accrued Compensated Absences	12,551
Net Pension Liability	135,513
Total Non-Current Liabilities	<u>148,064</u>

<b>Total Liabilities</b>	<u>189,113</u>
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**Deferred Inflows of Resources**

Pension-Related	3,281
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<b>Total Deferred Inflows of Resources</b>	<u>3,281</u>
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**Net Position**

Unrestricted	4,546,342
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<b>Total Net Position</b>	<u>\$ 4,546,342</u>
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See accompanying notes.

**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<b>Governmental Activities</b>	
Program - Children's Services	\$ 1,819,217
Administration	493,423
Debt Service	338
<b>Total Governmental Activities</b>	<u>2,312,978</u>
<b>Net Governmental Activities Expense</b>	<u>(2,312,978)</u>
<b>General Revenues</b>	
Ad Valorem Taxes	6,926,225
Interest and Other Income	16,883
<b>Total General Revenues</b>	<u>6,943,108</u>
Change in Net Position	4,630,130
<b>Net Position - Beginning of Year</b>	<u>(83,788)</u>
<b>Net Position - End of Year</b>	<u><u>\$ 4,546,342</u></u>

See accompanying notes.

**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2022**

**ASSETS**

	<b>General Fund</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 4,559,843
Accounts Receivable	37,372
Prepaid Expenses	24,445
<b>Total Assets</b>	<b>4,621,660</b>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities</b>	
Accounts Payable and Accrued Liabilities	28,272
Accrued Payroll and Benefits	10,562
<b>Total Liabilities</b>	<b>38,834</b>
<b>Fund Balances</b>	
Non-Spendable:	
Prepaid Expenses	24,445
Unassigned	4,558,381
<b>Total Fund Balances</b>	<b>4,582,826</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,621,660</b>

See accompanying notes.

**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
SEPTEMBER 30, 2022**

Total Fund Balances - Governmental Funds	\$ 4,582,826
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Deferred outflow of resources related to pension are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.	117,076
Deferred inflows of resources related to pension are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.	(3,281)
Long-term liabilities, including total net pension liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Net Pension Liability	(135,513)
Compensated Absences	(14,766)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 4,546,342</u></b>

See accompanying notes.

**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>General Fund</b>
<b>Revenues</b>	
Ad Valorem Taxes	\$ 6,926,225
Interest and Other Income	16,883
<b>Total Revenues</b>	<u>6,943,108</u>
<b>Expenditures</b>	
Program - Children's Services:	
Grant Awards	1,529,643
Operating	289,574
Total Program - Children's Services	<u>1,819,217</u>
Administration:	
Personnel Services	206,044
Operating	250,895
Total Administration	<u>456,939</u>
Debt Service:	
Principal	150,000
Interest	338
Total Debt Service	<u>150,338</u>
<b>Total Expenditures</b>	<u>2,426,494</u>
<b>Excess of Revenues Over Expenditures</b>	4,516,614
<b>Other Financing Sources</b>	
Loan Proceeds from Leon County	90,000
<b>Total Other Financing Sources</b>	<u>90,000</u>
<b>Net Change in Fund Balance</b>	4,606,614
<b>Fund Balances - Beginning of Year</b>	<u>(23,788)</u>
<b>Fund Balances - End of Year</b>	<u><u>\$ 4,582,826</u></u>

See accompanying notes.

**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Net Change in Fund Balance of Governmental Funds	\$ 4,606,614
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
The issuance of short-term debt provides current financial resources to governmental funds, while it has no effect on the statement of activities.	(90,000)
The repayment of short-term debt expends current financial resources in governmental funds, while it has no effect on the statement of activities.	150,000
The net changes in net pension liability and deferred outflows and inflows are reported in the statement of activities, but not in the governmental funds.	
Change in Net Pension Liability	(135,513)
Change in Deferred Outflows Related to Pensions	117,076
Change in Deferred Inflows Related to Pensions	(3,281)
Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of the net change in accrued compensated absences.	(14,766)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 4,630,130</b>

See accompanying notes.

**CHILDREN'S SERVICES OF LEON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 1 - Summary of Significant Accounting Policies**

**Reporting Entity**

The Children's Services County of Leon County (the Council) is an independent special district established under County Ordinance 18-13 and approved by the electors of Leon County (the County) voting in the November 2020 general election. The Council is governed by a board of directors which consists of ten members, including the Superintendent of Schools, a local School Board member, the District III Administrator from the Florida Department of Children and Families or their designee, one member of the Board of County Commissioners, and a Judge assigned to juvenile cases. The remaining five members are appointed by the Governor for four-year terms. The Council operates in accordance with Section 125.901, Florida Statutes.

The Council funds and supports a coordinated system of community services that allows all youth and their families to thrive. The Council's vision statement is to facilitate equitable access and opportunities for all children and families in Leon County to ensure every child reaches their maximum potential.

The Council follows the standards promulgated by Governmental Accounting Standards Board (GASB) Codification Section 2100, *Defining the Financial Reporting Entity*. The accompanying financial statements include all operations over which the Council is financially accountable.

The Council provides funding to various agencies; however, each agency is financially independent. The Council has no authority to appoint or hire management of the agencies, nor does it have responsibility for operations of the agencies. Because of this, the financial statements of the various entities are excluded from the reporting entity. The Council has not identified any component units and is not a participant in any joint ventures.

**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 all of the activities of the Council.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Separate fund financial statements are provided for governmental funds.

**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.

**CHILDREN'S SERVICES OF LEON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Council reports the following major governmental fund:

- General Fund - The government's primary operating fund. It accounts for all financial resources of the general government.

**Budgets and Budgetary Accounting**

The budget is prepared and adopted after public hearings, pursuant to Section 200.065 of the Florida Statutes. The budget was adopted by the Council for the General Fund for the period October 1, 2021 through September 30, 2022, utilizing generally accepted accounting principles. Throughout the year, there was one budget amendment.

**Capital Assets**

Capital assets are defined by the Council as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Property and equipment of the Council is depreciated using the straight-line method over the estimated useful lives. There were no capital assets purchased by the Council during the fiscal year.

**Compensated Absences**

The Council's personnel policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service within the vesting limits. Separating employees shall be paid for all unused, accrued vacation leave earned through the date of separation, up to a maximum of 240 hours. In addition, employees will be compensated for up to ¼ of accumulated sick leave. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

**Property Taxes**

Property taxes for the 2022 calendar year were assessed and collected by the Leon County Tax Collector and subsequently remitted to the Council. Property taxes are assessed as of January 1 each year and are first billed (levied) and due the following November 1. Under Florida law, the assessment of all properties and the collection of all county, municipal, school board, and special district property taxes are



**CHILDREN'S SERVICES OF LEON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws for the State regulating tax assessments are also designed to ensure a consistent property valuation method statewide. State statutes permit Children's Trusts to levy property taxes at a rate of up to .5 mills (\$.50 per \$1,000 of assessed taxable valuation). The millage rate assessed by the Council for the year ended September 30, 2022, was 0.375 mills.

The taxes levied are established by the Council prior to October 1 of each year, and the County Property Appraiser incorporates the millage into the tax levy for the County. All property is reassessed according to its fair market value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all the appropriate requirements of state statutes.

