

Audit Results for the Fiscal Years Ended September 30, 2022 and 2021



CHILDREN'S SERVICES
COUNCIL OF LEON
COUNTY



**PURVIS
GRAY**

Summary of Auditor's Results for FY 2021 and 2022

Report	Conclusion
Auditor's Opinions on Financial Statements and Notes	<ul style="list-style-type: none">• Unmodified ("clean") opinions for FY 2021 and FY 2022
Report on Internal Control over Financial Reporting and on Compliance and Other Matters required to be reported under <i>Government Auditing Standards</i>	<ul style="list-style-type: none">• No material weaknesses or significant deficiencies in internal control over financial reporting identified• No material instances of noncompliance or other matters
Examination of Compliance with F.S. 218.415	<ul style="list-style-type: none">• The Council complied, in all material respects, with compliance requirements for local government investments
Management Letter in accordance with Chapter 10.550, <i>Rules of the Auditor General</i>	<ul style="list-style-type: none">• One recommendation on the development of written policies and procedures

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Accounting Policies

- Significant accounting policies described in Note 1 to the financial statements
- No changes in accounting policies except:
 - Implementation of GASB 87, *Leases* in FY 2022; No impact this year but will impact FY 2023

Significant Estimates

- Net pension liability and related deferred outflows and inflows of the FRS cost sharing multiple-employer pension plan, calculated by a certified actuary retained by FRS using various actuarial assumptions (inflation, investment rate of return, projected salary increases, mortality, etc.)
- Compensated absences, based on current rate of pay and accrued leave hours

Sensitive Disclosures

- Disclosures and neutral, consistent, and clear

Significant Audit Matters

Matter	Conclusion
Difficulties Encountered in Performing the Audit	<ul style="list-style-type: none">We are pleased to report we encountered no significant difficulties in dealing with management in performing and completing our audit
Adjustments Detected by the Audit Process	<p>FY 2021</p> <ul style="list-style-type: none">Accrual of various accounts payable in the amount of \$41,308 that were incurred during the audit period but not paid until the subsequent fiscal year.Prepayment of \$12,000 of dues related to the subsequent fiscal year but paid during the audit period <p>FY 2022</p> <ul style="list-style-type: none">Accrual of legal fees of \$9,449 incurred during the audit period but not paid until the subsequent fiscal year.Accrual of September 2022 retirement contribution of \$5,391.Prepayment of \$18,223 of expenses related to the subsequent fiscal year but paid during the audit period.
Disagreements with Management	<ul style="list-style-type: none">No disagreements with management

Significant Audit Matters

Matter	Conclusion
Management Representations	<ul style="list-style-type: none">We relied on representation made by management during the audit, which are included in corresponding management representation letters dated April 26, 2023
Management Consultations with Other Independent Accountants	<ul style="list-style-type: none">We are not aware of management consultations with other independent accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations
Other Audit Findings or Issues	<ul style="list-style-type: none">GASB 96, <i>Subscription-Based IT Arrangements</i> (SBITAs) will be applicable in fiscal year 2023. Similar to GASB 87 on leases, it will require a liability and right-to-use asset to be recorded for certain applicable SBITAs. We recommend that management begin evaluation of agreements as early as possible.

Management Letter

Findings and 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.

Financial Highlights – Income Statements

	Income Statement - Fund Level		
	2022	2021	Change
Revenues			
Taxes	6,926,225		6,926,225
Interest and Other Income	16,883	2	16,881
Total Revenues	\$ 6,943,108	\$ 2	\$ 6,943,106
Expenditures			
Program:			
Grant Awards	1,529,643		1,529,643
Operating	289,574		289,574
Administration:			
Personnel Services	206,044		206,044
Operating	250,895	83,790	167,105
Debt Service:			
Principal	150,000		150,000
Interest	338		338
Total Expenditures	\$ 2,426,494	\$ 83,790	\$ 2,342,704
Excess of Revenue Over Expenditures	\$ 4,516,614	\$ (83,788)	4,600,402
Other Financing Sources			
Loan Proceeds	90,000	60,000	30,000
Net Change in Fund Balance	\$ 4,606,614	\$ (23,788)	\$ 4,630,402

Financial Highlights – Balance Sheets

	Balance Sheet - Fund Level		
	2022	2021	Change
Assets			
Cash	\$ 4,559,843	\$ 11,545	\$ 4,548,298
Accounts Receivable	37,372		37,372
Prepaid Expenses	24,445	12,000	12,445
Total Assets	\$ 4,621,660	\$ 23,545	\$ 4,598,115
Liabilities			
Accounts Payable	\$ 28,272	\$ 47,333	\$ (19,061)
Accrued Payroll	10,562	0	10,562
Total Liabilities	\$ 38,834	\$ 47,333	\$ (8,499)
Fund Balances			
Non-Spendable:			
Prepaid Expenses	24,445	12,000	12,445
Unassigned	4,558,381	(35,788)	4,594,169
Total Fund Balances	\$ 4,582,826	\$ (23,788)	\$ 4,606,614
Total Liabilities and Fund Balance	\$ 4,621,660	\$ 23,545	4,598,115

