

# Children's Board of Hillsborough County

## FINANCIAL STATEMENTS

September 30, 2020 and 2019



**CRI** CARR  
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**Children's Board of Hillsborough County**  
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# REPORT



## INDEPENDENT AUDITORS' REPORT

Board Members  
Children's Board of Hillsborough County  
Tampa, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Children's Board of Hillsborough County (the Children's Board), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Children's Board basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

#### ***Auditors' Responsibility***

Our responsibility is to express opinions on these 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.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Children's Board, as of September 30, 2020, 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.

### **Prior Period Financial Statements**

The financial statements of the Children's Board as of September 30, 2019, were audited by other auditors whose report dated March 12, 2020, expressed an unmodified opinion on those statements.

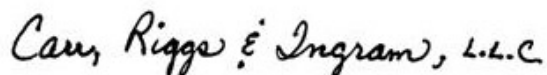
### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, historical pension information and budgetary comparison information as listed in the table of contents 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, 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 March 11, 2021, on our consideration of the Children's Board 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 Children's Board 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 Children's Board internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, LLC

Tampa, Florida  
March 11, 2021



# MANAGEMENT'S DISCUSSION AND ANALYSIS



**Children's Board of Hillsborough County  
Management's Discussion and Analysis  
(Unaudited)  
September 30, 2020 and 2019**

The Children's Board of Hillsborough County's (the Children's Board) Management Discussion and Analysis (MD&A) provides a financial performance review that is designed to focus on the financial activities, resulting changes, and currently known facts for the fiscal year ended on September 30, 2020. Please read it in conjunction with the accompanying presented financial statements.

**Financial Highlights**

- The Hillsborough County ad valorem property tax base increased \$9.1 billion or 9.61 percent from fiscal year 2018-2019 to fiscal year 2019-2020 because of the increase in property values. Total net ad valorem revenue increased \$3.8 million. The millage rate remained at .4589 mills per \$1,000 of property value.
- The overall change in revenue from fiscal year 2018-2019 to 2019-2020 was a net increase of \$3.6 million or 8% due to the increase in ad valorem revenue, one-time dollars received from a settlement, a decrease in investment income due to a decrease in the interest rate, and a decreased in Hillsborough County Administrative Services Organization (ASO) revenue.
- The total overall change in program expenditures was a net increase of \$.4 million or 1.2% for fiscal year 2019-2020 for a total of \$33 million (82% of total expenses). This was due to new funding releases, continuation contracts receiving an increase, emergency funding for child care for first responders and essential workers due to COVID-19, and under spending in some continuation contracts.
- Governmental Fund balance increased \$8.3 million or 25.5 percent for fiscal year 2019-2020 because expenditures were under budget and revenue was over budget. There was a budgeted spend down of the fund balance.

**Using this Annual Report**

This annual report consists of a series of financial statements. The Statements of Net Position and the Statements of Activities on pages 13 and 15 provide information about the activities of the Children's Board as a whole and present a long-term view of the Children's Board's finances. Governmental Fund financial statements start on page 16. For governmental activities, these statements explain how the services were financed in the short term as well as what remains for future spending.

The Children's Board's basic financial statements provide users long-term and short-term information about the Children's Board's overall financial position. The Governmental Fund financial statements provide a current financial resource measurement focus using modified accrual accounting. The Government-Wide financial statements provide users an economic resource measurement focus based on full accrual accounting. The Government-Wide and Governmental Fund statement presentations allow the users to address relevant questions concerning the basis of comparison from year to year or government to government and the Children's Board's accountability.

**Children's Board of Hillsborough County  
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**Overview of the Financial Statements**

**Government-wide Financial Statements**

The Statements of Net Position and the Statements of Activities report information about the Children's Board activities in a way that helps to evaluate its economic and financial position. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the method of accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Children's Board's net position and changes in it. Net Position is the difference between assets and liabilities. An increase in net position happens when revenue for the year exceeds expenditures.

In the Statements of Net Position (Table 1) and the Statements of Activities (Table 2) all of the Children's Board's services are considered governmental activities. Appropriation funding includes property taxes, state and federal grants and other local funding to finance these activities.

**Table 1  
Statements of Net Position:**

|                               | 2020                 | 2019                 | 2018                 |
|-------------------------------|----------------------|----------------------|----------------------|
| <b>Assets:</b>                |                      |                      |                      |
| Current and other Assets      | \$ 18,507,818        | \$ 16,840,179        | \$ 14,983,615        |
| Designated Assets             | 27,805,369           | 21,466,374           | 16,868,378           |
| Capital Assets (net)          | 5,363,122            | 4,433,002            | 3,636,975            |
| <b>Total Assets</b>           | <b>51,676,309</b>    | <b>42,739,555</b>    | <b>35,488,968</b>    |
| <b>Deferred Outflows:</b>     |                      |                      |                      |
| Pensions                      | 1,034,538            | 939,626              | 958,809              |
| <b>Liabilities:</b>           |                      |                      |                      |
| Current and Other Liabilities | 9,483,006            | 9,056,442            | 7,776,662            |
| <b>Deferred Inflows:</b>      |                      |                      |                      |
| Pensions                      | 90,663               | 262,388              | 368,336              |
| <b>Net Position:</b>          |                      |                      |                      |
| Invested in Capital Assets    | 5,363,122            | 4,433,002            | 3,636,975            |
| Unrestricted                  | 37,774,056           | 29,927,349           | 24,665,804           |
| <b>Total Net Position</b>     | <b>\$ 43,137,178</b> | <b>\$ 34,360,351</b> | <b>\$ 28,302,779</b> |



**Children's Board of Hillsborough County  
Management's Discussion and Analysis  
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Total Assets increased \$9 million and 21 percent because of the increase in Future Commitments, the build out of the Temple Terrace Children’s Board Family Resource Center, and the purchase of a building for the Plant City Children’s Board Family Resource Center.

**Table 2  
Statements of Activities:**

|                                     | 2020                 | 2019                 | 2018                 |
|-------------------------------------|----------------------|----------------------|----------------------|
| <b>Expenses:</b>                    |                      |                      |                      |
| Program Expense                     | \$ 32,974,647        | \$ 32,580,269        | \$ 29,084,247        |
| Operating and Non-Operating Expense | 6,705,923            | 6,240,351            | 5,527,948            |
| Depreciation Expense                | 215,366              | 173,231              | 174,864              |
| <b>Total Expenses</b>               | <b>39,895,936</b>    | <b>38,993,851</b>    | <b>34,787,059</b>    |
| <b>Revenues:</b>                    |                      |                      |                      |
| Ad Valorem Taxes                    | 46,246,825           | 42,440,445           | 38,597,498           |
| Investment Income                   | 628,770              | 1,163,907            | 721,353              |
| Other Funding                       | 1,797,168            | 1,447,071            | 869,298              |
| <b>Total Revenues</b>               | <b>48,672,763</b>    | <b>45,051,423</b>    | <b>40,188,149</b>    |
| <br>                                |                      |                      |                      |
| Change in Net Position              | 8,776,827            | 6,057,572            | 5,401,090            |
| <br>                                |                      |                      |                      |
| Net Position - Beginning of Year    | 34,360,351           | 28,302,779           | 22,901,689           |
| <b>Net Position - End of Year</b>   | <b>\$ 43,137,178</b> | <b>\$ 34,360,351</b> | <b>\$ 28,302,779</b> |

The Statements of Activities shows the effect of capitalization of infrastructure and fixed assets and other nominal differences (Table 2) as time-related depreciable elements and expenses that the Governmental Fund (page 18) treats as expended in the period that the asset is acquired.

Total expenses increased \$0.9 million or 2.3 percent from fiscal year 2019 to fiscal year 2020. Operating and non-operating expenses increased \$0.5 million or 7.5 percent for the fiscal period.

The overall change in total revenues was a net increase of \$3.6 million over the prior year. Ad Valorem Taxes increased 9 percent due to an increase in property values. Investment Income decreased 46% because of a decrease in the interest rate. Other funding decreased 7% due to one-time dollars received from a settlement.

**Children's Board of Hillsborough County**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
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**Governmental Fund Financial Statements**

The Governmental Fund financial statements starting on page 16 focus on the individual parts of the Children’s Board’s activities and reports the Children’s Board’s operations in more detail than the Government-Wide statements.

The traditional users of government financial statements will find the Governmental Fund financial statement presentation more familiar. The Children’s Board uses only one government fund category and does not have any proprietary or fiduciary funds activity.

**Governmental Fund** – All of The Children’s Board’s services are reported in a governmental fund. This focuses on cash and other financial assets that can readily be converted to cash and the balances left at year-end that are available for spending. Consequently, the Governmental Fund statements provide a detailed short-term view that helps the readers determine whether there are financial resources available to finance the Children’s Board’s basic services in the near future. Because this information does not encompass the additional long-term focus of the Government-Wide financial statements, we describe the relationship (or differences) between governmental activities (reported in the Statements of Net Position and the Statements of Activities) and Governmental Fund in a reconciliation following the fund financial statements.

|  | <b>2020</b>          | <b>2019</b>          | <b>2018</b>          |
|--|----------------------|----------------------|----------------------|
| <b>Fund Balance:</b>                   |                      |                      |                      |
| Nonspendable Fund Balance:             |                      |                      |                      |
| Prepaid Expenditures                   | \$ 19,153            | \$ 23,000            | \$ 26,100            |
| Committed Fund Balance:                |                      |                      |                      |
| Building and Capital Reserve           | 384,027              | 313,119              | 229,591              |
| Minimal Operational Expenditures       | 2,667,495            | 2,598,850            | 2,388,909            |
| Assigned Fund Balance:                 |                      |                      |                      |
| Future Commitments of Current Programs | 24,753,847           | 18,554,405           | 14,249,878           |
| Unassigned Fund Balance:               |                      |                      |                      |
| Unassigned Funds                       | 12,823,306           | 10,893,170           | 10,033,449           |
| <b>Total Fund Balance</b>              | <b>\$ 40,647,828</b> | <b>\$ 32,382,544</b> | <b>\$ 26,927,927</b> |

**Children's Board of Hillsborough County**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
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**Summary of Balance Sheet**

The Governmental Fund Balance Sheet on page 16 presents information on the Children's Board's assets and liabilities and the combined fund balance. The fund balance increased from \$32.4 million to \$40.6 million due to underspending in program funding.

The \$40.6 million fund balance at September 30, 2020 consists of non-spendable, committed, assigned and unassigned categories. The non-spendable fund balance includes \$19.2 thousand of prepaid expenditures. The committed fund balance includes the building and capital reserve and minimal operational expenditures for the first two months of each fiscal year totaling \$3.1 million. The assigned fund balance is for future commitments of current programs totaling \$24.8 million. The remaining \$12.8 million represents the unassigned fund balance, which is the remaining portion of the fund balance that has not been restricted, committed, or assigned which is available for general purposes.

