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Children's
Services
Council

of Broward County

A YEAR OF CARING AND CONNECTION



Annual Comprehensive Financial Report

FISCAL YEAR ENDED SEPTEMBER 30, 2021



Dawn Liberta
Chair



**Honorable
Kenneth L. Gillespie**
Vice-Chair



Dr. David H. Kenton
Secretary

COUNCIL MEMBERS



Cathy Donnelly
Immediate
Past Chair



Children's Services Council
of Broward County
Our Focus is Our Children.



Dr. Paula Thaqi
Broward County
Health Dept. Director



Vickie L. Cartwright
Interim Superintendent
Broward County Public
School



Donna P. Korn
Board Member
Broward County
Public School



Maria M. Schneider
Governor Appointee



Beam Furr
Broward County
Commission



Jeffrey S. Wood
Governor Appointee



Tom Powers
Governor Appointee

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**Children's Services Council
Of Broward County, Florida**

**for the
Fiscal Year Ended September 30, 2021**

Issued By:

Cindy J. Arenberg Seltzer, President/CEO

Prepared By:

Financial Management:

Monti Larsen, Chief Operating Officer

Kathleen Campbell, Director of Finance



**A Year of
Caring
and
Connection**

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2021**

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INTRODUCTORY SECTION







March 17, 2022

**CHILDREN'S
SERVICES COUNCIL MEMBERS:**

*Dawn Liberta, Chair
Community Development Administrator,
Circuit 17
Department of Children & Families*

*Hon. Kenneth L. Gillespie, Vice Chair
Judicial Member*

*Dr. David H. Kenton, Secretary
Governor Appointee*

*Cathy Donnelly, Immediate Past Chair
Governor Appointee*

*Dr. Vickie L. Cartwright
Superintendent
Broward County Public Schools*

*Beam Furr
Broward County Commission*

*Donna P. Korn
Board Member
Broward County Public Schools*

*Tom Powers
Governor Appointee*

*Maria M. Schneider
Governor Appointee*

*Dr. Paula Thaqi
Director
Broward County Health Department*

*Jeffrey S. Wood
Governor Appointee*

STAFF

*Cindy J. Arenberg Seltzer
President/CEO*

LEGAL COUNSEL

John Milledge

Garry Johnson

Members of the Children's Services Council
of Broward County
6600 West Commercial Blvd.
Lauderhill, Florida 33319

Dear Council Members:

In the spirit of good stewardship, we respectfully submit the Annual Comprehensive Financial Report ("ACFR") of the Children's Services Council of Broward County ("the Council") or ("CSC") for the fiscal year that ended September 30, 2021. Florida Statutes require that our financial statements are prepared in conformance with United States Generally Accepted Accounting Principles ("GAAP") and that an external audit be performed by an independent certified public accounting firm in accordance with generally accepted auditing standards. This report is the primary method of reporting the Council's financial activities and satisfies those requirements.

Responsibility for the integrity, objectivity, accuracy, completeness, and fairness of presentation of these financial statement's rests with management. Prepared in conformity with United States Generally Accepted Accounting Principles ("GAAP") for governmental entities, the financial information is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and operating results for the Council, on a Government-wide and Fund basis. This report includes all disclosures necessary to enable the reader to gain an understanding of the financial affairs of the Council.

During this fiscal year, the ongoing effect of COVID-19 continued to have an impact on the Council's operations. The administrative functions were able to maintain a high level of productivity primarily in a virtual environment; however, overall program utilization, and especially out-of-school programs, continued to feel the impact resulting in higher-than-normal budget variances. You will see throughout this report the effects that COVID-19 had on the Council's funded programs.

Management is responsible for maintaining an internal control framework that is designed to protect the Council's assets from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of a control should not exceed the expected benefits, and evaluation of costs and benefits requires management's estimates. The Council Members and management have strategies in place to safeguard assets, validate the reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies and procedures. We believe these existing internal accounting controls adequately safeguard assets and provide reasonable, but not absolute, assurance of proper recording and reporting of the Council's finances.

The Council's financial statements have been audited by Caballero, Fierman, Llerena & Garcia, LLP, a firm of licensed certified public accountants competitively selected by the Council Members on June 15, 2017. This is the fifth and final year of a five-year term of the audit engagement since Council policy mandates a five-year audit firm rotation. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Council for the fiscal year ended September 30, 2021, are free of material misstatement. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditors concluded that, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that the Council's basic financial statements for fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the Council's basic financial statements includes part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. This federal requirement is the result of receiving federal grants as listed on the Schedule of Expenditures of Federal Awards. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the Council's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The Council had two federal grants for fiscal year ended September 30, 2021, one from the Antiterrorism and Emergency Assistance Program Grant ("AEAP") through the Florida Attorney General's Office and the second one from the Federal Title IV E for Adoption and Foster Care Assistance through the Florida Department Children and Families. The related reports are presented in the Compliance Section of this report.

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

CSC Profile

The Children's Services Council of Broward County was approved by the voters of Broward County Florida by special referendum on September 5, 2000. Consequently, the Council was established as an Independent Special Taxing District by State Statute (Ch 2000-461 Laws of Florida) on January 2, 2001 and amended July 2004. Further, the Florida Legislature required reauthorization by the voters and in November 2014 the voters overwhelmingly and enthusiastically endorsed the work and worth of the CSC. The Council's mission is to provide the leadership, advocacy, and resources necessary to enhance children's lives and empower them to become responsible, productive adults through collaborative planning of a continuum of quality care. To accomplish this task, the statute allows for the Council to levy taxes up to .5 mills of the assessed property tax value.

The eleven Member Council is comprised of five (5) individuals recommended by the Broward County Board of County Commissioners and appointed by the Governor and six (6) members appointed by virtue of the office or position they hold within the community. Council Members are responsible for setting policies and prioritizing and approving program and administrative funding. Each member brings an understanding of the diverse and multi-cultural needs of the Broward community and a firm commitment to improving the welfare of children and their families.

The Council is not a component unit of any other governmental unit nor does it meet the criteria to include any governmental organization as a component unit. The jurisdiction of the Council is contiguous with Broward County, the second most populated county in the state and one of the most diverse counties in Florida. Interesting facts from the US Census Bureau include Broward County is a minority-majority county with 34.8% White Non-Hispanic, 30.2% Black Non-Hispanic, 31% Hispanic or Latino and 4% Asian and other. There are an estimated 1.94 million people living in Broward County, of which 408,318 or 21% are children under 18 years old (source: Census 2020)

Children's Strategic Plan Leadership

The Council has established a robust leadership role within the child serving community and continues to build partnerships and children's programs that place an emphasis on prevention and meeting the needs of the community. These efforts are research-driven emphasizing evidence-based practices and performance outcomes. The Council's goals and objectives are very closely connected to the CSC-led Broward County Children's Strategic Plan, which provides a valuable framework for the community to foster public dialog on trends and benchmarks and to develop action plans for system improvements. There are over 40 different working committees and subcommittees comprised of representatives from all facets of the Broward child-serving community including parents and youth who now meet both virtually and in-person throughout the year, with the support of Council staff, to fill gaps and to find more efficient ways to provide needed services.

The Council utilizes Results Based Accountability (“RBA”) to improve collaboration and transparency in reporting results to the community. Using this RBA framework, each Committee produces a one-page “story” (also known as a Turn the Curve Report) of the desired result, providing community indicator data, analysis of the trend and why progress moves up or down. This structure identifies community partners to help achieve the desired results, and action steps using evidence-based research and local wisdom about what works. Additionally, the Committees share their work with the Children’s Strategic Plan Leadership Coalition comprised of local policy makers and civic leaders to address barriers that impact quality of life issues for Broward’s children and families.

The Council continually enhances its technology to improve tracking and analysis of various data elements including performance-based outcomes and community impact data which is used to assess the performance of funded programs. A web-enabled database maintains provider and client data and accounts for the reimbursement of expenditures both on a cost reimbursement basis, as well as by units of service. Additionally, the Council collaborates with state and local agencies on data sharing initiatives using an integrated data system to enable compilation and analysis of aggregate outcome data. This comprehensive approach allows the Council to evaluate programs to ensure effectiveness.

Budget and Fiscal Policy

The annual budget serves as the foundation for the Council’s financial planning and control. Each year, the Council Members hold an annual retreat in May to set the budget for the upcoming fiscal year. At that retreat they consider County-wide trend data, reaffirm existing goals, or establish new goals based on the feedback from the on-going work of the various Committees from the County-wide Children’s Strategic Plan. Next, they review the outcome and utilization history of funded goal areas, as well as individual programs. For those contracts that are performing well, they are renewed for the upcoming year. If any new goals or initiatives are identified by the Council or staff, staff researches best practice, evidence-informed programs to address any of these newly identified areas, procures specific services through the social service network, and assesses the performance of programs to ensure the desired results are obtained. The Council revisits the May budget recommendations at their monthly meetings in June and August to ensure the final budget is aligned with the goals and objectives and that sufficient resources can be available in preparation for the Truth-in-Millage (“TRIM”) hearings, as discussed below.

By statute, the Council must submit a tentative budget and millage rate to the Broward County Commission by July 1st. Once the final property tax values are determined by the Property Appraiser’s Office, the Council must hold two public hearings in September as required under the TRIM Act. Each year, following the required disclosures and the conduct of hearings for taxpayer comment, the Council Members set the final tax rates and adopt a budget. The budget is prepared by function and transfers of appropriation between programs require Council approval. Budget-to-Actual comparisons are provided in this report in the Financial Section. Encumbrance accounting is used to reserve budgeted appropriations for obligations incurred but not yet received. All encumbrances lapse at year end.

Accountability to the taxpayer, as well as to the children and families that are served, remains a high priority of the Council. All funded programs are monitored using a tri-fold approach: PhD researchers analyze outcome measures, program experts including staff with advanced degrees and off-duty teachers and doctoral students, review the quality of the

services delivered including client satisfaction; and accountants monitor the administrative/financial functions. This tri-fold methodology has been very successful; ensuring accountability while providing useful information that is used to improve program design, as well as to inform the training and technical assistance needs of funded providers.

Long term Financial Planning

Long-term financial planning for a government usually includes those aspects involved with capital budget, revenue, and expenditure forecasts. The Council is limited regarding capital expenditures, as statute precludes incurring debt in any form. October 2009, the Council moved into its 31,500-square foot Silver LEED (Leadership in Energy and Environmental Design) headquarters building which was completely paid for through Reserves. The building is a central place for community meetings and trainings; however, once COVID-19 restrictions were enacted, the various training sessions and community meetings were held virtually rather than in the building. Due to the growth in demand for CSC leadership and funded services, prior to the pandemic the Council began exploring future space needs and established a Building Fund with \$3 million as an initial reserve. Since the building is near capacity, the Office Space committee will need to review future office space needs balanced by the successful transition to a largely virtual work environment during the pandemic. There are no specific capital related expenditures planned at this time.

Economic Conditions and Outlook

South Florida is a wonderful place to live, work and raise a family. Broward County is the second most populous county in Florida and the 17th most populous county in the US. It offers 23 miles of beaches coupled with tropical climate, as well as a flourishing melting pot of cultural and multi-ethnic diversity (more than 34% of the County's population are foreign born compared to an average of about 13% nationwide) adds to the richness of the area.

While the initial effects of the COVID-19 pandemic negatively affected the local economy and the pandemic continues to wreak havoc in the public health sector, there are indicators of a robust economic recovery underway. With the mild south Florida climate and companies transitioning to a remote working environment, there was an infusion of young professionals relocating to the area. Additionally, there were 14 targeted industry companies that relocated or expanded to the area, resulting in the creation of 2,482 high value jobs.

Even during the pandemic, housing costs continued to remain high with studies showing that Broward County is one of the most cost-burdened housing markets in the nation. Cost-burden refers to the gap between wages and housing where 30 percent of income is spent on housing. People who spend more than 50 percent are considered "severely cost-burdened" (Habitat for Humanity, 2017). Housing and transportation costs have risen faster than wages creating a disparity and South Florida unfortunately continues to be one of the highest in the nation.

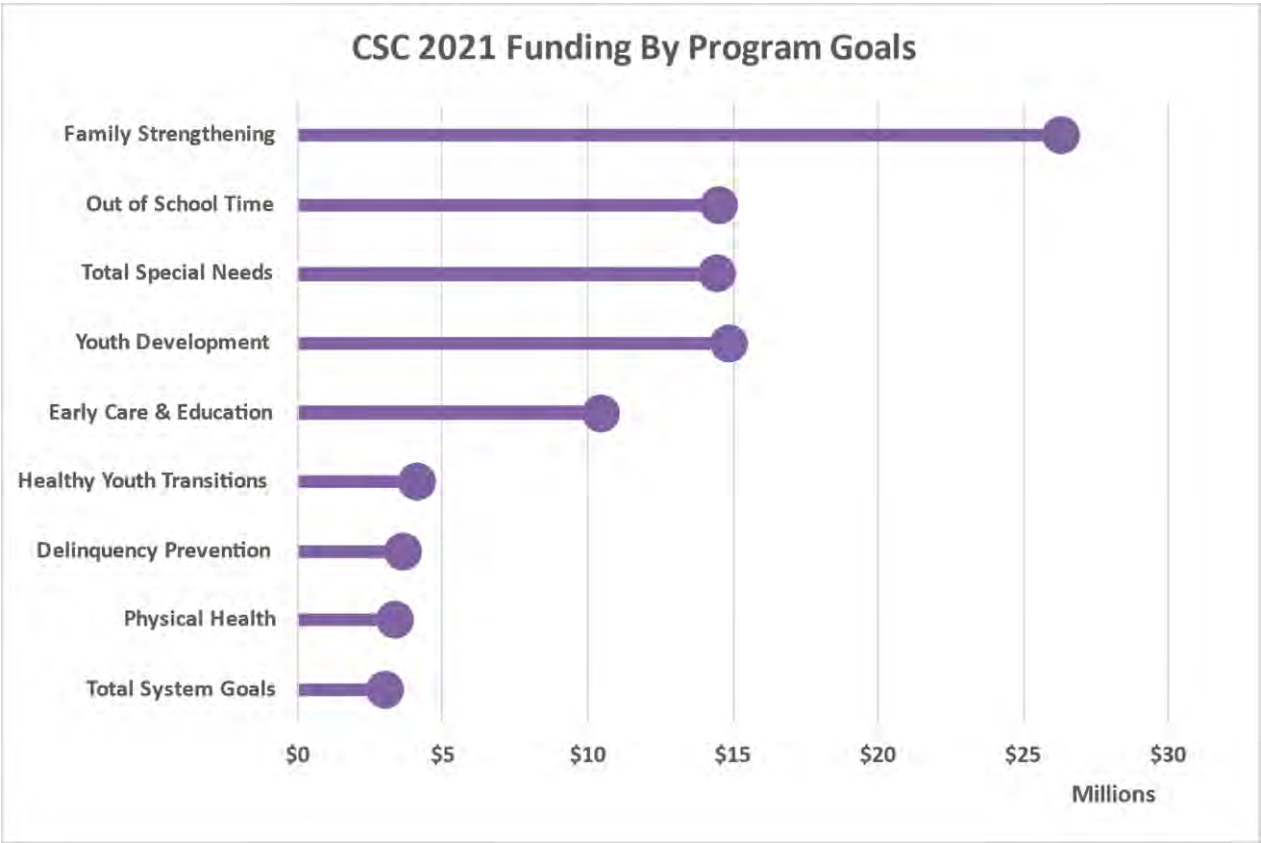
While the economy was strong in some sectors, it was quite uneven within others as noted above; consequently, there remains a high demand for social service needs throughout the community. Thus, it was welcome news that the Council was able to grow its overall programs budget for fiscal year 20/21 by 6.08% because increased property values brought in additional revenue along with a judicious use of fund balance.

Broward County was spared the direct impact of a hurricane these past few of years. The last storm that impacted Broward specifically was September 2017 and before that, it had

been twelve years without a major storm. Each storm brings its own set of difficulties and there are usually pockets of the community that suffer with the loss of housing and other basic needs. The County and various local agencies, including CSC, continue to work together to maintain a sense of preparedness and to provide vital community services as necessary to help affected families.

The Council continues to strive to maximize services for Broward’s children and families and has carefully used fund balance to maintain or grow needed programs, while maintaining a high level of accountability to the taxpayer. In recognition of our fiduciary responsibility to Broward taxpayers and to ensure funded agencies are well-positioned to meet their service obligations, the Council continues to use a fiscal viability test to verify that agencies have the necessary administrative infrastructure to successfully manage CSC funding. Provisions for smaller maximum funding awards and Fiscal Agent partnership opportunities were developed to help smaller and niche-organizations succeed in receiving Council funding while maintaining high standards for financial and administrative accountability.

Expenditures for Program Services decreased this past year with the provider agencies drawing down 71.08 percent of their budget. The Council’s services for children and their families continues to provide a great community benefit while also providing an economic gain to the local economy by funding over 2,500 full time equivalent positions in the social services area. The chart below illustrates budget for Program Services for the fiscal year.



Major Initiatives

The ongoing COVID-19 pandemic continues to cause difficulties providing social services for children, especially for school-based programs. The uncertainties and ever-changing nature

of the pandemic continued to create obstacles and problems for children and families such as a delayed start to the school year, food insecurity, academic and social/emotional loss during the virtual learning time, confusing messages and mandates concerning mask wearing, delayed vaccinations for school-aged children, etc. To address some of the immediate concerns, the Council worked with other funders in the community and funded learning pods for children when they started back to school, funded supplementary drive-through food pick-up and other food delivery programs, and expanded summer youth programs to address learning loss. Additionally, the Council supported the current Providers by providing flexibility in billing which included allowing Providers to switch to cost reimbursement billing.

