

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**



Issued By:

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

Prepared By:

Debra Heim, Chief Financial Officer

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

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# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

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## **INTRODUCTORY SECTION**

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March 11, 2022

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

Dear Council Members:

We respectfully submit the Annual Comprehensive Financial Report ("Annual Report") of the Children's Services Council of Palm Beach County (the "Council") as of and for the year ended September 30, 2021. Florida Statutes require that we prepare our financial statements in conformance with United States Generally Accepted Accounting Principles ("GAAP") and that an external audit be performed by an independent certified public accounting firm in accordance with generally accepted auditing standards and government auditing standards.

The financial statements included in this report conform to the generally accepted accounting principles in the United States ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). The Council is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

The financial statements have been audited by Marcum LLP. The independent auditors have issued unmodified opinions that this report fairly presents the financial position of the Council and complies with all reporting standards noted above.

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

### ***Profile of the Council***

Children's Services Council of Palm Beach County is a special district created by Palm Beach County voters in 1986 and reauthorized by nearly 85% of the voters in 2014. The Council provides leadership, funding, services and research on behalf of the county's children so they grow up healthy, safe and strong. The Council was created under Chapter 125 of the Florida Statutes, which authorizes counties to pursue a voter referendum that provides authority to tax property to fund programs for children and families.

To make the biggest impact possible, we focus on prenatal care and early childhood development so more Palm Beach County children are born healthy, remain free from abuse and neglect, are ready for kindergarten and have access to quality afterschool and summer programming. To reach these goals, we fund local nonprofit and other agencies, which provide evidenced-based and other high-quality services to our county's children and their families.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Palm Beach County voters gave overwhelming support for the county's children in November, 2014 by reauthorizing the Children's Services Council. As a result of the reauthorization, the Council has been empowered to continue the work into the future for the children and the community. The Council relies on taxes levied based on property values in Palm Beach County. Property values are assessed as of January 1<sup>st</sup> each year. Budget forecasting will determine the future millage in order to provide the same level of service to children.

There has been improvement in the economy since the beginning of the COVID-19 pandemic which began in March of 2020. The unemployment rate in Palm Beach County at the beginning of the fiscal year was 7% and has declined to 4.1% at September 30, 2021. Employment sectors with the most job losses during the pandemic, namely, tourism/hospitality, restaurants, entertainment and retail sectors, have rebounded.

Property values in the county have continued to rise. Over the past five years, property values have produced increases between 5.7% and 8.4%. In March 2021, the research arm of the Florida Legislature, the Office of Economic and Demographic Research (EDR) projected property value increases in Palm Beach County for the next five years to range between 3.1% and 4% and in January 2022 projected the increases over the same period to be between 3.8% and 7.4%.

### ***Independent Auditor***

The Council's financial statements have been audited by Marcum LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Children's Services Council for the fiscal year ended September 30, 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements, evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that the Council's financial statements for fiscal year ended September 30, 2021, are fairly presented in all material respects, in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

### *Certificate of Achievement for Excellence in 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 Palm Beach County for its annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the ninth consecutive year that the Council has received this prestigious award. In order to be awarded a Certificate of Achievement, the Council published an easily readable and efficiently organized Annual Report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current Annual Report continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

### *Acknowledgements*

The preparation of this report could not have been possible without the efficient and dedicated services of the entire Finance Division. We would like to express our appreciation to all members of the division who assisted and contributed to its preparation. We also wish to thank the Finance Committee and Council Members for their dedicated service and support in planning the financial operations of the Council.

Respectfully submitted,



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



Debra Heim  
Chief Financial Officer



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

**LIST OF PRINCIPAL OFFICIALS**

**FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**COUNCIL MEMBERS**

Thomas Bean, Chairperson

Jose Luis Rodriguez, Esq., Vice Chairperson

Vincent Goodman, Secretary

Thomas P. Weber

Mike Burke

Judge Kathleen J. Kroll

Elisa Cramer

Debra Robinson, M.D.

Maria Sachs

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**EXECUTIVE STAFF**

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

Debra Heim, Chief Financial Officer

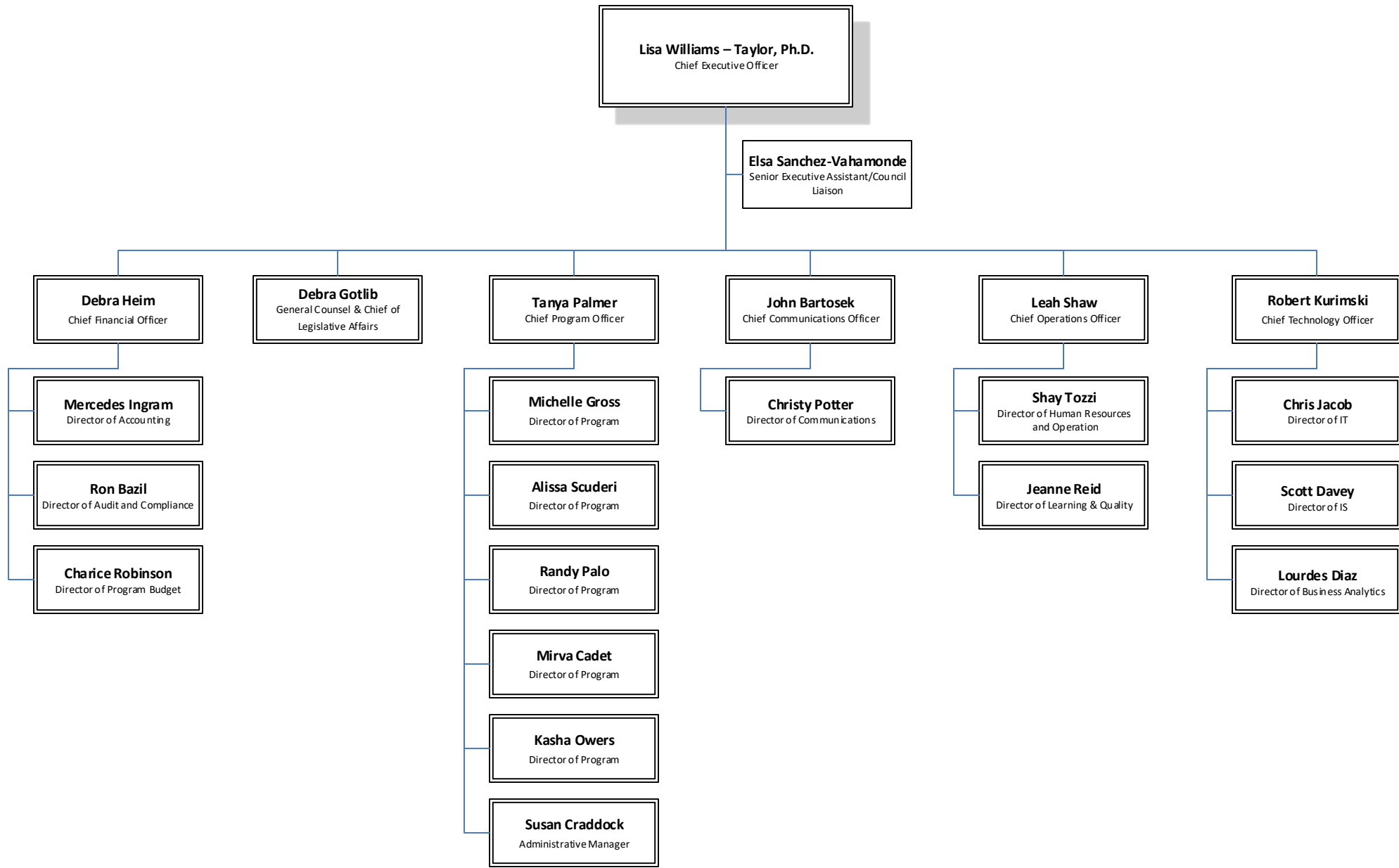
Tanya Palmer, Chief Program Officer

John Bartosek, Chief Communications Officer

Leah Shaw, Chief Operations Officer

Robert Kurimski, Chief Technology Officer

Debra Gotlib, General Counsel and Chief of Legislative Affairs





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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**INDEPENDENT AUDITORS' REPORT**

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## INDEPENDENT AUDITORS' REPORT

To the Finance Committee, Board Chair and Council Members  
**Children's Services Council of Palm Beach County**

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Children's Services Council of Palm Beach County (the Council) 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Council as of September 30, 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 on pages 4 through 12, and the Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability and Related Ratios on page 51 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 Supplementary 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 budget to actual schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budget to actual schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates 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 budget to actual schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 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 Council's internal control over financial reporting and compliance.

*Marcum LLP*

West Palm Beach, FL  
March 11, 2022



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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(MD&A)**

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## *Management's Discussion and Analysis*

Our discussion and analysis of the Children's Services Council of Palm Beach County's (the "Council" or "CSC") financial performance provides an overview of the Council's financial activities for the fiscal years ended September 30, 2021 and 2020. Please read it in conjunction with the transmittal letter on page i and the Council's financial statements, which begin on page 13.

### **Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 13 and 14) 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 15. Fund financial statements report the Council's operations in more detail than the government-wide statements by providing information about the Council's most significant funds. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. The notes to the financial statements (on pages 21-50) provide additional information that is essential to a full understanding of data provided in the government-wide and fund financial statements, and are required by U.S. generally accepted accounting principles. This report also contains required supplementary information on page 51, other supplemental information on pages 52-57, statistical tables on pages 58-71, and internal control and compliance reports beginning on page 72.

### **Financial Highlights**

- The Council's total assets and deferred outflows of financial resources exceeded liabilities and deferred inflows of financial resources by \$74.1 million (total net position).
- Total net position includes the following:
  - Investment in capital assets of \$15.3 million, net of accumulated depreciation, and
  - Unrestricted net position of \$58.8 million
- The Council's net position increased by \$10.6 million from last fiscal year for a total of \$74.1 million.
- Revenues increased in total by \$6.5 million, or 5.0% from the prior year, due to a 5.7% increase in the County's property tax base, an increase in grant revenues from the Healthy Start Coalition of Palm Beach County, Inc. (HSC), and, net of a decrease in investment earnings.
- The Council's expenses were \$126.4 million, the same as the prior year. The most significant expenses relate to contracts with providers for children's programs which, had an under-utilization rate greater than usual, due to the COVID-19 pandemic.

- The Council’s governmental funds had a total fund balance of \$60.3 million, an increase of \$11.3 million, or 23.1%, from the prior year. Of this \$60.3 million fund balance, \$0.6 million is classified as nonspendable at September 30, 2021; \$4.5 million is classified as assigned for subsequent year expenditures and \$55.2 million is available for spending at the Council’s discretion (unassigned fund balance). The increase is primarily due to additional tax revenues and grant income as well as under-utilization from provider contracts.

## **Overview of the Financial Statements**

### ***Government-wide Financial Statements***

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

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

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

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

### ***Fund Financial Statements***

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

*Governmental funds* — All of the Council’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be

converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides.

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

While some funds are required to be established by state law, currently the Council uses the General Fund and the Special Revenue Fund, as defined by the Governmental Accounting Standards Board ("GASB"). There are classifications for fund balances to enhance the usefulness and make its categories more easily understood. Additionally, all governments are required to present consistent fund balance classification/information, which improves financial reporting. More information on the fund balance categories and the respective amounts can be found in the Notes to the Financial Statements on pages 27 and 28.

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

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

The Council adopts an annual appropriated budget for both of its governmental funds. Budgetary comparison schedules have been provided for the General Fund and for Prevention Partnerships and can be found on pages 19 and 20 of this 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 Basic Financial Statements can be found on pages 21 to 50 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 total other postemployment benefits plan schedule is presented on page 51.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Children's Services Council of Palm Beach County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$74,075,717 at the close of the most recent year. This is an increase in net position of \$10,635,084, or 16.8%, from the prior year. The increase is primarily attributed to the increases in ad valorem property tax revenues resulting from higher property values, an increase in grant income and under-utilization of provider contracts during the year.

Net position is comprised of two sections: investment in capital assets and unrestricted. Unrestricted net position totaled \$58,818,490 at September 30, 2021, an increase of \$11,219,228, or 23.6%. Investment in Capital Assets totaled \$15,257,227 at September 30, 2021, a decrease of \$584,144, or 3.7%, primarily related to depreciation expense for the period.