**Statements of Revenues, Expenditures and Changes in Fund Balance**

Total revenues from the Governmental Fund were \$48.7 million in FY 2020, an 8 percent increase from FY 2019. The ad-valorem tax revenues, the Children's Board's largest revenue source, was \$46.2 million. This was a 9 percent increase from FY 2019 because of the increase in property values. The millage rate remained at .4589.

Total expenditures for governmental activities were \$40.4 million, a 2.1 percent increase from FY 2019. This included \$5.1 million in operating expenditures, \$1.2 million in non-operating, 1.2 million in capital outlay, and \$33 million in program expenditures. The program expenditures included an overall 1.2 percent increase.

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At year-end 2020, the Children’s Board’s general fund reported \$40.6 million in fund balance, which is an increase of \$8.3 million or 25.5 percent increase from fiscal year 2019.

**Table 3  
General Fund Budgetary Highlights:**

|                               | Original Budget<br>2020 | Amended Budget<br>2020 | Actual<br>2020      |
|-------------------------------|-------------------------|------------------------|---------------------|
| <b>Revenues</b>               |                         |                        |                     |
| Ad valorem taxes              | \$ 45,578,980           | \$ 45,578,980          | \$ 46,246,825       |
| Investment Income             | 858,000                 | 858,000                | 628,770             |
| Other Funding                 | 1,970,000               | 1,970,000              | 1,797,168           |
| <b>Total Revenues</b>         | <b>48,406,980</b>       | <b>48,406,980</b>      | <b>48,672,763</b>   |
| <b>Expenditures</b>           |                         |                        |                     |
| Personnel                     | 4,243,927               | 4,243,927              | 4,023,970           |
| Operational Expenses          | 1,280,392               | 1,280,392              | 1,022,757           |
| Capital                       | 1,850,000               | 2,305,942              | 1,145,486           |
| Non-Operating Expenses        | 1,310,080               | 1,310,080              | 1,240,619           |
| Program Expenses              | 43,188,848              | 43,210,319             | 32,974,647          |
| <b>Total Expenditures</b>     | <b>51,873,247</b>       | <b>52,350,660</b>      | <b>40,407,479</b>   |
| <b>Change to Fund Balance</b> | <b>\$ (3,466,267)</b>   | <b>\$ (3,943,680)</b>  | <b>\$ 8,265,284</b> |

**General Fund Budget Comparison**

Total revenues exceeded total expenditures by \$8.3 million in the general fund for fiscal year 2020 as shown in Table 3.

Total Actual general fund revenues were \$.3 million and .5 percent more than the amended budgeted revenues for fiscal year 2020.

The actual expenditures were \$11.9 million below the budget amounts due to underspending in both operating and program budgets. Operating expenditures were under budget due to vacant positions throughout the year, and underspending in facility expenditures, professional development, and contracted services. Unallocated funds through the competitive process and under spending in program contracts resulted in program expenditures being under budget for fiscal year 2020.

The Children’s Board’s general fund balance change of \$8.3 million reported (Table 3) differs from the amended general fund’s budgeted fund balance change of (\$3.9) million. This is principally because of lower than anticipated program and operating expenditures.

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Children's Board has established a fixed asset amount of \$5,000 and greater as the threshold to recognize capitalized assets.

|  | Balance<br>09/30/19 | Additions         | Retirements/<br>Transfers | Balance<br>09/30/20 |
|--|---------------------|-------------------|---------------------------|---------------------|
| <b>Non-depreciable assets:</b>         |                     |                   |                           |                     |
| Land-Palm Avenue                       | \$ 1,082,724        | \$ -              | \$ -                      | \$ 1,082,724        |
| Land-FRC Temple Terrace                | 300,000             | -                 | -                         | 300,000             |
| Land-FRC Plant City                    | -                   | 175,000           | -                         | 175,000             |
| <b>Depreciable assets:</b>             |                     |                   |                           |                     |
| Building-Palm Avenue                   | 4,730,008           | -                 | -                         | 4,730,008           |
| Building-FRC Temple Terrace            | 650,000             | 413,327           | -                         | 1,063,327           |
| Building-FRC Plant City                | -                   | 530,000           | -                         | 530,000             |
| Improvements                           | 155,638             | 15,072            | -                         | 170,710             |
| Construction-in-Progress               | 19,258              | 31,345            | (19,258)                  | 31,345              |
| Improvements other than building       | 414,711             | -                 | -                         | 414,711             |
| Office Equipment                       | 5,880               | -                 | -                         | 5,880               |
| Office Furniture                       | 39,806              | -                 | -                         | 39,806              |
| Computer Equipment                     | 11,151              | -                 | -                         | 11,151              |
|  | 7,409,176           | 1,164,744         | (19,258)                  | 8,554,662           |
| <b>Less, accumulated depreciation:</b> |                     |                   |                           |                     |
| Building-Palm Avenue                   | 2,430,698           | 157,667           | -                         | 2,588,365           |
| Building-FRC Temple Terrace            | -                   | 39,875            | -                         | 39,875              |
| Building-FRC Plant City                | -                   | -                 | -                         | -                   |
| Improvements                           | 73,928              | 17,824            | -                         | 91,752              |
| Improvements other than building       | 414,711             | -                 | -                         | 414,711             |
| Office Equipment                       | 5,880               | -                 | -                         | 5,880               |
| Office Furniture                       | 39,806              | -                 | -                         | 39,806              |
| Computer Equipment                     | 11,151              | -                 | -                         | 11,151              |
|  | 2,976,174           | 215,366           | -                         | 3,191,540           |
| <b>Capital Assets, Net</b>             | <b>\$ 4,433,002</b> | <b>\$ 949,378</b> | <b>\$ (19,258)</b>        | <b>\$ 5,363,122</b> |

**Children's Board of Hillsborough County  
Management's Discussion and Analysis  
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|  | Balance<br>09/30/18 | Additions         | Retirements/<br>Transfers | Balance<br>09/30/19 |
|--|---------------------|-------------------|---------------------------|---------------------|
| <b>Non-depreciable assets:</b>         |                     |                   |                           |                     |
| Land-Palm Avenue                       | \$ 1,082,724        | \$ -              | \$ -                      | \$ 1,082,724        |
| Land-FRC Temple Terrace                | -                   | 300,000           | -                         | 300,000             |
| <b>Depreciable assets:</b>             |                     |                   |                           |                     |
| Building-Palm Avenue                   | 4,730,008           | -                 | -                         | 4,730,008           |
| Building-FRC Temple Terrace            | -                   | 650,000           | -                         | 650,000             |
| Improvements                           | 155,638             | -                 | -                         | 155,638             |
| Construction-in-Progress               | -                   | 19,258            | -                         | 19,258              |
| Improvements other than building       | 414,711             | -                 | -                         | 414,711             |
| Office Equipment                       | 5,880               | -                 | -                         | 5,880               |
| Office Furniture                       | 39,806              | -                 | -                         | 39,806              |
| Computer Equipment                     | 11,151              | -                 | -                         | 11,151              |
|  | 6,439,918           | 969,258           | -                         | 7,409,176           |
| <b>Less, accumulated depreciation:</b> |                     |                   |                           |                     |
| Building-Palm Avenue                   | 2,273,031           | 157,667           | -                         | 2,430,698           |
| Building-FRC Temple Terrace            | -                   | -                 | -                         | -                   |
| Improvements                           | 58,364              | 15,564            | -                         | 73,928              |
| Improvements other than building       | 414,711             | -                 | -                         | 414,711             |
| Office Equipment                       | 5,880               | -                 | -                         | 5,880               |
| Office Furniture                       | 39,806              | -                 | -                         | 39,806              |
| Computer Equipment                     | 11,151              | -                 | -                         | 11,151              |
|  | 2,802,943           | 173,231           | -                         | 2,976,174           |
| <b>Capital Assets, Net</b>             | <b>\$ 3,636,975</b> | <b>\$ 796,027</b> | <b>\$ -</b>               | <b>\$ 4,433,002</b> |

**Change in Capital Assets:**

At the end of the fiscal year 2020, the Children's Board had \$8.6 Million invested in a variety of capital assets. The total assets have increased from FY 2019 because of the purchase of a building for the Children's Board Family Resource Center (FRC) in Plant City and the build out of the Temple Terrace FRC.

**Long Term Debt**

At September 30, 2020, the Children's Board had \$3.81 million in long-term debt versus \$3.12 million at September 30, 2019, a net change of \$.69 million and 22.1 percent. This obligation is comprised of compensatory vacation, sick leave and pension liabilities accrued. The net change consists of additions which occurred when additional leave was accrued, deletions which occurred when leaves were used and net post-employment benefits earned by employees during the year.

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Management's Discussion and Analysis  
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Section 125.901(3) (a) 6, Florida Statutes, (as it existed prior to October 1, 1990) states that the Children's Board has the power and duty to lease or buy such real estate, equipment, and personal property and to construct such buildings as are needed to execute the foregoing powers and duties, provided that no such purchases shall be made or building done except for cash with funds on hand.

More detail information on capital assets and long-term debt are provided in notes 3 and 4 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Children's Board considered many factors when setting the fiscal year 2020 budget and millage rate. The Children's Board promotes the well-being of children and families by uniting community partners, investing in innovative opportunities, and leading the county in best practices—so the whole community can realize its full potential. The organization funds programs and services for children and families throughout Hillsborough County. The primary result of Children's Board funding is that children are healthy and have acquired the developmental foundations needed to succeed in school and in life.

The Children's Board strategically funds faith based and non-profit organizations for services, personnel, programs, and supports that are proven to improve the lives of children and families. The Children's Board also funds training, technical assistance, capacity building, neighborhood initiatives and advocacy activities to create positive community conditions that benefit children and families. The Children's Board identifies child, family, and community needs; determines the best programs and services to fund; selects and contracts with the best program/service providers; and monitors program performance. The Children's Board evaluates the impact of its programs and participates in service and systems planning. Staff support is provided for technical assistance and training to support providers.

The Hillsborough County Property Appraiser's Office reassessed Just Values for market value increases on the 2020 tax rolls presented to the taxing authorities. Accordingly, ad valorem revenues for the Children's Board are budgeted to increase by \$4.1 million for a total of \$49.6 million for fiscal year 2021 with a millage rate remaining at .4589.

The continuation of the Children's Board Strategic Investment plan and current economic conditions were considered when adopting the general fund budget for fiscal year 2021. The total budget for FY 2021 is \$53.2 million, a net increase of 1.7 percent over the final 2020 budget of \$52.4 million. The Children's Board will appropriate \$1.3 million from fund balance in fiscal year 2021.