Ninety-three percent of the annual \$102 million budget is allocated for children's services and programs and the related support to serve approximately 100,000 children a year. Throughout this Annual Comprehensive Financial Report ("ACFR"), there are financial highlights with explanations and analysis for the various programs. For instance, on page 107 is a ten-year trend of programmatic expenditures by goal area and beginning on page 3 in the Management's Discussion and Analysis section there are specific programmatic highlights for some of the larger goal areas.

The Council engages in various community partnerships and system building initiatives throughout the Community. Some significant highlights in this area include the following:

- ◆ For the past eleven years, the Council, together with the School District, local businesses, other organizations, and residents supported a Back-to-School Community Extravaganza to provide students with backpacks stuffed with age-appropriate school supplies, uniforms, and shoes. Participants also have the opportunity to get their school physical, vision screenings and sign up for other social services. While in the past, the event would draw large numbers of children and families, the distribution was managed differently this year to comply with social distancing requirements. The Council and Partners distributed 10,000 backpacks, 2,000 pairs of shoes, and 3,000 uniforms through funded providers and school social workers. The recipients of the backpacks are students identified by School District Social Workers as being economically disadvantaged and often housing insecure. The new backpacks are filled with all types of grade appropriate school supplies and gently used books. The CSC cost of the event was \$95,700 with \$94,400 donated from the community.
- ◆ The Council provides backbone support and co-chairs along with other community partners a collaboration known as Broward Reads: The Campaign for Grade Level Reading. Using the Children's Strategic Plan infrastructure as noted on page iii, the Committee is comprised of dozens of active members from business, non-profit, philanthropic, over twenty municipalities and other governmental sectors. Broward has been recognized multiple times in the past few years as a Pacesetter Community by the National Campaign for Grade Level Reading. One of the signature events of the campaign is Broward Reads for the Record which is a national event created by JumpStart. This year's event took place October 28, 2020, with 527 volunteers reading virtually to four- and five-year-old children who also received a copy of the book. The Council, along with other partners, expended \$124,200 along with \$8,900 in donations and purchased 40,000 books that were

provided to children so that they could begin their own library collection. Feedback from volunteer readers and the schools was overwhelmingly positive.

- ◆ Recognizing the hunger needs throughout the community, the Council works closely with various community partners to prevent childhood hunger and funds an array of hunger related programs. Since the ongoing pandemic created distribution challenges, creative ways were used to get the food to the families in need, such as drive-through events, home delivery, socially distanced mobile pantries, etc. Expenditures for the various food programs totaled \$488,600.
- ◆ The Council continued its efforts to create a seamless system of care for families with children with physical and developmental disabilities. The Special Needs Advisory Coalition (“SNAC”) continues to create coalitions and workgroups to improve communication and access to services as one of the most active committees of the Broward County Children’s Strategic Plan. The SNAC is essential to advocate for the Special Needs population to ensure that needed services are recognized both at the State level as well as in Broward County. The SNAC recently reorganized to focus on the following areas: (1) meeting the racial/ethnic needs of the special needs population; (2) strengthening parent advocacy; and (3) developing a birth to age twenty-two Transition Roadmap service delivery continuum model and aligned its subcommittees by functional area to address policies related to the well-being of children and youth with special needs.
- ◆ The Council has taken a leading role in addressing racial equity, implicit bias, and gender identity issues. These subjects can be uncomfortable to talk about with young people and yet they are front and center in the national dialog. The Council, in collaboration with other community partners, has continued to bring a series of racial equity and implicit bias workshops to staff, local social services not-for-profit agencies, and community leaders. This past year, the two-day workshops pivoted to a virtual setting with 469 social service professionals attending. Additionally, the Council and other partners hosted a 5 part CEO Learning Series that connected over 20 local non-profit leaders to engage in honest and open dialog on racial equity issues which resulted in a toolkit to help agencies to implement many of the best practices learned in the workshops.
- ◆ Recognizing it is necessary for the non-profit community to be strong in order to provide quality programming to our children and families, the Council leads an Agency Capacity Building Committee. The committee is comprised of key community funders and service providers in an open dialog on concerns and issues related to funding and building capacity for emerging, niche, and community-based organizations serving children and their families. Resources are then provided to help address those needs. There are 1,200 members representing 615 organizations were connected to workshops, panel discussions, training, and special events.

The Council’s budget for fiscal year 2020-2021 was \$111.3 million, which included \$6.6 million budget carry forward from the prior fiscal year and \$3.5 million of fund balance. Using \$10 million of existing funds coupled with the increase in property values, the Council was able to increase the 2020-21 fiscal year budget for what was anticipated to be much

needed programs and services without raising the millage rate. The Council continues to be very cognizant of limited resources and works diligently to serve the children and families in the most efficient and effective manner and together with the Community to get through this ongoing COVID-19 crisis.

Certificate of Achievement for Excellence on Financial Reporting


The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Children's Services Council of Broward for its annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the nineteenth consecutive year that the Council was eligible and received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

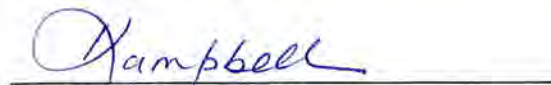
Acknowledgments

We extend our sincere appreciation to the Council employees who provide countless hours of research in the preparation and production of this report and the day-to-day work of the CSC, especially in these challenging times. Special thanks go to the Council Members for their vision, expertise and dedicated service and support.

Respectfully Submitted,


Cindy J. Arenberg Seltzer
President/CEO

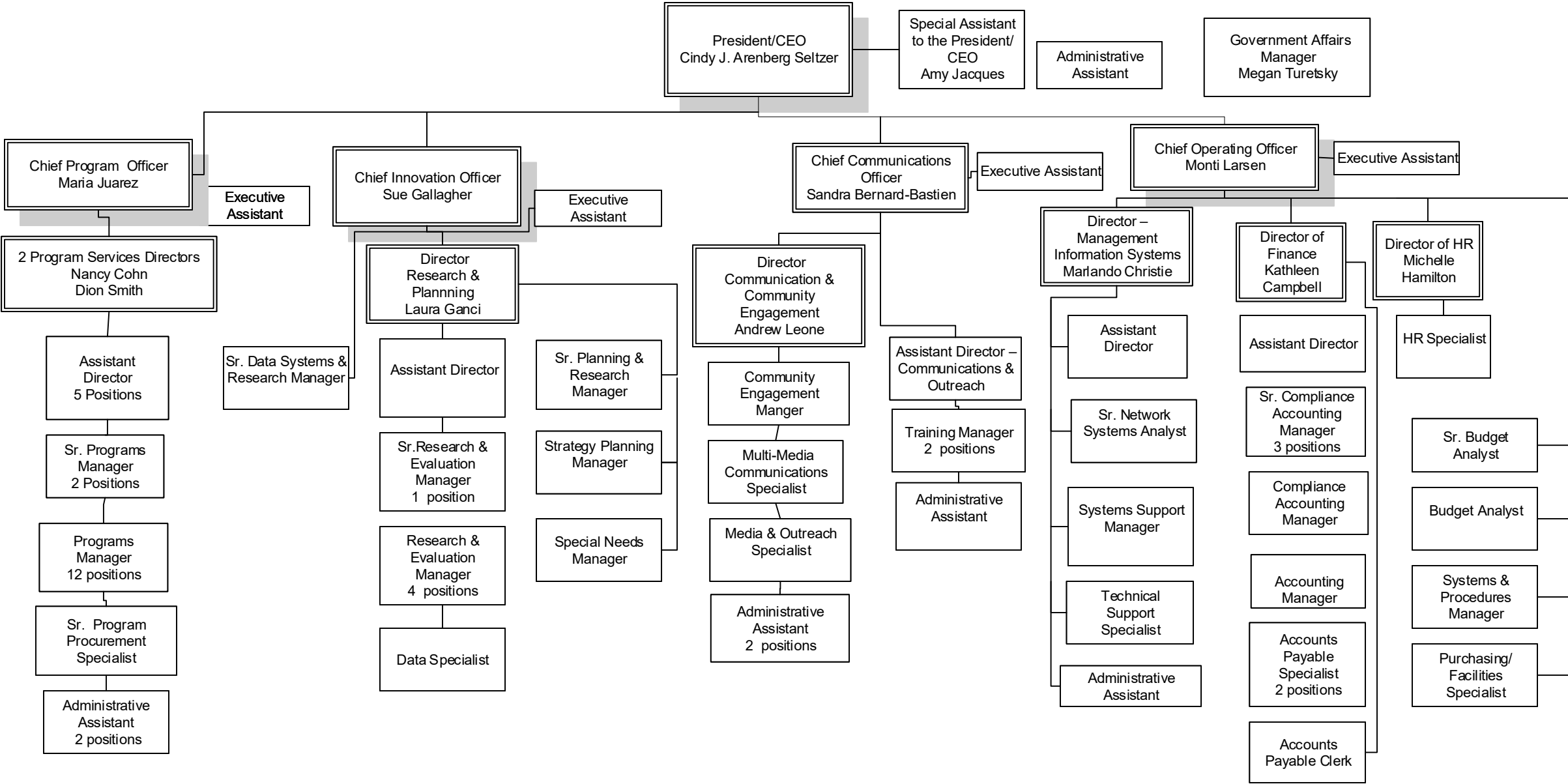

Monti Larsen
Chief Operating Officer


Kathleen Campbell
Director of Finance

Children's Services Council of Broward County

Organizational Chart

Fiscal Year 2020-2021





Government Finance Officers Association

Certificate of
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Presented to

**Children's Services Council of Broward County
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



**A Year of
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FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

To the Members of the Council of
Children's Services Council of Broward County
Lauderhill, 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 Services Council of Broward County (the "Council") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 auditors' 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 Council'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 Council'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 Council, as of September 30, 2021, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, the Schedules of the Council's Proportionate Share of Net Pension Liabilities and Contributions, and the Schedule of Changes in the Council's Total OPEB Liability and Related Ratios on pages 3–24 and 72–82 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 Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2022, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miramar, Florida
March 17, 2022

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

Our discussion and analysis of the Children's Services Council of Broward County ("the Council") or ("CSC") financial performance provides an overview of the Council's financial activities for the fiscal year ending September 30, 2021. Please read it in conjunction with the transmittal letter on page i and the Council's financial statements, which begin on page 26.

FINANCIAL HIGHLIGHTS

Fiscal year ending September 30, 2021, marks a milestone as it concludes the Council's twentieth year of funding services to support children and families through programs emphasizing evidence-based prevention strategies. This report highlights how the Council provides leadership, advocacy, and resources working with community partners and investing in evidence-based interventions and services for children and families throughout Broward County. About 150 programs are delivered by about 80 community organizations who share the Council's mission/vision, commitment to children, and expectations for excellence.

The following illustrates some of the financial highlights for the fiscal year:

- ◆ Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of fiscal year 2020/21 by \$61.4 million (total net position). Of this amount, \$51.7 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and providers.
- ◆ The change in the Council's total net position significantly increased by \$5.4 million from last fiscal year for a total of \$20,128,076. Revenues increased 3 percent due to slightly higher property values which resulted in additional ad valorem tax revenue. Expenses for program services decreased for the second consecutive year by 1.6 percent or \$1.2 million for FY 20/21, after a sizeable prior year decrease of \$3.2 million or 4.1 percent in FY 19/20. Both fiscal years were significantly impacted by the ongoing COVID-19 pandemic and providers not being able to fully utilize their contracts. The results of how this ongoing pandemic has affected the funded programs is highlighted throughout this report.
- ◆ At the close of the fiscal year, the Council's governmental funds reported a fund balance of \$61.6 million, an increase of 48.5% or \$20,111,528 from the prior year. The notable increase is due to additional tax revenues and substantial under-utilization from the

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

provider contracts due to the ongoing COVID-19 pandemic in which many programs were unable to provide services in the ordinary course of business. Of this \$61.6 million fund balance, \$39 million is available for spending at the Council's discretion (*unassigned fund balance*). However, this Unassigned Fund Balance includes \$10.5 million that is maintained as minimum fund balance following best practice policy per the GFOA. Last fiscal year, the Council approved committing \$3 million towards the establishment of a Building Fund to prepare for future growth. The *assigned fund balance* increased by \$9.1 million from the prior year which will be used for budget priorities in FY 21/22.

- ◆ Levied tax revenue generated through the TRIM process totaled \$98.3 million, which was a notable increase of \$5.1 million or 5.5% from the prior year. This increase was attributable to higher property values throughout the County; as the millage rate remained unchanged. The Council continues to be cautious with rising property values and is careful to budget accordingly. The favorable economic conditions that led to increased tax revenues help provide additional community resources for those areas that struggle economically.
- ◆ Comparing the Operating Budget between Fiscal Year 19/20 and Fiscal Year 20/21, there was a \$5.6 million or 5.4% increase. This budgetary increase was primarily due to the increased tax revenues, as noted above, and the use of fund balance to maintain and grow necessary programs.
- ◆ The Council appropriated \$10 million of fund balance and budget carry-forward in Fiscal Year 20/21 to help offset tax increases while maintaining or expanding much-needed programmatic services. The Council has historically used a portion of fund balance for this purpose. With this budget increase, many programmatic goal areas were increased based on specific needs identified with input from the county-wide Children's Strategic Plan Committees. Moreover, all programs funded by the Council remain evidenced-informed and generally demonstrate strong performance outcomes. However, this fiscal year began amid the ongoing COVID challenges, as programs continued to look for safe, effective ways to deliver these much-needed services for children and their families. Program service delivery and related performance outcomes continue to be challenging as the community and providers navigate the hybrid in-person and virtual environments.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

The following highlights key examples of various initiatives in support of the Council's goals and objectives:

- Literacy and early education services include various literacy initiatives, subsidized childcare for under-served "working poor" and for the immediate placement for children deemed especially vulnerable, and finally, Positive Behavioral Interventions and Supports (PBIS) to improve the quality of child care as well as support childcare staff to manage challenging child behaviors. Expenditures for all these programs noted above totaled \$7.6 million, a significant decrease of 21% or \$2 million from the prior year, which was primarily due to an increase in available federal funding for subsidized childcare. The Council is a payor of last resort and federal dollars are used first; thus, this substantial infusion of federal dollars resulted in a reduction of expenditures for the Council. This year's underutilization of \$2.4 million for subsidized childcare will be budgeted into the next fiscal year for these services.

Outcomes for Subsidized Childcare demonstrate 92% of parents were satisfied with services, and 85% of clients report a better understanding of childcare options and choosing a quality childcare provider.

- Out of school programs for economically disadvantaged elementary age children, continues to be one of the larger program areas representing 15% or \$14.5 million of the overall program budget. These out-of-school and summer programs serve low income, typically developing children attending priority Title 1 schools with 86% or higher free or reduced lunch. Since the programs are primarily school-based, these after-school programs continue to be the most adversely affected by the ongoing pandemic these past two years. Expenditures decreased again this fiscal year 4% or \$379,000, preceded by a substantial decrease of 30% or \$4 million from the prior year. In August, school began in a virtual environment and many providers offered in-person services through learning "pods" at non-school locations throughout the community. These learning pod environments lasted about six weeks until the schools opened in mid-October. Even once the schools opened for the school day,

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

they were not always available for the after-school programs and enrollment remained a challenge due to parental health concerns, lower ratio requirements and staffing shortages. The Council and out-of-school providers continue to remain flexible trying to find creative ways to engage children remotely in these unusual times.

Usually the out-of-school programs are supported by impressive performance outcomes; however, for the second year the ongoing challenges of the COVID-19 pandemic has interrupted service delivery models and created barriers for collecting the necessary data in which to measure progress. Thus, the numbers served, and program utilization were impacted and do not reflect a typical year. Some performance measures were unavailable since schools did not administer the state tests or end of year course exams and other measures were modified to accommodate the limited data.

Additionally, the Council provides out-of-school time programs for children with Special Needs which includes those children and youth with special physical, developmental, and behavioral conditions. Typically, the programs offer a safe, positive environment afterschool and during the summer, enhance academic achievement, support social, developmental, and physical activities and provide educational field trips and cultural arts opportunities, but these programs also suffered the same issues from the ongoing pandemic and resulting shutdown as described above. The Special Needs programs provide flexible and individualized staff-to-child ratios promote effective interaction with each child. Expenditures for these programs for this fiscal year totaled \$7.1 million, a 13% or \$1.1 million decrease from the prior year. Performance Outcomes were not available as noted.

- The Council funds various youth development programs which were procured through the Positive Youth Development ("PYD") RFP and encompassed multiple initiatives focusing on after-school programs for youth in middle and high school, along with specialized programs for those hard-to-reach middle school youth and, finally, youth employment and independent living

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

skills for youth with special needs. This goal area also includes Summer Youth Employment that are delivered by the local workforce development agency as a sole source.

The ongoing COVID-19 pandemic also greatly affected school-based programs for these older youth; however, the employment focused programs for the special needs independent training programs, as well as the summer youth employment program had comparatively robust summer programs. These PYD programs were procured last fiscal year wherein the overall budget substantially increased 28% or \$2.5 million for a total of \$11.2 million this fiscal year.