All real and tangible personal property taxes are due and payable on November 1 each year, or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. The County Property Appraiser mails to each property owner on the assessment roll a notice of the taxes due, and the County Tax Collector collects the taxes on behalf of the Council. Taxes may be paid upon receipt of such notice, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the year following the year in which the taxes were assessed. Procedures for the collection of delinquent taxes by the County are provided for in the laws of Florida. There were no material delinquent property taxes as of September 30, 2022.

**Cash and Cash Equivalents**

Cash and cash equivalents, which are cash and short-term investments with maturities of three months or less, include cash in banks.

**Prepaid Expenses**

The Council prepays expenses for its membership to the Florida Alliance of Children's Councils and Trusts. This group promotes public policies, best practices, and professional standards related to the health, well-being, and education of Florida's children, youth, and families. The Council also prepaid the security deposit for its new building and one month's rent for office space during the fiscal year ended September 30, 2022.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

**Governmental Fund Balance**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

- Non-Spendable Fund Balance—Amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

**CHILDREN'S SERVICES OF LEON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

- **Restricted Fund Balance**—Amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- **Committed Fund Balance**—Amounts that can only be used for specific purposes pursuant to the constraints imposed by a formal action of the government's highest level of decision-making authority. Only the governing ten-member council may modify or rescind a fund balance commitment, by resolution.
- **Assigned Fund Balance**—Amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The authority to assign fund balance lies with the Council, the budget committee, or an official who has been given the authority to assign funds.
- **Unassigned Fund Balance**—The residual classification for the General Fund resources. This classification represents fund balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for a governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.
- **Fund Balance Spending Hierarchy**—When restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

**Adoption of New Accounting Pronouncement**

During the year ended September 30, 2022, the Council adopted new accounting guidance by implementing the provisions of GASB Statement No. 87, *Leases*. This standard enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financing of the right-to-use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. There was no impact on the Council's financial statements during the fiscal year ended September 30, 2022, as a result of the adoption of this new accounting pronouncement.

**Note 2 - Deposits**

Banks qualified as public depositories under Florida law hold cash deposits of the Council. In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the State Treasurer or banking institution eligible collateral. As of September 30, 2022, The Council's bank balance was \$4,559,843 and the carrying value was \$4,559,843.

**Note 3 - Risk Management**

The Council is exposed to various risks of loss and purchases commercial insurance coverage to cover the various risks. There were no settled claims which exceeded insurance coverage in the last year.

**CHILDREN'S SERVICES OF LEON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 4 - Receivables**

Most receivables are due from grantee agencies. The Council has determined that an allowance for doubtful accounts is not necessary.

Receivables at September 30, 2022, consisted of the following:

Due from Grantee Agencies	\$	35,839
Due from Insurance Companies		1,155
Due from State		<u>378</u>
<b>Total Accounts Receivable</b>	<b>\$</b>	<b><u>37,372</u></b>

**Note 5 - Long-Term Liabilities**

On June 30, 2021, the Council entered into a loan agreement with the County for up to \$400,000 to fund the Council's operating expenses until the Council collects property tax revenue. The Council received \$150,000 in loan funds from the County and repaid the entire amount during the fiscal year ended September 30, 2022.

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022	Due Within One Year
Loan from County	\$ 60,000	\$ 90,000	\$ 150,000	\$ -	\$ -
Compensated Absences	-	14,766	-	14,766	2,215
Net Pension Liability:					
FRS	-	114,889	-	114,889	-
HIS	-	20,624	-	20,624	-
<b>Total</b>	<b>\$ 60,000</b>	<b>\$ 240,279</b>	<b>\$ 150,000</b>	<b>\$ 150,279</b>	<b>\$ 2,215</b>

**Note 6 - State of Florida Pension Plans**

**Defined Benefit Plans**

The Council participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability, or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations is optional.

**CHILDREN'S SERVICES OF LEON COUNTY  
NOTES TO FINANCIAL STATEMENTS**

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided**

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

**Contributions**

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2022, were as follows:

	<u>FRS (1)</u>	<u>HIS</u>
Regular Class	10.19%	1.66%
Senior Management Service Class	29.85%	1.66%

The employer's contributions for the year ended September 30, 2022, were \$23,502 to the FRS Pension Plan and \$1,973 to the HIS Program.

**Notes:** (1) Contribution rates exclude 0.06% fee for administration and provision of education tools.

**Pension Liabilities and Pension Expense**

In its financial statements for the year ended September 30, 2022, the Council reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2022. The Council's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>
Net Pension Liability	\$ 114,889	\$ 20,624
Proportion at:		
Current Measurement Date	0.000309%	0.000195%
Prior Measurement Date	0.000000%	0.000000%
Increase in Proportionate Share	0.000309%	0.000195%
Pension Expense	\$ 31,541	\$ 4,532

**CHILDREN'S SERVICES OF LEON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

**Deferred Outflows/Inflows of Resources Related to Pensions**

At September 30, 2022, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 5,457	\$ -	\$ 626	\$ 91
Changes of Assumptions	14,149	-	1,182	3,190
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,586	-	30	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	69,333	-	18,713	-
Employer Contributions Subsequent to the Measurement Date	10,326	-	795	-
<b>Total</b>	<u>\$ 106,851</u>	<u>\$ -</u>	<u>\$ 21,346</u>	<u>\$ 3,281</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2023.

Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ending September 30,</u>	FRS	HIS
2023	\$ 21,983	\$ 3,119
2024	17,888	3,279
2025	13,186	3,380
2026	34,729	3,276
2027	8,739	3,027
Thereafter	-	1,189
<b>Total</b>	<u>\$ 96,525</u>	<u>\$ 17,270</u>

**Actuarial Assumptions**

The total pension liability for each of the defined benefit plans was measured as of June 30, 2022. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2022. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2022. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

**CHILDREN'S SERVICES OF LEON COUNTY  
NOTES TO FINANCIAL STATEMENTS**

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Payroll Growth, Including Inflation	3.25%	3.25%
Investment Rate of Return	6.70%	N/A
Discount Rate	6.70%	3.54%

Mortality assumptions for both plans were based on the PUB-2010 base tables projected generationally with Scale MP-2018.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2022:

**FRS**

- The discount rate used to determine the total pension liability decreased from 6.80% to 6.70%.

**HIS**

- The municipal bond index rate and the discount rate used to determine the total pension liability increased from 2.16% to 3.54%.

The long-term expected investment rate of return assumption for the FRS Pension Plan was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption of 2.40%.

For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>
Cash	1.0%	2.6%	2.6%
Fixed Income	19.8%	4.4%	4.4%
Global Equity	54.0%	8.8%	7.3%
Real Estate	10.3%	7.4%	6.3%
Private Equity	11.1%	12.0%	8.9%
Strategic Investments	3.8%	6.2%	5.9%
<b>Total</b>	<u>100%</u>		

**Discount Rate**

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. The FRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**CHILDREN'S SERVICES OF LEON COUNTY  
NOTES TO FINANCIAL STATEMENTS**

Because the HIS Program is essentially funded on a pay-as-you-go basis and the depletion date is considered to be immediate, a municipal bond rate of 3.54% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Year Municipal Bond Index was used as the applicable municipal bond index.