#### **Summary of Net Position – Governmental Activities September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current and other assets	\$ 69,740,271	\$ 60,793,882
Capital assets, net	<u>15,257,227</u>	<u>15,841,371</u>
Total Assets	84,997,498	76,635,253
<b>DEFERRED OUTFLOWS</b>		
Deferred outflows related to OPEB	<u>50,487</u>	<u>53,781</u>
<b>LIABILITIES</b>		
Current liabilities	9,440,872	11,798,919
Noncurrent liabilities	<u>1,342,024</u>	<u>1,234,189</u>
Total Liabilities	10,782,896	13,033,108
<b>DEFERRED INFLOWS</b>		
Deferred inflows related to OPEB	<u>189,372</u>	<u>215,293</u>
<b>NET POSITION</b>		
Investment in capital assets	15,257,227	15,841,371
Unrestricted	<u>58,818,490</u>	<u>47,599,262</u>
Total Net Position	<u>\$ 74,075,717</u>	<u>\$ 63,440,633</u>

#### **Total Assets**

Total assets increased in 2021 by \$8,362,245, or 10.9%, primarily due to the net effect of increases in cash and investments of \$8,768,060 and other receivables of \$257,437, and decreases in due from other governmental units of \$176,657 and net capital assets of \$584,144. The increase in cash and investments is primarily the result of an increase in ad valorem tax revenues and under-

utilization from provider contracts. The increase in other receivables and the decrease in due from other governmental units is related to the amount and timing of monies reimbursed to the Council from HSC for program expenditures and from governmental units, (Palm Beach County Property Appraiser and Tax Collector). Capital assets decreased primarily due to depreciation expense for the period.

### Deferred Outflows

Deferred outflows of resources represent a consumption of net position that is applicable to a future period and will not be recognized as an outflow of resources (expense or an expenditure) until such time. Deferred outflows of resources were related to the Council’s other postemployment benefits (OPEB) plan and was \$50,487 at September 30, 2021 and \$53,781 at September 30, 2020.

### Total Liabilities

Current liabilities decreased by \$2,358,047, or 20%, primarily due to the timing of the receipt of provider invoices. Noncurrent liabilities increased by \$107,835, or 8.7%, due to increases in compensated absences and OPEB. See Notes 8 and 9 for additional information regarding compensated absences and OPEB.

### Deferred Inflows

Deferred inflows of resources represent an acquisition of net position that is applicable to a future period and will not be recognized as an inflow of resources (revenue) until such time. Deferred inflows of resources were related to the Council’s OPEB plan and was \$189,372 at September 30, 2021 and \$215,293 at September 30, 2020.

Net deferred outflows and inflows decreased \$22,627 related to OPEB amounts recognized in the current year.

### Revenues and Expenses

Revenues for general governmental functions totaled \$137,069,254 in fiscal year 2021, an increase of 5.0% from 2020. Property taxes are the main source of revenue for the Council. Property taxes produced 96.30% of the revenues in fiscal year 2021 compared to 95.63% in 2020.

	<u>2021</u>	<u>2020</u>	<u>Percent of Total</u>	
			<u>2021</u>	<u>2020</u>
<b>Revenue sources:</b>				
Ad valorem property taxes	\$131,993,293	\$124,840,675	96.30%	95.63%
Operating grants and contributions	4,675,921	3,799,318	3.40%	2.91%
Investment income	240,379	1,655,314	0.18%	1.27%
Miscellaneous	<u>159,661</u>	<u>249,570</u>	<u>0.12%</u>	<u>0.19%</u>
Total	<u>\$137,069,254</u>	<u>\$130,544,877</u>	<u>100.00%</u>	<u>100.00%</u>

Assessed property valuation for Palm Beach County of \$210,847,123,009 for fiscal year 2021 represented a 5.7% increase over \$199,477,312,974 for fiscal year 2020. The Council’s millage rate remained constant for the fiscal year ended September 30, 2021 at .6497. Therefore the increase in ad valorem property taxes was due to the increase of gross taxable property values throughout the County. For fiscal years ended September 30, 2021 and September 30, 2020, the tax collection was

96.2% of the total tax levy for each year. The Council’s maximum tax rate is \$ 1.00 per \$ 1,000 of assessed tax value.

Property values are assessed as of January 1 of each year and payable between November 1 of the year assessed and March 31 of the following year with discounts of up to 4% for early payment. For fiscal year ended September 30, 2021, the COVID-19 pandemic did not impact the Council’s ad valorem tax revenues.

Operating grants and contributions include pass through grants from HSC and from direct grants to the Council from the Florida Department of Children and Families (DCF). HSC grants are awarded for Healthy Start statutory services through contracts with the Healthy Start MomCare Network (Network) and the State of Florida, Department of Health (DOH). The grant from DCF is for legal foster care services pursuant to Title IV-E of the Social Security Act. Total operating grants and contributions increased by \$876,603, or 23.1%, primarily due to an increase in services rendered under the Network grant, totalling \$796,965, due to an increase in care coordination and assessments (units of service) provided.

Investment income totaled \$240,379 at September 30, 2021, a decreased of \$1,414,935, or 85.5%. The decrease is due to lower interest rates during the fiscal year. Due to the COVID-19 pandemic, the Federal Reserve held the targeted federal funds rate at 0% - 0.25% during fiscal year 2021.

Expenses for general governmental purposes totaled \$126,434,170 as compared to \$126,388,577 in the previous year. Changes in levels of expenses for major functions of the Council are shown in the following table:

			<u>Percent of Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Expenses:</b>				
Program services				
Children’s programs	\$108,432,487	\$108,849,511	85.76%	86.13%
Administrative support	10,756,241	11,036,773	8.51%	8.73%
Administrative and general	<u>7,245,442</u>	<u>6,502,293</u>	<u>5.73%</u>	<u>5.14%</u>
Total	<u>\$126,434,170</u>	<u>\$126,388,577</u>	<u>100.00%</u>	<u>100.00%</u>

Funding for children’s programs decreased \$417,024, or 0.4% from the previous year. Administrative support and administrative and general expenses for the fiscal year 2021 totaled \$18,001,683 as compared to \$17,539,066 for 2020, resulting in a \$462,617 increase, or 2.6%.

Despite providing increases in the salary and benefits of the funded agencies, providing funding for new programs and expansions of existing programs, and an effort to utilize under-expenditures in programs such as the Great Ideas Initiative (GII) – Supports for Recovery and the GII Pipeline, children’s programs expenses still declined from the prior year primarily due to under-utilization of provider contracts related to staff vacancies due to the COVID-19 pandemic.

The combined increase in administrative support and administrative and general expenses is related to salary increases and general cost increases.

The table below presents a summary of the changes in net position for governmental activities for the years ended September 30, 2021 and 2020, as derived from the government-wide statement of activities:

**Summary of Changes in Net Position  
Fiscal Years Ended September 30, 2021 and 2020**

	2021	2020
<b>REVENUES</b>		
Program revenues:		
Operating grants and contributions		
General revenues:	\$ 4,675,921	\$ 3,799,318
Ad valorem taxes		
Investment income	131,993,293	124,840,675
Miscellaneous	240,379	1,655,314
Total Revenues	159,661	249,570
	137,069,254	130,544,877
 <b>EXPENSES</b>		
Children's programs	108,432,487	108,849,511
Program administrative support	10,756,241	11,036,773
Administrative and general	7,245,442	6,502,293
Total Expenses	126,434,170	126,388,577
Change in net position	10,635,084	4,156,300
Net position at beginning of year	63,440,633	59,284,333
Net position at end of year	\$ 74,075,717	\$ 63,440,633

**Financial Analysis of the Government Funds**

**General Fund**

As of September 30, 2021, the Council's governmental funds reported a total fund balance of \$60,280,057, which is an increase of \$11,302,207, or 23.1%, over the prior year, all of which relates to the general fund. General Fund revenues exceeded expenditures (including other financing uses) by \$11,302,207, and is primarily due to additional ad valorem tax revenues and grant income as well as under-utilization from provider contracts.

Property values increased by 5.7% over the prior year, which increased ad valorem property tax revenue by \$7,152,618, as the millage rate remained unchanged. Total operating grants and contributions increased by \$876,603, or 23.1%, compared to the prior year, primarily due to an increase in services rendered under the Network grant of \$796,965, due to an increase in care coordination and assessments (units of service) provided.

Children's programs expenditures were less than budget by \$9,902,832 as a result of reimbursement based providers having expenditures less than the contracted amounts, primarily due to staff vacancies during COVID-19.



An amount of \$4,175,989 was budgeted as a decrease in fund balance for the current year.

The total fund balance at September 30, 2021, included \$556,545 classified as non-spendable funds for prepaid items, \$4,537,830 classified as assigned from fund balance for program expenditures for the next fiscal year and \$55,185,682 classified as unassigned.

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

There is no fund balance associated with the Special Revenue Fund at September 30, 2021 or 2020, since all expenditures incurred are reimbursable through transfers from the General Fund.

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

Capital assets of governmental activities at September 30, 2021, had a net book value of \$15,257,227, which represented a \$584,144 decrease, net of depreciation, from September 30, 2020. The decrease was a result of \$31,137 of purchases, net of \$615,281 of depreciation expense for 2021. Additional information on the Council's capital assets can be found in Note 7 on page 41 of this report.

As presented in Notes 8 and 9 to the Financial Statements, the Council's long-term liabilities consist of compensated absences (vacation and sick leave) and an OPEB liability. The Council is prohibited by Florida Statute from issuing any type of debt instrument, including the issuance of bonds of any nature.

### **General Fund Budgetary Highlights**

The Council's Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund, which compares the fiscal year's actual results to budget, can be found on page 19.

During the year, general fund revenue was greater than budget by \$1,833,121 primarily due to an increase in grant income of \$1,618,955. The most significant variance relates to the Network grant, which is a pass through grant from HSC. Network grant income exceeded budget by \$1,399,891 as more care coordination and assessments services were rendered.

Total expenditures were less than budgeted appropriations by \$13,198,614 primarily related to children's programs expenditures and other general administrative expenditures. Children's programs expenditures were less than budget by \$9,902,832, due to the under-utilization of provider contracts primarily related to staff vacancies during COVID-19. Other general administrative expenses were less than budget by \$1,455,848 and are related to the costs charged by the Palm Beach County Property Appraiser and Tax Collector offices. Both offices return funds to the Council in excess of what is needed for the annual cost of each office.

## **Economic Factors, Next Year's Budget and Tax Rates**

The Council's revenues are determined predominantly by the property values in Palm Beach County. Property values have steadily increased over the past several years and the current year saw an increase of 5.7%.

The unemployment rate has improved during the fiscal year. At September 30, 2021, Palm Beach County's unemployment rate was 4.1%, below both the State of Florida and the national averages of 4.3% and 4.6%, respectively. At September 30, 2020, Palm Beach County's unemployment rate was 7.0%, also below the State of Florida and the national averages of 7.6% and 7.7%, respectively.

For fiscal year ending September 30, 2022, the Council has approved a budget combined for both the general and special revenue funds totaling \$141,873,784 of which \$133,216,049 is supported by ad valorem taxes, with the millage reduced to the rolled-back rate of .6233. Property values were not significantly impacted due to COVID-19 for fiscal year 2021-2022. Preliminary property values increased by 5.6%, attributed largely to the increase in the residential property values. Of the total \$141,873,784 budgeted, \$131,498,029 is allocated to children's programs, of which \$120,222,710 is for contracted services and special funds and initiatives and the remaining \$11,275,319 will be used to provide training, technical support, and evaluation services to providers of children's services in Palm Beach County.

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

## **Request for Information**

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

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# **FINANCIAL STATEMENTS**

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

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2021**

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 27,552,692
Investments	37,246,478
Due from other governmental units	1,415,052
Other receivables	2,950,162
Prepaid expenses	556,545
Investment in joint venture	19,342
Capital assets:	
Capital assets not being depreciated	2,781,948
Capital assets being depreciated, net	12,475,279
<b>Total Assets</b>	<b>84,997,498</b>
<b>Deferred Outflows of Resources</b>	
Deferred amounts related to OPEB	50,487
<b>Liabilities</b>	
Due to program service providers	9,153,942
Accounts payable and other liabilities	286,930
Noncurrent liabilities:	
Due within one year:	
Compensated absences	167,708
Due in more than one year:	
Compensated absences	962,903
Total other postemployment benefits	211,413
<b>Total Liabilities</b>	<b>10,782,896</b>
<b>Deferred Inflows of Resources</b>	
Deferred amounts related to OPEB	189,372
<b>Net Position</b>	
Investment in capital assets	15,257,227
Unrestricted	58,818,490
<b>Total Net Position</b>	<b>\$ 74,075,717</b>

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

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

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Expenses	Program Revenues Operating Contributions and Grants	Governmental Activities
<b>Governmental Activities</b>			
Children's programs	\$ 108,432,487	\$ 4,675,921	\$ (103,756,566)
Program administrative support	10,756,241	--	(10,756,241)
Administrative and general	<u>7,245,442</u>	<u>--</u>	<u>(7,245,442)</u>
<b>Total Governmental Activities</b>	<u>\$ 126,434,170</u>	<u>\$ 4,675,921</u>	<u>(121,758,249)</u>
<b>General Revenues</b>			
Ad valorem taxes			131,993,293
Investment income			240,379
Miscellaneous			<u>159,661</u>
<b>Total General Revenues</b>			<u>132,393,333</u>
<b>Change in Net Position</b>			10,635,084
<b>Net Position - Beginning</b>			<u>63,440,633</u>
<b>Net Position - Ending</b>			<u>\$ 74,075,717</u>

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

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2021**

	General Fund	Special Revenue Fund Prevention Partnerships	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 27,552,692	\$ --	\$ 27,552,692
Investments	37,246,478	--	37,246,478
Due from other governmental units	1,415,052	--	1,415,052
Other receivables	2,950,162	--	2,950,162
Due from other funds	--	319,866	319,866
Prepaid expenses	556,545	--	556,545
<b>Total Assets</b>	<b>\$ 69,720,929</b>	<b>\$ 319,866</b>	<b>\$ 70,040,795</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Due to program service providers	\$ 8,834,076	\$ 319,866	\$ 9,153,942
Accounts payable and other liabilities	286,930	--	286,930
Due to other funds	319,866	--	319,866
<b>Total Liabilities</b>	<b>9,440,872</b>	<b>319,866</b>	<b>9,760,738</b>
<b>Fund Balances</b>			
Non-spendable:			
Prepaid items	556,545	--	556,545
Assigned for:			
Subsequent year expenditures	4,537,830	--	4,537,830
Unassigned	55,185,682	--	55,185,682
<b>Total Fund Balances</b>	<b>60,280,057</b>	<b>--</b>	<b>60,280,057</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 69,720,929</b>	<b>\$ 319,866</b>	<b>\$ 70,040,795</b>

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

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021**

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**Fund Balance - Total Governmental Funds** \$ 60,280,057

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

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

Governmental capital assets	\$ 26,963,184	
Less accumulated depreciation and amortization	<u>(11,705,957)</u>	15,257,227

Investment in joint venture is not a financial resource and therefore is not reported in the governmental funds.		19,342
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Deferred outflows/inflows of resources related to OPEB are reported in the statement of net position but are not reported in the governmental funds.