A brief description of the PYD and other youth initiatives include:

- ◆ Middle school programs for youth expanded under the PYD procurement to reach those youth transitioning from middle school to high school that are in jeopardy of dropping out. The expansion included adding a success coach for every 35 students enrolled in the program. Services in this goal area target high risk middle school students, including youth with behavioral health and other special needs. This is a challenging age group to keep engaged and these middle school programs do an excellent job of creating environments where youth can learn to make positive choices and develop skills that will serve them for life. These typical year-round programs are located at the highest need middle schools as identified by the School District based on factors such as poverty, school grades, disciplinary actions, delinquency referral rates and unexcused absenteeism.
- ◆ The high-school after-school programs known as LEAP High provide services at low performing high schools and include success coaches; structured academic support services that empower students to meet or exceed state standards and graduation rates; opportunities for comprehensive educational outreach; cultural, recreational and enrichment activities to increase attendance, reduce drug/alcohol abuse, and teen violence.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

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- ◆ Innovative programs that form a continuum of care for high school teens with physical and developmental disabilities known as Supported Training and Employment Program ("STEP"), provide year-round support for youth to learn independence, social skills, daily living skills and provide the chance to explore career opportunities through hands-on learning experiences. Once skills are mastered, youth are given the opportunity to demonstrate those new skills in various work environments. For the majority of youth, it is the first time they experienced the "workplace world" and an opportunity for independence. For the first time, many parents see potential for independence for their children and employers see the benefits for both the youth and business co-workers. The number of youth who attended STEP programs this fiscal year exceeded pre-pandemic levels due to the availability of both virtual and in person options.
- ◆ The Summer Youth Employment Program ("SYEP"), typically provides young people 16-18 years old who participate in CSC High School programming, are economically disadvantaged or aging out of foster care the opportunity to improve their workplace skills with real job experience, earning minimum wage. It is often difficult for youth to find meaningful summer employment opportunities regardless of economic conditions. Last fiscal year, these programs were not able to operate at all; however, this year 667 youth were served, and expenditures totaled \$1.7 million. In typical years, the program components include soft-skills training, a streamlined job placement process that considers job preference, proximity to the work site, transportation, work hours and background requirements in the job placement process. 96% of youth were satisfied with their work experience, and 90% employers indicated high satisfaction with the program.
- The Council funds two additional significant youth programs: 1) to divert young offenders with law violations from the juvenile justice system and learn a "life lesson" rather than be stigmatized by the delinquency system—a mark which carries into adulthood; and 2) to help youth aging out of foster care, LGBTQ teens, and

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

youth with delinquency involvement to successfully transition into adulthood. These Juvenile Diversion programs, known as New DAY, as well as the Healthy Youth Transition ("HYT") programs funded at \$7.7 million represent 8% of the overall programmatic budget. In this second year of the ongoing pandemic, many of the providers in the HYT service arenas were able maintain hybrid program service delivery and 87% of young people met the Council goals for performance. Expenditures for HYT slightly increased from the prior year by 1% or \$26,000 from the prior year for total expenditures of \$3.5 million. While the New DAY providers were able to offer quality virtual and hybrid services, a reduction of referrals from all the referring entities led to lower numbers served and \$367,500 or 11% less expenditures from the prior fiscal year. Total expenditures for New DAY were \$2.9 million. On average, 95% of youth had no new law violations during program participation.

- The Council's steadfast commitment for Family Support programs is demonstrated by their long-term funding commitment to this goal. The budget for the multiple Family Support programs had a notable 8% increase of \$1.8 million to address the complex trauma needs of the community. This goal comprises 27.5% of the program budget for a total of \$26.3 million annually.

Within the goal, programmatic funding includes: Family Support programs which focus on prevention services for at-risk and high-risk families who receive intensive in-home family therapy, parent training, and case management; Kinship programs provide relative caregiver support and other support services to prevent out-of-home placements. Additionally, this goal supports programs designed to decrease pre/post-natal depression, promote maternal/child bonding, and other maternal/child education supports including safe sleep.

Another important area supported in this goal includes Trauma Care which provides services for a resiliency center known as Eagles' Haven, which offered both in-person and virtual services for the Parkland community which suffered a traumatic mass shooting at the local high school in February 2018. Most of these expenditures were reimbursed by the Federal Antiterrorism and

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Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

Emergency Assistance Program for Victims Compensation and Assistance ("AEAP") non-competitive grant. Recognizing the harmful effect of persistent trauma in other regions throughout the County, the Council budgeted and procured \$2.5 million of services to replicate resiliency programs best suited for the individual communities. These programs will begin offering services at the beginning of the new fiscal year.

The Council works closely with a network of community partners involved in the child welfare system to support programs that recruit adoptive families, coordinate resources for young children in the Early Childhood Court, provide legal advocacy and support for children in the dependency and delinquency system. These legal and adoption services were eligible for Federal Title IV-E reimbursement and received \$422,300 for the fiscal year.

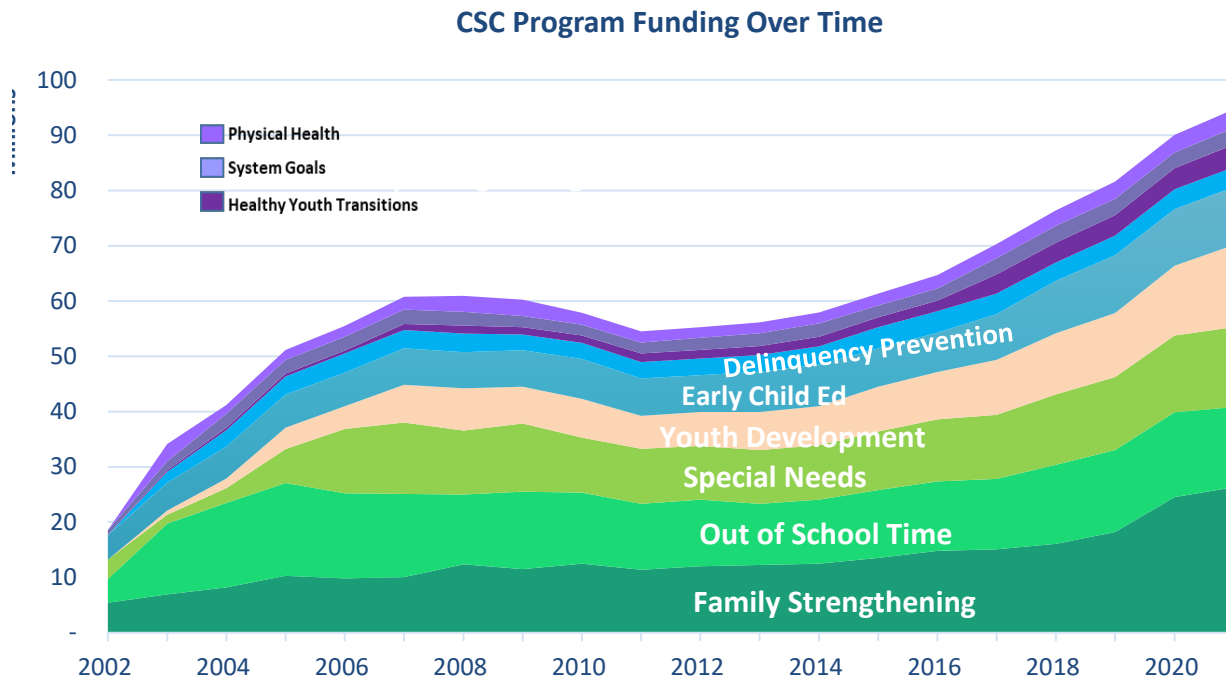
These Family Support programs continued to adapt and were able to provide quality services virtually and in a hybrid environment. Data for many of the performance measures were collected and analyzed. A sampling of Performance measures for these programs continue to demonstrate strong results: 87.2% of families participated in all program requirements and 87.5% of families improved family functioning; 95% of mothers reported fewer symptoms of depression and 95% of mothers demonstrated improvement or acceptable levels of attachment and bonding with their infant.

- The Council released six program related procurement documents this past fiscal year including Request for Proposals ("RFP") and Request for Qualifications ("RFQ") to continue programmatic services. New procurements provide opportunities for new elements or evidence-based practices identified through "lessons learned" approach to continuous quality improvement. The procurements included: the Positive Youth Development RFP which encompassed Youth FORCE, LEAP High Schools, PEACE Programs and STEP; Respite and HEAL Trauma. Public Affairs procurements include the Capacity Building Mini-Grant Applications, Equity and Social Justice Cadre, Trainer Cadre application. Non-programmatic procurements included Copier services and a Financial Management System.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

The chart below depicts the Program Budget by goal since inception in 2001.



USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position (on pages 26 and 27) and the Statement of Activities (on page 29) provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. Fund financial statements begin on page 30. For governmental activities, these statements depict how services were financed in the short term and what remains for future spending. Fund financial statements also report operations in more detail by providing information about the Council's expenditures. The notes to the financial statements (on pages 35 – 70) provide information that is essential to a full understanding of data provided in the government-wide and fund financial statements and is required by the United States Generally Accepted Accounting Principles ("GAAP"). This report also contains other required supplementary information in addition to the basic financial statements starting on page 72. The Council remains current in its implementation of all GASB Statements.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Financial Statements

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

For financial reporting purposes, the Council is considered a special-purpose government engaged in a single governmental program. As such, the Statement of Activities is presented utilizing an alternative format of a single column that reports expenses first followed by revenues.

The *Statement of Net Position* presents information on the Council's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

The *Statement of Activities* presents information showing how the Council's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). In this Statement, the expenses are presented in two primary categories: Program Services and General Administration. The Program Services category includes expenses that directly fund provider agencies for services to children and families, as well as the related support to manage these contracts. The General Administration category is self-explanatory and includes those common support expenses.

These two statements report the Council's net position and changes in net position. You can think of the Council's net position—the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources—as one way to measure the Council's financial health, or financial position. However, a decrease in net position

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

over the next few years is not necessarily an indication of deteriorating financial health. It is anticipated that net position will decrease over the next few years as the Council very carefully weighs the local economic environment with the need for services, and strategically uses fund balance to offset rising millage rates as well as growing programs in areas where the community need is greatest.

Fund Financial Statements

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

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

Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council's programs. The reconciliation statement describes the differences between government-wide activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds (reported in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance) at the end of the related fund financial statement.

While some funds are required to be established by State law, the Council only used the General Fund this fiscal year since a Special Revenue Fund is not needed as defined by the Governmental Accounting Standards Board ("GASB"). All governments are required to present consistent fund balance information which will improve financial reporting. More information on fund balance categories and the respective amounts can be found in the Notes to the Financial Statements on page 69.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

The Council adopts an annual appropriated budget for all its funds. Budgetary comparison schedules can be found starting on page 72 of the report.

Notes to the Financial Statements

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 35 - 70 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The individual fund statements with budget to actual comparisons, other postemployment benefits plan information and pension plan information are found on pages 72 to 82 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Council's twentieth year of generating tax revenue, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$61.4 million at the close of the fiscal year.

As property values fluctuate and the Council's ability to increase its millage rate is constrained by State statute, it is anticipated that net position will decrease over time. This is not an indication of the Council's deteriorating financial condition.

This current year there was an increase in total net position as explained below.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

CSC's Summary Net Position As of September 30,

	FY 2021	FY 2020	Variance
Current Assets	\$ 70,150,858	\$ 51,578,936	\$ 18,571,922
Capital Assets	6,665,223	7,004,338	(339,115)
Total Assets	76,816,081	58,583,274	18,232,807
Deferred Outflows of Resources	2,587,456	2,919,467	(332,011)
Current Liabilities	8,688,567	10,228,669	(1,540,102)
Noncurrent Liabilities	4,638,569	9,838,531	(5,199,962)
Total Liabilities	13,327,136	20,067,200	(6,740,064)
Deferred Inflows of Resources	4,713,146	200,362	4,512,784
Net Position:			
Investment in Capital Assets	6,665,223	7,004,338	(339,115)
Restricted for Building	3,000,000	3,000,000	-
Unrestricted	51,698,032	31,230,841	20,467,191
Total Net Position	\$ 61,363,255	\$ 41,235,179	\$ 20,128,076

- ◆ The overall net position of the Council increased for fiscal year 2021 by 49%. The net increase of \$20,128,076, is attributable to primarily to the unprecedented underutilization of the programs due to the ongoing pandemic and the net effect of higher cash and investments from increased property values resulting in more tax revenues.
- ◆ The change in current assets from Fiscal Year 2020 to Fiscal Year 2021 totaled \$18,571,922. This increase is due to higher cash and investments.
- ◆ Investment in Capital Assets decreased 4.8% from the prior year in the amount of \$339,115 and is the result of minimal capital purchases for the year. Depreciation of various capital assets is also included in this category. Once it is determined that the capital assets are no longer useful, they are donated to a local organization that recycles/refurbishes electronic equipment to help address the digital divide.

Total depreciation/amortization expense was \$415,135, of which \$218,470 was building related, \$78,642 was for Intangible software enhancements, and \$118,023 was for computer hardware/software and furniture and equipment.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

- ◆ Deferred outflows of resources represent a consumption of net position that is applicable to a future period reporting the FRS and HIS pension liabilities and related components with other funds within the state. The FRS actuarial valuation report on July 1, 2020, revised the retirement rate tables to show the probabilities of an active participant retiring based on their age, gender and years of service. This significantly affected the deferred outflows and inflows of the pension and Other Post-Employment Benefits ("OPEB") plans reflected throughout this report. At fiscal year end, the Council recognizes its allocated proportional share of the state's deferred outflows of resources related to applicable pensions, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.
- ◆ The current liabilities category is comprised primarily of accounts payable, which decreased by \$1,540,102 and is chiefly due to the timing of provider invoices for September services. The noncurrent liabilities category reflects a decrease of \$5,199,962 which is primarily due to recognizing the proportionate share of the Florida Retirement System liability, the net OPEB liability for eligible retirees for health insurance "implicit subsidy" premiums that may be paid in the future, as well as compensated absences. As noted above, the OPEB liability substantially decreased based on the new FRS actuarial report valuations
- ◆ Deferred inflows of resources represent an acquisition of net position by the division that is applicable to a future reporting period. The Council shares the reported FRS and HIS pension liabilities and related components with other funds within the state. The FRS actuarial valuation report on July 1, 2020 revised the retirement rate tables to show the probabilities of an active participant retiring based on their age, gender and years of service. This significantly affected the deferred outflows and inflows of the pension and OPEB plans reflected throughout this report. At fiscal year end, the Council recognizes its allocated share of the state's deferred inflows of resources related to applicable pensions, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.
- ◆ The \$3 million categorized as Restricted for Building included a Council approved action to set-aside funds for the exploration of a future building. Because the Council is prohibited from incurring debt of any type, this resolution was the first step in setting aside one-time funds for future growth.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

- ◆ Unrestricted net position increased by \$20,467,191 from the prior year primarily because of the underutilization of the provider budgets due to the ongoing pandemic and continued adjusting of the service delivery models and recruiting children primarily to the school-based programs. Additionally, the increased assets as described above, i.e., higher tax revenues due to increased property values resulted in additional cash and investments, also played a role in this 51% increase of unrestricted net position.
- ◆ With respect to debt, the Council is prohibited, per Florida State Statute, from issuing any type of debt instrument including the issuance of bonds of any nature.

Key elements of the Council's changes in net position are as follows:

	CSC's Summary Changes in Statement of Activities Fiscal Years Ended September 30,		
	FY 2021	FY 2020	Variance
Revenues:			
Property Taxes	\$ 98,310,585	\$ 93,181,490	\$ 5,129,095
Investment Earnings	116,029	955,209	(839,180)
Other	2,920,721	4,026,730	(1,106,009)
Total Revenues	101,347,335	98,163,429	3,183,906
Expenses:			
Program Services & Support	74,325,805	75,536,930	(1,211,125)
General Administration	3,652,156	4,365,032	(712,876)
Community Redevelopment and Tax Collector Fees	3,241,298	3,518,995	(277,697)
Total Expenses	81,219,259	83,420,957	(2,201,698)
Increase (Decrease) Net Position	20,128,076	14,742,472	5,385,604
Net Position - Beginning Balance	41,235,179	26,492,570	14,742,609
Restatement of Net Position for FRS Pension	-	137	(137)
Net Position - End of Year	\$ 61,363,255	\$ 41,235,179	\$ 20,128,076

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

- ◆ **Property taxes** are the Council's primary source of revenue. For fiscal year 2021, property tax revenue significantly increased by \$5.1 million from the prior year attributable to increased property values. While the millage rate remained unchanged from the prior year's 0.4882 mills, additional tax revenue was generated due to a 4.7% increase in property values. While home prices remain high for the consumer, because of various legislative measures affecting taxing entities, property values in South Florida have been trending downward over the past three years and it is anticipated that this will continue for the next couple of years. Although the Council is authorized to levy up to .5 mills, the Council Members remain quite concerned about millage rate increases and its effect on taxpayers. The Council continues to utilize fund balance to not reduce services that meet the identified needs for Broward County's children and families.
- ◆ **Investment earnings** totaled \$116,029, a decrease of \$839,180 in Fiscal Year 2021, which is a notable 88% decrease from the prior year. The decrease is due to lower interest rates that were earned on investments.
- ◆ **Other revenue** includes grants, local foundations, training registration and miscellaneous revenue and for the current year equals \$2,920,721, which reflects a significant decrease from the prior year. The decrease of \$1.1 million is due to the timing of the Federal Antiterrorism and Emergency Assistance Program for Victims Compensation and Assistance ("AEAP") non-competitive grant funds. Grant proceeds from fiscal year 2020 included reimbursement of expenditures dating back to FY 2018 stemming from the Parkland school shooting tragedy.

Within this classification includes \$422,279 from Federal Title IV-E Foster Care, Legal Representation, and other Adoption Programs through an agreement with State of Florida Department of Children and Families. This reflected a slight 1.3% increase of \$5,443 from the prior year.