**Sensitivity Analysis**

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	1% Decrease (5.70%)	Current Discount Rate (6.70)%	1% Increase (7.70%)	1% Decrease (2.54%)	Current Discount Rate (3.54)%	1% Increase (4.54)
Employer's Proportionate Share of the Net Pension Liability	\$ 198,693	\$ 114,889	\$ 44,819	\$ 23,595	\$ 20,624	\$ 18,165

**Pension Plans' Fiduciary Net Position**

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

**Note 7 - Grants**

The Council provides coordination, evaluation, and funding of various programs for children, which are administered by organizations throughout the County. Once the Council decides to fund a program, the Council executes a grant agreement with an administering organization (grantee) for an amount specified in the agreement. At the conclusion of the grant period, an organization must refund its unused grant funds up to \$1,000 (for grants \$20,000 and over) or 5% (for grants under \$20,000).

**Note 8 - Subsequent Events**

Effective October 1, 2022, the Council entered into a lease agreement for office space at 2022 Old St. Augustine Road, Suite A-50. The Council officially moved into the space on December 16, 2022. The term of the agreement is for seven years with six one-year renewal options after the initial term expires. Rent payments of \$6,223 per month began on January 1, 2023, and are scheduled to increase annually.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>With Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Ad Valorem Taxes	\$ 7,252,277	\$ 6,400,000	\$ 6,926,225	\$ 526,225
Interest and Other Income	-	5,000	16,883	11,883
<b>Total Revenues</b>	<u>7,252,277</u>	<u>6,405,000</u>	<u>6,943,108</u>	<u>538,108</u>
<b>Expenditures</b>				
Program - Children's Services:				
Grant Awards	6,023,603	5,170,156	1,529,643	3,640,513
Operating	400,000	460,000	289,574	170,426
Total Program - Children's Services	<u>6,423,603</u>	<u>5,630,156</u>	<u>1,819,217</u>	<u>3,810,939</u>
Administration:				
Personnel Services	243,756	251,250	206,044	45,206
Operating	178,918	373,256	250,895	122,361
Total Administration	<u>422,674</u>	<u>624,506</u>	<u>456,939</u>	<u>167,567</u>
Debt Service:				
Principal	400,000	150,000	150,000	-
Interest	6,000	338	338	-
Total Debt Service	<u>406,000</u>	<u>150,338</u>	<u>150,338</u>	<u>-</u>
<b>Total Expenditures</b>	<u>7,252,277</u>	<u>6,405,000</u>	<u>2,426,494</u>	<u>3,978,506</u>
<b>Excess of Revenues Over Expenditures</b>	-	-	4,516,614	4,516,614
<b>Other Financing Sources</b>				
Loan Proceeds from Leon County	-	-	90,000	90,000
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>90,000</u>
<b>Fund Balances - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>(23,788)</u>	<u>(23,788)</u>
<b>Fund Balances - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,582,826</u>	<u>\$ 4,582,826</u>

**Note to Schedule**

The budget is prepared by the Board of Directors. The final budgets revenues and expenditures reflect all amendments approved by the Board of Directors. The budget is prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The fund is the legal level of control.

**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**LAST TEN FISCAL YEARS \***

**FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN (1)**

<b>Plan Year Ended June 30,</b>	<b>Employer's Proportion of the Net Pension Liability</b>	<b>Employer's Proportionate Share of the Net Pension Liability</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2022	0.000308775%	\$ 114,889	\$ 70,964	161.90%	0.00%

**HEALTH INSURANCE SUBSIDY (HIS) PENSION PLAN (1)**

<b>Plan Year Ended June 30,</b>	<b>Employer's Proportion of the Net Pension Liability</b>	<b>Employer's Proportionate Share of the Net Pension Liability</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2022	0.000194719%	\$ 20,624	\$ 70,964	29.06%	0.00%

\* Additional information will be provided annually until ten years' data is presented.

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

**CHILDREN'S SERVICES COUNCIL OF LEON COUNTY  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
LAST TEN FISCAL YEARS \***

**FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN**

<b>Year Ended September 30,</b>	<b>Contractually Required Contribution</b>	<b>Contribution in Relation to the Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employee's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2022	\$ 23,502	\$ 23,502	\$ -	\$ 118,855	19.77%

**HEALTH INSURANCE SUBSIDY (HIS) PENSION PLAN**

<b>Year Ended September 30,</b>	<b>Contractually Required Contribution</b>	<b>Contribution in Relation to the Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employee's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2022	\$ 1,973	\$ 1,973	\$ -	\$ 118,855	1.66%

\* Additional information will be provided annually until ten years' data is presented.

**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 Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

We have audited, in accordance with the 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 financial statements of the governmental activities and the major fund of the Children's Services Council of Leon County (the Council) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated April 26, 2023.

**Report on 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) as a basis for designing 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council'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.

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To the Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

**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**

**Report on 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, non-compliance with which could have a direct and material effect on the financial statements. 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 non-compliance 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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



April 26, 2023  
Tallahassee, Florida

## MANAGEMENT LETTER

To the Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

### Report on the Financial Statements

We have audited the financial statements of the Children's Services Council of Leon County (the Council) as of and for the year ended September 30, 2022, and have issued our report thereon dated April 26, 2023.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Florida 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* and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 26, 2023, 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 report. There were no recommendations made in the preceding audit report.

### 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. The name and legal authority for the Council were disclosed in the notes to the financial statements. There were no component units related to the Council.

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To the Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

## MANAGEMENT LETTER

### Financial Condition and Management

Section 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 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.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial conditions assessment procedures as of September 30, 2022, 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 the review of financial information provided by the same.

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 offer the following recommendations.

### **2022-1 - Written Policies and Procedures**

As a relatively new organization, the Council is still in the process of developing its accounting policies and internal control procedures. As the Council continues to grow, we offer the following recommendations to improve and document the Council's accounting policies and procedures, as well as to strengthen related internal controls:

- Development of financial close procedures, including review of disbursements paid after year-end to properly identify year-end accruals and those paid shortly before year-end to properly identify prepaid balances.
- Accounting policies should require review and approval of the completed bank reconciliation.
- Accounting policies should require the review and approval of non-recurring journal entries.
- Development of formal travel policies including the review and approval by an individual other than the one who incurred the travel expenses.
- Development of P-card/credit card usage policies and procedures including the review and approval by an individual other than the one who initiated the transaction.
- Development of budget and budget amendment policies and procedures in accordance with relevant statutory requirements.
- Development of fund balance and related reserve policies.
- Development of investment policies to address the authorized investments and purchase and sale authorization requirements.
- Development of fixed asset policies for tagging, disposal, and inventory procedures.
- Development of vacation and sick leave submission, review, and approval policies and procedures.

The above policies and procedures should ensure that adequate segregation of duties (custody, authorization, and recording) is maintained to the extent possible given the staff size.

To the Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

## MANAGEMENT LETTER

### Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### Specific Information

#### UNAUDITED

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Council reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 3.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year as 4.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$132,596.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$187,626.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported. There were no construction projects that began on or after October 1 in the fiscal year.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, was \$847,277. There was one budget amendment during the fiscal year reported.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the Council reported:

- a. The millage rate imposed by the Council as 0.375.
- b. The total amount of ad valorem taxes collected by or on behalf of the Council as \$6,926,225.
- c. The total amount of outstanding bonds issued by the Council and the terms of such bonds, if any, as \$0.



To the Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

## MANAGEMENT LETTER

### Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 which 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, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



April 26, 2023  
Tallahassee, Florida

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Board of Directors  
Children's Services Council of Leon County  
Tallahassee, Florida

We have examined the Children's Services Council of Leon County's (the Council) compliance with Section 218.415, Florida Statutes, during the year ended September 30, 2022, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Council's compliance with those requirements. Our responsibility is to express an opinion on the Council's compliance 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 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 non-compliance, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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 the aforementioned requirements during the year ended September 30, 2022.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Florida Auditor General, federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be, and should not be used, by anyone other than these specified parties.