Deferred outflows of resources related to OPEB	50,487	
Deferred inflows of resources related to OPEB	<u>(189,372)</u>	(138,885)

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

Compensated absences		(1,130,611)
Total OPEB liability		<u>(211,413)</u>

**Net Position of Governmental Activities** \$ 74,075,717

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

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	Special Revenue Fund Prevention Partnerships	Total Governmental Funds
<b>Revenues</b>			
Ad valorem taxes	\$ 131,993,293	\$ --	\$ 131,993,293
Grant income	4,675,921	--	4,675,921
Income from tenants	72,473	--	72,473
Interest income	481,596	--	481,596
Loss on investments	(241,217)	--	(241,217)
Sponsorship fees and other income	84,959	--	84,959
<b>Total Revenues</b>	<u>137,067,025</u>	<u>--</u>	<u>137,067,025</u>
<b>Expenditures</b>			
Program services and support			
Children's programs	106,270,181	2,162,306	108,432,487
Program administrative support	10,251,890	--	10,251,890
General administration			
Administrative and general	5,009,994	--	5,009,994
Other	2,039,310	--	2,039,310
Capital outlay	31,137	--	31,137
<b>Total Expenditures</b>	<u>123,602,512</u>	<u>2,162,306</u>	<u>125,764,818</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>13,464,513</u>	<u>(2,162,306)</u>	<u>11,302,207</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	--	2,162,306	2,162,306
Transfers out	(2,162,306)	--	(2,162,306)
<b>Total Other Financing Sources (Uses)</b>	<u>(2,162,306)</u>	<u>2,162,306</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	11,302,207	--	11,302,207
<b>Fund Balances - Beginning</b>	<u>48,977,850</u>	<u>--</u>	<u>48,977,850</u>
<b>Fund Balances - Ending</b>	<u>\$ 60,280,057</u>	<u>\$ --</u>	<u>\$ 60,280,057</u>

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



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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 11,302,207

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

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

Expenditures for capital assets	\$ 31,137	
Current year depreciation and amortization	<u>(615,281)</u>	(584,144)

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

Change in investment in joint venture		2,229
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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	(89,377)	
Change in OPEB liability and related deferred outflows and inflows	<u>4,169</u>	<u>(85,208)</u>

**Change in Net Position of Governmental Activities** \$ 10,635,084

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

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

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Ad valorem taxes	\$ 131,507,881	\$ 131,507,881	\$ 131,993,293	\$ 485,412
Grant income	3,056,966	3,056,966	4,675,921	1,618,955
Income from tenants	69,057	69,057	72,473	3,416
Interest income	500,000	500,000	481,596	(18,404)
Loss on investments	--	--	(241,217)	(241,217)
Sponsorship fees and other income	100,000	100,000	84,959	(15,041)
<b>Total Revenues</b>	<u>135,233,904</u>	<u>135,233,904</u>	<u>137,067,025</u>	<u>1,833,121</u>
<b>Expenditures</b>				
Program services and support				
Children's programs	116,173,013	116,173,013	106,270,181	9,902,832
Program administrative support	10,791,915	11,013,023	10,251,890	761,133
General administration				
Administrative and general	5,806,040	5,586,691	5,009,994	576,697
Other	3,495,158	3,495,158	2,039,310	1,455,848
Contingency	500,000	500,000	--	500,000
Capital outlay	35,000	33,241	31,137	2,104
<b>Total Expenditures</b>	<u>136,801,126</u>	<u>136,801,126</u>	<u>123,602,512</u>	<u>13,198,614</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,567,222)	(1,567,222)	13,464,513	15,031,735
<b>Other Financing Sources</b>				
Transfers out	(2,608,767)	(2,608,767)	(2,162,306)	446,461
<b>Net Change in Fund Balance</b>	<u>\$ (4,175,989)</u>	<u>\$ (4,175,989)</u>	11,302,207	<u>\$ 15,478,196</u>
<b>Fund Balance - Beginning</b>			<u>48,977,850</u>	
<b>Fund Balance - Ending</b>			<u>\$ 60,280,057</u>	

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

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

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Interest income	\$ --	\$ --	\$ --	\$ --
<b>Expenditures</b>				
Program services and support Children's programs	<u>2,608,767</u>	<u>2,608,767</u>	<u>2,162,306</u>	<u>446,461</u>
<b>Total Expenditures</b>	<u>2,608,767</u>	<u>2,608,767</u>	<u>2,162,306</u>	<u>446,461</u>
<b>Deficiency of Revenues Over Expenditures</b>	(2,608,767)	(2,608,767)	(2,162,306)	446,461
<b>Other Financing Sources</b>				
Transfers in	<u>2,608,767</u>	<u>2,608,767</u>	<u>2,162,306</u>	<u>(446,461)</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	--	<u>\$ --</u>
<b>Fund Balance - Beginning</b>			--	
<b>Fund Balance - Ending</b>			<u>\$ --</u>	

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

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**NOTES TO BASIC FINANCIAL STATEMENTS**

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# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – ORGANIZATION

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

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

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

The Council acts as the fiscal administrative and programmatic agent for the Healthy Start Coalition of Palm Beach County, Inc. ("Coalition"), a not-for-profit organization, as defined by section 501(c)(3) of the Internal Revenue Code, which was established to implement the provisions of the Healthy Start legislation in Florida. The Coalition receives grants from the U.S. Government, state and local government and all funds from the Coalition are passed through to the Council, which in turn contracts with sub-recipients to provide services. At September 30, 2021, the Council has a receivable balance from the Coalition in the amount of \$1,807,476. The Coalition is identified as a separate organization with its own governing board, with no direct financial benefit/burden relationship and therefore is not included as a part of the Council's financial reporting entity.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***FINANCIAL REPORTING ENTITY***

As required by U.S. GAAP, the accompanying financial statements present the primary government, the Council, and its blended component unit (entity for which the Council is considered financially accountable). Blended component units, while legally separate entities, are, in substance, part of the primary government’s operations.

Thus, blended component units are appropriately presented as funds of the primary government. There is one blended component unit, as described in Note 1, included in the Council’s reporting entity, and thus, it is appropriately presented as a special revenue fund of the primary government.

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

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

***GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)***

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

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

***MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION***

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenue is recognized in the period in which it becomes both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers property taxes to be available if they are collected within sixty (60) days of the end of the current fiscal year. A six-month availability period is used for all other governmental fund revenues. Expenditures are generally recognized in the accounting period in which the fund liability is incurred. However, expenditures related to compensated absences and other postemployment benefits are recorded only when a payment is due.

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION  
(CONTINUED)***

The Council reports the following major governmental funds:

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

***BUDGETS AND BUDGETARY ACCOUNTING***

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

***ENCUMBRANCES***

Encumbrance accounting is employed as an extension of the formal budgetary process to reflect the estimated amount of future expenditures arising from the issuance of purchase orders, contracts or other forms of legal commitments existing at year-end, which will be paid in the future. Encumbrances do not constitute expenditures or liabilities since goods and services have not been received. Encumbrances lapse at year-end and there were no outstanding encumbrances at September 30, 2021.

***IMPLEMENTATION OF NEW GASB STATEMENTS***

During fiscal year 2021, the Council implemented GASB Statement No. 84, *Fiduciary Activities*, Statement No. 90, *Majority Equity Interests*, Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance* and GASB Statement No. 98, *The Annual Comprehensive Financial Report*.



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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***PROPERTY TAXES***

The Council is permitted by Florida Statutes to levy taxes up to 1 mill (\$1.00 per \$1,000) of assessed valuation. The rate levied for the Council for fiscal year 2021 was 0.6497 mills. Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for real and personal property located within Palm Beach County. The assessed value at January 1, 2020, upon which the fiscal year 2021 levy was based, was approximately \$210.8 billion.

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

***CASH AND CASH EQUIVALENTS***

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

***INVESTMENTS***

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

***PREPAIDS***

Payments made to vendors for services or products that will benefit future periods subsequent to September 30, 2021, are recorded as prepaid expenses/items in the government-wide and fund statements. The Council uses the consumption method to account for these costs.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***CAPITAL ASSETS***

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

The Council records impairment losses on long-lived assets used in operations when events and circumstances indicate the assets might be impaired. No impairment losses have been recorded.

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

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

***COMPENSATED ABSENCES***

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

***POSTEMPLOYMENT BENEFITS***

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***DEFERRED OUTFLOWS/INFLOWS OF RESOURCES***

In addition to assets and liabilities, the government-wide statement of net position and the governmental funds balance sheet may report a separate section for deferred outflows or deferred inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Council reports a deferred outflow of resources on the government-wide statement of net position related to its other postemployment benefits (OPEB) obligation. The deferred outflow of resources related to OPEB results from differences between expected and actual experience. The amounts are deferred and amortized to OPEB expense in a systematic and rational manner over a period equal to the average expected remaining service lives of employees that are eligible for benefits through the OPEB plan.

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

***FUND BALANCE***

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

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

*Restricted* - Restricted fund balance includes amounts that have been restricted to specific purposes either by (a) constraints placed on the use of the resources by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Council has no restricted fund balance at September 30, 2021.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***FUND BALANCE (CONTINUED)***

*Committed* - Committed fund balance includes amounts that can be used only for specific purposes as determined by formal action of the Governing Board itself, using its highest level of decision making authority (i.e., a Council resolution). These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. The Council has no committed fund balance at September 30, 2021.

*Assigned* - Assigned fund balance includes amounts that are constrained by the Council's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the governing body, or by an official (Chief Executive Officer), or body (Finance Committee), to which the Governing Board delegated authority. The Governing Board has delegated this authority and responsibility through a fund balance policy, approved via resolution. Council management makes recommendations concerning the assignment of fund balance to the Finance Committee. In general, the Finance Committee either approves the recommendations as presented or modifies them and presents the final recommendation to the full Governing Board for their approval. The Governing Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund, as applicable. Normally, no additional action needs to be taken for the removal of an assignment. The Governing Board has assigned fund balance of \$4,537,830 at September 30, 2021, for subsequent year's expenditures.

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

***Fund Balance Flow Assumption***

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*FUND BALANCE (CONTINUED)*

***Minimum Fund Balance Policy***

The Council's policy is to maintain a minimum unassigned General Fund balance to meet seasonal shortfalls in cash flow and reduce susceptibility to emergency and unanticipated expenditures and/or revenue shortfalls. The Governing Board has adopted a financial standard to maintain a minimum unassigned fund balance of 27.5% of the subsequent year's total budgeted expenditures. If the unassigned fund balance falls below the minimum 27.5% of the proposed annual operating budgeted expenditures for the subsequent year, in each year of a three year period, a specific amount will be allocated in the Council's annual budget to be used to replenish the fund to the 27.5% floor. The unassigned fund balance as of September 30, 2021 was approximately \$55.2 million (40%).

***NET POSITION***

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

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

*Restricted* - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The Council has no restricted net position at September 30, 2021.

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

***INTERFUND TRANSACTIONS***

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***GRANTS***

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the Council for the return of those funds. As of September 30, 2021, management does not believe that there are any disallowed expenditures that would require a return of grant funds.