Local Foundations and Grants generated revenue of \$1,446,953, a 55% increase of \$518,079 from the prior year. This notable increase reflected a new partnership with the DeLuca Foundation funding a portion of the Youth FORCE middle school programs.

Additionally, local collaborative events such as the Back-to-School Extravaganza, the Racial Equity-Undoing Racism Initiative and Broward Reads program collected revenue of \$143,433, a considerable decrease of \$151,048 or 51.3% from the prior year. With the ongoing pandemic, many of

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

these events continued using a virtual or hybrid environment and the donations and related expenditures were not as robust as in-person events.

Training revenues decreased by \$2,160 or 23.5% for a total of \$7,020 for this fiscal year. With the ongoing pandemic, the Council continued offering trainings utilizing a virtual platform with reduced fees to encourage participation.

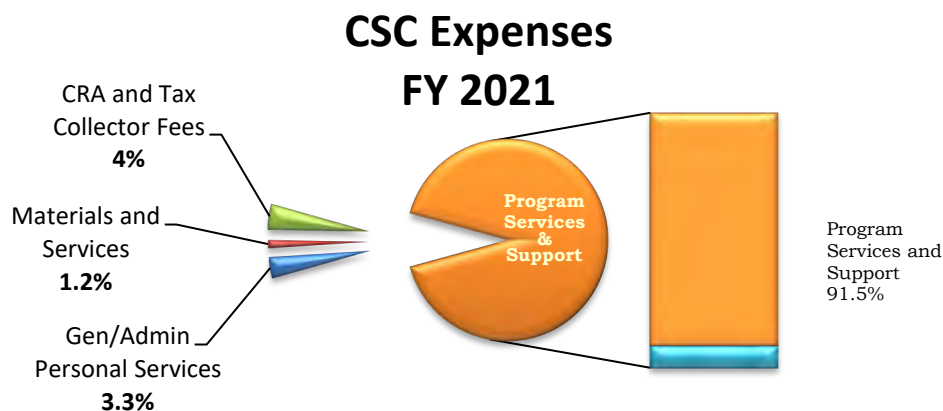
- ◆ **Expenses for Program Services and Support**, which includes program related administration, totaled \$74.3 million in fiscal year 2021; a decrease of \$1.2 million or 1.6%. While this annual amount is not significant, it was the second consecutive year of programmatic expense decreases totaling \$4.4 million since the pandemic began two years ago. With the social services need so great during these extraordinary times, the budget for program services increased \$5.5 million or 6.2%; however, as noted, the expenses were considerably less as the funded agencies significantly underutilized (contract utilization is described on page 21) due to the pandemic disrupting normal service delivery. The graph on the following page illustrates that, 91.5% of total expenses support various programs and support services for children and families of Broward County.
- ◆ **Expenses for General Administration** totaled \$3.7 million in fiscal year 2021, a decrease of \$712,876 or 16.3% from fiscal year 2020. This significant decrease is the result of the FRS actuarial valuation as recognized from the proportional share of the Florida Retirement System plan (see note 7), which resulted in a considerable decrease of the pension and OPEB expenses. Additionally, while salaries and benefits slightly increased, most of all the other general administrative expenses such as materials and supplies, building expenses, travel, etc. overall declined. General administrative costs represent 4.5% of the overall expenses, which demonstrates the Council's fiscal prudence, a very resourceful staff and effective use of technology. The Council's focus continues to be providing services throughout the community with minimal administration costs.
- ◆ **Community Redevelopment and Tax Collector fees** for fiscal year 2021 decreased by 9% or \$277,697 for a total of \$3.2 million. The Community Redevelopment (CRA) fees were reduced by \$282,452 due to one particularly large CRA sunseting; however, in other areas of the County, the CRA values continue to increase. The Tax Collector fees are based on the operating budget of the Property Appraisers Office and are allocated among the taxing districts. These fees slightly increased \$4,755 or .8% from the prior year.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

The Community Redevelopment Agency tax increment fees are tied to the increased incremental property tax values in specific areas, as well as the Council's established millage rate. Generally, throughout the County, property values within the CRA districts continue to increase. In those districts wherein, the Council and the CRA have formed a partnership, \$1,335,602 CRA fees were used for programs and services for children in lieu of fees. These successful collaborations between the Council and many of the CRA Districts have been able to place programs and services for children in these targeted communities.

The illustration below depicts the total CSC expenses, by percentage, for fiscal year ended September 30, 2021.



Analysis below separately considers the operations of governmental activities.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUND

As the Council completed its twentieth year of operations, the governmental funds (as presented in the balance sheet on page 30) reported a total fund balance of \$61.6 million. The fund balance categories are fully described in the Notes to the Financial Statements on page 42.

- ◆ **Fund balance** significantly increased a total of \$20,111,528 or 48.5% from the prior year. As noted throughout this report, the primary reason for this increase stemmed from the ongoing pandemic and the high underutilization of the provider contracts, coupled with additional appropriations for programs predominantly in family support, youth development, special needs programs, school nurse, and capacity building goal areas, which in turn

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

contributed to an increase in fund balance. Additionally, fund balance included \$247,417 of Non-Spendable funds for prepaid items in fiscal year 2021.

Given this era of ongoing needs within the community and the limitations on raising property taxes, the Council assigned a portion of fund balance in order to expand services for children and their families. Accordingly, the Council appropriated \$19.4 million of fund balance and budget carry-forward for next fiscal year 21/22. Within Unassigned Fund Balance, the Council voted to maintain a minimum balance of 8% - 10% of budgeted operating expenditures or \$10,453,745 to manage cash inflows and outflows until tax revenue is received since the Council is prohibited of issuing short-term debt instruments such as RAN (Revenue Anticipation Notes) or TAN (Tax Anticipation Notes). This minimum amount is based on best practices as outlined by the Government Finance Officers Association (GFOA). This leaves a remaining Unassigned Fund Balance of \$28,714,056.

- ◆ **Budget amendments** are prepared over the course of the year allocating appropriations from one line item to another to prevent budget overruns. Actual charges (expenditures) to appropriations (budget) were \$30 million below the final budget amounts.
- ◆ **Budget variances** - The most significant positive variance (\$27.6 million) occurred in Program Services reflected in the Council's General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual found on pages 74-75. This variance is due to several factors related to programs and services as highlighted below:
 - A once in a century pandemic is lasting much longer than many thought it would, has disrupted service delivery for the providers. Many providers adapted to the “new normal” with some program models being better suited for virtual or hybrid service delivery than others. Generally, the school-based programs took the hardest hit as school sites opened late, the children were the last group to be eligible for vaccinations, and many families remain concerned about sending their children to group settings. Most of the Council's contracts require that the provider's invoice be based on “units of service”, not reimbursement of expenses. Consequently, if a provider does not provide all the services that were anticipated, the contract is under-utilized. This method of invoicing allows the Council to only pay for services provided. However, because of the changes in service delivery and the fact that many providers were unable to draw down units,

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

the Council switched over to a cost-reimbursement method of payment. This helped to ensure that the providers could maintain their staff and serve the community as the new "normal" continues. The Council monitors utilization throughout the year and continues to work closely with those providers to help them provide the services and, therefore, utilize the available funds. Total utilization of the programs was 71.08% down 5.17% from last year's 76.25% as compared with an average of 85% over the past three years. The total budget variance affected by unallocated and underutilization of the contracts is 29% or \$28,013,879.

- The budget for Fiscal Year 2021 included \$7,030,570 that was not allocated to any specific program but could be appropriated in the subsequent fiscal year. Because various local economic conditions may arise at any time, the Council purposefully left these funds unallocated to have flexibility in meeting unexpected needs of the community.
- The budget variance for Program Support was \$477,781, of which 68% was salary/benefit lapse. General Administration budget variances totaled \$1,490,910 of which \$693,873 or 46.6% was related to the fee reduction for one of the larger Community Redevelopment Agency (CRA) sunsetting. Budget variances for facilities management add to building maintenance reserves. Additionally, \$422,389 of budget variance for Capital Outlay was due to computer purchases not finalized by fiscal year-end.

Alternatively, resources available for appropriation (revenues) were \$142,422 over the final budgeted amount. This positive variance is primarily the result of recognized revenue from the AEAP grant.

OTHER ASSETS and OTHER OBLIGATIONS

At the end of Fiscal Year 2021 the Council had \$6.7 million invested in capital assets including land, building and related infrastructure, as well as computer hardware and software. More detailed information about the Council's policies concerning capital assets is presented in Notes 1 and 5 of the Notes to the Financial Statements.

As presented in Note 8 of the Notes to the Financial Statements, the Council purchases commercial insurance for property and casualty claims. Other obligations include accrued vacation pay and sick leave, proportionate share of pension costs and the net OPEB liability. More detailed information about the Council's long-term liabilities is presented in Notes 6, 7 and 10 of the Notes to the Financial Statements.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

ECONOMIC FACTORS, NEXT YEAR'S BUDGET and TAX RATES

The Council Members considered many factors when setting the subsequent fiscal-year's budget and tax rates during their May 2021 Budget Retreat. Council Members are always very cautious in setting the tax rate, weighing their desire to meet the expanding need for services against property values and voter concern about property tax rates. The Council is also mindful of the present fund balance, the .5 mill maximum tax levy and pressures within the local economy.

Broward County is the second most populous county in the state and comprises 31 different municipalities within an urban/suburban setting. A snapshot of the local economy presents a complex mix of economic indicators. While the ongoing pandemic continues to create challenges for the local economy, the hospitality and cruise related sectors, which were nearly shut down in mid-2020, were able to rebound and gained 8,900 or 11.4% jobs by November 2021. Including hospitality, other non-agricultural employment gained jobs in Broward County from November 2020 to November 2021 for a total of 34,900 or 4.3% new jobs. Broward County unemployment rate was 4.4% in September 2021, down from 7.8% in September 2020.

Even with the lower unemployment rates, many families continue to exist in a state of persistent financial insecurity and are one financial emergency away from poverty, cited a recent study conducted by the Corporation for Enterprise Development. Broward continues to have a high percentage of households, 59.3%, that are considered "cost-burdened" (paying in excess of 30% of their incomes on housing costs) due to the high cost of living, low paying jobs, income stagnation, etc. With the effects of the ongoing pandemic, the inequities are still present for these families as many do not have the ability to work remotely, have savings to fall back on, can take sick time if needed, etc.

Home values continued to trend upwards with a notable 11.5% increase over the last year. The median price for a single-family home in Broward County was nearly \$400,000, bring the housing market back to 2004/5 levels before the housing crash in 2009. The number of foreclosures substantially decreased from 1,847 in 2019 to 490 in 2020, a steep 73% decline in foreclosure activity; especially since foreclosures in this area were some of the highest in the nation for several years from 2009-2014. There was no data for 2021 foreclosures due to the moratorium on evictions during the ongoing pandemic. While the moratorium is welcome news for some homeowners, many working families are feeling pressure as the gap for affordable housing has not kept pace with the

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2021

demands and once this is lifted it is unknown what the effect could be. Broward County continues to be one of the least affordable places to live in the country.

At present, Council goals and objectives are shaped using the County-wide Children's Strategic Plan, input from the community and staff. The budget is then developed around those identified service and system needs. For the upcoming 2021-2022 fiscal year, local property values had increased; however, because of the significant increase of fund balance this year, the Council reduced the millage rate by 3.75% to 0.4699 mills from 0.4882 mills last year. This reduction is estimated to generate the same amount of tax revenue as the current fiscal year. Additionally, the Council members voted to appropriate a total of \$19.4 million of fund balance and budget carry forward to grow programs and services to help meet the ever-growing needs within the community.

REQUESTS FOR INFORMATION

This financial report has been designed to provide Broward County's citizens, taxpayers and providers with a general overview of CSC's finances and to show CSC's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Operating Officer at 6600 W Commercial Blvd., Lauderdale, Florida 33319 or visit the Council's website at: www.cscbroward.org.



**A Year of
Caring
and
Connection**

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Statement of Net Position
September 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash	\$ 4,178,163
Investments	65,229,832
Accounts and Interest Receivable	44,535
Due From Other Governments	450,911
Prepaid Items	247,417
Total Current Assets	<u>70,150,858</u>
Other Assets:	
Capital Assets, Not Being Depreciated:	
Land	2,500,000
Intangibles - Work In Progress	92,419
Capital Assets, Net of Accumulated Depreciation:	
Building and Related Infrastructure	3,865,092
Intangible Assets	136,162
Computer Hardware/Software	47,719
Furniture and Equipment	23,831
Total Capital Assets	<u>6,665,223</u>
Total Assets	<u>76,816,081</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Plans:	
Florida Retirement System	2,048,307
Health Insurance Subsidy	537,123
Other Post Employment Benefits (OPEB)	2,026
Total Deferred Outflows of Resources	<u>2,587,456</u>

Notes to the Financial Statements are an integral part of this statement

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Statement of Net Position, (Continued)

September 30, 2021

LIABILITIES

Current Liabilities:

Accounts Payable and Accrued Liabilities	8,568,745
Unearned Revenue	275
Expected to be paid within one year:	
Compensated Absences	119,547
Total Current Liabilities	<u>8,688,567</u>

Noncurrent Liabilities:

Expected to be paid after one year:

Compensated Absences	1,075,927
OPEB Liability	46,369
Net Pension Liability:	
Florida Retirement System	1,286,226
Health Insurance Subsidy	2,230,047
Total Noncurrent Liabilities	<u>4,638,569</u>
Total Liabilities	<u>13,327,136</u>

DEFERRED INFLOWS OF RESOURCES

Pension Plans:

Florida Retirement System	4,487,750
Health Insurance Subsidy	92,818
Other Post Employment Benefits (OPEB)	132,578
Total Deferred Inflows of Resources	<u>4,713,146</u>

NET POSITION

Investment in Capital Assets	6,665,223
Restricted for Building Acquisition	3,000,000
Unrestricted	51,698,032
Total Net Position	<u>\$ 61,363,255</u>

Notes to the Financial Statements are an integral part of this statement



**A Year of
Caring
and
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CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Statement of Activities
Fiscal Year Ended September 30, 2021

	Governmental Activities
Expenses:	
Program Services:	
Program Services	\$ 67,915,030
Program Support	6,410,775
Total Program Services	<u>74,325,805</u>
General Administration:	
Personal Services	2,667,846
Materials and Services	984,310
Community Redevelopment and Tax Collector Fees	<u>3,241,298</u>
Total General Administration	<u>6,893,454</u>
Total Expenses	<u><u>81,219,259</u></u>
General Revenues:	
Property Taxes	98,310,585
Investment Earnings	116,029
Grant Funding, Unrestricted	1,323,315
Miscellaneous Local	<u>1,597,406</u>
Total General Revenues	<u>101,347,335</u>
Change in Net Position	20,128,076
Net Position - Beginning	<u>41,235,179</u>
Net Position - End of the Year	<u><u>\$ 61,363,255</u></u>

Notes to the Financial Statements are an integral part of this statement

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Balance Sheet - Governmental Funds
September 30, 2021

	<u>General Fund</u>
ASSETS	
Current Assets:	
Cash	\$ 4,178,163
Investments	65,229,832
Accounts and Interest Receivable	44,535
Due From Other Governments	450,911
Prepaid Items	<u>247,417</u>
Total Assets	<u><u>\$ 70,150,858</u></u>
LIABILITIES and FUND BALANCE	
Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 8,568,745
Unearned Revenue	<u>275</u>
Total Liabilities	<u><u>8,569,020</u></u>
Fund Balance:	
Nonspendable	247,417
Committed	3,000,000
Assigned	19,414,037
Unassigned	<u>38,920,384</u>
Total Fund Balance	<u><u>61,581,838</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 70,150,858</u></u>

Notes to the Financial Statements are an integral part of this statement

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Reconciliation of the Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
September 30, 2021

Fund Balance - Total Governmental Funds (page 30)	\$ 61,581,838
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Amounts reported for governmental activities in the government-wide Statement of Net Position are different because:

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

Governmental capital assets	\$ 10,654,239	
Less accumulated depreciation	<u>(3,989,016)</u>	6,665,223

Deferred outflows of resources related to Pensions and OPEB are recorded in the Statement of Net Position	2,587,456
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Deferred inflows of resources related to Pensions and OPEB are recorded in the Statement of Net Position	(4,713,146)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Compensated Absences	(1,195,474)	
OPEB Liability	(46,369)	
Net Pension Liability:		
Florida Retirement System	(1,286,226)	
Health Insurance Subsidy	<u>(2,230,047)</u>	

Net Position of Governmental Activities (page 27)	<u><u>\$ 61,363,255</u></u>
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Notes to the Financial Statements are an integral part of this statement

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Statement of Revenues, Expenditures and
Changes In Fund Balance - Governmental Funds
Fiscal Year Ended September 30, 2021

	<u>General Fund</u>
Revenues:	
Ad Valorem Taxes	\$ 98,310,585
Grant Funding	1,323,315
Investment Earnings	116,029
Miscellaneous Local	1,597,406
Total Revenues	<u>101,347,335</u>
Expenditures:	
<i>Program Services & Support:</i>	
Program Services	67,846,660
Monitoring/Outcome Materials	68,370
Employee Salaries and Benefits	6,428,654
Other Consultants	4,272
Material and Supplies	60
Printing and Advertising	4,393
Software Maintenance	59,578
Travel and Other Expenditures	56,627
Total Program Services & Support	<u>74,468,614</u>
<i>General Administration:</i>	
Employee Salaries and Benefits	2,782,919
Legal Fees	28,065
Auditors and Other Consultants	48,737
Materials and Supplies	19,760
Printing and Advertising	3,091
Other General Administration	385,297
Telecommunications	48,549
Travel and Other Expenditures	85,641
Tax Collection Fees	619,381
Community Redevelopment Area Fees	2,621,917
Total General Administration	<u>6,643,357</u>

Notes to the Financial Statements are an integral part of this statement

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Statement of Revenues, Expenditures and
Changes In Fund Balance - Governmental Funds
Fiscal Year Ended September 30, 2021, (Continued)

	<u>General Fund</u>
<i>Capital Outlay:</i>	
Computer Hardware/Software	90,170
Furniture/ Equipment	5,688
Remodeling/Renovations	4,750
Improvements other than Building	23,228
Total Capital Outlay	<u>123,836</u>
Total Expenditures	<u>81,235,807</u>
Net Change in Fund Balance	20,111,528
Beginning Fund Balance	<u>41,470,310</u>
Ending Fund Balance	<u><u>\$ 61,581,838</u></u>

Notes to the Financial Statements are an integral part of this statement

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance
of Governmental Funds to the
Statement of Activities
Fiscal Year Ended September 30, 2021

Net Change in Fund Balance	
Total Governmental Funds (page 33)	\$ 20,111,528

Amounts reported for governmental activities in the government-wide Statement of Activities are different because:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives. This is the amount by which depreciation expense exceeded capital outlay.