**Children's Board of Hillsborough County  
Management's Discussion and Analysis  
(Unaudited)  
September 30, 2020 and 2019**

**Contacting the Children's Board's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Children's Board's finances and to demonstrate the Children's Board's accountability for the money it receives.

If you have questions about this report or need additional financial information, contact:

Tonia Williams, Director of Finance  
Children's Board of Hillsborough County  
1002 E. Palm Avenue  
Tampa, FL 33605  
Telephone (813) 229-2884  
or visit the Children's Board's web site at  
[www.childrensboard.org](http://www.childrensboard.org)



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**Children's Board**  
HILLSBOROUGH COUNTY

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[www.ChildrensBoard.org](http://www.ChildrensBoard.org)





# FINANCIAL STATEMENTS



**Children's Board of Hillsborough County**  
**Statements of Net Position**  
**September 30, 2020 and 2019**

|  | 2020               | 2019               |
|--|--------------------|--------------------|
| <b>ASSETS</b>                                      |                    |                    |
| Current Assets                                     |                    |                    |
| Cash and Cash Equivalents and Investments (Note 2) | \$ 17,806,941      | \$ 16,080,362      |
| Receivables:                                       |                    |                    |
| Ad Valorem Taxes                                   | 368,907            | 343,965            |
| Other  | 312,817            | 392,852            |
| Total Receivables                                  | 681,724            | 736,817            |
| Prepaid Expenses                                   | 19,153             | 23,000             |
| <b>Total Current Assets</b>                        | <b>18,507,818</b>  | <b>16,840,179</b>  |
| Noncurrent Assets                                  |                    |                    |
| Designated Assets                                  |                    |                    |
| Cash and Cash Equivalents and Investments (Note 2) |                    |                    |
| Future Commitments                                 | 24,753,847         | 18,554,405         |
| Minimum Operating Expenses                         | 2,667,495          | 2,598,850          |
| Building and Capital Reserve                       | 384,027            | 313,119            |
| <b>Total Designated Assets</b>                     | <b>27,805,369</b>  | <b>21,466,374</b>  |
| Capital Assets (Note 3)                            |                    |                    |
| Land   | 1,557,724          | 1,382,724          |
| Property and Equipment                             | 6,996,938          | 6,026,452          |
|  | <b>8,554,662</b>   | <b>7,409,176</b>   |
| Less: Accumulated Depreciation                     | <b>(3,191,540)</b> | <b>(2,976,174)</b> |
| <b>Net Capital Assets</b>                          | <b>5,363,122</b>   | <b>4,433,002</b>   |
| <b>Total Assets</b>                                | <b>51,676,309</b>  | <b>42,739,555</b>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                    |                    |
| Pension (Note 4)                                   | 1,034,538          | 939,626            |

*The accompanying notes are an integral part of these financial statements.*

**Children's Board of Hillsborough County**  
**Statements of Net Position (Continued)**  
**September 30, 2020 and 2019**

|                                       | 2020          | 2019          |
|---------------------------------------|---------------|---------------|
| <b>LIABILITIES</b>                    |               |               |
| Current Liabilities                   |               |               |
| Accounts Payable                      | \$ 141,421    | \$ 246,530    |
| Contracts Payable                     | 5,309,549     | 5,535,564     |
| Accrued Salaries, Wages and Benefits  | 190,243       | 138,733       |
| Other Liabilities (Note 6)            | 36,323        | 13,168        |
| Total Current Liabilities             | 5,677,536     | 5,933,995     |
| Noncurrent Liabilities                |               |               |
| Accrued Compensated Absences (Note 5) | 292,895       | 230,561       |
| Net Pension Liability (Note 4)        | 3,512,575     | 2,891,886     |
| Total Liabilities                     | 9,483,006     | 9,056,442     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |               |               |
| Pension (Note 4)                      | 90,663        | 262,388       |
| <b>NET POSITION</b>                   |               |               |
| Net Investment in Capital Assets      | 5,363,122     | 4,433,002     |
| Unrestricted                          | 37,774,056    | 29,927,349    |
| Total Net Position                    | \$ 43,137,178 | \$ 34,360,351 |

*The accompanying notes are an integral part of these financial statements.*

**Children's Board of Hillsborough County**  
**Statements of Activities**  
**September 30, 2020 and 2019**

|  | <b>2020</b>          | <b>2019</b>          |
|--|----------------------|----------------------|
| <b>Expenses</b>                              |                      |                      |
| Program                                      | \$ 32,974,647        | \$ 32,580,269        |
| Operating                                    | 5,465,304            | 5,096,351            |
| Non-Operating                                | 1,240,619            | 1,144,000            |
| Unallocated Depreciation (Note 3)            | 215,366              | 173,231              |
| <b>Total Expenses</b>                        | <b>39,895,936</b>    | <b>38,993,851</b>    |
| <b>Revenues</b>                              |                      |                      |
| Ad Valorem Taxes                             | 46,246,825           | 42,440,445           |
| Investment Income                            | 628,770              | 1,163,907            |
| Administrative Services Organization Funding | 968,895              | 1,010,658            |
| Other Community Partner Funding              | 216,193              | 289,758              |
| Miscellaneous Income                         | 157,080              | 146,655              |
| Settlement Proceeds                          | 455,000              | -                    |
| <b>Total Revenues</b>                        | <b>48,672,763</b>    | <b>45,051,423</b>    |
| <b>Change in Net Position</b>                | <b>8,776,827</b>     | <b>6,057,572</b>     |
| Net Position, Beginning of Year              | 34,360,351           | 28,302,779           |
| <b>Net Position, End of Year</b>             | <b>\$ 43,137,178</b> | <b>\$ 34,360,351</b> |

*The accompanying notes are an integral part of these financial statements.*

**Children's Board of Hillsborough County**  
**Balance Sheets - Governmental Fund**  
**September 30, 2020 and 2019**

|  | 2020                 | 2019                 |
|--|----------------------|----------------------|
| <b>ASSETS</b>                                      |                      |                      |
| Cash and Cash Equivalents and Investments (Note 2) | \$ 17,806,941        | \$ 16,080,362        |
| Receivables  |                      |                      |
| Ad Valorem Taxes                                   | 368,907              | 343,965              |
| Other  | 312,817              | 392,852              |
| Prepaid Expenditures                               | 19,153               | 23,000               |
| Designated Assets                                  |                      |                      |
| Cash and Cash Equivalents and Investments (Note 2) |                      |                      |
| Future Commitments                                 | 24,753,847           | 18,554,405           |
| Minimum Operational Expenditures                   | 2,667,495            | 2,598,850            |
| Building and Capital Reserve                       | 384,027              | 313,119              |
| <b>Total Assets</b>                                | <b>\$ 46,313,187</b> | <b>\$ 38,306,553</b> |
| <b>LIABILITIES AND FUND BALANCE</b>                |                      |                      |
| Liabilities  |                      |                      |
| Accounts Payable                                   | \$ 141,421           | \$ 246,530           |
| Contracts Payable                                  | 5,309,549            | 5,535,564            |
| Accrued Salaries, Wages and Benefits               | 190,243              | 138,733              |
| Other Liabilities                                  | 24,146               | 3,182                |
| <b>Total Liabilities</b>                           | <b>5,665,359</b>     | <b>5,924,009</b>     |
| <b>FUND BALANCE</b>                                |                      |                      |
| <b>Nonspendable Fund Balance</b>                   |                      |                      |
| Prepaid Expenditures                               | 19,153               | 23,000               |
| <b>Committed Fund Balance</b>                      |                      |                      |
| Building and Capital Reserve                       | 384,027              | 313,119              |
| Minimal Operational Expenditures                   | 2,667,495            | 2,598,850            |
| <b>Assigned Fund Balance</b>                       |                      |                      |
| Future Commitments of Current Programs             | 24,753,847           | 18,554,405           |
| <b>Unassigned Fund Balance</b>                     |                      |                      |
| Unassigned Funds                                   | 12,823,306           | 10,893,170           |
| <b>Total Fund Balance</b>                          | <b>40,647,828</b>    | <b>32,382,544</b>    |
| <b>Total Liabilities and Fund Balance</b>          | <b>\$ 46,313,187</b> | <b>\$ 38,306,553</b> |

*The accompanying notes are an integral part of these financial statements.*

**Children's Board of Hillsborough County  
Reconciliation of Total Governmental Fund Balance  
to Statements of Net Position  
September 30, 2020 and 2019**

|  | 2020                 | 2019                 |
|--|----------------------|----------------------|
| <b>Total Governmental Fund Balance</b>   | <b>\$ 40,647,828</b> | <b>\$ 32,382,544</b> |
| Amounts reported for governmental activities<br>in the statements of net position are different because:   |                      |                      |
| Capital assets used in governmental activities are not<br>financial resources and therefore are not reported in the funds.   | <b>5,363,122</b>     | 4,433,002            |
| Deferred outflows of resources and deferred inflows of resources<br>related to pensions are applicable to future periods and,<br>therefore are not reported in the governmental funds. |                      |                      |
| Deferred outflows of resources related to pensions   | <b>1,034,538</b>     | 939,626              |
| Deferred inflows of resources related to pensions  | <b>(90,663)</b>      | (262,388)            |
| Some liabilities applicable to the Children's Board's<br>governmental activities are not due and payable in the<br>current period and are not reported as fund liabilities.            |                      |                      |
| Compensated absences   | <b>(305,072)</b>     | (240,547)            |
| Net pension liability  | <b>(3,512,575)</b>   | (2,891,886)          |
| <b>Net Position of Governmental Activities</b>   | <b>\$ 43,137,178</b> | <b>\$ 34,360,351</b> |

