

Children's Services Council of Martin County

ANNUAL FINANCIAL REPORT

September 30, 2025

Children's Services Council of Martin County

ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2025

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Children's Services Council of Martin County
Stuart, Florida

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of Children's Services Council of Martin County (the "Council"), as of and for the year ended September 30, 2025, and the related notes to financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2025, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts, and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements.

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

Such information is the responsibility of management and, 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 GAAS, 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 obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with Florida Statutes 218.39(3)(c) but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 23, 2026 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 and contracts and grant agreements and other matters.

The purpose of that report is 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.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

February 23, 2026

**Children's Services Council of Martin County
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2025**

Management's discussion and analysis of the financial statements for the Children's Services Council of Martin County (the "Council") provides a summary of the Council's activities for the fiscal year ended September 30, 2025. Management has prepared this Management's Discussion and Analysis, and is responsible for the completeness and fairness of this information. This discussion and analysis should be read in conjunction with the accompanying financial statements.

The accompanying financial statements include all activities and functions for which the Council has direct oversight responsibility and all funds of the Council.

FINANCIAL HIGHLIGHTS

- The assets of the Council exceeded its liabilities at the close of the fiscal year by \$16,648,841 (net position). This compares to the previous fiscal year when assets exceeded liabilities by \$14,936,106. Of this amount, \$1,980,333 is restricted in the form of capital assets and the balance is available to be used to meet the Council's ongoing obligation to citizens and creditors.
- The Council's total net position increased \$1,712,735 from September 30, 2024 to September 30, 2025.
- The Council levies taxes through the TRIM (Truth In Millage) process. Section 200.065, Florida Statutes establishes the annual process to set millage rates. For the fiscal year ended September 30, 2025, the millage rate was .3618 mills which produced \$12,184,413 in tax revenues compared to the previous fiscal year when tax revenues levied were \$11,080,566. Thus, \$1,103,847 or 9.96% more in tax revenues was received in Fiscal Year 2024/25 compared to Fiscal Year 2023/24. The Council maintained the millage rate for 2024/25 staying within its .5 mill cap anticipating stabilization of countywide property values.
- The millage rate approved for the fiscal-year ending September 30, 2026 remained set at .3618 and is estimated to provide \$1,499,043 or 12.30% more in ad valorem revenues in Fiscal Year 2025/26 than were received for Fiscal Year 2024/25, as a result of the anticipation of accelerated property values. The majority of the increased revenues were budgeted to be used to fund increased program services.
- The Council had Rental, Interest, and Miscellaneous Income totaling \$729,433 as described below:
 - Interest income on bank accounts of \$703,117.
 - Rental income of \$25,654.
 - Other miscellaneous revenues of \$662.

**Children’s Services Council of Martin County
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

FINANCIAL HIGHLIGHTS (CONTINUED)

- The total cost of the Council’s grant allocations for the fiscal year ended September 30, 2025 was \$9,096,673. This cost represents expenditures on local service programs and compares to \$8,000,940 expended on local service programs for the fiscal year ended September 30, 2024.
- Pursuant to Governmental Accounting Standards Board Statement No. 54 (“GASB 54”) the Council reports governmental fund balances as nonspendable, restricted, committed, assigned, or unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion is intended to serve as an introduction to the basic financial statements of the Children’s Services Council of Martin County. The Council’s basic financial statements are comprised of three integral components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. Each of these components is discussed in further detail in the following paragraphs. 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 government-wide statements include all assets and liabilities and use the accrual basis of accounting, which provides for recording revenues when earned and recording expenses when a liability is incurred, regardless of the timing of related cash flows. The government-wide financial statements include the *Statement of Net Position* and the *Statement of Activities*. These government-wide financial statements complement rather than replace traditional fund-based financial statements.

The *Statement of Net Position* is used to report all that the Council owns (assets) and owes (liabilities). The Council’s assets include financial resources such as cash and receivables. Also, included are capital assets such as land, buildings, and equipment. The Council’s liabilities include vendor payables, grants payable, and obligations incurred in connection with the Council’s operation (such as salaries payable and vacation leave/compensated absences payable). The difference between assets and liabilities is 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., uncollected taxes and earned but unused vacation leave).