April 26, 2023  
Tallahassee, Florida

### CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa  
purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants  
An Independent Member of the BDO Alliance USA



## Children's Services Council of Leon County

**Children's Services Council  
of Leon County**  
2002 Old St. Augustine Road  
Bldg. A, Suite 50  
Tallahassee, FL 32301  
+1 (850) 764-2966  
<https://cscleon.org/>

### Council Members

Zandra Glenn, PharmD, RPh  
Chair, County Resident

Terrence Watts, Vice Chair  
Dept. Children & Families  
District Appointee

Richard "Paul" Mitchell, Treasurer  
County Resident

Carolyn Cummings, JD  
County Commissioner

Rocky Hanna  
Superintendent of Schools

Darryl Jones  
School Board Member

Judge Anthony Miller  
2nd Judicial Circuit

George "Mark" O'Bryant  
County Resident

### Executive Director

Cecka Rose Green, CPM

The Children's Services Council of Leon County is a catalyst for positive change to improve the lives and outcomes of children, youth and families in our community.

TO: Purvis Gray & Company, CPAs

FROM: Cecka Rose Green, CPM, Executive Director

DATE: May 11, 2023

RE: Response to Management Letter, CSC Leon FY 2022 Independent Financial Audit

This correspondence is the formal response to the Management Letter provided by Purvis Gray & Company, CPAs in its Financial Statements and Independent Auditor's Report for the Children's Services Council of Leon County (CSC Leon), fiscal year ending September 30, 2022.

Under the Financial Condition and Management section, **2022-1 – Written Policies and Procedures** (page 30), pursuant to Section 10.554(1)(i)2., *Rules of the Auditor General*, the auditor is required to "communicate any recommendations to improve financial management" of the audited entity.

The letter states that CSC Leon is a relatively new organization (approved in November 2020, formed in May 2021) and is still in the process of developing our accounting policies and internal control procedures. As the operation continues to grow, we should improve and document the Council's accounting policies and procedures, as well as strengthen related internal controls.

As such, Purvis Gray offered the following recommendations to improve the financial management of the Children's Services Council of Leon County.

1. Development of financial close procedures, including review of disbursements paid after year-end to properly identify year-end accruals and those paid shortly before year-end to properly identify prepaid balances.
2. Accounting policies should require review and approval of the completed bank reconciliation.
3. Accounting policies should require the review and approval of non-recurring journal entries.
4. Development of formal travel policies including the review and approval by an individual other than the one who incurred the travel expenses.
5. Development of P-card/credit card usage policies and procedures including the review and approval by an individual other than the one who initiated the transaction.
6. Development of budget and budget amendment policies and procedures in accordance with relevant statutory requirements.
7. Development of fund balance and related reserve policies.
8. Development of investment policies to address the authorized investments and purchase and sale authorization requirements.
9. Development fixed asset policies for tagging, disposal, and inventory procedures.
10. Development of vacation and sick leave submission, review, and approval policies and procedures.

Additionally, it was recommended that the developed policies and procedures should ensure that adequate segregation of duties is maintained to the extent possible given the staff size.

What follows are CSC Leon's management response to the aforementioned recommendations. **For all recommendations**, CSC Leon Executive Director (ED) and Director of Finance and Operations (DFO) are working with the contract CPA (Grayson Accounting & Consulting) to develop a draft CSC Leon Financial and Accounting Policies Manual to present to the Finance and Budget Committee for review; once finalized, the draft will be presented to the full Council for review approval by resolution (anticipated completion – 4<sup>th</sup> Quarter FY 2023).

**Recommendation 1 – Financial Close Procedures:** These will be contained in the draft CSC Leon Financial and Accounting Policies Manual to present to the Finance and Budget Committee for review; once finalized, the draft will be presented to the full Council for review approval by resolution (anticipated completion – 4<sup>th</sup> Quarter FY 2023).

**Recommendation 2 – Bank Reconciliation:** CSC Leon ED began review and approval of the completed bank reconciliation starting with month ending April 30, 2023; corresponding policy will be included in the draft CSC Leon Financial and Accounting Policies Manual.

**Recommendation 3 – Non-recurring Journal Entries:** CSC Leon ED began review and approval of non-recurring journal entries starting with month ending April 30, 2023; corresponding policy will be included in the draft CSC Leon Financial and Accounting Policies Manual.

**Recommendation 4 – Travel Policies:** CSC Leon's Executive Committee approved the final draft of the Travel Policy at its May 8, 2023, meeting; it will be presented to the full Council at its May 18 meeting for review and approval by resolution. The policy includes a Travel Authorization form and Travel Expense Form with appropriate segregation of approvals.

**Recommendation 5 – P-card Usage Policies:** CSC Leon currently has a Purchasing Card (P-card) Policy that was approved in 2022; at its May 8, 2023, meeting, the Executive Committee approved an amendment to the policy adding the DFO as a cardholder. Contained in the policy is detail on allowed and restricted purchases; however, corresponding guidance for p-card usage and approval will be included in the draft CSC Leon Financial and Accounting Policies Manual to include segregation of approval duties.

**Recommendation 6 – Budget and Budget Amendment Policies and Procedures:** These will be contained in the draft CSC Leon Financial and Accounting Policies Manual to present to the Finance and Budget Committee for review; once finalized, the draft will be presented to the full Council for review approval by resolution (anticipated completion – 4<sup>th</sup> Quarter FY 2023).

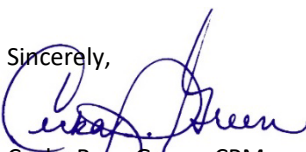
**Recommendation 7 – Fund Balance and Related Reserve Policies:** The Council approved a Reserves Policy at its January 19, 2023, meeting; however, we need to develop a Fund Balance Policy. Both will be contained in the draft CSC Leon Financial and Accounting Policies Manual to present to the Finance and Budget Committee for review; once finalized, the draft will be presented to the full Council for review approval by resolution (anticipated completion – 4<sup>th</sup> Quarter FY 2023).

**Recommendation 8 – Investment Policies:** CSC Leon created an Investment Workgroup to research the development of an Investment Policy and securing an investment advisory firm. As a result of that work, the ED, DFO and contract CPA are meeting with an investment advisory firm to assist the Council in developing investment policies.

**Recommendation 9 – Fixed Asset Policies:** These will be contained in the draft CSC Leon Financial and Accounting Policies Manual to present to the Finance and Budget Committee for review; once finalized, the draft will be presented to the full Council for review approval by resolution (anticipated completion – 4<sup>th</sup> Quarter FY 2023).

**Recommendation 10 – Vacation/Sick Leave Submission Policies and Procedure:** CSC Leon staff has a Leave Request Form currently being used with a verbal process; however, a written leave request policy will be written and included in the CSC Leon Team Member Manual that is currently in process (anticipated completion – 4<sup>th</sup> Quarter FY 2023).

The Council will be updated on the progress of implementation of these recommendations in the Executive Director's Report that is provided at each full Council meeting. If there is further action to be taken, please let me know as soon as possible. Thank you to Purvis Gray for its work on behalf of the CSC Leon.