*The accompanying notes are an integral part of these financial statements.*

**Children's Board of Hillsborough County**  
**Statements of Revenues, Expenditures, and Changes in**  
**Fund Balance - Governmental Fund**  
**September 30, 2020 and 2019**

|   | 2020                 | 2019                 |
|---|----------------------|----------------------|
| <b>Operating Revenues</b>                     |                      |                      |
| Ad Valorem Taxes                              | \$ 46,246,825        | \$ 42,440,445        |
| Investment Income                             | 628,770              | 1,163,907            |
| Administrative Services Organization          | 968,895              | 1,010,658            |
| Other Community Partner Funding               | 216,193              | 289,758              |
| Miscellaneous Income                          | 157,080              | 146,655              |
| Settlement Proceeds                           | 455,000              | -                    |
| Total Revenues                                | 48,672,763           | 45,051,423           |
| <b>Expenditures</b>                           |                      |                      |
| Program                                       |                      |                      |
| Continuation and New Funding                  | 32,974,647           | 32,580,269           |
| Total Program                                 | 32,974,647           | 32,580,269           |
| Operating                                     |                      |                      |
| Salaries                                      | 2,932,409            | 2,846,577            |
| Employee Benefits                             | 1,091,561            | 1,068,422            |
| Contracted Professional Services              | 422,919              | 375,839              |
| Facility Expenditures                         | 271,041              | 344,685              |
| Family Resource Center Occupancy Expenditures | 61,562               | -                    |
| Professional Development                      | 27,300               | 54,360               |
| Other Operating                               | 239,935              | 213,396              |
| Total Operating                               | 5,046,727            | 4,903,279            |
| Non-Operating                                 |                      |                      |
| Capital Outlay                                | 1,145,486            | 969,258              |
| Local Government Fees                         | 1,240,619            | 1,144,000            |
| Total Expenditures                            | 40,407,479           | 39,596,806           |
| <b>Net Change in Fund Balance</b>             | <b>8,265,284</b>     | <b>5,454,617</b>     |
| Fund Balance, Beginning of Year               | 32,382,544           | 26,927,927           |
| <b>Fund Balance, End of Year</b>              | <b>\$ 40,647,828</b> | <b>\$ 32,382,544</b> |

*The accompanying notes are an integral part of these financial statements.*

**Children's Board of Hillsborough County**  
**Reconciliation of Statements of Revenues, Expenditures, and Changes in**  
**Fund Balance - Governmental Fund to Statements of Activities**  
**September 30, 2020 and 2019**

|   | <b>2020</b>         | <b>2019</b>         |
|---|---------------------|---------------------|
| <b>Net Change in Fund Balance - Total Governmental Funds</b>  | <b>\$ 8,265,284</b> | <b>\$ 5,454,617</b> |
| <p>Amounts reported for governmental activities<br/> in the statements of activities are different because:</p>   |                     |                     |
| <p>Some expenses reported in the statements of activities do not<br/> require the use of financial resources and therefore are not<br/> reported as expenditures in governmental funds. These<br/> expenses are:</p>  |                     |                     |
| Compensated Absences  | (64,525)            | 96,905              |
| Pension Expense   | (354,052)           | (289,977)           |
| <p>Governmental funds report capital outlays as<br/> expenditures. However, in the statements of activities<br/> the cost of assets is allocated over their estimated<br/> useful lives as depreciation expense. This is the<br/> amount by which capital outlay exceeds depreciation<br/> in the current period.</p> |                     |                     |
|   | <b>930,120</b>      | <b>796,027</b>      |
| <b>Change in Net Position of Governmental Activities</b>  | <b>\$ 8,776,827</b> | <b>\$ 6,057,572</b> |

*The accompanying notes are an integral part of these financial statements.*



**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Organization and Reporting Entity:***

The Children's Board of Hillsborough County (the Children's Board) is authorized under section 125.901, Florida Statutes (Chapter 86-197, Laws of Florida). The Children's Board was established as an independent special district by the approval of county voters in 1988 and the effective date of the creation of the Children's Board was January 1, 1989. As authorized in Section 31 of Chapter 90-288, Laws of Florida, the Children's Board operates under the provisions of section 125.901, Florida Statutes, as they existed prior to October 1, 1990.

The Children's Board has been determined to be an "Independent Special District" as described in Section 189.403, Florida Statutes, and is an "Other Stand-Alone Government" as defined by Governmental Accounting Standards Board (GASB) of the Financial Accounting Foundation Statement No. 14, *The Financial Reporting Entity*. An Other Stand-Alone Government does not have a separately elected governing body and does not meet the definition of a component unit of a primary government, as defined. The Children's Board is authorized to levy an ad valorem tax of up to one-half mil (\$.0005) on the taxable value of real and tangible personal property within the jurisdiction of its members. The Children's Board's ad valorem taxes are assessed as part of the annual assessment of Hillsborough County, which levies its taxes November 1 of each year. Collection of taxes is scheduled for November through the following March. Taxes become delinquent April 1 and tax certificates placing liens on the property are sold May 31.

The mission of the Children's Board is: The Children's Board invests in partnerships and quality programs to support the success of all children and families in Hillsborough County.

The primary focus of the Children's Board investments in the community is to support programs that strive to ensure children are ready to learn, developmentally on track, healthy and in safe and stable environments.

The Children's Board is constantly surveying the community for the needs of children and families; reviewing local data and supporting programming that aligns with the Mission to meet those needs. Program investments are monitored and evaluated individually for performance and our focus areas are then analyzed for community impact.

The Children's Board funds training, technical assistance, capacity building, neighborhood initiatives and emerging community needs that were otherwise not anticipated. All of these funding streams blend together to create positive community conditions that benefit children and families.

The significant accounting policies followed are described below.

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Accounting and Presentation***

The financial statements of the Children's Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles.

Government-Wide Financial Statements: The Statements of Net Position and the Statements of Activities display information on all of the activities of the Children's Board as a whole.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the way governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Net position is reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Governmental Fund Financial Statements: The financial transactions of the Children's Board are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund balance, revenues and expenditures/expenses.

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 Children's Board 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. However, expenditures related to compensated absences are recorded only when payment is due and executed.

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise of a hierarchy based primarily on the extent to which the Children's Board is bound to honor constraints on the specific purpose for which amounts in their fund can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Accounting and Presentation (Continued)***

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. As of September 30, 2020 and 2019, there are no restricted fund balances.

Committed – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Children’s Board highest level of decision making authority, the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Children’s Board removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

Assigned – This component consists of amounts that are constrained by the Children’s Board intent to be used for specific purposes, but are neither restricted nor committed. The Executive Director has been given the authority to assign specific items of fund balance as expressed in the Children’s Board Fund Balance Policy.

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund.

In general, restricted funds are used first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. For unrestricted fund balance, the order in which resources shall be spent is committed, assigned, and then unassigned.

The General Fund is the general operating fund of the Children’s Board. It is used to account for all financial resources except those required to be accounted for in other funds.

Net Position: Net Position presents the difference between assets and liabilities in the statements of net position. Net position is reported as restricted when there are legal limitations imposed on their use by laws or regulations of other governments or external restrictions by creditors or grantors. An unrestricted net position may be designated for specific purposes at the option of the Board of Directors. If restricted and unrestricted net positions are available for the same purpose, then the restricted position will be used before unrestricted position.

Designated Assets: Designated assets represent cash, cash equivalents, and investments committed or assigned by the Board of Directors or Executive Officers, for building and capital reserve, minimal operating expenditures, and future commitments. Committed assets are restricted for use by formal action of the Board. Assigned assets are those assets intended for a specific use by the executives of the Children’s Board. As of September 30, 2020 and 2019 there are designated assets of \$27,805,369 and \$21,466,374, respectively.

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements***

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

The Children's Board is evaluating the requirements of the above statements and the impact on reporting.

***Estimates***

The preparation of financial statements in conformity with GAAP requires the use of estimates that affect certain reported amounts and disclosures. These estimates are based on management's knowledge and experience. Accordingly, actual results could differ from these estimates.

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgets***

A formal budget is adopted for the general fund on a GAAP basis and is used as a limitation on expenditures. The original version of the budget was approved by the Board of Directors of the Children's Board on August 22, 2019 and became effective on October 1, 2019. After final approval, no reductions or increases are permitted, except for adjustments in the administrative budget, without the approval of the Board of Directors. The Executive Director is permitted to change the category amounts within the administrative budget by 10% so long as the aggregate administrative budget is not increased. The Executive Director may, by approval of the funded agency, adjust the line items of program budgets of funded agencies, including transfer of funds between programs operated by the same agency, and provided such transfers do not increase the aggregate allocation to the agency approved by the Board. Appropriations lapse at yearend and budgetary control is at the fund level.

***Cash and Cash Equivalents and Investments***

Cash consists of checking accounts, collectively designated as demand deposits. Cash deposits are carried at cost. The Children's Board considers all highly liquid debt instruments (including restricted assets) with original maturities of three months or less to be cash equivalents. Cash equivalents are recorded at amortized cost, which approximates fair value. The investments constitute the fair value of the shares in the Local Government Surplus Funds Trust Fund for fiscal years 2020 and 2019.

***Capital Assets***

Capital assets with an original value of \$5,000 or more, and additions, improvements and other capital outlays having an original cost of \$5,000 or more that significantly extend the useful life are capitalized. Capital assets are accounted for in the government-wide statements, rather than in the fund financial statements. Routine maintenance, repairs, renewals and replacement costs are charged against operations.

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated fixed assets are valued at their estimated acquisition value on the date donated.

The depreciation on assets, where disclosed, is provided using the straight-line method over the following estimated useful lives:

|                                  |          |
|----------------------------------|----------|
| Buildings                        | 30 years |
| Improvements                     | 7 years  |
| Improvements other than building | 10 years |
| Office equipment                 | 5 years  |
| Office furniture                 | 7 years  |
| Computer equipment               | 3 years  |

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Contracts Payable***

Contracts payable represents the Children's Board's liability to funded agencies for expenditures incurred under approved contracts which had not been paid by the Children's Board at year end.

***Compensated Absences***

Following Hillsborough County's Civil Service Law and pursuant to the Rules of the Civil Service Board, full-time, classified, permanent employees earn a paid vacation of two calendar weeks (10 working days) a year, increasing on a graduated scale to a maximum period of four calendar weeks (20 working days) after 15 years of service. Unclassified employees earn a paid vacation of three calendar weeks (15 working days) a year increasing on a graduated scale to a maximum period of six calendar weeks (30 working days) after 15 years of service.

Prior to February 2, 1997, all employees could accrue vacation without limit for use during the period of active employment, but payments of unused vacation for classified employees generally were limited to two times the number of days that the employee was entitled to accrue on an annual basis. However, effective on February 2, 1997, payments for unused annual leave are now subject to a limit of 320 hours or the employee's balance of accrued leave before February 2, 1997, whichever is greater.

In accordance with Statement No. 16 of GASB, *Accounting for Compensated Absences*, the compensated absences liability represents an accrual for vacation and sick leave and is calculated based on the pay or salary rates in effect at the balance sheet date. Additionally, accruals have been made for salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date. The salary-related payments subject to this accrual are those items for which an employer is liable to make a payment directly and incrementally associated with payments made for compensated absences on termination. Accordingly, the Children's Board has recognized 7.65% of the compensated absences liability, representing its share of the Social Security and Medicare taxes. An accrual is also made for the pension cost related to Florida Retirement Service and the ICMA 457 Plan for compensated absence calculations.