**Children's Services Council of Martin County
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-wide Financial Statements (Continued)

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

In summary, the Statement of Net Position reports the Council's net position and the Statement of Activities reports the Council's changes in net position. The Council's net position (the difference between assets and liabilities) are one way to measure the Council's financial health or financial position. Over time, increases and decreases in the Council's net position are one indicator of whether financial health is improving or deteriorating. Other factors, such as changes in the Council's property tax base and the assessed millage rate will also, over time, help 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. *All of the funds of the Council are categorized as governmental funds.*

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

The Council's governmental fund statements include the *Balance Sheet*, the *Statement of Revenues, Expenditures, and Changes in Fund Balance*, and the *Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual*.

The governmental fund *Balance Sheet* reports only the financial assets associated with governmental activities. Financial assets include cash as well as other assets that will convert to cash in the short term such as receivables and investments. Governmental funds do not report capital assets, such as buildings and equipment, because such assets will be used in operations rather than converted to cash and are therefore, not spendable.

Liabilities are also recognized in governmental funds only to the extent that they are expected to affect a government's near-term financing needs. For example, the Council's liabilities for vacation leave and special termination benefits are not reported in governmental funds until the period when payment becomes due. The difference between assets and liabilities reported in a governmental fund is known as *fund balance*.

**Children's Services Council of Martin County
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (Continued)

Fund balance is the net resources of a government and an approximate measure of liquidity. Governmental fund balances are reported in five categories as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance includes amounts that are not available for spending such as prepaid items. Restricted fund balance is the portion that reflects resources that are subject to externally enforceable legal restrictions such as creditors or grantors. Committed fund balances are self-imposed limitations and assigned fund balances are set for an intended use; both of these fund balances may only be modified or rescinded by the governing ten-member Council by resolution. Unassigned fund balance is the portion of fund balance representing the amount that is not nonspendable, restricted, committed, or assigned. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The categorization of fund balance is intended to provide information useful to the financial statement reader in assessing the government's resource allocation plans.

The governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balance* is used to report all transactions, events, and interfund activity that increase or decrease fund balances.

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 governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund *Balance Sheet* and the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balance* provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

Notes to Financial Statements

The *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Budgetary Information

The budget is prepared and adopted after a public hearing, pursuant to Section 200.065, Florida Statutes.

The General Fund budget exceeded actual expenditures primarily because there were less grant expenditures than were anticipated.

**Children’s Services Council of Martin County
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2025.

- The Council's total assets exceeded total liabilities by \$16,648,841 (net position). Net investment in capital assets was \$1,980,333. Unrestricted net position was \$14,668,508.
- General revenues and program revenues totaled \$12,913,846, while general government and human services expenses totaled \$11,201,111.

Financial Analysis of the Council

The following schedule provides a summary of the assets, liabilities and net position of the Council.

	Net Position	
	<u>2025</u>	<u>2024</u>
Current assets	\$ 16,133,023	\$ 14,237,381
Capital assets	1,980,333	2,054,534
Total Assets	<u>18,113,356</u>	<u>16,291,915</u>
Current liabilities	1,344,739	1,237,924
Non-current liabilities	119,776	117,885
Total Liabilities	<u>1,464,515</u>	<u>1,355,809</u>
Net position - net investment in capital assets	1,980,333	2,054,534
Net position-unrestricted	<u>14,668,508</u>	<u>12,881,572</u>
Total Net Position	<u><u>\$ 16,648,841</u></u>	<u><u>\$ 14,936,106</u></u>

The increase in current assets and net position-unrestricted is primarily the result of revenues exceeding expenditures at the fund level.

The decrease in capital assets and net investment in capital assets is primarily due to depreciation in the current year.

The increase in current liabilities is primarily the result of an increase in grants payable due to the timing of reimbursement request submissions.