***RISK MANAGEMENT***

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council purchases commercial insurance for the risk of losses to which it is exposed. Retention of risks is limited to the excess of those risks that are insured, those risks that are uninsurable, and deductibles ranging from \$1,000 (damage) to \$1,000,000 (natural disaster) per occurrence. Policy limits and deductibles are reviewed annually by management and established at amounts to provide reasonable protection from significant financial loss. There were no significant reductions in insurance coverage for fiscal year 2021. Review of the past three years reveals settled claims have not exceeded insurance coverage. In addition, under Florida law, the Council is covered by the constitutional doctrine of Sovereign Immunity for general liability claims. Sovereign Immunity generally limits liability to \$200,000 per person/\$300,000 per incident unless a claims bill is approved by the Florida Legislature awarding damages in excess of that amount.

***USE OF ESTIMATES***

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows/outflows, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 3 – DEPOSITS AND INVESTMENTS**

***DEPOSITS***

As of September 30, 2021, the Council's cash and cash equivalents consisted of deposits with financial institutions with a carrying value of \$27,552,692.

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

***INVESTMENTS***

In accordance with Florida Statutes Section 218.415 and the Council's investment policy, the Council is authorized to invest in U.S. Treasury and U.S. Government guaranteed securities, U.S. Government agency and instrumentality debt obligations, Supranationals, corporate and municipal debt obligations, Federal agency mortgage-backed securities, collateralized mortgage obligations and mortgage-backed securities, asset-backed securities, non-negotiable certificates of deposit, bank savings accounts, overnight bank deposit accounts, commercial paper, repurchase agreements, money market mutual funds and local government investment pools. The Council may also invest in certain other investment products if authorized by statute and approved in advance by the governing body.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*INVESTMENTS (CONTINUED)*

As of September 30, 2021, the Council had the following investments:

Investments	Fair Value
Money market mutual funds	\$ 1,857,594
Florida Public Assets for Liquidity Management	9,076,380
U.S. Treasury notes/bonds	7,259,631
U.S. Government agency securities	4,973,258
Federal agency mortgage-backed securities	471,626
Collateralized mortgage obligations	142,047
Collateralized mortgage-backed securities	1,879,538
Consumer asset-backed securities	2,783,984
Commercial asset-backed securities	653,897
Corporate debt obligations	5,044,351
Non-corporate debt obligations	<u>3,104,172</u>
<b>Total</b>	<b><u>\$ 37,246,478</u></b>

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

The Council participates in a pooled investment fund. Therefore, in accordance with GASB Statement 79, *Certain External Investment Pools and Pool Participants*, which established criteria for an external investment pool for making the selection to qualify to measure its investments at amortized cost, this pool is exempt from the GASB 72, *Fair Value Measurement and Application* hierarchy disclosures and are reported at amortized cost.



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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*INVESTMENTS (CONTINUED)*

Detailed information for this pooled investment fund is as follows:

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

*FAIR VALUE OF INVESTMENTS*

The Council follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a framework for measuring the fair value of investments in a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

Level 1 – Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the Council has the ability to access.

Level 2 – Investments whose inputs - other than quoted prices - are observable either directly or indirectly.

Level 3 – Investments whose inputs are unobservable.

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***FAIR VALUE OF INVESTMENTS (CONTINUED)***

***Valuation Methodologies***

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

*U.S. Treasury notes/bonds, U.S. Government agency securities, mortgage and asset-backed securities, collateralized mortgage obligations, and corporate and non-corporate debt obligations:* Valued at the closing price reported on the active exchange on which the individual securities are actively traded. Securities that are not actively traded are valued by the investment manager or broker using a matrix-pricing technique based on the securities' relationship to quoted benchmark prices. These are all Level 2 investments.

The methods and assumptions described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Council believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methods and assumptions used for the fiscal year ended September 30, 2021.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*FAIR VALUE OF INVESTMENTS (CONTINUED)*

*Valuation Methodologies (continued)*

The financial assets measured at fair value on a recurring basis included the Council’s investments. There were no liabilities measured at fair value on a recurring basis at September 30, 2021. The fair value of the Council’s investments at September 30, 2021 is summarized as follows:

	Total	September 30, 2021		
		Level 1	Level 2	Level 3
<b>Investments by Fair Value Level</b>				
U.S. Government agency securities	\$ 4,973,258	\$ --	\$ 4,973,258	\$ --
U.S. Treasury notes/bonds	7,259,631	--	7,259,631	--
Federal agency mortgage-backed securities	471,626	--	471,626	--
Collateralized mortgage obligations	142,047	--	142,047	--
Collateralized mortgage-backed securities	1,879,538	--	1,879,538	--
Asset-backed securities	3,437,881	--	3,437,881	--
Corporate and non-corporate debt obligations	8,148,523	--	8,148,523	--
<b>Total Debt Securities by Fair Value Level</b>	26,312,504	<u>\$ --</u>	<u>\$ 26,312,504</u>	<u>\$ --</u>
<b>Investments Reported at Amortized Cost</b>				
Money market mutual fund	1,857,594			
Florida Public Assets for Liquidity Management	9,076,380			
<b>Total Investments</b>	<u>\$ 37,246,478</u>			

**INTEREST RATE RISK**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The Council’s investment policy states that (a) investments of current operating funds shall have maturities of no longer than twelve months and (b) investments of reserves, project funds and other non-operating funds shall have a term not to exceed five and one-half years. The Council’s money market mutual fund and FL PALM have weighted

**CHILDREN’S SERVICES COUNCIL  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***INTEREST RATE RISK (CONTINUED)***

average maturities of less than 90 days. At September 30, 2021, the Council’s investments in debt securities had the following maturities:

	Less Than One Year	One to Five Years	Six to Ten Years	More than Ten Years	Total
U.S. Government agency securities	\$ --	\$ 4,973,258	\$ --	\$ --	\$ 4,973,258
U.S. Treasury notes/bonds	--	7,259,631	--	--	7,259,631
Federal agency mortgage-backed securities	--	471,626	--	--	471,626
Collateralized mortgage obligations	--	142,047	--	--	142,047
Collateralized mortgage-backed securities	--	1,879,538	--	--	1,879,538
Asset-backed securities	--	3,437,881	--	--	3,437,881
Corporate and non-corporate debt obligations	--	8,148,523	--	--	8,148,523
<b>Total</b>	<u>\$ --</u>	<u>\$ 26,312,504</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 26,312,504</u>

***CREDIT RISK***

Credit risk is the risk that a debt issuer will not fulfill its obligations. Management’s intent is to limit the Council’s investment to the highest credit quality ratings from a nationally recognized rating agency in order to control credit risk. The Council’s investment policy limits its investments to certain minimum Nationally Recognized Statistical Rating Organization (NRSRO) ratings which are generally the highest short term or the three highest long term rating categories. The NRSRO ratings for the Council’s fixed income investments at September 30, 2021 are summarized as follows.

**CHILDREN’S SERVICES COUNCIL  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***CREDIT RISK (CONTINUED)***

	NSRO Rating	Fair Value
Money market mutual fund	AAA	\$ 1,857,594
Florida Public Assets for Liquidity Management	AAA	9,076,380
U.S. Government agency securities	AA+ - Aaa	4,973,258
U.S. Treasury notes/bonds	Aaa	7,259,631
Federal agency mortgage-backed securities	AA+	471,626
Collateralized mortgage obligations	Aaa	142,047
Collateralized mortgage-backed securities	Aaa	1,879,538
Consumer asset-backed securities	AAA - Aaa	2,783,984
Commercial asset-backed securities	AAA - Aaa	653,897
Corporate debt obligations	A - BBB+	5,044,351
Non-corporate debt obligations	A+ - AAA	3,104,172
<b>Total</b>		<b>\$ 37,246,478</b>

***CUSTODIAL CREDIT RISK***

Custodial credit risk is defined as the risk that the Council may not recover cash and investments held by another party in the event of a financial failure. At September 30, 2021, all investment securities were held in an independent custodial safekeeping account. The money market mutual fund and FL PALM are considered unclassified pursuant to GASB Statements, because they are not evidenced by securities that exist in physical or book-entry form. Coverage for cash and securities in protected counterparty client accounts is provided from two sources. The Securities Investor Protection Corporation (“SIPC”) protects up to \$500,000, of which \$250,000 may be cash. The counterparty has obtained additional private insurance protection for the remaining balance, if any, of the cash and securities in the investment account. These coverages do not insure the quality of the investments or protect against losses from fluctuating market value.

***CONCENTRATION OF CREDIT RISK***

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

**CHILDREN’S SERVICES COUNCIL  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***FOREIGN CURRENCY RISK***

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. There was no exposure to foreign currency risk in the Council’s investments at September 30, 2021.

***RISKS AND UNCERTAINTIES***

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

**NOTE 4 – RECEIVABLES**

Governmental activities and General Fund receivables consist of the following at September 30, 2021:

<b>Due from Other Governmental Units</b>	
Palm Beach County	<u>\$ 1,415,052</u>
<b>Other Receivables</b>	
Healthy Start Coalition of Palm Beach County	\$ 1,807,476
Contract providers	971,670
Grant receivable	114,211
Interest income receivable	53,261
Other	<u>3,544</u>
<b>Total Other Receivables</b>	<u>\$ 2,950,162</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables consist of the following at September 30, 2021:

	Interfund Receivables	Interfund Payables
General Fund	\$ --	\$ 319,866
Special Revenue Fund	319,866	--
<b>Total</b>	<b>\$ 319,866</b>	<b>\$ 319,866</b>

The general fund provides financial support by extending loans and transfers to Prevention Partnerships to meet its obligations to providers. The amount remains as a loan between the general fund and Prevention Partnerships until Prevention Partnerships remits payment to the providers, at which time, the general fund records the payment as a transfer. At September 30, 2021, the loan amount by the general fund to Prevention Partnerships was \$319,866 related to the timing of payments to providers for August and September services.

During the fiscal year ended September 30, 2021, the General Fund transferred \$2,162,306 to the Special Revenue Fund for the purpose of providing annual support to the Special Revenue Fund for quality childcare and healthy beginnings programs administered by Prevention Partnerships.

**NOTE 6 – INVESTMENT IN JOINT VENTURE**

The Council participates in the Services and Activity Management Information System (“SAMIS”) Collaborative which is a joint venture with eight other children’s services organizations in Florida: (1) The Children’s Services Council of Broward County, (2) The Kids Hope Alliance, (3) Children’s Services Council of Martin County, (4) The Children’s Trust (Miami-Dade County), (5) Palm Beach Community Services, (6) United Way of Broward County, (7) Broward County Children’s Services Administration, and (8) Children’s Services Council of Port Saint Lucie. SAMIS is a web based, funder information, data collection system designed and developed to measure client level services and performance measures, and to be a tool for tracking funds distributed through contracts for the purposes of determining the effectiveness of programs funded by Children’s Services Councils and related human services agencies in the State of Florida.

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 6 – INVESTMENT IN JOINT VENTURE (CONTINUED)**

Each of the joint venture members contributed an initial membership fee of \$50,000 and then pay an annual operating cost allocation determined by the “Assessment Formula” set forth in the operating agreement. The Council’s current operating cost allocation percentage (equity interest) is 11.13%. A joint venture member may terminate their agreement without cause or further liability to the other parties. Upon termination, the joint venture member has the option of either (a) obtaining a perpetual, nonexclusive license to internally use SAMIS in its existing form as of the date of termination or (b) obtaining its portion of the annual fund balance allocation based on its percentage of operating cost allocation for the year of termination.

In accordance with U.S. GAAP, the Council is required to account for this joint venture using the equity method of accounting. Accordingly, the Council recorded its initial investment at cost and records its proportionate share of the joint venture’s income or loss, as well as contributions made or distributions received. At September 30, 2021, the Council’s 11.13% equity interest in the joint venture totaled \$19,342. This investment is reported in the Statement of Net Position as Investment in Joint Venture.

The joint venture does not issue separate audited financial statements. Summarized financial information relating to the joint venture as of and for the fiscal year ended September 30, 2021, is as follows:

Net Position	
Total assets	\$ 183,763
Total liabilities	<u>10,000</u>
<b>Net Position</b>	<b><u>\$ 173,763</u></b>
Change in Net Position	
Charges for services	\$ 332,000
Operating expenses	<u>302,710</u>
<b>Change in Net Position</b>	<b>29,290</b>
<b>Net Position - Beginning</b>	<u>144,473</u>
<b>Net Position - Ending</b>	<b><u>\$ 173,763</u></b>



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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 7 – CAPITAL ASSETS**

The Council’s capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning Balances	Increase	Decrease	Ending Balances
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 2,781,948	\$ --	\$ --	\$ 2,781,948
<b>Total Non-Depreciable Capital Assets</b>	<u>2,781,948</u>	<u>--</u>	<u>--</u>	<u>2,781,948</u>
<b>Depreciable Capital Assets</b>				
Buildings and improvements	19,667,498	31,137	--	19,698,635
Furniture and equipment	2,301,040	--	270,642	2,030,398
Intangibles - software and database	<u>2,452,203</u>	<u>--</u>	<u>--</u>	<u>2,452,203</u>
<b>Total Depreciable Capital Assets</b>	<u>24,420,741</u>	<u>31,137</u>	<u>270,642</u>	<u>24,181,236</u>
<b>Less: Accumulated Depreciation/ Amortization for:</b>				
Buildings and improvements	6,740,972	536,752	--	7,277,724
Furniture and equipment	2,168,143	78,529	270,642	1,976,030
Intangibles - software and database	<u>2,452,203</u>	<u>--</u>	<u>--</u>	<u>2,452,203</u>
<b>Total Accumulated Depreciation/Amortization</b>	<u>11,361,318</u>	<u>615,281</u>	<u>270,642</u>	<u>11,705,957</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>13,059,423</u>	<u>(584,144)</u>	<u>--</u>	<u>12,475,279</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 15,841,371</u>	<u>\$ (584,144)</u>	<u>\$ --</u>	<u>\$ 15,257,227</u>

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

<b>Governmental Activities</b>	
Program administrative support	\$ 443,002
Administrative and general	<u>172,279</u>
<b>Total</b>	<u>\$ 615,281</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 8 – COMPENSATED ABSENCES**

The following is a summary of compensated absences for the fiscal year ended September 30, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Compensated Absences</b>					
Vacation accrual	\$ 813,804	\$ 626,384	\$ 557,688	\$ 882,500	\$ 133,172
Sick leave accrual	<u>227,430</u>	<u>426,427</u>	<u>405,746</u>	<u>248,111</u>	<u>34,536</u>
<b>Totals</b>	<u>\$ 1,041,234</u>	<u>\$ 1,052,811</u>	<u>\$ 963,434</u>	<u>\$ 1,130,611</u>	<u>\$ 167,708</u>

Compensated absences are generally liquidated by the General Fund.