***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the Florida Retirement System (FRS or the System) and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS' and HIS' plan net position has been determined on the same basis as they are reported by FRS and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Property Taxes***

Property tax collections are governed by Chapter 197, Florida Statutes. The Hillsborough County Tax Collector bills and collects all property taxes levied within the County. Discounts of 4, 3, 2, and 1% are allowed for early payment in November, December, January, and February, respectively. The Tax Collector remits collected taxes at least monthly to the Children's Board. The Children's Board recognizes property tax revenue as it is received at the government-wide level and at the government fund level. As such, the Children's Board does not reserve an amount for an allowance for doubtful accounts. The calendar of events is as follows:

|              |  |
|--------------|--|
| January 1    | Property taxes are based on assessed value at this date as determined by the Hillsborough County Property Appraiser. |
| July 1       | Assessment roll approved by the state.   |
| September 27 | Millage resolution approved by the Board of Directors  |
| October 1    | Beginning of fiscal year for which taxes have been levied.   |
| November 1   | Property taxes due and payable.  |
| November 30  | Last day for 4% maximum discount.  |
| April 1      | Unpaid property taxes become delinquent.   |
| May 15       | Tax certificates are sold by the Hillsborough County Tax Collector. This is the first lien date on the properties.   |

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 11, 2021 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

**Note 2: CASH, CASH EQUIVALENTS AND INVESTMENTS**

At September 30, 2020, the bank balance of the Children's Board deposits was \$333,755 and the book balance was \$303,286. At September 30, 2019, the bank balance of the Children's Board deposits was \$884,683, and the book balance was \$857,063. The difference between the Children's Board book amount and bank amount is due to outstanding checks in its demand deposit accounts.

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 2: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Of the September 30, 2020 Children’s Board bank balances, \$250,000 was covered by federal depository insurance (FDIC). Of the September 30, 2019 bank balances, \$250,000 was covered by FDIC. The State of Florida collateral pool is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if its member institution fails. Required collateral is defined under Chapter 280 of the Florida Statutes, *Security for Public Deposits*.

***Custodial Credit Risk – Deposits***

Custodial risk is the risk that in the event of bank failure, the Children’s Board’s deposits may not be returned to it. Florida Statutes require deposits by governmental units in a financial institution be collateralized. The State of Florida maintains control over the collateral requirements and authorizes certain financial institutions to act as depositories for governmental units. The Children’s Board maintains all accounts in financial institutions approved by the State of Florida.

***Investments***

The investment policy of the Children’s Board is established in accordance with Florida Statutes Section 218.415, the Statutory Investment Policy Method. The objective of the investment policy is to ensure protection of principal, provide adequate liquidity and earn a competitive market rate of return. Florida Statutes also authorizes the Children’s Board to invest excess funds in the Local Government Surplus Funds Trust Fund Investment Pool (Florida PRIME) administered by the State Board of Administration under the regulatory local government oversight of the State of Florida. The balance in that account on September 30, 2020 and September 30, 2019 was \$45,309,024 and \$36,689,673, respectively. These types of investments are classified as Cash Equivalents on the Statements of Net Position and Balance Sheet due to the nature of the underlying securities and their corresponding liquidity. The Children’s Board continues to monitor the economic environment in order to identify other investment options to maximize attainment of the investment policy objectives.

For fiscal year ended September 30, 2020, the Children’s Board utilized a Public Funds Non-Interest-Bearing Checking account, with Wells Fargo Bank, for all banking transactions. The Children’s Board also invested short term surplus funds in the Florida PRIME.

At September 30, 2020, the Children’s Board’s investments, with their corresponding ratings from Standard & Poor’s, were as follows:

| <u>Investment Type</u>   | <u>Fair Value</u> | <u>Credit Rating</u> |
|--------------------------|-------------------|----------------------|
| Local Government         |                   |                      |
| Surplus Funds Trust Fund |                   |                      |
| Florida Prime            | \$ 45,309,024     | AAAm                 |



**Children's Board of Hillsborough County  
Notes to Financial Statements  
September 30, 2020 and 2019**

**Note 2: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

***Investments (Continued)***

| <u>Concentration of Credit Risk Issuer</u>                    | <u>Amount</u> | <u>% of Portfolio</u> |
|---|---------------|-----------------------|
| Local Government<br>Surplus Funds Trust Fund<br>Florida PRIME | \$ 45,309,024 | 100%                  |

For fiscal year ended September 30, 2019, the Children's Board utilized a Public Funds Non-Interest-Bearing Checking account, with Wells Fargo Bank, for all banking transactions. The Children's Board also invested short term surplus funds in the Florida PRIME.

At September 30, 2019, the Children's Board's investments, with their corresponding ratings from Standard & Poor's, were as follows:

| <u>Investment Type</u>  | <u>Fair Value</u> | <u>Credit Rating</u> |
|---|-------------------|----------------------|
| Local Government<br>Surplus Funds Trust Fund<br>Florida Prime | \$ 36,689,673     | AAAm                 |

| <u>Concentration of Credit Risk Issuer</u>                    | <u>Amount</u> | <u>% of Portfolio</u> |
|---|---------------|-----------------------|
| Local Government<br>Surplus Funds Trust Fund<br>Florida PRIME | \$ 36,689,673 | 100%                  |

***Concentration of Credit Risk***

The Children's Board places no limit on the amount they may invest in any one issuer. The majority of the Board's investments are in the Local Government Surplus Funds Trust Fund Florida PRIME account.

***Investment Rate Risk***

As a means of limiting its exposure to fair market value losses arising from interest rates, the Children's Board's investment policy is structured to provide sufficient liquidity to pay obligations as they come due. All of the Children's Board's investment portfolios were intended to have maturities of less than one year.

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 2: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

***Fair Value***

GASB Codification Section 3100: Fair Value Measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Children's Board has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:

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

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Local Government Investment Pools – Florida PRIME is valued at net asset value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Children's Board believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 2: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

***Fair Value (Continued)***

Fair Value of Investments in Entities that Use Net Asset Value (NAV) – The following table summarizes investments measured at fair value based on NAV per share as of September 30, 2020 and 2019:

| As of September 30,                    | Fair Value           |                      |
|--|----------------------|----------------------|
|  | 2020                 | 2019                 |
| Investments measured at amortized cost |                      |                      |
| Local Government Investment Pools      |                      |                      |
| Florida PRIME                          | \$ 45,309,024        | \$ 36,689,673        |
| <b>Total investments</b>               | <b>\$ 45,309,024</b> | <b>\$ 36,689,673</b> |

***Withdrawal Limitations***

As of September 30, 2020, and 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that served to limit the Children’s Board’s daily access to 100 percent the account balance held at the Florida Prime.

As of September 30, 2020, the Children’s Board has the following investments and maturities:

| <u>Investment Type</u>   | <u>Fair Value</u> | <u>Investment Maturities (in Years)</u> |              |              |               |                |
|--|-------------------|---|--------------|--------------|---------------|----------------|
|  |                   | <u>Less than 1</u>                      | <u>1 - 3</u> | <u>3 - 5</u> | <u>5 - 10</u> | <u>10 - 20</u> |
| Local Government<br>Surplus Funds Trust<br>Fund<br>Florida PRIME | \$ 45,309,024     | \$45,309,024                            | \$ -         | \$ -         | \$ -          | \$ -           |

As of September 30, 2019, the Children’s Board had the following investments and maturities:

| <u>Investment Type</u>   | <u>Fair Value</u> | <u>Investment Maturities (in Years)</u> |              |              |               |                |
|--|-------------------|---|--------------|--------------|---------------|----------------|
|  |                   | <u>Less than 1</u>                      | <u>1 - 3</u> | <u>3 - 5</u> | <u>5 - 10</u> | <u>10 - 20</u> |
| Local Government<br>Surplus Funds Trust<br>Fund<br>Florida PRIME | \$ 36,689,673     | \$ 36,689,673                           | \$ -         | \$ -         | \$ -          | \$ -           |

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 2: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

***Withdrawal Limitations (Continued)***

The statements of net position classifications are summarized by investment categories as follows:

|                                      | <u>2020</u>         | <u>2019</u>         |
|--------------------------------------|---------------------|---------------------|
| Cash                                 | \$ 303,286          | \$ 857,063          |
| Local Government Surplus Funds Trust |                     |                     |
| Florida PRIME                        | <u>45,309,024</u>   | <u>36,689,673</u>   |
|                                      | <u>\$45,612,310</u> | <u>\$37,546,736</u> |

Cash and cash equivalents are reported in the accompanying statements of net position as follows:

|                           | <u>2020</u>         | <u>2019</u>         |
|---------------------------|---------------------|---------------------|
| Current assets            |                     |                     |
| Cash and cash equivalents | \$17,806,941        | \$16,080,362        |
| Designated assets         |                     |                     |
| Cash and cash equivalents | <u>27,805,369</u>   | <u>21,466,374</u>   |
|                           | <u>\$45,612,310</u> | <u>\$37,546,736</u> |

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 3: CAPITAL ASSETS**

|  | Balance<br>09/30/19 | Additions         | Retirements/<br>Transfers | Balance<br>09/30/20 |
|--|---------------------|-------------------|---------------------------|---------------------|
| <b>Non-depreciable assets:</b>         |                     |                   |                           |                     |
| Land-Palm Avenue                       | \$ 1,082,724        | \$ -              | \$ -                      | \$ 1,082,724        |
| Land-FRC Temple Terrace                | 300,000             | -                 | -                         | 300,000             |
| Land-FRC Plant City                    | -                   | 175,000           | -                         | 175,000             |
| <b>Depreciable assets:</b>             |                     |                   |                           |                     |
| Building-Palm Avenue                   | 4,730,008           | -                 | -                         | 4,730,008           |
| Building-FRC Temple Terrace            | 650,000             | 413,327           | -                         | 1,063,327           |
| Building-FRC Plant City                | -                   | 530,000           | -                         | 530,000             |
| Improvements                           | 155,638             | 15,072            | -                         | 170,710             |
| Construction-in-Progress               | 19,258              | 31,345            | (19,258)                  | 31,345              |
| Improvements other than building       | 414,711             | -                 | -                         | 414,711             |
| Office Equipment                       | 5,880               | -                 | -                         | 5,880               |
| Office Furniture                       | 39,806              | -                 | -                         | 39,806              |
| Computer Equipment                     | 11,151              | -                 | -                         | 11,151              |
|  | 7,409,176           | 1,164,744         | (19,258)                  | 8,554,662           |
| <b>Less, accumulated depreciation:</b> |                     |                   |                           |                     |
| Building-Palm Avenue                   | 2,430,698           | 157,667           | -                         | 2,588,365           |
| Building-FRC Temple Terrace            | -                   | 39,875            | -                         | 39,875              |
| Building-FRC Plant City                | -                   | -                 | -                         | -                   |
| Improvements                           | 73,928              | 17,824            | -                         | 91,752              |
| Improvements other than building       | 414,711             | -                 | -                         | 414,711             |
| Office Equipment                       | 5,880               | -                 | -                         | 5,880               |
| Office Furniture                       | 39,806              | -                 | -                         | 39,806              |
| Computer Equipment                     | 11,151              | -                 | -                         | 11,151              |
|  | 2,976,174           | 215,366           | -                         | 3,191,540           |
| <b>Capital Assets, Net</b>             | <b>\$ 4,433,002</b> | <b>\$ 949,378</b> | <b>\$ (19,258)</b>        | <b>\$ 5,363,122</b> |