**Children's Services Council of Martin County
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

The following schedule provides a summary of the changes in net position of the Council.

Change in Net Position

	2025	2024
Revenues		
Program revenues		
Operating grants and contributions	\$ -	\$ 6,410
General Revenues		
Property taxes	12,184,413	11,080,566
Other general revenues	729,433	733,755
Total Revenues	12,913,846	11,820,731
Expenses		
General government	1,557,803	1,501,556
Human services	9,643,308	8,538,167
Total Expenses	11,201,111	10,039,723
Change in Net Position	1,712,735	1,781,008
Net Position - Beginning of Year	14,936,106	13,155,098
Net Position - End of Year	\$ 16,648,841	\$ 14,936,106

The increase in property taxes is due to the overall increase and stabilization in countywide property values with the Council maintaining its millage rate.

The increase in general government is mostly due to an increase in salaries and benefits expenses in the current year.

The increase in human services is primarily due to the increase in grant allocation awards.

**Children’s Services Council of Martin County
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the Council's capital assets as of September 30, 2025 and 2024:

<u>Description</u>	<u>2025</u>	<u>2024</u>
Land	\$ 535,410	\$ 535,410
Equipment	385,273	386,302
Building	2,145,390	2,145,390
Accumulated depreciation	<u>(1,085,740)</u>	<u>(1,012,568)</u>
Total Capital Assets (Net)	<u>\$ 1,980,333</u>	<u>\$ 2,054,534</u>

At the end of 2025, the Council had \$1,980,333 invested in capital assets including equipment, building, and land. This amount represents a net decrease of \$74,201, or 3.6 percent less than last year.

ECONOMIC FACTORS, NEXT YEAR’S BUDGET AND TAX RATES

The Council is responsible for and takes considerable care in setting the budget and the tax rate each fiscal year. This task involves determining community needs and anticipating ad valorem tax revenues.

The Council periodically performs formal needs assessments to determine community need. Need, however, is inherently learned in daily communication with funded programs and involvement by Council and staff in community organizations and initiatives. Anticipating ad valorem tax revenues is complex and requires attention to the local economy, the improvement of property in the community, and communication with the property appraiser. Ad Valorem revenues for the fiscal year reported herein indicate stabilized and increasing property values. A change in the current economic climate is difficult to predict. However, it is hopeful that Ad Valorem revenues at the current millage rate continue to improve in the near future years. The Council has maintained the provision of children’s services through its funded programs. The Council is committed to continue funding children’s programs. Maintenance and enhancement of programming in future years will be dependent on the availability of funds from annual revenue streams and reserves.

**Children's Services Council of Martin County
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

ECONOMIC FACTORS, NEXT YEAR'S BUDGET AND TAX RATES (CONTINUED)

The Council approved a budget utilizing a .3618 millage rate for the fiscal year ending September 30, 2026. This rate remains unchanged from the rate levied for the fiscal year ended September 30, 2025. It is anticipated that the .3618 millage rate will provide \$1,499,043 or 12.30% more in revenues in Fiscal Year 2025/26 than was received for Fiscal Year 2024/25.

The Council will need to continue its vigilance in assessing needs and resources in the community. While the Council has the authority to assess up to .5 mills, the current millage rate of .3618 leaves little flexibility in resources by way of increasing the millage rate.

The Children's Services Council of Martin County operates in accordance with Chapter 125.901 of the Florida Statutes.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Children's Services Council of Martin County. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Children's Services Council of Martin County; 101 Southeast Central Parkway, Stuart, Florida 34994. Further information about the Children's Services Council of Martin County can be found on the Council website: www.cscmc.org.