Sincerely,  
  
Cecka Rose Green, CPM  
Executive Director

# PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

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## Investing for Florida Governmental Entities

Children's Services Council of Leon County



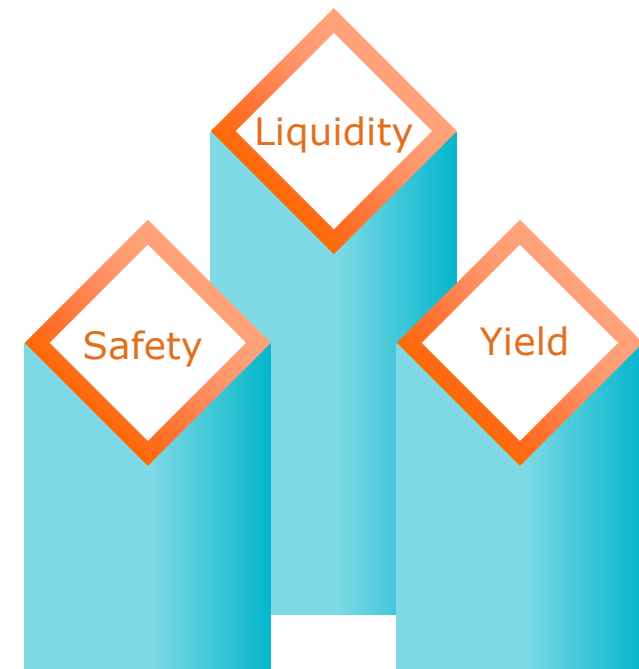
## Purpose

The purpose of FLCLASS is to provide Florida governmental entities with a convenient, short-term investment opportunity carefully selected to optimize interest earnings while maximizing safety and liquidity.

**FLCLASS was created by and for Florida governmental entities.**

## Structure

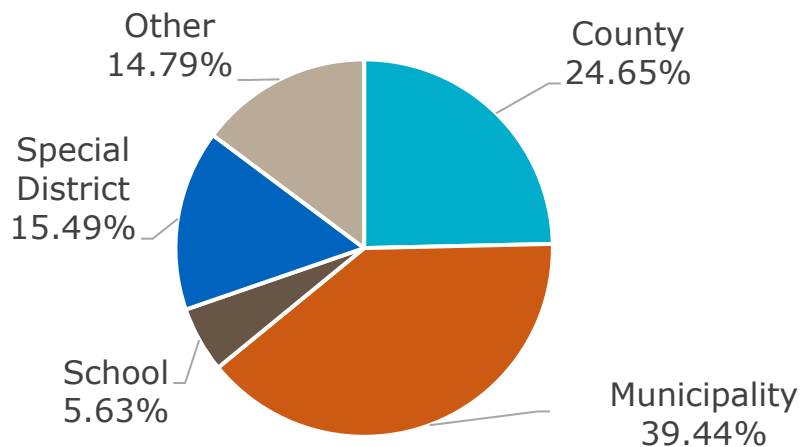
FLCLASS is an intergovernmental investment pool authorized under Section 218.415, Florida Statutes and was created via an interlocal agreement by and among state public agencies as described in Section 163.01, Florida Statutes.



# Directed by Your Peers

FLCLASS is supervised by a Board of Trustees comprised of eligible Participants of the program. The Board acts as the liaison between the Participants, the Custodian, and the Program Administrator. The Board administers the affairs of FLCLASS, entering into contracts and agreements on behalf of the program.

## FLCLASS Participant Breakdown by Type\*



Source: Public Trust Advisors. \*As of December 31, 2022.

Chart may not equal 100% due to rounding. Please refer to the disclosure slide of this presentation for more information.



**Ken Burke**, Chairman  
Clerk of Court & Comptroller  
Pinellas County



**Louis Boglioli, III**  
Financial Services Director  
City of Stuart



**Jim Cooke**  
City Treasurer/Clerk  
City of Tallahassee



**Cindy Valentine, CGFO, CFCA**  
Assistant Tax Collector  
Orange County Tax Collector



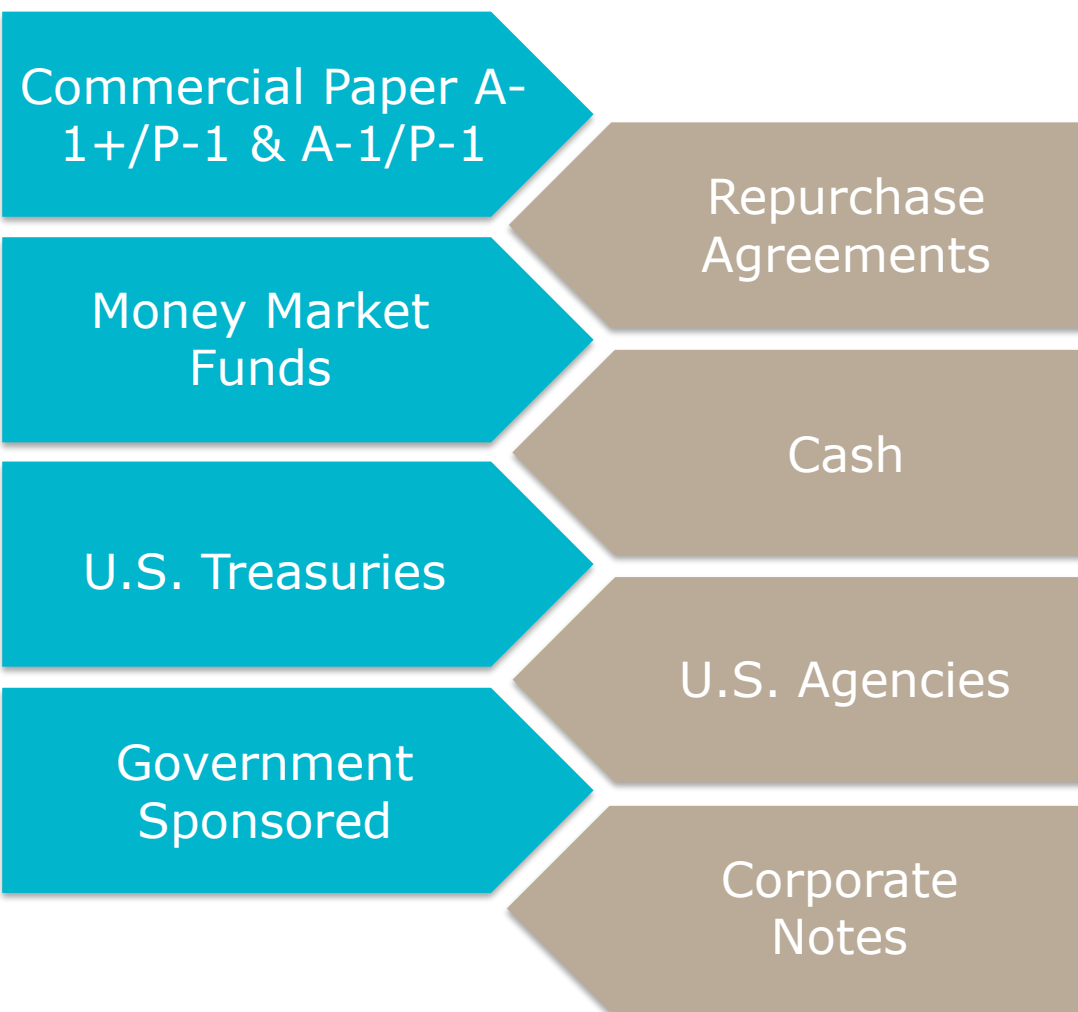
**Dario Guerra**  
Executive Director, Treasury  
Miami-Dade County Schools



**Karen Rushing**  
Clerk of Court & Comptroller  
Sarasota County



# Sample Stable NAV Portfolio Composition



Investments are made in accordance with Florida Statutes and the FLCLASS Investment Policy.