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 3: CAPITAL ASSETS (Continued)**

|  | Balance<br>09/30/18 | Additions         | Retirements/<br>Transfers | Balance<br>09/30/19 |
|--|---------------------|-------------------|---------------------------|---------------------|
| <b>Non-depreciable assets:</b>         |                     |                   |                           |                     |
| Land-Palm Avenue                       | \$ 1,082,724        | \$ -              | \$ -                      | \$ 1,082,724        |
| Land-FRC Temple Terrace                | -                   | 300,000           | -                         | 300,000             |
| <b>Depreciable assets:</b>             |                     |                   |                           |                     |
| Building-Palm Avenue                   | 4,730,008           | -                 | -                         | 4,730,008           |
| Building-FRC Temple Terrace            | -                   | 650,000           | -                         | 650,000             |
| Improvements                           | 155,638             | -                 | -                         | 155,638             |
| Construction-in-Progress               | -                   | 19,258            | -                         | 19,258              |
| Improvements other than building       | 414,711             | -                 | -                         | 414,711             |
| Office Equipment                       | 5,880               | -                 | -                         | 5,880               |
| Office Furniture                       | 39,806              | -                 | -                         | 39,806              |
| Computer Equipment                     | 11,151              | -                 | -                         | 11,151              |
|  | 6,439,918           | 969,258           | -                         | 7,409,176           |
| <b>Less, accumulated depreciation:</b> |                     |                   |                           |                     |
| Building-Palm Avenue                   | 2,273,031           | 157,667           | -                         | 2,430,698           |
| Building-FRC Temple Terrace            | -                   | -                 | -                         | -                   |
| Improvements                           | 58,364              | 15,564            | -                         | 73,928              |
| Improvements other than building       | 414,711             | -                 | -                         | 414,711             |
| Office Equipment                       | 5,880               | -                 | -                         | 5,880               |
| Office Furniture                       | 39,806              | -                 | -                         | 39,806              |
| Computer Equipment                     | 11,151              | -                 | -                         | 11,151              |
|  | 2,802,943           | 173,231           | -                         | 2,976,174           |
| <b>Capital Assets, Net</b>             | <b>\$ 3,636,975</b> | <b>\$ 796,027</b> | <b>\$ -</b>               | <b>\$ 4,433,002</b> |

Depreciation expense during the year ended September 30, 2020 and 2019 was \$215,366 and \$173,231, respectively. These amounts are included in depreciation in the accompanying Government-wide statements of activities.

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 4: LONG-TERM LIABILITIES**

Long-term liability activity for the years ended September 30, 2020 and 2019 is comprised of the following for accrued compensated absences:

|                       | Balance<br>9/30/2019 | Additions         | Reductions          | Balance<br>9/30/2020 | Due within<br>One year |
|-----------------------|----------------------|-------------------|---------------------|----------------------|------------------------|
| Compensated absences  | \$ 240,547           | \$ 196,886        | \$ (132,361)        | \$ 305,072           | \$ 12,177              |
| Net pension liability | 2,891,886            | 620,689           | -                   | 3,512,575            | -                      |
|                       | <u>\$ 3,132,433</u>  | <u>\$ 817,575</u> | <u>\$ (132,361)</u> | <u>\$ 3,817,647</u>  | <u>\$ 12,177</u>       |

|                       | Balance<br>9/30/2018 | Additions         | Reductions          | Balance<br>9/30/2019 | Due within<br>One year |
|-----------------------|----------------------|-------------------|---------------------|----------------------|------------------------|
| Compensated absences  | \$ 337,452           | \$ 257,430        | \$ (354,335)        | \$ 240,547           | \$ 9,986               |
| Net pension liability | 2,515,144            | 692,169           | (315,427)           | 2,891,886            | -                      |
|                       | <u>\$ 2,852,596</u>  | <u>\$ 949,599</u> | <u>\$ (669,762)</u> | <u>\$ 3,132,433</u>  | <u>\$ 9,986</u>        |

**Note 5: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS**

***Defined Benefit Plans***

The Children's Board 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 Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 5: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)**

***Defined Benefit Plans (Continued)***

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, 2020 and 2019, were as follows:

|   | 2020   |       | 2019   |       |
|---|--------|-------|--------|-------|
|   | FRS    | HIS   | FRS    | HIS   |
| Regular class                                   | 8.34%  | 1.66% | 6.81%  | 1.66% |
| Special risk class                              | 22.79% | 1.66% | 23.82% | 1.66% |
| Senior management services class                | 25.63% | 1.66% | 23.75% | 1.66% |
| City, county, special district elected officers | 47.52% | 1.66% | 47.16% | 1.66% |
| DROP  | 15.32% | 1.66% | 12.94% | 1.66% |

The employer's contributions for the year ended September 30, 2020, were \$197,629 to the FRS Pension Plan and \$47,041 to the HIS Program.



**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 5: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)**

***Contributions (Continued)***

The employer's contributions for the year ended September 30, 2019, were \$185,359 to the FRS Pension Plan and \$46,576 to the HIS Program.

***Pension Liabilities and Pension Expense***

In its financial statements for the years ended September 30, 2020 and 2019, the Children's Board 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, 2020 and 2019. The Children's Board'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>Year ended September 30, 2020</u> | <u>FRS</u>   | <u>HIS</u>   | <u>Total</u> |
|--------------------------------------|--------------|--------------|--------------|
| Net pension liability                | \$ 2,498,153 | \$ 1,014,422 | \$ 3,512,575 |
| Proportion at:                       |              |              |              |
| Current measurement date             | 0.005763886% | 0.008308235% |              |
| Prior measurement date               | 0.005769243% | 0.008088650% |              |
| Pension expense (benefit)            | \$ 524,212   | \$ 74,509    | \$ 598,721   |
| <br>                                 |              |              |              |
| <u>Year ended September 30, 2019</u> | <u>FRS</u>   | <u>HIS</u>   | <u>Total</u> |
| Net pension liability                | \$ 1,986,847 | \$ 905,039   | \$ 2,891,886 |
| Proportion at:                       |              |              |              |
| Current measurement date             | 0.005769243% | 0.008088650% |              |
| Prior measurement date               | 0.005632473% | 0.007734366% |              |
| Pension expense (benefit)            | \$ 464,731   | \$ 57,180    | \$ 521,911   |

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 5: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)**

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

At September 30, 2020, the Children's Board 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 |
| Difference between expected and actual experience   | \$ 95,609                      | \$ -                          | \$ 41,496                      | \$ 783                        |
| Change of assumptions   | 452,245                        | -                             | 109,079                        | 58,985                        |
| Net differences between projected and actual earnings on pension plan investments                                     | 148,742                        | -                             | 810                            | -                             |
| Changes in proportion and differences between Children's Board contributions and proportionate share of contributions | 39,289                         | 15,208                        | 83,585                         | 15,687                        |
| Children's Board contributions subsequent to the measurement date   | 52,927                         | -                             | 10,756                         | -                             |
| <b>Total</b>  | <b>\$ 788,812</b>              | <b>\$ 15,208</b>              | <b>\$ 245,726</b>              | <b>\$ 75,455</b>              |

At September 30, 2019, the Children's Board 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 |
| Difference between expected and actual experience   | \$ 117,846                     | \$ 1,233                      | \$ 10,993                      | \$ 1,108                      |
| Change of assumptions   | 510,307                        | -                             | 104,795                        | 73,971                        |
| Net differences between projected and actual earnings on pension plan investments                                     | -                              | 109,923                       | 584                            | -                             |
| Changes in proportion and differences between Children's Board contributions and proportionate share of contributions | 53,456                         | 28,378                        | 83,248                         | 47,775                        |
| Children's Board contributions subsequent to the measurement date   | 46,806                         | -                             | 11,591                         | -                             |
| <b>Total</b>  | <b>\$ 728,415</b>              | <b>\$ 139,534</b>             | <b>\$ 211,211</b>              | <b>\$ 122,854</b>             |

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, 2021.

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 5: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)**

***Deferred Outflows/Inflows of Resources Related to Pensions (Continued)***

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

| Year ended September 30: | FRS               | HIS               |
|--------------------------|-------------------|-------------------|
| 2021                     | \$ 154,047        | \$ 40,493         |
| 2022                     | 231,143           | 38,797            |
| 2023                     | 191,975           | 18,937            |
| 2024                     | 114,133           | 19,144            |
| 2025                     | 29,379            | 24,390            |
| Thereafter               | -                 | 17,754            |
| <b>Totals</b>            | <b>\$ 720,677</b> | <b>\$ 159,515</b> |

***Actuarial Assumptions***

The total pension liability for each of the defined benefit plans was measured as of June 30, 2020 for the year ended September 30, 2020. The total pension liability for both the FRS Pension Plan and for the HIS Program were determined by actuarial valuations dated July 1, 2020. The individual entry age actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

|                           | FRS   | HIS   |
|---------------------------|-------|-------|
| Inflation                 | 2.40% | 2.40% |
| Salary increase           | 3.25% | 3.25% |
| Investment rate of return | 6.80% | N/A   |
| Discount rate             | 6.80% | 2.21% |

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.

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 5: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)**

***Actuarial Assumptions (Continued)***

The following changes in key actuarial assumptions occurred in 2020:

FRS:

- The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 6.90% to 6.80%.
- The assumed rate of inflation was decreased from 2.60% to 2.40%.

HIS:

- The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.50% to 2.21%.
- The assumed rate of inflation was decreased from 2.60% to 2.40%.
- Mortality assumptions for the HIS Program were changed from the Generational RP-2000 with Projection Scale BB to the PUB2010 base tables projected generationally with Scale MP-2018.