Children's Services Council of Martin County
STATEMENT OF NET POSITION
September 30, 2025

	Governmental Activities
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 15,971,618
Accounts receivable	126,234
Prepaid expenses	35,171
Total Current Assets	16,133,023
Non-current Assets	
Capital assets, not being depreciated	
Land	535,410
Capital assets, being depreciated	
Buildings	2,145,390
Equipment	385,273
Less: accumulated depreciation	(1,085,740)
Total Non-current Assets	1,980,333
Total Assets	18,113,356
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	98,960
Grants payable	1,171,007
Deposits payable	750
Accrued compensated absences	74,022
Total Current Liabilities	1,344,739
Non-current Liabilities	
Accrued compensated absences	119,776
Total Liabilities	1,464,515
 NET POSITION	
Net investment in capital assets	1,980,333
Unrestricted	14,668,508
Total Net Position	\$ 16,648,841

See notes to financial statements.

Children's Services Council of Martin County
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

	<u>Governmental Activities</u>
Expenses	
General government	\$ (1,557,803)
Human services	(9,643,308)
Total expenses	<u>(11,201,111)</u>
Net Program Expense	<u>(11,201,111)</u>
General Revenues	
Ad Valorem taxes	12,184,413
Rental income	25,654
Interest income	703,117
Miscellaneous income	662
Total General Revenues	<u>12,913,846</u>
Change in Net Position	1,712,735
Net Position - October 1, 2024	<u>14,936,106</u>
Net Position - September 30, 2025	<u><u>\$ 16,648,841</u></u>

See notes to financial statements.

**Children's Services Council of Martin County
BALANCE SHEET – GOVERNMENTAL FUNDS
September 30, 2025**

	General Fund
ASSETS	
Cash and cash equivalents	\$ 15,971,618
Accounts receivable	126,234
Prepaid expenses	35,171
Total Assets	\$ 16,133,023
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable and accrued expenses	\$ 98,960
Deposits payable	750
Grants payable	1,171,007
Total Liabilities	1,270,717
FUND BALANCES	
Nonspendable	
Prepaid expenses	35,171
Assigned	
Grants carryover to fiscal year 2026	12,398,783
Maintenance reserve	460,571
Operating reserve	570,949
Program growth	1,396,832
Total Fund Balances	14,862,306
Total Liabilities and Fund Balances	\$ 16,133,023

See notes to financial statements.

Children's Services Council of Martin County
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2025

Total Governmental Fund Balances	\$ 14,862,306
Capital assets, land \$535,410, buildings, \$2,145,390, and equipment, \$385,273, net of accumulated depreciation, \$(1,085,740), are not current financial resources, and therefore, are not reported at the fund level.	1,980,333
Accrued compensated absences are not due and payable in the current period and therefore, are not reported at the fund level.	<u>(193,798)</u>
Net Position of Governmental Activities	<u><u>\$ 16,648,841</u></u>

See notes to financial statements.

Children's Services Council of Martin County
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	General Fund
Revenues	
Ad Valorem taxes	\$12,184,413
Rental income	25,654
Interest income	703,117
Miscellaneous income	662
Total Revenues	12,913,846
Expenditures	
Current	
General government	1,476,450
Human services	9,643,308
Total Expenditures	11,119,758
Net change in fund balance	1,794,088
Fund Balances - October 1, 2024	13,068,218
Fund Balances - September 30, 2025	\$14,862,306

See notes to financial statements.

Children's Services Council of Martin County
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ 1,794,088
Governmental funds report capital outlay as an expenditure. In the Statement of Activities the cost of certain assets are allocated over their estimated useful lives and reported as depreciation. This is the amount of depreciation in the current period.	(74,201)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. This includes the current year net change of accrued compensated absences.	<u>(7,152)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,712,735</u></u>

See notes to financial statements.