Expenditures for capital assets	\$ 76,020	
Less current year depreciation	<u>(415,135)</u>	(339,115)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the Governmental Funds.

Change in Compensated Absences	4,958
Change in OPEB Liability and related pension items	16,994
Change in Net Pension Liability and related pension items:	
Florida Retirement System	469,907
Health Insurance Subsidy	<u>(136,196)</u>
Change in Net Position of Governmental Activities (page 29)	<u><u>\$ 20,128,076</u></u>

Notes to the Financial Statements are an integral part of this statement

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

The Children's Services Council of Broward County ("the Council") is a special independent taxing district with a mission to provide leadership, advocacy, and resources necessary to enhance children's lives and empower them to become responsible, productive adults through collaborative planning of a continuum of quality care. That mission provides the framework through which the Council's vision will be achieved: "That all children in Broward County will have the opportunity to realize their full potential, their hopes and dreams, supported by a nurturing family and community".

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements conform to United States Generally Accepted Accounting Principles ("GAAP") for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB") and other recognized authoritative sources. GASB is the accepted standard-setting body for governmental accounting and financial reporting. The more significant accounting policies are summarized in the following paragraphs.

A. Reporting Entity

The Council is a special independent taxing district authorized under Florida Law, Chapter 2000-461, as amended. The law became effective January 2, 2001 and was reaffirmed by an overwhelmingly positive vote for reauthorization on November 4, 2014. The eleven-member governing board is comprised of five (5) individuals recommended by the Broward County Board of County Commissioners and appointed by the Governor and six (6) members appointed by virtue of the office or position they hold within the community. The five members appointed by the governor serve for a four-year term. The Council Members bring to the Council an understanding of policies and programs affecting children, an understanding of the diverse and multi-cultural needs of the Broward community and a firm commitment to improving the welfare of children and their families. The Council is contiguous with Broward County.

The Children's Services Council of Broward County follows the standards and related amendments promulgated by GASB to define the reporting entity. The financial statements include all operations over which the Council is financially accountable.

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

A. Reporting Entity, (Continued)

Based upon application of these factors, the Council has concluded that it has no financial accountability for the various agencies and therefore, their financial statements are excluded from the reporting entity. The Council has not identified any component units and is not a participant in any joint ventures.

B. Basis of Presentation

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities and report information on all the activities of the Council. These governmental activities are normally supported by taxes and intergovernmental revenues with any interfund activity removed from these statements.

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

Fund Financial Statements - Separate financial statements are provided for the governmental funds. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Major individual governmental funds are reported as separate columns in the fund financial statements. The *General Fund* is the Council's primary operating fund and accounts for all financial resources not accounted for in another fund.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the activities of the Council are included on the Statement of Net Position. The Statement of Activities reports revenues and expenses.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues available if they are collected within sixty days of the end of the current fiscal year. Property taxes and interest on investments are susceptible to accrual. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned. Thus, accrued property tax and interest have been recognized as revenues of the current fiscal period. All other revenue items are measured and available when earned.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, pensions and the total OPEB obligations are recorded only when a payment is due.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On both the government-wide and the governmental fund financial statements, revenues are recognized when all eligibility requirements are met.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

D. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with United States GAAP. The reported budgetary data represents the original and the final amended budgets as approved by the Council Members. Budgets are adopted for all funds and transfers of appropriations between functions require Council approval. The level of control at which expenditures may not legally exceed the budget is at the function level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized as an extension of the formal budgetary process to reflect the estimated amount of future expenditures arising from the issuance of purchase orders, contracts or other forms of legal commitments existing at year-end, which will be paid in the future. Encumbrances lapse at year-end; however, the succeeding year's budget provides for the re-appropriation of certain year-end encumbrances. These "open" encumbrances are included in the Assigned Fund Balance at fiscal year-end in accordance with their spending constraint. Encumbrances do not constitute expenditures or liabilities since goods and services are not yet received.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Balance/Net Position

Cash and Investments - The Council utilizes pooled cash accounting whereby excess monies are aggregated for investment purposes. Florida Statutes authorize a variety of investment mechanisms and the Council follows this best practice by diversifying its investments among the Local Government Surplus Funds Trust Fund, and the Florida Public Assets for Liquidity Management (formerly the Florida Education Investment Trust Fund). The Local Government Surplus Funds Trust Fund is a State pool managed by the Florida State Board of Administration ("SBA"), which provides regulatory oversight. To accommodate pool participants with readily available cash, a substantial portion of the portfolio is placed in short-term securities ("Florida PRIME"). The Local Government Surplus Funds Trust Fund is governed by the rules of Chapter 19-7 of the Florida Administration code. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Fund.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Balance/Net Position (Continued)

Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA. According to the SBA, the pool follows GASB Statement No. 31 and GASB No. 79 "*Certain External Investment Pools and Pool Participants*" where the Council owns a share of the respective pool, not the underlying securities. Accordingly, the Council's investment in the Florida PRIME is stated at amortized cost. Florida PRIME is exempt from the GASB No. 72 fair value hierarchy disclosures and reports at amortized cost. Additionally, the investments in the Florida PRIME are not insured by FDIC or any other governmental agency.

The Florida Public Assets for Liquidity Management (FL PALM) is a common law trust organized under the laws of the State of Florida. FL PALM was formerly known as the Florida Education Investment Trust Fund (FEITF). The sponsors of the Fund are the Florida School Boards Association and the Florida Association of District School Superintendents. The Fund is designed to meet cash management and short-term investment needs of school districts, political subdivisions of the State of Florida, or instrumentalities of political subdivisions of the State. FL PALM is a local government investment pool (LGIP), which follows GASB Statement No. 79 criteria. The Council's funds invested in the FL PALM are exempt from GASB Statement No. 72.

Method Used to Value Investments - The Council reports investment at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific cost. Purchases and sales of investments are recorded on a trade date basis.

Fair Value Hierarchy - GASB No. 72 "*Fair Value Measurement and Application*" states that investments that meet specific criteria should be measured and reported at fair value and classified according to the following hierarchy:

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Balance/Net Position (Continued)

Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 – Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable inputs for an asset.

The Florida PRIME and FL PALM are not included in the fair value hierarchy as they are reported at amortized cost. Accordingly, the Council does not maintain any investments subject to fair value measurement as of September 30, 2021.

2. *Inventory and Prepaid Items* - The Council does not utilize any inventory items. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide and fund statements. The Council utilizes the consumption method to account for these costs.
3. *Capital Assets* - Capital assets, which include land, intangibles, building and related infrastructure, computer hardware/software, furniture, and equipment, are reported in the government-wide financial statements.

Items purchased or acquired are reported at historical cost or estimated historical cost. Donated capital assets, donated works of art, historical works of art and similar items and capital assets received in a service concession arrangement are recorded at acquisition value.

Maintenance, repairs, and minor renovations are not capitalized. Expenditures that significantly increase values or extend useful lives are capitalized.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Balance/Net Position (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Computer Hardware/Software	3
Intangible Assets (E-learning Courses)	3
Furniture and Equipment	5
Building Infrastructure	20
Building	30

Depreciation/amortization expense is reflected in the financial statements in accordance with GASB Statement No. 34 requirements for capital assets greater than \$5,000 and an estimated economic life greater than one year. Thus, program related expenditures include depreciation expense in Program Support. For the General Administration category, depreciation expense is included in Materials and Services. Per Florida State Statutes as well as for internal control purposes, assets with a historical cost greater than \$1,500 are tagged and tracked in the capital assets system.

4. Deferred outflows/inflows of resources – In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

5. Fund Balance/Net Position – Fund Equity at the governmental fund reporting level is classified as *Fund Balance*. Fund equity for all other reporting is classified as *Net Position*.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Balance/Net Position (Continued)

Fund Balance and Flow Assumptions - Generally, Fund Balance represents the difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications based on the nature and extent to which the Council is bound to have constraints on the specific purposes for which amounts in those funds can be spent.

The following classifications describe the relative strength of the spending constraints:

- *Nonspendable Fund Balance* – amounts that are not in spendable form (such as prepaid items) or are legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – amounts constrained to specific purposes by external providers (such as grantors) or imposed by law through constitutional provisions, or by enabling legislation.
- *Committed Fund Balance* – amounts constrained to specific purposes by formal action of the Council itself, using its highest level of decision-making authority (i.e., the Council Members) through an Issue Paper. To be reported as committed, amounts cannot be used for any other purpose unless the Council Members take the same highest-level action (i.e., Issue Paper) to remove or change the constraint.
- *Assigned Fund Balance* – amounts the Council intends to use for a specific purpose but are neither restricted nor committed. Assignments can be made by the Executive Committee or by an official which the Council Members delegate the authority at their direction. Through the Issue Paper process, the Council approves assigned fund balance.
- *Unassigned Fund Balance* – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Balance/Net Position, (Continued)

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the Council considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the Council considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Council Members or its delegated official or body has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy - In the General Fund, the Council strives to maintain a minimum unassigned fund balance of 8%-10% of the budgeted operating expenditures. This minimum amount is required to manage cash inflows and outflows until tax revenue is received since the Council is prohibited from issuing short-term debt instruments such as RAN (Revenue Anticipation Notes) or TAN (Tax Anticipation Notes).

This policy strives to maintain additional unassigned fund balance liquidity to mitigate current and future risks such as revenue shortfalls and unanticipated expenditures, maintain reserves due to the vulnerability of being in a hurricane zone, and other unforeseen events. Additional amounts are to be determined each year by the Council during the budget process.

Net Position and Flow Assumptions – The Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Net Position of the government wide funds are categorized as investment in capital assets, reduced by accumulated depreciation and any the outstanding balances of any borrowing used (i.e., the amount that the Council has not spent) for the acquisition. The net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by grantors or laws or regulations of other governments. The balance of net position is reported as unrestricted. In order to report an amount as Restricted Net Position – net position and an unrestricted – net position in the government-wide financial statements, the Council would first use restricted net position before using unrestricted net position.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

F. Revenues and Expenditures/Expenses

1. Program Revenues - Amounts reported as miscellaneous local revenue include 1) local grants for various programs, 2) donations and contributions for events and 3) charges to customers for trainings. All taxes are reported as general revenues rather than program revenues.
2. Property Taxes - Florida laws restrict millage rate increases that a government may levy. In addition to multiple exemptions for most homeowners, a four percent discount is also allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter. Taxes become delinquent April 1 of each year. Delinquent property tax certificates are sold to the public beginning June 1, at which time a lien attaches to the property. By fiscal year end, virtually all property taxes are collected either directly or through tax certificate sales. Property tax revenues are recorded by the Council based on the amount of receipts reported by the County Tax Collector.
3. Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows and liabilities and deferred inflows, disclosure of contingent assets and deferred outflows of resources and liabilities and deferred inflows of resources at the date of the financial statements, and the reported amount of revenue and expenses/expenditures during the reporting period. Actual results may differ from those estimates.
4. Compensated Absences - The Council employees are granted a specific number of paid vacation and sick leave days. Employees are permitted to accumulate a maximum of 450 hours (60 days) of vacation as of September 30. Excess time is forfeited if not used by the end of the fiscal year.

Employees can accrue unlimited sick leave but are only reimbursed for a percentage of unused sick leave upon retirement after at least 5 years of service. The costs of vacation and sick leave benefits (compensated absences) are budgeted and expended in the respective fund when payments are made to employees. In addition, the Council will record expenditures at employment termination in the applicable fiscal year at the fund level. The liability for all accrued vacation and vested sick leave benefits is recorded in the government-wide financial statements.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

G. New Accounting Pronouncements

GASB Statement No.87- 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 the 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 liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, 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. The Council is currently evaluating the implementation requirements of this Statement.

GASB Statement No. 89 - 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 establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement will improve financial reporting and will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. There is no impact to the Council.

GASB Statement No. 91 - In May 2019, the GASB issued Statement No. 91- *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

G. New Accounting Pronouncements, (Continued)

This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. There is no impact to the Council as the Council is prohibited from issuing debt.

GASB Statement No. 92 - In January 2020, the GASB issued Statement No. 92- *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The requirements for all other provisions of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. The Council is currently evaluating the implementation requirements of this Statement.

GASB Statement No. 93 - In March 2020, the GASB issued Statement No. 93- *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021, and all reporting periods thereafter. Earlier application is encouraged. There is no impact to the Council as the Council is prohibited from issuing debt.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

G. New Accounting Pronouncements, (Continued)

GASB Statement No. 94 - In March 2020, the GASB issued Statement No. 94- *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period in an exchange or exchange-like transaction. The requirements for all other provisions of this Statement are effective for reporting periods beginning after June 15, 2022. There is no impact to the Council.

GASB Statement No. 96 - In May 2020, the GASB issued Statement No. 96-*Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements for all other provisions of this Statement are effective for reporting periods beginning after June 15, 2022. The Council is currently evaluating the implementation requirements of this Statement.

GASB Statement No. 97 - In June 2020, the GASB issued Statement No. 97-*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

G. New Accounting Pronouncements (Continued)

defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements in paragraph 4 and paragraph 5 of this Statement are effective immediately. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Council is currently evaluating the implementation requirements of this Statement.

2. CASH AND INVESTMENTS

Statement of Policy

The purpose of the Council's investment policy is to set forth the investment objectives and parameters for the management of public funds. The policy is designed to ensure prudent management of public funds, the availability of operating funds when needed, and an investment return competitive with market rates.

The Council's policy is written in accordance with Section 218.415, Florida Statutes, which applies to funds under control of local governments and special districts. The policy and any subsequent revisions are approved by the Council Members.

Cash

Florida statutes authorize the deposit of the Council funds in demand deposits or time deposits of financial institutions approved by the State Treasurer, defined as qualified public depositories. Pursuant to Chapter 280, Florida Statutes, the State Treasurer requires Qualified Public Depositories ("QPD") to deposit with the Treasurer or other banking institution, eligible collateral. In the event of a failure, the remaining public depositories would be responsible for covering any losses. All bank balances of the Council are held in a QPD. As of September 30, 2021, the carrying amount of the Council's deposits was \$4,178,163 with a bank balance of \$6,328,673. The Council's deposits at year-end are considered insured and collateralized for custodial credit risk purposes.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

2. CASH AND INVESTMENTS (Continued)

Investments

The Council's investment policy allows management to invest funds in investments permitted under Florida Statutes Section 218.415. This statute explicitly allows deposits and investments in QPD's, the SBA, and money market funds, which are the only vehicles the Council is currently utilizing.

Cash and investments as of September 30, 2021 are composed of the following:

	Reported Amount	Weighted Average Maturity	Fair Value
Cash Deposits	<u>\$ 4,178,163</u>	-	<u>\$ 4,178,163</u>
Investments with the SBA:			
Florida PRIME	30,218,213	49 days	30,218,213
Investments with FL PALM:			
FL PALM Portfolio	<u>35,011,619</u>	53 days	<u>35,011,619</u>
Total Investments	<u>65,229,832</u>		<u>65,229,832</u>
Total Cash and Investments	<u>\$ 69,407,995</u>		<u>\$ 69,407,995</u>

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Council's investment policy limits its investments to high quality investments to control credit risk. For liquidity purposes as well as to control risk, all the Council's operating investments for fiscal year 2021, were invested with the SBA, and the Florida Public Assets for Liquidity Management (FL PALM).

The SBA Florida PRIME investment pool, and the FL PALM are AAAM rated by Standard and Poor's. This rating is the highest creditworthiness rate given by the national agency.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Council's investment policy limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The dollar weighted average days to maturity (WAM) for the Florida PRIME was 49 days, and 53 days for the FL PALM on September 30, 2021. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

2. CASH AND INVESTMENTS (Continued)

The weighted average life (WAL) of Florida PRIME, and FL PALM on September 30, 2021 are 64 days, and 80 days, respectively. The Council currently does not have significant investment balances with long-term maturities that may be subject to significant fair value losses arising from increasing interest rates.

Investment Pools and Pool Participants

With regard to redemption dates, Chapter 218.409(8) (a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures.