The long-term expected investment rate of return for the FRS Pension Plan was not based on historical returns, but instead was based on a forward-looking capital market economic model developed during 2020 by an outside investment consultant to the Florida State Board of Administration. 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.

| Asset Class            | Target Allocation* | Annual Arithmetic<br>Return | Compunt Annual<br>(Geometric) Return | Standard Deviation |
|------------------------|--------------------|-----------------------------|--------------------------------------|--------------------|
| Cash                   | 1.00%              | 3.30%                       | 3.30%                                | 1.20%              |
| Fixed Income           | 18.00%             | 4.10%                       | 4.10%                                | 3.50%              |
| Global Equity          | 54.00%             | 8.00%                       | 6.80%                                | 16.50%             |
| Real Estate (Property) | 10.00%             | 6.70%                       | 6.10%                                | 11.70%             |
| Private Equity         | 11.00%             | 11.20%                      | 8.40%                                | 25.80%             |
| Strategic Investment   | 6.00%              | 5.90%                       | 5.70%                                | 6.70%              |
| Total                  | 100.00%            |                             |                                      |                    |

**Children's Board of Hillsborough County  
Notes to Financial Statements  
September 30, 2020 and 2019**

**Note 5: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)**

***Actuarial Assumptions (Continued)***

The total pension liability for each of the defined benefit plans was measured as of June 30, 2019 for the year ended September 30, 2019. The total pension liability for both the FRS Pension Plan and for the HIS Program were determined by actuarial valuations dated July 1, 2019. The individual entry age actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

|                           | FRS   | HIS   |
|---------------------------|-------|-------|
| Inflation                 | 2.60% | 2.60% |
| Salary increase           | 3.25% | 3.25% |
| Investment rate of return | 6.90% | N/A   |
| Discount rate             | 6.90% | 3.50% |

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2017 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013. The following changes in key actuarial assumptions occurred in 2019:

FRS:

- The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.00% to 6.90%.
- The mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018

HIS:

- The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.87% to 3.50%.

The long-term expected investment rate of return for the FRS Pension Plan was not based on historical returns, but instead was based on a forward-looking capital market economic model developed during 2019 by an outside investment consultant to the Florida State Board of Administration. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption of 2.60%.

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

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 5: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)**

***Actuarial Assumptions (Continued)***

| Asset Class            | Target Allocation* | Annual Arithmetic<br>Return | Compunt Annual<br>(Geometric) Return | Standard Deviation |
|------------------------|--------------------|-----------------------------|--------------------------------------|--------------------|
| Cash                   | 1.00%              | 3.30%                       | 3.30%                                | 1.20%              |
| Fixed Income           | 18.00%             | 4.10%                       | 4.10%                                | 3.50%              |
| Global Equity          | 54.00%             | 8.00%                       | 6.80%                                | 16.50%             |
| Real Estate (Property) | 10.00%             | 6.70%                       | 6.10%                                | 11.70%             |
| Private Equity         | 11.00%             | 11.20%                      | 8.40%                                | 25.80%             |
| Strategic Investment   | 6.00%              | 5.90%                       | 5.70%                                | 6.70%              |
| <b>Total</b>           | <b>100.00%</b>     |                             |                                      |                    |

***Discount Rate***

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80%. The 6.80% reported investment return assumption differs from the 7.00% investment return assumption chosen by the 2020 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards. FRS' 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.

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 2.21% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

***Sensitivity Analysis***

The following tables demonstrate the sensitivity of the net pension liability for September 30, 2020 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                  |               |                      |
|--|----------------------|---------------|----------------------|----------------------|---------------|----------------------|
|  | Current Discount     |               |                      | Current Discount     |               |                      |
|  | 1% Decrease<br>5.80% | Rate<br>6.80% | 1% Increase<br>7.80% | 1% Decrease<br>1.21% | Rate<br>2.21% | 1% Increase<br>3.21% |
| Employer's proportionate share<br>of the net pension liability | \$ 3,989,131         | \$ 2,498,153  | \$ 1,252,882         | \$ 1,172,627         | \$ 1,014,422  | \$ 884,932           |

**Children's Board of Hillsborough County  
Notes to Financial Statements  
September 30, 2020 and 2019**

**Note 5: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)**

***Sensitivity Analysis (Continued)***

The following tables demonstrate the sensitivity of the net pension liability for September 30, 2019 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                  |               |                      |
|--|----------------------|---------------|----------------------|----------------------|---------------|----------------------|
|  | Current Discount     |               |                      | Current Discount     |               |                      |
|  | 1% Decrease<br>5.90% | Rate<br>6.90% | 1% Increase<br>7.90% | 1% Decrease<br>2.50% | Rate<br>3.50% | 1% Increase<br>4.50% |
| Employer's proportionate share<br>of the net pension liability | \$ 3,434,597         | \$ 1,986,847  | \$ 777,731           | \$ 1,033,149         | \$ 905,039    | \$ 798,339           |

***Pension Plans' Fiduciary Net Position***

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

***Defined Contribution Plan***

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the years ended September 30, 2020 and 2019 was, \$33,142 and \$67,435, respectively.

***Deferred Compensation Plan***

The Children's Board offers its permanent employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The International City Managers Association (ICMA) administers the plan. The Plan is available to all permanent employees, which allows a deferral of a portion of their wages until future years. The Children's Board contributes 1.5% of compensation. A distribution from the deferred compensation plan to an employee is allowed at termination of employment, retirement, death, or under certain emergencies. Vesting is simultaneous with the contribution. Employees are allowed to contribute on a pre-tax basis not to exceed amounts dictated by U.S. Treasury Regulations. Employer contributions during the years ended September 30, 2020 and 2019 was \$44,172 and \$67,435, respectively.

**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 5: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)**

***Post-Employment Benefits Other Than Pensions***

The Children's Board participates in Hillsborough County, Florida's health system (Health Plan) which provides for a postemployment health benefit subsidy. The subsidy is funded by a \$20 per employee per month employer contribution during active service. The Children's Board implemented GASB Statement 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" for FY 2018. The OPEB liability and/or revenue and expense associated with the Children's Board's participation in the Health Plan along with the related disclosures and required supplementary information are not considered material to the Children's Board financial statements. For FY 2020, the Children's Board's funding to the Health Plan related to the subsidy was \$7,940. The Health Plan does not issue separate financials statements. Refer to the Hillsborough County, Florida's financial statements for more information on the Health Plan.

**Note 6: ENCUMBRANCES**

Encumbrance accounting is employed in governmental funds. There were no encumbrances from fiscal year 2020 to FY 2021. \$477,413 was encumbered from fiscal year 2019 to FY 2020.

**Note 7: CHILDREN'S BOARD FOUNDATION**

The Children's Board of Hillsborough County entered into a Memorandum of Understanding (MOU) with the Children's Board Foundation, Inc. (CBF) for the purpose of assisting the Children's Board mission.

The purpose of this understanding is to ensure coordinated efforts to plan, provide, and support activities for children, families and service providers in Hillsborough County. The Foundation and the Children's Board support the promotion of health, well-being and development of all children in Hillsborough County.

This Agreement shall be effective from the date first set out and shall continue until terminated by either party. Either party may terminate this Agreement upon written notice to the other party specifying the date of termination which may be upon mailing of such notice.

The CBF meets the component unit test of GASB 14 as amended by GASB 61 for fiscal years ended September 30, 2020 and 2019. However, materiality and significance, as applied to CBF, was defined to be excluded from the consolidated financial statement presentation of the Children's Board.



**Children's Board of Hillsborough County**  
**Notes to Financial Statements**  
**September 30, 2020 and 2019**

**Note 8: RISK MANAGEMENT**

The Children’s Board is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; natural disasters and worker’s compensation claims. These risks are covered by property and casualty insurance purchased from an independent third party. Settled claims from these risks have not exceeded the Children’s Board’s property and casualty coverage for the past three fiscal years.

**Note 9: OPERATING LEASES PAYABLE**

The Children’s Board of Hillsborough County is a lessee in operating leases for four (4) Family Resource Centers (FRC) and three (3) copiers located at the Children’s Board offices as follows:

| Lease of   | General Fund |                 |                     |                  |                                   | Total      |
|--|--------------|-----------------|---------------------|------------------|-----------------------------------|------------|
|  | Brandon FRC  | North Tampa FRC | Town 'n Country FRC | South County FRC | Ricoh USA, Inc. three (3) copiers |            |
| Total payments on operating leases for years ending: |              |                 |                     |                  |                                   |            |
| 9/30/2021  | \$ 63,159    | \$ 80,730       | \$ 62,902           | \$ 66,242        | \$ 4,774                          | \$ 277,807 |
| 9/30/2022  | 42,948       | -               | 10,484              | 10,831           | 4,774                             | 69,037     |
| 9/30/2023  | -            | -               | -                   | -                | 4,774                             | 4,774      |
| 9/30/2024  | -            | -               | -                   | -                | 1,989                             | 1,989      |



## REQUIRED SUPPLEMENTARY INFORMATION



**Children's Board of Hillsborough County**  
**Schedule of the Children's Board Proportionate Share of the Net Pension Liability**  
**Florida Retirement System Pension Plan**  
**Last Ten Fiscal Years**

|  | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Children's Board proportion of the net pension liability (asset)   | 0.0058%      | 0.0058%      | 0.0056%      | 0.0058%      | 0.0054%      | 0.0055%      | 0.0054%      |
| Children's Board proportionate share of the net pension liability (asset)  | \$ 2,498,153 | \$ 1,986,847 | \$ 1,696,530 | \$ 1,703,114 | \$ 1,367,514 | \$ 708,772   | \$ 330,913   |
| Children's Board covered payroll   | \$ 2,833,278 | \$ 2,705,199 | \$ 2,526,177 | \$ 2,517,807 | \$ 2,304,347 | \$ 2,095,744 | \$ 2,015,719 |
| Children's Board proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 88.17%       | 73.45%       | 67.16%       | 67.67%       | 59.34%       | 33.82%       | 16.42%       |
| Plan fiduciary net position as a percentage of the total pension liability                                       | 78.85%       | 82.61%       | 84.26%       | 83.89%       | 84.88%       | 92.00%       | 96.09%       |

The amounts presented for each fiscal year were determined as of June 30th.

\* This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Children's Board of Hillsborough County  
Schedule of the Children's Board Contributions  
Florida Retirement System Pension Plan  
Last Ten Fiscal Years**

|  | <b>2020</b>  | <b>2019</b>  | <b>2018</b>  | <b>2017</b>  | <b>2016</b>  | <b>2015</b>  | <b>2014</b>  |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution                                  | \$ 197,629   | \$ 215,726   | \$ 198,256   | \$ 186,117   | \$ 169,522   | \$ 167,520   | \$ 157,450   |
| Contributions in relation to the contractually required contribution | (197,629)    | (215,726)    | (198,256)    | (186,117)    | (169,522)    | (167,520)    | (157,450)    |
| <b>Contribution deficiency (excess)</b>                              | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  |
| Children's Board covered payroll                                     | \$ 2,833,278 | \$ 2,705,199 | \$ 2,526,177 | \$ 2,517,807 | \$ 2,304,347 | \$ 2,095,744 | \$ 2,015,719 |
| Contributions as a percentage of covered payroll                     | 6.98%        | 7.97%        | 7.85%        | 7.39%        | 7.36%        | 7.99%        | 7.81%        |

The amounts presented for each fiscal year were determined as of June 30th.