Children's Services Council of Martin County
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GENERAL FUND – BUDGET AND ACTUAL
For the Year Ended September 30, 2025

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Ad Valorem taxes	\$12,138,192	\$12,138,192	\$ 12,184,413	\$ 46,221
Rental income	20,000	20,000	25,654	5,654
Interest income	655,000	655,000	703,117	48,117
Miscellaneous income	3,100	3,100	662	(2,438)
Total Revenues	<u>12,816,292</u>	<u>12,816,292</u>	<u>12,913,846</u>	<u>97,554</u>
EXPENDITURES				
Current				
General government	1,574,665	1,617,327	1,476,450	140,877
Human services	11,005,707	10,963,045	9,643,308	1,319,737
Capital outlay	20,000	20,000	-	20,000
Total Expenditures	<u>12,600,372</u>	<u>12,600,372</u>	<u>11,119,758</u>	<u>1,480,614</u>
Net Change in Fund Balances	215,920	215,920	1,794,088	1,578,168
Fund Balances - October 1, 2024	<u>524,911</u>	<u>524,911</u>	<u>13,068,218</u>	<u>12,543,307</u>
Fund Balances - September 30, 2025	<u>\$ 740,831</u>	<u>\$ 740,831</u>	<u>\$ 14,862,306</u>	<u>\$ 14,121,475</u>

See notes to financial statements.

CHILDREN'S SERVICES COUNCIL OF MARTIN COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Children's Services Council of Martin County (the "Council") is a special independent taxing district established under County Ordinance 348 in 1988 to improve the quality of life for all children in Martin County; its boundaries being coterminous with those of the county. The Council is governed by a ten-member Council which consists of the Superintendent of Schools, a local School Board member, a District Administrator from the Florida Department of Children and Families or his designee; one member of the Board of County Commissioners, and the 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 follows the standards promulgated by 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 routine operations of the agencies. Based upon application of these factors, the Council has concluded that it has no financial oversight responsibility for the various agencies and, therefore, their financial statements are excluded from the reporting entity. The Council has not identified any component units and is not a participant in any joint ventures.

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 all of the 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. 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 or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds.

CHILDREN'S SERVICES COUNCIL OF MARTIN COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter, to pay liabilities of the current period. For this purpose, the 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. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 October 1, 2024 through September 30, 2025 utilizing generally accepted accounting principles.

Capital Assets

Capital assets (property and equipment) are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. 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 of five to ten years for equipment and buildings for 39 years.

CHILDREN'S SERVICES COUNCIL OF MARTIN COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes for the current year were assessed and collected by the Martin County Tax Collector and subsequently remitted to the Council. 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 County Property Appraiser and County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit Children's Services Councils to levy property taxes at a rate of up to .5 mills (\$.50 per \$1,000 of assessed taxable valuation). The millage rate assessed by the Council for the year ended September 30, 2025 was .3618 mills.

The tax levy of the Council is established by the Council prior to October 1 of each year, and the 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 County Property Appraiser. The County mails to each property owner on the assessment roll a notice of the taxes due and the County also collects the taxes for the Council. Taxes may be paid upon receipt of such notice from the County, 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 year following the 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 material delinquent property taxes at September 30, 2025.

Grants and Grants Payable

The Council provides coordination, evaluation and funding of various programs for children which are administered by organizations throughout Martin County, Florida. Once the Council decides to fund a program, the Council executes a grant agreement with an administering organization (grantee). The grantee can then request cost reimbursements up to the total amount of the executed grant agreement on a monthly basis during the term of the grant as defined in the executed grant agreement. The grants payable at September 30, 2025 represents cost reimbursement requests submitted by grantees for costs incurred prior to September 30, 2025. No grants payable are recorded for amounts awarded through executed grant agreements for which cost reimbursement requests have not been made by grantees as of September 30, 2025.

CHILDREN'S SERVICES COUNCIL OF MARTIN COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Council implemented GASB Statement No. 101, Compensated Absences, which changes the accounting and financial report for compensated absences, effective for the fiscal year beginning October 1, 2024. This statement replaces GASB Statement No. 16 and provides updated guidance for recognizing and measuring liabilities related to compensated absences, such as vacation and sick leave. The Council has incorporated the provisions of GASB 101 prospectively and updated its financial reporting disclosures to reflect the new standard.