If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case, may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

3. RECEIVABLES AND PAYABLES

Accounts and Interest Receivable as of September 30, 2021 consists of the following:

	<u>General Fund</u>
Taxes Receivable	\$ 43,266
Interest Receivable	495
Other	774
Total Accounts Receivable	<u>\$ 44,535</u>

Accounts Payable, Salaries and Wages Payable, and Accrued Liabilities as of September 30, 2021 consists of the following:

	<u>General Fund</u>
Funded Providers	\$ 7,929,983
Administrative	167,538
Professional Services & Other	42,026
Salaries & Wages Payable	428,940
Employee Reimbursements	258
Total Accounts Payable and Accrued Liabilities	<u>\$ 8,568,745</u>

4. PROPERTY TAXES

Florida Statutes permit the Council to levy taxes up to 0.5 mills per \$1,000 of assessed valuation. The rate levied for the Council for fiscal year 2021 was 0.4882 mills, leaving the millage rate level from the prior fiscal year. However, due to increased property values the tax revenue increased 5.5%. Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for real and personal property located within Broward County. The adjusted assessed value on July 1, 2020 upon which the fiscal year 2021 levy was based, was approximately \$212.1 billion. The property taxes receivable from the tax collector was \$43,266 on September 30, 2021.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

5. CAPITAL ASSETS ACTIVITY

The following is a summary of capital asset activity for the fiscal year ended September 30, 2021:

	Balance at Oct. 1, 2020	Additions	Deletions	Balance at Sept. 30, 2021
Capital Assets:				
Capital Assets Not Depreciated:				
Land	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
Intangibles-Work in Progress	87,669	4,750	-	92,419
Capital Assets Depreciated:				
Building	6,105,002	23,228	-	6,128,230
Building Infrastructure	351,312	-	-	351,312
Computer Hardware/Software	852,441	48,042	(26,772)	873,711
Intangible Assets	256,217	-	-	256,217
Furniture and Equipment	452,350	-	-	452,350
Total Capital Assets	10,604,991	76,020	(26,772)	10,654,239
Less Accumulated Depreciation:				
Building	2,258,121	202,813	-	2,460,934
Building Infrastructure	137,859	15,657	-	153,516
Computer Hardware/Software	735,168	90,824	-	825,992
Intangible Assets	41,413	78,642	-	120,055
Furniture and Equipment	428,092	27,199	(26,772)	428,519
Total Accumulated Depreciation	3,600,653	415,135	(26,772)	3,989,016
Capital Assets	\$ 7,004,338	\$ (339,115)	\$ -	\$ 6,665,223

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

Program Administration	\$ 102,531
General Administration	312,604
Total Depreciation Expense	<u>\$ 415,135</u>

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

6. RETIREMENT PLANS

Florida Retirement System

General Information - All the Council's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employers defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA").

Various classes of membership include: Regular class members, Special Risk Administrative Support class members, Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers), Senior Management Service class members, and Elected Officers' class members. The Council only has employees in two of these classes – Regular Class and Senior Management Service Class. Detailed plan information on the other classes can be found on the website referenced below.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

www.dms.myflorida.com/workforce_operations/retirement/publications.

Generally, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county agency, district school board or state university or college within the State of Florida. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes and amendments to the law can be made only by an act of the Florida State Legislature.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

6. RETIREMENT PLANS-Florida Retirement System (Continued)

The aggregate net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense as of September 30, 2021, for the FRS Pension and HIS Plans are listed below:

	FRS	HIS	Total
Net Pension Liability	\$ 1,286,226	\$ 2,230,047	\$ 3,516,273
Deferred Outflows of Resources	\$ 2,048,307	\$ 537,123	\$ 2,585,430
Deferred Inflows of Resources	\$ 4,487,750	\$ 92,818	\$ 4,580,568
Pension Expense	\$ (469,907)	\$ 136,196	\$ (333,711)

The Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed based on age and/or years of service, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular and Senior Management Service class members. In addition, the final average compensation for these members will be based on the eight highest years of salary.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

6. RETIREMENT PLANS-Florida Retirement System (Continued)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year.

If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

The Investment Plan Option: As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Council employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Senior Management, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2020-21 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30% and Senior Management Service class 7.67%.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

6. RETIREMENT PLANS-Florida Retirement System (Continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2021, the information related to the number of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Council.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to contribute to the FRS based on statewide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively, were as follows: Regular—10% and 10.82%; Senior Management Service—27.29% and 29.01%; and DROP participants—16.98% and 18.34%. These employer contribution rates include 1.66% HIS Plan subsidy for the periods October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively. The Council's contributions, including employee contributions to the Pension Plan, totaled \$1,057,949 for the fiscal year ended September 30, 2021.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

6. RETIREMENT PLANS-Florida Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2021, the Council reported a liability of \$1,286,226 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Council's proportionate share of the net pension liability was based on the Council's 2020-21 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2021, the Council's proportionate share was .017027395 percent, which was an increase of .001887833 percent from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the Council recognized a decrease in pension expense of \$469,907. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 220,461	-
Change of assumptions	880,100	-
Net difference between projected and actual earnings on Pension Plan investments	-	4,487,320
Changes in proportion and differences between Council Pension Plan contributions and proportionate share of contributions	755,476	430
Council Pension Plan contributions subsequent to measurement date	192,270	-
Total	<u>\$ 2,048,307</u>	<u>4,487,750</u>

The deferred outflows of resources related to the Pension Plan, totaling \$192,270 resulting from Council contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

6. RETIREMENT PLANS-Florida Retirement System (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2022	\$ (191,636)
2023	(507,776)
2024	(768,816)
2025	(1,050,993)
2026	79,778
Thereafter	-

Actuarial Assumptions – The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.40 %
Salary increases	3.25%, average, including inflation.
Investment rate of return	6.80%, net of pension plan investment expense, including inflation.

Mortality assumptions for the FRS Pension Plan were based on the PUB-2010 base table, projected generationally with Scale MP-2018. Actuarial assumptions used in the July 1, 2021 valuation, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Long-Term Expected Rate of Return - The long-term expected rate of return assumption of 6.8 percent consists of two building block components: 1) a real (in excess of inflation) return of 4.30 percent, consistent with capital market outlook model developed during 2021 by the outside investment consultant to the Florida State Board of Administration; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2021 by the FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting standards.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

6. RETIREMENT PLANS-Florida Retirement System (Continued)

In the opinion of the FRS consulting actuary, Milliman, both components and the overall 6.80 percent return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The FRS allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate (property)	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Assumed Inflation – Mean			2.4%	1.2%

Discount Rate - The discount rate used to measure the total pension liability was 6.80%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Council's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Council's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	<u>1% Decrease (5.80%)</u>	<u>Current Discount Rate (6.80%)</u>	<u>1% Increase (7.80%)</u>
Council's proportionate share of the net pension liability	\$ 5,752,090	\$ 1,286,226	\$ (2,446,735)

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

6. RETIREMENT PLANS-Florida Retirement System (Continued)

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan - At September 30, 2021, the Council reported a payable in the amount of \$104,617 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2021.

HIS Plan

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2021, the HIS contribution for the period October 1, 2020 through September 30, 2021 was 1.66%. The Council contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled. The Council's contributions to the HIS Plan totaled \$10,991 for the fiscal year ended September 30, 2021.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

6. RETIREMENT PLANS-Florida Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2021, the Council reported a liability of \$2,230,047 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Council's proportionate share of the net pension liability was based on the Council's 2020-21 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2021, the Council's proportionate share was .018179970 percent, which was an increase of .001173201 percent from its proportionate share measured as of June 30, 2020. For the fiscal year ended September 30, 2021, the Council recognized HIS pension expense of \$136,196. In addition, the Council reported deferred outflows of resources and deferred in flows of resources related to the HIS plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 74,623	\$ 934
Change of assumptions	175,232	91,884
Net difference between projected and actual earnings on HIS Plan investments	2,325	-
Changes in proportion and differences between Council HIS Plan contributions and proportionate share of contributions	257,247	-
Council HIS Plan contributions subsequent to the measurement date	27,696	-
Total	\$ 537,123	\$ 92,818

The deferred outflows of resources related to the HIS Plan, totaling \$27,696 resulting from Council contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

6. RETIREMENT PLANS-Florida Retirement System (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2022	\$ 147,103
2023	78,203
2024	75,894
2025	73,668
2026	54,801
Thereafter	14,636

Actuarial Assumptions – The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.25%, average, including inflation.
Municipal bond rate	2.16%

Mortality rates were based on the PUB-2010 with Projection Scale BB tables. The discount rate used decreased from 3.50 percent to 2.21 percent as of June 30, 2020, reflecting the change during the fiscal year in the Bond Buyer General Obligation 20- Bond Municipal Bond Index. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate - The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate adopted by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

6. RETIREMENT PLANS-Florida Retirement System (Continued)

Sensitivity of the Council's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Council's proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Council's proportionate share of the net pension liability	\$ 2,578,150	\$ 2,230,047	\$ 1,944,854

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan - At September 30, 2021, the Council reported a payable in the amount of \$1,183 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2021.

Deferred Compensation Plan

The Council offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The Plan is available to all full-time employees and permits them to defer a portion of their salary. Under the provisions of IRC Section 457, all assets and income are managed by a third-party administrator with no relationship to the Council. Accordingly, the assets and liabilities of the Plan are not included in the Council's financial statements.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan description- The Council's defined benefit OPEB plan, provides OPEB for all permanent full-time employees, and is a single employer benefit plan administered by the Council. Chapter 627 of the Florida Statutes requires that the Council make health coverage available to retirees at the employer's group rate. The Council provides no funding for any portion of the premiums after retirement. However, the Council recognizes that there is an "implicit subsidy" arising because of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund and an irrevocable trust has not been established to fund this plan. The plan does not issue a separate financial report. It is the Council's current policy to fund the plan on a "pay-as-you-go" basis. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided- Employees who retire from the Council and their dependents are eligible to continue to participate in the Council's health insurance, life insurance, and long-term care benefits currently offered through the Council at the "blended" employee group rate, which the Council determines on an annual basis. The retiree must continue to meet all participation requirements and pay all applicable premiums by the specified due date. Life insurance and long-term care benefits are portable, and the retiree must pay premiums to the carrier directly. The Council provides no funding for any portion of the premiums after retirement.

Employees covered by the benefit terms- As of September 30, 2021, there are no retirees participating in the group health program, and seventy-five (75) active employees with health insurance coverage. There are four (4) active employees without coverage who are assumed not to elect retiree health coverage and do not generate GASB Statement No.75 liabilities.

Total OPEB Liability

The Council's total OPEB liability of \$46,369 was measured as of September 30, 2021 and was determined by an actuarial valuation as of that date.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Actuarial assumptions and other inputs: The total OPEB liability in the September 30, 2021 interim actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	2.15%
Inflation Rate:	2.40%
Healthcare Trend Rate	8.00%
Retiree's Cost Sharing	Borne by the retiree

The payroll growth assumption is based on the Florida Retirement Systems actuarial valuation as of July 1, 2020.

Mortality rates used for healthy retirees were based on Pub 2010 General Employee Mortality Table, Headcount weighted, Fully Generational using scale MP-2020, while rates for Surviving Spouses were based on Pub 2010 Contingent Survivor Mortality Table, Headcount weighted, Fully Generational using scale MP-2020.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as at 9/30/2020	<u>\$ 119,934</u>
Changes for the fiscal year:	
Service Cost	16,638
Interest	3,240
Differences between expected and actual experience	(1,800)
Changes in assumptions for other inputs	(87,329)
Benefit payments	<u>(4,314)</u>
Net changes	<u>(73,565)</u>
Balance at 9/30/2021	<u><u>\$ 46,369</u></u>

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Sensitivity of the Total OPEB Liability to changes in the Discount Rate.

The following presents the total OPEB liability of the Council, as well as what the Council's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.15%), or one percentage higher (3.15%) than the current discount rate:

	1% Decrease (1.15%)	Discount Rate (2.15%)	1% Increase (3.15%)
Total OPEB Liability	\$48,737	\$46,369	\$43,866

Sensitivity of the Total OPEB Liability to changes in the Healthcare Trend Rate-

The following presents the total OPEB liability of the Council, as well as what the Council's total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower (7.00%), or one percentage higher (9.00%) than the current healthcare trend rate:

	1% Decrease (7.00%)	Healthcare Trend Rate (8.00%)	1% Increase (9.00%)
Total OPEB Liability	\$40,255	\$46,369	\$53,600

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB-For the fiscal year ended September 30, 2021; the Council recognized a decrease in OPEB expense of \$12,680. The Council reported deferred inflows of resources related to OPEB from the following sources:

Description:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 29,095
Changes of assumptions or other inputs	2,026	103,483
Total	\$ 2,026	\$ 132,578

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

Fiscal Year Ending September 30:	<u>Amount</u>
2022	\$ 32,558
2023	32,558
2024	32,551
2025	18,031
2026	14,854
Thereafter	-

8. INSURANCE ACTIVITIES

The Council is exposed to the various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Council purchases commercial insurance to cover the various risks. Retention of risks is limited to the excess of those that are insured, those that are uninsurable, and deductibles ranging generally from \$1,000 to \$2,500 per occurrence. There were no settled claims, which exceeded insurance coverage since inception of the Council. The Council is required by Florida Statute to provide a surety bond in the sum of at least \$1,000 for each \$1 million portion thereof of the Council's budget for the Chair, Vice-Chair, Secretary and President/CEO. This surety bond is included in the insurance coverage purchased through commercial carriers.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

9. COMMITMENTS AND CONTINGENCIES

Operating Leases:

The Council is committed under various operating leases for office equipment and space through fiscal year 2021. Lease expenditures for office equipment and colocation space for the fiscal year ended September 30, 2021 amounted to \$45,429. Future minimum base lease payments for these leases are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Minimum Base Lease Payment</u>
2022	\$ 44,619
2023	38,808
2024	10,978
2025	9,917
2026	9,917
Thereafter	-
	<u>\$ 114,239</u>

Encumbrances:

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2021 that will be re-appropriated in the subsequent year are as follows:

General Fund:	
Program Services	\$ 3,267,921
Program Support & General Administration	358,429
Facilities Reserves	258,638
Capital Outlay	<u>872,388</u>
Total Encumbrances	<u><u>\$ 4,757,376</u></u>

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2021

10. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for fiscal year ended September 30, 2021:

	Beginning Balance Oct 1, 2020	Increases	Decreases	Ending Balance Sept 30, 2021	Amount Due Within One Year
Compensated Absences:					
Vacation Accrual	\$ 944,806	\$ 461,479	\$ (404,640)	1,001,645	\$ 100,164
Sick Leave Accrual	255,626	66,715	(128,512)	193,829	19,383
Net Pension Liability:					
Florida Retirement System	6,561,709	-	(5,275,483)	1,286,226	-
Health Insurance Subsidy	2,076,499	153,548	-	2,230,047	-
OPEB Liability	119,934	-	(73,565)	46,369	-
Total Long Term Liabilities	\$ 9,958,574	\$ 681,742	\$ (5,882,200)	\$ 4,758,116	\$ 119,547

For governmental activities, compensated absences and Net OPEB obligations are generally liquidated by the General Fund.

11. FUND BALANCE

In accordance with GASB No. 54, fund balances (Note 1) are classified as follows:

- *Nonspendable Fund Balance* – amounts that are not in spendable form or are legally or contractually required to be maintained intact. The Council classified \$247,417 of prepaid items as Nonspendable since these items are not expected to be converted to cash.
- *Restricted Fund Balance* – amounts constrained to specific purposes by external providers (such as grantors) or imposed by law through constitutional provisions, or by enabling legislation. The Council does not have any Restricted Fund Balance.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2021

11. FUND BALANCE, (Continued)

- *Committed Fund Balance* – amounts constrained to specific purposes by the formal action of the Council itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Council Members take the same highest-level action (i.e., Resolution or Issue Paper) to remove or change the constraint. The Council committed \$3,000,000 to Fund Balance for Building Fund to prepare for future growth.
- *Assigned Fund Balance* – amounts the Council intends to use for a specific purpose but are neither restricted nor committed. Intent can be expressed by the Council Members or by an official to which the Council Members delegates authority. The Council has a total of \$19,414,037 in Assigned Fund Balance, which can be further classified as follows: (1) Assigned for Outstanding Encumbrances, \$4,757,376, and (2) Assigned for Subsequent Year's Budget, \$14,656,661. This latter amount was assigned for programmatic purposes and appropriated in the subsequent year's budget to offset additional ad valorem taxes.
- *Unassigned Fund Balance* – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. The Council adopted a minimum fund balance policy to be used for unanticipated emergencies of approximately 8% to 10% of the budgeted expenditures. This minimum fund amount of Unassigned Fund Balance for the FY21 is \$10,453,745. The remaining Unassigned Fund Balance is \$28,466,639.