Budget vs Actual Comparison – FY 2022

	Budget vs. Actual - General Fund			
	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes	7,252,277	6,400,000	6,926,225	(526,225)
Interest and Other Income	-	5,000	16,883	(11,883)
Total Revenues	\$ 7,252,277	\$ 6,405,000	\$ 6,943,108	\$ (538,108)
Expenditures				
Program:				
Grant Awards	6,023,603	5,170,156	1,529,643	3,640,513
Operating	400,000	460,000	289,574	170,426
Administration:				
Personnel Services	243,756	251,250	206,044	45,206
Operating	178,918	373,256	250,895	122,361
Debt Service:				
Principal	400,000	150,000	150,000	-
Interest	6,000	338	338	-
Total Expenditures	\$ 7,252,277	\$ 6,405,000	\$ 2,426,494	\$ 3,978,506
Excess of Revenue Over Expenditures	\$ 0	\$ 0	4,516,614	(4,516,614)
Other Financing Sources				
Loan Proceeds			90,000	90,000
Net Change in Fund Balance	\$ 0	\$ 0	\$ 4,606,614	\$(4,426,614)

Budget vs Actual Comparison – FY 2021

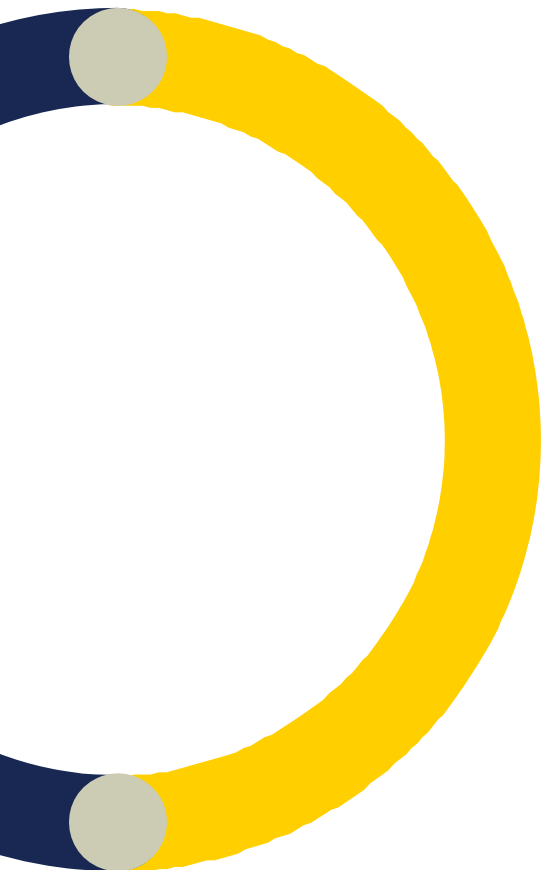
	Budget vs. Actual - General Fund			
	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes	-	-	-	-
Interest and Other Income	-	-	2	(2)
Total Revenues	\$ 0	\$ 0	\$ 2	\$ (2)
Expenditures				
Program:				
Grant Awards				
Operating	50,000	50,000	-	50,000
Administration:				
Personnel Services				
Operating	81,582	81,582	83,790	(2,208)
Debt Service:				
Principal				
Interest				
Total Expenditures	\$ 131,582	\$ 131,582	\$ 83,790	\$ 47,792
Excess of Revenue Over Expenditures	\$ (131,582)	\$ (131,582)	(83,788)	(47,794)
Other Financing Sources				
Loan Proceeds	400,000	400,000	60,000	(340,000)
Net Change in Fund Balance	\$ 268,418	\$ 268,418	\$ (23,788)	\$ (387,794)

Significant Disclosures

Disclosure	Description
Note 1	History and Description of the Entity Significant Accounting Policies: <ul style="list-style-type: none">➤ Measurement Focus and Basis of Accounting➤ Budgetary Accounting➤ Accounting for Compensated Absences, Capital Assets, and Other Significant Balances➤ Fund Balance Classifications and Hierarchy of Availability/Use
Note 5	Summary of Long-term liabilities – See next slide
Note 6	FRS and HIS Pension-Related Disclosures
Note 7	Grant Policies
Note 8	Subsequent Event regarding the Council entering into a lease agreement for office space.

Long-term Liabilities – Note 5

	Long-term Liabilities			Due within One Year
	Balance 10/1/2021	Additions	Deletions	Balance 9/30/2022
Loan from Leon County	60,000	90,000	(150,000)	-
Compensated Absences	-	14,766	-	14,766
Net Pension Liability:				
FRS		114,889		114,889
HIS		20,624		20,624
Total	\$ 60,000	\$ 240,279	\$ (150,000)	\$ 150,279



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