The Council recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulated and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment, subject to caps. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The Council's policy permits employees to accumulate earned but unused vacation leave, which is payable upon separation at the employee's current rate of pay, subject to a maximum payout of 240 hours. Employees accrue vacation leave monthly based on length of continuous service, ranging from one day per month during the first five years of service to higher accrual rates thereafter, up to a maximum of 20 days per year.

Sick Leave

The Council's policy permits employees to accumulate earned but unused sick leave without limit. Employees accrue 8 hours of sick leave per month. Upon separation, employees are entitled to payment for a specified percentage of accrued sick leave, paid at the employee's regular rate of pay, not to exceed 500 hours.

Cash and Cash Equivalents

Cash and cash equivalents, which are cash and short-term investments with maturities of three months or less, include cash on hand and in banks, repurchase agreements and cash placed with the State Treasurer's investment pool.

Governmental Fund Balance

The Council adopted a Fund Balance Policy to comply with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Governmental fund balances are reported as non-spendable, restricted, committed, assigned and unassigned.

CHILDREN'S SERVICES COUNCIL OF MARTIN COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balance (Continued)

- Nonspendable 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 has not been assigned to other funds and that has 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.

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

NOTE B – DEPOSITS AND INVESTMENTS

Statement of Policy

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

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

CHILDREN'S SERVICES COUNCIL OF MARTIN COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

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 Treasurer or banking institution eligible collateral. As of September 30, 2025, the Council's bank balance was \$3,298,625 and the carrying value was \$3,298,625.

The cash balance of the Council also included \$10,565,321 at September 30, 2025 for cash placed with the State Board of Administration and represents the Council's participation in the Local Government Surplus Trust Funds Investment Pool (Florida PRIME), which is measured at amortized cost. Florida PRIME has established policies and guidelines regarding participant transactions and the authority to limit or restrict withdrawals or impose a penalty for an early withdrawal. As of September 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that would limit daily access to 100 percent of the account value. Florida PRIME is rated AAAM by Standard and Poor's, and had a weighted average days to maturity of 47 days at September 30, 2025.

The cash balance of the Council also included \$2,107,472 at September 30, 2025 for cash placed with PFM Asset Management LLC, a subsidiary of U.S. Bancorp Asset Management, Inc. and represents the Council's participation in the Local Government Surplus Trust Funds Investment Pool (the Florida Public Assets for Liquidity Management or "FL PALM"), which is measured at amortized cost. FL PALM has established policies and guidelines regarding participant transactions and the authority to limit or restrict withdrawals or impose a penalty for an early withdrawal. As of September 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that would limit daily access to 100 percent of the account value. FL PALM is rated AAAM by Standard and Poor's, and had a weighted average days to maturity of 43 days at September 30, 2025.

Investments

The Council's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. Among other investments, the policy allows the Council to invest in repurchase agreements and the State Board of Administration Local Government Surplus Trust Funds, which are the only two vehicles the Council is currently utilizing.

The Council categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Council uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

CHILDREN'S SERVICES COUNCIL OF MARTIN COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that use the best information available under the circumstances, which includes the Council's own data in measuring unobservable inputs.

As of September 30, 2025, the Council did not hold any investments that meet the criteria described above.

Interest Rate Risk

The Council does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Council's investment policy limits its investments to high quality investments to control credit risk.

Custodial Credit Risk

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Council will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. The Council's investment in repurchase agreements is held by the investment's counterparty and not in the name of the Council.

NOTE C – RECEIVABLES

The majority of receivables are due from other governmental and grantee agencies. The Council has determined that an allowance for doubtful accounts is not necessary.