The FLCLASS portfolio is marked-to-market daily and seeks to maintain a stable NAV of \$1.00 per share.



**Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**

Source: Public Trust Advisors. \*As of December 31, 2022.  
Please refer to the disclosure slide of this presentation for more information.

Our primary goal is to safeguard the public's funds through rigorous credit analysis and exposure management processes while optimizing interest earnings within the given investment parameters.

**Preservation of Principal**

**'AAAm' Rated**

By S&P Global Ratings

Source: Public Trust Advisors. Please refer to the disclosures slide at the end of this presentation for additional information. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**

## 2022 FLCLASS Daily Yields as of Month-End

Dec.	2022	4.5071%	Jun.	2022	1.4029%
Nov.	2022	4.0354%	May	2022	0.8586%
Oct.	2022	3.3101%	Apr.	2022	0.5079%
Sep.	2022	2.9962%	Mar.	2022	0.4634%
Aug.	2022	2.2570%	Feb.	2022	0.1243%
Jul.	2022	1.9557%	Jan.	2022	0.0951%

## Annualized Performance as of September 30, 2022

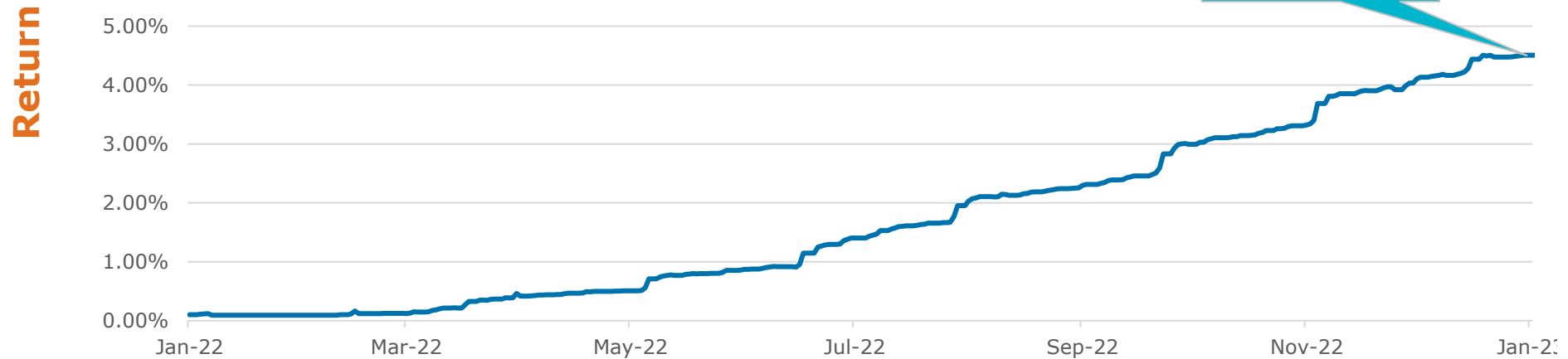
Inception Date	07/01/2015
1 Year	0.7855%
3 Years	0.7006%
5 Years	1.2875%
10 Years	N/A
Since Inception	1.1042%

## Benchmark: ICE BofA US 3 Month Treasury Index

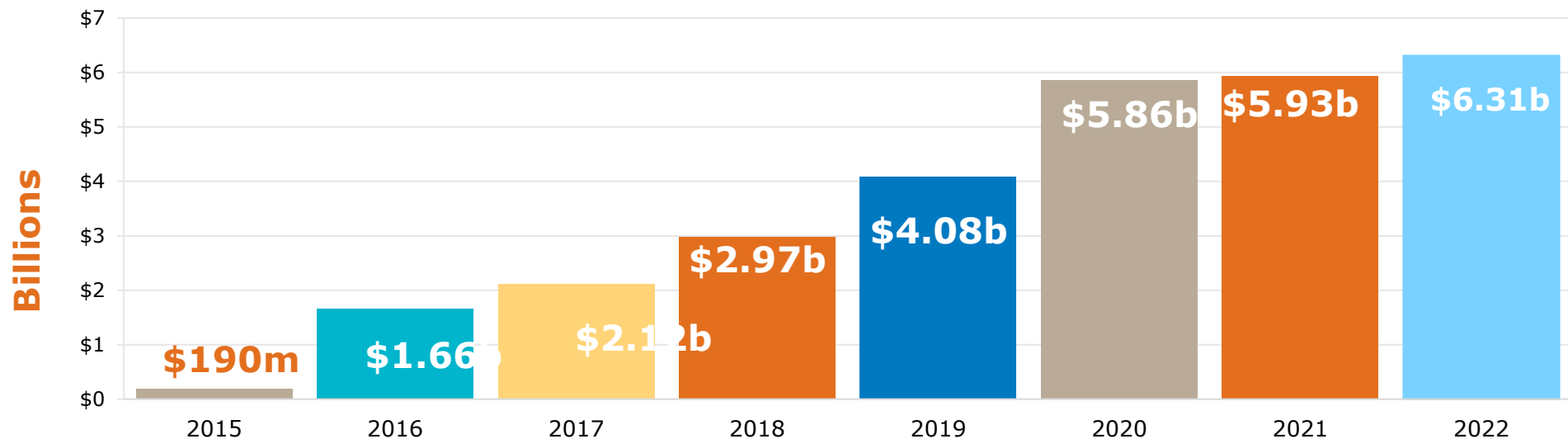
1 Year	0.6174%
3 Years	0.5949%
5 Years	1.1493%
10 Years	0.6833%

# Competitive Return

## FLCLASS 2022 Yields



## FLCLASS Assets



Source: Public Trust Advisors. Data unaudited. Month-end assets are as of December 31. Performance results are shown net of all fees and expenses and reflect the reinvestment of interest and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.** Please refer to the disclosures slide for more information. Asset growth is primarily the result of capital inflows, and to a lesser degree, other factors such as the reinvestment of dividends and returns.

# Why FLCLASS?

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The Benefits of Becoming a Participant

# Benefits of Becoming a Participant

FLCLASS has no affiliations or revenue sharing arrangements to outside organizations.

## Return

- Competitive daily yields
- Interest compounds and pays daily

## Liquidity

- Same-day liquidity (3:00 p.m. ET cut-off)
- Professionally managed portfolio

## Convenience

- Effortless distributions to other public entities
- Direct deposit of state payments

## Additional Features

Deposits by wire or ACH

Secure online access for transactions and account statements

Audited annually by an independent audit firm\*

Dedicated Client Service representatives

\*External audits may not catch all instances of accounting errors and do not provide an absolute guarantee of accuracy. Please refer to the disclosures slide for more information.

# Online Portal Benefits

The Participant Portal is a secure, online transaction system that allows Florida governmental entities to conveniently manage their investments and access reporting.

## Key Features:



### Participant-to-Participant Transfers

Initiate transfers to other taxing entities with a FLCLASS account directly through the online portal.