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS**

***PLAN DESCRIPTION***

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

***FUNDING POLICY***

The Council is required by Florida Statute 112.0801 to allow retirees to buy healthcare coverage at the same group insurance rates that current employees are charged resulting in an implicit healthcare benefit. The State of Florida prohibits the Plan from separately rating retirees and active employees. The Plan therefore charges both groups an equal, blended rate premium. Although both groups are charged the same blended rate premium, U.S. GAAP requires the actuarial figures to be calculated using age adjusted premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. Plan members receiving benefits contribute 100% of the monthly premium ranging from a minimum of \$774 to a maximum of \$1,804.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

***PLAN MEMBERSHIP***

Membership in the Plan was comprised of the following at September 30, 2021:

Active employees	103
Retirees and beneficiaries receiving benefits	2
Inactive employees, not yet receiving benefits	--
<b>Total Members</b>	<b>105</b>

***TOTAL OPEB LIABILITY***

The Council’s total OPEB liability of \$211,413 was measured as of September 30, 2020, and was determined by an actuarial valuation as of October 1, 2019, and rolled forward to October 1, 2020.

***Actuarial Methods and Significant Assumptions***

The actuarial methods and significant assumptions used to determine the Council’s total OPEB liability for the current year are summarized as follows:

Valuation date	October 1, 2019
Actuarial cost method	Entry Age Normal
Postretirement benefit increases	None
Healthcare cost trend rates	7.5% per year initially, reduced annually to an ultimate rate of 4.5% in fiscal 2040
Amortization method	Average of expected remaining service lives of all participants – Closed
Asset valuation method	N/A <sup>(1)</sup>
Actuarial assumptions:	
Discount rate – September 30, 2021	2.21% <sup>(2)</sup>
Projected salary increases*	2.5%
* Includes inflation rate	2.5%

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

***TOTAL OPEB LIABILITY (CONTINUED)***

***Actuarial Methods and Significant Assumptions (continued)***

Mortality rates	Pub – 2010 Public Retirement Plans General Mortality table projected generationally with Scale MP-2020
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- (1) The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of September 30, 2021.
- (2) Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the discount rate is the long-term expected rate of return on tax-exempt, high quality municipal bonds based on the S&P municipal bond 20 year high grade rate index as of the measurement date.

***CHANGES IN THE TOTAL OPEB LIABILITY***

The changes in the total OPEB liability based on the reporting date were as follows for the fiscal year ended September 30, 2021:

<b>Total OPEB Liability at September 30, 2020</b>	\$ 192,955
<b>Changes for the Current Year</b>	
Service cost	10,404
Interest	5,285
Changes in assumptions	12,083
Benefit payments	<u>(9,314)</u>
<b>Net Changes</b>	<u>18,458</u>
<b>Total OPEB Liability at September 30, 2021</b>	<u><u>\$ 211,413</u></u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

*CHANGES IN THE TOTAL OPEB LIABILITY (CONTINUED)*

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the net OPEB liability of the Council, calculated using the discount rate of 2.21%, as well as what the Council's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

1.0% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
\$ 232,975	\$ 211,413	\$ 192,251

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate***

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

1.0% Decrease (6.5% decreasing to 3.5%)	Healthcare Cost Trend Rate (7.5% decreasing to 4.5%)	1.0% Increase (8.5% decreasing to 5.5%)
\$ 188,113	\$ 211,413	\$ 238,464

***OPEB EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO OPEB***

For the fiscal year ended September 30, 2021, the Council recognized revenue from OPEB of \$4,169. At September 30, 2021, the Council reported deferred inflows/outflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 17,641	\$ --
Changes in assumptions	32,846	189,372
<b>Totals</b>	<b>\$ 50,487</b>	<b>\$ 189,372</b>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

***OPEB EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO OPEB  
(CONTINUED)***

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

For the Year Ending September 30,	Amount
2022	\$ (10,544)
2023	(10,543)
2024	(9,179)
2025	(21,724)
2026	(24,139)
Thereafter	(62,756)
<b>Total</b>	<b>\$ (138,885)</b>

The Council recognizes the total OPEB liability and OPEB expense in the financial statements, along with the related deferred outflows and inflows of resources. All associated OPEB liabilities are liquidated within the general fund.

**NOTE 10 – DUE TO PROGRAM SERVICE PROVIDERS**

The balance of \$9,153,942 in due to program service providers represents reimbursement for expenditures by funded agencies and other contracted programmatic consulting services substantially performed in August and September 2021.

**NOTE 11 – COMMISSIONS OF PROPERTY APPRAISER AND TAX COLLECTOR**

The budget of the Property Appraiser’s office, as approved by the Department of Revenue, is the basis upon which taxing authorities of the County (except municipalities and the district school board) are billed by the Property Appraiser for services rendered. Each taxing authority is billed an amount that bears the same proportion to the total amount of the budget as its share of ad valorem taxes bear to the total levied for the preceding year. The Council paid fees of approximately \$812,000 to the Property Appraiser for the fiscal year ended September 30, 2021, which are recorded as general and administrative expenses/expenditures.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 11 – COMMISSIONS OF PROPERTY APPRAISER AND TAX COLLECTOR (CONTINUED)**

The Tax Collector's actual costs of collection must not exceed 2% of the tax revenues collected. The Council's fees and charges for the year amounted to approximately \$1,228,000 or 0.9% of tax revenues collected and are recorded as general and administrative expenses/expenditures.

**NOTE 12 – RETIREMENT PLAN AND DEFERRED COMPENSATION PLAN**

***RETIREMENT PLAN***

The Council sponsors a defined contribution retirement plan administered by an independent company. The Governing Board may amend benefits and other plan provisions. A defined contribution retirement plan provides retirement benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution retirement plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investment of those contributions. Forfeitures offset the Council's contributions and are not reallocated to other participants' accounts. There were no Forfeitures used to offset Council's contributions for the fiscal year ended September 30, 2021.

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

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 12 – RETIREMENT PLAN AND DEFERRED COMPENSATION PLAN (CONTINUED)**

***RETIREMENT PLAN (CONTINUED)***

During the year, the Council's required contributions amounted to approximately \$1,169,000 which was 13.2% of the current year's covered payroll. Contributions to the retirement plan are made monthly. For the fiscal year ended September 30, 2021, the Council's total payroll (not including accrued benefits) for all employees was approximately \$8,941,000 and the Council's contributions to the plan were based on a payroll of approximately \$8,883,000.

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

***DEFERRED COMPENSATION PLAN***

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

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

The plan provisions provide that all assets of the plan be held in trust, or under one or more appropriate annuity contracts or custodial accounts, for the exclusive benefit of plan participants and their beneficiaries. The deferred compensation plan is administered by Alerus Financial, N.A. and all assets and income of the plan are held in trust for the exclusive benefit of participants and the Council has no fiduciary responsibility for the plan. Accordingly, the assets and liabilities of the plan are not included in the Council's financial statements. Council contributions to the plan for the fiscal year ended September 30, 2021 were \$0.



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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 13 – RETIREMENT HEALTH SAVINGS PLAN**

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

Participation in the plan is mandatory for all full time employees and part-time employees who work an average of 21 hours per week (90 day minimum period of service and over 18 years of age). The plan is a defined contribution plan and is funded based on the amount of the employees' accrued sick leave. All contributions to the plan are on a pre-tax basis and withdrawals are tax-free if used by the participant, spouse or dependent for qualified expenses. Annual mandatory employee sick leave contributions are as follows: 0% if less than 100 hours accrued, 20% if 100-150 hours accrued, 25% if 151-200 hours accrued, 30% if 201-250 hours accrued, and 35% if 251 or more hours accrued. Council contributions to the plan for the fiscal year ended September 30, 2021 were approximately \$201,000.

**NOTE 14 – COMMITMENTS AND CONTINGENCY**

***OPERATING LEASES***

The Council leases equipment under various operating lease agreements expiring through September 2025. Total rent expense in connection with these agreements amounted to approximately \$30,500 for the year ended September 30, 2021.

Approximate future minimum lease payments applicable to these leases are as follows:

For the Year Ending September 30,	Amount
2022	\$ 30,528
2023	30,528
2024	30,178
2025	<u>10,969</u>
<b>Total</b>	<u><u>\$ 102,203</u></u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 14 – COMMITMENTS AND CONTINGENCY (CONTINUED)**

*LITIGATION*

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

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**REQUIRED SUPPLEMENTARY INFORMATION**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB  
LIABILITY AND RELATED RATIOS**

Measurement Date, September 30,	2020	2019	2018	2017
<b>Total OPEB Liability</b>				
Service cost	\$ 10,404	\$ 9,688	\$ 10,172	\$ 33,540
Interest	5,285	5,274	4,166	10,243
Differences between expected and actual experience	--	24,067	--	4,884
Changes of assumptions	12,083	38,632	(6,804)	(284,891)
Benefit payments	(9,314)	(2,367)	(8,072)	--
<b>Net Change in Total OPEB Liability</b>	18,458	75,294	(538)	(236,224)
<b>Total OPEB Liability - Beginning</b>	192,955	117,661	118,199	354,423
<b>Total OPEB Liability - Ending</b>	<u>\$ 211,413</u>	<u>\$ 192,955</u>	<u>\$ 117,661</u>	<u>\$ 118,199</u>
<b>Covered-Employee Payroll</b>	\$ 8,771,000	\$ 8,206,000	\$ 7,991,700	\$ 7,232,000
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	2.41%	2.35%	1.47%	1.63%

**Notes to Schedule**

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

*This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.*

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**OTHER SUPPLEMENTARY INFORMATION**

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

**OTHER SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHILDREN'S PROGRAMS EXPENDITURES  
BUDGET TO ACTUAL - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Final Budget	Actual	Variance
<b>Quality Childcare Programs</b>			
Afterschool Program Development	\$ 3,675,119	\$ 3,506,883	\$ 168,236
CSC Scholarship Initiative	29,628,974	29,628,954	20
Early Head Start Administration/FCCH Technical Assistance/GOLD	575,309	521,494	53,815
Early Headstart Match	329,426	312,844	16,582
Expanded Learning Opportunities	3,237,214	3,182,343	54,871
Head Start Match	4,911,684	4,898,190	13,494
Match Funding	143,108	141,480	1,628
Professional Development System	2,708,746	2,642,568	66,178
SEEK Scholarships	1,150,000	840,795	309,205
STEAM Program	365,000	256,640	108,360
Summer Camp Scholarships	2,700,000	1,994,691	705,309
Tier Reimbursement Supplements	4,000,000	3,775,266	224,734
Training Registry Management	206,595	185,033	21,562
<b>Total Quality Childcare Programs</b>	<u>53,631,175</u>	<u>51,887,181</u>	<u>1,743,994</u>
<b>Healthy Beginnings Programs</b>			
211 of Palm Beach/Treasure Coast, Inc.	232,990	232,990	--
Centering Pregnancy	432,655	358,863	73,792
Child First	2,809,041	2,632,332	176,709
Community Voice	795,798	787,853	7,945
Counseling for Parents and Young Children	1,210,662	727,955	482,707
Early Intervention Assessment Team	594,378	554,629	39,749
Early Literacy Book Distribution	217,589	202,198	15,391
Early Steps	1,867,161	1,558,086	309,075
Entry Agency (Birth-5)	3,679,347	3,227,215	452,132
Entry Agency (Prenatal)	4,091,137	3,601,710	489,427
Environmental Opioid and Marijuana Prevention	50,000	50,000	--
Fetal Infant Mortality Review	200,556	172,670	27,886
First Step to Success	1,806,831	1,632,522	174,309
Forward Leaps	190,307	162,720	27,587
Growing Smart	468,458	413,407	55,051
Healthy Beginnings Nurses	3,329,793	3,309,852	19,941
Healthy Families Florida	1,587,555	1,501,636	85,919
Healthy Steps	1,294,071	1,139,070	155,001
Help Me Grow	245,600	234,247	11,353
Mental Health Services	500,768	423,081	77,687
Nurse Family Partnership	1,427,322	1,397,876	29,446
Nutrition Services for Women and Families	181,000	119,033	61,967
<b>Subtotal Healthy Beginnings Programs</b>	<u>\$ 27,213,019</u>	<u>\$ 24,439,945</u>	<u>\$ 2,773,074</u>