Receivables at September 30, 2025 consisted of the following:

Excess fees from tax collector and property appraiser	<u>\$ 126,234</u>
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CHILDREN'S SERVICES COUNCIL OF MARTIN COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE D – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Non-Depreciable Assets				
Land	\$ 535,410	\$ -	\$ -	\$ 535,410
Total Non-Depreciable Assets	<u>535,410</u>	<u>-</u>	<u>-</u>	<u>535,410</u>
Depreciable Assets				
Equipment	386,302	-	(1,029)	385,273
Buildings	2,145,390	-	-	2,145,390
Total Depreciable Assets	<u>2,531,692</u>	<u>-</u>	<u>(1,029)</u>	<u>2,530,663</u>
Less accumulated depreciation for:				
Equipment	(324,943)	(19,191)	1,029	(343,105)
Buildings	(687,625)	(55,010)	-	(742,635)
Total Accumulated Depreciation	<u>(1,012,568)</u>	<u>(74,201)</u>	<u>1,029</u>	<u>(1,085,740)</u>
Capital Assets, Net	<u>\$ 2,054,534</u>	<u>\$ (74,201)</u>	<u>\$ -</u>	<u>\$ 1,980,333</u>

Depreciation of \$74,201 was charged to general government for the year ended September 30, 2025.

NOTE E – ACCRUED COMPENSATED ABSENCES

Children's Services Council of Martin County recognizes accrued compensated absences liabilities in accordance with GASB Statement 101, *Compensated Absences*. Types of leave include annual leave and sick leave, subject to policy limitations and eligibility criteria.

Liabilities are measured using current pay rates and applicable payroll-related costs. Recognition is based on the likelihood of leave being used or paid, including historical usage patterns and retirement probabilities.

A summary of changes in accrued compensated absences for the year ended September 30, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	<u>\$ 186,646</u>	<u>\$117,676</u>	<u>\$(110,524)</u>	<u>\$ 193,798</u>	<u>\$ 74,022</u>

CHILDREN'S SERVICES COUNCIL OF MARTIN COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE F – 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 coverage to cover the various risks. There have been no significant reductions in insurance coverage and there were no claims or settled claims which exceeded insurance coverage in the last three years.

NOTE G – COMMITMENTS AND CONTINGENCIES

At September 30, 2025, the Council had tentatively approved funding for next year's programs in the amount of \$12,398,783.

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 bore to the total levied for the preceding year. The Council paid fees of \$105,550 to the Property Appraiser for the year ended September 30, 2025.

The Tax Collector's actual costs of collection must not exceed 2% of the tax revenues collected. The Council's charges for the year amounted to \$121,248 or 1% of tax revenues collected.

NOTE H – PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS

The Council provides a defined contribution pension plan sponsored by the Variable Annuity Life Insurance Company (VALIC).

A defined contribution pension plan provides pension 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 pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions and forfeitures of other participants' benefits that may be allocated to such participant's account.

The plan covers eligible employees who have completed at least 1,000 hours of service by their anniversary date and are at least 21 years old. Any service with an organization in the non profit health and social service field described in Section 501(c) of the code before employment with the Council will count as service for purposes of eligibility.

For each employee in the pension plan, the Council is required to contribute 15 percent of annual salary, exclusive of overtime pay. For the year ended September 30, 2025, the Council's required and actual contributions amounted to \$150,140.

CHILDREN'S SERVICES COUNCIL OF MARTIN COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE I – BOARD-ASSIGNED FUND BALANCE

The Council has conducted a study to estimate the future cost of potential major repairs and replacements that may be required. Based on that study, the Council has assigned fund balance as follows as of September 30, 2025:

Assigned - roof replacement	\$	155,535
Assigned - air conditioner		189,196
Assigned - parking lot		115,840
Assigned Maintenance Reserve	\$	<u>460,571</u>

The assigned fund balance for operating reserves is based on three months of operations as listed in the subsequent years budget and totaled \$570,949 at September 30, 2025.

The assigned fund balance for program growth is based on a percentage of the next year's expenditures related to the programs as listed in the subsequent years budget and totaled \$1,396,832 at September 30, 2025.

The Council provides coordination, evaluation and funding of various programs for children which are administered by organizations throughout Martin County, Florida in the program areas of Healthy Children, Strong Families, Safe Communities, Success in School and Life, and Early Learning and Development. As of September 30, 2025, \$12,398,783 has been assigned to be expended in accordance with the 2026 budget.