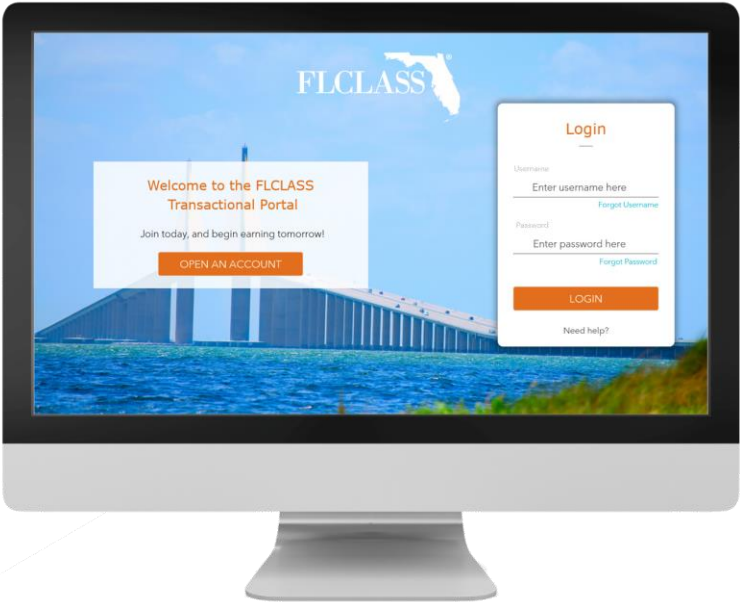
### Unlimited Subaccounts

Set up as many dedicated subaccounts for your convenience for things like payroll or ad valorem.



### Future Dated Transactions

Entering future dated transactions ensures timely release, even if you are out of the office.



Please refer to the disclosures slide for more information.

# Additional Features

## No Fees, No Minimum Balance\*

The convenience of a checking account without the fees or minimum balance requirements.



## Unlimited Transactions

No limit on transactions and no transaction fees\* from FLCLASS.



## Dual Authorization

Allows your entity to require the approval of two authorized individuals for online transactions.



\*You may incur fees associated with wires and/or ACH transactions by your bank, but there will be no fees charged from FLCLASS for such transactions. Please refer to the disclosures slide for more information.

# Your Resources

Our team is available online, via email, and over the phone to help with any questions you may have. For example, we can help with:

- 1 Rate information
- 2 New accounts
- 3 Adding subaccounts
- 4 Changes to existing accounts

## FLCLASS Client Service Hours of Operation:

Monday – Friday 8:00 a.m. – 5:00 p.m. ET

## Daily Cut-Off Time for Transactions:

3:00 p.m. ET



(844) 220-7600



[www.flclass.com/client-services](http://www.flclass.com/client-services)



[clientservices@flclass.com](mailto:clientservices@flclass.com)



201 E. Pine Street, Ste 750  
Orlando, FL 32801

Please refer to the disclosures slide for more information.



# How to Join

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Enrolling in FLCLASS is simple. Visit [www.flclass.com/document-center](http://www.flclass.com/document-center) to download the enrollment documentation needed.

## 1 Step One

Complete the appropriate Participant Registration Packet for your entity.

- By Instrument of Adoption

**-OR-**

- By Resolution

## 2 Step Two

Ensure that you have completed the Authorized Contacts and Accounts to be Established Forms. Once your registration packet is complete, please send to the FLCLASS Client Service team by email at [clientservices@flclass.com](mailto:clientservices@flclass.com) or via fax (844) 220-7900 (remember to keep your original forms for your records).

Please refer to the disclosures slide for more information.

Wondering how much money you could have earned on your investment? Take a look at our investment calculator and see the potential revenue your investments could have earned.

## How Much Could You Have Earned With FLCLASS?

Start Date

January 1, 2022

Amount Invested

\$10,000,000

You would have earned

**\$172,565.67**

on your investment if you started on  
**January 1, 2022**

End Date

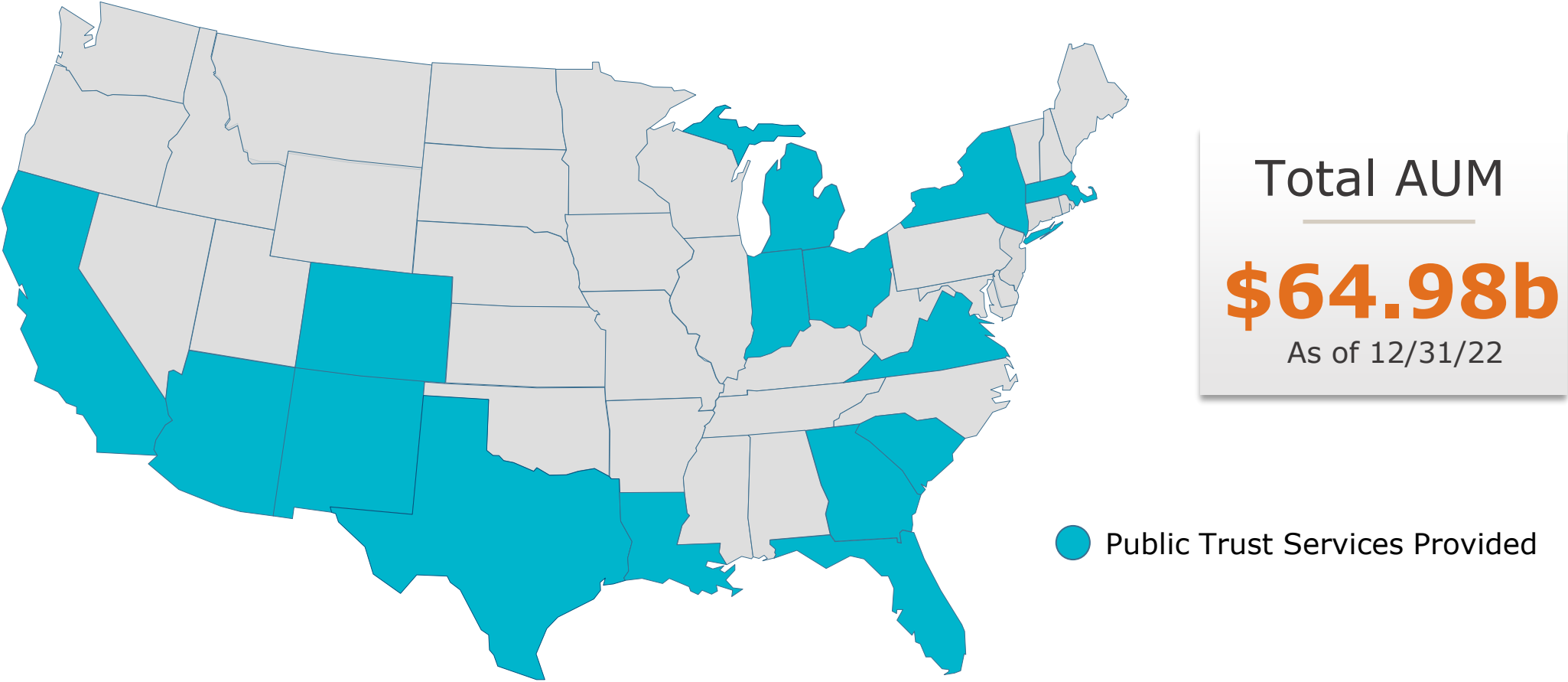
December 31, 2022

[www.flclass.com](http://www.flclass.com)

Data unaudited. Performance results are shown net of all fees and expenses and reflect the reinvestment of interest and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.** Please refer to the disclosure slide of this presentation for more information.

