

2021

Children's Services Council of Leon County

Financial Statements and
Independent Auditor's Report

September 30, 2021

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

CHILDREN'S SERVICES COUNCIL OF LEON COUNTY

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and the major fund of the Children's Services Council of Leon County (the Council) as of and for the five months ended September 30, 2021, and the related notes to financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

INDEPENDENT AUDITOR'S REPORT

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2023, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Purvis Gray

April 26, 2023
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights

Government-Wide Statements

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

Fund Statements

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide Financial Statements are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business.

- The Statement of Net Position presents financial information on all of the Council's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is strengthening or weakening.
- The Statement of Activities shows how the Council's net position changed during fiscal year 2021. All changes in net position are reported as soon as the event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accrued expenses).

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund Financial Statements

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

Governmental Funds

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-16 of this report.

Government-Wide Financial Analysis

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

Children's Services Council of Leon County Net Position

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

Governmental Activities

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

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

Fund Financial Analysis

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

Governmental Funds

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

General Fund Budgetary Highlights

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

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

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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

Assets

Current Assets:	
Cash and Cash Equivalents	\$ 11,545
Prepaid Expenses	12,000
Total Assets	<u>23,545</u>

Liabilities

Current Liabilities:	
Accounts Payable and Accrued Liabilities	47,333
Short-Term Loan Payable	60,000
Total Current Liabilities	<u>107,333</u>

Total Liabilities	<u>107,333</u>
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Net Position

Unrestricted	<u>(83,788)</u>
Total Net Position	<u>\$ (83,788)</u>

See accompanying notes.

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

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

See accompanying notes.

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

ASSETS

**General
Fund**

Assets

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

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable and Accrued Liabilities		47,333
Total Liabilities		<u>47,333</u>

Fund Balances

Non-Spendable:		
Prepaid Expenses		12,000
Unassigned		(35,788)
Total Fund Balances		<u>(23,788)</u>

Total Liabilities and Fund Balances	\$	<u>23,545</u>
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See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information of all activities of the Council.

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

Separate fund financial statements are provided for governmental funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

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

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

The Council reports the following major governmental fund:

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

Budgets and Budgetary Accounting

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

Capital Assets

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

Property Taxes

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

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

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

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

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

Cash and Cash Equivalents

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

Prepaid Expenses

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

Use of Estimates

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

Governmental Fund Balance

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

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

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

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

Note 2 - Deposits

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

Note 3 - Risk Management

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

Note 4 - Short-Term Debt

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

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

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

Note 5 - Subsequent Events

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

See accompanying notes.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Children's Services Council of Leon County (the Council) as of and for the five months ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated April 26, 2023.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



April 26, 2023
Tallahassee, Florida

MANAGEMENT LETTER

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

Report on the Financial Statements

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

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 26, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The name and legal authority for the Council were disclosed in the notes to the financial statements. There were no component units related to the Council.

Financial Condition

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

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Children's Services Council of Leon County
Tallahassee, Florida

MANAGEMENT LETTER

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

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

UNAUDITED

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

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

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

MANAGEMENT LETTER

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

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

Additional Matters

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

Purpose of this Letter

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



April 26, 2023
Tallahassee, Florida

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

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

We have examined the Children's Services Council of Leon County's (the Council) compliance with Section 218.415, Florida Statutes, during the year ended September 30, 2021. Council management is responsible for the Council's compliance with those requirements. Our responsibility is to express an opinion on the Council's compliance based on our examination.

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

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

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

In our opinion, the Council complied, in all material respects, with the aforementioned requirements during the five months ended September 30, 2021.

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



April 26, 2023
Tallahassee, Florida

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

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

Significant Audit Matters

Qualitative Aspects of Accounting Practices

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

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Children's Services Council of Leon County
Tallahassee, Florida

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

There were no uncorrected (passed) misstatements.

Disagreements with Management

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

Management Representations

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

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

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

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

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

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

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

Other Matters

We applied certain limited procedures to management’s discussion and analysis and the budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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



April 26, 2023
Tallahassee, Florida