\* This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Notes to required supplementary information:

Changes of assumptions: During the plan year ended June 30, 2020, the discount rate decreased from 6.90% to 6.80%, and the assumed rate of inflation was decreased from 2.60% to 2.40%.

**Children's Board of Hillsborough County  
 Schedule of the Children's Board Proportionate Share of the Net Pension Liability  
 Florida Retirement System Health Insurance Subsidy  
 Last Ten Fiscal Years**

|  | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Children's Board proportion of the net pension liability (asset)   | 0.0081%      | 0.0081%      | 0.0077%      | 0.0079%      | 0.0075%      | 0.0069%      | 0.0068%      |
| Children's Board proportionate share of the net pension liability (asset)  | \$ 1,014,422 | \$ 905,039   | \$ 818,614   | \$ 844,604   | \$ 869,953   | \$ 704,494   | \$ 634,350   |
| Children's Board covered payroll   | \$ 2,833,278 | \$ 2,705,199 | \$ 2,526,177 | \$ 2,517,807 | \$ 2,304,347 | \$ 2,095,744 | \$ 2,015,719 |
| Children's Board proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 35.80%       | 33.46%       | 32.41%       | 33.55%       | 37.75%       | 33.62%       | 31.47%       |
| Plan fiduciary net position as a percentage of the total pension liability                                       | 3.00%        | 2.63%        | 2.15%        | 1.64%        | 0.97%        | 0.50%        | 0.99%        |

The amounts presented for each fiscal year were determined as of June 30th.

\* This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Children's Board of Hillsborough County  
Schedule of the Children's Board Contributions  
Florida Retirement System Health Insurance Subsidy  
Last Ten Fiscal Years**

|  | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution                                  | \$ 47,041    | \$ 44,906    | \$ 41,935    | \$ 41,796    | \$ 38,252    | \$ 26,406    | \$ 24,189    |
| Contributions in relation to the contractually required contribution | (47,041)     | (44,906)     | (41,935)     | (41,796)     | (38,252)     | (26,406)     | (24,189)     |
| Contribution deficiency (excess)                                     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Children's Board covered payroll                                     | \$ 2,833,278 | \$ 2,705,199 | \$ 2,526,177 | \$ 2,517,807 | \$ 2,304,347 | \$ 2,095,744 | \$ 2,015,719 |
| Contributions as a percentage of covered payroll                     | 1.66%        | 1.66%        | 1.66%        | 1.66%        | 1.66%        | 1.26%        | 1.20%        |

The amounts presented for each fiscal year were determined as of June 30th.

\* This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Notes to required supplementary information:

Changes of assumptions: During the plan year ended June 30, 2020, the municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.50% to 2.21%. The assumed rate of inflation was decreased from 2.60% to 2.40%. The Mortality assumptions for the HIS Program were changed from the Generational RP-2000 with Projection Scale BB to the PUB2010 base tables projected generationally with Scale MP-2018.

**Children's Board of Hillsborough County**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget to Actual - Government Fund**  
**Years ended September 30, 2020 and 2019**

|  | 2020                 |                      |                      |                                    | 2019                 |                      |                      |                                    |
|--|----------------------|----------------------|----------------------|------------------------------------|----------------------|----------------------|----------------------|------------------------------------|
|  | Original<br>Budget   | Final<br>Budget      | Actual               | Variance<br>Positive<br>(Negative) | Original<br>Budget   | Final<br>Budget      | Actual               | Variance<br>Positive<br>(Negative) |
| <b>Revenues:</b>                           |                      |                      |                      |                                    |                      |                      |                      |                                    |
| Ad Valorem Taxes                           | \$ 45,578,980        | \$ 45,578,980        | \$ 46,246,825        | \$ 667,845                         | \$ 41,771,412        | \$ 41,771,412        | \$ 42,440,445        | \$ 669,033                         |
| Investment Income                          | 858,000              | 858,000              | 628,770              | (229,230)                          | 756,000              | 756,000              | 1,163,907            | 407,907                            |
| Administrative Services Organization       | 1,405,000            | 1,405,000            | 968,895              | (436,105)                          | 1,405,000            | 1,405,000            | 1,010,658            | (394,342)                          |
| Other Community Partner Funding            | 410,000              | 410,000              | 216,193              | (193,807)                          | 360,000              | 360,000              | 289,758              | (70,242)                           |
| Miscellaneous Income                       | 155,000              | 155,000              | 612,080              | 457,080                            | 155,000              | 155,000              | 146,655              | (8,345)                            |
| <b>Total Revenues</b>                      | <b>48,406,980</b>    | <b>48,406,980</b>    | <b>48,672,763</b>    | <b>265,783</b>                     | <b>44,447,412</b>    | <b>44,447,412</b>    | <b>45,051,423</b>    | <b>604,011</b>                     |
| <b>Expenditures:</b>                       |                      |                      |                      |                                    |                      |                      |                      |                                    |
| Program                                    |                      |                      |                      |                                    |                      |                      |                      |                                    |
| Continuation and New Funding               | 43,188,848           | 43,210,319           | 32,974,647           | 10,235,672                         | 41,248,693           | 39,848,493           | 32,580,269           | 7,268,224                          |
| Total Program                              | 43,188,848           | 43,210,319           | 32,974,647           | 10,235,672                         | 41,248,693           | 39,848,493           | 32,580,269           | 7,268,224                          |
| Operating                                  |                      |                      |                      |                                    |                      |                      |                      |                                    |
| Employee Salaries and Benefits             | 4,243,927            | 4,243,927            | 4,023,970            | 219,957                            | 3,973,914            | 3,973,914            | 3,914,999            | 58,915                             |
| Contracted Professional Services           | 529,572              | 529,572              | 422,919              | 106,653                            | 397,790              | 397,790              | 375,839              | 21,951                             |
| Facility Expenditures                      | 388,505              | 388,505              | 271,041              | 117,464                            | 554,902              | 554,902              | 344,685              | 210,217                            |
| CBHC FRC Occupancy Expenditures            | 27,900               | 27,900               | 61,562               | (33,662)                           | -                    | -                    | -                    | -                                  |
| Other Operating                            | 334,415              | 334,415              | 267,235              | 67,180                             | 305,945              | 305,945              | 267,756              | 38,189                             |
| Total Operating                            | 5,524,319            | 5,524,319            | 5,046,727            | 477,592                            | 5,232,551            | 5,232,551            | 4,903,279            | 329,272                            |
| Non-Operating                              |                      |                      |                      |                                    |                      |                      |                      |                                    |
| Capital Expenditures                       | 1,850,000            | 2,305,942            | 1,145,486            | 1,160,456                          | -                    | 1,400,200            | 969,258              | 430,942                            |
| Local Government Fees                      | 1,310,080            | 1,310,080            | 1,240,619            | 69,461                             | 1,201,570            | 1,201,570            | 1,144,000            | 57,570                             |
| <b>Total Expenditures</b>                  | <b>51,873,247</b>    | <b>52,350,660</b>    | <b>40,407,479</b>    | <b>11,943,181</b>                  | <b>47,682,814</b>    | <b>47,682,814</b>    | <b>39,596,806</b>    | <b>8,086,008</b>                   |
| <b>Excess (Expenditures) over Revenues</b> | <b>(3,466,267)</b>   | <b>(3,943,680)</b>   | <b>8,265,284</b>     | <b>12,208,964</b>                  | <b>(3,235,402)</b>   | <b>(3,235,402)</b>   | <b>5,454,617</b>     | <b>8,690,019</b>                   |
| <b>Fund Balance, Beginning of Year</b>     | <b>32,382,544</b>    | <b>32,382,544</b>    | <b>32,382,544</b>    | <b>-</b>                           | <b>26,927,927</b>    | <b>26,927,927</b>    | <b>26,927,927</b>    | <b>-</b>                           |
| <b>Fund Balance, End of Year</b>           | <b>\$ 28,916,277</b> | <b>\$ 28,438,864</b> | <b>\$ 40,647,828</b> | <b>\$ 12,208,964</b>               | <b>\$ 23,692,525</b> | <b>\$ 23,692,525</b> | <b>\$ 32,382,544</b> | <b>\$ 8,690,019</b>                |



## SUPPLEMENTARY INFORMATION





**INDEPENDENT AUDITORS' 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***

Board Members  
Children's Board of Hillsborough County  
Tampa, 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 Board of Hillsborough County (the Children's Board), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Children's Board basic financial statements, and have issued our report thereon dated March 11, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Children's Board 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Children's Board internal control. Accordingly, we do not express an opinion on the effectiveness of the Children's Board internal control.

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

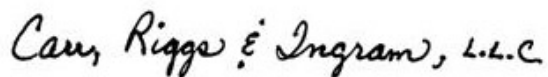
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Children’s Board financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Carr, Riggs & Ingram, L.L.C."

CARR, RIGGS & INGRAM, LLC

Tampa, Florida  
March 11, 2021

## **MANAGEMENT LETTER**

Board Members  
Children's Board of Hillsborough County  
Tampa, Florida

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

We have audited the financial statements of the Children's Board of Hillsborough County (the Children's Board), as of and for the year ended September 30, 2020, and have issued our report thereon dated March 11, 2021.

### **Auditors' 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 Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 11, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **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 Children's Board of Hillsborough County was established as described in Footnote One. The Children's Board included the following component units: the Children's Board Foundation, Inc. which is disclosed in footnote seven.

## **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Children's Board met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition met. In connection with our audit, we determined that the Children's Board 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 condition assessment procedures for the Children's Board. It is management's responsibility to monitor the Children's Board financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by 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.

## **Additional Matters**

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

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, 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.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Tampa, Florida  
March 11, 2021

## **INDEPENDENT ACCOUNTANTS' REPORT**

Board Members  
Children's Board of Hillsborough County  
Tampa, Florida

We have examined the Children's Board of Hillsborough County (the Children's Board) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management is responsible for the Children's Board compliance with those requirements. Our responsibility is to express an opinion on the Children's Board 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 Children's Board complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Children's Board complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Children's Board complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020.

This report is intended solely for the information and use of the Children's Board, and the Auditor General, of the State of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Tampa, Florida  
March 11, 2021