12. GRANT FUNDING

Funding agreements for grants are executed on an annual basis. The release of funds is subject to terms and deliverables agreed upon with the grantor agencies. As of September 30, 2021, the Council reported \$1,323,315 of grant funding which includes \$422,279 of State matching funds from the State of Florida Department of Children and Families, as well as \$901,036 grant funding from the Antiterrorism and Emergency Assistance Program (AEAP). The State matching funds are not subject to Florida Single Audit. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

REQUIRED SUPPLEMENTARY INFORMATION



CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
General Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget to Actual
Fiscal Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Ad Valorem Taxes	\$ 98,384,555	\$ 98,384,555	\$ 98,310,585	\$ (73,970)
Grant Funding	1,085,067	995,067	1,323,315	328,248
Investment Earnings	200,000	200,000	116,029	(83,971)
Miscellaneous Local	1,611,755	1,625,291	1,597,406	(27,885)
Total Revenues	101,281,377	101,204,913	101,347,335	142,422
Expenditures:				
Program Services and Support:				
Program Services	95,437,396	95,450,932	67,846,660	27,604,272
Monitoring/Outcome Materials	100,000	100,000	68,370	31,630
Employee Salaries and Benefits	6,753,277	6,753,277	6,428,654	324,623
Other Consultants	24,400	24,400	4,272	20,128
Material and Supplies	7,770	7,770	60	7,710
Printing and Advertising	7,000	7,000	4,393	2,607
Software Maintenance	43,088	92,255	59,578	32,677
Travel and Other Expenditures	195,830	146,663	56,627	90,036
Total Program Services and Support	102,568,761	102,582,297	74,468,614	28,113,683
General Administration:				
Employee Salaries and Benefits	2,964,392	2,964,392	2,782,919	181,473
Legal Fees	40,000	40,000	28,065	11,935
Auditors and Other Consultants	125,327	124,327	48,737	75,590
Materials and Supplies	64,379	64,379	19,760	44,619
Printing and Advertising	22,670	22,670	3,091	19,579
Other General Administration	695,681	750,056	385,297	364,759
Telecommunications	63,000	63,000	48,549	14,451
Travel and Other Expenditures	223,276	169,901	85,641	84,260
Tax Collection Fees	631,519	631,519	619,381	12,138
Community Redevelopment Area Fees	3,433,652	3,303,652	2,621,917	681,735
Total General Administration	8,263,896	8,133,896	6,643,357	1,490,539

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
General Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget to Actual
Fiscal Year Ended September 30, 2021, (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Capital Outlay:				
Computer Hardware/Software	372,997	461,784	90,170	371,614
Furniture/ Equipment	20,000	16,213	5,688	10,525
Remodeling/Renovations	-	45,000	4,750	40,250
Improvements other than Building	23,228	23,228	23,228	-
Total Capital Outlay	416,225	546,225	123,836	422,389
Total Expenditures	111,248,882	111,262,418	81,235,807	30,026,611
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (9,967,505)</u>	<u>\$ (10,057,505)</u>	20,111,528	<u>\$ 30,169,033</u>
Beginning Fund Balance			41,470,310	
Ending Fund Balance			<u>\$ 61,581,838</u>	

Notes to Schedule:

Note 1 : An annual appropriated budget is adopted for the General Fund on a basis consistent with accounting principles generally accepted in the United States (GAAP). The Council follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Program budget discussions are held by the Council in May. The total tentative budget is approved by the Council in June.
- b) The Council submits a tentative budget and millage rate to the Broward County Commission by July 1st.
- c) The Council holds two public hearings in September as required under the Truth in Millage (TRIM) Act to obtain taxpayers comments.
- d) Prior to October 1, usually at the last TRIM hearing held in September, a budget is legally enacted through the passage of a resolution.
- e) The Council, by approval of an Issue Paper, may make supplemental appropriations during the year.
- f) The level of control at which expenditures may not legally exceed the budget is at the function level. Transfer of appropriations between functions require Council approval.
- g) Appropriations in all budgeted funds lapse at fiscal year-end. Encumbered amounts are re-appropriated in the following year's budget. Encumbrances are commitments related to unperformed (executory) contracts or services.
- h) Budgeted amounts are as originally adopted or as amended.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Schedule of Proportionate Share of the Council's Net Pension Liability
Florida Retirement System - Pension Plan
Last Eight Years*

	2021	2020	2019***
Children's Services Council of Broward County's proportion of the net pension liability	0.0170273950%	0.0151395620%	0.0146091890%
Children's Services Council of Broward County's proportionate share of the net pension liability	\$ 1,286,226	\$ 6,561,709	\$ 5,031,064
Children's Services Council of Broward County's covered payroll	\$ 6,435,890	\$ 5,902,575	\$ 5,599,625
Children's Services Council of Broward County's proportionate share of the net pension liability as a percentage of its covered payroll	19.99%	111.17%	89.85%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%

Notes to Schedule:

* The amounts presented for each fiscal year were determined as of 6/30.

** The Council's NPL at 2017 increased by \$1,327, due to implementation of GASB 75.

*** The Council's NPL at 2019 decreased by \$137, due to restatement as a result of a correction.

Note 1: GASB 68 requires information for ten years. However, until a full ten year trend is compiled, information is presented for only those years for which information is available.

	2018		2017**		2016		2015		2014
	0.0141696770%		0.0130672500%		0.0113309120%		. 011379789%		0.010583942%
\$	4,267,980	\$	3,866,532	\$	2,861,064	\$	1,469,852	\$	645,776
\$	5,261,889	\$	4,911,095	\$	4,331,964	\$	4,008,874	\$	3,599,507
	81.11%		78.73%		66.05%		36.66%		17.94%
	84.26%		83.89%		84.88%		92.00%		96.09%

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Schedule of the Council's Contributions
Florida Retirement System - Pension Plan
Last Eight Years*

	2021		2020		2019
Contractually required contribution	\$	862,779	\$	699,118	\$ 620,901
Contributions in relation to the contractually required contribution		(862,779)		(699,118)	(620,901)
Contribution deficiency (excess)	\$	-	\$	-	\$ -
Children's Services Council of Broward County's covered payroll	\$	6,605,554	\$	6,009,485	\$ 5,651,279
Contribution as a percentage of covered payroll		13.06%		11.63%	10.99%

Notes to Schedule:

* The amounts presented for each fiscal year were determined as of 9/30.

Note 1: GASB 68 requires information for ten years. However, until a full ten year trend is compiled, information is presented for only those years for which information is available.

2018		2017		2016		2015		2014	
\$	565,166	\$	509,611	\$	432,047	\$	383,964	\$	331,683
	(565,166)		(509,611)		(432,047)		(383,964)	\$	(331,683)
\$	-	\$	-	\$	-	\$	-	\$	-
\$	5,347,394	\$	5,047,763	\$	4,482,724	\$	4,060,069	\$	3,634,125
	10.57%		10.10%		9.64%		9.46%		9.13%

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Schedule of Proportionate Share of the Council's Net Pension Liability
Florida Retirement System-Health Insurance Subsidy Program
Last Eight Years*

	2021	2020	2019
Children's Services Council of Broward County's proportion of the net pension liability	0.0181799700%	0.0170067690%	0.0167376030%
Children's Services Council of Broward County's proportionate share of the net pension liability	\$ 2,230,047	\$ 2,076,499	\$ 1,872,770
Children's Services Council of Broward County's covered payroll	\$ 6,435,890	\$ 5,902,575	\$ 5,599,625
Children's Services Council of Broward County's proportionate share of the net pension liability as a percentage of its covered payroll	34.65%	35.18%	33.44%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%

Notes to Schedule:

* The amounts presented for each fiscal year were determined as of 6/30.

Note 1: GASB 68 requires information for ten years. However, until a full ten year trend is compiled, information is presented for only those years for which information is available.

	2018		2017		2016		2015		2014
	0.0161103680%		0.0154074380%		0.0140325690%		0.0132139230%		0.012114771%
\$	1,705,139	\$	1,647,434	\$	1,635,438	\$	1,347,612	\$	1,132,761
\$	5,261,889	\$	4,911,095	\$	4,331,964	\$	4,008,874	\$	3,599,507
	32.41%		33.55%		37.75%		33.62%		31.47%
	2.15%		1.64%		0.97%		0.50%		0.99%

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Schedule of the Council's Contributions
Florida Retirement System-Health Insurance Subsidy Program
Last Eight Years*

	2021		2020		2019		2018
Contractually required contribution	\$	10,991	\$	8,720	\$	7,635	\$ 7,049
Contributions in relation to the contractually required contribution		(10,991)		(8,720)		(7,635)	(7,049)
Contribution deficiency (excess)		\$ -		\$ -		\$ -	\$ -
Children's Services Council of Broward County's covered payroll	\$	6,605,554	\$	6,009,485	\$	5,651,279	\$ 5,347,394
Contribution as a percentage of covered payroll		0.17%		0.15%		0.14%	0.13%

Notes to Schedule:

* The amounts presented for each fiscal year were determined as of 9/30.

Note 1: GASB 68 requires information for ten years. However, until a full ten year trend is compiled, information is presented for only those years for which information is available.

2017		2016		2015		2014	
\$	5,708	\$	4,756	\$	3,494	\$	3,666
(5,708)		(4,756)		(3,494)		(3,666)	
\$	-	\$	-	\$	-	\$	-
5,047,763		4,482,724		4,060,069		3,634,125	
0.11%		0.11%		0.09%		0.10%	

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Schedule of Changes in Total OPEB Liability and Related Ratios
Fiscal Year Ended September 30, 2021

	2021	2020	2019	2018	2017
Total OPEB Liability:					
Service cost	\$ 16,638	\$ 15,691	\$ 13,883	\$ 14,183	\$ 28,867
Interest	3,240	3,255	4,654	3,887	5,505
Differences between expected and actual experience	(1,800)	(2,012)	(23,396)	(3,751)	(30,071)
Changes in assumptions	(87,329)	1,851	1,387	(1,980)	(79,636)
Benefit payments	(4,314)	(3,023)	-	(3,095)	(7,611)
Net Change in total OPEB liability	(73,565)	15,762	(3,472)	9,244	(82,946)
Total OPEB liability- beginning	119,934	104,172	107,644	98,400	181,346
Total OPEB liability- ending	\$ 46,369	\$ 119,934	\$ 104,172	\$ 107,644	\$ 98,400
Covered employee payroll	\$ 6,450,612	\$ 6,042,702	\$ 5,664,873	\$ 5,117,551	\$ 4,987,866
Total OPEB liability as a percentage of covered-employee payroll	0.72%	1.98%	1.84%	2.10%	1.97%

Notes to Schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2021	2.15%
2020	2.41%
2019	2.75%
2018	3.83%
2017	3.50%

Note 1: GASB 75 requires information for ten years. However, until a full ten year trend is compiled, information is presented for only those years for which information is available.

Note 2: There are no assets accumulated in a Trust to pay the related benefits for the OPEB plan. The Council recognizes an "implicit subsidy" arising because of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. It is the Council's current policy to fund the plan on a "pay-as-you-go" basis.

STATISTICAL SECTION





CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Annual Comprehensive Financial Report For the Fiscal Year Ended September 30, 2021

STATISTICAL SECTION

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

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CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

<u>Governmental Activities</u>				Total primary government net position
<u>Fiscal Year</u>	<u>Investment in Capital Assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	
2012	8,504,223	-	12,438,335	20,942,558
2013	8,207,025	-	13,179,921	21,386,946
2014	7,998,742	-	12,582,381	20,581,123
2015	7,755,161	-	10,030,009	17,785,170
2016	7,420,106	-	10,527,935	17,948,041
2017	7,284,713	-	12,130,721	19,415,434
2018	7,510,054	-	13,648,440	21,158,494
2019	7,335,452	-	19,157,118	26,492,570
2020	7,004,338	3,000,000	31,230,841	41,235,179
2021	6,665,223	3,000,000	51,698,032	61,363,255



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CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**Changes in Net Position****Last Ten Fiscal Years**

(accrual basis of accounting)

	Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses				
Governmental activities:				
Program Services:				
Program Services	\$ 53,530,318	\$ 53,775,633	\$ 56,159,891	\$ 58,931,114
Program Administration	3,045,224	3,298,033	3,610,414	4,263,718
Total Program Services	<u>56,575,542</u>	<u>57,073,666</u>	<u>59,770,305</u>	<u>63,194,832</u>
General Administration:				
Personal Services	1,428,134	1,425,869	1,588,115	1,704,943
Materials and Services	897,537	974,491	1,042,529	945,109
Community Redevelopment and Tax Collector Fees	<u>1,679,586</u>	<u>1,716,448</u>	<u>1,856,081</u>	<u>2,043,045</u>
Total General Administration	<u>4,005,257</u>	<u>4,116,808</u>	<u>4,486,725</u>	<u>4,693,097</u>
Total primary government expenses	<u>\$ 60,580,799</u>	<u>\$ 61,190,474</u>	<u>\$ 64,257,030</u>	<u>\$ 67,887,929</u>
Program Revenues				
Governmental activities:				
Grant Funding, Restricted	\$ 883,762	\$ 824,043	\$ 710,891	\$ 1,084,831
Total primary government program revenue	<u>\$ 883,762</u>	<u>\$ 824,043</u>	<u>\$ 710,891</u>	<u>\$ 1,084,831</u>
Net (Expense)/Revenue				
Total primary government net expense	<u>\$ 59,697,037</u>	<u>\$ 60,366,431</u>	<u>\$ 63,546,139</u>	<u>\$ 66,803,098</u>
General Revenues & Other Changes in Net Position				
Governmental activities:				
Property Taxes	\$ 57,483,644	\$ 59,584,505	\$ 61,362,297	\$ 65,140,776
Investment Earnings	152,865	90,651	16,012	90,344
Grant Funding, Unrestricted	343,463	340,968	391,872	181,858
Miscellaneous	<u>643,247</u>	<u>794,695</u>	<u>970,135</u>	<u>859,668</u>
Total primary government	<u>\$ 58,623,219</u>	<u>\$ 60,810,819</u>	<u>\$ 62,740,316</u>	<u>\$ 66,272,646</u>
Changes in Net Position				
Total primary government	<u>\$ (1,073,818)</u>	<u>\$ 444,388</u>	<u>\$ (805,823)</u>	<u>\$ (530,452)</u>

	Year				
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 61,201,151	\$ 65,126,956	\$ 71,309,031	\$ 72,311,772	\$ 68,686,479	\$ 67,915,030
6,178,792	6,460,890	6,378,356	6,451,480	6,850,451	6,410,775
<u>67,379,943</u>	<u>71,587,846</u>	<u>77,687,387</u>	<u>78,763,252</u>	<u>75,536,930</u>	<u>74,325,805</u>
2,004,709	2,341,237	2,547,538	2,873,911	3,252,753	2,667,846
937,488	928,985	948,319	1,077,493	1,112,279	984,310
2,393,301	2,782,040	3,016,175	2,875,492	3,518,995	3,241,298
5,335,498	6,052,262	6,512,032	6,826,896	7,884,027	6,893,454
<u>\$ 72,715,441</u>	<u>\$ 77,640,108</u>	<u>\$ 84,199,419</u>	<u>\$ 85,590,148</u>	<u>\$ 83,420,957</u>	<u>\$ 81,219,259</u>
\$ 1,362,375	\$ 1,209,290	\$ 1,112,377	\$ -	\$ -	\$ -
<u>\$ 1,362,375</u>	<u>\$ 1,209,290</u>	<u>\$ 1,112,377</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 71,353,066</u>	<u>\$ 76,430,818</u>	<u>\$ 83,087,042</u>	<u>\$ 85,590,148</u>	<u>\$ 83,420,957</u>	<u>\$ 81,219,259</u>
\$ 70,246,887	\$ 75,990,468	\$ 82,432,099	\$ 88,063,546	\$ 93,181,490	\$ 98,310,585
155,748	419,042	857,633	1,388,744	955,209	116,029
261,131	189,655	253,591	152,956	2,794,195	1,323,315
852,171	1,199,909	1,288,106	1,318,978	1,232,535	1,597,406
<u>\$ 71,515,937</u>	<u>\$ 77,799,074</u>	<u>\$ 84,831,429</u>	<u>\$ 90,924,224</u>	<u>\$ 98,163,429</u>	<u>\$ 101,347,335</u>
<u>\$ 162,871</u>	<u>\$ 1,368,256</u>	<u>\$ 1,744,387</u>	<u>\$ 5,334,076</u>	<u>\$ 14,742,472</u>	<u>\$ 20,128,076</u>

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**Fund Balance, Governmental Funds****Last Ten Fiscal Years**

(modified accrual basis of accounting)

General Fund

Fiscal Year	Nonspendable Fund Balance	Committed Fund Balance	Assigned Fund Balance	Unassigned Fund Balance	Total General Fund
2012	98,174	-	3,247,891	9,758,362	13,104,427
2013	92,520	-	3,797,311	9,970,735	13,860,566
2014	76,899	-	4,291,669	8,957,185	13,325,753
2015	88,763	-	4,233,858	8,815,025	13,137,646
2016	86,691	-	5,507,406	8,506,123	14,100,220
2017	187,407	-	5,470,758	10,533,309	16,191,474
2018	225,777	-	6,815,653	11,388,991	18,430,421
2019	228,307	-	7,824,448	17,022,631	25,075,386
2020	185,322	3,000,000	10,293,454	27,991,534	41,470,310
2021	247,417	3,000,000	19,414,037	38,920,384	61,581,838

Note: The Special Revenue fund balance is zero for all years.