(Continued)

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

**OTHER SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHILDREN'S PROGRAMS EXPENDITURES  
BUDGET TO ACTUAL - GENERAL FUND (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Final Budget	Actual	Variance
<b>Healthy Beginnings Programs (continued)</b>			
Parent Child+	\$ 3,284,658	\$ 3,235,031	\$ 49,627
Primary Project	663,088	626,140	36,948
Project DULCE	381,226	353,483	27,743
Reach Out and Read	332,699	323,825	8,874
Teen Triple P	879,049	754,758	124,291
TMW 3Ts Newborn	213,451	151,588	61,863
Transportation Services	299,273	227,676	71,597
Triple P	1,543,357	1,364,839	178,518
WHIN Nurses	518,293	511,914	6,379
Wyman's Teen Outreach	1,104,751	1,038,428	66,323
<b>Total Healthy Beginnings Programs</b>	<u>36,432,864</u>	<u>33,027,627</u>	<u>3,405,237</u>
<b>Bridges Program</b>			
Bridges Program	<u>6,111,677</u>	<u>5,775,793</u>	<u>335,884</u>
<b>Initiatives</b>			
Access for Success	164,123	156,959	7,164
ACCESS Positions	125,000	90,000	35,000
BeWellPBC	50,000	50,000	--
Birth to 22	50,000	500	49,500
Children's Advocacy Project	3,890,862	3,890,862	--
Community Based Supports	148,280	148,280	--
COVID-19 Relief	1,000,000	177,100	822,900
Drowning Prevention	100,000	85,305	14,695
Glades Family Education Program	73,502	68,653	4,849
Great Ideas Initiative - Support For Recovery	1,050,000	1,050,000	--
Great Ideas Initiative Pipeline	281,500	281,500	--
Hunger Relief Infrastructure and Program Support	30,000	30,000	--
Mental Health Assistance Programs	300,000	--	300,000
Mentoring	1,793,331	1,763,261	30,070
Other Program Services	349,941	--	349,941
Palm Beach County Circle Campaign	122,476	122,399	77
Palm Beach County Food Bank	454,150	454,150	--
Public Education/Awareness	1,604,020	1,301,873	302,147
Resident Leadership	100,000	42,510	57,490
Resource Depot	125,000	125,000	--
Safe Kids	328,199	306,320	21,879
Scholastic Books	545,000	527,463	17,537
South Tech Charter Academy Mental Health Collaborative	28,100	872	27,228
Special Needs	1,301,649	1,255,518	46,131
Special Projects	1,316,382	94,540	1,221,842
<b>Total Initiatives</b>	<u>\$ 15,331,515</u>	<u>\$ 12,023,065</u>	<u>\$ 3,308,450</u>

(Continued)

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

**OTHER SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHILDREN'S PROGRAMS EXPENDITURES  
BUDGET TO ACTUAL - GENERAL FUND (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Final Budget	Actual	Variance
<b>Training and Accountability</b>			
Agency Accreditation and Management Services	\$ 1,076,630	\$ 986,284	\$ 90,346
Application, Maintenance and Development	85,000	56,379	28,621
Child First Program Fees	280,000	237,375	42,625
Child First RCT Evaluation	171,085	171,084	1
Computer Inventory Replacement	289,088	157,108	131,980
Continuous Improvement Initiative	225,000	189,184	35,816
Data Entry	648,037	611,545	36,492
HB System Evaluation	50,000	--	50,000
HB Workforce Scholarships	150,000	81,942	68,058
Healthy Beginnings Data Systems	577,000	545,530	31,470
Issue Trak	4,800	4,800	--
Learning Management System	18,000	14,934	3,066
Non Profit Legal Assistance Project	64,000	64,000	--
Nurse Family Partnership Fees	3,386	3,386	--
Program Evaluations	50,000	3,305	46,695
Racial Equity Institute	90,000	84,000	6,000
Registry Website Hosting and Maintenance	105,000	89,252	15,748
SAMIS	47,000	36,956	10,044
Server Hosting	44,100	44,100	--
SmartSoft Address Verification	900	737	163
System Training and Materials	170,000	64,062	105,938
Thirty Million Words	249,756	--	249,756
Touchpoints and IMH	140,000	98,980	41,020
Triple P	120,000	44,461	75,539
Wyman's Fees	7,000	7,000	--
<b>Total Training and Accountability</b>	<u>4,665,782</u>	<u>3,596,404</u>	<u>1,069,378</u>
<b>Prior Year Contracted Programs Refunds</b>	<u>--</u>	<u>(39,889)</u>	<u>39,889</u>
<b>Total Program Services Expenditures - Children's Programs</b>	<u>\$ 116,173,013</u>	<u>\$ 106,270,181</u>	<u>\$ 9,902,832</u>



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

**OTHER SUPPLEMENTARY INFORMATION  
SCHEDULES OF ADMINISTRATIVE EXPENDITURES -  
BUDGET TO ACTUAL - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Program Administrative Support			Administrative and General		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
<b>Administrative Expenditures</b>						
<b>Personal Services</b>						
Salaries	\$ 6,296,633	\$ 6,098,861	\$ 197,772	\$ 3,005,334	\$ 2,841,741	\$ 163,593
FICA	476,325	458,453	17,872	216,658	197,409	19,249
Retirement	917,889	913,620	4,269	443,641	457,438	(13,797)
Florida unemployment	9,445	5,555	3,890	4,508	2,493	2,015
Worker's compensation	15,503	11,900	3,603	6,535	4,581	1,954
Health/Life/AD&D	1,895,203	1,698,725	196,478	773,583	633,430	140,153
Temporary personnel	14,454	--	14,454	546	--	546
Tuition reimbursement	--	--	--	25,000	15,750	9,250
Other fringe benefits	86,950	84,569	2,381	36,650	32,229	4,421
<b>Total Personal Services</b>	<b>9,712,402</b>	<b>9,271,683</b>	<b>440,719</b>	<b>4,512,455</b>	<b>4,185,071</b>	<b>327,384</b>
<b>Travel</b>						
Travel-in-area	12,279	955	11,324	3,021	100	2,921
CEO Auto Allowance	--	--	--	7,000	5,833	1,167
Conferences/staff development	152,616	30,238	122,378	84,854	12,454	72,400
Council member travel	--	--	--	1,000	--	1,000
<b>Total Travel</b>	<b>164,895</b>	<b>31,193</b>	<b>133,702</b>	<b>95,875</b>	<b>18,387</b>	<b>77,488</b>
<b>Building</b>	<b>481,554</b>	<b>436,360</b>	<b>45,194</b>	<b>185,382</b>	<b>167,961</b>	<b>17,421</b>
<b>Communications</b>						
Telephones	51,109	40,039	11,070	19,675	15,414	4,261
Postage	10,080	10,039	41	3,920	3,904	16
<b>Total Communications</b>	<b>61,189</b>	<b>50,078</b>	<b>11,111</b>	<b>23,595</b>	<b>19,318</b>	<b>4,277</b>
<b>Printing and Supplies</b>						
Printing	1,155	--	1,155	725	--	725
Supplies	39,979	8,637	31,342	24,483	9,781	14,702
<b>Total Printing and Supplies</b>	<b>41,134</b>	<b>8,637</b>	<b>32,497</b>	<b>25,208</b>	<b>9,781</b>	<b>15,427</b>
<b>Contractual Services</b>						
Professional	109,870	57,652	52,218	338,776	229,443	109,333
<b>Other</b>						
Insurance	--	--	--	208,235	210,219	(1,984)
Dues and subscriptions	160,395	141,200	19,195	62,375	54,911	7,464
Rewards and recognition	--	--	--	5,200	5,108	92
Public notices, employment	750	--	750	7,050	1,704	5,346
Advertising and background checks	--	--	--	1,500	--	1,500
Copier equipment	30,325	21,959	8,366	11,674	8,453	3,221
Policy & Planning Issues	--	--	--	--	--	--
Computer maintenance	250,509	233,128	17,381	99,807	92,879	6,928
Banking services	--	--	--	7,800	5,000	2,800
Non-depreciable furniture and equipment	--	--	--	1,759	1,759	--
<b>Total Other</b>	<b>441,979</b>	<b>396,287</b>	<b>45,692</b>	<b>405,400</b>	<b>380,033</b>	<b>25,367</b>
<b>Total Expenditures</b>	<b>\$ 11,013,023</b>	<b>\$ 10,251,890</b>	<b>\$ 761,133</b>	<b>\$ 5,586,691</b>	<b>\$ 5,009,994</b>	<b>\$ 576,697</b>

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

**OTHER SUPPLEMENTARY INFORMATION  
SCHEDULES OF OTHER EXPENDITURES AND CAPITAL OUTLAY -  
BUDGET TO ACTUAL - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Other Expenditures</b>			
Property Appraiser fees	\$ 865,000	\$ 811,707	\$ 53,293
Tax Collector fee	<u>2,630,158</u>	<u>1,227,603</u>	<u>1,402,555</u>
<b>Total Other Expenditures</b>	<u>\$ 3,495,158</u>	<u>\$ 2,039,310</u>	<u>\$ 1,455,848</u>
<b>Capital Outlay</b>			
Furniture, fixtures and equipment	<u>\$ 33,241</u>	<u>\$ 31,137</u>	<u>\$ 2,104</u>
<b>Total Capital Outlay</b>	<u>\$ 33,241</u>	<u>\$ 31,137</u>	<u>\$ 2,104</u>

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

**OTHER SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHILDREN'S PROGRAMS EXPENDITURES -  
BUDGET TO ACTUAL - SPECIAL REVENUE FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Final Budget	Actual	Variance
<b>Quality Childcare Programs</b>			
Bridges Liaison	\$ 59,263	\$ 46,933	\$ 12,330
Inventory Replacement Initiative	10,912	10,912	--
Research Specialist	113,094	112,189	905
Technical Assistance	1,466,410	1,174,194	292,216
Tier Reimbursement Supplements	<u>959,088</u>	<u>818,078</u>	<u>141,010</u>
<b>Total Quality Childcare Programs</b>	<u>2,608,767</u>	<u>2,162,306</u>	<u>446,461</u>
<b>Total Children's Programs Expenditures</b>	<u>\$ 2,608,767</u>	<u>\$ 2,162,306</u>	<u>\$ 446,461</u>

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## **STATISTICAL SECTION**

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# STATISTICAL SECTION

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

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities:</b>										
Investment in capital assets	\$ 22,738,445	\$ 21,672,402	\$ 20,832,932	\$ 19,554,398	\$ 18,952,794	\$ 18,124,662	\$ 17,098,171	\$ 16,451,202	\$ 15,841,371	\$ 15,257,227
Restricted	--	--	--	--	--	--	--	--	--	--
Unrestricted	<u>71,279,420</u>	<u>68,309,881</u>	<u>59,971,908</u>	<u>52,177,351</u>	<u>46,929,507</u>	<u>49,446,120</u>	<u>45,693,760</u>	<u>42,833,131</u>	<u>47,599,262</u>	<u>58,818,490</u>
<b>Total Governmental Activities, Net Position</b>	<u>\$ 94,017,865</u>	<u>\$ 89,982,283</u>	<u>\$ 80,804,840</u>	<u>\$ 71,731,749</u>	<u>\$ 65,882,301</u>	<u>\$ 67,570,782</u>	<u>\$ 62,791,931</u>	<u>\$ 59,284,333</u>	<u>\$ 63,440,633</u>	<u>\$ 74,075,717</u>