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

To the Council Members
Children's Services Council of Martin County
Stuart, 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 (*Government Auditing Standards*), the financial statements, as listed in the table of contents, of Children's Services Council of Martin County, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated February 23, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Children's Services Council of Martin County'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 Children's Services Council of Martin County's internal control. Accordingly, we do not express an opinion on the effectiveness of Children's Services Council of Martin County'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 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 or significant deficiencies may exist that were not identified.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

February 23, 2026



Berger, Toombs, Elam, Gaines & Frank

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MANAGEMENT LETTER

To the Council Members
Children's Services Council of Martin County
Stuart, Florida

Report on the Financial Statements

We have audited the financial statements of the Children's Services Council of Martin County as of and for the year ended September 30, 2025, and have issued our report thereon dated February 23, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the 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 our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals 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 February 23, 2026, 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 made to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the preceding financial audit report.

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not Children's Services Council of Martin County 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 Children's Services Council of Martin County 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 Children's Services Council of Martin County. It is management's responsibility to monitor Children's Services Council of Martin County's financial condition; and our financial condition assessment was based in part on the representations made by management and the review of the 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.

Specific Information

The information below was provided by management and has not been audited by us; therefore, we do not express an opinion or provide any assurance on the information.

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

- 1) The total number of Council employees compensated in the last pay period of the Council's fiscal year as: 15
- 2) The total number of independent contractors, to whom nonemployee compensation was paid in the last month of the Council's fiscal year as: 0
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: \$1,179,651.26
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$0
- 5) 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, 2024, together with the total expenditures for such project as: N/A
- 6) 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: The Council amended the budget, see comparison of the original adopted budget to actual activity below.

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

	Original Budget	Actual	Variance with Original Budget Positive (Negative)
Revenues			
Ad Valorem taxes	\$ 12,138,192	\$ 12,184,413	\$ 46,221
Rental income	20,000	25,654	5,654
Interest income	655,000	703,117	48,117
Miscellaneous income	3,100	662	(2,438)
Total Revenues	<u>12,816,292</u>	<u>12,913,846</u>	<u>97,554</u>
Expenditures			
Current			
General government	1,574,665	1,476,450	98,215
Human services	11,005,707	9,643,308	1,362,399
Capital outlay	20,000	-	20,000
Total Expenditures	<u>12,600,372</u>	<u>11,119,758</u>	<u>1,480,614</u>
Net changes in fund balance	<u>215,920</u>	<u>1,794,088</u>	<u>1,578,168</u>
Fund Balances - October 1, 2024	<u>524,911</u>	<u>13,068,218</u>	<u>12,543,307</u>
Fund Balances - September 30, 2025	<u>\$ 740,831</u>	<u>\$ 14,862,306</u>	<u>\$ 14,121,475</u>

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, Children's Services Council of Martin County reported:

- 1) The millage rate of ad valorem taxes imposed by the Council was \$0.3618 per \$1,000 of taxable property value.
- 2) The total amount of ad valorem taxes collected by or on behalf of the Council was \$12,184,412.63.
- 3) The total amount of outstanding bonds issued by the Council and the terms of such bonds are as follows: N/A – no outstanding bonds.

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 fraud, waste, or abuse, that has occurred or is likely to have occurred, that has 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.



Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

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

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 Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Berger Toombs Elam
Gaines + Frank*

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Certified Public Accountants PL
Fort Pierce, Florida

February 23, 2026



**Berger, Toombs, Elam,
Gaines & Frank**

Certified Public Accountants PL

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**INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Council Members
Children's Services Council of Martin County
Stuart, Florida

We have examined Children's Services Council of Martin County's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2025. Management is responsible for Children's Services Council of Martin County's compliance with those requirements. Our responsibility is to express an opinion on Children's Services Council of Martin County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, including examining, on a test basis, evidence about Children's Services Council of Martin County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Children's Services Council of Martin County's compliance with the specified requirements.

In our opinion, Children's Services Council of Martin County complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2025.

*Berger Toombs Elam
Gaines + Frank*

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