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CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**Changes in Fund Balance, Governmental Funds****Last Ten Fiscal Years**

(modified accrual basis of accounting)

	Fiscal		Year	
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues				
Ad Valorem Taxes	\$ 57,483,644	\$ 59,584,505	\$ 61,362,297	\$ 65,140,776
Investment Earnings	152,865	1,165,011	1,102,763	1,266,689
Miscellaneous Local	643,246	90,651	16,012	90,344
Grant Funding	1,227,225	794,695	970,135	859,668
Total revenues	59,506,980	61,634,862	63,451,207	67,357,477
Expenditures				
Program Services and Support	56,557,169	57,002,621	59,683,292	63,077,687
General Administration	3,628,128	3,764,685	4,087,449	4,289,213
Capital Outlay	57,303	111,417	215,279	178,684
Total expenditures	60,242,600	60,878,723	63,986,020	67,545,584
Net change in fund balance	\$ (735,620)	\$ 756,139	\$ (534,813)	\$ (188,107)

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 70,246,887	\$ 75,990,468	\$ 82,432,099	\$ 88,063,546	\$ 88,063,546	\$ 93,181,490	\$ 98,310,585
1,623,506	1,398,945	1,365,968	152,956	152,956	955,209	116,029
155,748	419,042	857,633	1,388,744	1,388,744	1,232,535	1,597,406
852,171	1,199,909	1,288,106	1,318,978	1,318,978	2,794,195	1,323,315
72,878,312	79,008,364	85,943,806	90,924,224	90,924,224	98,163,429	101,347,335
67,032,175	71,271,782	77,678,631	78,030,206	78,030,206	74,777,670	74,468,614
4,759,810	5,426,467	5,859,409	5,951,181	5,951,181	6,848,621	6,643,357
123,753	218,861	166,819	297,872	297,872	142,214	123,836
71,915,738	76,917,110	83,704,859	84,279,259	84,279,259	81,768,505	81,235,807
\$ 962,574	\$ 2,091,254	\$ 2,238,947	\$ 6,644,965	\$ 6,644,965	\$ 16,394,924	\$ 20,111,528

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

(In thousands of dollars)

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Industrial Property	Other (1)
2012	114,542,886	26,163,726	8,662,382	21,167,178
2013	114,660,766	25,878,787	8,542,371	21,246,559
2014	122,019,311	26,028,235	8,669,350	21,273,472
2015	140,193,523	26,740,443	9,285,153	21,699,215
2016	156,152,081	28,616,976	9,397,569	21,820,864
2017	170,153,348	32,393,689	10,119,028	22,101,669
2018	183,297,977	34,796,819	11,300,024	22,649,372
2019	196,493,535	36,132,281	12,280,938	23,053,273
2020	208,284,424	38,272,374	13,500,718	23,484,703
2021	215,913,345	39,947,198	13,968,801	24,108,135

Source: Broward County Property Appraiser

(1) Agricultural property, vacant property of non-profit agricultural use and miscellaneous

(2) The Council's maximum tax rate is \$.50 per \$1,000 of assessed taxable value.

Note: The basis of assessed value is approximately one hundred percent (100%) of actual value.

Property in Broward County is reassessed annually.

Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Council Tax Rate (2)
38,094,078	132,442,094	0.4789
37,637,272	132,691,211	0.4902
37,747,627	140,242,741	0.4882
38,053,693	159,864,641	0.4882
38,455,766	177,531,724	0.4882
38,895,548	195,872,186	0.4882
40,062,909	211,981,283	0.4882
41,013,989	226,946,038	0.4882
41,925,149	241,617,070	0.4882
43,090,367	250,847,112	0.4882

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

Fiscal Year	Council			Overlapping Rates (a)		
	Basic Direct Rate	Debt Service Rate	Total Rate	Broward County (a)	School Board of Broward County	South Florida Water Management District
2012	0.4789	-	0.4789	5.5530	7.4180	0.4363
2013	0.4902	-	0.4902	5.5530	7.4560	0.4289
2014	0.4882	-	0.4882	5.7230	7.4800	0.4110
2015	0.4882	-	0.4882	5.7230	7.4380	0.3842
2016	0.4882	-	0.4882	5.7230	7.2740	0.3551
2017	0.4882	-	0.4882	5.6690	6.9063	0.3307
2018	0.4882	-	0.4882	5.6690	6.5394	0.3100
2019	0.4882	-	0.4882	5.6690	6.4029	0.2936
2020	0.4882	-	0.4882	5.6690	6.7393	0.2795
2021	0.4882	-	0.4882	5.6690	6.5052	0.2675

Source: Broward County Revenue Collection Division

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

Note: The Council's maximum tax rate is \$.50 per \$1,000 of assessed taxable value.



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CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Principal Property Taxpayers,
Current Year and Nine Years Ago
(Dollars in Thousands)

2012			
Taxpayer	Taxes Levied	Rank	Percent to Aggregate Taxes Levied
Sunrise Mills Ltd	\$ -	-	0.00%
Publix Supermarkets, Inc.	-	-	0.00%
Florida Power & Light Company	35,472	1	1.18%
Diplomat Properties Ltd.	9,040	2	0.30%
Pembroke Lakes Mall Ltd.	8,061	3	0.27%
City National Bank of Florida	6,930	4	0.23%
Palm Vacation Group	5,474	5	0.18%
Bellsouth Telecommunications Inc.	3,449	6	0.12%
HC Miramar Properties, LLC	2,962	7	0.10%
Harbor Beach Property LLC	2,901	8	0.10%
Orange Bowl Eastern III LLC	2,687	9	0.09%
Diplomat Hotel Owner LLC.	2,536	10	0.08%
Wal-Mart Stores East	-	-	0.00%
NXRT Pembroke LLC.	-	-	0.00%
City of Fort Lauderdale	-	-	0.00%
TAF GG Las Olas LP	-	-	0.00%
Camden Summit Partnership LP	-	-	0.00%
Total principal taxpayers	<u>\$ 79,512</u>		<u>2.65%</u>

Source: Broward County Revenue Collector

2021

Taxes Levied	Rank	Percent to Aggregate Taxes Levied
15,139	2	0.31%
7,657	4	0.16%
74,638	1	1.55%
-	-	0.00%
-	-	0.00%
-	-	0.00%
-	-	0.00%
-	-	0.00%
-	-	0.00%
5,141	7	0.11%
-	-	0.00%
7,386	5	0.18%
7,947	3	0.16%
5,960	6	0.15%
4,206	8	0.10%
3,839	9	0.08%
3,685	10	0.09%
<u>\$ 135,598</u>		<u>2.90%</u>

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Total Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	60,801,037	57,457,936	94.5%	(74,719)
2013	62,564,907	59,460,641	95.0%	(187,589)
2014	64,738,551	61,482,355	95.0%	(152,205)
2015	69,070,390	65,274,088	94.5%	68,489
2016	73,794,596	70,095,209	95.0%	79,904
2017	79,787,967	75,867,788	95.1%	49,003
2018	86,905,516	82,347,473	94.8%	58,584
2019	92,864,670	87,982,591	94.7%	25,759
2020	98,373,350	93,116,487	94.7%	142,613
2021	104,706,427	98,131,640	93.7%	-

Source: Property Appraisers Office
The Children's Services Council - Finance Administration

Total Collections to Date

Amount	Percentage of Levy
57,383,217	94.4%
59,273,052	94.7%
61,330,150	94.7%
65,342,577	94.6%
70,175,113	95.1%
75,916,791	95.1%
82,406,057	94.8%
88,008,350	94.8%
93,259,100	94.8%
98,131,640	93.7%

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (3)
2012	1,815,137	76,687,882	43,351	40.0
2013	1,838,844	80,525,783	43,792	39.9
2014	1,869,235	80,905,552	43,283	39.9
2015	1,896,425	85,167,498	44,909	40.0
2016	1,909,632	89,572,271	46,906	40.0
2017	1,935,878	94,239,376	48,680	40.1
2018	1,951,260	98,087,689	50,269	40.5
2019	1,952,778	102,145,579	52,308	40.4
2020	1,944,375	109,473,926	55,908	N/A
2021	N/A	N/A	N/A	N/A

Source:

- (1) US Department of Commerce, Bureau of the Census
- (2) US Department of Commerce, Bureau of Economic Analysis
- (3) US Census Bureau, American Community Survey (ACS)
- (4) School Board of Broward County
- (5) U.S. Department of Labor, Bureau of Labor Statistics

N/A Not Available

* Includes Charter Schools

* Public School Enrollment (4)	Unemployment Rate (5)
258,803	7.60%
260,564	5.60%
262,563	5.20%
265,401	4.70%
268,836	4.60%
271,105	3.30%
271,517	2.80%
270,550	2.80%
267,970	7.80%
260,715	4.40%

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Principal Employers
Current Year and Nine Years Ago

2012

Employer (1)	Employees	Rank	Percentage of Total County Employment
Broward School Board*	26,000	1	2.8%
Broward County Government*	11,055	2	1.2%
Memorial Healthcare System*	10,900	3	1.2%
Broward Health*	8,190	4	0.9%
Nova Southeastern	4,013	5	0.4%
American Express	3,000	6	0.3%
The Answer Group	2,800	7	0.3%
Kaplan Higher Education	2,500	8	0.3%
Interbond Corp. of America dba BrandsMart USA	2,000	9	0.2%
Alorica	2,000	10	0.2%
Total	<u>72,458</u>		<u>7.8%</u>

* Includes both full time and part time employees

Sources:

- (1) The Broward Alliance
- (2) Labor Market Statistics, Local Area Unemployment Statistics Program
- (3) U.S. Department of Labor Bureau of Labor Statistics

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Principal Employers
Current Year and Nine Years Ago

2021			
Employer (1)	Employees (1)	Rank	Percentage of Total County Employment (2)
Broward School Board*	33,022	1	3.2%
Memorial Healthcare System*	14,000	2	1.4%
Broward County Government*	12,631	3	1.2%
Broward Health*	9,824	4	1.0%
Nova Southeastern	6,181	5	0.6%
FirstService Residential	5,400	6	0.5%
HEICO	4,532	7	0.4%
Broward College*	4,170	8	0.4%
Spirit Airlines	3,947	9	0.4%
American Express	3,500	10	0.3%
Total	<u>97,207</u>		<u>9.4%</u>

* Includes both full time and part time employees

Sources:

- (1) The Broward Alliance
- (2) Labor Market Statistics, Local Area Unemployment Statistics Program
- (3) U.S. Department of Labor Bureau of Labor Statistics

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

Full-time Equivalent Employees as of September 30,	Program Support	General Administration	Grand Total
2012	41	16	57
2013	42	16	58
2014	45	17	62
2015	48	15	63
2016	49	17	66
2017	51	18	69
2018	56	20	76
2019	55	20	75
2020	57	21	78
2021	57	22	79

Source: Children's Services Council, Finance Administration

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Operating Indicators
Last Ten Fiscal Years

Utilization

Contract/Program Services	Amount Under Contract	Actual Expenditures	Under- utilized (c)	Unallocated
<u>Fiscal Year</u>	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>
2012	99%	95%	4%	1%
2013	99%	94%	5%	1%
2014	100%	96%	4%	0%
2015	99%	94%	5%	0%
2016	100%	94%	6%	0%
2017	99%	92%	7%	0%
2018	100%	93%	7%	0%
2019	98%	87%	11%	1%
2020	100%	76%	24%	0%
2021	100%	71%	29%	0%

- (a) Percentage of contract/program services budget under contract.
(b) Percentage of contract/program services budget spent.
(c) Percentage of contract/program services budget contracted but not spent.
(d) Percentage of contract/program services budget not allocated/contracted.

General Fund Total Expenditures as a percentage of revenues

<u>Fiscal Year</u>	<u>Budget (e)</u>	<u>Actual (f)</u>
2012	107%	101%
2013	105%	99%
2014	106%	101%
2015	106%	100%
2016	106%	99%
2017	107%	97%
2018	106%	97%
2019	108%	90%
2020	108%	83%
2021	110%	80%

Budget (e) Actual (f)

- (e) Budgeted expenditures as a percent of budgeted revenue
(f) Actual expenditures as a percent of actual revenue

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**Program Budget Indicators****Last Ten Fiscal Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	Budget	Budget	Budget	Budget
Family Strengthening	\$ 11,894,698	\$ 12,083,464	\$ 12,342,529	\$ 13,368,082
Child Welfare/Adoption Promotion	135,000	160,000	160,000	160,000
Youth Development	6,105,422	6,892,313	7,061,103	8,105,573
Delinquency Prevention	2,988,398	3,018,398	3,299,074	3,819,116
Independent Living	1,575,000	1,620,200	1,705,743	1,793,734
Special Needs	9,735,281	9,732,320	9,826,260	10,544,491
Out of School Time	12,060,942	11,057,680	11,595,555	12,305,000
Early Child Education	6,682,700	7,306,189	7,527,142	6,964,718
Physical Health	1,951,276	1,952,276	1,973,941	2,169,334
System Goals	2,161,593	2,298,712	2,444,562	2,147,989
Unallocated	60,629	8,154	63,074	78,262
TOTAL	\$ 55,350,939	\$ 56,129,706	\$ 57,998,983	\$ 61,456,299

Source: Children's Services Council, Finance Administration

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Budget	Budget	Budget	Budget	Budget	Budget
\$ 14,634,489	\$ 14,625,683	\$ 14,625,683	\$ 16,781,607	\$ 22,197,880	\$ 23,966,670
201,425	449,023	449,023	1,422,920	2,400,259	2,400,259
8,565,486	9,913,146	9,913,146	11,558,299	12,525,294	14,838,909
3,882,289	3,693,789	3,693,789	3,506,464	3,601,728	3,601,728
1,938,078	3,453,678	3,453,678	3,716,788	3,803,739	4,081,500
11,262,154	11,615,565	11,615,565	13,210,547	13,915,052	14,449,226
12,510,258	12,739,048	12,739,048	14,829,189	15,323,467	14,509,357
7,101,288	8,331,244	8,331,244	10,509,308	10,266,787	10,462,389
2,413,343	2,579,085	2,579,085	3,121,270	3,194,475	3,357,049
2,176,270	2,945,616	2,945,616	2,946,182	2,835,684	3,012,368
183,623	177,863	177,863	1,074,857	12,939	871,477
\$ 64,868,703	\$ 70,523,740	\$ 70,523,740	\$ 82,677,431	\$ 90,077,304	\$ 95,550,932



**A Year of
Caring
and
Connection**

COMPLIANCE SECTION







CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

**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**

To the Members of the Council of
Children's Services Council of Broward County

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Children's Services Council of Broward County (the "Council"), as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated March 17, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miramar, Florida
March 17, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR ITS MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Members of the Council of
Children's Services Council of Broward County
Lauderhill, Florida

Report on Compliance for Each Major Federal Program

We have audited the Children's Services Council of Broward (the "Council") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Council's major federal program for the fiscal year ended September 30, 2021. The Council's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Its Major Federal Program

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2021.

Report on Internal Control over Compliance

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

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

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

Purpose of This Report

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miramar, Florida
March 17, 2022

Children's Services Council of Broward County
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2021

Federal Agency, Pass-through Entity, Federal Program	Federal Assistance Listing Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
Federal Agency Name:				
Department of Justice Victims of Crime Act-Antiterrorism Emergency Reserve				
Pass-through:				
Florida Department of Legal Affairs, Office of the Attorney General				
Antiterrorism And Emergency Assistance Program Grant	16.321	2020-V7-GX-0004/ #K04885	901,036	722,075
Total Department of Justice- Antiterrorism Emergency Reserve			901,036	722,075
Department of Health and Human Services -				
Pass-through:				
Florida Department of Children and Families -				
Foster Care - Title IV-E	93.658	# YLJ74	327,487	-
Adoption Assistance - Title IV-E	93.659	# YLJ74	94,792	-
Total Department of Health and Human Services -			422,279	-
Total Expenditures of Federal Awards			\$ 1,323,315	\$ 722,075

The notes to the schedule of expenditures of federal awards are an integral part of this schedule

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the Children's Services Council of Broward County (the Council) under programs of the federal government for the fiscal year ended September 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position or changes in net position of the Council.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as a reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

The Council has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified?

_____ Yes X None reported

Noncompliance material to financial
statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal awards:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified?

_____ Yes X None reported

Type of auditors' report issued on compliance for
major federal programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal program:

Federal
Assistance
Listing No.

Federal Program or Cluster

16.321 Department of Justice - Antiterrorism Emergency Reserve

Dollar threshold used to distinguish between Type A
and Type B programs:

\$750,000

Auditee qualified as low risk auditee?

_____ Yes X No

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Members of the Council of
Children's Services Council of Broward County
Lauderhill, Florida

Report on the Financial Statements

We have audited the basic financial statements of the Children's Services Council of Broward County (the "Council"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 17, 2022.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance for Its Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 17, 2022, 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 financial audit report. There were no recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the notes financial statements.

Financial Condition and Management

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

Financial Condition and Management (Continued)

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Council. It is management's responsibility to monitor the Council's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. This assessment has been performed as of the fiscal year end.

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.

Specific Information

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

- a. The total number of Council employees compensated in the last pay period of the Council's fiscal year as 82.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Council's fiscal year as 10.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$9,211,573.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$257,625.
- e. No construction project with a total cost of at least \$65,000 approved by the Council that is scheduled to begin on or after October 1 of the fiscal year ended September 30, 2021.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Council amends a final adopted budget under Section 189.016(6), Florida Statutes. Refer to the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual on page 72.

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

- a. The mileage rate or rates imposed by the Council as .04882 mils.
- b. The total amount of ad valorem taxes collected by or on behalf of the district as \$98,310,585.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds as none.

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 Council members and management of the Council, and is not intended to be and should not be used by anyone other than these specified parties.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miramar, Florida
March 17, 2022

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF
SECTION 218.415 FLORIDA STATUTES**

To the Members of the Council of
Children's Services Council of Broward County
Lauderhill, Florida

We have examined Children's Services Council of Broward County's (the "Council") compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2020 to September 30, 2021. Management of the Council is responsible for the Council's compliance with the specified requirements. Our responsibility is to express an opinion on the Council's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Council's compliance with specified requirements. In our opinion, the Council complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2020 to September 30, 2021.

This report is intended solely for the information and use of management of the Council, members of the Council, 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.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miramar, Florida
March 17, 2022





A Year of Caring and Connection

MISSION

To provide the leadership, advocacy and resources necessary to enhance children's lives and empower them to become responsible, productive adults through collaborative planning and funding of a continuum of quality of

VISION

The children of Broward County shall have the opportunity to realize their full potential, their hopes and dreams, supported by a nurturing



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