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

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses:</b>										
Governmental activities:										
Program services:										
Children's programs	\$ 82,465,027	\$ 83,045,576	\$ 86,686,474	\$ 91,703,086	\$ 96,768,722	\$ 98,148,862	\$ 105,869,659	\$ 108,485,981	\$ 108,849,511	\$ 108,432,487
Program administrative support	7,811,151	8,626,141	9,611,044	9,497,225	10,599,901	10,379,993	10,715,687	11,011,891	11,036,773	10,756,241
	<u>90,276,178</u>	<u>91,671,717</u>	<u>96,297,518</u>	<u>101,200,311</u>	<u>107,368,623</u>	<u>108,528,855</u>	<u>116,585,346</u>	<u>119,497,872</u>	<u>119,886,284</u>	<u>119,188,728</u>
Governmental activities:										
Administrative and general	8,336,842	6,490,256	7,095,790	6,842,174	6,051,019	6,178,127	6,150,243	6,250,241	6,502,293	7,245,442
<b>Total Governmental Activities Expenses</b>	<u>\$ 98,613,020</u>	<u>\$ 98,161,973</u>	<u>\$ 103,393,308</u>	<u>\$ 108,042,485</u>	<u>\$ 113,419,642</u>	<u>\$ 114,706,982</u>	<u>\$ 122,735,589</u>	<u>\$ 125,748,113</u>	<u>\$ 126,388,577</u>	<u>\$ 126,434,170</u>
<b>Program Revenues:</b>										
Governmental activities:										
Operating grants and contributions	\$ 5,687,606	\$ 5,419,242	\$ 5,640,202	\$ 7,599,171	\$ 7,493,464	\$ 6,445,350	\$ 4,218,387	\$ 3,084,099	\$ 3,799,318	\$ 4,675,921
<b>Total Governmental Activities Program Revenues</b>	<u>\$ 5,687,606</u>	<u>\$ 5,419,242</u>	<u>\$ 5,640,202</u>	<u>\$ 7,599,171</u>	<u>\$ 7,493,464</u>	<u>\$ 6,445,350</u>	<u>\$ 4,218,387</u>	<u>\$ 3,084,099</u>	<u>\$ 3,799,318</u>	<u>\$ 4,675,921</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	<u>\$ (92,925,414)</u>	<u>\$ (92,742,731)</u>	<u>\$ (97,753,106)</u>	<u>\$ (100,443,314)</u>	<u>\$ (105,926,178)</u>	<u>\$ (108,261,632)</u>	<u>\$ (118,517,202)</u>	<u>\$ (122,664,014)</u>	<u>\$ (122,589,259)</u>	<u>\$ (121,758,249)</u>
<b>General Revenues:</b>										
Governmental activities:										
Ad valorem taxes	\$ 90,165,733	\$ 88,251,774	\$ 88,197,559	\$ 90,722,502	\$ 99,018,241	\$ 108,983,420	\$ 112,434,398	\$ 116,172,110	\$ 124,840,675	\$ 131,993,293
Investment Income	221,018	242,572	138,674	245,095	663,892	562,469	1,193,296	2,731,230	1,655,314	240,379
Miscellaneous	49,508	213,803	239,430	345,084	394,597	404,224	268,646	253,076	249,570	159,661
<b>Total Governmental Activities</b>	<u>\$ 90,436,259</u>	<u>\$ 88,708,149</u>	<u>\$ 88,575,663</u>	<u>\$ 91,312,681</u>	<u>\$ 100,076,730</u>	<u>\$ 109,950,113</u>	<u>\$ 113,896,340</u>	<u>\$ 119,156,416</u>	<u>\$ 126,745,559</u>	<u>\$ 132,393,333</u>
<b>Change in Net Position</b>										
Governmental activities	<u>\$ (2,489,155)</u>	<u>\$ (4,034,582)</u>	<u>\$ (9,177,443)</u>	<u>\$ (9,130,633)</u>	<u>\$ (5,849,448)</u>	<u>\$ 1,688,481</u>	<u>\$ (4,620,862)</u>	<u>\$ (3,507,598)</u>	<u>\$ 4,156,300</u>	<u>\$ 10,635,084</u>

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

**FUND BALANCE OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

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<u>Fiscal Year</u>	<u>Nonspendable</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total General Fund</u>
2012	\$ 219,257	\$ 12,403,801	\$ 59,427,714	\$ 72,050,772
2013	262,539	43,647,017	25,186,108	69,095,664
2014	203,056	20,907,835	39,611,139	60,722,030
2015	363,852	14,843,281	37,636,510	52,843,643
2016	356,262	9,076,761	38,301,542	47,734,565
2017	381,695	10,281,153	39,699,676	50,362,524
2018	382,312	12,210,846	34,268,051	46,861,209
2019	556,567	8,187,008	35,311,707	44,055,282
2020	461,225	4,175,989	44,340,636	48,977,850
2021	556,545	4,537,830	55,185,682	60,280,057

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



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

**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues:</b>										
Ad valorem taxes	\$ 90,165,733	\$ 88,250,774	\$ 88,197,559	\$ 90,722,502	\$ 99,018,241	\$ 108,983,420	\$ 112,434,398	\$ 116,172,110	\$ 124,840,675	\$ 131,993,293
Grant income	5,687,606	5,419,242	5,640,202	7,599,171	7,493,464	6,445,350	4,218,387	3,084,099	3,799,318	4,675,921
Income from Tenants	--	--	--	74,938	75,267	76,220	71,479	69,978	70,414	72,473
Interest income	221,018	242,572	138,674	210,550	615,075	701,549	1,114,625	2,047,884	1,338,938	481,596
Appreciation/(loss) on investments	--	--	--	34,545	48,817	(139,080)	78,671	683,346	316,376	(241,217)
Sponsorship fee and other income	49,508	213,803	239,430	261,230	347,883	341,604	199,564	183,098	173,255	84,959
<b>Total Revenues</b>	<b>96,123,865</b>	<b>94,126,391</b>	<b>94,215,865</b>	<b>98,902,936</b>	<b>107,598,747</b>	<b>116,409,063</b>	<b>118,117,124</b>	<b>122,240,515</b>	<b>130,538,976</b>	<b>137,067,025</b>
<b>Expenditures:</b>										
Program services - children's programs	83,074,706	83,045,576	86,686,474	91,703,086	96,768,722	98,148,862	105,869,659	108,485,980	108,849,511	108,432,487
Program services - administrative support	7,143,582	7,897,886	8,768,331	8,644,106	9,752,600	9,553,792	9,911,338	10,499,513	10,464,612	10,251,890
Administrative and general	6,204,297	4,293,928	5,281,209	4,731,723	4,167,502	4,325,147	4,208,879	4,463,883	4,571,047	5,009,994
Other	1,649,040	1,671,844	1,456,604	1,670,970	1,554,011	1,531,680	1,628,563	1,591,267	1,708,738	2,039,310
Capital outlay	352,612	172,265	296,881	31,438	464,993	221,623	--	5,800	22,500	31,137
<b>Total Expenditures</b>	<b>98,424,237</b>	<b>97,081,499</b>	<b>102,489,499</b>	<b>106,781,323</b>	<b>112,707,828</b>	<b>113,781,104</b>	<b>121,618,439</b>	<b>125,046,443</b>	<b>125,616,408</b>	<b>125,764,818</b>
<b>Excess (Deficiency) of</b>										
<b>Revenues Over Expenditures</b>	<b>\$ (2,300,372)</b>	<b>\$ (2,955,108)</b>	<b>\$ (8,273,634)</b>	<b>\$ (7,878,387)</b>	<b>\$ (5,109,081)</b>	<b>\$ 2,627,959</b>	<b>\$ (3,501,315)</b>	<b>\$ (2,805,928)</b>	<b>\$ 4,922,568</b>	<b>\$ 11,302,207</b>
<b>Other Financing Sources (Uses):</b>										
Transfers in	3,199,184	3,003,778	2,154,113	2,187,492	2,434,322	2,321,507	2,402,932	2,389,399	2,282,325	2,162,306
Transfers out	(3,199,184)	(3,003,778)	(2,154,113)	(2,187,492)	(2,434,322)	(2,321,507)	(2,402,932)	(2,389,399)	(2,282,325)	(2,162,306)
Proceeds from sale of capital assets	--	--	--	--	--	--	--	--	--	--
<b>Total Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>\$ (2,300,372)</b>	<b>\$ (2,955,108)</b>	<b>\$ (8,273,634)</b>	<b>\$ (7,878,387)</b>	<b>\$ (5,109,081)</b>	<b>\$ 2,627,959</b>	<b>\$ (3,501,315)</b>	<b>\$ (2,805,928)</b>	<b>\$ 4,922,568</b>	<b>\$ 11,302,207</b>

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

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended September 30,</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other (1)</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Council Tax Rate (2)</u>
2012	\$ 118,500,040,513	\$ 16,094,242,947	\$ 4,520,036,102	\$12,006,985,316	\$ 26,451,338,216	\$ 124,669,966,662	0.7475
2013	118,762,130,930	16,080,951,616	4,252,615,724	12,107,122,102	25,758,906,056	125,443,914,316	0.7300
2014	133,838,509,211	18,192,107,879	3,538,728,868	2,816,124,507	28,063,972,313	130,321,498,152	0.7025
2015	131,648,730,012	21,696,599,907	4,639,356,160	9,717,953,437	28,145,414,755	139,557,224,761	0.6745
2016	133,814,975,922	27,834,485,582	3,863,326,594	14,562,044,405	27,380,431,109	152,694,401,394	0.6677
2017	148,666,146,189	24,863,246,181	4,785,621,547	17,195,822,292	30,001,580,138	165,509,256,071	0.6833
2018	158,815,174,719	26,298,973,436	5,218,098,747	18,350,304,182	31,422,380,077	177,260,171,007	0.6590
2019	167,919,886,180	27,513,330,447	5,720,723,948	19,443,932,202	32,342,268,448	188,255,604,329	0.6403
2020	177,522,913,919	28,867,118,253	6,246,551,684	20,617,680,153	33,776,951,035	199,477,312,974	0.6497
2021	188,866,489,278	28,757,953,562	6,735,109,304	20,956,654,222	34,469,083,357	210,847,123,009	0.6497

Source: Palm Beach County Property Appraiser USECODE-P

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

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

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

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

## DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS (RATE PER \$1,000 OF ASSESSED VALUE)

Fiscal Year	Council			Overlapping Rates (a)				
	Basic Direct Rate	Debt Service Rate	Total Rate	Palm Beach County (a)	Palm Beach County School Board (b)	South Florida Water Management District (c)	Florida Inland Navigation District	Health Care District of Palm Beach County
2012	0.7475	-	0.7475	4.7815	7.7780	0.4363	0.0345	1.1250
2013	0.7300	-	0.7300	4.7815	7.5860	0.4289	0.0345	1.0800
2014	0.7025	-	0.7025	4.9729	7.5940	0.4110	0.0345	1.0800
2015	0.6745	-	0.6745	4.9729	7.5940	0.3842	0.0345	1.0800
2016	0.6677	-	0.6677	4.9277	7.5120	0.3551	0.0320	1.0426
2017	0.6833	-	0.6833	4.9142	7.0700	0.3307	0.0320	0.8993
2018	0.6590	-	0.6590	4.9023	6.7690	0.3100	0.0320	0.7808
2019	0.6403	-	0.6403	4.8980	6.5720	0.2936	0.0320	0.7261
2020	0.6497	-	0.6497	4.8580	7.1640	0.2795	0.0320	0.7261
2021	0.6497	-	0.6497	4.8124	7.0100	0.2675	0.0320	0.7261

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

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

(b) Includes local and state board.

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

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

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2021		2012			
	Taxes Levied	Rank	Percent to Aggregate Taxes Levied	Taxes Levied	Rank	Percent to Aggregate Taxes Levied
Florida Power & Light	\$ 2,238,435	1	1.63%	\$2,795,109	1	3.00%
U.S. Sugar Corporation	74,708	2	0.05%	60,794	9	0.07%
Hart Boca LLC	63,513	3	0.05%	--		0.00%
Okeelanta Corporation	60,884	4	0.04%	39,889	10	0.04%
Duke Realty Land LLC	60,054	5	0.04%	--		0.00%
Cielo Boca LP	56,200	6	0.04%	--		0.00%
Publix Super Markets Inc	54,257	7	0.04%	--		0.00%
Raytheon Technologies Corp	51,181	8	0.04%	--		0.00%
New Hope Sugar Co	36,412	9	0.03%	--		0.00%
Highland Dunes Associates Property LLC	28,068	10	0.02%	--		0.00%
Town Center at Boca Raton Trust	--		0.00%	251,758	3	0.27%
Breakers Palm Beach, Inc.	--		0.00%	179,519	4	0.19%
Gardens Venture LLC	--		0.00%	149,500	5	0.16%
Publix Super Markets Inc	--		0.00%	--		0.00%
CPT Phillips Point LLC	--		0.00%	85,937	8	0.09%
Bellsouth Telecommunications	--		0.00%	252,058	2	0.27%
Comcast	--		0.00%	117,531	7	0.13%
TJ Palm Beach Assoc. LTD Partners	--		0.00%	117,956	6	0.13%
<b>Total Principal Taxpayers</b>	<b>\$ 2,723,712</b>		<b>1.99%</b>	<b>\$4,050,051</b>		<b>4.35%</b>

Source: Palm Beach County, Office of the Tax Collector

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

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 93,190,800	\$ 89,390,885	95.9%	\$ 575,386	\$ 89,966,271	96.5%
2013	91,574,057	87,810,006	95.9%	282,269	88,092,275	96.2%
2014	91,550,852	87,982,941	96.1%	542,153	88,525,094	96.7%
2015	94,131,348	90,722,502	96.4%	526,421	91,248,923	96.9%
2016	101,954,052	99,018,241	97.1%	139,624	99,157,865	97.3%
2017	113,092,475	108,551,468	96.0%	74,236	108,625,704	96.1%
2018	116,814,453	112,369,084	96.2%	44,208	112,413,292	96.2%
2019	120,540,063	115,991,509	96.2%	168,330	116,159,839	96.4%
2020	129,600,410	124,648,664	96.2%	63,225	124,711,889	96.2%
2021	136,987,376	131,809,385	96.2%	--	131,809,385	96.2%

Source: Palm Beach County Tax Collector.  
The Children's Services Council - Finance Division.