# Public Trust Advisors

Public Trust Advisors, LLC is the investment advisor and administrator for FLCLASS.



Please refer to the disclosures slide for more information.



**Matthew Tight**

## Senior Director, Investment Services



Office: (407) 588-9667



[matt.tight@flclass.com](mailto:matt.tight@flclass.com)



**Rene O'Day**

## Director, Investment Services



Office: (407) 618-8514



[Rene.oday@flclass.com](mailto:Rene.oday@flclass.com)



201 E. Pine Street, Suite 750  
Orlando, FL 32801

# Disclosure

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This presentation is for informational purposes only. All information is assumed to be correct, but the accuracy has not been confirmed and therefore is not guaranteed to be correct. Information is obtained from third party sources that may or may not be verified. The information presented should not be used in making any investment decisions and is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. All comments and discussion presented are purely based on opinion and assumptions, not fact. These assumptions may or may not be correct based on foreseen and unforeseen events. All calculations and results presented are for discussion purposes only and should not be used for making calculations and/or decisions. The data in this presentation is unaudited. Charts may not equal 100% due to rounding.

Performance results for FLCLASS are shown net of all fees and expenses and reflect the reinvestment of interest and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is not an indicator of future performance or results. Any financial and/or investment decision may incur losses.**

Public Trust is required to maintain a written disclosure brochure of our background and business experience. If you would like to receive a copy of our current disclosure brochure, privacy policy, or code of ethics, please contact us.

# CSC Leon Budget Forecast

Prepared June 1

				Out-year Forecast		
				4.00%		
<b>Fiscal Year</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
<b>Valuation</b>	19,598,893,987	21,443,329,839	23,039,495,588	23,961,075,412	24,919,518,428	25,916,299,165
<b>0.375 Ad Valorem at 95%</b>	6,982,106	7,639,186	<b>8,207,820</b>	8,536,133	8,877,578	9,232,682
<b>Projected Annual Increase</b>	-	-	568,634.05	328,312.81	341,445.32	355,103.14
<b>Annual Reserves (8%)</b>	349,105	381,959	656,626	682,891	710,206	738,615
<b>Catastrophe Fund (2%)</b>			164,156	170,723	177,552	184,654
<b>% of op budget</b>	5%	5%	10%	10%	10%	10%
<b>0.4375 Ad Valorem at 95%</b>	8,145,790	8,912,384	9,575,790	9,958,822	10,357,175	10,771,462
<b>Projected Annual Increase</b>	1,163,684	766,593.65	663,406.39	383,031.61	398,352.88	414,286.99
<b>Annual Reserves/Cat Fund</b>	407,290	445,619	957,579	995,882	1,035,717	1,077,146
<b>0.5 Ad Valorem at 95%</b>	9,309,475	10,185,582	10,943,760	11,381,511	11,836,771	12,310,242
<b>Projected Annual Increase</b>	2,327,369	876,107.03	758,178.73	437,750.42	455,260.43	473,470.85
<b>Annual Reserves/Cat Fund</b>	465,474	509,279	1,094,376	569,076	591,839	615,512
Note: FY24 based on June 1 preliminary numbers						
Budgeting at 95% collection rate of valuation per statute directive						

# CSC Leon Budget Forecast

Prepared June 1

<b>Fiscal Year</b>	<b>FY 28</b>	<b>FY 29</b>	<b>FY 30</b>	<b>FY 31</b>	<b>FY 32</b>	<b>FY 33</b>
<b>Valuation</b>	26,952,951,132	28,031,069,177	29,152,311,944	30,318,404,422	31,531,140,599	32,792,386,223
<b>0.375 Ad Valorem at 95%</b>	9,601,989	9,986,068	10,385,511	10,800,932	11,232,969	11,682,288
<b>Projected Annual Increase</b>	369,307.26	384,079.55	399,442.74	415,420.45	432,037.26	449,318.75
<b>Annual Reserves (8%)</b>	768,159	798,885	830,841	864,075	898,638	934,583
<b>Catastrophe Fund (2%)</b>	192,040	199,721	207,710	216,019	224,659	233,646
<b>% of op budget</b>	10%	10%	10%	10%	10%	10%
<b>0.4375 Ad Valorem at 95%</b>	11,202,320	11,650,413	12,116,430	12,601,087	13,105,130	13,629,336
<b>Projected Annual Increase</b>	430,858.47	448,092.81	466,016.53	484,657.19	504,043.47	524,205.21
<b>Annual Reserves/Cat Fund</b>	1,120,232	1,165,041	1,211,643	1,260,109	1,310,513	1,362,934
<b>0.5 Ad Valorem at 95%</b>	12,802,652	13,314,758	13,847,348	14,401,242	14,977,292	15,576,383
<b>Projected Annual Increase</b>	492,409.68	512,106.07	532,590.31	553,893.93	576,049.68	599,091.67
<b>Annual Reserves/Cat Fund</b>	640,133	665,738	692,367	720,062	748,865	778,819
Note: FY24 based on June 1 preliminary numbers						
Budgeting at 95% collection rate of valuation per statute directive						



Children's Services Council  
of Leon County

## TRIM Discussion & Hearing Schedule

FY 2022-23

Step 1.	Budget discussion and preparation for FY 2023-24	Monday, June 12, 2023 – Finance and Budget Committee Meeting, <u>5:00</u> p.m.
Step 2.	TRIM and Budget Discussion by Governing Council Members	Thursday, June 15, 2023 – Governing Council Meeting, 4:00 p.m.
Step 3.	Budget Follow-up Discussion and Tentative Millage Rate Recommendation	Monday, July 10, 2023 – Finance and Budget Committee Meeting, <u>5:00</u> p.m. <i>(suggested dates, as July 3 falls on the July 4<sup>th</sup> holiday weekend)</i>
Step 4.	<ul style="list-style-type: none"><li>▪ Draft Budget Review</li><li>▪ TRIM Public Meeting Schedule</li><li>▪ Timeline for TRIM Hearing and Budget Notices</li><li>▪ <b><i>Approve Tentative Millage Rate to provide to Property Appraiser's Office (through eTRIM)</i></b></li></ul>	Thursday, July 20, 2023 – Governing Council Meeting, 4:00 p.m.
Step 5.	First TRIM Public Hearing <ul style="list-style-type: none"><li>• Resolution to establish tentative FY 2023-24 millage rate</li><li>• Resolution to establish tentative FY 2023-24 budget</li></ul>	Thursday, September 14, 2023 – after Governing Council Meeting, <u>6:05</u> p.m. <i>(School Board and BOCC have first priority)</i>
Step 6.	Second TRIM Public Hearing <ul style="list-style-type: none"><li>• Resolution to establish final millage rate</li><li>• Resolution to establish final budget</li></ul>	Thursday, September 28, 2022 – <u>5:15</u> p.m.

### NOTES:

- Finance and Budget Committee meeting will be confirmed with the Committee members.
- Property Appraiser's Office expects firm valuation to be published by July 1, 2022; eTRIM process is used to submit the tentative millage rate to the Property Appraiser's Office after the July 20 meeting.
- Per Florida Statutes and County Ordinance, a certified copy of the adopted budget and millage rate will be provided to Leon County once complete.