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

Year	Population (1)	Personal Income (thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	Public School Enrollment (2)	Unemployment Rate (3)
2012	1,335,415	75,461,490	55,628	43.80	174,594	9.20%
2013	1,345,652	79,564,774	57,985	43.90	177,797	7.10%
2014	1,360,183	93,526,272	66,914	44.20	180,172	6.00%
2015	1,378,417	97,806,900	68,743	44.30	183,447	5.20%
2016	1,391,741	103,876,015	71,946	44.00	186,291	5.10%
2017	1,414,144	109,973,732	74,754	44.40	189,320	3.60%
2018	1,433,367	118,519,249	79,760	44.40	190,021	3.10%
2019	1,447,857	124,632,614	83,268	44.20	190,146	3.20%
2020	1,466,494	131,881,463	87,478	44.20	192,669	7.00%
2021	1,502,495	N/A	N/A	N/A	186,915	4.10%

**Source:**

- (1) Florida Legislature Office of Economic and Demographic Research  
<http://edr.state.fl.us/Content/area-profiles/county/palmbeach.pdf>
- (2) The School District of Palm Beach County Annual Comprehensive Financial Report  
[https://p14cdn4static.sharpschool.com/UserFiles/Servers/Server\\_270532/File/About%20Us/District%20and%20Annual%20Reports/Annual%20Reports/CAFR/SDPBC-ACFR-2021.pdf](https://p14cdn4static.sharpschool.com/UserFiles/Servers/Server_270532/File/About%20Us/District%20and%20Annual%20Reports/Annual%20Reports/CAFR/SDPBC-ACFR-2021.pdf)
- (3) Business Development Board - Palm Beach County  
<https://www.bdb.org/facts-figures/palm-beach-county-labor-trends/>
- N/A Not Available

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

**PRINCIPAL EMPLOYERS  
CURRENT AND NINE YEARS AGO**

	2021			2012		
	Number of Employees (1)	Rank	Percentage of Total County Employment (1)	Number of Employees (1)	Rank	Percentage of Total County Employment (1)
Palm Beach County School District	22,600	1	3.02%	21,495	1	3.45%
Tenet Coastal Division Palm Beach County (Formerly Tenet Healthcare Corp)	6,505	2	0.87%	6,100	3	0.98%
Palm Beach County Government	5,686	3	0.76%	11,381	2	1.83%
NextEra Energy, Inc.	5,119	4	0.68%	3,635	4	0.58%
Florida Atlantic University	3,133	5	0.42%	--		0.00%
Boca Raton Regional Hospital	3,052	6	0.41%	2,250	10	0.36%
Veterans Health Administration	3,000	7	0.40%	--		0.00%
HCA Healthcare	2,806	8	0.38%	2,714	6	0.44%
The Breakers	2,300	9	0.31%	--		0.00%
Bethesda Hospital East/Bethesda Hospital West	2,282	10	0.31%	2,391	8	0.38%
Office Depot	--		0.00%	2,250	9	0.36%
G4S	--		0.00%	3,000	5	0.48%
Florida Atlantic University	--		0.00%	2,706	7	0.43%
<b>Total</b>	<b>56,483</b>		<b>7.56%</b>	<b>57,922</b>		<b>9.29%</b>

Source:

(1) Business Development Board.  
<https://www.bdb.org/facts-figures/top-employers>

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

**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

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<u>Full-Time Equivalent Employees as of September 30,</u>	<u>Executive Administration</u>	<u>Talent and Operations</u>	<u>Finance</u>	<u>Program Services</u>	<u>Communications</u>	<u>Information Management</u>	<u>Grand Total</u>
2012	3	12	15	46	16	-	92
2013	3	13	14	49	16	-	95
2014	3	13	13	47	18	-	94
2015	3	14	15	48	7	11	98
2016	3	12	15	50	6	11	97
2017	3	13	15	48	8	13	100
2018	3	13	14	48	8	15	101
2019	3	12	15	50	8	15	103
2020	3	12	15	49	7	15	101
2021	3	12	15	48	6	14	98

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

Note: Communications and Information Management were separated in FY 2015



# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

## OPERATING INDICATORS LAST TEN FISCAL YEARS

### Utilization

Contract/Direct Services:

<u>Fiscal Year</u>	<u>Amount Under Contract (a)</u>	<u>Actual Expenditures (b)</u>	<u>Under-utilized (c)</u>
2012	100%	93%	7%
2013	100%	94%	6%
2014	100%	97%	3%
2015	100%	93%	7%
2016	100%	95%	5%
2017	100%	93%	7%
2018	100%	96%	4%
2019	100%	96%	4%
2020	100%	93%	7%
2021	100%	91%	9%

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

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

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

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

<u>Fiscal Year</u>	<u>Budget (d)</u>	<u>Actual (e)</u>
2012	113%	102%
2013	113%	103%
2014	114%	109%
2015	120%	108%
2016	114%	105%
2017	108%	98%
2018	110%	103%
2019	110%	102%
2020	106%	96%
2021	103%	92%

(d) Budgeted expenditures & transfers out as a percent of budgeted revenue.

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

Source: The Children's Services Council - Finance Division.

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

**OPERATING BUDGET TRENDS  
LAST TEN FISCAL YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Quality Childcare Programs	\$ 41,362,211	\$ 46,707,039	\$ 48,211,355	\$ 53,676,049	\$ 53,299,633	\$ 54,183,328	\$ 57,533,215	\$ 56,646,666	\$ 56,419,864	\$ 56,239,942
Healthy Beginnings Programs	31,009,733	24,841,747	25,346,575	27,206,284	29,405,411	29,570,527	32,826,063	34,753,513	35,451,886	36,432,864
Bridges Programs	4,856,295	5,420,763	5,367,319	5,558,334	5,815,484	5,673,797	5,952,934	6,032,884	6,163,624	6,111,677
Initiatives *	11,852,756	11,038,370	10,270,255	12,461,337	12,176,334	10,062,994	10,809,643	11,959,010	13,978,514	15,331,515
Training & Accountability Administration	--	--	--	--	--	4,510,982	3,539,610	3,804,392	4,453,665	4,665,782
	<u>13,832,217</u>	<u>13,904,622</u>	<u>14,363,086</u>	<u>14,869,273</u>	<u>14,906,468</u>	<u>14,760,324</u>	<u>15,279,336</u>	<u>15,812,683</u>	<u>16,357,988</u>	<u>16,599,714</u>
<b>Total</b>	<u>\$ 102,913,212</u>	<u>\$ 101,912,541</u>	<u>\$ 103,558,590</u>	<u>\$ 113,771,277</u>	<u>\$ 115,603,330</u>	<u>\$ 118,761,952</u>	<u>\$ 125,940,801</u>	<u>\$ 129,009,148</u>	<u>\$ 132,825,541</u>	<u>\$ 135,381,494</u>

Source: Children's Services Council, Finance Division

\* Includes \$500,000 Contingency Budget used for Covid-19 Relief in FY 2020.

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## **REPORTING SECTION**

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Finance Committee, Board Chair and Council Members  
**Children's Services Council of Palm Beach 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 each major fund of the Children's Services Council of Palm Beach 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 11, 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 opinion 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 Council's internal control.

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

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether 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.

*Marcum LLP*

West Palm Beach, FL  
March 11 2022

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

To the Finance Committee, Board Chair and Council Members  
**Children's Services Council of Palm Beach County**

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

We have audited the Children's Services Council of Palm Beach County's (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 program.

***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; Title 2 U.S. *Code of Federal Regulations* (CFR) 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 Council's major federal program. However, our audit does not provide a legal determination of the Council's compliance.

### ***Opinion on 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 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 each of the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each of the major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

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

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

*Marcum LLP*

West Palm Beach, FL  
March 11, 2022

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number/ Pass-through Entity Identifying Number	Total Expenditures	Passed Through to Subrecipients
<b>FEDERAL AWARDS</b>				
<b>U.S. Department of Health and Human Services</b>				
Passed through from Healthy Start Coalition of Palm Beach County, Inc. d/b/a Healthy Beginnings of Palm Beach County:				
Medicaid Cluster				
Medical Assistance Program	93.778	FP076-28	\$ 2,799,891	\$ 2,772,881
Total Medicaid Cluster			<u>2,799,891</u>	<u>2,772,881</u>
Maternal and Child Health Services Block Grant to the States	93.994	COSGS	<u>1,131,335</u>	<u>1,108,910</u>
Passed through from Florida Department of Children and Families				
Foster Care Title IV-E	93.658	YLJ77	<u>743,795</u>	<u>743,795</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>4,675,021</u>	<u>4,625,586</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 4,675,021</u>	<u>\$ 4,625,586</u>

*See notes to schedule of expenditures of state financial assistance.*



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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Children’s Services Council of Palm Beach 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 (CFR) 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, changes in net position of the Council.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on 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 to reimbursement.

**NOTE 3 – MATCHING REQUIREMENTS**

Certain grants funded by the U.S. Department of Health and Human Services (“HHS”) include State matching funds and maintenance of effort funding requirements. The Medical Assistance Program (CFDA 93.778) under Contract FP076-28 and the Maternal and Child Health Services Block Grant to the States (CFDA 93.994) under Contract COSGS include State matching funding from the State of Florida Department of Health (“DOH”). The State matching amounts are considered part of the federal award and therefore are not considered State financial assistance subject to Section 215.97, Florida Statutes, the Florida Single Audit Act. The amounts designated as matching funds for federal award programs are summarized as follows:

Federal Award	CFDA Number	Amount
Medical Assistance Program	93.778	\$ 986,681
Maternal and Child Health Services Block Grant to the States	93.994	<u>843,634</u>
<b>Totals</b>		<u><u>\$ 1,830,315</u></u>

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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 4 – INDIRECT COST RATE**

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

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –  
FEDERAL AWARD PROGRAMS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**SECTION I – SUMMARY OF AUDITORS' RESULTS**

***FINANCIAL STATEMENTS***

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

*Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified?

Yes  No

Significant deficiency(ies) identified that are not considered to be material weakness(es)?

Yes  None Reported

Noncompliance material to financial statement noted?

Yes  No

***FEDERAL AWARDS***

Internal control over its major federal program:

Material weakness(es) identified?

Yes  No

Significant deficiency(ies) identified that are not considered to be material weakness(es)?

Yes  None Reported

Type of auditor's report issued on compliance for its major federal program:

*Unmodified Opinion*

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

Yes  No

***IDENTIFICATION OF MAJOR PROGRAM***

Federal Program

CFDA No.

Medical Assistance Program (Medicaid Cluster)

93.778

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

\$ 750,000

Auditee qualified as low-risk auditee?

Yes  No

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

None

**II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None

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

To the Finance Committee, Board Chair and Council Members  
**Children’s Services Council of Palm Beach County, FL**

***Report on the Financial Statements***

We have audited the financial statements of the Children’s Services Council of Palm Beach County (the Council), Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 11, 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 Major Federal Program and Report on Internal Control over Compliance Required By Uniform Guidance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; 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 schedules, which are dated March 11, 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 annual 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. The Council is a special independent taxing district authorized under the Laws of Florida Statutes Chapter 86-196. Also, as discussed in Note 1, the Council included Prevention Partnerships for Children, Inc. a not-for-profit 501(c)(3) corporation, as a blended component unit of the Council.

### ***Financial Condition and Management***

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

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

### ***Special District Component Units***

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

### ***Specific Information***

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 employees compensated in the last pay period of the Council's fiscal year as 98.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Council's fiscal year as 37.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of

contingency as \$8,940,608.

- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$2,271,490.
- e. Each 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 being reported, together with the total expenditures for such project as none.
- 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, as noted in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – General Fund.

***Specific Information for an Independent Special District That Imposes Ad Valorem Taxes***

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

- a. The millage rate or rates imposed by the Council as .6497.
- b. The total amount of ad valorem taxes collected by or on behalf of the Council as \$131,993,293.
- c. The total amount of outstanding bonds issued by the Council 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 Finance Committee, the Board Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Marcum LLP*

West Palm Beach, FL  
March 11, 2022



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO  
SECTION 218.415 FLORIDA STATUTES**

To the Finance Committee, Board Chair and Council Members  
**Children's Services Council of Palm Beach County**

We have examined Children's Services Council of Palm Beach County's (the Council) compliance with Section 218.415 Florida Statutes during the fiscal year ended 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 the Council complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Council complied, in all material respects, with Section 218.415 Florida Statutes for the year ended September 30, 2021.

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

*Marcum LLP*

West Palm Beach, FL  
March 11, 2022